Review Material for Final Exam

ECON 2505 – Environmental Economics

Prof. MacDonald

Final exam: Wed. December 17, 2014

For the final exam, please review all assigned readings since the midterm; PowerPoint presentations; class notes; material presented by guest lecturers.

The format will consist of three short essay questions (**you will have a choice of 7 or 8 questions, from which you will choose three)**

**Topics covered:**

1. **Topic: What are the shortcomings of Gross Domestic Product as a measure of economic growth and progress?**

**Readings**: (1) OECD Observer, “Is GDP a Satisfactory Measure of Economic Growth”?

(2)”Greening the Gross Domestic Product,” Garrett C. Groves and Michael E. Webber (3) “The Non-market benefits of nature,” James Boyd. (4) “The GDP Myth: Why ‘growth’ isn’t always a good thing” The Washington Monthly, 1999

**Issues:**

1. Why has GDP come under increasing scrutiny in recent years? Much of the emerging critique argues that growth is not necessarily good. Why not?
2. In what ways is growth NOT good and specifically ***why*** is growth not always good for the economy? Examples?
3. What are some of the specific critiques that the OECD article offers about GDP?
4. Groves and Webber in “Greening the Gross Domestic Product” argue that measurement needs to move away from the current emphasis on national income accounting and toward a balance sheet system. Discuss what exactly the authors propose and why do they believe this type of accounting would provide a more realistic indicator of economic progress. (5) PowerPoint presentation: “Green GDP”
5. **Topic: Green Jobs Projections**

**Readings**: (1) New York City Green Jobs Survey; (2) U.S. Green Building Council, Green Jobs Survey; (3) The Labor Market and Green Jobs (PowerPoint); (4) “Building for the Next Big Storm,” Alan Feuer, Oct. 25, 2014, New York Times

**Issues:**

1. What kinds of occupations and skills would be involved and required in planning, designing and implementing th project known as ‘The Big U’? (think broadly about this); What are some examples of jobs that could be created ***indirectly*** and by ***induced*** effects?

2) What industry sectors of the City’s economy would be potentially affected by the proposed changes that this project would bring? Identify these and explain **WHY** and **HOW** they would be affected or transformed?

3) In what areas (new types of businesses) does this project have the ability to generate new sources of sustainable growth for the City’s economy? Please be specific and provide clear explanations.

1. **Topic: The US Economic Impacts of Climate Change and the Costs of Inaction**

**Readings**: (1) Executive Summary – Center for Integrative Environmental Research; (2) PowerPoint presentation: “The Economic costs of climate change”

**Issues:**

1. According to the Center for Integrative and Environmental Research, the impact of climate change events will affect both ***the natural environment*** *and* ***existing infrastructure.*** What economic (industry) sectors of the economy do they expect to be impacted and how?
2. How are agricultural yields globally expected to be impacted by climate change? What regions/areas will see improved conditions for agricultural output? What regions will see sharp declines? How would these changes impact the food security on a global scale?
3. The Center for Integrative and Environmental Research projects secondary effects of higher prices, reduced income and job lossesas a result of changes in climate patterns. Explain how would these secondary effects could potentially contribute to a slowing of economic growth or economic decline.
4. **Economic and Human Costs of Global Climate Change; costs of farmland loss, droughts, extreme weather events.**
5. Information and material presented by guest lecturer; any readings, etc.