

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

Minutes of Meeting

Subject: B.A. (Hons) Economics – Sixth Semester (2020)
Course: (xii) Environmental Economics, CBCS
Date: January 17, 2020
Venue: Department of Economics, Delhi School of Economics, University of Delhi
Chair: Shreekant Gupta

Attended by:

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|-----------------------|-------------------------------|
| 1. Aruna Rao | Sri Venkateswara College |
| 2. Smriti Walia | Lakshmibai College |
| 3. Basanti Nayak | Satyawati College (Morning) |
| 4. Aditi Aeron Bansal | Shahid Bhagat Singh College |
| 5. Chandan Singha | Hindu College |
| 6. Madhuri Singh | Kalindi College |
| 7. Preeta Singh | Daulat Ram College |
| 8. Aishwarya Jain | Kamla Nehru College |
| 9. Rupali Sharma | SGTB Khalsa College |
| 10. Pradip K. Biswas | College of Vocational Studies |

Readings:

Charles Kolstad. [*Intermediate Environmental Economics*](#), Oxford University Press, **2nd edition** (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).

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

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.
- The number of lectures suggested against each topic are indicative.
- Please note some readings are new and some have been dropped.

1. Introduction (approx. 9 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.

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 [required]

[Three Year Action Agenda](#) (NITI Aayog, April 2017): Chapter 23 (Environment and Forests)

[Economic Survey 2017-18 Volume 2, Chapter 5 p. 77-78](#) (Air Pollution in Delhi).

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 \(p. 9 to 71\)](#).

Useful source of environmental statistics:

<http://www.indiaenvironmentportal.org.in/content/453907/envistats-india-2018/>

<http://www.indiaenvironmentportal.org.in/content/462580/envistats-india-2019-voli-environment-statistics/>

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)

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

Supplementary Reading:

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

3. The Design and Implementation of Environmental Policy (approx. 17 lectures):

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

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)

Schmalensee, Richard and Robert N. Stavins (2017). “The design of environmental markets: What have we learned from experience with cap and trade?” *Oxford Review of Economic Policy*, Vol. 33, No. 4, pp. 572-588.

Blackman, Allen, Li, Z., and Liu, A. A. (2018). “Efficacy of command-and-control and market-based environmental regulation in developing countries,” *Annual Review of Resource Economics*, Vol. 10, pp. 381-404.

Supplementary Readings:

1. Perman et al. (2011). Chapter 6.
2. Michael Sandel (and replies to Sandel) “It’s Immoral to Buy the Rights to Pollute” [Reprinted as Chapter 18 in Stavins (2012).]

4. International Environmental Problems (approx. 8 lectures): Trans-boundary environmental problems; economics of climate change; trade and environment.

Jonathan Harris and Brian Roach (2018). *Environmental and Natural Resource Economics: A Contemporary Approach*, Routledge. Chapters 12, 13.

Supplementary Readings:

1. Nordhaus, William D. (2013). *Climate Casino: Risk, Uncertainty, and Economics for a Warming World*, Yale University Press.
2. Richard Newell, William Pizer and Daniel Raimi (2013). “Carbon markets 15 years after Kyoto: Lessons learned, new challenges,” *Journal of Economic Perspectives*, Vol. 27, No. 1, pp. 123-46.

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

Chapter 10.

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

Geoffrey Heal (2012). “Reflections—Defining and Measuring Sustainability” *Review of Environmental Economics and Policy* Vol. 6, No. 1 (winter 2012), p. 147–163.

Supplementary Readings:

1. Robert Solow (1992). “[An Almost Practical Step towards Sustainability](#),” Resources for the Future (RFF) 40th anniversary lecture.
2. Robert Solow (1992). “[Sustainability: An Economist’s Perspective](#)” [Re-printed as Chapter 28 in *Economics of the Environment: Selected Readings* (2012).]
3. Perman et al. (2011): Chapters 2 and 19.
4. *Economic Survey 2018-19 Volume 2, Chapter 5* Sustainable Development and Climate Change.

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.