

Environmental Economics

Economics 260

Section: D100

Term: 2007 Fall

Instructor: K. Wainwright

Discussion Topics: This course introduces students to the relationship between economic activity and the environment. The objective is to familiarize students with the causes, consequences and possible solutions to local and global environmental issues. Topics covered include externalities, public goods, cost-benefits analysis, environmental degradation and policies for environmental regulations. The course will also cover global environmental issues such as ozone depletion and biodiversity.

Outline:

1. Introduction (Field & Olewiler, Ch.1,2)
 - Environmental Problems and Economic Approaches, Incentives,
 - Externalities and Property Rights, Sustainability
 - Linkages Between the Economy and the Environment

2. Fundamental Concepts and Analytical Tools (Field & Olewiler, Ch.3,4,5)
 - Markets and Competition, Market Valuation
 - Market Failures (Monopoly, Externalities, Public Goods, Common Property Resources, etc)
 - Scarcity and Economic Rent
 - Social Efficiency and Economic Welfare concepts and measurement
 - Environmental Quality and Socially Efficient level of Emissions

3. Valuing the Environment and Benefit Cost Analysis (Field & Olewiler, Ch.6,7,8)
 - Measuring Environmental Benefits and Costs,

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- Discounting and Interest Rates, Social vs. Private Discounting

- Theory vs. Practice: Benefit-Cost Analysis, Cost-Effectiveness Analysis, and Environmental Impact Analysis

- Uncertainty and Risk Analysis

- 4. Environmental Policy Analysis (Field & Olewiler, Ch.9,10, 11-14)

- Environmental Policy Evaluation Criteria

- Strengths and weaknesses of the Market Valuation Approach

- Efficiency vs. Equity (Fairness) and Environmental Issues

- Liability Laws, Property Rights, and the Coase Theorem

- Environmental Standards, Emission Taxes and Subsidies, Transferable Pollution Permits

- 5. Environmental Policy in Canada (Field & Olewiler, Ch.15-19)

- Control of Water Pollution

- Air Pollution

- Hazardous Wastes, Solid Waste and Recycling issues

- 6. Global Environmental Problems and Sustainability (Field & Olewiler, Ch.20)

- Limits to Growth Issues, Sustainable Development

- Non-Renewable Resource Problems and Issues, Conservation, Re-Cycling

- Renewable Environmental Resource Problems and Issues

- Biodiversity and Endangered Species

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- Macroeconomic Approaches to Global Environmental Problems, Sustainable Development
- Global Climate Change and GHG Emissions, Kyoto Protocol

Grading: Assignments 20%

Midterm 30%

Final exam 50%

Required Texts: Environmental Economics, UPDATED 2nd Canadian Edition, 2005, Barry Field & Nancy Olewiler, McGraw-Hill Ryerson, 2005.

Recommended Texts:

Materials/Supplies:

Prerequisite/Corequisite: Econ 103 or 200. Students with credit for ECON 360 cannot take this course for further credit.

Notes: **NO TUTORIALS DURING THE FIRST WEEK OF CLASSES**

Students requiring accommodations as a result of a disability must contact the Centre for Students with Disabilities (604) 291-3112 or csdo@sfu.ca.

All students are expected to read and understand SFU's policies with regard to academic dishonesty (T 10.02 and T 10.03). These policies are available at the following web addresses:

<http://www.sfu.ca/policies/teaching/t10-02.htm> and

<http://www.sfu.ca/policies/teaching/t10-03.htm>

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