

Sustainability: People, Institutions, Knowledge and the Environment**Wolfram Latsch**

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The terms 'sustainability' and 'sustainable development' have become common currency in scientific and popular discourse. But what exactly do people in the social sciences, the natural sciences and in the community mean by 'sustainability'? This course investigates this crucial and contested concept by looking at interactions between economic, social and environmental processes.

The vantage point for this course is *political economy*, or the study of how and why institutions are formed and sustained - and what the effect of these institutions is on economic and political participation and activity. Institutions help organize and enforce agreements between people over time and across generations. These agreements often concern investment in, and management of, key resources and assets through markets, custom, or command. The concept of sustainability or 'sustainable development', is linked to issues such as resource management, resource conservation and the creation or production of new resources; it is linked to concerns about population growth, pollution, climate change and political stability.

To some extent, institutions mediate between individuals and the resources they use or create. The institutional environment and the natural environment interact in ways that may or may not be 'sustainable' over some critical time period. The institutional environment affects economic performance and demographic developments. This course introduces and develops a number of key concepts that can help us understand the political economy of growth-population-environment interactions.

Topics include: definitions and debates on sustainability; the determinants and effects of productivity change and economic growth, the relationship between growth and population changes, concepts and tools from political economy; case studies of institutional change; the challenges of managing the commons; justice, fairness and posterity; the prospects for widespread economic growth and development.

Course Outline and Readings

*(Books marked with an asterisk will be available at the UW Bookstore on the Ave;
articles will be available online; additional readings may be added)*

1. Talking about sustainability

World Bank, *World Development Report 2003: Sustainable Development in a Dynamic World*

(<http://econ.worldbank.org/wdr/wdr2003/>)

***Wilfred Beckerman**, *A Poverty of Reason: Sustainable Development and Economic Growth* (2002)

2. Are things getting better all the time?

Timothy Besley, "Halving Global Poverty",
Journal of Economic Perspectives (Summer 2003)

Richard Easterlin, "The Global Standard of Living since 1800",
Journal of Economic Perspectives (Winter 2000)

Charles Kenny, "Why Are We Worried about Income?"
World Development (January 2005)

3. The fertility of people and the fertility of ideas

Robert Lucas, "The Industrial Revolution: Past and Future",
Federal Reserve Bank of Minneapolis, 2003 Annual Report
<http://minneapolisfed.org/pubs/region/04-05/essay.cfm>

Ronald Lee, "The Demographic Transition",
Journal of Economic Perspectives, Fall 2003

3. Productivity, growth, and resource use

***Elhanan Helpman**, *The Mystery of Economic Growth* (2004)

4. The precarious stability of institutions and bargains

***Douglass North**, *Understanding the Process of Economic Change* (2005)

Thomas H. McGovern, "Management for Extinction in Norse Greenland",
in: Carole L. Crumley (ed.), *Historical Ecology: Cultural Knowledge and Changing Landscapes* (1994)

Timur Kuran, "Why the Middle East is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation",
Journal of Economic Perspectives (Summer 2004)

Kenneth Sokoloff and Stanley Engerman, "Institutions, Factor Endowments, and Paths of Development in the New World",
Journal of Economic Perspectives (Summer 2000)

Douglass C. North and Barry Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England",
Journal of Economic History (1989)

Daron Acemoglu et al., "Botswana: An African Success Story",
in: Dani Rodrik (ed.), *In Search of Prosperity* (2003)

5. How 'making a market' affects people

***Jean Ensminger**, *Making a Market: The Institutional Transformation of an African Society* (1992)

6. Property rights, markets, and states

***Elinor Ostrom et al.**, *The Drama of the Commons* (2002)
