

“Environmental and Resource Economics: Some Recent Developments”, Partha Dasgupta and Karl Goran Maler, SANDEE Working Paper No. 7-04

Abstract

We survey those recent developments in environmental and resource economics that have been prompted by a puzzling cultural phenomenon, where one group (usually natural scientists) sees in humanity's current use of Nature's services symptoms of a deep malaise, even while another group (usually economists) documents the fact that people today are on average better off in many ways than they had ever been (so why the gloom?). The developments surveyed here reconcile some of the claims and counter claims, by showing that the protagonists have frequently talked past one another. We show that some of the disagreements would be blunted if (i) use were made of a comprehensive measure of wealth to judge the performance of economies and (ii) possible irreversibilities in ecological damages were commonly acknowledged. Regional estimates of changes in wealth per capita are reported. Implications are drawn for the persistence of rural poverty in the world's poorest regions, even as they experience aggregate growth in GNP.

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