

Undergraduate Program in Central European Studies

CERGE-EI and the School of Humanities at Charles University

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Environmental Policy in the Central European Context

Time: TBA

Location: at CERGE-EI, Room # TBA

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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 the concepts such as externalities, the tragedy of the commons, enforcement as a public good, interventionalist solutions to the externality problem such as taxes and marketable pollution permits, as well as non-interventionalist 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, we will do a couple of in-class experiments (<http://www.marietta.edu/~deleemee/games/table1.htm>) and also review some research articles that draw on the experimental methodology.

GRADING POLICY:

Mid-term written exam (40%), homework (20%) and final written exam (40%).

WEEK: TOPICS: DATE: INSTRUCTOR

1 Introduction (history/outline) Feb 19 JK/AO

2 Market failures: externalities, tragedy of the commons, enforcement as public good
February 26 AO

3 Interventionalist solutions to the Externality problem – Pigouvian taxes and standards and charges March 5 JK

4 Interventionalist solutions to the Externality problem – Marketable pollution permits
March 12 AO

5 Non-Interventionalist solutions to the Externality problem – The Coasian solution
March 19 JK

6 Non-interventionalist solutions to the Externality problem – Self-regulation March 26
AO

7 *Mid-term exam April 2*

8 Environmental Policy in the Czech Republic – History and current issues April 9 JK

9 Environmental Policy in the EU – History and current problems April 23 (April 16 falls
into Semester break and on Easter Holiday) AO

10 Environmental Policy in the world context – History and Current problems April 30
JK/AO

11 Contingent valuation May 7 AO

12 To be determined by the interests of the class

Final exam: to be determined (according to schedule May 18 – 21)

REQUIRED READINGS (this list will be revised as we go):

Axelrod, R. (2004), Nuclear Power and EU Enlargement: The Case of Temelín. *Environmental Politics*, 13, 153-172.

Burtraw, D., Palmer, K. (2007), Auction Design for Selling CO2 Emissions Allowances Put to Inaugural Test. RFF brief info at http://www.rff.org/rff/documents/rff-resources-167_auctiondesign.pdf; the full report can be downloaded at www.rff.org/rffi

Camin, J., Vandever, S.D. (2004), Enlarging EU Environments: Central and Eastern Europe from Transition to Accession. *Environmental Politics* 13, 3 – 24.

Carter, N. (2007), Transforming environmental policy: Does Europe lead the way? *Environmental Politics* 16 (3), 523-528.

Cason, T., Gangadharan, L. (2004), Auction Design for Voluntary Conservation Programs. *American Journal of Agricultural Economics* 86, 1211 - 1217.

Cason, T., Gangadharan, L. (2003), Transactions Costs in Tradable Permit Markets: An Experimental Study of Pollution Market Designs, *Journal of Regulatory Economics* 23, 145 -165.

Cason, T., Gangadharan, L. (2002), Environmental labelling and incomplete consumer information in laboratory markets, *Journal of Environmental Economics and Management* 43, 113 - 134.

CENIA (www.cenia.cz) – website of the Czech Ministry of the Environment's information agency.

Cherry, T.L., Kroll, S., Shogren, J.F. (2007), *Environmental Economics, Experimental Methods*. Routledge.

Coase, R. (1960), The problem of social cost. *Journal of Law and Economics* 3, 1 – 44.

- Deets, S., Kouba, K. (2008), The Czech Greens revived. *Environmental Politics*, 17(5), 815-821.
- Environment Center of Charles University (<http://www.cuni.cz/COZPENG-5.html>)
- Harrison, G., McKee, M. (1985), Experimental Evaluation of the Coase Theorem. *Journal of Law and Economics* 28, 653 – 670.
- Hey, C. (2002), EU Environmental Policies: A Short History of the Policy Strategies. <http://www.eeb.org/publication/chapter-3.pdf>
- Hoffman, E., Spitzer, M. (1982), The Coase Theorem: Some Experimental Tests. *Journal of Law and Economics* 25, 93 – 98.
- Horowitz, J.K., McConnell, K.E., Murphy, J.J. (2008), Behavioral Foundations of Environmental Economics and Valuation. *Manuscript*.
- Jehlička, 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.
- Jehlička, P., Tickle, A. (2004), Environmental Implications of Eastern Enlargement: The End of Progressive EU Environmental Policy? *Environmental Politics*, 13, 77-95.
- Kramer, J. (2004), EU Enlargement and the Environment: Six Challenges. *Environmental Politics*, 13, 290-311.
- Kramer, L., (2002) Development of Environmental Policies in the United States and Europe: Convergence or Divergence? (http://www.iue.it/RSCAS/WP-Texts/02_33.pdf)
- Kružíková, E. (2004), EU Accession and Legal Change: Accomplishments and Challenges in the Czech Case. *Environmental Politics*, 13, 99-113.
- OECD (2006): The Political Economy of Environmentally Related Taxes. OECD 2006, pp. 25-66.
- Plott, C. (1983), Externalities and Corrective Policies in Experimental Markets. *Economic Journal* 93, 106 – 127.
- Potoski, M., Prakash, A. (2005), Green Clubs and Voluntary Governance: ISO 14001 and Firms' Regulatory Compliance. *American Journal of Political Science* 49, 235–248.
- Potoski, M., Prakash, A. (2005a), Covenants with Weak Swords: 1001 and Facilities' Environmental Performance. *Journal of Policy Analysis and Management* 24, 745-769.
- Schotter, Andrew (1997), Microeconomics. A Modern Approach. Second Edition. Addison-Wesley. Of particular importance: Chapter 17 in that book.

Stern, D.I. (2004), The Rise and Fall of the Environmental Kuznets Curve. *World Development* 8, 1419-1439.

Yandle, B., Vijayaraghavan, M., Bhattarai, M. (2002): The Environmental Kuznets Curve. A Primer. PERC Research Study 02-1, May 2002.

**UPCES IN PRAGUE
ACADEMIC CALENDAR
SPRING 2009**

Dates may be subject to change - revised 04.11.2008

Event	Date
Student Arrival in Prague	Sunday and Tuesday, 1-3 February
UPCES Orientation Begins	Wed. Thurs. Fri. 4-6 February
Prague Walking Tour	Friday, 6 February
Intensive Czech Class Begins	Monday, 9 February
CEE Introductory Lecture Series	Monday -Friday, 9-13 February
UPCES Opening Reception	Friday, 13 February
Classes Begin	Monday, 16 February
Last Day to Drop/Add	Friday, 20 February
Litoměřice Wine Tasting Trip	Friday, 27 February
Weekend Trip – Berlin, Germany	Thurs. - Sun., 19-22 March
Day Trip – Kutná Hora	Friday, 3 April
Semester Break + Easter Holiday	Monday-Friday, 13-17 April
Overnight Trip – Český Krumlov	Friday - Saturday, 24-25 April
Labor Day Holiday	Friday, 1 May
Commemoration of the end of WWII (V-E Day) Holiday	Friday, 8 May
Last Day of Classes and Evaluations	Thursday, 14 May
Final Exams	Monday-Thursday, 18-21May
Farewell Dinner	Friday, 22 May

* PLEASE DO NOT MAKE ANY TRAVEL PLANS DURING THE FIRST FEW WEEKS OF THE SEMESTER, OR UNTIL YOU ARE OFFICIALLY REGISTERED WITH THE FOREIGNERS' POLICE (A VISA REQUIREMENT).