Tuesdays, Sept. 2, 9, 16, 23, & 30 from 6:10-8:10PM.

Course Objectives

This course will be primarily a lecture/discussion course. We have only 5 lectures together, you are expected to attend all of them, missing one will likely cost you understanding a key point on which the subsequent lectures rest: try not to miss any lecture.

Text Book References:

Tietenberg T., Environmental and Natural Resource Economics
Heal, Geoffrey, Nature and the Marketplace: Capturing the value of ecosystem services
Articles posted on Courseworks

Syllabus and Course Outline

Session 1: BASIC MICROECONOMICS
Why Study Environmental Economics?
The Basics of Supply and Demand
Efficiency
Marginal Cost and Benefit
Consumer and Producer Surplus
Sources of Inefficiency: Price Floors/ceilings and Taxes/Subsidies
Assignment: Case study for review in session 2

Session 2: EFFICIENCY AND INEFFICIENCY
Sources of Inefficiency: Price Floors/Ceilings and Taxes/Subsidies
Sources of Inefficiency: Externalities and Public Goods
Case study discussion (applying concepts learnt in session 1 to the case study analysis): elements of supply and demand, consumer and producer surplus
Assignment: Case study for review in session 3
Assignment: Case to be studied in groups outside class; 4-6 page paper analyzing the issue and solutions, incorporating at least 2 of the concepts covered in class to be handed in a week after the last session.

Session 3: SOURCES OF INEFFICIENCY: EXTERNALITIES AND PUBLIC GOODS; SOLUTIONS
Sources of Inefficiency: Externalities and Public Goods
Pareto Optimality and Property rights
Case study discussion (applying concepts learnt in session 2 to the case study analysis): impact of taxes on consumer/producer behavior, application of the concept of externalities to the environmental issue in the case study
Assignment: Case study for review in session 4

Session 4: EXTERNALITIES - SOLUTIONS CONTINUED
Pareto Optimality and Property rights; Coase Theorem continued
Case study discussion (applying concepts learnt in session 3 to the case study analysis): identify win-win situation/s and analyze how assigning property rights/taxes can potentially solve the environmental issue in the case study

Session 5: EXTERNALITIES - SOLUTIONS CONTINUED; CASE STUDY: CARBON MARKETS