

## ENVIRONMENTAL ECONOMICS

Econ 4545

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### Course Description

Environmental Economics (Econ 4545) considers the efficient and equitable use of society's environmental resources, which like all resources are scarce. Environmental resources include air, water, undeveloped land, wilderness, parks, wildlife, genetic diversity, and ecological systems. The environment is where we get the stuff that sustains us and determines, to a large extent, the quality of our lives; the environment is also where we must dump our waste.

Environmental economics accepts, without much discussion, efficiency and equity as the goals for environmental policy. Note that many others (environmentalists, politicians, environmental studies majors, etc.) do not accept efficiency and equity as the appropriate measures of whether an environmental policy is good or bad. Throughout the term, I will mention and discuss some of these other perspectives.

Environmental economics is a course in applied welfare economics: how to increase the welfare of society. The primitive goal is to make society better off; the primitive goal for economists is not necessarily to improve the environment. So, making society better off might mean preserving more of an environmental resource or it might mean preserving less of it—it might mean more pollution rather than less pollution.



My hope is that the end of the semester you conclude the course was difficult but worth the effort.

*Web page:* My web site is located at <http://www.colorado.edu/Economics/morey/index.html> . From it you can link to the web page for Econ 4545, or you can go directly to the web page for the course, <http://www.colorado.edu/Economics/morey/4545/4545home.html> You can always find my web page and the web page for the course by Googling “Edward Morey”

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*Midterm:* It will be comprehensive up to that point in the course. I will announce the date a week or so in advance. If you need to know the date now, don't take the course. I typically do not give make-up exams, so be there for the exam, whenever it is.

*Assignments:* There will be N short exams assignments (quizzes, small projects, problems, debates, etc.) during the term, Use the review questions to study for the quizzes.

Note that **I do not give make-up quizzes**. Please don't ask. There will be a bunch of quizzes, and your 2 lowest grades on these quizzes will be dropped, so you can miss or mess up two quizzes without penalty.

Some of the assignments will be in-class; some will be take-home. Some of the assignments will be done in groups. The group, usually three people, will work together and turn in just one assignment. Everyone in the group will get the same grade for that assignment. Group assignments are one of my ways of giving you an incentive to work and study together. Note that getting an A on a group assignment does not imply that everyone in the group understands and can explain at an A level.

*Final:* Comprehensive final which will constitute 35% of your course grade.

*Midterm:* The midterm will constitute 25% of your course grade

*Assignments:* best (N-2) of these assignments will constitute 40% of your course grade.

*Class participation:* If, at the end of the term, I recognize you as someone who has contributed positively, I will increase your final grade by some appropriate, but small, amount. Ways to contribute include asking or answering questions, attendance, participating in class discussions, and helping other students to learn the material.

If you do better on the final than on the midterm, the final will count 40% of your course grade and the midterm will count 20% of your course grade.

If you get an A on the midterm, you can make a private arrangement with me to do a course paper/project. How much the paper will count will depend on our arrangement. If you are doing well in the course and like to write and do research, this is something I highly recommend

Some papers by past student of Econ 4545 and Econ 4535 can be found on the web page for Econ 4535(<http://www.colorado.edu/Economics/morey/4535/4535home.html>) I look



*Readings:*

There is no course text book. If you want a reference text, I recommend Tom Tietenberg's *Environmental and Natural Resource Economics*. You could check it out by borrowing, for a day or two, one of my copies. If you are so inclined, buy a used copy online. I will not directly lecture from this book. Rather consider Tietenberg a standard undergraduate text on the topic of environmental economics. If you bring me the book, or some other undergraduate text in environmental economics, I will try and tell you which chapters are relevant to the topics and issues we are discussing. Don't consider Tietenberg a substitute for either the course readings or class time. It is simply another way to study environmental economics.

Other possible resources are the course web pages for other environmental courses for undergraduate economics majors. This syllabus should include links to a few such courses, but for now does not. Maybe you could help me find some. Of course, I am not responsible for the mistakes of other professors.

Your required readings consist of journal articles, magazine articles and newspaper articles. They vary in length from a few newspaper columns to twenty-page journal articles. Some of these articles will be discussed in class.

I will often draw review questions from these articles. You are responsible for the material in all of the articles for each section of the outline that is covered in class, even though not all of the readings will be explicitly discussed in class.

Many of these articles were suggested by students. I encourage your comments and feedback on

