



STUDY PROGRAMME

EUROPEAN ECONOMIC STUDIES

ACADEMIC YEAR

2025 - 2026

SEMESTER

2nd

COURSE TITLE

EU CLIMATE CHANGE ECONOMICS & POLICY

COURSE PROFESSOR

MARC BAUDRY

COURSE ASSISTANT

SHANAWAR RANA

NATURE OF COURSE

COMPULSORY

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

4

1. **COURSE OBJECTIVE**

The objective of the course is to provide students with a good command of the concepts of environmental economics and their application in the framework of European policies. Emphasis is placed on the analysis of corrective policies, whether in terms of taxation or in terms of tradable permits market (EU-ETS), on the specificities of "green" innovation, as well as on international issues, in connection with issues of competitiveness and carbon border adjustment policies.

2. **LEARNING OUTCOMES**

At the end of this course, students will be able to

- Define how to balance pollution damages and gains inherent to pollution from an economic point of view, whether in a static context or a dynamic context;
- Assess the efficiency and redistributive pros and cons of environmental taxation *versus* tradable permits;
- Describe the peculiarities of "green" innovation and comment on policies that aim at fostering this kind of innovation in the context of transition to a low-carbon economy;
- Take a position on the trade-off between competitiveness and environmental regulation in an international context;
- Identify the main economic factors governing European environmental policy with a focus on the EU-ETS regulation and related policies.

The learning outcomes for this course tie in with the following learning outcomes for the European



Economic Studies programme:

- Describe, explain and illustrate core economic theory surrounding European policies;
- Use economic theory to assess current problems and policies;
- Think innovatively and provide constructive analytical commentary as well as potential recommendations on the evolution of the EU and its possible future development;
- Recognise the importance of empirical foundation for knowledge acquisition and evidence-based policies and use quantitative techniques and other empirical methods to evaluate theoretical knowledge;
- Be autonomous in the preparation and review of materials for the courses as well as in their completion of assignments bearing different requirements in terms of methodology, workload and evaluation of the final work;
- Demonstrate knowledge of the European Union' institutions, competences and substantive principles;
- Recognise, analyse, explain and critique economic developments and economic policies in Europe;
- Acquire a strong knowledge of broader social and political conditions and developments in Europe.

3. COURSE CONTENTS

The course is organised around main topics. An indicative list of these topics is

- Fundamentals in environmental economics
- The EU-ETS as a case study
- "Green" innovation policies
- Balancing competitiveness and environmental regulation
- Carbon leakage and carbon border adjustment mechanism

The exact number of topics studied will be adjusted to the time constraint.

4. TEACHING METHOD(S)

Lectures and class participation

5. COURSE MATERIAL

The presentation support for each topic is made available to students around one week in advance. In counterpart, students are expected to read it and interact during the course. Key references from the academic literature are provided so that students willing to go further into the subject can do it.

6. EVALUATION

The evaluation will 100% be based on a closed-book written exam, three hours in length. The closed-book exam will consists of two or three questions, and a comment on several press articles or basic academic articles.

The resit exam will consist of a closed-book exam making up 100% of the grade.



7. FURTHER SPECIFICATIONS

In this course, the use of generative artificial intelligence (genAI) is **strictly prohibited** at all stages of the work process. According to art. 38 of the Study Regulations, prohibited use means that *“all tasks related to an assignment, from planning, conceptualisation to research and writing, must be completed without any support of genAI.”*

Failure to respect these rules will be considered academic misconduct and be sanctioned in line with the Study Regulations (Section 4.4.). The use of AI-powered tools for grammar checking or reference management is permitted.

Throughout the whole duration of the exam, all the mobile phones and other electronic devices (except the laptop which you take the exam on) need to be put in silent mode and be kept in your bag. If you want to take and upload pictures to the exam, e.g. graphs, please raise your hand and wait for an explicit authorisation of a supervisor. Any other unauthorised usage and/or possession of phones and/or other electronic devices throughout the entire duration of the exam (inside or outside of a classroom) will be considered as (attempted) cheating and lead to a mark of 0 (under Art. 30b of the Study Regulations).

For the detailed rules on the (digital written) examinations at the College of Europe, please refer to the provisions of the Study Regulations and *Dispositions particulières*. Students are responsible to have read and complied with the applicable rules