ECONOMICS 134: ENVIRONMENTAL ECONOMICS
INSTRUCTOR: EDWARD MCDEVITT
UCLA, SUMMER SESSION A, 2019

MW 10:45 to 12:50 PM
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COURSE DESCRIPTION: This course uses the tools of standard microeconomic theory (especially Econ 11, Intermediate Micro) to analyze and understand environmental and natural resources issues and potential policy prescriptions. Issues include (to name some) pollution, policy response to pollution, optimal rate of depletion of exhaustible resources such as oil and minerals, renewable resources and the “tragedy of the commons” such as fisheries and forests, economics of recycling, water topics including potential water markets and the California drought, and global climate change issues. Empirical studies to be provided.

TEXTBOOK AND STUDY QUESTIONS: There is no required textbook. I will be posting study questions throughout the quarter and can be found at https://moodle2.sscnet.ucla.edu/course/view/191A-ECON134-1

EXAMS: There will be three midterm exams and a comprehensive final exam. The approximate weighting of the exams is as follows:
First Exam (July 10, Wednesday)- 45%.
Second Exam (July 31, Wednesday)- 55%.
ALL exams must be taken at the scheduled time. Exams will consist of essay/problem questions

POLICY ON MISSED EXAMS: Exams must be taken at their scheduled time. Please note that department policy does not allow for any makeup exam to be administered if a student misses a midterm. If a student has a legitimate reason (by “legitimate reason” I mean something serious and unanticipated) and can provide acceptable documentation of such an excuse, then additional weight will be placed on the final exam (I make an adjustment based on degree of difficulty if the final exam has a significantly different mean score). Any such documentation, such as a doctor’s note, should clearly state that the student was incapacitated and was therefore unable to take the exam or faced a serious impediment that prevented attendance at the exam. A student who misses an exam without a valid, verifiable excuse will receive a zero. If due to a verifiable emergency, a student misses the final exam, then that student will be required to take a makeup final exam administered by the department at the officially announced day and time. If a student misses all exams this student will receive an automatic grade of “F”. Also, please note that once a student sits for an exam, I do not allow a retroactive dismissal of the exam nor do I change the weights specified in the syllabus.

EXAM RULES: Please note that calculators are NOT allowed for my exams. You will not be allowed to have cell phones or any other electronic devices on your desk during the exam. All backpacks should be zipped closed and all books put away. Failure to do so will delay the distribution of the exams for the entire class. When I announce that the exam has ended, all writing must stop. All that students should have on their desks is a pen/pencil (s) and their photo ID card (which functions as a straightedge for drawing graphs). As a matter of department policy, we check photo IDs against a class roster.

Center for Accessible Education (CAE): Any student with a pre-existing illness or condition who requests special arrangements must (a) qualify under CAE rules for such special arrangements and (b) must take the exam with CAE. Any such arrangements with CAE must be communicated to the instructor during the first week of classes. For additional information and the qualification conditions of the Center for Accessible Education please visit their website at https://www.cae.ucla.edu/. All other students must take the exam at
the scheduled time under the same time constraints. It is the responsibility of all students who request special arrangements with CAE to be familiar with all of their rules as well as the rules of this class.

**ACADEMIC DISHONESTY**

Any cases of cheating will be reported to the Office of the Dean of Students. For more details please refer to the Office of the Dean of Students website at [https://www.deanofstudents.ucla.edu/Academic-Integrity](https://www.deanofstudents.ucla.edu/Academic-Integrity)

**ORDER OF TOPICS**

1. Introduction and a note on methodology. How economists see the environment.


4. Regulating Pollution: emission taxes (Pigouvian tax), standards, mandated technologies; tradeable emission permits; Policy under uncertainty—taxes vs. standards.

5. Non-renewable resources (example: oil). Hotelling rule, optimal extraction and use of non-renewable resources. Extensions of basic model. Economics of recycling.


7. Economics of water institutions and (potential) water markets: Recent California drought. Surface water and ground water economics.
