

**ECON 683:
GRADUATE SEMINAR IN ENVIRONMENTAL ECONOMICS
(Spring 2008)**

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Office Hours

Tuesday, Thursday, 10:30 a.m. – noon

Course Format

Each class meeting will start with a student presentation of *at least one* of the articles listed below. This will be followed by a detailed discussion in which *all students* are expected to participate fully. Therefore, please complete the assigned reading before coming to class.

Your final grades will be determined on the basis of your presentation and class participation, so it is imperative that you come to the class well prepared.

Syllabus and Reading List

General Overview

Fullerton, Don and Robert N. Stavins, 1998. How economists think about the environment. In, Stavins, Robert N. (editor), *Economics of the Environment*, 2000 (4th edition). W.W. Norton. **Please read this article and be prepared to discuss it in the first class on Friday, September 1, 2006.**

Spulber, Daniel, 1985. Effluent Regulation and Long Run Optimality. *Journal of Environmental Economics and Management*, 12: 103-116. Article available on course website.

Baumol, William J. and Wallace C. Oates, 1971. The Use of Standards and Prices For Protection of the Environment. *Swedish Journal of Economics*, 73(1): 42-54.

Trade and the Environment

Copeland, Brian R., and M. Scott Taylor, 1994. North-South Trade and the Environment. *Quarterly Journal of Economics*, 109(3): 755-787. August. Available at JSTOR as well.

Copeland, Brian R., and M. Scott Taylor, 1995. Trade and Transboundary Pollution. *American Economic Review*, 85(4): 716-737. September. Available at JSTOR as well.

Antweiler, Werner, Copeland, Brian R., and M. Scott Taylor, 2001. Is Free Trade Good for the Environment? *American Economic Review*, 91(4): 877-908. September.

Copeland, Brian R. and M. Scott Taylor, 2004. Trade, Growth and the Environment. *Journal of Economic Literature*, 42(1): 7-71. March.

Environmental Kuznets Curve

Grossman, Gene M. and Alan B. Krueger, 1995. *Quarterly Journal of Economics*, 110(2): 353-377. May. Available at JSTOR as well.

Harbaugh, William T, Levinson, Arik, and David Molloy Wilson, 2002. Reexamining the Empirical Evidence for An Environmental Kuznets Curve. *Review of Economics and Statistics*, 84(3): 541-551. August. Library has electronic access to this journal.

Millimet, Daneiel L., List, John A., and Thanasis Stengos, 2003. The Environmental Kuznets Curve: Real Progress of Misspecified Models? *Review of Economics and Statistics*, 85(4): 1038-1047. November. Library has electronic access to this journal.

Stock, James H., 1989. Nonparametric Policy Analysis. *Journal of the American Statistical Association*, 84(406): 567-575. June. Optional reading. Available at JSTOR and on course website.

Plassmann, Florenz and Neha Khanna, 2003. Household Income and Pollution: Implications for the Debate about the Environmental Kuznets Curve Hypothesis. *Journal of Environmental and Development*, 15(1): 22-41, March.

Andreoni, James and Arik Levinson, 2001. The Simple Analytics of the Environmental Kuznets Curve. *Journal of Public Economics*, 80(2): 269-286. May.

Plassmann, Florenz and Neha Khanna, 2003. Preferences, Income and the Environment: Understanding the Environmental Kuznets Curve Hypothesis. *American Journal of Agricultural Economics*, 88(3): 632-643, August.

Plassmann, Florenz and Neha Khanna, 2006. A Note on “The Simple Analytics of the Environmental Kuznets Curve”. *Environment and Development Economics*, 11(6): 697-707, December.

McConnell, Kenneth E., 1997. Income and the Demand for Environmental Quality. *Environment and Development Economics*, 2: 383 – 399.

Lieb, Christoph, 2002. The Environmental Kuznets Curve and Satiation: A Simple Static Model. *Environment and Development Economics*, 7: 429 – 448.

Lieb, Christoph, 2004. The Environmental Kuznets Curve and Flow versus Stock Pollution. *Environmental and Resource Economics*, 29: 483-506.

Chimeli, Ariaster B. and John B. Braden, 2005. Total Factor Productivity and the Environmental Kuznets Curve. *Journal of Environmental Economics and Management*, 49: 366-380.

Khanna, Neha and Florenz Plassmann, 2007. Total Factor Productivity and the Environmental Kuznets Curve: A Comment and Some Intuition. *Ecological Economics*, 63: 54-58, June.

Climate Change

Khanna, Neha and Duane Chapman, 2000. Crying No Wolf: Why Economists Don't Worry About Climate Change, And Should. *Climatic Change*, 46(3): 225-232. November.

Nordhaus, William, 1994. *Managing the Global Commons: The Economic of Climate Change*. MIT Press. Selected chapters

Nordhaus, William and Joseph Boyer, 2000. *Warming the World: Economic Models of Global Warming*. MIT Press. Chapters 1-3, and 7-9.

Nordhaus, William, 2006. The "Stern Review" on the Economics of Climate Change. NBER Working Paper 12741, December.

Stern, Nichols, 2006. The Stern Review on the Economics of Climate Change, 2006. Her Majesty's Treasury, London. Online access available at: http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm

Copeland, Brian R. and M. Scott Taylor, 2000. Free Trade and Global Warming: A Trade Theory View of the Kyoto Protocol. *NBER Working Paper # 7657*.

World Oil

Hotelling, Harold, 1931. The Economics of Exhaustible Resources. *Journal of Political Economy*, 39(2): 137-175. April. Available at JSTOR as well.

Devarajan, Shantayan and Anthony C. Fisher, 1981. Hotelling's "Economics of Exhaustible Resources": Fifty Years Later. *Journal of Economic Literature*, 19(1): 65-73. March. Available at JSTOR as well.

Khanna, Neha, 2003. On the Economics of Non-renewable Resources. In, Gowdy, John, "Economic Interactions with Other Disciplines", *Encyclopedia of Life Support Systems*. UNESCO. Download from Economics Department website: <http://econ.binghamton.edu/workpap01.htm#0102>.

Chapman, Duane, 1993. Hotelling Depletion or Accelerating Use? *Nonrenewable Resources*, 2(4): 331 – 339. Winter.

Non-Market Valuation

Champ, Patricia, Boyle, Kevin J., and Thomas C. Brown, 2003. A Primer on Non-Market Valuation. (eds.) Kluwer Academic Publishers. Chapters 1, 2, 4, 8, 9, and 10.

Shaw, W. Douglas and Paul Jakus, 1996. Travel Cost Models of the Demand for Rock Climbing. *Agricultural and Resource Economics Review*, 25(2): 133-142.

Hanley N., Koop G., Alvarez-Farizo B., Wright R.E., and C. Nevin, 2000. Go Climb a Mountain: An Application of Recreation Demand Modelling to Rock Climbing in Scotland. *Journal of Agricultural Economics*, 52(1): 36-52.

Grijalva T., Berrens R., Bohara A., Jakus P. and W.D. Shaw, 2002. Valuing the Loss of Access to Rock Climbing in Wilderness Areas: A National-Level Random Utility Model. *Land Economics*, 78(1): 103-20.

McCluskey, Jill J. and Gordon C. Rausser, 2003. Hazardous Waste Sites and Housing Appreciation Rates, *Journal of Environmental Economics and Management*, 45(2): 166-176.

Portney, Paul R., 1994. The Contingent Valuation Debate: Why Economists Should Care. *Journal of Economic Perspectives*, 8(4): 3-17. Autumn.

Hanemann, Michael W., 1994. Valuing the Environment Through Contingent Valuation, *Journal of Economic Perspectives*, 8(4): 19-43. Autumn.

Diamond, Peter A., and Jerry A. Hausman, 1994. Is Some Number Better Than No Number? *Journal of Economic Perspectives*, 8(4): 45-64. Autumn.

Voluntary Pollution Prevention

Khanna, Madhu and Lisa A. Damon, 1999. EPA's Voluntary 33/50 Program: Impact on Toxic Releases and Economic Performance of Firms. *Journal of Environmental Economics and Management*, 37(1): 1-25. January.

Vidovic, Martina and Neha Khanna, 2007. Can Voluntary Pollution Prevention Programs Keep Their Promises? Evidence from the 33/50 Program. *Journal of Environmental Economics and Management*, 53(2): 180-195, March.

Videras, Julio and Anna Alberini, 2000. The Appeal of Voluntary Environmental Programs: Which Firms Participate and Why? *Contemporary Economic Policy*, 18(4): 449-461. October.

Arora Seema and Subhashis Gangopadhyay, 1995. Towards a Theoretical Model of Voluntary Over-Compliance. *Journal of Economic Behavior Organization*, 28(3): 289-309.

Maxwell J.W., Lyon T.P., and S.C. Hackett, 2000. Self-Regulation and Social Welfare: The Political Economy of Corporate Environmentalism. *Journal of Law and Economics*, 43(2): 583-617. (only if time permitting – not included in ERES)

Sergeson, Kathleen, and Thomas J. Miceli, 1998. Voluntary Environmental Agreements: Good or Bad News for Environmental Protection? *Journal of Environmental Economics and Management*, 36(2): 109-130.

Wu JunJei and Bruce A. Babcock, 1999. The Relative Efficiency of Voluntary vs Mandatory Environmental Regulations. *Journal of Environmental Economics and Management*, 38(2): 158-175.

Environmental Justice (only if time permitting, articles not included in ERES)

Bowen, William M., 2000. An Analytical Review of Environmental Justice Research: What Do We Really Know? *Environmental Management*, 29(1): 3-15. Library has electronic access to this journal.

Arora, Seema and Timothy N. Cason, 1999. Do Community Characteristics Influence Environmental Outcomes? Evidence From the Toxics Release Inventory. *Southern Economic Journal*, 65(4): 691-716. April. Library has electronic access to Journal.

Brooks, Nancy and Rajiv Sethi, 1997. The Distribution of Pollution: Community Characteristics and Exposure to Pollution. *Journal of Environmental Economics and Management*, 32(2): 233-50. February.

Khanna, Neha and Florenz Plassmann, 2003. Exposure to Ozone: Counting Pollution Where it Matters. Economics Department Working Paper WP0307. *Download from Department website: <http://econ.binghamton.edu/wp03/WP0307.pdf>*