

Environmental Economics
Course 8003GED20Y – Block 2 2014
Professor David Zetland
Syllabus – November 28, 2014

1 Course description

This course focuses on our environment(s), which function as common pool goods affected by the positive or negative externalities resulting from private behavior. Although “the environment” is often defined as nature (e.g., land, water, air), it is more broadly defined to include the shared spaces (e.g., markets, classrooms, websites, electromagnetic spectrum) affected by private actions. We will examine positive and negative impacts on environments, evaluate the magnitude of those impacts, and discuss different methods of managing or protecting environments (e.g., Pigou versus Coase versus Ostrom).

Themes: Sustainability, public (social) goods vs. private (market) goods, externalities and discount rates

Learning objectives: Students will understand the benefits and challenges of sustainability. We will use class projects or case studies to focus on the multiple interacting dimensions of personal choices, profits, votes and social outcomes

2 Logistics

Greetings: I’m an assistant professor. Call me “Professor” or “David” but not “Doctor”

Contact: d.j.zetland@luc.leidenuniv.nl or mobile 06 2890-9774

Office hours: Tuesday and Thursday, 14:00-16:00 (shared with CPR) in Room 4.37

Technology: I do not allow laptops or mobile phones to be used in class. It’s best to take notes

Classes: Monday (15:00-16:50) and Thursday (11:00-12:50) in room 3.09, with a 10 minute break at :50

Dates: The first class is Monday, 27 Oct. The last class is Thursday, 11 Dec. *There is no final*

2.1 Assignments and grades

This is a 300 level class. You are expected to know microeconomics.

Blog post: 10 percent

Peer reviews: 20 percent (10 percent each)

Presentation: 20 percent

Paper: 40 percent

Participation: 10 percent

Assignments will be scored in points that are translated into percentages.

Letter grades *for the class* will be assigned according to the “American” system, e.g., A+ (97-100), A (93-96), A- (90-92). Bs, Cs and Ds will be assigned using the same -/+ cutoffs in the 80-, 70- and 60-percent ranges. An F results from a score of 59 percent or less.

Requests for regrades on assignments must be submitted in writing within one week of receiving graded assignments. Accounting mistakes (mis-adding your points) need not come with a written request.

2.2 Participation and attendance

Everyone starts with 10 points. Points will be *deducted* for missing a class (one point), failing to comprehend readings (e.g., “I can’t answer that question because I didn’t do the reading”), or disruption (e.g., using a laptop in class). Students who miss three classes receive an F for the class (per student handbook).

As usual, there is no deduction if you’re absent due to “extenuated circumstances,” but I’ll need a doctor’s note, approval of your tutor, or equivalent as justification.

Students who are more than two minutes late will bring “goodies” for everyone in the next class.

2.3 Required reading

- Hardin, Garrett (1968), “The Tragedy of the Commons” in *Science* 3859(162):1243–1248
- Dietz, T, Ostrom, E. and Stern, P.C. (2003), “The Struggle to Govern the Commons” in *Science* 302:1907-1912
- Coase, Ronald (1960), “The Problem of Social Cost” in *The Journal of Law and Economics* 3:144
- Dolan, Edward (2011). *There Ain’t No Such Thing As A Free Lunch*. London: Searching Finance

2.4 Course paper

During this course, you will spend most of your time researching, writing and presenting a paper on an environmental economics topic of your choice.

Potential topics must focus on actions that unintentionally affect others, i.e., consumption of a private good that produces positive or negative externalities affecting others's use of common pool goods (e.g., air, water, land, cyberspace).

In your paper, you will describe the topic (background), estimate the size and distribution of costs and benefits (relevance), explain economic and political forces (methods and analysis), describe current policies, actions and barriers to change (policy implementation), and suggest means of removing or avoiding barriers (recommendations).

Bonus points for soliciting and receiving outside opinions on the viability of your recommendations.

Choose topic: Week 2

Blog post: Week 4. 300-500 words on your topic.

Draft: Week 5. Email your draft to me. I will grade peer reviews but *not* drafts.

Peer reviews: Week 6

Presentation: Weeks 6 and 7. 10 minutes (focus on *key* ideas to save time) plus 5 minutes for discussion.

Paper due: Week 7.99. Approx 3,000 words (10-15 double-spaced pages), ignoring references, figures and tables

Hints: It's probably a good idea to choose a topic that's interesting to you, as you're going to be seeing it a *lot*. It's usually more fun to focus on a novel topic rather than an old one (e.g., littering in cyberspace versus littering at sports stadiums or e-pollution versus coal pollution), but you can also do a lot by looking at a new geographic area or analyzing a policy that's failed miserably. Positive externalities (e.g., beautiful sunsets from smog) can be surprisingly interesting.

2.5 Blog post

Write an post discussing a topic related to your paper.

You will get an A+ if/when I accept it for publication, i.e., you will get an F if I reject your post *twice* for bad writing.

Your grade, however, will be reduced to an F for failure to leave a useful (critical, insightful, etc.) comment on at least ONE other post by a student.

Examples

Check out my blog (Aguanomics), Marginal revolution, or any other blog. Pay attention to "little essay posts," not bullet points of links, cartoons, etc.

Format for submission

Email your post to my personal account (dzetland@gmail.com) by midnight on the due date.

- Each post should be between 300-500 words. You can go longer, if it helps, but don't bore people.
- It's good to put an image (photo or figure) in the post.
- You will be identified by name. I will use your photo by default, unless you tell me no.
- It's helpful to have a "Bottom Line:" summary statement of your point to the reader.
- Send the email to me in plaintext (or no formatting).
- For URL links, use the format (this great blog)[<http://www.aguanomics.com/>]. Do not link to words in the email.

2.6 Peer grading

For each of the two essay you read, please group your comments under the headings of:

- "What I learned"
- "What I did not understand"
- "How to improve"

I will grade your critiques based on the quality of your work, i.e., how helpful and insightful it is to the author (and me). This means you can ignore poor grammar and spelling (I will see it) and that you do not need to argue too much with poor reasoning. Just offer a simple counter-example or question to point out the weakness in the author's argument.

Format for submission

- Each critique needs to be 300 words or less.
- Do NOT put your name or ID number in the document
- Name your file xxxx-yyyy.doc(x), where xxxx comes from the author of the briefing and yyyy are the last four digits of your LUC ID
- Do NOT use a PDF file.
- Email to me before the deadline.

3 Weekly Schedule

NB: Please *do* bring questions on readings, homework, world events to class

Week 1: Environmental economics (goods vs institutions)

Reading: Dolan Introduction plus Chps 1 and 2

Assignment: None

Week 2: Potential solutions to environmental problems (Pigou, Coase and Ostrom). Thurs: Who's doing what topic?

Reading: Hardin, Dietz and Coase

Assignment: Paper topic due Monday, 3 Nov (one page with thesis statement and justification of significance)

Week 3: Material from Dolan

Reading: Dolan Chps 3 and 4

Assignment: None

Week 4: Material from Dolan

Reading: Dolan Chps 5, 6 and 7

Assignment: Blog post due Monday, 17 Nov

Week 5: Material from Dolan

Reading: Dolan Chps 8 and Appendix

Assignment: Draft papers due Thurs, 27 Nov

Week 6: Presentations Monday and Thurs

Reading: None

Assignment: Peer reviews due Thurs, 4 Dec

Week 7: Presentations Monday and Thurs

Reading: None

Assignment: None

Week 8: N/A – reading week

Reading: None

Assignment: Final paper due 23:59 on Sunday 14 Dec (via email). Late submissions lose 1 point per five minutes