

## SYLLABUS

\* means additional optional readings

### 1. General

Hahn, Robert W. (1984), "Market Power and Transferable Property Rights," *Quarterly Journal of Economics*, 99(4): 753-765.

Weitzman, Martin L. (1974), "Prices vs. Quantities," *Review of Economic Studies*, 41(4): 477-491.

Stavins, Robert N. (1996), "Correlated Uncertainty and Policy Instrument Choice," *Journal of Environmental Economics and Management*, 30(2): 218-232.

### 2. Climate change: introduction

Stern, Nicholas (2008), "The Economics of Climate Change" (Richard T. Ely Lecture), *American Economic Review: Papers & Proceedings*, 98(2) (May): 1-37

Nordhaus, William (2011), "Estimates of the social cost of carbon: Background and results from the RICE-2011 Model," NBER Working Paper 17540, October.

Heal, Geoffrey (2009), "Climate economics: A meta-review and some suggestions for future research," *Review of Environmental Economics and Policy*, 3(1): 4-21.

\* Nordhaus, William D. (2007) "A review of the Stern review on the economics of climate change," *Journal of Economic Literature*, 45: 686-702.

\* Weitzman, Martin L. (2007), "A review of the Stern review on the economics of climate change," *Journal of Economic Literature*, 45: 703-724.

### 3. Climate change: catastrophes & discounting

Weitzman, Martin L. (2009) "[On modeling and interpreting the economics of catastrophic climate change](#)," *Review of Economics and Statistics*, 91(1): 1-19.

Nordhaus, William (2011), "[The economics of tail events with an application to climate change](#)," *Review of Environmental Economics and Policy*, 5(2): 240-257.

Goulder, Lawrence H., and Robertson C. Williams III (2012), "The choice of discount rate for climate change policy evaluation," Discussion Paper 12-43, Resources for the Future, September. <http://www.rff.org/RFF/Documents/RFF-DP-12-43.pdf>

#### 4. Valuation

- Viscusi, W. Kip, and Joseph E. Aldy (2007), "Labor market estimates of the senior discount for the value of statistical life," *Journal of Environmental Economics and Management*, 53: 377-392.
- Carson, Richard T. (2000), "Contingent Valuation: A User's Guide," *Environmental Science & Technology*, 34: 1413-1418.
- Chay, Kenneth and Michael Greenstone 2005, "Does Air Quality Matter? Evidence from the Housing Market," *Journal of Political Economy*, 113(2): 376-424.
- \* Deschênes, Olivier, Michael Greenstone, and Joseph S. Shapiro (2012), "Defensive Investments and the Demand for Air Quality: Evidence from the NOx Budget Program and Ozone Reductions," Working Paper 233, Energy Institute at Haas, June.  
[http://ei.haas.berkeley.edu/pdf/working\\_papers/WP233.pdf](http://ei.haas.berkeley.edu/pdf/working_papers/WP233.pdf) [paper finding mortality effect for Ozone]

#### 5. Tax distortions

- Goulder, Lawrence H., Ian W.H. Parry, Roberton C. Williams III, and Dallas Burtraw (1999), "The cost-effectiveness of alternative instruments for environmental protection in a second-best setting," *Journal of Public Economics*, 72(3): 329-360.
- Kaplow, Louis (2004) "On the (ir)relevance of distribution and labor supply distortion to government policy," *Journal of Economic Perspectives*, 18(4): 159-175.
- \* Parry, Ian W.H., and Wallace E. Oates (2000), "Policy analysis in the presence of distorting taxes," *Journal of Policy Analysis and Management*, 19(4): 603-613. [A less technical, more readable form of the argument by Goulder et al. (1999).]
- \* Wendner, Ronald, and Lawrence H. Goulder (2008), "Status effects, public goods provision, and excess burden," *Journal of Public Economics*, 92: 1968-1985. [Another argument for when labor tax is not distorting.]
- \* Williams, Roberton C. III (2009), "Distribution, Distortionary Taxation, and the Evaluation of Public Goods," working paper, University of Texas.  
<https://webspaces.utexas.edu/roberton/www/working/DistribDistort.pdf> [places Kaplow argument in a more general framework, of which Kaplow's is a very special case]

#### 6. Transportation

- Parry, Ian W.H., and Kenneth A. Small (2005), "Does Britain or The United States Have the Right Gasoline Tax?" *American Economic Review*, 95: 1276-1289.
- Anderson, Soren T. and James M. Sallee (2011), "Using Loopholes to Reveal the Marginal Cost of Regulation: The Case of Fuel-Economy Standards," *American Economic Review* 101(4).
- Jacobsen, M.R. (2012), "Evaluating U.S. Fuel Economy Standards in a Model with Producer and Household Heterogeneity," *American Economic Journal: Economic Policy*, forthcoming.
- Anderson, Soren T., Ian W.H. Parry, James M. Sallee, and Carolyn Fischer (2011), "Automobile fuel economy standards: Impacts, efficiency, and alternatives," *Review of Environmental Economics and Policy*, 5(1): 89-108.

## 7. Tradable Permits

Fowlie, Meredith 2009, "Incomplete Environmental Regulation, Imperfect Competition, and Emissions Leakage," *American Economic Journal: Economic Policy* 1(2).

Joskow, Paul L., Richard Schmalensee, and Elizabeth M. Bailey, "The Market for Sulfur Dioxide Emissions," *American Economic Review*, 88 (1998), pp. 669-685.

Schmalensee, Richard, and Robert N. Stavins (2012), "The SO<sub>2</sub> Allowance Trading System: The Ironic History of a Grand Policy Experiment," Discussion Paper 12-44, Resources for the Future, August.

<http://www.rff.org/Publications/Pages/PublicationDetails.aspx?PublicationID=22015>

## 8. Growth, Sustainability, and Environmental Accounting

Grossman, Gene M., and Alan B. Krueger (1995), "Economic growth and the environment," *Quarterly Journal of Economics*, 110: 353-377.

Brock, William A., and M. Scott Taylor (2010), "The green Solow model," *Journal of Economic Growth*, 15: 127-153.

Arrow, Kenneth J., Partha Dasgupta, Lawrence H. Goulder, Kevin J. Mumford, and Kirsten Oleson (2012), "Sustainability and the measurement of wealth," *Environment and Development Economics*, 17: 317-353.

Muller, Nicholas Z., Robert Mendelsohn, and William Nordhaus (2011), "Environmental accounting for pollution in the United States Economy," *American Economic Review*, 101: 1649-1675.

\* Carson, Richard T. (2010), "The Environmental Kuznets Curve: Seeking Empirical Regularity and Theoretical Structure," *Review of Environmental Economics and Policy*, 4(1): 3-23.

## 9. Regulation

Harrington, Winston, Richard D. Morgenstern, and Peter Nelson (2000), "On the Accuracy of Regulatory Cost Estimates," *Journal of Policy Analysis and Management*, 19(2): 297-322.

Smith, V. Kerry (2012), "Has surface water quality improved since the clean water act?" NBER Working Paper 18192, June.