ECONOMICS OF THE ENVIRONMENT: WRAPPING UP

Attendance Questions

In your own words, what do you consider to be the 5 big ideas of this course?
Was there anything that surprised you? Anything especially interesting?
What would you have liked to learn more about?

COURSE GOALS

Course Goals and Learning Outcomes

By the end of this course, you will be able to...

1. Explain and analyze the socially optimal level of environmental quality
    a. Calculate efficient market outcomes
    b. Assess methods for non-market valuation
2. Explain and analyze sources of market failure around environmental issues
    a. Explain externalities, public goods, and common pool resources
    b. Explain market failure for depletable and renewable resources
3. Prescribe and assess policy interventions for market failures around environment
    a. Evaluate private interventions
    b. Evaluate and compare public interventions
4. Explain and analyze environmental policy applications
    a. Analyze green growth and international environmental policy
    b. Describe and explain key problems around climate change

01

COURSE GOALS

THREE PARTS OF THE COURSE:

HOW DO WE DETERMINE OPTIMAL ENVIRONMENTAL QUALITY?

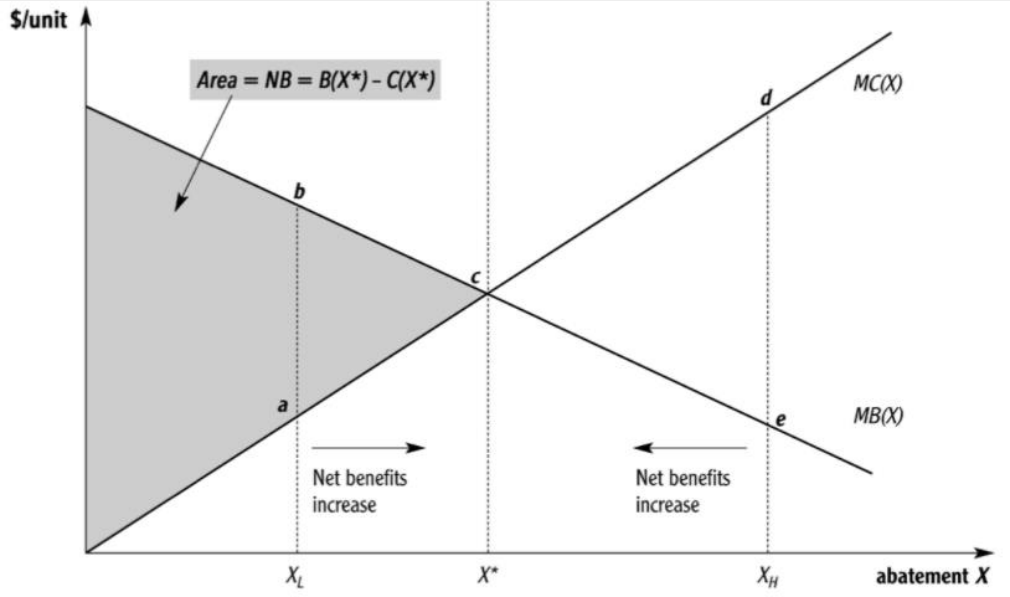
HOW DO WE DESIGN POLICY INTERVENTIONS

APPLICATIONS

PART I: HOW DO WE DETERMINE OPTIMAL ENVIRONMENTAL QUALITY?

SOCIALLY OPTIMAL ENVIRONMENTAL QUALITY

Economics provides an answer in the form of an efficient level of environmental quality



ISSUES WITH FINDING EFFICIENCY

HOW MUCH DOES SOCIETY VALUE THE TREE OUTSIDE YOUR WINDOW?

HOW MUCH ARE YOU BE WILLING TO PAY TO BE ABLE TO GO TO PIEDMONT PARK?

HOW MUCH WOULD IT COST TO SHIFT TO 100% RENEWABLE ELECTRICITY GENERATION?

PART 2: HOW DO WE DESIGN POLICY INTERVENTION?

CAUSES OF ENVIRONMENTAL ISSUES

Before we can design policy to correct environmental issues, we need to understand what is driving the problem.

The absence or incompleteness of markets can lead to market failure.

How can we create markets or market instruments to correct market failure?

HOW TO DESIGN POLICY

NOT ALL POLICIES ARE THE SAME

WE'LL LEARN ABOUT THE DESIGN OF "MARKET-BASED" POLICY

WE'LL COMPARE TO ALTERNATIVE POLICY APPROACHES, SUCH AS STANDARDS VS. TAXES

PART 3: APPLICATIONS

TYPES OF QUESTIONS WE'LL ASK...

How should we manage renewable resources?

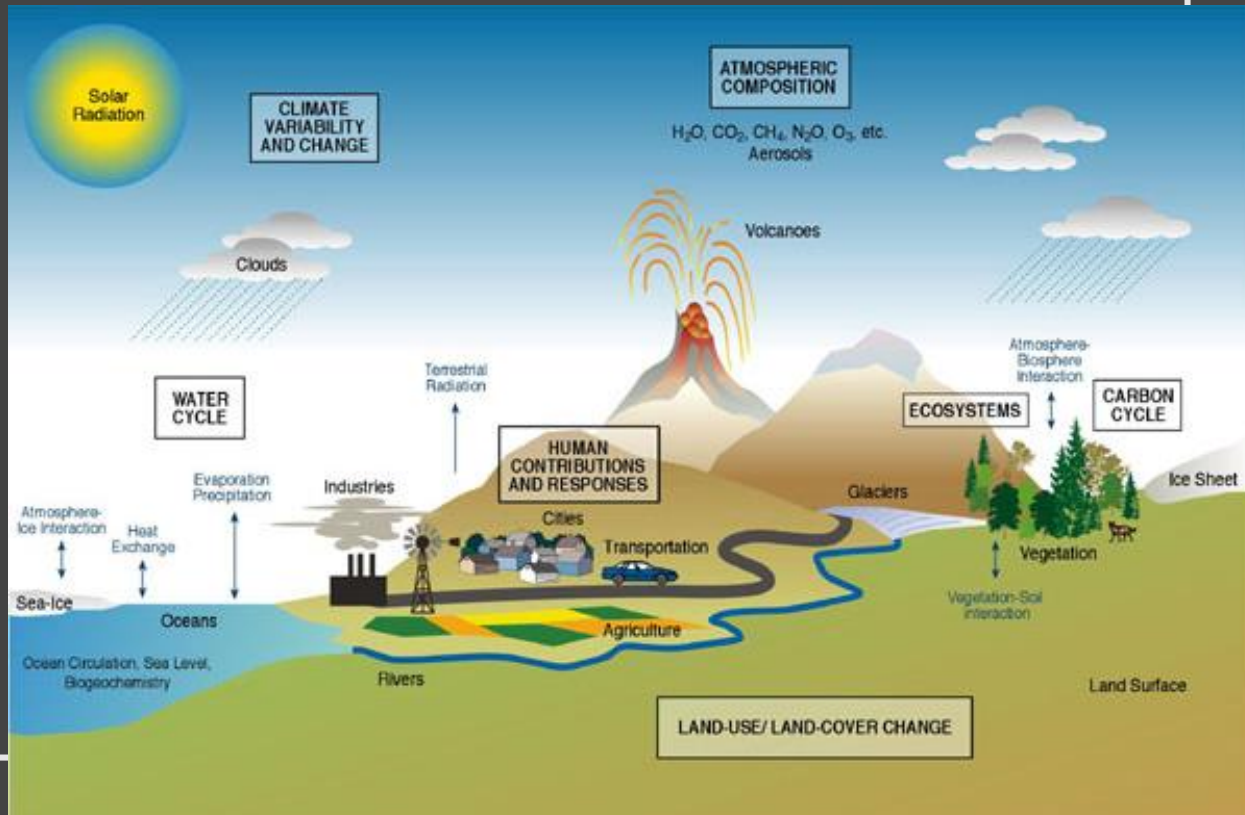
Does it matter if we use tax vs. standard?

What are the equity impacts?

What are possible unintended consequences?

ISSUES WE'LL LOOK AT…

CLEAN AIR ACT
ACID RAIN PROGRAM
FISHERIES
CLIMATE CHANGE
…



THANK YOU!