McGill University  
Department of Economics  

ECON 347-001  

ECONOMICS OF CLIMATE CHANGE  

Winter 2020  

Professor: Dr. Sandra Saghir  
E-mail: sandra.saghir@mcgill.ca  

Course Location: RPHYS 114  
Course meeting times: Tuesdays & Thursdays 11:35 AM – 12:55 PM  

Office: Leacock 426  
Office Hours: Tuesdays & Thursdays (2:00PM - 3:30PM)  

Number of Credits: 3 credits  

Course Prerequisites:  
ECON 208 and ECON 209 (or equivalent): Econ 230D or 250D; or the combination of MGCR 293 and ECON 295.  

TA: The Teaching Assistant (TA) is Marie-Laure Riel: marie-laure.riel@mail.mcgill.ca  

You may contact her by email. She will also hold office hours every week during which she will help you work through problems and answer questions related to the course material. I shall post the office hours of the TA under “Announcements” on myCourses.  

Communication: The TA should be your primary contact. You may come during my office hours for any issue you may have concerning the course.  

Any additional readings, information and important events/exam dates will be posted on myCourses. You are responsible in checking it daily.
Course Objectives: Content

Climate change issues and climate policy have received increasing attention over the last years. This course is an in-depth survey of the main issues, particularly economic and energy ones, arising out of predictions that GHG emissions from fossil fuels combustion and land use change are affecting and will affect the global climate. The focus is on the economic implications of, and problems posed by, predictions of global warming due to anthropogenic emissions of greenhouse gases. Starting with an introduction into the scientific basis of climate change, we will discuss basic concepts of environmental economics such as efficiency, externalities, and environmental policy instruments. We will face questions of intertemporal decisions, deal with uncertainties about the predicted socio-economic and environmental impacts of climate change and costs of mitigation and adaptation, and with problems of international cooperation. Attention is given to economic policies such as carbon taxes and tradable emission permits and to the problems of displacing fossil fuels with new energy technologies. Discussions of current policy initiatives and news reports will be used to complement the theory.

Textbook and Materials:

There is no required textbook for the course. It is important that you attend lectures. The material will be drawn from various sources and will be posted directly on myCourses. Journal articles and research papers which are required or suggested reading will be made accessible on the course webpage during the semester. You should check myCourses for updates on a regular basis.

For those interested, here is a list of some of the books I will refer to:

Grading Scheme

Your grade this semester will be based on:
- In-class Exam I (30%) (mid-February)
- In-class Exam II (30%) (Thursday, April 9, 2020)
- Research Paper (25%) (end of February)
- Oral Presentation (PowerPoint) (15%) (last 3 weeks)

Confirmed exam/research dates will be posted on myCourses. All examinations will be closed-note, closed book. **There will be no make-up exams.**

Information and topic related to the research paper and presentation will be communicated later on during lectures and posted on myCourses.

Tentative Course Outline: Main Topics

1. Introduction: Intergovernmental Panel on Climate Change (IPCC)
2. Global Environmental Problems: Global Climate Change/Global Warming
3. Externalities and Efficiencies
4. Environmental Policy Instruments: Implementation and Consequences
   - Command-and-Control Policies (Standards)
   - Emission Taxes and Subsidies: Pigouvian Tax/Carbon Tax
   - Cap-and-trade System: Transferable Emission Permits
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 accordance with McGill University's 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 University's control, the content and/or evaluation scheme in this course is subject to change.