

ECON - S - 452: Environmental Economics
Université Libre de Bruxelles
Fall 2016
Estelle Cantillon

Schedule:

Lectures: Mondays 10-12 pm, **R42.5.110**

4 review / practice sessions at different times

Office hours: Mondays 1-2 pm, R42.6.205

Course Description: Environmental economics is the field of economics that studies the interactions between economic activities and the environment (i.e. both the impact of economic activities on the environment, and the impact of the environment on economic activities) and the ways to regulate or organize economic activities to achieve an appropriate balance between environmental, economic and other social goals. This course provides an introduction to key concepts, tools and methods in environmental economics, as well as to several key policy applications. You will have to learn the foundations that cut across environmental issues but you will also be exposed to some in-depth assessments of specific sectors where governments have to deal with complex decisions to address the market failures at the origin of environmental concerns. While the course emphasizes public interventions (as is traditional in environmental economics), it also discusses the potential contributions of the private sector and individuals. The course is targeted at MA students. Additional assignments are foreseen for research master and doctoral students.

Goals of the course: Many policy discussions about the environment are plagued by conceptual shortcuts or lack of data or appropriate data analysis. The course will help you master the tools and methods that are relevant for solving market failures in environmental contexts and apply them to provide rigorous foundations to ground your views on current environmental issues. Upon completion of the course, you should be able to:

- explain the economic rationale for public intervention in current environmental issues,
- describe the set of policy options suited to the problem and discuss the likely impact of these policies and other considerations that need to be taken into account when choosing an option,
- identify the relevant data and methods of analysis of these data to provide rigorous foundations for your recommendations and assess the quality of existing ex-ante and ex-post policy assessment analyses,
- discuss the potential for the private sector and individuals involvement in solving environmental problems.

Prerequisites: The minimum prerequisite is an undergraduate course in microeconomics. A course in public economics is useful. This is a masters-level course so you should have completed a BA before taking this course. If you have any questions about whether or not you have the necessary background to follow this course, please see the instructor as soon as possible.

Course platform: All course material and announcements will be posted on the Université Virtuelle (UV). Make sure to check it regularly.

Communication: The course platform will be the main communication channel for this course. For time-sensitive-information, email (official ULB address) will also be used.

Grading: The final grade in this course will be based on:

Master students	Research master and Ph.D. students
Final exam (70%)	Final exam (60%)
Group assignments (20%)	Homeworks and assignments (25%)
Homeworks and class participation (10%)	Readings (10%)
	Participation (5%)

Review sessions: There will be 3 review sessions. The first review session will be a microeconomics refresher for students who do not have a BA in economics. The other three sessions will develop key techniques in environmental economics (empirical methods for impact assessment, cost-benefit analysis) that will only be covered superficially in the lectures but will be used in assignments.

Readings: There is no assigned textbook for this course. Instead the course is built on slides and suggested readings. Lecture sides will be posted on the course platform the day before class at the latest. The readings are meant to **complement** the slides and allow you to check the details of an argument or analysis. You are expected to read the starred readings to reach a deeper understanding of the issues seen in class. Most readings are available through the ULB library: if you are at ULB and connected to its wireless network, you can search and download papers directly through [Google Scholar](#). If you are at home, you can still take advantage of the same service, logging in with your ULB e-mail login information at [EZ Proxy](#) (the remote access to library resources): once you have done this, you will be able to retrieve the papers just as indicated above.

Homeworks and assignments: During the first part of the semester you will be expected to complete almost weekly individual **short** assignments (homeworks) designed to test your understanding of the material seen in class. In addition, there will be two longer group assignments designed to test your ability to apply techniques seen in class to analyze a policy issue.

Course schedule:

19 Sept 16: Introduction	31 Oct. 16: Policy evaluation
26 Sept 16: Overview of policy instruments	7 Nov. 16: Review session 3
29 Sept 16 (TBC): Review session 1	14 Nov. 16: In-class presentations
3 Oct. 16: Price instruments	21 Nov 16: The role of private actors
6 Oct. 16 (TBC): Review session 2	28 Nov 16: Energy
10 Oct. 16: Quantity instruments	5 Dec 16: Transport
17 Oct. 16: Quantity and quality instruments	12 Dec 16: In-class presentations
24 Oct. 16: Implementation and enforcement	19 Dec 16: Macro and transition aspects