

**UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject : B.A. (Hons) Economics – Sixth Semester (2017)
Course : 29 – Environmental Economics
Date of Meeting : 12th January 2017
Venue : Department of Economics, Delhi School of Economics,
University of Delhi
Chair : Prof. Shreekant Gupta

Attended by:

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|-------------------------|-------------------------------|
| 1. Akhilesh Kumar Yadav | Satyawati College (E) |
| 2. Daisy Sales | Jesus & Mary College |
| 3. Nidhi Pande | Delhi College of Arts & Comm. |
| 4. Namita Mathur | IP College |
| 5. Shruti | Lakshmibai College |
| 6. Rashmi Chaudhary | Kalindi College |
| 7. Manoj Kumar | Shyam Lal College (Evening) |
| 8. Pradip Biswas | College of Vocational Studies |
| 9. Uma | St. Stephens College |
| 10. Nainy | Sri Venkateswara College |

Readings:

Charles Kolstad. *Intermediate Environmental Economics*, Oxford University Press, 2nd edition (Oct 2012). [[Indian reprint available.](#)]

Roger Perman, Yue Ma, James McGilvray and Michael Common. *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, **4th edition** (2011).
[Available at RTL]

Also see:

<http://www.pearsoned.co.uk/highereducation/resources/permannaturalresourceandenvironmentaleconomics4e/>

Robert N. Stavins (ed.). *Economics of the Environment: Selected Readings*, W.W. Norton, 6th edition (2012). [Available at RTL]

TOPIC WISE READINGS

All chapters below refer to Kolstad (2012). Entire chapter has to be covered except where sections to be skipped are specifically mentioned.

Supplementary readings are meant to supplement the material in Kolstad, etc. but are optional.

The number of lectures suggested against each topic are indicative and are only meant as broad guidelines.

1. Introduction (approx. 8 lectures): What is environmental economics; review of micro economics and welfare economics.

Don Fullerton and Robert Stavins (1998). "[How Economists See the Environment.](#)" *Nature*, Vol. 395, Oct 1, 1998, pp. 433-434.
[Reprinted as Chapter 1 in Stavins (2012).]

Chapter 1: Skip Section III which is to be done later in Topic 4.

Chapter 2

Chapter 3: Do Sections I, II, III (skip section III.B pp. 47-52) and IV.

Chapter 4

Supplementary Reading:

Perman et al. (2011) Chapters 3 and 4.

Overview of environmental problems in India [this section is optional]

[State of Environment Report: India 2009](#) (Ministry of Environment and Forests, Government of India, 2009): [Chapter 2 \(State and Trends of the Environment\): Land, Air, Water, Biodiversity \(pp. 9 to 71\).](#)

[Report to the People on Environment and Forests: 2010-11](#) ((Ministry of Environment and Forests, Government of India, 2011): Chapter 2 (State of the Environment) (pp. 11-25).

2. The Theory of Externalities (approx. 5 lectures): Pareto optimality and market failure in the presence of externalities; property rights and the Coase theorem.

Chapter 5: Skip Section V (Pricing Public Goods and Bads) (2 lectures)

Chapter 13: Do Section I only (Coase and the Assignment of Property Rights) (3 lectures)

Supplementary Reading:

Ronald Coase "The Problem of Social Cost" [Reprinted as Chapter 2 in Stavins (2012).]

3. The Design and Implementation of Environmental Policy (approx. 18 lectures):

Overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy.

Chapter 1: Do Section III (Environmental Regulation)
Chapter 11: Skip Sections II and VI
Chapter 12: Do all sections
Chapter 13: Do Sections II.A and II.B
Chapter 14
Chapter 15: Do Sections I and II (two typos on p. 303 – check with instructor)

Michael Sandel (and replies to Sandel) “It’s Immoral to Buy the Rights to Pollute” [Reprinted as Chapter 18 in Stavins (2012).]

Supplementary Readings:

1. Perman, et al. (2011) Chapter 6.
2. Allen Blackman and Winston Harrington (2000). “The Use of Economic Incentives in Developing Countries: Lessons From International Experience With Industrial Air Pollution,” *Journal of Environment and Development*, Vol. 9, No.1, pp. 5-44.

4. International Environmental Problems (approx. 6 lectures): Trans-boundary environmental problems; economics of climate change; trade and environment.

Aldy, Joseph et al. “[Designing Climate Mitigation Policy](#),” *Journal of Economic Literature*, Vol. 48, No. 4 (December 2010), pp. 903-934.

Nordhaus, William. “[Critical Assumptions in the Stern Review on Climate Change](#),” *Science*, Vol. 317, No. 5835 (13 July 2007), pp. 201-202.

Stern, Nicholas and Chris Taylor. “[Climate Change: Risk, Ethics, and the Stern Review](#),” *Science*, Vol. 317, No. 5835 (13 July 2007), pp. 203-204.

[These 3 articles are re-printed as Chapters 24, 25 and 26, respectively in *Economics of the Environment: Selected Readings* (2012)]

Supplementary Reading:

Perman et al.(2011) Chapter 9 (pp: 302-341).

5. Measuring the Benefits of Environmental Improvements (approx. 14 lectures): Non-market values and measurement methods; risk assessment and perception.

Chapter 7: Skip Section VI (Discrete Choice). Do all other sections.

Chapter 8: p. 147 and Section IV (skip section IV.E)

Chapter 10

6. Sustainable Development (1 lecture): Concepts; measurement.

Robert Solow (1992). “[Sustainability: An Economist’s Perspective](#)”

[Re-printed as Chapter 28 in *Economics of the Environment: Selected Readings* (2012).]

Supplementary Readings:

1. R. Solow (1992). "[An Almost Practical Step towards Sustainability](#)," Resources for the Future (RFF) 40th anniversary lecture.
2. Partha Dasgupta (2007). "[Measuring Sustainable Development: Theory and Application](#)," *Asian Development Review* **24(1)**:1-10.
3. Perman et al. (2011): Chapters 2 and 19.
4. http://www.moef.nic.in/sites/default/files/Sust_Dev_Stocktaking.pdf

Assessment:

1. Internal evaluation will comprise one class tests (10 marks) and 5 marks for attendance. Remaining 10 marks can be an additional class test or paper-cum-presentation.
2. The end semester exam (75 marks) will comprise numericals and other questions.

It was also agreed future meetings should be held in the previous semester shortly after dispersal of classes.