



## **THE ECONOMIC ENVIRONMENT**

**ACADEMIC YEAR: 2024-2025**

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Professor :

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### **DESCRIPTION**

The course offers an introduction to how macroeconomic environment, that includes environmental and sustainability considerations impacts the business environment.

Topics to be covered will include:

- Overview of macroeconomics as an academic discipline and as a business environment, ethical issues in economics,
- sustainability and environmental (focus on climate change) regulations as an inherent part of the economic environment;
- environmental and sustainability factors and the economics of these.
- EU and international environmental/sustainability policies and agreements impacting macroeconomic environment and businesses.

### **LEARNING OBJECTIVES**

By the end of the course students will be expected:

- To have a basic understanding of (macro-)economics as a discipline and ethical aspects of it
- To have a basic understanding of how the economy taken as a whole operates as an interrelated system
- To have an insight into how environmental and sustainability policies are designed and how they impact the environment in which businesses operate
- To appreciate the enormity of the challenges of environmental sustainability for the contemporary world economy
- To gain insights into EU and international environmental/sustainability policies and agreements
- To understand how environmental and sustainability challenges can be addressed including the possible impacts on economies.

## ETHICAL ASPECTS OF THE COURSE

- The course includes teaching of ethical and moral aspects of economics as an academic discipline and of environmental regulations or the lack of thereof.
- The course itself and teaching do not have any ethics aspects that have to be considered, it does not involve any activities involving vulnerable groups or that could be consist of any type of harassment.

## MATERIALS

*In addition to lecture slides and other class materials useful basic textbooks (particularly for students without any background in economics) are:*

CHANG, H-J. (2014) Economics: The User's Guide: A Pelican Introduction, Pelican

*Further selective reading could include:*

KEYNES, J. M. (1936) *The General Theory of Employment Interest and Money*, Macmillan London

SKIDELSKY, R. (2009) Keynes: The Return of the Master

TALEB, N. N. (2007), *The Black Swan: The Impact of the Highly Improbable*, Random House

THALER, R. (2015) *Misbehaving: the making of Behavioural Economics*, Penguin London

FISHER ET AL., (2014) *A Field Guide to Economics for Conservationists*, Roberts & Company Publishers

ELSBURG, M. (2017) *Blackout: Tomorrow Will Be Too Late*, Black Swan

WEITZMAN, M., TOUFFUT, J-P. (2009) Some Basic Economics of Climate Change. In: *Changing Climate, Changing Economy*. Edward Elgar  
[http://scholar.harvard.edu/files/weitzman/files/heep\\_discussion\\_10.pdf](http://scholar.harvard.edu/files/weitzman/files/heep_discussion_10.pdf)

The Global Risks Report 2024, World economic forum  
[WEF The Global Risks Report 2024.pdf](https://www.weforum.org/reports/the-global-risks-report-2024)

OECD 2011, *Towards Green Growth. Summary for Policy Makers*  
[untitled \(oecd.org\)](https://www.oecd.org/green/growth/2011-towards-green-growth-summary-for-policy-makers/)

UK HM Treasury (2006) *Report of The Stern Review on the Economics of Climate Change. Executive Summary*  
[http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/30\\_10\\_06\\_exec\\_sum.pdf](http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/30_10_06_exec_sum.pdf)

IPCC SR1.5 (2018), Summary for Policy Makers (SPM)

<https://www.ipcc.ch/sr15/chapter/spm/>

IPCC, 2021: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, Summary for Policy Makers

[IPCC\\_AR6\\_WGI\\_SPM.pdf](#)

IPCC, 2022a: *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, Summary for Policy Makers

[IPCC\\_AR6\\_WGII\\_SummaryForPolicymakers.pdf](#)

IPCC, 2022b: *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, Summary for Policy Makers

[Climate Change 2022, Mitigation of Climate Change. Summary for Policymakers \(ipcc.ch\)](#)

Tietenberg, T. (2010). The evolution of emissions trading. In John Siegfried (ed.) *Better Living Through Economics*: 42-58

Tietenberg, T., (2002). The Tradable Permits Approach to Protecting the Commons: What Have we Learned? FEEM Working Paper 36

Goulder, L. H.; I. Parry (2008). Instrument choice in environmental policy, *Review of Environmental Economics and Policy*, 2 (2), 152-174.

Current news outlets to include *The Guardian*; *The Economist*

***Further readings could be suggested during the lectures***

## ASSESSMENT

Grading as per emba@uw rules

### Grading scale:

US	GPA	UoW	points %
F	0	2	< 50
D-	0,67	3	50 - 54,99
D	1	3	50 - 54,99
D+	1,33	3	50 - 54,99
C-	1,67	3	55 - 55,99
C	2,00	3,5	60 - 64,99
C+	2,33	3,5	65 - 69,99
B-	2,67	4	70 - 74,99
B	3,00	4	75 - 84,99
B+	3,33	4,5	85 - 89,99
A-	3,67	5	90 - 94,99
A	4,00	5	95 - 98,99
A+	4,00	5!	99 - 100

**Individual Assignment** – one take-home open-book essay that will be briefly discussed with the professor after the submission (time slot will be allocated as soon as possible).

Essay questions will be distributed in the class and you need to choose **one**. Your essay is an independent piece of research that can focus on a particular case/company/country. You should use other sources in addition to the lecture notes and references in the syllabus.

### The key characteristics of your essay are that it is:

- **focussed:** must stay “on message”. Make sure every word counts and adds something valuable to your essay. Use theories and concepts covered in lectures. You should use other sources in addition to the lecture notes and references in the reading list. Do not describe well-known basic concepts (such as supply and demand).
- **well-structured:** your essay should have a clear structure that provides a thread of evidence and argument leading to your conclusions. Do not forget introduction.
- **reliable:** the information in your essay must be accurate and dependable; so make sure you clearly reference all your sources. Use a consistent referencing style (e.g. Harvard System)
- **readable:** use plain language and design your essay for maximum readability. You can use white space, subheadings, lists, font, etc. to make reading easier.