



Department of Economics Course Outline

		Term:	Winter 2011
Course:	Economics 677 [Seminar in Economics of the Environment]	Section:	01
Time:	MW10:00 – 11:15	Place:	SS 403 (subject to change)
Instructor:	Jared Carbone		
Office:	SS 438	Telephone:	403.220.4094
Office Hours:	TBA	E-mail:	jccarbon@ucalgary.ca

Course Description

This is a graduate seminar on selected topics from environmental economics. The only prerequisite for the course is a firm command of microeconomic theory (as evidenced by successful completion of ECON 657 for example.) The course is not a comprehensive survey of the field of environmental economics. The main objectives of the course are to learn how to read and critique journal articles from the literature and to identify opportunities for new research within the field. In other words, the goal is to get you to a point where you know the frontier of the areas we cover and can begin to craft your own research questions and make a contribution to the academic literature.

The theme of this year's course is to study three areas of environmental economics where general equilibrium effects play an essential role in shaping the outcomes of policy analysis. Economic environments where policy changes produce unanticipated feedback effects pose difficult challenges for analysts both conceptually and for measurement. We will study how general equilibrium feedback effects manifest themselves in our three study areas and how this has led to the development of new tools to analyze and quantify these influences.

Our first area of study, local public goods and hedonic welfare estimation, must confront the fact that people choose where to live and work, in part, based on the levels of public goods provided there. The levels of these goods, in turn, depend on the characteristics of the people who live there. The focus of the literature on second-best environmental taxation, our second area of study, is on the degree to which new environmental regulations interact with the pre-existing tax system and how that informs the optimal design of these regulations. The general conclusion is that broad-based environmental regulations -- like a carbon or a gasoline tax for example -- can have important impacts on the overall performance of the economy through their effect on the reallocation of basic factors. Finally, the trade and environment literature, our third area, deals primarily with how regional environmental regulations or trade policies can have unexpected effects on the environment through the linkages with other parts of the world that international trade implies.

Course Materials

There is no required textbook or reading packet for this course. Course readings will be made available through the course website or in class. You may find the following books to be useful reference materials.

Baumol, William J. and Wallace E. Oates, The Theory of Environmental Policy, 2nd edition, Cambridge University Press, 1988.

Kolstad, Charles, Environmental Economics, Oxford University Press, New York, 2010.

Freeman, A. Myrick, The Measurement of Environmental and Resource Values: Theory and Methods, 2nd edition, Resources for the Future, Washington DC, 2003.

Perman, Common, Mcgilvray and Ma, Natural Resource and Environmental Economics, 3rd edition, Addison Wesley, 2003.

Course Requirements

Final grades will be based on class participation (20%), weekly short essay assignments (40% collectively) and a final exam (40%). The main activity of the course is reading and discussing journal articles so it is critical that you do all of the assigned reading before each class meeting and participate in class discussions. The final exam will take place during the exam period.

Essay Assignments -- You will write one short (one to two single-spaced pages) essays per week in which you critique an article from the assigned readings for that week. Your essays are due at the beginning of class on Mondays. You can miss one of these assignments during the semester without consequence to your final grade and there is no essay due the first week of class. I expect the essays to be written professionally. The language should be clear, well organized, grammatically correct, properly referenced, and written in a style consistent with the production of a professional document like the journal articles you are reading for class. If you are unsure what this means, consult me and consult the University's Writing Workshop. I will indicate to you which articles are eligible for essay assignments each week. In your essay, you should answer the following questions.

1. What is the research question described in the article?
2. Why is this an important question for scientists (and humanity) to try to answer?
3. What is the main result?
4. What is the basic strategy the authors use to address the question?
5. Do you think this strategy is appropriate? Why or why not? In particular, are there aspects of the design that might invalidate the authors' interpretation of the results?
6. How should this result guide future research in this area?

Course Outline and Readings

See the course website: http://www.jaredcarbone.org/econ_677

Tests and final exams are marked on a numerical (percentage) basis, 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+	97-100	B	83-87	C-	70-73
A	93-97	B-	80-83	D+	65-70
A-	90-93	C+	77-80	D	60-65
B+	87-90	C	73-77	F	< 60

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Non-programmable calculators will not be allowed during the writing of tests or final examinations.

The final exam will be set by the Department of Economics lasting 2 hours.

Tests and exams will not involve multiple-choice questions.

Students' Union Vice-President, Academic

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Notes:

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within fifteen days* 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 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.

Safewalk / Campus Security: 220-5333
Emergency Assembly Location – Professional Faculties Food Court

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2010-12-23