

Environmental Economics

E234
TAYD
Spring 2009
MW 11:30-1:00
Office hours: MW 1:00-2:00
and by appointment

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Required Texts:

Tietenberg, T. and Lewis, L. (2009) Environmental and Resource Economics. 9th edition. New York: Harper

Readings:

Except for the textbook, all readings are on Blackboard

Course requirements:

1. **Five 1-2 pages (maximum) typed and double spaced**, reaction papers to the readings in any **week**. Each reaction paper will be worth 4% of your final grade. **Reaction papers on a week's readings must be posted on Blackboard by 5:00 pm Sunday prior to the week in which the topic will be covered. Late reaction papers will not be accepted.**
2. **Four** Op-Ed advocacy essays. Each Op-Ed essay **must** be **no more than 800 words**. **Due dates for op-ed essays must be posted on Blackboard (by 5:00PM) on the date they are due.** Topics for op-ed essays will be announced the week before an op-ed is due. Each op-ed essay will be worth 15% of your final grade. **Late op-ed essays will not be accepted.**
3. **Two** précis of two separate journal articles that appear on the syllabus. Each précis **must be no more than 3 pages typed and double-spaced** and **must** place the article in the context of what we are studying, describe the hypothesis being tested, identify major research findings, and spell out major policy implications. Each précis will be worth 10% of your final grade. **Each précis must be posted on Blackboard by 5:00 pm Sunday prior to the week in which the journal article will be covered. Late précis will not be accepted.**

Syllabus

January 19 No Class

January 21 Introduction

The Story of Stuff can be found at www.storyofstuff.com/index.html

January 26 Why Economic Growth Matters

Easterly, William (2002) The Elusive Quest for Economic Growth. Cambridge, Mass: MIT Press, chapter 1.

World Bank World Development Report, 1992: Development and the Environment. New York: Oxford University Press. pp. 44-63.

January 28 What Is Sustainability?

Tietenberg and Lewis, chapters 1 (pp. 1-6) and 23 (pp. 577-584).

M. Toman, "The Difficulty in Defining Sustainability", Resources, vol. 106, Winter 1992, Washington, D.C.: Resources for the Future. pp. 3-6.

H. Daly, "The Steady-State Economy: Toward a Political Economy of Biophysical Equilibrium and Moral Growth", in H. Daly (ed.) Toward a Steady State Economy (San Francisco: W.H. Freeman and Co., 1973), chap. 7.

February 2 Economic Growth and Sustainability

Tietenberg and Lewis, chapter 22

World Bank. 1992. World Development Report, 1992: Development and the Environment. New York: Oxford University Press, 1992). pp. 9-11 and 36-41. **(Reading can be found on Blackboard for January 26.)**

Dasgupta, S., Laplante, B. Wang, H. and Wheeler, D. (2002) "Confronting the Environmental Kuznets Curve". Journal of Economic Perspectives. 16 (1): 147-153.

February 4 Economic Efficiency and 9

Tietenberg and Lewis, Chapters 2 and 4

February 11 Efficiency and sustainability

Tietenberg and Lewis, chapter 5

February 16 Valuing the Environment and 18

Tietenberg and Lewis, chapter 3.

World Bank (1992) World Development Report, 1992: Development and the Environment. New York: Oxford University Press, pp. 64-73. **(Reading can be found on Blackboard for January 26.)**

C.M. Peters, "Valuation of an Amazonian Rainforest", Nature 1989, pp. 655-656.

D. Tobias and R. Mendelsohn, "Valuing Eco-tourism in a Tropical Rainforest Reserve", Ambio, 20, 1991, 91-93.

February 23 Population and the Environment and February 25

Tietenberg and Lewis, chapter 6

World Bank (1992) World Development Report, 1992: Development and the Environment. New York: Oxford University Press, pp. 25-29. **(Reading can be found on Blackboard for January 26.)**

Cleaver, K. and G. Schreiber (1992) "Population, Agriculture and the Environment in Africa" Finance and Development. June: 34-35.

Todaro, M. P. and S. C. Smith, S. C. (2005) Economic Development, 9th edition Boston: Addison-Wesley, pp. 108-114.

Robey, B., Rutstein, S. O. and Morris, L. (1993) "The Fertility Decline in Developing Countries" Scientific American. December: 60-67.

M. T. Rock, "The Stork, the Plow, Rural Social Structure and Tropical Deforestation in Poor Countries", Ecological Economics, vol. 18, 1996, pp. 115-117.

March 2 Forests and Deforestation

Tietenberg and Lewis, chapter 13.

J. Vincent, "Rent Capture and the Feasibility of Tropical Forest Management", Land Economics, vol. 66, no. 2, 1990, pp. 212-223.

March 4 Forest Practices, Policies and Bio-diversity

M. T. Rock, "The Stork, the Plow, Rural Social Structure and Tropical Deforestation in Poor Countries", Ecological Economics, vol. 18, 1996, pp. 113-117.

H. P. Binswanger, "Brazilian Policies that Encourage Deforestation in the Amazon", World Development, vol. 19, 1991, pp. 821-829.

B. A. Larson and D.W. Bromley, "Natural Resource Prices, Export Policies, and Deforestation: The Case of Sudan", World Development, October 1991, pp. 1289-1298.

A. Randall, "The Value of Bio-diversity", Ambio, 20, 1991, pp. 64-67.

R. Sedjo and S. Swallow (2002) "Voluntary Eco-Labeling and the Price Premium", Land Economics. 78 (2), pp. 272-284.

Stringer C (2006) Forest Certification and Changing Global Commodity Chains. Journal of Economic Geography. 6 (5):701-722

March 6-March 15 Spring Break

March 16 and 18 Agriculture, Water and the Environment

Tietenberg and Lewis, chapters 10, 11 and 12.

Johnson, D. (2000) "Population, Food, and Knowledge" The American Economic Review (March) pp. 1-14.

Postel, S. (1999) Pillar of Sand: Can the Irrigation Miracle Last? New York: Norton, chapter 1.

Booth, A. (1989) "Indonesia's Agricultural Development in Comparative Perspective". World Development. 17 (8), 1235-1254.

March 23 Fisheries

Tietenberg and Lewis, chapter 14

March 25 Efficient and Cost Effective Pollution Control: Theory and Practice and 30

Tietenberg and Lewis, chapter 15 (pp.356-371) and 16

April 1 Regulating Toxics and Public Disclosure and 6

Tietenberg and Lewis, chapter 20

Go to the Environmental Defense Fund's Toxics Release Inventory website, www.scorecard.org, and compare what you find there about Bryn Mawr, PA and your hometown (if you live in the U.S.)

S. Arora, and T. Cason, An Experiment in Voluntary Environmental Regulation: Participation in EPA's 33/50 Program. Journal of Environmental Economics and Management, 28 1995: 271-286.

Hamilton, T. (1995) "Pollution as News: Media and Stock Market Reaction to the Toxics Release Inventory Data". Journal of Environmental Economics and Management, Vol. 28, Pp. 98-113.

April 8 Corporate Environmentalism: What Should We Make of It?

King, A. A. and Lenox, M. J. (2000) "Industry Self-Regulation without Sanctions: The Chemical Industry's Responsible Care Program" Academy of Management Journal, 43 (4): 696-716.

Go to <http://www.motorola.com/content.jsp?globalObjectId=8204-10392> and download Motorola's Corporate Social Responsibility Report.

Dowell, G., Hart, S. Yeung, B. 1999. Do corporate global environmental standards in emerging markets create or destroy market value? Working Paper 259. University of Michigan Business School.

April 13 Institutional Innovations in Environmental Management And 15

S. Pargal and D. Wheeler (1996) "Informal Regulation of Industrial Pollution in Developing Countries: Evidence from Indonesia". Journal of Political Economy, 104 (6), pp. 1314-1327.

J. H. Garcia, et al (2007) "Public Disclosure of Industrial Pollution: The PROPER Approach of Indonesia" Environment and Development, 12: pp. 739-756.

Perkins R and Neumayer E (2007) Implementing Multilateral Environmental Agreements: An Analysis of EU Directives. Global Environmental Politics, 7 (3) 13-

Mayers, C. K. (2007) "Strategic, Financial, and Design Implications of Extended Producer Responsibility in Europe: A Producer Case Study", Journal of Industrial Ecology, 11 (3): 113-131.

Rock, M. T., Angel, D.P. and Lim, P. L. (2006) "Impact of Multinational Corporations' Firm-Based Environmental Standards on Subsidiaries and Their Suppliers: Evidence from Motorola-

Penang” with David Angel and Lim Pao Li, The Journal of Industrial Ecology, 10 (1-2): 257-278.

Rock, M. T. (2002) Pollution Control in East Asia. Washington, D.C.: Resources for the Future and Singapore: Institute for Southeast Asian Studies. Chapters 2 and 3.

World Bank (2000) Greening Industry. New York: Oxford University Press. chapter 7.

April 20 Trade and the Environment And 22

W. J. Baumol and W. E. Oates, The Theory of Environmental Policy, New York: Cambridge University Press, 1988, pp. 257-266.

B. Copeland and S. Taylor (2005) Trade and the Environment: Theory and Evidence. Princeton: Princeton University Press, chapter 2.

M. T. Rock, "Pollution Intensity of GDP and Trade Policy: Can the World Bank be Wrong?", World Development, vol. 24, no. 3, pp. 471-479.

Dasgupta, S., Laplante, B. Wang, H. and Wheeler, D. (2002) "Confronting the Environmental Kuznets Curve". Journal of Economic Perspectives. 16 (1): 153-164.

April 27 Foreign Investment and the Environment

J. Leonard, Pollution and the Struggle for the World Product. Cambridge: Cambridge University Press. 1988. chap. 4.

Reppelin-Hill, V. (1999) "Trade and Environment" An Empirical Analysis of the Technology Effect in the Steel Industry", Journal of Environmental Economics and Management. 38: 283-301.

Rock, M. T. and Angel, D. P. (2005) "Win-Win Environmental Intensity or Technique Effects and Technological Learning: Evidence from Siam City Cement", chapter 6, In Rock, M.T. and D. Angel Industrial Transformation in the Developing World. Oxford: Oxford University Press.

April 29 Environmental Justice

Tietenberg and Lewis, chapter 21

N. Brooks and R. Sethi (1997) "The Distribution of Pollution: Community Characteristics and the Exposure to Air Toxics." Journal of Environmental Economics and Management. 32: pp. 233-250.

Anderson, D.L., Anderson, A. B., Oakes, J. M. and Fraser, M. R. (1994) "Environmental Equity: The Demographics of Dumping" Demography 31 (2): 229-248.