

Economics 377 (L01) (Economics and the Environment)

Instructor:	Pamela Campa	Lecture Location:	EDC 388
Phone:		Lecture Days/Time:	MWF 09:00 – 09:50
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Office:	SS 422		
Office Hours:	By appointment		Winter 2018

Course Description:

This course is about the impact of the economy on the environment, and how to regulate the economy so that economic and environmental goals are achieved. We start introducing the concept of market failure in the production of desirable levels of pollution or in the protection of the natural world. Market failures call for government intervention, which is not failures-free itself. Therefore, we will examine policy-making problems such as how much environmental protection to target, what kind of intervention to use among different environmental policies etc. We draw heavily from microeconomic theory.

Course Objectives/Learning Outcomes:

The goals of this course are: (a) gaining a general knowledge of the various environmental problems that confront modern societies; (b) developing an understanding of the specific economics perspective on these problems; (c) becoming familiar with the main methods used in economics to measure costs and benefits of environmental protection; (d) becoming familiar with the main policy tools normally used to address environmental problems. More generally, the course will allow students to explore real-world applications of some of the microeconomic tools acquired in previous courses.

Course Outline:

Below you find a list of book chapters and research papers that we will cover. Students are not required to read the entire papers, but only limited sections that I will list in class. The papers will expose students to some real-world applications of a few key theories in environmental economics.

Introduction

1. Environment and Economics

Kolstad, Chapter 1

Section 1: Markets and Markets Failure

2. Efficiency and Markets

Kolstad, Chapter 4

3. Market Failure: Public Goods, Public Bads, and Externalities

Kolstad, Chapter 5

*Talyor, S. (2011). Buffalo Hunt: International Trade and the Virtual Extinction of the North American Bison. *American Economic Review*, 101.

*Costello, C., Gaines, S. and Lynham, J. (2008). Can catch shares prevent fisheries collapse? *Science*, 321: 1678-1681

4. Benefit Cost Analysis

Kolstad, Chapter 6

Section 2: Valuing the Environment

5. Demand for Environmental Goods

Kolstad, Chapter 7

6. Hedonic Price Methods

Kolstad, Chapter 8

* Bui, L. and C. Mayer (2003). Regulation and Capitalization of Environmental Amenities: Evidence from the Toxic Release Inventory in Massachusetts. *Review of Economics and Statistics* 85 (3).

* Janet Currie, Lucas Davis, Michael Greenstone and Reed Walker (2013). Do Housing Prices Reflect Environmental Health Risks? Evidence from More than 1600 Toxic Plant Openings and Closings. *American Economic Review* 105 (2)

* Muehlenbachs, L., Spiller, B. and Timmins, C. The Housing Market Impacts of Shale Gas Development. *American Economic Review*

Section 3: Regulating Individuals and Firms

7. Regulating Pollution

Kolstad, Chapter 11

*Campa, Pamela (2017). Press and Toxic Leaks. Do Newspapers Reduce Toxic Emissions? University of Calgary WP

8. Emission Prices and Fees

Kolstad, Chapter 12

Prerequisites/corequisites:

Economics 201 and 203

Required Textbook(s):Charles D. Kolstad, Environmental Economics, 2nd Edition, Oxford University Press.**Books on Reserve:**Charles D. Kolstad, Environmental Economics, 2nd Edition, Oxford University Press.**Desire2Learn:**

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Grade Determination and Final Examination Details:Midterm Examination: 25%

One Home Assignments and Class Participation: 35%. Students are strongly encouraged to work on the home assignment in groups of maximum 2. Late submissions are not accepted. If you are unable to submit the assignment by the due date the weight of the assignment will be automatically shifted to the final examination

Final Exam: 40%

The following numerical grading scale will be used.

Grading Scale

A+	95 – 100	B	73 – 76	C-	60 – 62
A	85 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 84	C+	67 – 69	D	50 – 55
B+	77 – 79	C	63 – 66	F	0 – 49

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during her office hours.

The final examination will be comprehensive, scheduled by the Registrar, held in a classroom, and last 2 hours. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam www.ucalgary.ca/registrar/exams/deferred_final. Under no circumstance will this be accommodated by the Department.

Tests WILL NOT involve multiple choice questions. Non-programmable calculators WILL be allowed during the writing of tests or final examinations.

The exact date for the in-class midterm will be announced at least one week in advance.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

Reappraisal of Grades and Intellectual Honesty:

For reappraisal of graded term work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For reappraisal of final grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

Statement of Intellectual Dishonesty, see Calendar K.4

<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

Plagiarism and Other Academic Misconduct, , see Calendar K.5

<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

Academic Accommodation:

The student accommodation policy can be found at: ucalgary.ca/access/accommodations/policy.

Students needing an accommodation because of a disability or medical condition should communicate this need to Student Accessibility Services in accordance with the Procedure for Accommodations for Students with Disabilities ucalgary.ca/policies/files/policies/student-accommodation-policy.

Students needing an Accommodation based on a Protected Ground other than disability should communicate this need, preferably in writing, to the course instructor.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

Student Organizations:

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: www.fasaucalgary.ca.

Society of Undergraduates in Economics:

<https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at societyofundergradsineconomics@gmail.com.

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>.

Evacuation Assembly Point:

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The assembly point for this classroom is Scurfield Hall - Atrium.

Safewalk:

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year. **Call 403-220-5333.**

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. For more information, see <http://www.ucalgary.ca/legalservices/foip/foip-hia>.

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note-taking only.

PC

2017-10-22