

ECO228

Economics of the Environment

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My office hours are right before class or by appointment. The easiest way to contact me is by email; I will respond quickly but only if the email follows basic rules of grammar and syntax.

Class times:

Classes are Mondays and Wednesdays 1:40-3:05pm. The Advising Center in Kiely Hall offers free tutoring in basic economic principles.

Who is this course for?

The course is for students who want to learn about the environment from an economic perspective. It's about the environment: how we should best use its resources. It is not an environmental science course. It is an economics course. You must be registered for this course to receive a grade. You must have taken ECO101, ECO102 and ENGL110.

What work should you do?

Attend as many lectures as you can – ideally, every lecture. The lectures provide an overview of the topics. For a full understanding you must read the textbook. Talk with friends about the topics. Email me if you are having difficulty. Do all the assignments and take all the exams.

What is the course textbook?

Callan, SJ and JM Thomas. 2009. *Environmental Economics and Management: Theory, Policy and Applications*. South-Western College. ISBN-10: 1439080631; ISBN-13: 978-1439080634. You will need this book either in print or electronic form. You may use any edition but the most current is the 5th and it does have some new information in it. The book should be on reserve in the library.

Learning objectives:

The learning objectives for this course are: to understand fundamental microeconomic concepts that relate to the environment (by attending lectures and reading the textbook); to be able to apply economic concepts to environmental policy problems (by completing the assignments); and to be able to explain and utilize these concepts (by completing the exams and through in-class discussions); and to understand how producers and consumers affect the environment (by studying the textbook and related materials).

How is the course assessed?

Two mid-term multiple choice exams (worth 15% each); two assignments (worth 10% each); and one final exam (worth 50%).

Make-up exams: No make-up exams will be given. If you are unable to get to class for an exam, you must let me know beforehand by email at clive.belfield@qc.cuny.edu.

Late submissions: Completion of any material after the deadline will not be graded. Asking for an extension to a deadline without a valid medical reason will mean a penalty of 5% on the final grade.

Course completion: If you do not take the final exam and at least one mid-term exam, you will receive a grade of F for this course. There is no opportunity for extra credit.

Plagiarism: A student who copies work will receive a grade of F for the entire course. Ignorance is no excuse. Information on scholastic standards is at: <http://qcpages.qc.edu/USSC/>

By registering for this class, you accept these rules.

ECO228 Timeline and Readings:

Chapters refer to those in Callan and Thomas (5th edition). You are responsible for finding all other readings from their weblinks.

Mon. Aug. 30

Course Introduction

Wed. Sep. 1

The Role of Economics in Environmental Management (Chap. 1)

Mon. Sep. 6

No class (Labor Day)

Wed. Sep. 8

Modeling the Market Process: A Review of the Basics (Chap. 2)

Mon. Sep. 13

Modeling Market Failure (Chap. 3)

Wed. Sep. 15

Conventional Solutions to Environmental Problems: The Command-and Control Approach (Chap. 4)

Mon. Sep. 20

Economic Solutions to Environmental Problems: The Market Approach (Chap. 5)

Wed. Sep. 22

Externalities: the car (don't worry about the equations)

<http://rff.org/rff/Documents/RFF-DP-06-26-REV.pdf>

Mon. Sep. 27

Pigouvian subsidies: public transport (don't worry about the equations)

<http://rff.org/rff/Documents/RFF-DP-07-38.pdf>

Wed. Sep. 29

Environmental Risk Analysis (Chap. 6)

Mon. Oct. 4

Assessing Benefits for Environmental Decision Making (Chap. 7)

Assessing Costs for Environmental Decision Making (Chap. 8)

Wed. Oct. 6

Catch-up class if we have fallen behind already

Mon. Oct. 11

Mid-term examination

Wed. Oct. 13

Benefit-Cost Analysis in Environmental Decision Making (Chap. 9)

Mon. Oct. 18

No class (Columbus Day)

Wed. Oct. 20

Benefit-Cost Analysis: The discount rate

Mon. Oct. 25

Valuing the environment using shadow prices (part 1)

Wed. Oct. 27

Valuing the environment using shadow prices (part 2)

Mendelsohn R. & S. Olmstead. 2009. The economic valuation of environmental amenities and disamenities: Methods and applications. *Annu. Rev. Environ. Resour.*, 34:325–47.

<http://arjournals.annualreviews.org/doi/pdf/10.1146/annurev-environ-011509-135201>

Mon. Nov. 1

Air Quality (Chap. 10-11)

Wed. Nov. 3

Air Quality (Chap. 12-13)

Mon. Nov. 8

Cost-benefit analysis of the Clean Air Act 1970-2010

EPA Report to Congress 1990. (Only Exec. Summary required).

[http://yosemite.epa.gov/ee/epa/eerm.nsf/vwAN/EE-0295-2.pdf/\\$file/EE-0295-2.pdf](http://yosemite.epa.gov/ee/epa/eerm.nsf/vwAN/EE-0295-2.pdf/$file/EE-0295-2.pdf)

EPA Report to Congress 1999. (Only Exec. Summary required).

[http://yosemite1.epa.gov/ee/epa/eerm.nsf/vwAN/EE-0295A-01.pdf/\\$file/EE-0295A-01.pdf](http://yosemite1.epa.gov/ee/epa/eerm.nsf/vwAN/EE-0295A-01.pdf/$file/EE-0295A-01.pdf)

Wed. Nov. 10

Water Quality (Chap. 14-16)

Mon. Nov. 15

Global environmental management (Chap. 20-21)

Wed. Nov. 17

The economics of drilling

Hahn, R and P Passell. 2008. The economics of allowing more domestic oil drilling. AEI paper 08-21.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1265728##

Mon. Nov. 22

Mid-term examination

Wed. Nov. 24 Deepwater Horizon spill

Reading to be determined.

Mon. Nov. 29

Global warming (part 1)

The Stern Review. http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/media/3/2/Summary_of_Conclusions.pdf

Wed. Dec. 1 Global warming (part 2)

The Stern Review. http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/media/5/7/Chapter_2_Economics_Ethics_and_Climate_Change.pdf

The Stern Review. http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/media/5/6/Chapter_6_Economic_modelling_of_climate-change_impacts.pdf

Mon. Dec. 6

Catch-up class if we have fallen behind again

Wed. Dec. 8

Solid Wastes and Toxic Substances (Chap. 17-19)

Mon. Dec. 13

Entire course review