Course Syllabus

Business Environmental Management Economics

Economics 434/534 and ESR 434/534

Spring 2010
Tues. & Thurs. 4-5:50 pm
Cramer Hall 287

Instructor: Professor David E. Ervin
Office: Cramer 241M
Office Hours: Wednesdays, 10:30 am-12 noon or by appointment
Phone: 503.725.3935
Email: ervin@pdx.edu

Description: Examine the motivations, benefits, costs and risks that affect the decisions of firms to ‘voluntarily’ adopt environmental management and sustainability programs. Analyze case studies of companies and evidence from surveys and economic analyses. Evaluate public and private policy options that foster business environmental management that also provides public goods.

Texts:


Blackboard: http://www.psouonline.pdx.edu/info.php?page=51 (click on Login to Blackboard)

Prerequisite: Students are responsible for knowing basic concepts and analytical approaches used in microeconomic principles related to firm behavior, such as supply, costs of production, consumer demand, and market and pricing models. The relevant material can be obtained from any standard economic principles textbook or from on-line sources such as http://www.econweb.com/sub/ to master the required material.

Major Objectives -- Students who complete this course will develop:

1. An understanding of the environmental, social, personal and economic factors that drive ‘voluntary’ business environmental/sustainability management strategies;
2. An understanding of the economic and business management theories of how business firms make environmental management decisions;
3. An understanding of the evidence on the adoption and use of ‘voluntary’ business environmental management practices and performance;
4. An exposure to the environmental management strategies and programs of selected firms;
5. An understanding of the shifting roles of government and non-governmental organizations in business environmental management, and;
6. Skills in analyzing the economics of an organization’s environmental management or sustainability program, and writing a professional report or making professional presentation of the analysis and findings.

Class Outline

I. The Environment and Sustainability as a Business Problem and an Economic Opportunity (weeks 1-2)
   A. Introduction to the Environment as a Business Problem and Social Responsibility
      • Reinhardt, chapter 1
      • HSV, chapter 1
      • Makower, “The State of Green Business 2010 (blackboard electronic reading)

   B. Potential Motivations for ‘Voluntary’ Business Environmental Management
      • Ervin, D. “An Introduction to the Economics of ‘Voluntary’ Business Environmental Management” (blackboard electronic reading; read to stylized model)

   C. Environmental Management and Economic Competitiveness
      • Esty, D. “Reconceptualizing Corporate Social Responsibility,” HVS, pp. 137-144.

   Supplementary readings:
II. Economic Analysis of Business Environmental Management (weeks 3 - 6)

A. Models of Business Environmental Regulation and Voluntary Environmental Management

- Ervin, D. “An Introduction to the Economics of ‘Voluntary’ Business Environmental Management” (Blackboard electronic reading; read stylized model).

- Ervin, D. “The New Economics of Green Business” (Blackboard electronic reading)

B. Reviewing the Evidence on Voluntary Business Environmental Management and Performance


C. Environmental Product Differentiation

- Reinhardt, chapter 2

D. Managing Competitors

- Reinhardt, chapter 3

E. Reducing Costs in the Firm

- Reinhardt, chapter 4

F. Redefining Markets

- Reinhardt, chapter 5

G. Managing Risk and Uncertainty

- Reinhardt, chapter 6

Supplementary readings on library reserve:


III. Government and Non-Profit Organization Roles (weeks 7-8)
• Other readings to be added

*Supplementary readings*

IV. Future Business Environmental Management (week 9)
A. Integrating Environment and Business Practice
• Reinhardt, chapter 7
B. Business Environmental Management in the New Millennium
• Reinhardt, chapter 8
• Vogel, “Opportunities for and Limitations of Corporate Environmentalism,” HVS, pp.197-202
• “Future Business Environmental Management” (Blackboard electronic reading)

May guest speakers
• To be announced

V. Business Case Study Presentations (week 10)
• Presentations of firm case analyses by students or student teams.

Grading

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<th>Undergraduates</th>
<th>Graduates</th>
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<td>Quizzes &amp; participation 15%</td>
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<td>Event</td>
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<td>Mid-term Exam</td>
<td>May 11&lt;sup&gt;th&lt;/sup&gt;</td>
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<td>Presentation/Paper</td>
<td>June 1&lt;sup&gt;st&lt;/sup&gt; and 3&lt;sup&gt;rd&lt;/sup&gt;</td>
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<td>Final</td>
<td>June 8&lt;sup&gt;th&lt;/sup&gt; (15:30 – 17:20)</td>
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Important Notes

1. A request for an incomplete or withdrawal will be approved only if the student has earned a “C” or better at the time of the request.
2. Cheating on an examination, class paper or project will result in a failing grade for the examination, paper or project, and may result in a failing grade for the class or expulsion from the university.