Environmental Regulation

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This outline is subject to revision

Course description and outline

This is a course about environmental economics, theory and practice. It will make use of microeconomics and game theory principles at the intermediate level and will incorporate real-world case studies. After a brief survey of the various forms of market failure, we explore the rationale of public intervention in environmental regulation. To this end, a wide spectrum of policy instruments will be developed in class showing the costs and benefits of environmental regulation. Topics are illustrated with examples from real-world environmental issues.
The course covers market-based instruments and informational tools to deal with various pollution topics, with a special focus on air and water pollution regulation, the costs of climate change, sustainable development, etc.

Learning outcomes

The course aims to provide students with a deep understanding of the many aspects of polluters' behaviors and the problems their decisions raise for environmental regulation. Upon successful completion of this course, students should be able to:

- Use key economic concepts in environmental economics and the economic issues related to a large range of environmental problems.
- Use students' expertise in economics to analyze environmental issues from an efficiency standpoint and explore the welfare effects of different environmental regulation policy instruments.
- Formulate the choices facing polluters and to assess the difficulties faced when attempting to regulate these decisions, with particular emphasis on situations with uncertainty and asymmetric information.

Course Prerequisites

Before taking this class, students should have completed Game Theory and Intermediate Microeconomics courses. In addition, they should be comfortable with applying calculus. While prior industries knowledge is a plus, it is not a requirement. Note that the course material is not self-contained. Additional readings will be assigned and/or distributed throughout the semester.

Assignment and grading (Group Project)

At UBFC, we strive to create courses that challenge students intellectually and that meet standards of academic excellence. To ensure fairness and clarity of grading, UBFC agreed that the individual instructor is responsible for determining reasonable grading guidelines.
For this course, you are expected to work on a mini project in a group of 2/3 students. A list of topics, economic papers, and potential data sources will be posted on Moodle platform. We advise you to read recent literature from major environmental or general economic journals that discusses a very specific environmental issue with economic consequences.
The final products will be a $15-20$ minutes class presentation (40% of final grade) and a short paper between $10-15$ pages not including references but everything else (50% of final grade). Class participation will count toward 10% of the final grade. The group presentations will be held during the last lecture. Students' reports are due by email at the end of the semester.
Note that, according to UBFC rules and regulation, questions about grading must be made in writing and no more than a week after the tests are returned.

Academic integrity

Integrity is critical to the learning process and to all that we do at UBFC. As members of our community, all students agree to abide by the university Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.
- Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect UBFC community.

General conduct and behavior

Students are requested to arrive to class on time and to stay to the end of the class period. Chronically arriving late or leaving class early is unprofessional and disruptive to the entire class.
They are also expected to maintain and abide by the highest standards of professional conduct and behavior.

Note that there are times when a little help can get you past on obstacle. If you are stuck, send me an email (jihad.elnaboulsi@univ-fcomte.fr) or stop by my office (IAE, Bachelier Building). I try to respond quickly to emails.

References

[1] Godard, O., *Environnement et Développement Durable*, De Boeck, 2015.

[2] Goodstein, E. S., *Economics and the Environment*, Wiley, 2010.

[3] Kolstad, Ch., *Intermediate Environmental Economics*, Oxford University Press, 2011.

[4] Shavell, S., *Liability for Accidents*, Handbook of Law and Economics, Edited by A. Mitchell Polinsky and Steven Shavell, Elsevier B. V., Volume 1, Ch. 2, 2007.

[5] Tietenberg, T. and Lewis, L., *Environmental and Natural Resource Economics*, 10th edition, Pearson Series in Economics, 2014.

[6] Tietenberg, T. and Lewis, L., *Environmental Economics and Policy*, 6th edition, Pearson, 2013.

[7] Viscusi, K., *Regulation of Health, Safety, and Environmental Risks*, Handbook of Law and Economics, Edited by A. Mitchell Polinsky and Steven Shavell, Elsevier B.V., Volume 1, Ch. 9, 2007.