## University of Colorado, Department of Economics

Summer, 2014 B

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Lecture:	M-F: 9:15-10:50am, July 8-August 8, ECON 117
Office Hours:	M-Th 11:00am-12:00pm and by appointment.
Website:	http://learn.colorado.edu

At a fundamental level, the environment is the ultimate source of scarcity. The earth provides all the 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 non-market 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. Over the course of the semester we will consider how the economy and the environment impact one another. We also address the role of the role of property rights and externalities in the economy, learn to use cost-benefit analysis, discuss how to discern the economic value of the environment, explore various sources of pollution and the economic tools available to alter polluting behavior including the political economy. In the end, economics should provide you with an analytical tool with which to analyze

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

Tom Tietenberg & Lynne Lewis (2009). *Environmental Economics & Policy*, Pearson, 6<sup>th</sup> 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

Robert N. Stavins (2012). Economics of the Environment: Selected Readings, Norton,

6<sup>th</sup> Edition

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

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 content of the textbook, so it is strongly encouraged you attend lecture. While lecture slides, when used, will be provided on line, they are not exhaustive of what is covered in lecture. I would recommend getting any additional notes from a classmate if you do miss class.

There will be 4 components of your final grade.

Exam 1	25%	Friday, July 18 <sup>th</sup>	
Exam 2	25%	Friday, July 8 <sup>th</sup>	
Paper	20%	Proposal Monday, July 21 <sup>st</sup> , Final Draft	Wednesday, August 6 <sup>th</sup>
Homework	30%	Various Dates; see course schedule	

А	92.00-100.00	С	72.00-77.99
A-	90.00-91.99	C-	70.00-71.99
B+	88.00-89.99	D+	68.00-69.99
В	82.00-87.99	D	62.00-67.99
B-	80.00-81.99	D-	60.00-61.99
C+	78.00-79.99	F	<59.99

The exams will not be cumulative beyond the cumulative nature of the material. I do not give make-up exams nor do I give exams early. If you do have a emergency which precludes you from taking the exams on the given date your final score will be recalculated reweighting the other components. Please communicate any conflicts with exam dates immediately, you will find instructors are a lot more flexible when you do not wait until the last minute to deal with conflicts. The exams will be a mixture of multiple choice and short answer questions. Finally,

Please bring a basic calculator or be prepared to do calculations with pen and paper.

Over the semester there will be 3 problem sets and multiple reading assignments. No late assignments will be accepted and no assignment 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 6% of your overall grade.

Article Summaries: You will be reading articles throughout the semester. For each one, you will need to write up a short summary (1 page). 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 prior to the designated class submitted on the course website. The summaries will collectively account for 12% of your grade.

The final portion of your grade will be a paper or proposal. It may be completed with one partner if you wish to team up. I expect the paper to be 8-12 double 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

July 25	Climate Change	CH. 16	-Aldy et al. (2009)

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the