2012 Course Syllabus

NEW YORK UNIVERSITY

Stern School of Business

ENERGY & ENVIRONMENT: BUSINESS AS USUAL OR RIPE FOR REVOLUTION?

ECON-GB.2105
Economics elective (1.5 credits)

Schedule: Thursdays 6pm-9pm

Instructor: Oren Ahoobim

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Teaching Fellow: TBD

Course Description

This course is designed to give students an overview of the economics and politics of the interlinked fields of energy and environment. Drawing on topical readings as well as the instructor’s experience in the field of energy and development, we will explore the impact of three inter-related forces now driving change:

* The geopolitical consequences of petroleum use, especially as China emerges as an energy-consuming giant

* The economic costs of volatile energy prices, and the prospects for a scarcity-induced oil shock

* The environmental implications of growing energy consumption, especially on global warming

The course will investigate why change tends to come slowly in these industries, and ask whether the world is at an energy crossroads. We will look closely at the rapidly evolving landscape of oil and cars, the symbiotic twins that powered the prosperity seen in the 20th century—but which also contribute mightily to the health, environmental and foreign-policy problems associated with energy. The class will weigh up the prospects for
disruptive innovations driven by entrepreneurs and outsiders challenging the established giants of the energy and automobile industries.

The course will also help debunk a number of popular myths that have confused the public debate on energy and environment matters. Among the notions we will consider for a reality check:

* The world is starting to run out of oil
* Permanently high energy prices are inevitable
* Asia’s growing energy appetite is a threat to America’s energy security
* Windmills and hybrid cars can save the planet
* Hydrogen and fuel cells are a hoax
* Free markets will fix the energy crisis
* Corporate Social Responsibility is the key to tackling global warming
* Ethanol can end America’s need for oil
* Detroit killed the electric car
* The energy industry is extremely innovative
* The best energy policy is no energy policy
* SUVs are the work of the Devil

The course will heavily emphasize class participation and active debates on the above topics. By the end of the term, students will have a good grasp of the background behind current debates in energy and environment, as well as a sense of the potential business opportunities in this fast-evolving area.

**Grading:**

Students will receive grades based on the following requirements:

- 33% based on class participation
  - You must be well prepared for every class discussion, including the first class
  - A rotating and randomly selected group of classmates will help the TA and the instructor judge your classmates’ contributions to class
33% based on an interactive debate project
- Topic of this project will be unveiled after the first lecture
- The class will be divided into six debating teams
- The project will consist of a team component (oral debate) and an individual component (written essay)
- I will request students to come up with clever names for their teams, and to volunteer to be team captains: wit and courage will be rewarded!

33% based on weekly briefing memos
- In 1,000 words or less, you will summarize the key insights gleaned from the required readings for the week. In addition to being a critical part of your grade, these weekly briefing memos will help you to prepare for each class.
- You are welcome to use any format you choose: essay, bullet points, memo with footnotes/ weblinks, etc.
- Bonus points are awarded for doing the optional readings, and for bringing in other relevant ideas/ news items/ themes into your memo
- Each memo must finish with five solid questions that arise from the week’s readings that are relevant for the week’s class discussion
- These are due in person at the beginning of each class (INCLUDING THE FIRST CLASS), though if you must miss a class you may email them to the TA in advance of that class for credit.
- The lowest of the six weekly grades from these memos will be dropped

Course Requirements:

Attendance is recommended, not least because you will be judged on your class participation. You should read The Financial Times, Wall Street Journal and Economist regularly. This will not only keep you current and help lift your gaze from the tedium and toil of ordinary life, but will also prepare you to participate in in-class discussions.

We will start every class with a topical discussion of recent news events relevant to energy and environment. The instructor will from time to time email newsworthy articles or reports to enrich your energy course material.

MBA Honor Code:

Students are required to adhere to the MBA Honor Code, please review it: http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797
If you steal any significant part of your written assignments without full attribution from the work of others, be they fellow Stern students or sources on the internet, you will be given a failing grade. No excuses. If you lazily cut and paste most of your written work from other sources, trying to cover your behinds by giving a footnote here and there for show, you will be severely penalized in my assessment of the originality and quality of your writing.

Laptop use is strongly discouraged in this class, and forbidden during the presentation of the team projects/debates.