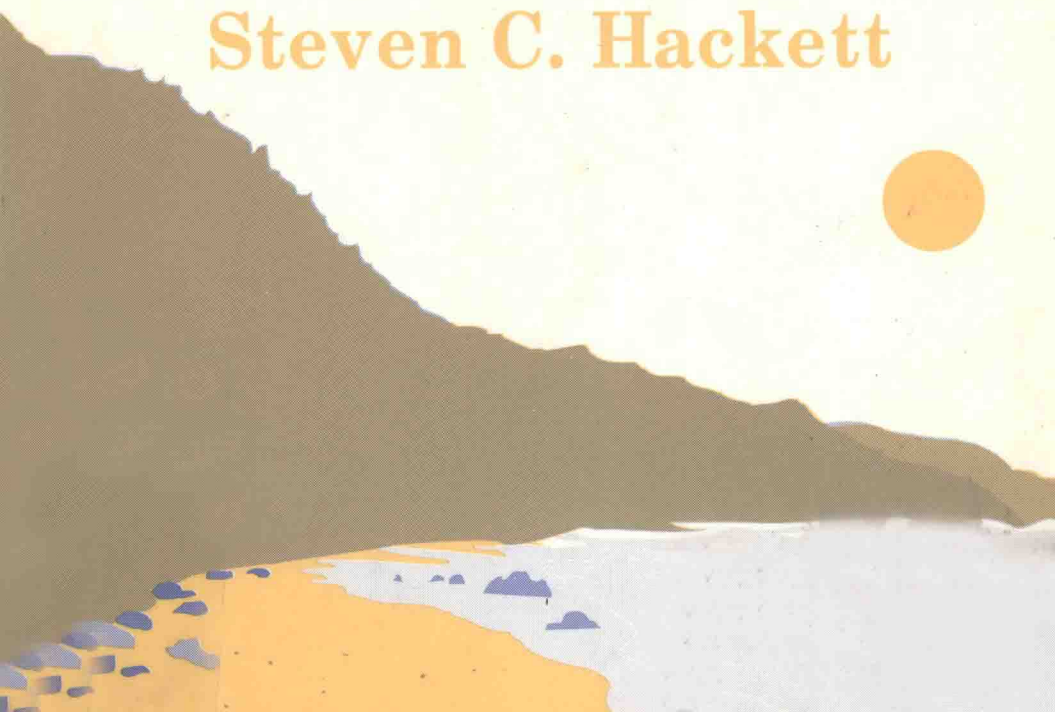


ENVIRONMENTAL AND NATURAL RESOURCES ECONOMICS

Theory, Policy, and the
Sustainable Society

Steven C. Hackett



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To my family, friends, and students

If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them.

—Henry David Thoreau

Preface

This book introduces some of the concepts, theories, and policies that make up environmental and natural resources economics while also exploring the emerging area of sustainability studies. A number of attributes set this book apart from others on the subject. First, it offers an accessible perspective on environmental and natural resources economics for those readers who are motivated to learn about this important area but who may not necessarily have a great deal of prior academic background in economics. This book also brings a somewhat more multidisciplinary perspective to the subject of environmental and natural resources economics than is typical in other textbooks. Thus the book may be particularly suitable for economics courses taught in multidisciplinary programs such as environmental studies or natural resources planning and interpretation. While the approach is generally mainstream, coverage is also given to the limitations of standard economic analysis, and this perspective should make the book especially appealing to those students and others who approach economics with some skepticism.

Second, while the book is intended to be accessible to undergraduate students from a variety of backgrounds, coverage of analytically rigorous concepts at the core of environmental and natural resources economics also makes this book appropriate for undergraduate courses serving economics majors. This might especially be the case for economics programs in the liberal arts tradition where students are encouraged to integrate their studies of economics with the other social sciences, natural sciences, and the humanities.

Third, in addition to coverage of the traditional core of the subject, this book also offers coverage of material that is frequently overlooked in other textbooks. For example, chapter 2 focuses on how value systems shape (and are shaped by) economic systems, whereas in other textbooks coverage of values is more commonly limited to explaining utilitarianism as the normative foundation of benefit/cost analysis. Similarly, few books delve into the topic of voluntary overcompliance by firms, an area of growing importance discussed in chapters 7

and 8. Moreover, in addition to the more traditional material in parts I and II of the book, all of part III is addressed to the growing area of sustainability and sustainable development. Special attention is given to sustainability issues at both the international, national, and local community level. Throughout the book, theoretical material is combined with empirical evidence and case studies to facilitate a critical evaluation of the methods of measurement and analysis in economics. A substantial number of citations to scholarly and other relevant materials are offered in each chapter.

This book seeks not only to introduce the standard “core” of environmental and natural resources economics but also to explore some of the fertile areas at the boundary of traditional economics. Rather than building a monument to the glories of economic theory, it is hoped that this book informs readers, fosters critical thinking, and perhaps in a small way contributes to harmonizing economy and environment.

Those of you who browse the World Wide Web are invited to use the Web page that accompanies this book (<http://www.humboldt.edu/~envecon>). Materials available on the Web page include lecture outlines, diagrams, links to material on environmental and natural resources economics available on the Internet, and interactive simulation learning modules for some of the more analytical material in the book. You will need Excel on your personal computer in order to use the interactive simulation learning modules, but the modules are simple and menu-driven, and so require no extensive knowledge of Excel.

Steve Hackett
Arcata, California
May 1997

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This book developed from several courses that I teach at Humboldt State University. I am especially grateful to my students, who have been a source of inspiration, motivation, insight, and encouragement throughout the writing of this book. I would also like to acknowledge the support of my colleagues in the School of Business and Economics. Tom Lyon and Tim Yeager deserve special mention for their encouragement and friendship, and Elinor Ostrom, Jimmy Walker, and Steve Wiggins for their guidance and constructive disputation early in my career. Jeremiah Joyner, Lea Weber, and Lockey White served capably as my student assistants. Finally, I would like to thank Steve Dalphin, executive editor at M.E. Sharpe, as well as an anonymous reviewer, for providing helpful comments on an earlier version of the manuscript.

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