

Syllabus for
(revised April 8)

ECO 410-001 CURRENT ISSUES IN ECONOMICS: ENVIRONMENTAL ECONOMICS

University of Kentucky

Spring 2010

Tues. & Thurs. 11:00am-12:15pm

BE 201

Professor: Glenn Blomquist Office: BE 335Q (Economics) Phone: 257-3924 (voice mail)

Office Hours: Tues. & Thurs. 9:00-10:00am, 2:30-3:30pm & by appointment

e-mail: gcblom@uky.edu Website: <http://gatton.uky.edu/faculty/blomquist/index.html>

Course Description:

The environment and natural resources are valuable assets. This course uses economics to develop guidelines for choices about use and management of these scarce resources in the context of competing private and public demands. The roles of incentives and market forces in creating and solving environmental problems are central. Selected topics include valuation of environmental services, valuing human life, benefit-cost analysis, sustainability, recycling, and climate change policy. Successful completion of this course should facilitate application of economics to current environmental problems and policy.

Prerequisites: Students are expected to have mastered the theory and tools covered in ECO 401 Intermediate Microeconomic Theory as well as the principles of economics covered in ECO 201 and ECO 202

Required Text: Tom Tietenberg and Lynne Lewis (T&L). *Environmental & Natural Resource Economics* 8th ed. (Boston: Pearson Addison Wesley, 2009). We will use this book a lot. Hopefully your copy will be fairly worn at the end of the semester. New, used, and electronic copies should be available.

Evaluation Criteria: Your grade in the course will be determined by your performance on two hourly exams (50%, 25% each), a final exam (30%), concept quizzes (10%), and homework (10%). Grades will be determined using the standard scale: A: 90-100%, B: 80-89%, C: 70-79%, D: 60-69% and E: less than 60%. In other words, if you get 93% of the points, you are assured of an A, and so on. Information on grades based on scores will be given after each exam. Individual requests for grades based on performance to date will be honored any time during the course.

Concept quizzes are designed to encourage preparedness, attendance, attention, and participation. Concept quizzes may cover the previous class lecture, the reading assignment for the day, what we have just covered in class that day, or questions from homework. The Tietenberg and Lewis text has a Companion Website < http://wps.aw.com/aw_tietenberg_envnatrese_8/94/24125/6176112.cw/index.html > that has self study quizzes for each chapter and they are “graded” for you online. The questions are a likely source for concept quiz questions in addition to being a way to check your comprehension after you read. During the semester at least 15 concept quizzes will be given, but only the top 10 scores will count. Since a large number of these quizzes will be dropped, there are no “make up” quizzes. Some quizzes will be announced and others may be surprises.

Course Outline and Readings

Supplementary readings will likely be added as the course progresses. Information about them will be given in class and by email.

I. The Environment: Scarce and Valuable

T&L: Chapter 1 on Perspective
Chapter 2 on Valuation Concepts
Chapter 3 on Valuation Methods

Exam 1 on Tuesday, February 16

II. Efficient, Sustainable Management of Resources

T&L: Chapter 4 on Efficiency and Externalities
Chapter 5 on Sustainability
Chapter 7 on Intertemporal Efficiency

Exam 2 on Tuesday, March 30

III. Economics of Recycling, Land Trusts, Fisheries, and Climate Change

T&L: Chapter 8 on Energy
Chapter 9 on Recycling
Chapter 15 on Efficient Pollution Control
Chapter 17 on Climate Change

Final Exam on Tuesday, May 4, 2010, 10:30am-12:30pm
All exams will be in BE 201, our usual classroom.