OUTLINE OF THE COURSE:

The aim of this course is to introduce students to some basic economic principles and theories explaining environmental issues and problems today and to explore existing policies at the national, international, and world level. Students will learn about concepts such as externalities, the tragedy of the commons, enforcement as a public good, interventionist solutions to the externality problem such as taxes and marketable pollution permits, as well as non-interventionist solutions to the externality problem such as the Coasian solution and self-regulation. Students will also review the debate over the environmental Kuznets curve. Because experimental evidence complements theoretic insights, field data and simulating models nicely, review some research articles that draw on the experimental methodology.

GRADING POLICY:

Midterm written exam (50%), final written exam (50%).
REQUIRED and RECOMMENDED READINGS:

Textbook:

Articles:


CENIA - The Environment in the Czech Republic 1989-2004

CENIA - The Environment in the Czech Republic 2007


Cotten, Ferraro, Vossler, Can public goods experiments inform policy? Interpreting results in the presence of confused subjects (Cherry, Chapter 10)


Evans, Gilpatric, Mc Kee, Vossler, Managerial Incentives for Compliance with environmental information disclosure programs (Cherry, Chapter 13)

Godby, Shogren, Caveat emptor Kyoto, Comparing buyer and seller liability in carbon emission trading (Cherry, Chapter 3)

Greenstone, Gayer (2009), Quasi-Experimental and Experimental Approaches to Environmental Economics, Journal of Environmental Economics and Management, 57 (1), 21-


Hoyt, Ryan, Houston, The Paper River: A Demonstration of Externalities and Coase’s Theorem

Jehlicka , P., Sarre, P., Podoba, J. (2005), The Czech Environmental Movement's Knowledge Interests in the 1990s: Compatibility of Western Influences with pre-1989 Perspectives, Environmental Politics, 14(1), 64-82.


Murphy, Stevens (2004), Contingent Valuation, Hypothetical Bias, and Experimental Economics


Schleich, Rogge, Betz (2008), Incentives for energy efficiency in the EU Emissions Trading Scheme


**WEEK:**

1. **TOPICS:**
   - Introduction (history/outline)
   - Market failures: externalities, tragedy of the commons, enforcement as public good (river experiment)
   - Interventionist solutions to the Externality problem – Pigouvian taxes and standards and charges
   - Non-Interventionist solutions to the Externality problem – The Coasian solution
   - Interventionist solutions to the Externality problem – Marketable pollution permits
   - Non-interventionist solutions to the Externality problem – Self-regulation
   - Midterm Exam
   - Contingent valuation, Environmental Policy in the Czech Republic – History and current issues, Part I
   - Environmental Policy in the Czech Republic – History and current issues, Part II
   - Environmental Policy in the EU – History and current problems
   - Environmental Policy in the world context – History and Current problems
   - **To be determined by the interests of the class**
   - Final Exam