



***International Environmental Economics:
Pollution Control and International Environmental
Agreements***

24 January - 28 January 2011

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(Environmental Economics and Natural Resources)**

**PhD Course
Wageningen School of Social Sciences**

Aim of this course:

This course has two primary aims. The first general aim is to examine alternative means of domestic/regional pollution control: their theoretical justification, empirical considerations and up-to-date use. The second aim is to identify the implications of these local considerations for the design of international agreements, including their up-to-date status.

By the end of this course you will be able to

- review economic pros and cons of market instruments for environmental policies
- understand policy design problems, including legal, environmental, technological and ethical constraints and trade-offs
- model different institutional designs
- work with a benchmark model of International Environmental Agreements

Topics covered:

In this course we will go through ...

- Three broad types of decisions regarding pollution control: decisions by individuals, by businesses, and by governments.
- The dynamics of alternative regulatory regimes for pollution control, including tradable permits
- The prospects for demand management, voluntary approaches and self-regulation, and eco-labeling
- International environmental agreements, particularly climate agreements

Literature (preliminary):

Readings complementing the lectures will be assigned daily. Mandatory readings (M), recommended further readings (R), and optional reference materials and case studies will be distinguished (O). Readings will be posted online, for easy and free download.

(O) Baumol, William J., and Wallace E. Oates. 1988. *The Theory of Environmental Policy*, 2nd edition, Cambridge University Press.

(O) Coase, Ronald. 1960. The Problem of Social Cost, *Journal of Law and Economics* 3, 1-44.

(R) Feeny, D.; Berkes, F.; McCay, B.; and J. Acheson. 1990. The Tragedy of the Commons: Twenty-Two Years Later. *Human Ecology* 18(1):1-19.

(R) Gunningham, Neil, and Peter Grabosky. 1998. Instruments for Environmental Protection. Chapter 2 in their *Smart Regulation: Designing Environmental Policy*. New York: Oxford/Clarendon Press, pp. 37-91.

(M) Hardin, Garrett. 1968. The Tragedy of the Commons. *Science* 162:1243-48.
<http://www.flsuspop.org/docs/TheTragedyoftheCommons.htm>.

(O) Stavins, Robert N. 2001. Experience with Market-Based Environmental Policy Instruments. In *The Handbook of Environmental Economics*, edited by Karl-Göran Mäler and Jeffrey Vincent. Amsterdam: North Holland/Elsevier.

(R) Sterner, Thomas. 2003. Policy Instruments for Environmental and Natural Resource Management. Washington, DC: Resources for the Future Press.

(O) Tietenberg, Tom H. 2006. Emissions Trading: Principles and Practice. 2nd edition, RFF Press.

(M) Weitzman, Martin. 1974. Prices vs. Quantities, Review of Economic Studies 41(4), 477-91.

Location:

Wageningen University, De Leeuwenborch building, Hollandseweg 1.

Schedule:

- **Monday 24th January, 8.30-12.15**
Meeting 1. (Hlasny/ Weikard). An introduction to the course
- **Tuesday 25th January, 8.30-12.15**
Meeting 2. (Hlasny) Environmental policy design: Theory
- **Wednesday 26th January, 8.30-12.15**
Meeting 3. (Hlasny) Empirical considerations and evidence from actual implementation
- **Thursday 27th January, 8.30-12.15**
Meeting 4. (Weikard) International Environmental Agreements: Theory
- **Friday 28th January, 9.00-12.15**
Meeting 5. (Weikard) International Environmental Agreements: Applications – The STACO model

Course requirements:

During the course students start preparing a short essay. Proposals for the essays will be discussed individually in the afternoons. The deadline for submission of the final assignment is **31st March 2011**.

NB: To benefit from the course, active participation during the meetings as well as thorough preparation of the meetings is required. Class discussion is an integral element of the course. Participants are asked to be present in at least four of the five meetings, and be prepared to contribute meaningfully to the discussion. Presence in at least four meetings is a requirement for passing the course!

Credits and examination:

This is a 2-ECTS credit (56 hours) course, which will be completed after the final course assignment has been reviewed and approved as satisfactory.

Prerequisites:

One-semester course in Masters level microeconomics

Sufficient knowledge of English. Participants who are obliged to pass a TOEFL or IELTS test as prerequisite for entering the WU PhD-programme are requested to provide us with the positive results of the TOEFL or IELTS test.

- IELTS: 6.5, with a minimum of 6.0 for each (academic) module.
- TOEFL: 580 points for the written TOEFL, 237 points for the computer based TOEFL and 92-93 points for the Internet based TOEFL. All are to be supplemented by results of

the Test of Written English (academic TWE). The minimum score required for this test is 5.0

Course fee:

The course fee for PhD students of **WASS and SENSE** with an approved TSP is €200. Others pay €400. The course fee includes coffee/tea, lunches and course materials.

Registration procedure:

Register via the website: <http://www.wass.wur.nl/UK/courses/registration/>

Please make sure you provide the most recent contact details so that you will be notified promptly in case of any changes.

After your internet registration you will receive a short notification that your name has been registered.

At least 2 weeks before the course you will receive a confirmation about the location and the time schedule. MG3S will also send a bill to the address indicated in your registration form. Please e-mail to Marcella.Haan@wur.nl in case you have not received the second confirmation two weeks before the course.

Cancellations:

The participants can cancel their registration without any fee 1 month before the course starts. Cancellation fee of 100% applies if participant cancels the course less than 1 month prior to a course.

The organisers have a right to cancel the course no later than one month before the course in case the number of registrations did not reach the minimum.

The participants will be notified of any changes at their e-mail addresses.

Further Information

For details about logistics, registration, fees, study materials, etc. please contact Marcella Haan.

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Marcella.Haan@wur.nl