



## Department of Economics Course Outline

		<b>Term:</b>	Fall 2013
<b>Course:</b>	Economics 611 International Trade and the Environment	<b>Section:</b>	03
<b>Time:</b>	MW 14:00-15:15	<b>Place:</b>	SS 403 (subject to change)
<b>Instructor:</b>	M. Scott Taylor		
<b>Office:</b>	SS 428	<b>Telephone:</b>	220-8912
<b>Office Hours:</b>	W 3:30-4:30	<b>E-mail:</b>	mstaylor@ucalgary.ca

### **Textbook(s):**

There is no textbook required for the course.

**Book(s) on Reserve:** n/a

### **Course Outline:**

The course is geared to second year PhD students who have an interest in the intersections between environmental economics, natural resource economics, energy economics and economic growth. Masters level students are welcome to attend but the readings and materials will assume a working knowledge of first year macro, micro and econometrics. The readings and discussions will investigate the links between international trade, growth and the environment from both theoretical and empirical viewpoints. We will investigate the theoretical links between international trade and sustainability by examining the impact of trade and growth on both industrial pollution and natural resource use. We will review and critique the empirical evidence linking trade and growth to environmental outcomes using theory as a guide to evaluate the literature. The focus is on understanding what the important economic issues are; how these real world issues have led to a related set of research questions; and how researchers have gone about answering these questions. During the course we will try to answer three basic questions.

(1) How does international trade affect the environment?

For example does free trade raise pollution levels? Does it lead to over consumption of cheap resources produced in developing countries?

(2) How does government environmental policy affect trade flows and environmental outcomes?

For example, does tight environmental regulation in the rich developed countries drive polluting industries to relocate in poor countries to escape regulation? Will world pollution rise when firms flee to these pollution havens?

(3) How is economic growth affected by environmental constraints, and what are the environmental and resource consequences of growth.

### Requirements:

This is a seminar course where participants are expected to actively participate in the discussion of the required readings, create their own research paper, and complete several problem sets. The research paper comprises 80% of the course mark with 20% given for class participation. The paper could be a literature review, or a novel contribution to either theory or empirics.

All readings will be made available on blackboard. To start with the first week we will discuss.

The first two readings we will discuss are:

**Grossman G.M, and A.B. Krueger**, "Environmental Impacts of a North American Free Trade Agreement," in P. Garber (ed.), *The Mexico-U.S. Free Trade Agreement*, Cambridge, MA: MIT Press, 1993, pp.13-56.

**Grossman, G.M. and A.B. Krueger**, "Economic Growth and the Environment," *The Quarterly Journal of Economics*, MIT Press, May 1995, vol. 110(2), pp. 353-77.

I will expect you to read between 100 and 150 pages of material each week in this course.

### Grading and Deadlines:

Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	95	B	75	C-	55
A	90	B-	70	D+	50
A-	85	C+	65	D	45
B+	80	C	60	F	40

### Notes:

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor within two weeks of the work being returned to the class.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and

have not registered with the Disability Resource Centre, please contact their office at 403-220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

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