

# Ecological Economic Theory

NR 385

W 6:00 – 9:00 p.m.

Gund Institute for Ecological Economics  
590 Main Street

**Guide** Jon Erickson, Associate Professor of Ecological Economics  
**Office** 344 Aiken Center, School of Natural Resources  
**Phone** 656-3328  
**E-Mail** Jon.Erickson@uvm.edu  
**Web Page** [www.uvm.edu/~jdericks/](http://www.uvm.edu/~jdericks/)  
**Office Hrs** M W 10 a.m. – 12 noon. Also by appointment.

## Course Description

Ecological economics is poised to play a leading role in the on-going effort to reconcile economic theory and policy with accepted knowledge from other disciplines. Neoclassical welfare economics dominates economic policy discourse in the U.S. and Europe, but is currently in a state of crisis over the dismantling of its two fundamental pillars (1) a theory of human behavior embodied in misplaced notions of consumer choice, and (2) a theory of economic production embodied in unwarranted faith in perfect competition and a marginal productivity theory of distribution. Many neoclassical theorists have largely abandoned rational choice and perfect competition as characterizations of the economic process; however, policy recommendations of economists are still based on these outdated representations of human behavior and commodity production. Neoclassical welfare economics continues to offer unfounded advice in dealing with some of the most pressing environmental and social issues faced in the twenty-first century, including growing income disparity, global climate change, and biodiversity loss.

This course will address the major points of contention between neoclassical welfare economics and ecological economics. By virtue of being the only heterodox school of economics focusing on both the human economy as a social system, and as one constrained by the biophysical world, ecological economics is poised to play a leading role in recasting the scope and method of economic science. Ecological economic models of economic behavior encompass consumption and production in the broadest sense, including their ecological, social, and ethical dimensions, as well as their market consequences. As such it is a field of inquiry encompassing much of contemporary neoclassical economics and heterodox schools of thought including behavioral economics, evolutionary economics, institutional economics, post Keynesian economics, radical economics and social economics. However, ecological economics has particularly distinguished itself by its problem-based approach to methodological development and inquiry. As such, this course will help establish a foundation in ecological economics to build from in subsequent problem-based courses at the University of Vermont, as well as fulfill a requirement toward a graduate certificate in ecological economics.

## Organization

Expect to read and talk a lot. The course is organized around weekly readings and informal discussions on (1) contemporary economic thought, (2) a critique of its central tenants, and (3) a presentation of the ecological economics alternative.

## Readings

In order to provide a backdrop of contemporary economic thought and issues (and gauge everyone's background in economics), the first reading will be a condensed, general introduction to economics from Robert Heilbroner and Lester Thurow's *Economics Explained* (Simon & Schuster, 1998). This will serve as a basis to form a critique of contemporary economics and present the ecological economics alternative. Subsequent readings will evolve throughout the course of the semester, selected by both the instructor and students. Each will be made available as a PDF file on a course web site.

## Expectations

Your contribution to the class will be evaluated roughly 50-50 between your participation in weekly readings and discussion and effort on writing a term paper. The paper is expected to be publication quality and will be posted to a course web site for public review and comment.

## Thematic Milestones

<i>Week</i>	<i>Date</i>	<i>Theme</i>
1	9/3	Background: The evolution of ecological economics
2	9/10	Background: History of economic thought; contemporary macro
3	9/17	Background: Contemporary micro; economic problems and policy
4	9/24	Economic theory of human behavior
5	10/1	Economic theory of production
6	10/8	Economic theory of social welfare
7	10/15	Critique: behavioral economics
8	10/22	Critique: institutional and evolutionary economics
9	10/29	Critique: radical and social economics
10	11/5	Ecological economics and sustainable scale
11	11/12	Ecological economics and equitable distribution
12	11/19	Ecological economics and efficient allocation
13	11/26	No class, Thanksgiving recess
14	12/3	From theory to policy design
15	12/10	Presentation of student papers