



QUINLAN
SCHOOL of BUSINESS

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ECONOMICS 328: Environmental Economics **Spring 2018, Mondays, 4:15-6:45 PM, Corboy 306**

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Catalog Description

This course applies economic theory to environmental problems and policies, investigates the role economic incentives play, and discusses externalities, property rights, pollution and pollution control.

Outcome: Students will understand that environmental problems are fundamentally economic problems that come about because there is a market failure (e.g., an externality or public good) and that environmental problems have economic solutions.

Required Materials

Jones, *Environmental Economics* (Great River Learning, 2017), ISBN #: 978-168075-355-4.

Available at bookstore (maybe) or directly from publisher at www.grtep.com. There is not a paper version. However, you can download chapters as pdfs or just print them out. Knowledge checks and chapter quizzes are available only electronically. All of the readings in addition to the text are identified so that they can be found in a library or online; they have not been put on reserve. The book is only electronic.

Course Requirements and Grading Criteria

There will be midterm final examinations, a term paper, and end-of-chapter quizzes from the textbook (all of them). The midterm, scheduled for March 19, will be a one-hour examination; the final, on April 30, at the regular class time, a two-hour examination. The Sakai resources site has a document on how to take one of my exams. Each component will count 25% of the course grade.

The term paper will be a short (4-5 page) research paper providing an economic analysis of an environmental problem or policy. A 1- or 2-paragraph proposal of your topic is due by February 5; the paper itself is due April 16. A set of guidelines on how to write an environmental economics term paper, including the proposal, is in the Sakai resources site; read it. I also have provided a list of environmental economics and related journals on the Sakai site that will be excellent sources of information. Each term paper must have at least two citations from scholarly economics journals. I recommend consulting the University of Chicago *Manual of Style*, 16th edition, for citation formats. Other formats, such as MLA are fine. Just use a consistent format.

An alternative to the midterm: In lieu of the midterm, groups of 4 or 5 students may form teams to research an environmental-economic issue and present the results to the class on April 2. The Sakai site contains a file that provides a set of very broad topics which offer considerable leeway for approach. Decisions to take this alternative should be made no later than class time on February 5, to provide ample time for research.

My grading is the usual Quinlan format: 100-93 A; 92-90 A-; 89-88 B+; 87-83 B; 82-80 B-; 79-78 C+; 77-73 C; 72-70 C-; 69-60 D; below 60 F. Attendance is not mandatory but is noted and, along with class participation, can affect course grade.

Class Meeting	Topics and Readings
January 22	Introduction, Roadmap, and beginning of Economic Background
	Reading
	Jones, Introduction, Chapter 1 & 2
January 29	Economic Background, continued Economic Policy – Theory Development of Economic Policy
	Reading
	Jones, Chapters 2, 3, & 4
February 5 Deadline for research team notification	Benefits & Costs of Environmental Policies
	Reading
	<ul style="list-style-type: none"> • Jones, Chapter 5 • W. Michael Hanemann, “Valuing the Environment through Contingent Valuation.” <i>The Journal of Economic Perspectives</i>, Vol. 8, No. 4 (Autumn 1994): 19-43.
February 12	Sectoral Pollution – 1: Power Supply
	Reading
	Jones, Chapter 6
February 19 Term paper proposals due	Sectoral Pollution – 2: Agriculture
	Reading
	Jones, Chapter 7
February 26	Sectoral Pollution – 3: Transportation
	Reading
	Jones, Chapter 8
March 5	Spring Break – no class

March 12	Sectoral Pollution – 4: Urbanization
	Reading
	Jones, Chapter 9
March 19	Mid-term Exam Sectoral Pollution – 5: Waste Management
	Reading
	Jones, Chapter 10
March 26	Global Climate Change
	Reading
	<ul style="list-style-type: none"> • Jones, Chapter 11 • Michael Hanemann, “The Role of Emission Trading in Domestic Climate Policy.” <i>The Energy Journal</i>, Volume 30 (Special Issue 2, 2009), <i>Climate Change Policies after 2012</i>: 73-108. • Lawrence H. Goulder, “Markets for Pollution Allowances: What Are the (New) Lessons?” <i>Journal of Economic Perspectives</i>, Volume 27, Number 1 (Winter 2013): 87–102. <p style="text-align: center;"><u>Some optional pieces</u></p> <p>As your interest takes you, you may want to look through some of the draft chapters of the IPCC 2014 Assessment Report 5, which is in four zip files on the Sakai site.</p> <p>William Nordhaus, <i>The Climate Casino; Risk, Uncertainty, and Economics for a Warming World</i>. New Haven: Yale University Press, 2013.</p> <p>U.S. Department of Defense, <i>2014 Climate Change Adaptation Roadmap</i>, http://www.acq.osd.mil/ie/index.shtml</p> <p>Gernot Wagner and Martin Weitzman, <i>Climate Shock; The Economic Consequences of a Hotter Planet</i>. Princeton: Princeton University Press, 2015.</p>
April 2	Student presentations
April 9	Species, Diversity, & Ecological Preservation
	Reading
	<ul style="list-style-type: none"> • Jones, Chapter 12 • Andrew Metrick and Martin L. Weitzman, Conflicts and Choices in Biodiversity Preservation.” <i>Journal of Economic Perspectives</i>, Volume 12, Number 3 (Summer 1998): 21-34.
April 16	Sustainability

Term papers due	
	Reading
	Jones, Chapter 13
April 23	Round-up of problems & policies we haven't otherwise covered
	Reading
	I may find some interesting things.
April 30	Final Exam