# Ecological Economics in Historical Context

Environmental Economics and Policy 180 / Energy and Resources 180  
Spring 2009

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<th>Week# Dates</th>
<th>Title and Description of Lecture / Discussion</th>
<th>Required Readings</th>
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| #02 Jan 27 29 | **Early Economic Thought.** Economics largely evolved out of moral philosophy, but the French Physiocrats also made an early appeal to the laws of physics as a basis for understanding economic systems. Economics was political from the beginning. | Spengler, Joseph. 1968. Physiocratic Thought. IESS 4:443-446  
Smith, Adam. 1776. The Rent of Land: Conclusion (to Chapter XI of *The Wealth of Nations*).  
Viner, Jacob. 1968. Mercantilist Thought. IESS 4:435-442  
Viner, Jacob. 1968. Adam Smith. IESS 14:322-329  
Blaug, Mark. 1968. Thomas Malthus. IESS 9:549-552  
| #03 Feb 03 05 | **John Stuart Mill to Alfred Marshall.** After Ricardo, economics becomes infused both with the idea of progress and with utilitarianism. The rise of steam engines and the exhibition of new technologies at World Fairs combined with August Comte’s vision of sociology fuels the idea of progress. Mill had a utopian vision of a future steady state and his liberalism was far from libertarian. Marshall appeals to biological thinking as the appropriate basis for economics but never formalizes the argument. | State. Chapter VI of *The Principles of Political Economy*.  
Land in the Minds of early American Economists: Henry Carey, Henry George, Richard T. Ely. While American economists drew on economic thought in Britain and Europe, they frequently provided a special twist. First, there was an apparent abundance of land in the New World. Second, the New World was new and not constrained by European history (the doctrine of American Exceptionalism). Third, the New World had been on the receiving end of colonialism and was much the weaker economic power, so free trade was strongly questioned.


Marx, Marxists, and the Environment. Marxists critiqued environmental concerns when they arose in the late 1960s for diverting attention from the real problems of power and the exploitation of labor. Many thought Marx himself had not shown any environmental concern. Yet now “political ecology” blends concerns with power, exploitation, and nature. Furthermore, scholars are discovering that Marx really had written about the environment and had a systematic understanding of the relationship between people and nature.


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<td>Reducing an economic or ecological system to a set of equations means simplifying assumptions must be made that contradict with our rich understandings of reality. Thus, economists ignored the complications being discovered in the natural sciences as they formalized economics in mathematics. Yet formalizing things mathematically makes us understand how conclusions depend on assumptions and the nature of particular relationships in critical ways. Ecologists faced similar contradictions. Ecological economists seek the best of both approaches, but methodological pluralism has problems too.</td>
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<td>History did not unfold in a steady march of progress toward some utopian ideal. Rather, there were problems: monopoly power and concentrations of wealth, World Wars, the Great Depression, industrial pollution, urban sprawl, and the Cold War and the race to develop the world. These fostered a pragmatic liberalism among economists, the acceptance of a mix of private and public economic sectors, and market intervention to promote social and environmental ends. But as economists became government experts, they ignored their own theory with respect to equity, and this laid the groundwork for “free market economics” that promotes the interests of capitalists.</td>
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Developing the Globe, Accelerating Growth Domestically, and the Environment: Early Dissenters. The importance of economic growth, globally and domestically, after WWII propelled economists into starring roles. The System of National Accounts (GPA/GDP) was adopted as a standard measure of economic progress. Economists assumed “trickle down” would solve equity problems and strive to maximize growth, ignoring their own theory. Meanwhile, early ecological economists argued that pollution needed to be taken into account and that their were limits to growth.

Midterm Examination, March 19


Valuing Pollution, Parks and People: The Emergence of Environmental Economics and its Coevolution with the U.S. Environmental Protection Agency. Environmental economics has responded primarily to the needs of the USEPA and other agencies to put monetary values on pollution, parks, and people within a market perspective. Ecological economics broadens the perspectives and takes a pluralistic perspective to valuation. This, in turn, leads to alternative visions of how science relates to governance that move away from experts and single answers toward discursive democracy.

Discounting the Future. Sustainability is about the future, yet economists look at decisions today that impact on the future in terms of whether or not they are a good investment as determined by current financial markets. Future generations do not express their wishes in current markets, long-term financial instruments measure in mere decades, and if the economy is on an unsustainable course now, it is because current markets are providing the wrong signals.

The Economics of Care


### Trade, Sovereignty and the Environment

There are numerous competing arguments as to how globalization will affect jurisdiction over and management of resources and environmental quality and consequently on the quality of the environment and resource use itself. Most of these arguments are not mutually exclusive, while some clearly fit some situations (with respect to rich or poor nations, and particular resources) better than others. Thus it is very difficult to say anything general about this issue. Nonetheless, it is likely a very important issue.

- Daly, Herman E. 1993. The Perils of Free Trade (Originally published in Scientific American, summarized SSE)

### Confronting Over-Consumption

Neoclassical environmental economics takes consumer preferences as given, yet clearly preferences are influenced by evolving social norms, including norms of status, a desire for control in a world in which individuals have little control, and by macro conditions - sprawl, pollution, crime, etc. - that affect real needs and hence preferences. Ecological economists are exploring how consumption choices of individuals arise and how addressing consumption directly affects are understanding of environmental problems in the short and long run. Understanding over-consumption provides a new way of getting through material inequities within and between nations that currently make environmental policy making extremely difficult.


### Economics as Religion

The role of economics as a "secular religion" in modern society, its contradictions, and the changing relationships between science and religion generally in the 3rd millennium.


**Summary and Review of Course**


Abbreviations for Frequently Cited Works:


Web Resources: History of Economic Thought, Biographies of Economists, and Descriptions of Schools of Thought

http://cepa.newschool.edu/het/
http://www.frbsf.org/publications/education/unfrmd.great/greattimes.html

Course Requirements

5 short (800 to 1200 word) papers (40%), a midterm (20%), a final exam (30%), and class discussion participation (10%).

One of the short papers will be a review of a book written by an economist before 1970 and how it relates to ecological economics. One of the short papers will be an overview of the “life’s work” of “another” economist who primarily wrote before 1970 and how it relates to ecological economics. The other three papers will pursue an argument, theme, etc. from the lectures and required readings more deeply (perhaps by drawing on the supplementary readings). The papers can be written in any order and are due at 5pm on Friday of the 6th, 8th, 10th, 12th, and 14th weeks, submitted by email to the reader and professor. Papers may be submitted ahead of schedule.

NOTE BENE: Please write your papers as an individual, but you will find it very helpful to discuss your ideas for your paper with other students as a way of making sure you are on track and on your way toward a coherent argument. Then, complete a good draft a day or two ahead of the deadline and have another student, or two, read it, critique it, indicate how it can be improved, etc. This is how professors write papers, and students should not think of writing papers as a solitary venture. BUT, you have to be thinking and working ahead of schedule to have time to make your writing a shared process, and of course you have to help others as much as they help you.