AED ECON 7310: Advanced Environmental Economics

Fall 2018

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Course Description:
This course introduces students to core theoretical concepts and methodological approaches needed in the study of environmental economics.

This course will cover the basic concepts and methods underlying research on externalities, environmental valuation, program evaluation and environmental issues in developing countries. There will be particular emphasis on the way in which applied researchers approach and solve problems. The course is broadly divided into two modules to first introduce the foundational methods in environmental economics with an emphasis on valuation methods and a second component on program evaluation and advanced methods. Additional discussion and readings will focus on the intersections and complementarities between these sets of research methods. At the end of this course, you should have the theoretical foundation and methodological tools to evaluate and pursue research in the field of environmental economics and supplement core methods in development and regional economics.

Format
Fall semester. Two 80-minute sessions per week.
**Prerequisites:**
This course is designed for second-year PhD students in economics, agricultural, environmental and development economics, or public policy. It is assumed that students have completed at least one graduate-level course in microeconomic theory (ECON 8711, 8712 or equivalent) and econometrics (ECON 8731, 8732 or equivalent), and are comfortable with differential and integral calculus.

**Learning Objectives:** Upon completion of this course, students will be able to:
1. Apply theory and methods behind non-market valuation
2. Apply the concept of externalities and the methods needed to evaluate, design and implement Pigouvian policy tools to mitigate externalities.
3. Acquire and hone the theoretical and methodological tools in environmental economics to needed to address contemporary issues and inform policy debates.

**Assignments and Grading**
The grade will be determined by 5 homework assignments (50% grade), an extended research abstract (3-5 pages) due at the midpoint of the semester (20%), a full length proposal (10-12 pages) due at the end of the semester (20%), and class participation (10%). Class participation includes leading class discussions and blogging about key issue in the readings.

**Books and Readings:**
It is difficult to find a single textbook that addresses all the topics of the course in sufficient detail. Below are several books that are useful.

- Perman, Ma, McGilvray & Common (2003). *Natural Resource and Environmental Economics*.
- Champ, Boyle, and Brown (2014). *A Primer on Non-Market Valuation*. Available online through OSU libraries


**Course Policies:**

*Accommodations for students with disabilities.* Any student who needs an accommodation because of a disability should contact us privately to discuss your specific needs and the Office for Disability Services at 614-292-3307 in Pomerene Hall Room 150 to coordinate reasonable accommodations.

*No Plagiarism.* From the [Code of Student Conduct](http://www.systemcatalog.osu.edu/), “Plagiarism is the representation of another's works or ideas as one's own; it includes the unacknowledged word for word use and/or paraphrasing of another person's work, and/or the inappropriate unacknowledged use of another person's ideas”. Plagiarism is a violation of the Code of Student Conduct and is considered academic misconduct. It is our policy to follow the university recommendation that all incidences of academic misconduct be reported to the committee on academic misconduct for disciplinary action.
Tentative Course Outline

Week #1 (DM): Brief History of Environmental and Natural Resource Economics
- Freeman (2002). “Environmental Policy Since Earth Day I: What Have We Gained?”

Week #2 (AK): Pigou and Intro to Revealed Preference

Week 3 (AK): Hedonics
- Kuminoff et al (2010). “Which hedonic models can we trust to recover the marginal willingness to pay for environmental amenities?”

Week 4 (AK): Tiebout Sorting
- Banzhaf and Walsh (2005). “Do People Vote with their Feet?”

Week 5 (DM): Intro to Impact (Program) Evaluations


Week 6 (DM): Impact evaluations in practice


**Week #7 (DM): Frontiers in Impact evaluations**


**Week 8 (DM): Writing in environmental economics**


**Week 10 (TB): Stated preference valuation methods**
Week 11 (TB): Integrating stated and revealed preference methods

Week 12 (TB): Benefit transfers

Week #13 (DM): Structural and reduced form models


Week #14 (DM): Frontiers of environmental economics in developing countries

