Syllabus and Outline
[Subject to Change]

Business and the Environment
C30.0225
Roy Radner
Spring 2011
Tue and Thurs, 2 – 3:15 p.m.
Prerequisite: introductory microeconomics

Environmental problems typically arise from “market failures.” This seminar will examine several environmental issues at the local, national, and international levels, such as smog, acid rain, energy, fishing, and global climate change. Drawing on the theories of externalities, market failure, and mechanism design, we shall explore the causes of these problems, and some of the potential remedies, including government regulation, voluntary associations, treaties, and markets for emissions, as well as potential related business opportunities. Lectures and class discussions of assigned reading will be supplemented with presentations by outside speakers involved in environmentally related business ventures.


Plus various articles, many of which are found in the following two collections:

Copies of most of these articles can be downloaded from JSTOR. I shall make arrangements to make the others available. Other references will be added during the semester, especially in the area of potential business opportunities.
Course grades will be based on class participation, a mid-term examination, and either a term paper or a final examination.

Outline and Reading Assignments

1. Introduction
   TT, Ch. 1, 1-14.

2. Local and Regional
   TT, Ch. 15, 326-349.


3. **Valuing the Environment**

   TT, Chapters 2-3, 15-63.


   *Supplementary:*


4. **Externalities, Market Failure, and Environmental Problems**

   TT, Ch. 4-5, 554-89.

5. **Environmental Economics: An Overview.**

   TT, Ch. 14, 301-325.

6. **Air Pollution, II. Transportation**

   TT, Ch.17, 366-392.


7. **Natural Resource Economics: An Overview**

   TT, Ch. 7, 128-139.

8. **Energy**

   TT, Ch. 8, 140-173.

   Vaitheeswaran, V. V., Ch. 7 (pp. 194-219), *Power to the People*, Farrar, Strauss, and Giroux, New York, 2003.

9. **Water**

   TT, Ch. 9, 174-201.
10. **Fishing.**
   TT, Ch. 13, 272-300.

11. **Climate Change**
   TT, Ch. 16, 350-365.

   *Supplementary:*

12. **The Population Problem**
   TT, Ch. 6, 104-127.

13. **Sustainable Development**
   TT, Ch. 5, 90-103; Ch. 21, 477-508; Ch. 22, 509-518.

   **Supplementary References**

   The following references contain case studies on environmentally efficient and socially responsible companies that are profiting from their integration of those principles with profitability.
