

ECON 311: Environmental Economics



Spring 2007
Syllabus

Time: MWF 2:00 – 2:50 p.m.
Classroom: Beatty Center Room 216
Textbook: Environmental Economics & Management, Third Edition by Scott J. Callan and Janet M. Thomas
Prerequisite: Junior Standing, ECON 201 & 202, MATH 105 or 120
Instructor: Calvin Blackwell
Office: Beatty Center Room 333
Office Hours: Monday, Wednesday and Thursday: 10:00 a.m. – 11:30 a.m., and by appointment
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In the late 1800's London was known for smog so thick that noon was as dark as midnight. On a warm summer day in 1969 pollution in the Cuyahoga River burst in flames, creating a literal river of fire. These instances and others illustrate how industrialization has degraded our natural environment. In the wake of environmental disasters in the 50's and 60's, the U.S. Congress passed a host of legislation attempting to improve the environment. This legislation is the result of lengthy political debate between environmentalists and industry over the best ways to clean up the environment. But how effective has this legislation been? Was any legislation necessary, and if so, could it have been improved upon? At the end of this class you should understand how economists approach these questions and what sorts of answers they give.

The College of Charleston's course description for this class:

This course deals with the institution of property rights and how the absence of property rights may hinder the proper allocation of society's scarce resources and thereby affect economic efficiency. The course also examines how resources held in the public domain are allocated and ways this allocation might be made more efficient.

Class Objectives

1. Improve student's ability to think critically, "like an economist," which includes:
 - a. Ability to work with models
 - b. Critical thinking skills and analysis
2. Student should have a basic understanding of Environmental Economics, including:
 - a. The causes of environmental degradation
 - b. Potential solutions to environmental problems and their effects
 - c. Efficiency and how economists use it to evaluate environmental regulation

Policies

1. ***You should come to class.*** I lecture on material not explicitly treated in the book, and you are responsible for all the information in both the lectures and the text.
2. ***You must behave yourself while in class.*** I expect all students to behave appropriately while in the classroom. If you have a question, raise your hand and I will be more than happy to answer your question. I expect you to arrive for class on time and prepared. Classroom disturbance of any kind will not be tolerated – you impose a cost not only on yourself, but also upon your classmates when you disrupt my class. Please do not talk to your neighbors while I am lecturing. If you must carry a cell phone or pager, turn it off while you are in my class!
3. ***You must turn in your assignments on time.*** I do not accept late assignments, period. There is no acceptable excuse for a late assignment.
4. ***You must take the exams at the scheduled time.*** I want you to take the exams at the times they are scheduled. If you have any problems with the timing of tests, please notify me in advance. You must give me your excuse before the test begins. You can send me an email or leave me a message, but you must inform me of your absence prior to the test. Failure to provide a legitimate excuse prior to the exam will result in a grade of zero. If you have a legitimate excuse you will not take a makeup exam; instead I will re-weight your final exam to cover the exam missed and the final exam. Example: You miss the midterm exam, which is worth 20% of the course grade. Normally the final exam is worth 30% of the course grade, but for you it will be worth $(20\% + 30\%) = 50\%$ of the course grade.
5. ***Cheating will be dealt with severely.*** All students are expected to adhere to the College Honor Code and Code of Student Conduct (consult your student handbook if you need to review the codes.) Any violation of the Codes will result in severe consequences.
6. ***Check my WebCT website for important announcements.*** I will post copies of homework assignments, readings, lecture notes and other useful material, as well as general class announcements.
7. ***Learning Disability.*** If there is any student in this class who has a documented learning disability and has been approved to receive accommodations through SNAP Services, please feel free to come by and discuss this with me during my office hours.
8. ***If you have a problem, you must express it to me in writing.*** If you have a “problem,” you must provide the proper paperwork for me to solve it. A “problem” could be any of a number of things. Some examples: You have to take two other exams on the day I have scheduled the midterm and you want to move the time at which you will take the exam; you feel that the class is moving too slowly/quickly and want me to speed things up/slow down; you believe that I graded an assignment unfairly. In order to address your problem, I need to know the nature of the problem and your proposed solution to this problem. This information must all be in writing, using my “**I have a problem...**” form. I will need **two (2)** copies of this form. I will keep one for my own records and return one to you with my response. You may only appeal my decision with another problem form. For certain requests I require supporting documentation, e.g. doctor’s excuse, court summons, etc. I will not consider **any** problem unless it is presented in this format. If you want to challenge a grade on an assignment, you must explain which problems were graded incorrectly and why you should receive more credit.

Additional Help

If you are having trouble following the material in the course, you are encouraged to seek additional help early so that you do not fall behind. **Do not wait until it's too late.** You may see me during my office hours or you may make an appointment for some other time. If your class schedule and/or work schedule makes it impossible for you to meet with me during my scheduled office hours, please let me know by sending a list of times that you are free to my email address. You may also drop by my office for extra help **any time** you feel it is necessary, but you might want to call first to make sure I'm in. Remember, your tuition pays for my time, so use it!

This is your course. You will find that I am extremely flexible with regard to many aspects of this class. I value your input and will use it to make the class better for you, so if there is anything that you feel will enhance your learning experience, please let me know.

Grading

Grades are not based on effort! Instead, I base your grade on four criteria:

- Knowledge of material covered in the textbook and in class
- Ability to apply knowledge
- Ability to relay that knowledge back to me
- Responsibility – assignments turned in on time, exams taken at the appropriate time.

I will give you a zero if you fail to take an exam (and do not have an appropriate excuse) on time or turn in an assignment on time. No excuses are acceptable for late papers!

The breakdown for points is as follows:

Assignment	Value	Description
In-class Quizzes	10%	Approximately once per week (see calendar) you will have a brief quiz over the reading assignment. I will drop the lowest four quiz scores.
Midterm Exam	20%	Will consist of multiple-choice questions, open ended problems and one essay question. See calendar for date.
Final Exam	30%	Cumulative final exam. Longer version of midterm.
Class Project	25%	Students will form groups of 4 or 5. Each group will be responsible for designing and implementing a project to improve the environmental quality of the College of Charleston campus. This project will require a significant time commitment!
Homework	15%	3 homework sets, of 6–9 questions each. All 3 homework sets are weighted equally in determining overall homework grade. See calendar for due dates.

Your class grade depends on the total amount of points you earn. I do not rule out a curve, but I promise that I never curve down, only up. Therefore the following scale shows sufficient but not necessary conditions for a particular grade:

A	90%
B	80%
C	70%
D	60%

A final note on grades

Think of my grading as a neutral entity, like a bull's-eye. You shoot an arrow and it hits some part of the target. The target has no feelings about your shot; it merely indicates the quality of your aim. You may hit the bull's-eye, the side, or completely miss the target, but the target does not care. I am like that target when I grade – I merely evaluate your aim, not your intention.

Calendar

Date	Assignment	Reading	Lecture	Topic
8 Jan				syllabus
10 Jan		Donlan	1	<i>Introduction to Environmental Economics</i>
12 Jan	Quiz	Fullerton & Stavins	2	<i>How an Economist Views the Environment</i>
17 Jan		C&T: 1	3	<i>The Environment & the Economy</i>
19 Jan			4	<i>Optimal Decision-Making Applied to the Environment</i>
22 Jan				<i>Guest Lecture on Sustainability</i>
24 Jan	Quiz	Porter & van der Linde; Palmer, Oates & Portney	5	<i>Optimal Decision-Making - A Discussion</i>
26 Jan	Quiz	C&T: 2	6	<i>Demand, Marginal Benefit & Willingness to Pay</i>
29 Jan			7	<i>Cost</i>
31 Jan			8	<i>Markets in Equilibrium 1</i>
2 Feb			9	<i>Markets in Equilibrium 2</i>
5 Feb			10	<i>Markets & Efficiency</i>
7 Feb	Quiz	Rawls	11	<i>Equity & Efficiency</i>
9 Feb			12	<i>Social Choice</i>
12 Feb	Quiz	Hardin	13	<i>Public Goods 1</i>
14 Feb	Homework 1 Due	C&T: 3	14	<i>Public Goods 2</i>
16 Feb			15	<i>Applied Public Goods Theory</i>
19 Feb			16	<i>Introduction to Externalities</i>
21 Feb	Quiz	C&T: 4	17	<i>Damage Functions and Abatement Costs</i>
23 Feb			18	<i>Emissions and Efficiency</i>
26 Feb			19	<i>The Coase Theorem</i>
28 Feb	Quiz	Coase	20	<i>Applications of the Coase Theorem</i>
2 Mar	Quiz	C&T: 5	21	<i>Tax/Subsidy Approach to Externality</i>
12 Mar	Homework 2 Due		22	<i>Other Market Approaches to Externality</i>
14 Mar			23	<i>Pollution Permits 1</i>
16 Mar	Quiz	Hahn; Sandel	24	<i>Pollution Permits 2</i>
19 Mar	MIDTERM EXAM			
21 Mar			25	<i>Pollution Permits 3</i>
23 Mar			26	<i>Command & Control Approaches</i>
26 Mar	Quiz	Keohane, Revesz & Stavins	27	<i>Public Choice & the Environment</i>
28 Mar			28	<i>How to Regulate? Additional Issues</i>
30 Mar		C&T: 6	29	<i>Risk Analysis</i>
2 Apr	Quiz	C&T: 7	30	<i>Measuring Benefits</i>
4 Apr	Quiz	Smith	31	<i>Measuring Benefits Indirectly</i>
6 Apr			32	<i>Applications in Benefits Measurement</i>
9 Apr		C&T: 8	33	<i>Measuring Damages</i>
11 Apr		C&T: 9	34	<i>Benefit-Cost Analysis 1</i>
13 Apr	Quiz	Arrow et al.	35	<i>Benefit-Cost Analysis 2</i>
16 Apr	Homework 3 Due	Kelman	36	<i>Benefit-Cost Analysis 3</i>
18 Apr		Simpson; Metrick & Weitzman	37	<i>Ecological Economics</i>
20 Apr	Quiz	Solow	38	<i>Sustainable Development</i>
23 Apr	Final Project Due	C&T: 20	39	<i>Trade & the Environment</i>
25 Apr	FINAL EXAM, Noon to 3 p.m.			