

Class 2 Discussion Questions

1. What are externalities, and what is the free access problem?
2. what is the public goods problem?
3. What are the potential limits of the “polluter pays” approach?
4. What is Coase’s Theorem, and how does it differ from the “polluter pays” approach?
5. What is Hardin’s solution to the tragedy of the commons, and how does it differ from the “polluter pays” approach?