

UNIVERSITY OF COLORADO

Department of Economics

Environmental Economics ECON 3545-200, Summer 2013 B

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Lecture: M-F: 9:15-10:50am, July 9-August 9, ECON 117
Office Hours: M-Th 11:00am-12:00pm and by appointment
Website: <http://learn.colorado.edu>

Course Description

At a fundamental level, the environment is the ultimate source of scarcity. The earth provides all material for anything ever produced and the energy to do so. As such, environmental quality has become a major focus of public concern. At the heart of the matter is the sustainability of our economic growth and its interaction with the carrying capacity of the earth. Numerous environmental agencies have been established to influence environmental policy. Politicians now must include environmental issues as part of their agenda. Specialized fields have emerged to allow engineers, scientists, lawyers, and economists to focus their efforts on analyzing and solving environmental problems.

This course is designed to extend your economic understanding by studying the economic approach to analyzing and solving environmental problems. Environmental economics focuses on the study of externalities, particularly pollution and other nonmarket goods (and bads). Economics is crucial in understanding the human behavior which leads to these externalities as well as the possible solutions. Even where markets fail, economics still provides powerful tools to study the decisions of how to allocate scarce resources.

Readings

Two books will be utilized in addition to articles posted on the course website.

Textbook: Tom Tietenberg & Lynne Lewis (2009). *Environmental Economics & Policy*, Pearson, 8th Edition

The textbook is considered required. Naturally, not all of the textbook will be covered in class. Reading the book prior to lecture is a great way to make the learning process easier. You may want to consider the ebook option, it is considerably cheaper. The CU bookstore has access codes for sale. The ebook ISBN is 0-321-60818-6

Essays and Articles: Robert N. Stavins (2012) *Economics of the Environment: Selected Readings*, Norton, 6th Edition

Other required short readings will be provided on the Desire 2 Learn course website.

Lectures

Attendance of the first three classes is mandatory or you may be administratively dropped from the course. Beyond this no formal attendance will be taken. In many cases lecture will extend beyond the

Homework

Over the semester there will be 3 problem sets and 4 multiple reading assignments. No late assignments will be accepted and no assignments will be dropped from your grade. Grading will be done on a completion basis (note that quality can still be considered).

Problem Sets: As we progress through the semester I will post 3 problem sets on the course website. A hard copy is due at the beginning of class on the given date. They are intended to apply the theory and concepts from the textbook and lecture and help prepare you for the exams. I encourage you to work in small groups on these assignments, though I require everyone to turn in their own copy. Each problem set will make up 4% of your overall grade.

Article Summaries: You will be reading 4 original articles throughout the semester. For each one, you will need to write up a short summary (-1/2 page single spaced). The summaries will be due prior to the beginning of class on the day it is to be discussed. Official due dates will be announced in class, though the articles are tentatively scheduled below. The summaries will be due to the designated class submitted on the course website. The summaries will collectively account for 8% of your grade.

Project/Proposal

The final portion of your grade will be paper or proposal. It may be completed with one partner if you wish to team up. I expect the paper to be 30 single spaced pages. The subject matter is up to you so long as it is related to environmental economics. You may choose to either analyze a current or historical issue in environmental economics using the tools and models from class or create a proposal for a research project on an environmental issue. A short document will be due on Monday, July 22 identifying intended topic. Further details will be provided concerning my expectations of the project.

Tentative Course Schedule

Due dates and exam dates are firm. Topic coverage is subject to change.

Date	Topic	Textbook Ch.	Due
Introduction			
July 9	The Sustainability Problem and Economics	Ch.1 & 5	-Stavins & Fullerton (1998) -Solow (1992)
July 10	Population	CH.6	-Malthus (1798)*
July 11	Property Rights and Coase	CH.4	
July 12	Property Rights and Coase		-Coase (1960)
Week 2			
July 15	Cost/Benefit Analysis	CH.2	

July 24	Pollution Control Instruments		-Keohane (2009)* -Metcalf (2009)*
July 25	Stationary Sources	CH. 15	
July 26	Mobile Sources	CH. 17	-

