

FALL 2008

ECONOMICS OF ENVIRONMENTAL POLICY

ECON 379

*American University
College of Arts and Sciences*

INSTRUCTOR

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REQUIRED TEXTS

- Tietenberg T., & Lewis L. (2008). *Environmental and Natural Resource Economics* (8th ed.). Boston: Pearson.
- Supplementary readings (as assigned).

COURSE OVERVIEW

This course is designed to provide you with an understanding of the use of economics in environmental policy and decision making. Given the topic, the course will combine elements and concepts from economics with discussion of ecology and current national and international environmental policies.

LEARNING OBJECTIVES

- Cultivate a broad awareness of the international scope of diverse environmental problems and strategies for managing those challenges.
- Analyze the nature of the economics underlying environmental policy decisions, including the concepts of consumer surplus, environmental valuation, static and dynamic efficiency, as well as sustainability.
- Evaluate differing economic approaches for resolving environmental externalities and effectively managing renewable and nonrenewable resources.

TEACHING PHILOSOPHY

I am here to help. My job is to foster a positive and productive learning environment for every student. Please feel free to come to me with your questions and concerns. Unless there is a privacy issue at stake, in-class is best as your peers likely have the same question. Ultimately, the quality of this course rests in *your* hands. Your motivation, attitudes, and behaviors shape your experience in this class. As the old adage goes, “Teachers open the door. You enter by yourself.” If you are investing the necessary amount time and energy I will go out of my way to help you succeed. However, I cannot want you to succeed more than you do.

RESPONSIBILITIES

Attendance. Attendance at all classes is critical. Being absent will deprive you of valuable class discussions and will prevent you from fulfilling certain graded in-class assignments that cannot be made up. Also, a great deal of questions on the exams will be based on material only covered in class. Excessive absences (including late arrivals/early departures) will negatively impact your participation grade. Attendance sheets will be distributed at the beginning of class. If you are tardy (and please try not to be) you are responsible for signing this sheet immediately upon the conclusion of class. If you fail to do so, you will not be considered present that day. You are responsible for securing all materials distributed in class.

Participation. This will not be a strictly lecture-based course. You are expected to come to class prepared to engage in lively discussions about the readings. The quality of your participation will greatly influence the quality of your learning outcomes. Your participation grade will be based on:

1. Attending class. Physical presence is necessary, but not sufficient.
2. Demonstrating that you have fully prepared for each class and read the assigned materials.
3. Asking thoughtful questions that extend the thinking of the class and instructor.
4. Contributing “real life” examples to close the gap between theory and practice.
5. Expressing respect for your classmates and instructor.

Feel free to ask me throughout the semester (versus at the end of it) for feedback about the quality of your participation. This will give adequate time to make any necessary adjustments to your classroom performance to earn a desirable grade.

Deadlines. Defy Murphy’s Law: “What can go wrong, will.” Start assignments early. Keep back-up copies of everything. Also, anticipate problems (e.g., running out of paper/ink, losing a computer file, not having enough time). All assignments (including exams) must be completed by their due dates (see schedule). If you are unprepared to deliver a presentation on your assigned day (you will self-select your presentation dates)

or do not come to class on your presentation date, you will receive a zero. No make-ups or extensions will be permitted unless permission has been granted from the instructor prior to the due date. One letter grade will be deducted for each day any assignment is late. Like most instructors, I am more understanding if you keep me informed of problems/challenges in a timely manner.

Professionalism. Being professional means respecting others' opinions, not interrupting others, being respectful and courteous to those who are speaking, and working with others in a spirit of cooperation. I expect you to demonstrate these behaviors at all times. With that in mind, sleeping, texting, reading materials irrelevant to class purposes, and disrupting the class in any way will not be tolerated and will result in the student being considered absent during that class period.

Presentations. On presentation days, you will have dual responsibilities as speaker and audience member. As a speaker, you must present on your scheduled date and deliver your presentation even if there is a technical problem with your slides. As an audience member, you will be attentive and supportive as well as be ready to pose questions on the presentation topic. Because most people are nervous when they speak, be encouraging both verbally and nonverbally as an audience member. Also, never enter or leave the classroom if another student is presenting.

Academic Dishonesty. I take plagiarism and academic dishonesty very seriously, and I am required to report cases to the Dean of the College of Arts and Sciences, whose policy is to fail students for the course. Please read the university's Academic Integrity Code closely, and be sure to ask me if you have any questions. The code is available online at <http://www.american.edu/academics/integrity/index.htm>.

In writing papers, you must properly cite all sources (1) directly quoted, (2) paraphrased, or (3) consulted in any fashion. Sources include all printed material as well as the Internet. Proper citation means using a standard citation format: MLA, APA, or Chicago.

It is also considered plagiarism if you merely rework source material, placing an author's thoughts in other words without contributing your own ideas. For that reason, you must include some kind of source note whenever drawing on someone else's interpretation. A source note can be a sentence or more in your paper, or it can be a footnote. A source note should clarify the extent to which your interpretation is indebted to your source, explaining both (1) what you use and (2) where you depart or differ from the source.

It is also considered plagiarism to submit drafts, response papers, and other informal assignments without properly citing sources and acknowledging intellectual debts. Failure for the course is the typical sanction in such cases.

You must receive prior permission from me if you want to submit a paper or part of a paper that you have written for a previous class.

I expect all work that you do on homework, on take-home exams, and on in-class exams to be your own work. Consulting with and sharing answers with other students violates the Academic Integrity Code, so too does consulting outside resources such as notes, textbooks, and the Internet.

ASSIGNMENTS

The following assignments are designed to measure your understanding of academic concepts/theories as well as your ability to demonstrate effective communication skills. I will review my expectations for each assignment as well as the objective criteria I will use to grade your performance. Follow these criteria as closely as possible. Also, feel free to consult with me on your assignments prior to grading. I'm always happy to help.

Problem Sets. There will be 5 problem sets assigned throughout the semester. These problem sets are designed to assess your understanding of the course material and provide you with an awareness of areas where you might need to devote additional study time. These problems sets are due at the start of class on the assigned dates (see course schedule).

Policy Reports. You will write two reports discussing the economics surrounding an environmental policy topic of your choice.

- *Policy Report #1* will highlight the economics of an environmental topic of your choosing and how it is being addressed in the United States (no more than 2 students per topic). The questions that should be answered in this report include: (1) In general, why is the environmental topic you selected an important area for policy development? (2) What economic arguments have been used to support environmental policy decisions in this area in the United States? (3) Giving an economic rationale, what more should the United States do to address this topic? Length: 3-5 double-spaced pages (12 point font, 1 inch margins max). Sources: 3-5 (only 1 may be a website).
- *Policy Report #2* will consist of a discussion of the state of the application of economics to the policy topic researched in *Policy Report #1* in a country/region of your choosing other than the United States. You may not have the same country as another student. The questions that should be answered in this report include: (1) What policy has been pursued in the country concerning the selected topic and what is the economic rationale for the policy? (2) Compare/contrast this policy with what is done in the United States. (3) Compare/contrast the economic rationale behind the country's policy decision regarding the topic with that of the United States. Length: 3-5 double-spaced pages (12 point font, 1 inch margins max). Sources: 3-5 (only 1 may be a website).

Policy Presentation. During this presentation, you will be share, using PowerPoint slides, the findings from your research in *Policy Reports #1 and #2*. Length: 7-8 minutes (max) with a 3 min Q&A session.

Policy Debate. There will be one class debate on an environmental economics issue. You will be expected to prepare for the debate and, therefore, contribute to the discussion in a meaningful way.

Exams. There will be two exams, a midterm and final, that will test your knowledge of the material gained through readings, class discussion, and problem sets.

GRADING

Problem Sets (5 x 10 pts)	50 pts
Policy Report #1	50 pts
Policy Report #2	50 pts
Policy Presentation	50 pts
Policy Debate	25 pts
Class Participation	25 pts
Exam	75 pts
Final Exam	75 pts

Inquiries. If you believe a grading error occurred, you can, *within one week* of the date the assignment is returned to you, request via memo that I re-evaluate the assignment. After one week has expired no grading discrepancies will be considered. Your memo should carefully justify why the assignment should be re-graded. Also, where applicable, your original graded assignment and evaluation sheet should accompany your memo. It is important to realize that re-evaluation can result in three outcomes: a higher grade change, no grade change, or a lower grade change.

Final Grades. Final course grades will be calculated using the following scale:

A = 100-92%	A- = 91-90%	B+ = 89-87%	B = 86-82%	B- = 81-80%
C+ = 79-77%	C = 76-72%	C- = 71-70%	D = 69-60%	F = 59-0%

Because of privacy laws, I am not permitted to publicly post or disclose grades (including email). To preserve the integrity of this course, and to be fair to your classmates, final grade negotiations are prohibited. All unclaimed graded assignments will be discarded four weeks after final grades are posted by the university. Consequently, these assignments will not be available should a grade appeal be pursued by any student following the instructor's posting of final course grades.

COURSE SCHEDULE*

DATE	TOPIC	CHAP.
8/27	Introductions / Overview of Ecosystem Services	2
9/3	Public Goods and Externalities / Sustainable Development & Dynamic Efficiency	4-5
9/10	Sustainable Development, cont'd/ Allocation of Depletable & Renewable Resources / Problem Set #1 Due	23, 7
9/17	Economics of Fossil Fuels / Policy Report #1 Due	8
9/24	Land Allocation / Payments for Ecosystem Services	10
10/1	Common Pool Resources: Fisheries Example / Problem Set #2 Due	14
10/8	Economics & Forest Management / Policy Debate	13
10/15	Midterm Exam	
10/22	Pollution Control Economics / Air Pollution / Problem Set #3 Due	15, 16
10/29	Climate Change Economics and Policy / Policy Report #2 Due / Policy Presentations	17, 18
11/5	Water Pollution Economics and Policy / Policy Presentations	19
11/12	Natural Resource Damage Assessment Process / Legal Issues / Problem Set #4 Due / Policy Presentations	20
11/19	Economic Methods for Valuing Environment / Policy Presentations	3
11/26	<i>No Class – Thanksgiving Break</i>	
12/3	Economic Methods for Valuing Environment / Problem Set #5 Due / Policy Presentations	
12/15	Final Exam	

*Schedule is subject to change during semester