

Environmental Economics,
Review Course, NA0184, 5.0 hp
Schedule (Update Feb 24)

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Please note that the course will be given in **English**.

Objective

This course aims at providing the students with a broad overview of the economic concepts related to environmental problems and natural resource issues. We focus on environmental policy-making and the practicalities of this sort of policies, both from the perspective of those implementing the policy, but also from the perspective of those facing new regulations.

Learning Outcomes (LO)

After passed course the student should

1. discuss current environmental challenges,
2. demonstrate a good knowledge of how to solve environmental problems,
3. present very good arguments for selecting a specific policy for each environmental challenge,
4. critically review and present scientific outcomes of enforced environmental policies,
5. work effectively with a group and be able to negotiate and handle conflict with confidence.

Forms of Examination

The examination of the course includes the following mandatory parts:

- Active participation in the seminar discussions on enforced environmental policies (Learning outcome 4).
- Work in groups, written report and participation in a debate session (Learning outcome 5).
- Written exam (Learning outcomes 1, 2, 3, 4).

The grading scale for the course is 3-5.

The final grade is decided based on the **exam** and the **case study** (debate session). The case study may give maximum 20 credits. The exam has four questions; each question may give maximum 20 credits. Thus, the maximum for the case study and the exam is 100 credits in total. In order to get grade:

- 3 you must have at least 50 points in total.
- 4 you must have at least 70 points in total.
- 5 you must have at least 85 points in total.

Seminar participation is mandatory!!

Literature

Books

- Sterner, T. and J. Coria (2012). Policy instruments for environmental and natural resource management. Second Edition. Resources for the Future, Routledge Taylor& Francis Group.
- Pindyck, R.S. and D.L. Rubinfeld (2005). Microeconomics. Pearson Eds.

Date/Room	Lecture / Teacher	Title	Reading material
March 25 Fri 9.15-12.00 Sal Y	1 Efi	Introduction to the course. Challenges for environmental policy- making.	SC, Ch. 1-3
March 29 Tue 9.15-12.00 Sal Y	2 Ida	Basic economic concepts of efficiency and markets.	Pindyck & Rubinfeld
April 4 Mon 13.15-16.00 Sal Y	3 Ida	Market Failures — externalities, public goods and incomplete information.	SC, Ch. 1-3
Apr 8 Fri 9.15-12.00	4 Efi	Introduction to policy instruments.	

Sal Q		Direct regulation of the environment. Taxes and subsidies.	SC, Ch. 4 SC, Ch. 5
Apr 20 Wed 9.15-12.00 Sal Y	5 Efi	Tradable permits. Other relevant policy instruments: deposit-refund schemes and refunded emissions payments, property rights, information provision and legal instruments. International Aspects of Policy Design Initiation of case-study exercise.	SC, Ch. 6 SC, Ch. 7- 8 SC, Ch. 14
Apr 28 Thu 9.15-12.00 Sal A132	6 Ida	Exercises	
May 9 Mon 13.15-16.00 Sal Y	7 Efi	Policy Instruments for Road Transportation. Seminar I	SC, Ch. 16-19
May 11 Wed 9.15-12.00 Sal R	8 Efi	Global Issues Political Economy and the Environment Seminar II	
May 17 Tue	9 Efi	Case Study Questions and review	

13.15-16.00 Sal U		(Mandatory assignment presentation)	
May 31 13:00-17:00	Exam Tentamenssal 1		
August	Re-exam		

Papers

Theory

Baumol, W.J. and Oates, W.E., 1988. *The Theory of Environmental Policy*, Cambridge University Press.

Coase, R.H., 1960. The problem of social cost. *Journal of Law and Economics*, p. 1-44.

Karp, L., Tsur, Y., 2011. Time perspective and climate change. *Journal of Environmental Economics and Management*, Vol 62, p. 1-14.

Lange, A., Vogt, C. & Ziegler, A., 2007. On the importance of equity in international climate policy: An empirical analysis. *Energy Economics*, 29(3), pp.545-562.

Lemoine, D., Traeger, C., 2014. Watch your step: Optimal policy in a tipping climate. *American economic journal: Economic policy*. p. 137 - 166.

Requate, T., 2005. Dynamic incentives by environmental policy instruments - A survey. *Ecological Economics*, 54(2-3), pp.175-195.

Stern, T. & Persson, U.M., 2008. An even sterner review: Introducing relative prices into the discounting debate. *Review of Environmental Economics and Policy*, 2(1), pp.61-76.

Tietenberg, T., 1990. Economic instruments for environmental regulation. *Oxford Review of Economic Policy*, 6(1), pp.17-33.

Weitzman, M.L., 1974. Prices vs. Quantities. *Review of economic studies*. P. 477-491.

Policies

Baiardi, D., Morana, C., 2021. Climate change awareness: Empirical evidence for the European Union. *Energy Economics*, Volume 96, 105163.

Bye, B., & Klemetsen, M. E., 2018. The impacts of alternative policy instruments on environmental performance: A firm-level study of temporary and persistent effects. *Environmental and Resource Economics*, 69(2), 317-341.

Carlsson, F., et al. 2021. The climate decade: Changing attitudes on three continents, *Journal of Environmental Economics and Management*, Volume 107, 102426.

Czajkowski, M., Hanley, N. & Nyborg, K., 2017. Social Norms, Morals and Self-interest as Determinants of Pro-environment Behaviours: The Case of Household Recycling. *Environmental and Resource Economics*, 66, p. 647–670.

Dijkgraaf, E., Gradus, R., 2017. An EU Recycling Target: What Does the Dutch Evidence Tell Us?. *Environmental and Resource Economics*, 68, p. 501–526.

Egnér, F., & Trosvik, L., 2018. Electric vehicle adoption in Sweden and the impact of local policy instruments. *Energy Policy*, 121, 584-596.

Eliasson, J., 2009. A cost-benefit analysis of the Stockholm congestion charging system. *Transportation Research Part A: Policy and Practice*, 43(4), pp.468–480.

Hitaj, C., Löschel, A., 2019. The impact of a feed-in tariff on wind power development in Germany. *Resource and Energy Economics*, Volume 57, p. 18-35.

Klier, T., & Linn, J., 2015. Using taxes to reduce carbon dioxide emissions rates of new passenger vehicles: evidence from France, Germany, and Sweden. *American Economic Journal: Economic Policy*, 7(1), 212-42.

Marbuah, G., Amuakwa-Mensah, F., 2017. Spatial analysis of emissions in Sweden. *Energy Economics*, vol. 68, p. 383-394.

Newell, R., G., Siikamäki, J., 2014. Nudging energy efficiency behaviour: The role of information labels. *Journal of the Association of Environmental and Resource Economists*, vol. 1.