

UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS

Minutes of Meeting

Subject	: B.A. (Hons) Economics – Sixth Semester (2014)
Course	: 29 – Environmental Economics
Date of Meeting	: 11 th December, 2013 & 20 th December, 2013
Venue	: Department of Economics, Delhi School of Economics, University of Delhi
Chair	: Dr. Shreekant Gupta

Attended by:

1. Shailza Gupta, Zakir Hussain College
2. Shivani Gupta, Delhi College of Arts and Commerce (DCAC)
3. Maninder Deep Cheema, SGTB Khalsa College
4. Aruna Rao, Sri Venkateswara College
5. Daisy Sales, Jesus and Mary College
6. Naveen Choudhary, Laxmi Bai College
7. HarikeshMaurya, Laxmi Bai College
8. Surajit Deb, Ram LalAnand College (Evening)
9. D.B. Reddy, Sri Venkateswara College
10. Pooja Sharma, Daulat Ram College
11. DeeptiTaneja, Delhi College of Arts and Commerce (DCAC)
12. Benston John, St. Stephen's College
13. Dr. Rashmi Chaudhary, Kalindi College
14. Neetu Chopra, Miranda House
15. Dr. Vijaya Raju, College of Vocational Studies (CVS)
16. DeeptiSethi, Janki Devi Memorial (JDM) College
17. Supriti Mishra, ShyamLal College

The following text was agreed upon:

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

Optional readings:

1. Roger Perman, Yue Ma, James McGilvray and Michael Common. *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3rd edition (2003) [available as pdf and at RTL]. 4th edition (2011) is in print but not available.
2. 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. The number of lectures suggested against each topic are indicative.

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 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 [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).

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) (p. 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)

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

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. 17 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)

Salvatore Di Falco (2012). “Economic Incentives for Pollution Control in Developing Countries: What Can We Learn from the Empirical Literature?” *Politique Agricola Internazionale (PAGRI)*. 2012, Vol. 2, No. 2, p. 7-24.

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, p. 5-44.
3. 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.

- o Aldy, Joseph et al. “Designing Climate Mitigation Policy.” *Journal of Economic Literature*, Vol. 48, No. 4 (December 2010), p. 903-934. [Re-printed in Stavins (2012).]
- o 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, p. 123-46. ✓

Supplementary Readings:

1. Perman et al. (2011). Chapter 9 (p. 302-341).✓
2. *Economic Survey 2016-17 Volume 2, Chapter 5* Climate Change, Sustainable Development and Energy.

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.

- o 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. http://www.moef.nic.in/sites/default/files/Sust_Dev_Stocktaking.pdf
5. *Economic Survey 2016-17 Volume 2, Chapter 5* Climate Change, Sustainable Development and Energy.

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.

