**Lecturer:** Dr. Barbara K. Buchner and Dr. Martin Stadelmann

**Course description**
The course aims to give the student a methodological background in environmental economics and finance, providing insights on (i) the economic analysis of natural and environmental resources from a sustainability viewpoint and (ii) economic instruments in environmental policy and corresponding financial instruments to preserve environmental quality at a local, national and international level.

**Required readings**
These are listed in relation to each lecture.

**Recommended readings**


A. Mas-Colell, M. Whinston, J. Green, Microeconomic Theory, Oxford University Press, 1995. *(for students with background in economics)*


**Grading**

*Participation* 20%  
Students are expected to play an active role during the lectures and prepare the required readings in advance

*Final exam* 80%  
Written exam

**Policies and procedures**
The course may be enriched by the participation of some external lecturers (to be confirmed). Attendance is required.
Office location and contact information

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ENVIRONMENTAL ECONOMICS

Lectures

no. 1  Environmental Economics – What is it and why to look at it? An introduction, basic concepts and outline of key issues
Readings  Baumol and Oates, chap. 1, 2, 3
Field and Field, chap. 1, 2, 6
Mas-Colell, Whinston and Green, chap. 10

no. 2  Why do we need Environmental Policy? A discussion of market failures
Readings  Field and Field, chap. 3, 4, 5, 6
Baumol and Oates, chap. 4

no. 3  Should the Government intervene? Different concepts and approaches
Readings  Field and Field, chap. 9, 19
Baumol and Oates, chap. 5

no. 4  What type of intervention works best? Economic instruments of Environmental Policy
Readings  Baumol and Oates, chap. 11, 12, 13, 16
Field and Field, chap. 11, 12, 13
Ellerman et al
Further material will be delivered by the instructor

no. 5  The pricing of externalities and its implications for the private sector investments
Readings  Ellerman et al
Reading material to be handed out during the course

no. 6  The Case of Climate Policy: an application of lectures 1-6
Readings  Reading material to be handed out during the course

no. 7  Sustainable Development

Final Exam  Written exam. Date to be defined