Syllabus: Economics of the Environment ECON 225
Fall 2019

Professor: Yifan Li – yifan.li4@mcgill.ca
Course Location: STBIO S1/4
Course meeting times: Mondays, Wednesdays & Fridays 8:35pm – 9:25pm
Prerequisites: none

Content

This course is an introduction to the economic concepts used to examine environmental issues as well as the application of economic theory to environmental policy. Topics covered include externalities, public goods, environmental valuation, cost-benefits analysis, and environmental regulation. We will focus on Canadian case studies but global environmental issues such as ozone depletion and biodiversity will also be presented.

Textbooks

There are a number of textbooks in the field that you can refer to as textbooks. We will use


I recommend getting the e-book that comes with online study resources directly through McGraw-Hill for 89CND at https://www.mheducation.ca/highereducation/products/9781259103711/connect+online+access+for+environmental+economics/

Other textbooks that you may find helpful include:

Natural Resource and Environmental Economics by Perman, Ma, Common, Maddison and Mcgilvray, 4/E, Pearson, 2011

The Economics of the Environment and Natural Resources by R.Q. Grafton et al.

Any textbook may be a good but limited reference for the term paper, suggesting a framework for thinking and further references.
**TAs**

Your primary contacts should be the three teaching assistants. They will hold office hours every week during which they will help you work through problems and answer questions related to the course material.

Diego Albuja Arellano: diego.albujaarellano@mail.mcgill.ca
Carmen Sainz Villalba: carmen.sainz@mail.mcgill.ca
Yue (Jamie) Wang: yue.wang3@mail.mcgill.ca

Communication: Please see me before or after class to resolve any issues or to set an appointment with me. My weekly office hour: 16h30 to 18h00 on Monday, at RM 16-4, 3610 McTavish Street. The TAs should be your primary contacts (Office hours TBA). Additional readings and important events will be posted in MyCourses.

**Grading Scheme**

Your grade this semester will be based on:

- two in-class tests ( 2 x 25% = 50%)
- two assignments ( 2 x 10% = 20%)
- one final term paper ( = 30%)

There is no make-up tests. If you must miss an in-class test for a legitimate documented reason the value of the test will be transferred to the next in-class test and term paper. For example if you are ill and miss the first test, your new grading scheme will be 37.5% for test 2, and 42.5% for the final term paper.

**Important dates**

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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Sept. 4</td>
<td>Class begins</td>
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<td>Sept. 17</td>
<td>Add/Drop Deadline</td>
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<td>Oct. 21</td>
<td>Election Day</td>
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<td>Dec. 3</td>
<td>Class ends</td>
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<tr>
<td>Oct. 18</td>
<td>Tentative Test # 1</td>
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<td>Nov. 8</td>
<td>Assignment #2 Due</td>
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<td>Dec. 8</td>
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Required Official Statements

1. McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/students/srr/honest/ for more information).

2. In accord with McGill Universitys Charter of Students Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

3. Instructors who may adopt the use of text-matching software to verify the originality of students’ written course work must register for use of the software with Educational Technologies (Email) and must inform their students before the drop/add deadline, in writing, of the use of text-matching software in a course.

4. If you have a disability please contact the instructor to arrange a time to discuss your situation. It would be helpful if you contact the Office for Students with Disabilities at 514-398-6009 before you do this.

5. Additional policies governing academic issues which affect students can be found in the McGill Charter of Students’ Rights” (Chapter One of the Student Rights and Responsibilities Handbook available as a PDF on http://www.mcgill.ca/study/2010-2011/).

6. McGill University shall strive to be recognized as an environmentally safe and responsible institution, and as a model of environmentally responsible living.” (see Environmental Policy for McGill University)

7. In the event of extraordinary circumstances beyond the Universitys control, the content and/or evaluation scheme in this course is subject to change.
Tentative Course Outline

1 Introduction to environmental economics
Field and Olewiler (F&O): Chapters 1 & 2

2 Analytic Tools
Supply/demand, willingness to pay and marginal benefits – F&O: Chapter 3
  Markets and economic efficiency, market failures – F&O Chapter 4
  Marginal & total damages, optimal pollution levels – F&O Chapter 5

3 Benefit-Cost Analysis
Measuring environmental market and non-market costs and benefits – F&O Chapters 6-8

4 Environmental policy analysis
Analysis and instruments, criteria, rights, standards, taxes, permits – F&O Chapters 9-13
  Policy efficiency - F&O Chapter 14
  Canadian context – F&O Chapters 15-19
  Global context – F&O Chapter 20