University of Colorado
Department of Economics

ENVIRONMENTAL ECONOMICS--EC4545-001

P. Graves
Spring 2013, Hellems 267

Course Content

The study of environmental economics is interesting, thought-provoking, and controversial. This is both a strength and a weakness; the strength is that the inherently interesting nature of the subject matter results in greater student interest and involvement than might be the case for many of the other fields in economics. The weakness, however, is that the emotionally-charged nature of the topic tends to lead to fuzzy thinking--indeed, there is ample evidence that this problem is not unique to the academic setting; many of the worst examples of government spending and legislation have stemmed from perceptions of a "crisis," whether it is an energy crisis, a defense or terrorist crisis, a health-care crisis, or whatever.

The economist views environmental problems, like all problems, as being "resource-allocation

have markets") taking negative externalities as being synonymous with an environmental

students to get out of the final results in the midterms coming later in the semester than is usual, so that more of the material is tested upon. The

4)All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on theHonor Code can be found at http://www.colorado.edu/policies/honor.html and at http://www.colorado.edu/academics/honorcode/
The course will follow the book and class lectures, with tests organized as follows:

Midterm #1 will cover introductory material involving why economists like supply and demand and its extension, benefit-cost analysis. It will also cover externalities, public goods, and the Coase Theorem as well as the economic/environmental model that we will discuss, in possibly excruciating detail, in class. The specific date of the first exam will be voted on in class among a few possible dates, hopefully to get the "socially optimal" test date--the date is, however, a "public good" and voting does not always produce the best date, as we shall see. The first exam will be, however, approximately mid-way through the semester.

Midterm #2 will cover the (many) flaws in the approaches actually taken to implementing benefit-cost analysis, strongly suggesting that benefit-cost analysis is heavily biased against the environment. It will also cover the extensions to the economic/environmental model that are necessary to allow it to inform "real world" environmental policy. The second exam date will also be voted upon, though it will come quite late in the semester (usually the last "legal" week for exams, which is the second to last week of the semester).

AGAIN: Comprehensive Final ExamComprehensive Final Exam is Tuesday May 7 4:30pm to 7:00pm in our classroom--Good Luck!