



Graduate Program in Economics
University of Indonesia

Syllabus
Environmental and Natural Resource Economics
Academic Year 2004/2005

Wednesdays 15:30 – 18:00

Instructor : **Arianto A. Patunru**
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Office hour : By appointment

I. Description

This course is a blend of two parts, namely Environmental Economics and Natural Resource Economics, with more emphasis toward the former. The purpose of the course is to provide an overview of the principles of economics used to analyze environmental and natural resource problems. As of completing the course, students are expected to be able to assess environmental and natural resource problems with economics point of view and offer policy recommendation accordingly.

II. Rules

1. We will meet 14 times. In addition to lectures, discussion is highly motivated.
2. Courses in microeconomics and mathematics – at least in introductory levels – are assumed.
3. Grading will go as follows:
 - **Reading reports** = 25%
 - **Exam I** = 20%, 25%, or 30%
 - **Exam II** = 20%, 25%, or 30%
 - **Paper** = 25%
4. There will be reading assignments. **Each student** has to submit a **one or two page** summary of the reading. The students will be divided into groups. **Each group** will have to present the reading. The assigned group will be drawn at **random**.
5. Both exams are open-book. Please note: **any indication of cheating will be prosecuted**.
6. As for the paper, **any indication of plagiarism will be prosecuted** (this also applies to reading reports).

III. Text

The course will use Tietenberg text heavily. It is:

Tietenberg, Tom, 2003. Environmental and Natural Resource Economics. 6th Edition. Addison-Wesley.

Additional readings will be given in the class or through email.

III. Outline of the Course

1. Introduction

Tietenberg, Chapters 1,2,5,21,22,23,24.

Julian Simon vs. Paul Ehrlich – some clippings.

2. Property Rights, Externalities, and Market Failure

Tietenberg, Chapter 4

Coase, Ronald, 1960. "The Problem of Social Cost," JLE 3:1-44

3. Cost - Benefit Analysis

Tietenberg, Chapter 3

Harrison, D., Jr. and D.L. Rubinfeld. 1978. Hedonic Housing Prices and the Demand for Clean Air. JEEM 5:81-102.

Carson, R.T, R.C. Mitchell, M, Hanemann, R.J. Kopp, S.Presser, P.A. Rudd, 2003. Contingent Valuation and Lost Passive Use: Damage from the Exxon Valdez Oil Spill. ERE 25: 257-286.

4. Natural Resource Economics

Tietenberg, Chapters 5-14

F.W. Bell, 1986. Mitigating the Tragedy of the Commons. SEJ 52:653-664

Solow, R.M., 1974. The Economics of Resources or the Resources of Economics? AER Papers and Proceedings 64:1-14.

5. Environmental Economics

Tietenberg, Chapters 15-20

M. Cropper and W. Oates, "Environmental Economics: A Survey," Journal of Economic Literature, June 1992.

Arrow, K.J., P. Dasgupta, L. Goulder, G. Daily, P. Ehrlich, G. Heal, S. Levin, K;G. Mäler, S. Schneider, D. Starrett, and B. Walker, 2004. Are We Consuming Too Much? JEP 18(3): 147-172.