

Econ 2713 - Economics of the Natural Environment
Winter 2020 - BAC 237 TH 8:30-9:45am

Instructor: Andrew Davis, andrew.davis@acadiau.ca

Office Hours: 1:30-3:30pm, Monday and Friday, BAC 344, or by appointment.

Course Description: “An introductory analysis of pollution and the overuse of natural resources. Two ideas are central to the course: (1) A socially optimal level of pollution and/or resource use that is not the market level and not zero. (2) The failure of both markets and governments to deliver this level, and the characteristics of institutions that outperform markets and/or governments in isolation.”

Prerequisite: Econ 1013 with a grade of C- or better. Students who do not have a background in supply and demand analysis should expect to find the course challenging.

Textbook: Berck and Helfand, the Economics of the Environment (recommended, borderline optional). A variety of readings will also be provided via ACORN as the course progresses.

Topics Covered: This serves as a rough plan of attack for the course. Progression will be determined in part by student interest, amount of discussion, and difficulty. Chapters listed as per the Berck and Helfand text.

| Text | Topic | Week |
|----------|--|-------|
| Ch.3,4,5 | Introduction, review of micro principles | 1 |
| Ch.6,7 | Market and non-market valuation | 2-3 |
| Ch.10 | Externalities and solutions | 4-5 |
| Ch.11, | Property rights and public goods | 6-7 |
| Ch.12,13 | Regulation in practice | 8 |
| Ch.14,15 | Cost benefit analysis | 9-10 |
| Ch.18,19 | Resources, markets, and sustainability | 11-12 |
| - | Presentations | 13 |

Grading:

- Cap and Trading: 12% (see below)
- Presentation: 12% (see below)

- Briefing Note: 16% (see below)
- Anonymous Review: 5% (see below)
- Midterm 1: 30%
- Midterm 2: 30%
- Final: 60%*

Given that we have two major class tests, the final for the course is optional. If you do better on the final than your midterm average, you replace your midterm average with the final grade.

Cap and Trading: There will be a single substantive assignment based around the in-class implementation of a carbon permit trading market. Details on ACORN later in the term.

Presentation: All students are required to put together a presentation. Students who do not actually wish to present can submit a presentation electronically, where it will be graded out of 10 instead of 12. The presentation should take the form of a brief case study on a particular topic relevant to the course. Topics can be as general or as specific as desired, e.g. from discussing the influence economic thinking has had on forming global climate change regulation, to examining the economic incentives and outcomes in play in Nova Scotia fisheries. Presentations will commence late in the year. See ACORN for more details.

Briefing Note: All students are required to individually write a ‘policy briefing note’ on a Canadian environmental issue. You may write on the same topic as was covered in your presentation. The briefing note is written from the perspective of a government employee familiar with the issue updating their superiors within the department after a national Canadian newspaper has suddenly started covering the topic. Maximum 2500 words. Lay out the background around the topic, review the current governmental policy relating to the issue, highlight any potential problems in the area which the newspaper could target, and either defend the current policy or recommend and justify changes.

Anonymous Review: Students may opt-in to a peer review of their paper. I will anonymously redistribute first drafts of papers to other participating students. Reviewers will provide constructive criticism, which I will comment upon before returning drafts to authors. Papers not in reasonable shape at this point will be rejected for the process. Grade is based on quality of review provided.

Disabilities and Access: If you are a student with documentation for accommodations who anticipates needing supports or accommodations, please contact Marissa McIsaac, Accessibility Resource Facilitator at 902-585-1520, disability.access@acadiau.ca or Emily Duffett, Accessibility Officer, 902-585-1823, disability.access@acadiau.ca. Accessible Learning Services is located in Rhodes Hall, rooms 111-115.

Academic Honesty: https://central.acadiau.ca/registrar/faculty_information/academic_integrity

Technology Policy: For those of you intending to use cell phones, laptops, or other electronic devices during class, please be considerate of those around you. Use your devices in a way that will not

distract others, e.g. by sitting at the side or back of the classroom. Note there is a large body of scientific evidence that finds use of devices in class to have negative impacts on academic performance.

Important Dates:

Jan. 8 - First class.

Jan. 15 - Last day to drop without a W.

Feb. 13 - Midterm 1

Feb. 18-22 - Winter study break. No classes.

Mar. 1 - Last day to drop with a W.

Mar. 14 - Paper drafts for review. (optional)

Mar. 26 - Midterm 2

Apr. 2 - Last class. Paper due.