UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Environmental Economics

2425-1-F7601M052-F7601M048M

Learning objectives

The course provides a basic knowledge of the language and analytical instruments of economics as applied to the environment, while also paying attention to the issue of the environment in relation to the tourism industry. By the end of the course students will understand:

- the origins of environmental economics in the history of economic thought.
- the basic differences between environmental and ecological economics and the topics pertinent to each field.
- when the free market represents a socially more efficient solution than what can be expected from a regulated market.
- the concept of environmental externality;
- the economic instruments designed to safeguard the environment and their effectiveness.
- the impact of the tourism industry on the environment.
- the effectiveness of the principal economic indicators in measuring public well-being.
- the problem of environmental sustainability in politico-economic context.

Contents

The course explores the main problems underlying the relationship between economy and environment. It is divided into three parts. The first offers a historical overview of how the environment and natural resources have been perceived in various schools of economic thought, up to the appearance of the problem of environmental sustainability. Particular attention will be paid to the emergence of the two fields of environmental economics and ecological economics. The second analytic part examines the workings of markets, the reasons for their failure, the main instruments available for regulating externalities and the successes and failures of public intervention. Space will be made for critical reflexions on the impact of the tourism industry on the environment. The third part of the course considers the most recent issues and debates, ranging from the creation of new indicators of wellbeing to the application of behavioural economics to the environment.

Detailed program

Part 1

- The historical roots of environmental economics
- The origins of the problem of environmental sustainability: from GATT (1947) to the Brundtland Report (1987).
- Comparing environmental economics to ecological economics: “the tragedy of the commons” (G. Hardin); the Coase theorem and the proposal by E. Ostrom; “The cowboy economy” (K. Boulding); “Economics and the good life” (B. de Jouvenel); “Bioeconomics” (N. Georgescu-Roegen); “Intermediate technology” (E.F. Schumacher);– “Steady state” economics (H. Daly); “Ecosystem services” (R. Costanza).

Part 2

- The functioning of markets and the causes of their failures
- The reasons for the success and failure of public intervention
- State or free market– Pigou or Coase?
- Environment and ethics: the problem of valuing the environment
- Policies for pollution control

Part 3

- The rise and fall of the GDP as the main macroeconomic indicator and the emergence of new wellbeing indicators.
- The contributions of behavioural economics: mass consumption and positional goods (T. Scitovsky) – intertemporal choices and green nudges in favour of the environment – public art for the environment.
- Environmental policies from the Kyoto protocol to Constitutional Law 1/2022.

Prerequisites

Students should have a basic knowledge of the principles of micro- and macro-economics.

Teaching methods

Traditional and interactive lessons
Group presentations of scientific articles

Assessment methods

3 questions with open answers (5 points each) + 15 multiple-choice answers quiz (1 point each answer, no penalty for errors)

Textbooks and Reading Materials

Turner, R.K., Pearce, D.W., Bateman, I. *Environmental economics*.

Recommended reading:

- Nespor, S. 2020. *La scoperta dell'ambiente. Una rivoluzione culturale*. Bari: Laterza.
- Laurent, E. 2022. L*a nuova economia ambientale. Sostenibilità e giustizia*. Torino: UTET.

Other material, including articles in both English and Italian, will be suggested during the course.

Semester

First semester

Teaching language

Italian

Sustainable Development Goals

GOOD HEALTH AND WELL-BEING | QUALITY EDUCATION | GENDER EQUALITY | AFFORDABLE AND CLEAN ENERGY | DECENT WORK AND ECONOMIC GROWTH | INDUSTRY, INNOVATION AND INFRASTRUCTURE | SUSTAINABLE CITIES AND COMMUNITIES | RESPONSIBLE CONSUMPTION AND PRODUCTION | CLIMATE ACTION | LIFE BELOW WATER | LIFE ON LAND