

## Economics 677(L01) Environmental Economics

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Lecture Location: PF 114  
Lecture Days/Time: WF 8:00-9:15

Office: SS428  
Office hours: Zoom office hours, TB

Fall 2021

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### Course Description:

This course provides an introduction to environmental economics at the graduate level. It is typical in that we will use mostly microeconomic theory to discuss the nature of externalities, their implications, and the relevance of government policy in addressing environmental issues. It is atypical in that after a review of basic theory, we will study in depth a key set of three environmental topics. As you are undoubtedly aware, there are many pressing environmental issues in the world today. Some are local in nature, for example the issue of orphan wells in Alberta, others are purely national such as species preservation, while others are international - climate change. The field of environmental economics is very broad, and we will make use of tools from both macro and microeconomics as well as discuss empirical work. I will draw from your previous knowledge in all of these fields. The course is also somewhat different in that the lectures will be shared with Econ 487 Environmental Economics; however all tests will be done separately.

### Course Objectives/Learning Outcomes:

By the end of this course the student will have a very good understanding of environmental economics and some knowledge of where the research front is on the set of our topics. They will understand the positive and normative implications of externalities and understand the incentives governments have to intervene in markets to address these market failures. They will understand the uses of various types of environmental policies and their limitations. They will also understand how economic growth and international trade can affect environmental outcomes and appreciate some of the difficulties in designing policy to address species loss and climate change.

### Course Outline:

I have organized the material around three very topical policy issues. There are 25 lectures in total during the course. I plan on spending the first four or five lectures reviewing microeconomic and macro theory as well as some basics of statistical analysis. One lecture will be taken up by the midterm, and the remaining twenty will be divided evenly across the three key questions we discuss. This gives us about 6 lectures, or three weeks, per study area. I am hoping to stick to this plan for each topic, but it is possible we either run out of time or world events intervene making us spend more time on one topic than another.

Each of the three sections or modules will proceed in much the same way, and there are common elements to each section. I will present the basic theory we may use to understand the issue. Following this we will then proceed with discussions of published work and book chapters that are relevant. In each topic I hope to finally discuss a brand-new working paper showing you what current research on the topic looks like. I will assign new papers (or discussion topics/new data sources) to research to

individuals or groups of individuals who will, on an allotted day, lead the class discussion of the paper/topic/data. These 'presentations' are graded and should be organized much like a normal lecture.

The three modules are, in brief, organized around the following policy issues:

1. Economic Growth and the Environment: Is economic growth sustainable in the long run? What does sustainability mean? How do population pressures and resource use affect the sustainability of economic growth?
2. Trade vs the environment: Is liberalized trade good or bad for the environment? Do differences in environmental regulation drive firms to pollution havens? What role should trade policy play in environmental discussions?
3. Species extinction and conservation: what is the role of environmental policy in species preservation? Is the market economy driving species to extinction? Has it done so in the past? What if anything should be done to preserve biodiversity? How do we value biodiversity?

**Prerequisites/corequisites:**

Admission to the MA or PhD Economics Program.

**Required Textbook(s):**

There is no required textbook and I will assign readings for each section. We will discuss some of the readings in class, but you are expected to read and study them independently.

**Recommended Textbook(s):**

Trade and the Environment: Theory and Evidence, Copeland and Taylor, ISBN 9780691124001,  
Publisher: Princeton Binding: Trade paper

**Books on Reserve:**

Trade and the Environment: Theory and Evidence, Copeland and Taylor, ISBN 9780691124001,  
Publisher: Princeton Binding: Trade paper

**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.

**Lectures:**

Lectures will be delivered in person at the Registrar scheduled times.

**Grade Determination/Assessment:**

MIDTERM EXAM	30%
FINAL EXAMINATION	40%
Class Presentations	30%
	100%

**Grade Determination and Final Examination Details**

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

Grade	Grade Point Value	Description
A+	4.00	Outstanding
A	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter
A-	3.70	Very good performance
B+	3.30	Good performance
B	3.00	Satisfactory performance
B-	2.70	Minimum pass for students in the Faculty of Graduate Studies
C+	2.30	All grades below "B-" are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. Individual programs may require a higher passing grade.

Students must receive a passing grade on the final exam to pass the course.

Non-programmable calculators will be allowed during the writing of tests or final examinations.

Tests and exams will not involve multiple choice questions.

There will be two examinations. One will be a typical midterm, and the other is a final exam scheduled by the Department. The midterm will be on Friday the 29th of October. The midterm and final exam will be take-home format. The exams will be available on D2L. Students will download the exams from D2L, complete the exam, scan it, and submit using Dropbox in D2L. The midterm exam is intended to be completed in 75 minutes. The final exam is intended to be completed in 120 minutes.

**Absence from a Test/Exam**

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES under any circumstances, nor may the quizzes be written early. Students unable to write the quizzes 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. If a student cannot write their final exam on the date assigned by the Department, they need to arrange for a deferred exam with the department.

**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>

**Academic Misconduct**

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Student committing academic misconduct during the final exam will not receive a passing grade on the course.

For information on the Student Academic Misconduct Policy and Procedure please visit:

<https://ucalgary.ca/policies/files/policies/student-academic-misconduct-policy.pdf>

<https://ucalgary.ca/policies/files/policies/student-academic-misconduct-procedure.pdf>

Additional information is available on the Academic Integrity Website at <https://ucalgary.ca/student-services/student-success/learning/academic-integrity>.

**Academic Accommodations:**

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services. SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>.

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

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see <http://www.ucalgary.ca/legalservices/files/legalservices/faq-students.pdf> and [http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty\\_0.pdf](http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty_0.pdf).

**Copyright Legislation:**

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright-policy.pdf>. Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

**Recording of Lectures:**

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

**Important Dates:**

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

**Student Organizations:**

Faculty of Grad Studies website: <http://grad.ucalgary.ca/home>

Graduate Students Association: <http://gsa.ucalgary.ca/>

Professional Development for Grad Students

Workshops and resources can be found at <http://www.ucalgary.ca/mygradskills/>

Economics Graduate Association: <http://econ.ucalgary.ca/ega/>

**Student Support and Resources:**

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds' Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.
- 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.

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2021-08-12