

Reimund Schwarze (Prof.)

Law and Economics of International Climate Change Policy

1. Teaching conception

This set of lectures, student presentations and tutorials is designed to introduce law and business students to the issue of Climate Change at the national and international level, and to discuss transatlantic and international policy issues of climate policy. It also aims to establish the importance of climate change for future legal and business practice.

2. Content

1. Managing Climate Change

- a) Climate change: The physical and economic nature of the challenge
- b) Management strategies for climate change – Wait and see or forward thinking?
- c) The choice of instruments for climate change policy

2. International Architectures for Managing Climate Change

- a) Politics of voluntary assent: How to find an international consensus on mitigation
- b) Rise and fall of the Kyoto-Protocol – The lessons learned
- c) Beyond Kyoto: Architectures for agreement

3. Climate Change and Newly Emerging Businesses

- a) Emissions trading – Making profits from pollution?
- b) Case studies of international emissions trading: EU-ETS and the Clean Development Mechanism
- d) Hedging global environmental risks – A new challenge to insurance
- e) Carbon truth – A new role for environmental audit
- f) Liability for climate-related damages: Legal battleground of the future?

4. Ecological Modernisation and Sustainable Growth

- a) Environmental innovation – The path from static to dynamic efficiency
- b) Smart regulation: Policy mixes for a low-carbon future
- c) Greening electricity: Experiences in Germany and the EU (case studies)

Purposes:

This course provides an introduction into management strategies to tackle global climate change. Special attention is given to international policy issues, newly emerging businesses and innovation-oriented strategies of environmental regulation.

Basic Literature:

Nicolas Stern (2007), Economics of Climate Change. The Stern Review. Cambridge University Press
(available at: www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm)

Larry H. Goulder, William A Pizer (2006), The Economics of Climate Change (available at: www.rff.org/Documents/RFF-DP-06-06.pdf)

Robert N. Stavins/ Joseph E. Aldy (2007), Architectures for Agreement: Addressing Global Climate Change in the Post-Kyoto World. Cambridge University Press.

A. Denny Ellerman/ Paul L. Joskow (2008), The European Union's Emissions Trading System in Perspective, Report prepared for the Pew Center on Global Climate Change (available at: www.pewclimate.org/eu-ets).

Martin Jaenicke (2008): Ecological Modernisation: New Perspectives, Journal of Cleaner Production 16, pp. 557-565.

Useful Links:

Future International Action on Climate Change Network: www.postkyoto.com

EU DG Environment: <http://ec.europa.eu/environment/climat/emission.htm>

Emissions Trading Education Initiative: <http://www.etei.org/>

World Business Council for Sustainable Development: <http://www.wbcsd.org/>