

EC221 Sustainability Economics

Modules: Behavioral Economics / Choice, Resources, Development

Seminar Leader: Ann-Kathrin Blankenberg

Course Times: Tue 10:45-12:15 & 14:00-15:30

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Course Description

This course focuses on the relation between the discipline of behavioral economics and the question of the state of the natural environment. Humanity is drawing closer to its ecological limits and faces increasingly complex challenges such as resource scarcity, climate change, loss of biodiversity, the consequences of increasing wealth inequality and (of course), the unexpected renewal of an old threat: epidemics. Economic development that is ecologically sustainable and socially just as well as efficient is of crucial importance for the future of society. To bring it about, actors at all levels (individuals, companies, and political decision-makers) must be involved. Public policies have to be developed that are grounded on empirical evidence about how people actually behave. We will explore the potential of behavioral economics to drive environmental protection and to contribute to the efficient design of policy instruments, as well as discussing pro-environmental behavior and how it is perceived or experienced. Topics covered in the course include: the basic relationship between the economy and ecology; the causes of environmental problems; the overexploitation of the natural basis of life; the essential meaning of the term “sustainable development”; relevant differences between schools of economic thought; instruments for environmental protection; the valuation of non-marketable effects/goods (stated & revealed preferences, SWB); environmental behavior (is it a sacrifice?); pro-environmental identity; and the connection between environmentally-friendly behavior and life satisfaction.

Learning Outcomes

The aim of this course is to get an understanding of different relevant topics in sustainability economics. We will deepen your understanding in the field of sustainability, learn and practice to present as well as to write an own research essay. The papers discussed in the course will come from different methodological backgrounds.

Requirements

Reading material

Relevant assigned readings (journal articles + book chapters) will be provided during the semester (via Google classroom as a PDF – you only need to print it).

Textbooks: The lecture (theory part) of the course is largely influenced by/ based on a mix of the following textbooks:

- Goodstein, E. S., & Polasky, S. (2014). *Economics and the Environment*. John Wiley & Sons. 7 ed.
- Bartelmus, P. (2013). *Sustainability Economics: An Introduction*. Routledge
- Bartelmus, P. (2008). *Quantitative eco-nomics: how sustainable are our economies?.* Springer Science & Business Media.
- Shmelev, S. E. (2011). *Ecological economics: sustainability in practice*. Springer Science & Business Media.

Class preparation

- 1) Each individual student will discuss (be responsible) for an article related to the course topic (topic and week will be assigned within the first lecture/week).
- 2) All students need to read the assigned papers.

In preparation for class, read the assigned texts thoughtfully and engage with their core argument. Take notes while reading and try to identify questions in advance: Why do the authors argue as they do? How do they raise and substantiate their claims? How does their line of argumentation relate to earlier readings and discussions in class?

Students should arrive to each class on time (also online!) and prepared. Being prepared means

- having completed the assigned reading,
- bringing to class a non-electronic copy of the assigned reading, and
- being ready to initiate and to contribute to discussion.

Engagement in class discussion should be regular as well as productive; quantity alone will not favorably affect the participation grade.

It is essential that you will repeat at home the material that we cover in class.

Attendance

Attendance at ALL classes is expected. Absences due to illness or compelling circumstances outside of the students' control are excused if notification is given via email before the course. The instructor may require additional documentation in case of absences or frequent exams/quizzes on the day of absence. Optional non-academic travel, hosting visiting family and friends, or work schedules are not grounds for excused absences.

There will be an attendance sheet for every session. Each absence beyond two (that is more than two absences from two sessions of 90 minutes without leave of absence from the seminar leader) will lead to the subtraction of 1 point from the overall final grade. Late arrival counts as an absence. If you miss more than 30 percent of the sessions you cannot pass the class. But, important here: talk with me about the reason of absence.

CONSIDERATIONS FOR Fall 2021: Some students might need to begin the semester remotely due to travel restrictions caused by the pandemic. In addition, all students and instructors must refrain from in-person attendance if they are feeling ill.

Academic Integrity

Bard College Berlin maintains the staunchest regard for academic integrity and expects good academic practice from students in their studies. Syllabi should note that, instances in which students fail to meet the expected standards of academic integrity will be dealt with under the Code of Student Conduct, Section 14.3 (Academic Misconduct) in the Student Handbook.

Grading

Classroom Participation → 20%

This seminar involves thoughtful and active participation in class discussions and working groups. This includes a persistent reflection on current events related to the course's core themes. The classroom is a protected space and you should feel free to voice your arguments and comments. Please do not hesitate to address the seminar leader if you feel that this is not the case.

Paper presentation (weeks 3-11) → 15%

Each individual student will discuss an article related to the course topic (topic and week will be assigned within the first week). Paper presenter should first critically proofread the article (strength/weaknesses). In the main part of their presentation seminar participants will describe the research question, the empirical approach, quality of data, methods and conclusions before presenting own ideas, opinions and connecting links to different topics that will lead to a discussion involving all participants.

Outline/ Extended Introduction (1,000 words, due 01.10.2021) → 15%

Consider this to be your elevator pitch—or your book cover blurb. What is your case and the main puzzle? What is the main question you seek to address in your research? What are the hypotheses (and potential lines of argumentation)? The introduction frames the puzzle and research question in more depth. It embeds them in existing literature and presents the (tentative) main line of argumentation in broad strokes. What have other authors argued about your theme? What are your hypotheses? Which material will you look at to make your case?

All students will present their outline and we will discuss them (05.10)

Presentation final essay (weeks 13-14) → 20%

Each individual student will give a presentation (which also is the focus of the final essay) and line of argumentation in a professional presentation at the end of the semester.

- Presentations will be **no longer than 20 minutes** (time is strictly limited) and will focus on the puzzle, research question, and main line of argumentation/potential conclusions.
Visualizations (e.g. powerpoint or other forms)
- The **Q&A period** for each presenter will be 10-15 minutes. He or she should be prepared to answer questions relating to their project's theme.

Final Essay (3000 words, due 12.12.2021) → 30%

The final essay is due on December 12. Students can come up with an own research question of interest but a list with possible topics will also be distributed. The essay itself will consist of an introduction, main body (that develops and substantiates your argument), and a conclusion (as well as a bibliography). Use paragraphs and subheadings to clearly structure your text.

(# more information about writing an final essay in our “academic writing workshop” in week 7)

Policy on Late Submission of Exercises

Exercises that are up to 24 hours late will be downgraded one full grade (from B+ to C+, for example). After that, we will accept late submissions only until the end of the week in which they were due (Sun, 23:59), but these cannot receive a grade of higher than C. Thereafter, the student will receive a failing grade for the assignment.

Schedule

Fall 2021 classes start on Monday, Aug. 30 and run until Friday, Dec. 17 with fall break planned from Oct. 18 (Mon) - 24 (Sun) 2021. Completion week is from Mon, Dec. 13 - Fri, Dec. 17, 2021. Scheduled class times are available online under the relevant course heading: <https://berlin.bard.edu/academics/courses/>

The schedule provided is provisional in order to allow for flexibility. *Dependent on the number of participants we will need to adjust the assigned readings.* It is the students' responsibility to keep themselves informed of any changes to the schedule provided here. Lecture slides and all other relevant material will be posted in Google classroom (password will be given in the first class). An up-to-date schedule will be maintained by the course management in Google classroom.

Part 1: Ecological sustainability: How much nature do we need? (week 1-2)

1) Introduction and overview (31.08)

2) Sustainability; Schools of “eco”-nomic thought - Environmentalists and economists: a persisting polarization?; How much nature do we have? (Indicators) (07.09)

- Venkatachalam, L. (2007). Environmental economics and ecological economics: Where they can converge? *Ecological economics*, 61(2-3), 550-558.
- Bleys, B., Defloor, B., Van Ootegem, L., & Verhofstadt, E. (2018). The environmental impact of individual behavior: self-assessment versus the ecological footprint. *Environment and Behavior*, 50(2), 187-212.

Part 2: Economic sustainability: How much for nature? Theoretical background + student presentation

3) Public goods, common resources, market failure # Solutions? (14.09)

- Ch. 3: “Pollution and Resource Degradation as Externalities” (reading: 3.0, 3.1,3.2 and 3.4) In: Goodstein, E. S., & Polasky, S. (2017). *Economics and the Environment*. John Wiley & Sons. 7th Ed.
- Fehr, E. & S. Gächter (2002). Altruistic punishment in humans. *Nature*, 415(6868), p. 137–140.
- Convery, F., McDonnell, S., & Ferreira, S. (2007). The most popular tax in Europe? Lessons from the Irish plastic bags levy. *Environmental and resource economics*, 38 (1), 1-11

4) Climate Change – international problems; SDGs (21.09)

- <https://sdgs.un.org/> # THE 17 GOALS; 169 Targets
we will talk about the SDGs, everybody will be responsible for one SDG
- Ch. 3.3 “Is Sustainable Business a Solution?” In: Goodstein, E. S., & Polasky, S. (2017). *Economics and the Environment*. John Wiley & Sons. 7th Ed. # Chapter 3: Pollution and Resource Degradation as Externalities (reading: 3.3)

Measuring the Benefits of Environmental Protection

5) Introduction to the valuation of non-marketable goods: Stated & Revealed Preference Methods (28.09)

- Ch. 5: “Measuring the Benefits of Environmental Protection”. In: Goodstein, E. S., & Polasky, S. (2017). *Economics and the Environment*. John Wiley & Sons. 7th Ed. #
- Sundt, S., & Rehdanz, K. (2015). Consumers' willingness to pay for green electricity: A meta-analysis of the literature. *Energy Economics*, 51, 1-8

6) Workshop: Presentation & discussion: all outlines (05.10)

- # Bring your “Outline/ Extended Introduction” in print

7) “Academic writing workshop” (12.10)

- covers a broad variety of topics related to writing an own essay (structure of an essay, literature work in economics, theoretical background, time management, etc.)

Fall break: No class on #19.10.2021

8) Introduction to the valuation of non-marketable goods II: Life-satisfaction approach (26.10)

- Frey, Bruno S., Simon Luechinger and Alois Stutzer (2010). The Life Satisfaction Approach to Environmental Valuation. *Annu. Rev. Resour. Econ.*, 2:139–60
- Welsch, H., Kühling, J., 2009. Using happiness data for environmental valuation: issues and applications. *J. Econ. Surv.* 23 (2), 385–406. (only selected pages/will be assigned)
- Rehdanz, K., Welsch, H., Narita, D. und Okubo, T. (2015). Well-being effects of major disaster: The case of Fukushima. *Journal of Economic Behavior & Organization* 116: 500-517.

Pro-environmental behavior

9) Pro-environmental behavior - a sacrifice? # Overview (02.11)

- Stern, P. C. (2000). New environmental theories: toward a coherent theory of environmentally significant behavior. *Journal of social issues*, 56(3), 407-424.
- Schmitt, M. T., L.B. Akin, J. Axsen, R.L. Shwom (2018), Unpacking the Relationships Between Pro-environmental Behavior, Life Satisfaction, and Perceived Ecological Threat, *Ecological Economics* 143, 130-140.

10) Pro-environmental behavior - # green identity (09.11)

- Whitmarsh, L., & O'Neill, S. (2010). Green identity, green living? The role of proenvironmental self-identity in determining consistency across diverse proenvironmental behaviours. *Journal of Environmental Psychology*, 30(3), 305-314.
- Binder, M., & Blankenberg, A. K. (2017). Green lifestyles and subjective well-being: More about self-image than actual behavior?. *Journal of Economic Behavior & Organization*, 137, 304-323.

11) Pro-environmental behavior - # norms (16.11)

- Helliwell, J. F. (2014). Social norms, happiness, and the environment: closing the circle. *Sustainability: Science, Practice and Policy*, 10(1), 78-84.
- Farrow, K., Grolleau, G., and L. Ibanez (2017). Social Norms and Pro-environmental Behavior: A Review of the Evidence. *Ecological Economics*, 140.

Part 3: Presentations (own essays)

12) Workshop: “Academic writing workshop II” (23.11.)

- # Questions about written essays will be discussed
- Bring draft of essay

13) Colloquium weeks: Final essay presentations (30.11)

14) Colloquium weeks: Final essay presentations (07.12)

FINAL EXAMINATION: Submit final essay (due: 12.12.2021)

Classes missed due to federal holidays will not be rescheduled.

Professionalism

Being a student is your full-time job and with it come a set of responsibilities and expectations, as with any other job. Maintaining a professional attitude towards your course of study is something that also prepares you for later work life. A professional attitude towards your studies is shown by coming to class on time, being prepared, being courteous to your teachers and fellow students. It is exhibited by writing your essays with care, actively participating in class, avoiding distractions (excessive bathroom breaks, using smartphones to check on irrelevant issues during class etc.), not missing classes except for the most dire of circumstances and in general by adapting to the rules of the course without trying to bargain for personal exceptions.

Ethics/Academic honesty

A core value of the academy is truth and the pursuit thereof. Nothing can shake the foundations of this pursuit as much as academic dishonesty as it undermines the trust that is indispensable to it. This is why I will not excuse any instance of academic dishonesty. Plagiarism, cheating during exams, copying homework assignments (or doing individual assignments with a classmate) all constitute violations of academic honesty and of the clause on “academic integrity” that each student has signed in the student handbook. They can lead to failing the course and will be reflected in the student’s record (having a record of academic dishonesty can make obtaining scholarships, achieving a study abroad place or admission to another program difficult if not outright impossible). If students fail to meet the expected standards of academic integrity, this will be dealt with under the Code of Student Conduct, Section III Academic Misconduct.

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