

AREC/ECON 541: Environmental Economics
Spring 2014
Tuesday and Thursday
2:00–3:15 (CRN13220)

Instructor: Dr. Stephan Kroll
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Office Hours: Tuesday 10-12, 3:30-4:30 or by appointment.
Class Website: on a Google site
Classroom: Eddy 118
Prerequisites: ECON 306. Credit not allowed for both ECON 541 and AREC 541.
Required Text:

Environmental Economics, 2nd ed., Charles D. Kolstad, Oxford University Press.
Additional readings will be posted on the Google Site.

Course Description (from the Catalog):

Economics of environmental policy; partial equilibrium and general equilibrium models; pollution; natural environments; population and economic growth. We will cover some of these in more detail than others. See the last page for a general outline.

Note that this is a Master/Ph.D. level class, and its material will help you prepare for the Field Exam in Environmental and Resource Economics for DARE Ph.D. students.

Grading: Your course grade will be determined as follows:

a) Midterm exam, March 13	10 points
b) Final Exam, May 15	20 points
c) Class Participation	10 points
d) Response Papers, HW	20 points
e) Writing assignment I	20 points
f) Writing assignment II	<u>20 points</u>
Total Amount:	100 points

The cutoff points for the different grades are:

A/A+	93	C+	76
A-	90	C	70
B+	86		
B	83	D	60
B-	80	F	Below 60 points

Accommodations for Students with Disabilities:

Please contact me within the first two weeks of the semester if you need special accommodations. If you believe that you need special accommodations but you have not talked to anybody from Resources for Disabled Students (RDS), please do so before you meet with me. Their contact information can be found on <http://rds.colostate.edu/>. Their office is in General Services, room 100, phone 491-6385.

Cheating and Academic Dishonesty:

Don't do it!

All students are expected to adhere to the Student's Responsibilities as outlined in the Policies and Guiding Principles section of the CSU General Catalog (<http://www.catalog.colostate.edu/Content/files/2013/FrontPDF/1.6POLICIES.pdf>).

Cell Phones, Internet and Similar Electronic Devices:

Please turn your cell phones and similar devices off before class! **No texting, e-mailing or internet surfing during class!**

Response Papers

Starting in week 3, several of you will be asked to hand in a "response paper" on a reading assignment, in which you summarize the main points of the paper, how it fits to the textbook chapter we cover, what you do and do not like about the paper, what you do not understand about it and other things you might find noteworthy. There is no upper or lower page limit on these response papers.

Class Participation

This is a graduate level class, so I expect you will keep up with the readings, even in weeks in which you do not have to write a Response Paper. That makes the class more enjoyable for you and me.

Homework Assignments

Occasionally, three to five times during the semester, there will be a homework assignment for which you will have at least one week time. You can work together on these assignments, but you have to hand in the answers individually; you cannot just copy-and-paste.

Writing Assignment I (tweak of a journal article)

Choose an academic article from an environmental economics journal (for example, *Journal of Environmental Economics and Management*, *Environmental and Resource Economics*, *Land Economics*, *Ecological Economics*) and "tweak it"—change an assumption in a theoretical model, use a different dataset, a different econometric approach, etc., and see what that does to the main results of the original article. The original article cannot be a survey article and should fit more into environmental than into resource economics (sometimes the dividing lines are not clear-cut). Please run "your" original article by me before Spring Break.

Writing Assignment II (article based on a recent news event)

Find a newspaper article about a recent environmental news event, and use it as motivation for an academic paper, with Introduction, Literature Review, Methodology, Results and Conclusion. Again, it should be rather an environmental than a resource problem. Please run “your” newspaper article and your interesting question you like to analyze by me before Spring Break.

Three Notes about the Writing Assignments

- Basically you are asked to write two articles that potentially could be submitted to academic journals and/or become part of your Master thesis or Ph.D. dissertation. As such there is not page limit; obviously a paper can be “too short” or “too long,” but it depends on the paper where those cut-offs are.
- Before Spring Break I would like you to show me your newspaper article and academic article and have a brief conversation about them. Failing to do so will result in a point deduction from the writing assignment grades.
- One of the two Writing Assignments is due on April 17, the other one on May 8. You can choose which one you want to hand in first.

Readings:

	Kolstad	Important Events
Week 1: (1/21 + 1/23)	Chapters 1, 2 (Introduction)	
Week 2: (1/28 + 1/30)	Chapters 3, 4 (Social Choice, Efficiency, Markets)	
Week 3: (2/4 + 2/6)	Chapter 5 (Market Failure: Public Goods, Public Bads, Externalities)	
Week 4: (2/11 + 2/13)	Chapters 6, 7 (CBA, Demand for Environmental Goods)	
Week 5 (2/18 + 2/20)	Chapter 8 (Hedonic Prices)	
Week 6 (2/25 + 2/27)	Chapter 9 (Household Production)	
Week 7 (3/4 + 3/6)	Chapter 10 (Constructed Markets)	Ideas for papers due
Week 8 (3/11 + 3/13)	Chapter 11 (Regulating Pollution)	Thursday: Midterm Exam
Spring Break (3/18 + 3/20)		
Week 9 (3/25 + 3/27)	Chapter 12 (Pigouvian Taxation)	
Week 10 (4/1 + 4/3)	Chapter 13 (Coase)	
Week 11 (4/8 + 4/10)	Chapter 13 (Tradable Permits)	
Week 12 (4/15 + 4/17)	Chapter 15 (Regulation with Unknown Control Costs)	Thursday: First term paper is due
Week 13 (4/22 + 4/24)	Chapter 19 (International Agreements)	
Week 14 (4/29 + 4/31)	TBD	
Week 15 (5/6 – 5/8)	TBD	Thursday: Second term paper is due
Finals Week (5/7)		Final Exam: Monday, 9:40-11:40

Additional Readings (on the Google class site):

01 OATES RFF-BK-RFF-READER-INTRO.PDF

02 STAVINS HOW ECONOMISTS SEE THE ENVIRONMENT NATURE 1998.PDF

03 PLOTT EXTERNALITIES POLICIES EJ 1983.PDF

04 USHER THEFT OXFORD ECON PAPERS 87.PDF

05 SEDJO LOCAL LOGGING GLOBAL EFFECTS JOURNAL OF FORESTRY 1995.PDF

06 BRENNAN GREEN PREFERENCES ECOLECON 2006.PDF

07 HIRSHLEIFER WEAKEST LINK BEST SHOT PUBCHOICE 83.PDF

08 KOTCHEN MOORE PRIVATE PROVISION OF ENV PGS JEEM 2007.PDF

09 FULLERTON DISTRIBUTIONAL EFFECTS OF ENVIRONMENTAL POLICY RISK ANALYSIS 2011.PDF

10 SHOGREN ET AL WTP VS WTA AER 94.PDF

11 BAYER KEOHANE TIMMINS JEEM 2009.PDF

12 CARSON CV AS PRACTICAL ALTERNATIVE JECONPERSP FALL 2012.PDF

13 HAUSMAN CV HOPELESS JECONPERSP FALL 2012.PDF

14 KLING PHANEUF ZHAO EXXON TO BP JECONPERSP FALL 2012.PDF

15 CARSON 2000 CV USERS GUIDE.PDF

16 CHAMP ALBERINI CORREAS CV FOR NOXIOUS WEEDS CONTROL ECOLECON 2005.PDF

17 PARRY EVANS OATES EFFICIENCY STANDARDS JEEM 2014.PDF

18 PARRY SMALL GAS TAX AER 05.PDF

19 GILLINGHAM ET AL REBOUND EFFECT NATURE 2013.PDF

20 HOLLAND MOORE MARKET DESIGN JEEM 2013.PDF

21 NBER_HOLLAND_YATES.PDF

22 CONVERY ET AL IRISH PLASTIC BAG TAX ERE 07.PDF

23 SCHMALENSEE STAVINS SO2 TRADING JECONPERS 2013.PDF

24 ZHOU SEGERSON DOUBLE DIVIDENT SUSTAINABILITY 2012.PDF

25 AIDT REFUNDING RULES JEEM 2010.PDF

26 OLMSTEAD STAVINS KEY ELEMENTS OF CLIMATE POLICY REEP 2012.PDF

27 SCIENCE-2014-NEWELL-1316-7 EMISSIONS TRADING MARKETS.PDF

28 FERRARO SIMPSON COST-EFFECTIVENESS OF CONSERVATION PAYMENTS LAND 2002.PDF

29 METRICK WEITZMAN BIODIVERSITY_JEP_98.PDF

30 BUSCH SUPPLEMENTING REDD WITH BIODIVERSITY PAYMENTS LAND ECON 2013.PDF

31 POLASKY ET AL ECOSYSTEM SERVICES PNAS 2014.PDF

Optional:

BANZHAF ON ENVIRONMENTAL JUSTICE.PDF

OPTIONAL FISCHBACHER ET AL COND COOPERATION ECONLETTERS 2001.PDF

OPTIONAL FLORES AND CARSON RELATIONSHIP BETWEEN INCOME ELASTICITIES AND WTP JEEM
1997.PDF

OPTIONAL HARRINGTON MORGENSTERN 2004 RFF_RESOURCES_152_ECOINCENTIVES.PDF

OPTIONAL PARRY 2002 GAS TAX IN RESOURCES.PDF

ROBERT FRANK TWO COMMANDMENTS NYT MARCH 15 2007.PDF

TRANSCRIPT NPR STORY MANGROVES APRIL 30 2012.PDF