University of the Balearic Islands

Teaching guide

Academic year	2013-14
Subject	10584 - Environmental Economics
Group	Group 1, 2S
Teaching guide	B
Language	English

Subject identification

Subject	10584 - Environmental Economics
Credits	0.9 in-class (22.5 hours) 2.1 distance (52.5 hours) 3 totals (75 hours).
Group	Group 1, 2S(Campus Extens)
Teaching period	2nd semester
Teaching language	English

Lecturers

Lecturers	Timetable for student attention					
	Starting time	Finishing time	Day	Start date	Finish date	Office
Ángel Bujosa Bestard angel.bujosa@uib.es	11:00h	12:00h	Thursday	23/09/2013	30/09/2014	DB256 (demanar cita prèvia per e-mail)

Degrees where the subject is taught

Degree	Character	Course	Studies
Master's Degree in Tourism and Environmental Economics	Optional		Postgraduate degree
Matrícula Extraòrdinaria (Articles 4, 5 i 6 del Reglament Acadèmic)	Optional		Postgraduate degree
Master's Degree in Euro-Mediterranean Relations	Optional		Postgraduate degree

Contextualisation

This course attempts to analyse environmental problems from an economic perspective, providing students with a range of knowledge related to the terminology, methodology, principles and theories of Environmental Economics. At the same time, the course also attempts to develop in students the ability to apply the available information and knowledge to specific situations and problems of the real world.

Requirements

Skills

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Specific

1. To relate environmental economics with welfare economy theory (skill number 44).
2. To know the tools, arguments and consequences of the environmental policies application (skill number 45).
3. To know the market deviation related to the environment (skill number 55).

Generic

1. To be familiar with scientific texts (skill number 4).
2. To develop a synthetic and a knowledge integration capacity (skill number 5).
3. To convert an empirical problem in a research object and to formulate conclusions (skill number 8).

Content

Theme content

Unit 1. Introduction
- 1.1 Environmental pressures and tensions
- 1.2 Types of environmental problems

Unit 2. Natural Resources and Environmental Economics
- 2.1 Economics and Ecology
- 2.2 Environmental Economics versus Ecological Economics

Unit 3. The study object: the problematic of the environment
- 3.1 Natural resource definition and classification
- 3.2 Environmental functions and environmental services
- 3.3 The problem: the absence of price
- 3.4 The operation of imperfect markets

Unit 4. Problems in natural resource management
- 4.1 The discount of the future
- 4.2 Uncertainty and irreversibility
- 4.3 The precautionary principle and the safety minimum standards
- 4.4 Weak and strong sustainability

Unit 5. Economics, politics and the environment
- 5.1 Society, property rights and the environment
- 5.2 Society, the market and the environment
- 5.3 Society, State and the environment
- 5.4. Basic welfare theory

Unit 6. Economic valuation of the environment
- 6.1 The reasons for valuing the environment
- 6.2 What gives value? Who expresses these values? How do we express them?
- 6.3 The total economic value
- 6.4 The limits of the analysis

Unit 7. An overview of economic valuation methods
- 7.1 Criteria for classifying valuation methods
- 7.2 The separability of the utility function

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7.3 Revealed preference methods
7.4 Stated preference methods

Unit 8. Environmental policy
8.1 The optimal level of pollution
8.2 Economic instruments
8.3 Command-and-control instruments

Teaching methodology

In-class work activities

Modality	Name	Typ. Grp.	Description
Theory classes	Theoretical lectures	Large group (G)	The theoretical foundations that students must acquire during the course will be presented in these classes. The theoretical lessons will follow the program presented above.
Practical classes	Practical lectures	Medium group (M)	The practical lectures are intended to encourage the exchange of views between participants and to facilitate the use of theoretical knowledge into reality through the study and discussion of case studies.
ECTS tutorials	ECTS tutorials	Small group (P)	ECTS tutorials.
Assessment	Case studies	Medium group (M)	Discussion of short case studies from specialized papers and other materials provided by the professor.
Assessment	Final exam	Large group (G)	Final exam to evaluate the acquired knowledge.

Distance education work activities

Modality	Name	Description
Individual self-study	Study time	Individual self-study to acquire the contents developed in the course.
Group self-study	Case estudy resolution	Work in group to prepare the resolution of case studies and to analyze and solve the problems presented by the professor.

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Specific risks and protective measures

The learning activities of this course do not entail specific health or safety risks for the students and therefore no special protective measures are needed.

Workload estimate

Modality	Name	Hours	ECTS	%
In-class work activities		**22.5**	**0.9**	**30**
Theory classes	Theoretical lectures	14	0.56	18.67
Practical classes	Practical lectures	2	0.08	2.67
ECTS tutorials	ECTS tutorials	2.5	0.1	3.33
Assessment	Case studies	2	0.08	2.67
Assessment	Final exam	2	0.08	2.67
Distance education work activities		**52.5**	**2.1**	**70**
Individual self-study	Study time	22.5	0.9	30
Group self-study	Case estudy resolution	30	1.2	40
	Total	**75**	**3**	**100**

At the beginning of the semester a schedule of the subject will be made available to students through the UIBdigital platform. The schedule shall at least include the dates when the continuing assessment tests will be conducted and the hand-in dates for the assignments. In addition, the lecturer shall inform students as to whether the subject work plan will be carried out through the schedule or through another way included in the Campus Extens platform.

Student learning assessment

The assessment of the course will take into account three different items with the following weights: Final grade = Final exam [50%] + Case studies [40%] + Class attendance [10%] Only the final exam is retrievable. Class attendance will also take into consideration the participation of the student during the lectures.

Theoretical lectures

Modality	Theory classes
Technique	Observation techniques **(Non-retrievable)**
Description	The theoretical foundations that students must acquire during the course will be presented in these classes. The theoretical lessons will follow the program presented above.
Assessment criteria	Class attendance and participation.

Percentage of final qualification: 5% following path A

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Practical lectures

Modality	Practical classes
Technique	Observation techniques **(Non-retrievable)**
Description	The practical lectures are intended to encourage the exchange of views between participants and to facilitate the use of theoretical knowledge into reality through the study and discussion of case studies.
Assessment criteria	Class attendance and participation.

Percentage of final qualification: 5% following path A

Case studies

Modality	Assessment
Technique	Short-answer tests **(Non-retrievable)**
Description	Discussion of short case studies from specialized papers and other materials provided by the professor.
Assessment criteria	Different case studies will be presented during classes by means of specialized papers and other materials. Students will be required to discuss them from the view of Environmental Economics applying the concepts and methods learned in theoretical lessons.

Percentage of final qualification: 40% following path A

Final exam

Modality	Assessment
Technique	Short-answer tests **(Retrievable)**
Description	Final exam to evaluate the acquired knowledge.
Assessment criteria	Written test that will assess the knowledge acquired by students based on short-answer questions and case study resolution. This objective test represents the 50% of the final grade and can be recovered in the extraordinary period of assessment indicated in the course calendar.

Percentage of final qualification: 50% following path A

Resources, bibliography and additional documentation

There are some textbooks that you might find particularly useful (see the basic bibliography below). All cover most of the theoretical and conceptual material in this course. You will find available copies of them in the library. Pearce, Kolstad and Callan textbooks are clearer and more systematic in explaining the theory, but they have relatively little discussion of real-world environmental problems and case studies. Perman has more applied material, but are a bit uneven in terms of the level of mathematics that they employ. Perman also has quite a lot of material on the economics of natural resources, which is not covered in this course. In a similar line that the book by Perman, you can find also useful the book by Hanley et al. (see the additional bibliography section below).

Basic bibliography

• Perman, R.; Ma, Y.; McGilvray, J.; Common, M. (2003). Natural resource and environmental economics. Harlow, England: Pearson/Addison Wesley.
• Pearce, D.W.; Turner, K. (1990). Economics of natural resources and the environment. Baltimore, US: The Johns Hopkins University Press.
• Kolstad, C.D. (2000). Environmental Economics. New York, Oxford: Oxford University Press.

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• Callan, S.J.; Thomas, J.M. (2010). Environmental Economics and Management: Theory, Policy, and Applications. South-Western College Pub.

Complementary bibliography

• Hanley, N., Shogren, J. F.; White, B. (2007). Environmental economics. In theory and practice. Palgrave McMillan.

Other resources

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