

Environmental Economics for the Citizen

INSTRUCTOR: Nathan P. Goodman

ECON 105-001

OFFICE LOCATION: Buchanan Hall (formerly Mason Hall) D134-5

Fall 2020

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Buchanan Hall (formerly Mason Hall) D001

OFFICE HOURS: Monday and Wednesday, 12:30pm to 2pm

MW: 9:00-10:15AM

Note for office hours: My desk is in Buchanan Hall, Suite D101. Look for signs that say “F. A. Hayek Program” or “Mercatus Center,” which are the same place. Use the main entrance of the Mercatus Center, then turn left at the reception desk. Continue until you see a large room with several rows of desks. My desk is D134-5, which is in the middle of the second row. If scheduled office hours don’t work, please feel free to reach out and make an appointment.

1. COURSE DESCRIPTION

Economics is the science of choice. In this course, we will explore how the economic way of thinking applies to various environmental issues. A variety of policies have been proposed for dealing with these issues, and this course will help you assess the consequences, costs, and benefits of these policies.

The economic way of thinking applies to human behavior across a wide range of domains, not just environmental issues. The tools you learn in this course will enhance your understanding of environmental issues, but they are also useful for understanding society writ large.

2. REQUIRED MATERIALS

Students will need to buy, rent, or borrow the following book:

- Terry L. Anderson and Donald R. Leal. 2015. *Free Market Environmentalism for the Next Generation*. New York: Palgrave Macmillan.

Additionally, short readings/videos/podcasts will be assigned during the semester as supplements to the main textbook, but these will be accessible online or on Blackboard. The links to the readings/videos/podcasts are listed in the schedule later in this syllabus.

3. CLASS STRUCTURE

This course will consist of lecture and class discussion. The lectures and discussions are a way to learn and practice the economic way of thinking. All discussions will be framed around economic principles. Active participation in the class is encouraged and expected. There are no prerequisites for this class.

Diversity is one of GMU’s core values. This class will support a diversity of perspectives, so please remember to be respectful of your classmates.

4. LEARNING OBJECTIVES

This course fulfills a Mason Core Exploration requirement in Social and Behavioral Sciences. Students in these courses should learn to:

1. Explain how individuals, groups or institutions are influenced by contextual factors;
2. Demonstrate awareness of changes in social and cultural constructs;
3. Use appropriate methods and resources to apply social and behavioral science concepts, terminology, principles and theories in the analysis of significant human issues, past or present.

In addition, this course fulfills a Mason Core Engagement requirement in Sustainability. Students who take these courses should be able to:

1. Characterize the meaning of sustainability (including its focus on fulfilling needs and its social, economic and ecological dimensions).
2. Distinguish sustainable from unsustainable human activities and practices.
3. Integrate concepts and principles of sustainability to analyze and address complex societal issues.
4. Present working knowledge of the University's sustainability history, goals, initiatives and pertinent decision-making processes.
5. Demonstrate the ability to lead and apply sustainability knowledge to make a positive societal impact on campus and/or in our community.

There are several other things I hope that you will learn from this course. Students who complete this course should be able to:

1. Understand the economic way of thinking.
2. Apply the economic way of thinking to a variety of environmental and social issues.
3. Analyze the incentives public policies create, and the unintended consequences that can result.
4. Understand the role of property rights in human interactions, particularly those involving environmental issues.

5. SCHEDULED OUTLINE OF COURSE EVENTS

I reserve the right to make adjustments if it becomes necessary, but I will limit changes as much as possible. If a change to the schedule occurs, I will post an announcement in Blackboard, so please be sure to check Blackboard regularly.

Week 1 - Introduction to Economics

August 26 - Class Orientation and The Economic Way of Thinking

August 28 - Basic Economic Principles - Rational Choice and Incentives

- “Incentives Matter” by Russell Roberts
<https://www.econlib.org/library/Columns/y2006/Robertsincentives.html>
- “The Demand Curve,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/demand-curve-shifts-definition>
- “The Supply Curve,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/supply-curve-definition-example>

Week 2 - Basic Economic Principles

September 2- NO CLASS Labor Day

September 4 - Basic Economic Principles – Supply and Demand

- “Equilibrium Price and Quantity,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/equilibrium-price-supply-demand-example>
- “A Deeper Look at the Demand Curve,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/demand-curve-consumer-surplus-definition>
- “The Demand Curve Shifts,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/demand-curve-shifts>
- “A Deeper Look at the Supply Curve,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/supply-curve-producer-surplus-definition>
- “The Supply Curve Shifts,” Marginal Revolution University video
<https://mru.org/courses/principles-economics-microeconomics/supply-curve-shift>

Week 3 - Basic Economic Principles – Marginalism, Unintended Consequences, and the Market Process

September 9 - Basic Economic Principles (Marginalism and Opportunity Cost)

- “Marginalism” by Steven E. Rhoads
<https://www.econlib.org/library/Enc/Marginalism.html>
- “Opportunity Costs: The Broken Window”
<https://www.youtube.com/watch?v=HR2mxZX1B9w>
- “Unintended Consequences” by Rob Norton
<https://www.econlib.org/library/Enc/UnintendedConsequences.html>

September 11 - Basic Economic Principles (The Market and the Price System)

- “I, Rose” – Marginal Revolution University video
https://www.youtube.com/watch?v=t3QMC_TeP-Q
- “A Price is a Signal Wrapped Up in an Incentive” – Marginal Revolution University video
<https://www.youtube.com/watch?v=aBYzvPbIFNw>

Week 4 – Externalities and Property Rights

September 16 - Externalities

- “Externalities: Prices Do Not Capture All Costs” by Thomas Helbing <https://www.imf.org/external/pubs/ft/fandd/basics/external.htm>
- “An Introduction to Externalities” – Marginal Revolution University video <https://www.youtube.com/watch?v=CpVf11f09Pk>

September 18 – Property Rights

- “The Role of Property Rights As An Institution: Implications for Development Policy” by Karol Boudreaux <https://www.mercatus.org/system/files/Property%20Rights.pdf>
- “Return to Thailand” by Merlin D. Tuttle http://www.batcon.org/resources/media-education/bats-magazine/bat_article/450

Week 5 - Private Sphere vs Public Sphere

September 23 – Public Choice

- “Public Choice,” By William F. Shughart II, <https://www.econlib.org/library/Enc/PublicChoice.html>
- “Virginia School of Political Economy I: An Introduction to Public Choice.” <https://www.youtube.com/watch?v=4XsR82AUBIc&t=>

September 25 - Comparative Institutional Analysis

- Free Market Environmentalism (FME) Chapter 1 Visions of Environmentalism

Week 7 - Ecology and Society Are Dynamic!

September 30

- FME Chapter 2 Rethinking the Way We Think

October 2

- “There Are No Natural Resources” by Don Boudreaux <https://www.aier.org/article/there-are-no-natural-resources>
- “Palm oil boycott could actually increase deforestation – sustainable products are the solution” by Eleanor Slade https://www.mpls.ox.ac.uk/mplsinsights/palm-oil-boycott-could-actually-increase-deforestation-2013-sustainable-products-are-the-solution?fbclid=IwAR3g12ZaDBuMB3wPNcQRjWDigFO1VMKFRD8Pa1jui_2i50_RGYINnBXslzI

Week 8 - Property Rights

October 7

- FME Chapter 3 Who Owns the Environment?

October 9 - First op-ed assignment is due at the beginning of class (no reading reaction)

- “Terry Anderson on the Environment and Property Rights,” EconTalk podcast, <http://www.econtalk.org/terry-anderson-on-the-environment-and-property-rights/>

Week 9 - Midterm

October 14– NO CLASS (FALL BREAK)

October 15— Tuesday class

- “Saving African Rhinos: A Market Success Story,” by Michael 't Sas-Rolfes and edited by Laura Huggins, <https://www.perc.org/wp-content/uploads/old/Saving%20African%20Rhinos%20final.pdf>

October 16

- **Midterm exam**

Week 9 - Public Lands, Public Problems

October 21

- FME Chapter 4 This Land Is Whose Land?

October 23

- “Is Yellowstone National Park In Danger Of Being 'Loved To Death'?” NPR from April 18, 2016, <https://www.npr.org/2016/04/18/474658536/is-yellowstone-national-park-in-danger-of-being-loved-to-death>

Week 10 - What to Do About Energy

October 28

- FME Chapter 5 Prospecting for Energy and the Environment
- “The Defense Department is Worried About Climate Change—and Also a Huge Carbon Emitter,” by Neta C. Crawford *The Conversation* <https://theconversation.com/the-defense-department-is-worried-about-climate-change-and-also-a-huge-carbon-emitter-118017>

October 30

- “Regulating Monopolies: A History of Electricity Regulation” by Lynne Kiesling in conjunction with Learn Liberty, <http://www.learnliberty.org/videos/regulating-monopolies-history-electricity-regulation/>
- “Friendly Policies Keep US Oil and Coal Afloat Far More Than We Thought,” by David Roberts, *Vox* <https://www.vox.com/energy-and-environment/2017/10/6/16428458/us-energy-coal-oil-subsidies>
- “How Can We Address Climate Change? Here Are Three Ideas” by Art Carden <https://www.independent.org/news/article.asp?id=10588>

Week 11 - Water Scarcity and Water Markets

November 4

- FME Chapter 6 Tapping Water Markets

November 6

- “David Zetland on Water,” EconTalk podcast, <http://www.econtalk.org/david-zetland-on-water/>

Week 12 – Fisheries and the Commons

November 11

- FME Chapter 7 Fencing the Fishery

November 13

- “The Tragedy of the Commons” - Marginal Revolution University video, <https://www.youtube.com/watch?v=bs2P0wRod8U>
- “Elinor Ostrom | Women in Economics” – Marginal Revolution University video, <https://www.youtube.com/watch?v=BDEAgmklNyE>

Week 13 - Community-Based Solutions

November 18 - Second op-ed assignment is due at the beginning of class (no reading reaction)

- FME Chapter 8 Calling on Communities

November 20

- “Interview with Nobel prize winner Elinor Ostrom on climate change,” *Irin News*, <http://www.irinnews.org/feature/2012/04/25>
- “It Takes a Village” by Kirsten Lear, *Bat Conservation International* <http://www.batcon.org/resources/media-education/news-room/the-echo/1128-it-takes-a-village?highlight=WyJjb21tdW5pdHkiXQ==>

Week 14 – NO CLASS

November 25 – NO CLASS, Southern Economic Association meeting

November 27 – NO CLASS, Thanksgiving break

Week 15 - Entrepreneurs Meet Environmental Problems

December 2

- FME Chapter 9 Enviropreneurship in Action

December 4

- FME Chapter 10 Frontiers of Free Market Environmentalism

Week 16 - Final Exam Week

December 16 – FINAL EXAM: 7:30am to 10:15am

6. GRADING AND ASSIGNMENTS

Grades will be based on the following:

- Reading Reactions (30% of total grade)
- Op-ed Writing Assignments (20% of total grade)
- Midterm Exam (20% of total grade)
- Final Exam (30% of total grade)

Grading Scale

A+	97-100	B+	87-89	C+	77-79	D	60-69
A	93-96	B	83-86	C	73-76	F	<60
A-	90-92	B-	80-82	C-	70-72		

(Grades will be rounded to the nearest whole number. For example, an 89.5 will be rounded to a 90).

Reading Reactions: Short reading reactions will be administered at the beginning of every class throughout the semester, **starting August 28th**. The reading reactions are meant to demonstrate your engagement with the readings as listed above. Come to class prepared to write about and discuss the readings that are listed for each day in the scheduled outline of course events. For example, there are two videos and one reading listed on August 28th. The reading reaction on August 28th will pertain to these.

There are no makeup reading reactions, and students must be on time to receive a reading reaction. Once collected, reading reactions will not be distributed to latecomers. No reading reactions will be administered on exam days or days when op-ed assignments are due.

The four lowest reading reaction grades will be dropped at the end of the semester to provide some flexibility.

Op-ed Writing Assignments: You are assigned to write two op-eds in the semester. The purpose of these op-eds is for you to apply the economic way of thinking to a current event on an environmental topic. These op-eds are a chance for you to share your opinion that is informed by economic thinking. Grades will not be based on your opinion, but will be based on your ability to persuasively use the economic way of thinking to demonstrate why your opinion is valid. Op-eds are a chance to be creative and show your personality. Using the economic way of thinking does not mean that writing has to be boring. One op-ed is due at the beginning of class on **October 9th**, and the other is due at the beginning of class on **November 18th**. Please email op-eds to ngoodman@gmu.edu.

More specific instructions and a rubric for the op-ed assignments will be made available early in the semester. The instructions/rubric will allow students to know what is expected in the op-ed assignments and how they are going to be graded. **No late op-ed writing assignments will be accepted**, so please be proactive and manage your time accordingly.

Midterm Exam: The purpose of the midterm exam is to demonstrate an understanding of the economic principles that have been taught to that point. The exam will consist of short-answer questions and essay questions. The topics covered on the test will be based on the readings and the class lecture/discussion. No cell phones, computers, or other devices that can connect to the internet are allowed to be used during exams. Make-up midterm exams will only be given to students who contact me about an emergency before the exam or who can provide documentation of an unforeseen emergency.

Final Exam: The purpose of the final exam is to demonstrate a comprehensive understanding of economic principles that were taught throughout the course. The exam will consist of short-answer questions and essay questions. The topics covered on the test will be based on the readings and the class lecture/discussion. No cell phones, computers, or other devices that can connect to the internet are allowed to be used during exams. There will be no make-up final exams, except for extreme circumstances that will be decided on a case-by-case basis.

7. IMPORTANT DATES

Last day to add classes: **September 3**

Last day to drop with no tuition penalty: **September 9**

Withdrawal Period: **September 18 – September 30**

First op-ed due: **October 9th**

Midterm Exam: **October 16**

Second op-ed due: **November 18th**

Final Exam: **December 16**

8. DISABILITY ACCOMMODATIONS

If you have a documented disability or other condition that may require accommodations you should: 1) make sure this documentation is on file with Disability Services (SUB I, Rm. 4205; 993-2474; <http://ds.gmu.edu>) to determine the accommodations you need; and 2) talk with me to discuss your accommodation needs. Provided they are appropriately documented, your disability accommodations can override other portions of this syllabus.

9. EMAILS AND STUDENT PRIVACY

I will be emailing students at their GMU email addresses if updates to the class schedule and assignments are needed. Students are responsible for checking this email regularly. *Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.*

10. ACADEMIC INTEGRITY

The integrity of the University community is affected by the individual choices made by each of us. Mason has an Honor Code with clear guidelines regarding academic integrity. Three fundamental and rather simple principles to follow at all times are that: (1) all work submitted be your own; (2) when using the work or ideas of others, including fellow students, give full credit through accurate citations; and (3) if you are uncertain about the ground rules on a particular assignment, ask for clarification. No grade is important enough to justify academic misconduct. Plagiarism means using the exact words,

opinions, or factual information from another person without giving the person credit. Writers give credit through accepted documentation styles, such as parenthetical citation, footnotes, or endnotes. Paraphrased material must also be cited. More information on the Honor Code may be found at <https://oai.gmu.edu/mason-honor-code/>

Another aspect of academic integrity is the free play of ideas. Vigorous discussion and debate are encouraged in this course, with the firm expectation that all aspects of the class will be conducted with civility and respect for differing ideas, perspectives, and traditions. When in doubt (of any kind) please ask for guidance and clarification.

11. SEXUAL HARASSMENT, SEXUAL MISCONDUCT, AND INTERPERSONAL VIOLENCE

George Mason University is committed to providing a learning, living and working environment that is free from discrimination and a campus that is free of sexual misconduct and other acts of interpersonal violence in order to promote community well-being and student success. We encourage students who believe that they have been sexually harassed, assaulted or subjected to sexual misconduct to seek assistance and support. [University Policy 1202: Sexual Harassment and Misconduct](#) speaks to the specifics of Mason's process, the resources, and the options available to students.

Notice of mandatory reporting of sexual assault, interpersonal violence, and stalking: As a faculty member, I am designated as a "Responsible Employee," and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason's Title IX Coordinator per University Policy 1412. You may seek assistance from Mason's Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason's confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

12. REPETITION FOR CREDIT

There is a limit of three graded attempts for this course. A W does not count as a graded attempt. Please see AP. 1.3.4 in the University Catalog and consult with your academic advisor if you have any questions.

For extra credit, please email me a cute picture of a dog or cat before Wednesday, August 28th