

Forum

Question 1: In your opinion, what is the single biggest accomplishment of the field of environment and development economics over the past 20 years?

Twenty years on . . .

JOHN M. HARTWICK

Department of Economics, Queen's University, Dunning Hall Room 305, Kingston, Ontario K7L 3N6, Canada. Tel: (613) 533-2263. Fax: (613) 533-6668. Email: hartwick@econ.queensu.ca

doi:10.1017/S1355770X14000163

The Nobel Prize Committee for Economics has been pretty good about drawing attention to innovative developments in economics since 1969, but in the past 20 years only one prize has been awarded for work that had a strong natural resources dimension, namely that on ad hoc cooperative solutions to the management of common property resources (Elinor Ostrom, University of Indiana). At least three Peace Prizes have been awarded for contributions to issues in conservation and the environment (Al Gore, the IPCC, and Wangari Maathai in Kenya for a tree-planting campaign). Toronto's *Globe and Mail* newspaper speculated in October 2012 that William Nordhaus would win the prize in economics, probably for his simulation model of economic growth and global warming (an Integrated Assessment Model). But to date only Ms Ostrom has been awarded the Economics Prize for essentially environmental economics. Thomas Schelling has circled back to environmental issues in his research over the years and was awarded the prize in economics, but it was for his contributions to game theory that he was singled out. Ronald Coase (Economics Nobel winner) focused the attention of economists on possible 'markets' for externalities, among other things, but few would refer to him as an environmental economist. Robert Solow set out the basic model of economic sustainability but again his prize was for other contributions. Observers in Stockholm and Oslo have thus made known their concern for environmental issues but have remained fairly agnostic about the significance of work by resource and environmental economists on such issues.

As a practical matter, public awareness of global warming, sea-level rise, habitat loss for certain birds, fish and animals, and even Dutch disease has risen significantly over the past 20 years. Carbon taxes and markets for tradable pollution permits and sustainability have become part of public discourse in much of the world. We could also make a case that aspects of what economists call 'the resource curse' associated with national growth has become fairly well known beyond economics and 'natural capital' is a term that has acquired considerable currency. 'Green national accounting' appears not to have made it into general discourse. In the back of the minds of many people today is perhaps the Malthus question: what population can the planet sustain with each person enjoying a reasonable standard of living ... and what management techniques are called for to support the sustainable population size? Food, clean water and energy supplies are matters of popular concern.

Suppose for the moment that we are the Stockholm Committee for the Economics Prize and we are considering a prize for issues in the environment and natural resources. Possible topics? Green national accounting; pricing of environmental services; open access resource management (fisheries); carbon tax design; tradable permit design; traffic flow management in large cities; management of large resource incomes in small nations; energy economics for the long run; Dutch disease economics; measurement and management of natural capital; the economics of family size. Many of these topics have received high-quality investigations in journals devoted to environmental and resource economics over the past 20 years. A dozen active researchers would no doubt rank the above issues differently if they were trying to decide where a Nobel Prize in Economics might be directed. Nobel prizes, except for literature and peace, rightly get awarded for discoveries of various kinds rather than good and useful work. Thus none of the above topics might qualify for a prize in economics. On the ballots that 'Stockholm' has sent me over the years, I have suggested Scott Gordon a few times for his 1954 analysis of common property, 'somebody in Singapore' for introducing congestion taxes in the 1970s, and the late John Dales for working on tradable permits in the 1960s. These are my views about discovery and important ideas in economics. Meanwhile our planet, the sole habitat for us humans among many organisms, appears to be in need of more careful management by us, its most interventionist species. The scarcity of time appears to be an issue in this regard. Economists of all sorts must press on with their research.



Mangrove forests play a vital role in tropical areas worldwide. They act as nurseries for many marine species, they protect coastlines and they regulate sea temperatures within their proximity.

Source: <http://www.shutterstock.com>, 139574522.

Question 2: What do you consider to be the biggest obstacles faced by the field of environment and development economics over the past 20 years?

The challenges for environment and development economics

EDWARD B. BARBIER

Department of Economics & Finance, University of Wyoming, 1000 E University Ave, Laramie, WY 82071, USA. Email: ebarbier@uwyo.edu

doi:10.1017/S1355770X14000175

I consider that the field of environment and development economics (EDE) began with the publication of *The Control of Resources* by Partha Dasgupta (1982). Although he did not confine his focus to developing countries, Dasgupta (1982: 10) suggested that managing environmental resources was