Syllabus and Readings for
Environment and the Global Economy
AAE/IES 244

Spring 2014
Lectures: Tue/Thurs 9:30am – 10:45am
Location: Soils 270
Discussion sections: Fri (various times)

ADMINISTRATIVE DETAILS

Instructor: Prof. Dan Phaneuf (pronounced fa-neff)
Office: 416 Taylor Hall
Phone: 608.262.4908
Email: dphaneuf@wisc.edu
Office Hours: Mon/Wed 1pm – 2pm and by appointment

TA: Mr. Austin Williams
Office: 311 Taylor Hall
Office Hours: Wed 1pm – 3pm and by appointment
Email: amwilliams6@wisc.edu

COURSE OBJECTIVES

In this course we will study the causes of environmental problems, and solutions to those problems, through the lens of economics. Air pollution, poverty and the environment, food and the environment, climate change, and the environmental consequences of globalization are examples of topics we examine. We will develop economic models to understand what drives environmentally friendly and unfriendly behavior among firms, individuals, and societies. My intent is to convince you that economics is a powerful tool for gaining insights into the global environment. Perhaps belying the title of the course, our methods of analysis will be built up from individual models of decision making.

PREREQUISITES

There are no prerequisites for this course. Students should be (or should become) comfortable working with two dimensions graphs and algebraic manipulations of simple equations.

COURSE REQUIREMENTS

Your grade will be based on problem sets, exams, in-class quizzes, and participation in class/discussion section activities. Quizzes will include both announced and unannounced varieties. Problem sets will include both analytical exercises and some writing. I do not take attendance; however, you will be responsible for any information transmitted during lectures on exams, quizzes, and problems sets. I view assigned readings and lectures as complements rather than substitutes – I usually will not lecture directly from a particular source. Please consider this when making your attendance decisions.

There will 4-5 quizzes, 4-5 take home problem sets, and 3 exams during the term. I will drop your lowest quiz score when I calculate your final grade.
The weights of the various activities in determining your grade are as follows:

- Midterm exam 1: 20%  
  Tentative date – Thurs 20 February 2014
- Midterm exam 2: 20%  
  Tentative date – Thurs 3 April 2014
- Final exam: 20%  
  Scheduled date – Wed 14 May 2014 2:45pm to 4:45pm
- Assignments: 20%
- Quizzes: 15%
- Participation: 5%

Exam dates and assignment due dates will be announced in class. The final exam is cumulative in the sense that life is cumulative – i.e. models and concepts we learn in the first part of the semester will also be relevant later.

No late assignments will be accepted and there will be no makeup quizzes. Makeup exams will be given only for approved reasons such as illness or hospitalization (documentation needed).

Final grades will be assigned based on the following scale:

- >=93%: A
- <93 & >=88%: AB
- <88 & >=83%: B
- <83 & >=78%: BC
- <78 & >=68%: C
- <68 & >=55%: D
- <55%: F

**COURSE MATERIALS**

I have asked you to purchase the following book for the course:


We will also use several chapters from the following book:


All non-Wheelan materials will be posted on the Learn@UW course site, including chapters from Keohane and Olmstead. I will post lecture materials (handouts, note outlines) no later than the evening before a scheduled course meeting, and hopefully earlier. **You should plan to print these ahead of time or be able to access them via a device that allows you to augment the material.**

**COURSE FORMAT AND POLICIES**

The class will normally function in lecture format, but your questions and participation are welcome at any time. My lectures will often involve you filling in the details of the outline as we go along, so you should be prepared to take notes. I will also use other vehicles to try to keep you active during lectures.

I insist that we treat one another with respect. For me this means working to provide a successful class, listening to your comments and concerns, and being fair and open in how I evaluate your work. For you this means refraining from disruptive activities during class – i.e. no texting, web surfing, coming late or leaving early, etc. **If you have a laptop or tablet out it should only display class-relevant material.**
Email is usually the best way to reach me, and I will do my best to respond on the same day. I am unlikely to answer instantaneously, however, given my other commitments. **Emails and other written forms of communication do not need to be overly formal, but they should be professionally written and suitability courteous.**

**ACADEMIC DISHONESTY**

I abhor cheating of any kind. It is disrespectful of me, unfair to your peers, and suggests a serious character flaw on your part. If you have evidence of academic misconduct I expect you will notify me or the TA. If I catch anyone cheating I will impose the harshest penalties allowed by university guidelines.

**DISCUSSION SECTIONS**

Discussion sections will usually be led by the TA. The time will be used for review, Q&A, topical discussions, and going over assignments and exams. On occasion I will attend the discussion sections to engage with you in a small numbers environment.
Topics and Readings

The following list of topics and readings is preliminary and subject to change.

1) Introduction and course overview


2) Demand, supply, and efficiency


3) Externalities and other market failures

Wheelan, chapters 2, 3

Keohane and Olmstead, chapter 5

4) Environmental policy instruments

Keohane and Olmstead, chapter 8


5) Conventional air pollution


6) Agriculture, food, and the environment


7) International trade and the environment

Wheelan, chapter 12

Mankiw, chapter 9


8) Economic development and the environment

Wheelan, chapter 13


9) Climate


