

Course Title: Environmental Economics

Instructor: Anya Nikoulina

Course Objectives:

The protection and sustainable management of the natural environment is an area of growing concern across the globe. It is widely recognised that most environmental problems, whether small-scale or global, are the result of a complex interaction of natural processes with economic forces and decisions. The course examines the continuing conflict between market forces and environmental integrity and explains how economic theory views the relationship between economic activity and the natural world. Examples of local, regional, national, and international issues are presented and discussed. The course will give students an opportunity to develop a critical understanding of the different ways in which economic decisions, market forces, and government policies can affect environment and provide a sustainable way for development and growth.

Course Learning Outcomes:

- a) Students will be able to apply economic theory to environmental sustainability
- b) Understanding the conflict between market forces and environmental integrity
- c) Develop critical understanding of different ways in which economic decisions, market forces and government policies can affect environment
- d) Develop critical understanding how consumer market and business initiative can lead a way into sustainable environment

Required Text

Wills I. (2006) *Economics and the Environment: A Signalling and Incentives Approach*, Allen and Unwin

(optional) Keohane N, Olmstead S. (2007) *Markets and the Environment*, Island Publishing

All handouts and assigned readings (readings will be distributed at the beginning of the term). The Articles & Cases will form an essential part in the course, enabling to examine the hot topics in environmental economics.

Students are also advised to read the Economist, Financial Times, the Independent, the Guardian (environment section online) and other UK and International newspapers, journals & periodicals relevant to the environment and sustainability. The course material will be supported with up-to-date articles from the international media.

Instructional Methods:

The Instructor serves as a resource person in the class. Concepts will be introduced through lectures, supported by video cases and slides of key issues. These will be supplemented with handouts & additional readings from the lecturer. Students are advised to read all assigned chapters and extra readings or handouts prior to coming to class. These will be used as the basis for discussion. As part of learning, students will undertake a research project focusing on a particular issue of environmental sustainability to be presented to the class for discussion towards the second half of the semester.

Attendance Policy:

The attendance requirement is set by the FIE and home university. In the event of an absence, you are responsible for all material missed. Make-up exams may be set in extreme emergencies only. As a courtesy to your classmates, make every effort to arrive at class on time.

Assessment Plan:

The course will be assessed in four parts. **20% = Class Attendance & Participation** - student participation and attendance are vital to a learning process. Thus, reading and preparing before you come to class is important.

Additionally, students will be assessed via the following methods:

20% = Individual Contribution -a set of mini individual assignments and exercises during the sessions aimed to increase environmental awareness of students

30% = Mid-Term Test (halfway through the term) aimed at ensuring the students learn the basic set of frameworks, theories on environmental economics and sustainability.

30% = Group Project will carry out research throughout the first 8 weeks of the semester. Students will work in small groups researching a particular/specific aspect of environment sustainability for example, renewable energy, recycling, green marketing, carbon neutral production/operation, etc. At the end, groups will prepare a presentation to the class with detailed findings. Additionally, students will prepare 3 provocative statements at the end of the presentation in order to generate a debate and discussion for the session. -Essay (Individual)

Indicative Content:

Part I:

1. Overview of course requirements/Introduction to the Economics of Environment
 - Introduction Session
 - What are the expectations?
 - Going over the assignments and the syllabus
 - Overview of the main issues relating to economy, environment and sustainability
2. Understanding Sustainable Development, Corporate Social Responsibility and Environment
 - The three pillars of sustainability: people, planet, profit
3. Examination of theoretical frameworks: the economy and environment
 - Is Nature as economic externality?
 - Examination of economic variables
 - How can we decouple economic degradation and economic growth?
4. Local, Regional and International policy Implications and environment

- Exploration of environmental philosophy and green political thought
- Green ideas and political doctrine
- Analyses of public policy-making and environmental issues at the international, national and local levels. As well as considering a wide variety of examples from around the world e.g. Kyoto protocol, carbon trading schemes, subsidies for eco-projects, green taxes and so on.
- **Part II**

Special Topics of Interest: In line with the current international debate, the second part of the course will focus on a range of widely debated topics presenting a wide range of issues debated by politicians, lobbyist and businesses across the globe (lecture and seminar based)

5. Development of Green markets
 - What are green markets?
 - From carbon off-setting and emission trading to 'green investment products' and truly green products
 - Green is the new Black?
 - Carbon neutral film festival in China: moving from manufacturing to arts
 - What are Green households? Changing the shape of our planet
6. Eco-friendly Innovation and Economic Growth
 - Environmentalism as Disruptive and Sustainable Innovations?
 - Does eco-mentality lead to revolutionary innovation?
 - Innovation and Economic Growth (with policy links)
7. Natural Capital Project
 - Ecosystems and their value?
 - Can policies and financial mechanisms reward conservation of ecosystems?
 - Are there synergies between biodiversity conservation and economic development?
8. Green Collar Jobs
 - Recruitment for future: the search for the qualified expert

Part III

Student-led presentations on 'cases' of environmental sustainability following by discussion sessions based on the provocative statements presented by groups. Topics can be on renewable energy, waste management and recycling, organic food and environment, and so on.

9. Renewable Energy:
 - from fossil fuel to green fuel?
10. Waste Management and Recycling
 - The cost and benefits of waste management
 - India: the capital of scrap
11. Organic Food and Environment
 - The truth about organic? Calculating the carbon footprint of the food you eat.
12. Eco-friendly Travel
 - Can air travel be made eco-friendly? Development of public transport systems? Does off-setting your flight really work?
13. Review and Reflection on the course

Additionally, the course content will be supported by documentary materials on a range of topics in the sustainability and environment.

Furthermore, a number of class trips will be linked with the course content (these will be confirmed during the first day of class). These may include a visit to the London Wetland Centre, Manor Place Depot (Southwark Council **020 7525 2383**), Transport Museum, Science Museum, etc.

Further reading will include:

Selected readings will be distributed in the course. These will be updated with new resources from international media and academic research.

Stern N., Review on Economics of Climate Change, HM Treasury, http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm

Rapport D.J., (1997) Economics and ecologically sustainable futures, International Journal of Social Economics, Vol 24 No 9 Pgs 761 – 770

Conway E., Stern backs global carbon tax to avoid 'biggest market failure', The Telegraph 26/01/2007
<http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/01/25/cndavosstern125.xml>

Watts R., The hidden cost of carbon, The Telegraph, London (UK), 11/05/2006
<http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2006/11/05/cccarbon05.xml>

Watson M., (2004) Environmental auditing in the new Europe, Managerial Auditing Journal, Vol .19 No. 9 Pgs. 1131 – 1139

Kranjcevic E., (2007), Slovenia and its new environmental mechanisms for reduction of greenhouse gas emissions, Management of Environmental Quality: An International Journal; Vol. 18 Issue 1, Pgs. 61 - 70

EU emissions trading scheme (DEFRA)
<http://www.defra.gov.uk/environment/climatechange/trading/eu/intro/index.htm>

Carbon Trust Website http://www.carbontrust.co.uk/climatechange/policy/eu_ets.htm

Europe's carbon trading scheme. BBC news
<http://news.bbc.co.uk/1/hi/sci/tech/4114921.stm>

Simpkins E., Air travellers to be hit by EU emissions tax, The Telegraph, London (UK) 13/11/2005
<http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2005/11/13/cntrav13.xml>

Prasad B., Asafu-Adjava J., (2003) Trade liberalization and environment in Pacific island countries (FICs): is it a case of "two gains for one"?, International Journal of Social Economics, Vol. 30 Issue 12 Page: 1288 - 1305

The Big Smoke: London tries to clean up its air. Economist, Feb 3, 2007 pg. 32
Climate Change: the greening of America. Economist, 22 Jan 07 pg. 9

Europe's Car Emissions: setting the target, Economist 10 Feb 2007 pg. 40-41

Heating Up. 10 Feb 2007. Economist, pg. 94

United States: Canola and soya to the rescue; Alternative energy source; the Economist 6 May 2006 vol 379. Iss 8476 pg. 53

Good Food? The Economist. 9th December 2006 p.g 11

Voting with your trolley: can you really change the world just by buying certain foods. The Economist. 9 December 2006 pg. 81-84

Smith L., Buying organic 'can harm the planet', The Times. London (UK) 21 Feb 2007 pg. 22

Margaret P. Bates, Paul S. Phillips (1999), Sustainable waste management in the food and drink industry, British Food Journal, Volume: 101 Issue: 8 Page: 580 - 589

Delaplace M., Kabouya H., (2001) Some considerations about interactions between regulation and technological innovation: the case of a sustainable technology, biodegradable materials in Germany, European Journal of Innovation Management Year: Dec 2001 Volume: 4 Issue: 4 Page: 179 – 185

Faulkner D, Carlisle Y, Viney H. (2005) Changing corporate attitudes towards environmental policy Management of Environmental Quality. Vol.16, Iss. 5; pg. 476, 14 pgs

Steger U., Ionescu-Somers A., Salzmann O., (2007) The economic foundations of corporate sustainability, Corporate Governance, Vol. 7 No. 2 Pgs. 162 - 177

Pfeifer S., (2007) Boeing's green sky thinking , The Telegraph London (UK)
<http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/04/22/ccboeing22.xml>