
ENVIRONMENTAL ECONOMIC THEORY 2 credits (Fall)

環境経済学(理論) 2単位(秋学期)

Professor, Faculty of Economics HOSODA, EIJI

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Course Description:

This class is open to PCP students, qualified exchange students and Masters' course students only.

This course provides a basic theory of environmental economics. The analytical framework is elementary microeconomics, and partial equilibrium analysis is utilized in almost all the topics. Although the main purpose of this course is to give a comprehensive view of environmental economic theory to students, applicability of the theory to environmental policy is also considered. Topics are chosen from the fundamental issues of conventional environmental economics.

Students are required to submit an essay every week. The theme of an essay will be given in advance in each class.

Textbooks:

Barry C. Field and Martha K. Field, *Environmental Economics*, fourth edition, McGraw Hill, 2009

Course Plan:

- 1 Introduction: What is environmental economics? Scarcity and price.
- 2 Basic Concepts (1): Benefits and Costs, Supply and Demand
- 3 Basic Concepts (2): Economic Efficiency and Markets
- 4 The Economics of Environmental Quality: Externality, External costs, and willingness to pay
- 5 Frameworks of Analysis
- 6 Benefit-Cost Analysis: Benefits
- 7 Benefit-Cost Analysis: Costs
- 8 Review and Summary of the former half of the lecture
- 9 Criteria for Evaluating Environmental Policies
- 10 Decentralized Policies: Liability Laws, Property Rights, Voluntary Action
- 11 Command-and-Control Strategies: The Case of Standards
- 12 Incentive-Based Strategies (1): Emission Charges and Subsidies
- 13 Incentive-Based Strategies (2): Transferable Discharge Permits
- 14 Comparable Environmental Policies

Other Economic Development and the Environment

Lecturer's Comments to Students:

- Students have to take responsibility for skipping classes, and have no right to claim any compensation. An essay (homework) which is over the deadline determined in advance is not accepted for any reason.
- Lecture notes can be downloaded from my homepage as well as keio.jp site.

Method of Evaluation:

- Final exam (40 %)
- Mid-term exam (20 %)
- Homework (20 %)
- Class participation (20 %)

Questions/Comments:

Any time as far as I am available. Yet, please note that I may not be able to respond to question or request of consultation due to time restriction.