

BPOLST 583/BIS 493

Economic Development and the Natural Environment

Autumn 2007

Mondays, 5:45-10:05, UW1- 315

Instructor:

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Office hours: Wednesdays 12:00 – 2:00 PM and by appointment.

Course description

This course examines two concepts that are closely intertwined in every society and often perceived as limiting one another. Economic development is considered to be the key component of any society's survival, yet it is seen as inseparably linked to natural resource overuse and pollution. Private property as a right to possess and use something is perceived to be the key to successful economic development. On the other hand, it is often identified as a key reason for environmental degradation and a failure to enforce environmental policy. A different perspective on these linkages postulates that clearly defined property rights to natural environment actually allow for economic development without environmental deterioration. This course sets to explore the relationships between these core concepts to devise new policy instruments that could address the above conflicts. The course focuses on the above dilemmas and debates primarily in the United States. We will also briefly study the experiences of India, China, Nigeria, Mexico, EU, and Central European countries that recently joined the EU.

Course Objectives

The aim of the course is twofold. First, it provides an analytical framework that allows students to examine the sources of the conflict between economic development and the natural environment. In the first few weeks of the course, we will review the basic underpinnings of property rights, markets, commodities exchanged in the market, as well as basic underlying institutions related to economic development. Second, the course provides students with ample opportunity to experiment with a variety of approaches societies can take to resolve conflicts between economic development and natural environment.

I use a seminar approach. I expect students to read the assigned readings prior to the class. This provides for more focused and productive discussion in which core problems and solutions can be clarified, addressed, and evaluated. You will be able to reflect on the assigned readings in short weekly memos. Further, you will design a solution for an actual economic development/natural environment problem.

The course is offered to advanced undergraduate students and graduate students. Most of the readings will overlap, however I have assigned some more technical and policy oriented readings to graduate students. Both undergraduate and graduate students will be expected to complete the same assignments. However, graduate students will be expected to devise policy solutions that reflect the reality of the economic, political, and legal environments in the U.S. whereas undergraduate students will be encouraged to experiment with problem solutions without being too concerned about their political and legal feasibility.

This course will help students develop skills to:

- (1) identify major building blocks of a well-functioning market and economic development;
- (2) understand potential trade-offs between the natural environment and international trade;
- (3) understand and critique market instruments currently implemented in environmental policy;
- (4) identify constituencies involved in economic development/natural environment conflicts, determine their respective priorities, and postulate the elements of their negotiation space;
- (5) design an innovative policy approach to address the above controversies;
- (6) persuasively communicate orally and in a written form.

Required Readings

See the alphabetic list of readings at the end of the syllabus. All required readings will be available electronically either through the Electronic Reserves (<http://library.uwb.edu/reserve.html> ; see courses BIS493C or BPOLST583) or through the electronic journal access at the UWB/CCC library. Please note that you will need your UW NetID to access either source. If you do not have a UW NetID, please find instructions at: <http://www.washington.edu/computing/uwnetid/> .

Online Course Communication and File Exchange

To be able to access the Economic Development and the Environment Fall 2007 Blackboard site (<http://bb.bothell.washington.edu/>), you will first have to create a Blackboard account and enroll in Blackboard site for this class. See the guidelines on how to create and account in Blackboard at <http://www.uwb.edu/computing/students/studentacct.shtml>

You will electronically submit all assignments as a word file through “Digital drop box” tool at the Blackboard site. Post your memo using the SEND File option, NOT the ADD file option. Students encountering problems accessing Blackboard site should contact the UWB Information Systems at 425-352-5275 or helpdesk@bothell.washington.edu.

Style Manual

Please follow the APA manual for style requirements. These include among others: (1) Typed double spaced, at least 11 point font; (2) One inch margins; (3) Correct spelling; (4) APA citation guide; (5) Page number. For more detailed guidelines, see *American psychological association publication manual* (5th ed.). (2001). Washington, DC: American Psychological Association. (available at the UWB/CCC library writing reference desk-library use only).

Assignments, Evaluation, and Grading

Evaluation and Grading

All assignments in this class are individual. Students are expected to submit their assignments electronically on the class Blackboard site. We will, however, also extensively rely on in-class discussion. This will provide you with ample opportunities to obtain feedback on your learning process both from me and from your peers.

Assignment	Number of assignments	Points per assignment	Total points
Weekly memos	6	5	30
Country Description	1	20	20
Country Presentation	1	5	5
Environmental Case solution	1	25	25
Environmental Case Presentation	1	5	5
Participation in Class Discussions			15
TOTAL			100

Weekly memos

You will write 6 two-page double-spaced memos reflecting on readings assigned for the week for which you submitting the memo. The memos will give you an opportunity to reflect upon the facts, arguments, and open issues addressed in the readings. I encourage you to include real-life examples of the issues you are raising in your memo. Those can be based on what you read in newspapers, journals, or have studied in other courses. I will evaluate memos based on two criteria: (1) whether they include all related concepts/arguments from the readings and (2) how clearly they present the concepts/arguments. You will submit the memo through Blackboard Digital Dropbox on Sundays by 11:00 PM.

Country Description/Presentation

You will write a report outlining a country's immediate (for the next 4 years) and long-term (the next 20 years) limitations to economic development. In your report, you will focus on the relationship between economic development and the natural environment.

To do so, you will examine the broader economic and political issues at the domestic and international level as well as demographic and sociological changes taking place in the country. You will present your report to the class as well as submit a written 6-8 page double-spaced report. I will evaluate the assignment based on the following criteria: (1) Does it include all country's major environmental problems? (2) Does it include the major sources of economic development in the country? (3) Does it reflect the country's place in the global market? and (4) Does it reflect the global/regional laws and agreements impacting economic development and environmental protection? (5) Does it follow the length/style guidelines? (6) How clearly are the above issues conveyed? (7) Does it incorporate peer-feedback?

Countries:

China, India, Mexico, Nigeria, Poland, Russia, Czech Republic, Germany, United States.

Environmental Case Solution

You will select/identify an environmental challenge in the U.S. and make a recommendation on how to resolve the conflicts between economic development, protection of private property and free markets, and or protection of the natural environment. You will write a 6-8 (undergraduate students); 8-10 (graduate students) page double spaced report providing background information on the case, the scope of the conflicts, and the recommended solution for the problem. The objective of this assignment is to apply the analytical framework developed in the class to examine the major sources of the conflict, identify the major actors involved in the problem, study their preferences for a particular solution to this problem, and based on the above propose a policy solution. I encourage undergraduate students to experiment with creative and innovative policy solutions without addressing the reality of implementing such policies. Graduate students, however, will have to propose a solution for the case and address the issues of its implementation in the current economic, political, and legal environments. You will all be able to share and discuss your solutions with the class prior to submitting the final assignment.

I will grade the environmental case solution based on the following criteria: (1) Does it include all major actors involved in the conflict? (2) Does it identify and address the sources of the conflict(s) and the actors' preferences? (3) Does the proposed solution address the problem and reflect the actors' preferences? (4) Does the assignment incorporate peer-feedback? (5) How clearly are the above issues conveyed? For graduate students, I will also evaluate how the assignment addresses the economic, political, and legal feasibility of the solution.

Feel free to select a case from the below list. You may also identify your own environmental challenge at the national level, in Washington State, or in the region.

1. Kelo vs. the City of New London

The case examines when private property rights may be in conflict with economic development. A particular solution was chosen by the city government to resolve this conflict, but subsequently challenged in court. Students interested in this case will be expected to find an alternative solution to this problem.

2. Quendall Terminal in Renton

This and the next case examine two cases from Seattle metro area. The Quendall Terminal in Renton case illustrates the legacy of economic development based on high output of toxic materials. The problem here is 25 acres of shoreline severely polluted from a previous owner. The question now arises as to how to clean-up and then re-develop the property.

3. Puget Sound Clean up

This case illustrates a conflict between economic development and natural environment at a regional level. Initial estimates suggest that the cost of the clean-up may be as high as \$10 billion. The question then is how to finance this project. Even if the cities in the region get the federal EPA to cover a share of the cost, the question remains how to finance the rest.

4. Sustainability Policies at the City Level

While our behavior increasingly has important global negative impacts, one could argue that our behavior is situated in our local communities and that no global or national policy will succeed unless its local roots are addressed. What is then the role of city governments or local communities in setting priorities for economic development and the environment? Is it merely smart growth, local transportation, and toxic waste disposal? How do cities set their developmental and environmental priorities? This case will examine what puts Seattle at the top of the sustainable cities list?

5. Restricting the Use of Private Property

Agricultural land in proximity of cities provides important environmental functions. In order to protect those public goods, regulating agencies tend to restrict the types of use of such land. This reduces the value of the land that owners can capture. Recognizing this loss of value, a “takings” law was enacted to protect land owners from potential federal regulations. However, this law inadequately addresses the issues at the state or local level. What options do state and local governments have to protect the environmental quality as well as private property? In this case, students may want to review the King County Transfer of Development Rights approach or the issues pertaining to the Washington State 2006 Initiative to the People Number 933.

6. Global Climate Change Policies at the State Level

On the face of it, a State-level global climate change policy is a development suicide. States are in fierce competition for private business investment. To lure private business to a state, they create economic zones with a variety of instruments that are aimed at reducing private costs. On the other hand, global climate change policies can be extremely costly, especially those that set a cap on greenhouse gas emissions. The question then is what type of global climate change policies states can adopt. In this case, students may wish to review Renewable Portfolio Standards, energy efficiency regulations, green electricity certificates, or greenhouse gas emissions regulations.

Participation in Class Discussions

I expect students to actively participate in this class. You will have the opportunity to participate in discussions of the assigned readings and to provide feedback to the colleagues presenting their individual work. I will grade participation based on the following criteria:

- A: the student makes important contributions to class discussion, provides correct and concise explanations, asks penetrating questions, and provides clear evidence of having read and thought through and beyond the material. A student making this type of contribution will typically have participation grades between 12 and 15 points depending on how regularly (s)he makes such contributions;
- B: the student contributes to class discussion, provides correct explanations, and asks questions beyond clarifying the readings. A student making this type of contribution will typically have participation grades between 11 and 8 points depending on how regularly (s)he makes such contributions;
- C: the student contributes sporadically to discussion, provides explanations that are more or less correct, and asks questions. A student making this type of contribution will typically have participation grades between 5 and 7 points depending on how regularly (s)he makes such contributions;
- D: the student rarely contributes, or rarely contributes helpfully, to the discussion. A student making this type of contribution will typically have participation grades between 1 and 4 points depending on how regularly (s)he makes such contributions.

Students with Disabilities

If you believe that you have a disability and would like academic accommodations, please contact Disability Support Services at 425.352.5307, 425.352.5303 TDD, 425.352.5455 FAX, or at dss@uwb.edu. You will need to provide documentation of your disability as part of the review process prior to receiving any accommodations.

Late Submission Policy

I expect students to submit the assignment by the specified deadlines. I will accept written assignments for a week after the deadline with a half-point penalty for each day the assignment is late. If you are not able to meet the deadline for medical reasons, please provide documentation from your doctor indicating the duration of the incapacitation.

Academic Honesty

I expect students to uphold the highest standards of academic conduct pursuant to the University of Washington Student Conduct Code, Section WAC 478-120-020-2(a). I expect that you are familiar with and adhere to the rules regulating academic conduct as outlined by the UW Bothell policies on maintaining academic integrity (<http://www.uwb.edu/students/policies/academicconduct.xhtml>). I encourage you to review the information on Avoiding Plagiarism on UWB/CCC library home page <http://www.bothell.washington.edu/library/guides/style.html>.

The memos, country reports, and the environmental case studies are expected to be students' original work. Incorrect or missing citations, use of other people's work, ideas, data, figures, and other published and unpublished material without acknowledging them correctly, copying portions of text from other authors, incorrectly paraphrasing other authors, or copying text from the internet constitute plagiarism. Any such or other activities of plagiarism will result in lost points for the assignment and will also initiate formal procedures as outlined in the UW Bothell student book.

Weekly Schedule			
Monday	Topic	Readings	Assignment Due
10/01	Development: - theories of development - the right to develop	Sen (Introduction, Ch. 1) Hardin Gwartney et. al Finkle World Summit	
10/08	Environment and Development - Resource needs - Environment as input - Environment as pollution sink - Sustainability	Smil Kuetting UNEP Vig and Kraft Dasgupta	Memo
10/15	Institutions - Property - Markets - Takings	Olson Ch. 1, 2, 10 North Ch. 12, 13 Landes Ch. 26	Memo
10/22	Business and Environment	Porter and Linde Berry and Rondinelli Reynolds	Memo
10/29	International Environmental Policy: Trade and Environment	Grossman and Krueger Barkin Neumayer Kubasek Ch. 11	Memo
11/05	The U.S. Environmental Policy Country Presentations	Findley and Farber Schoenbrod Kubasek Ch. 3 Portney	
11/12	UW Holiday; Class does not meet		Country Study due on Monday, 11/12 at 9:00 AM
11/19	Environment as a commodity - Allocation and enforcement - ERC and cap-and-trade	Tietenberg Cole CCX Quarterly Spring 06	Memo
11/26	Information based regulation	Boer Marshall and Brown Kolk	Memo
12/03	Voluntary codes Case Solutions	Humphreys Falkner Bartley Prakash and Potoski	Memo
12/10	Week of finals; class does not meet		Case solutions due on Monday, 12/10 at 9:00 AM

Required Readings on Electronic Reserve at the UWB/CCC Library
See courses BIS493C or BPOLST583

Electronic reserves can be accessed at <http://library.uwb.edu/reserve.html>. Please note that you will need your UW NetID to access Electronic Reserves.

Barkin, S. (2003). The Counterintuitive Relationship between Globalization and Climate Change. *Global Environmental Politics*, 3(3).

Bartley, (2003). Certifying Forests and Factories. *Politics & Society*, 31(3): 433-464.

Berry, M.A. & Rondinelli, D.A. (1998). Proactive corporate environmental management: A new industrial revolution. *Academy of Management Executive*. V12(2): 38-50.

Boer. (2003). Sustainability labeling schemes: the logic of their claims and their functions for stakeholders. *Business Strategy and the Environment*. 12(4).

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http://www.chicagoclimatex.com/news/publications/pdf/CCXQ_Spr06.pdf

Cole, D. H. (2002). Chapter 3: Mixed Property/regulatory regimes for environmental protection. In *Pollution and Property: Comparing Ownership Institutions for Environmental Protection* (pp. 45-66.). Cambridge, MA: Cambridge University Press.

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Dasgupta, P. 2005. Sustainable Economic Development in the World of Today's Poor. In R. D. Simpson, M. A. Toman and R. U. Ayres (Eds.), *Scarcity and Growth Revisited: Natural Resources and the Environment in the New Millennium* (pp. 267-282). Washington DC; Resources for the Future.

Falkner. (2003). Private Environmental Governance and International Relations: Exploring the Links. *Global Environmental Politics*. 3(2).

Findley, R.W. and D. A. Farber. (2004). Judicial Review of Government Decisions. In *Environmental Law in a Nutshell*. (pp. 1-20) Sixth Edition. .

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Finkle, J. (2005). State Economic Development Strategies: Job Growth and Retention in a Recovering Economy. *The Book of the States*. Vol. 37: 563-566.

Grossman and Kreuger. (1995). Economic Growth and the Environment. *Quarterly Journal of Economics*. 110:353-75.

Gwartney, J.D., R.G. Holcombe, and R. A. Lawson. 2004. "Economic Freedom, Institutional Quality, and Cross-Country Differences in Income and Growth." *Cato Journal*, Fall 2004. <http://www.cato.org/pubs/journal/cj24n3/cj24n3-2.pdf>

Hardin, G. (1968) Tragedy of the Commons. *Science*. 162(1968):1243-1248. Available at <http://dieoff.org/page95.htm>

Humphreys. (2004). Redefining the Issues: NGO Influence on International Forest Negotiations. *Global Environmental Politics*, 4(3).

Kolk. (2003). Trends in sustainability reporting by the Fortune Global 250. *Business Strategy and the Environment* 12 (5).

Kubasek, N. K. (2001). Chapter 3: Administrative Law and Its Impact on the Environment." In *Environmental Law*. (pp. 75-104) Fourth Edition. Upper Saddle River; Prentice Hall.

Kubasek, N. K. (2001).Chapter 11: International Environmental Law. In *Environmental Law*. (pp. 319-358). Fourth Edition. Upper Saddle River; Prentice Hall.

Kütting. (2003). Globalization, Poverty and the Environment in West Africa: Too Poor to Pollute? *Global Environmental Politics*, 3(4).

Landes, D.S. (1998) Chapter 26. Loss of Leadership. In *The Wealth and Poverty of Nations: Why some are so Rich and Some are so Poor*. (pp. 442-464). New York; W. W. Norton and Company Inc.

Marshall and Brown. 2003. "Corporate environmental reporting: what's in a metric?" *Business Strategy and the Environment*, 12(2).

Neumayer. 2004. The WTO and the Environment: Its Past Record is Better than Critics Believe, but the Future Outlook is Bleak, *Global Environmental Politics*, 4(4).

North, D.C. (1990) Institutions, Institutional Change and Economic Performance. Chapters 12, 13.

Olson M. (2000). Chapter 1. The Logic of Power. In *Power and Prosperity* (pp. 1-24). New York; Practice Books.

- Olson M. (2000). Chapter 2. Time, Takings and Individual Rights. In *Power and Prosperity* (pp. 25-43). New York; Practice Books.
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- Prakash, A. and M. Potoski. 2006. Introduction. In *The Voluntary Environmentalists: Green clubs, ISO14001, and Voluntary Environmental Regulations* (pp. 1-33). Cambridge, MA: Cambridge University Press.
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- Sen, Amartya. 1999. Chapter 1: The Perspective of Freedom. In *Development as Freedom* (pp. 13-34). New Work: Anchor Books.
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World Summit on Sustainable Development. 2002. 17th Plenary Meeting (PM) and Round-up. <http://www.un.org/events/wssd/summaries/envdevj35.htm>