BERGISCHE
UNIVERSITÄT
WUPPERTAL

Prof. Dr. Kerstin Schneider

Bergische Universität Wuppertal, Prof. K. Schneider, Gaußstr. 20, 42119 Wuppertal

Schumpeter School of Business and Economics,
Lehrstuhl für Finanzwissenschaft und Steuerlehre

Gaußstr. 20, 42119 Wuppertal

RAUM M.14.32
TELEFON +49 (0)202 439 2483
FAX +49 (0)202 439 3649
MAIL schneider@wiwi.uni-wuppertal.de
WWW www.wiwi.uni-wuppertal.de

DATUM Februray 2025

International Environmental Economics and International Policy Issues

Summer 2025

Dr. Arash Naghavi and Dr. Maximiliane Sievert

This course covers basic issues in Environmental Economics with emphasis on combining theoretical models with empirical evidence. The course consists of three parts:

a) **Environmental Economics: Theory and Policy**. In this part, we will discuss the theoretical basis of environmental economics: public goods and externalities, environmental national and international policies, environmental valuation, and Cost-Benefit Analysis. Moreover, this part covers some exercises that repeat and deepen the understanding of topics.

b) **Empirical Environmental Economics**. In this part, we will explore the empirical applications of the theories discussed in part a) by delving into real-world case studies. The goal is to comprehensively understand how economic principles translate into policy decisions and actual impact on society.

c) **Empirical applications with STATA**. In this part, after three introductory sessions on how to work with STATA, students will actively engage with data sets and statistical tools to replicate three research papers. This practical experience will enhance their proficiency in STATA and provide valuable insights into the challenges of conducting empirical research.

Time / Room:

Parts a) and b):	Tuesday, 10-12	Room: TBA
	Tuesday, 12-14	Room: TBA
Part c), Stata Exercise:	Wednesday, 10-12	Room: M.13.05 (CIP 1)

Grading.

The final grade will be made up of

1. 30% Homework Assignments in part c (three assignments, each 10%).
2. 70% Exam (90 min) on part a. and b.

Recommended general readings for parts a.

Comprehensive lecture notes will be made available online.

3. Kolstad, Charles. *Environmental Economics*. 2nd ed. Oxford University Press, 2010.
4. Perman, Roger. *Natural Resource and Environmental Economics*. 4th ed. Pearson Education, 2011.
5. Allcott, H., Environmental Policy and Economics Lecture Notes: https://ocw.mit.edu/courses/14-42-environmental-policy-and-economics-spring-2011/

Papers to be discussed in part b.

Note: These papers might be subject to changes.

1. **On Environmental Externalities:** Hener, T. (2022). Noise pollution and violent crime. *Journal of Public Economics*, 215, 104748.
2. **On Corrective Taxes:** Klier, T., & Linn, J. (2015). Using taxes to reduce carbon dioxide emissions rates of new passenger vehicles: evidence from France, Germany, and Sweden. *American Economic Journal: Economic Policy*, 7(1), 212-242.
3. **On Valuing the Environment:** Greenstone, M., & Gallagher, J. (2008). Does hazardous waste matter? Evidence from the housing market and the superfund program. *The Quarterly Journal of Economics*, 123(3), 951-1003.
4. **On Natural Resources:** Busch, J., & Ferretti-Gallon, K. (2017). What Drives Deforestation and What Stops It? A Meta-Analysis. *Review of Environmental Economics and Policy*, 11(1), 3-23.
5. **On International Environmental Economics and Policy:** Clausing, Kimberly A., and Catherine Wolfram. 2023. "Carbon Border Adjustments, Climate Clubs, and Subsidy Races When Climate Policies Vary." *Journal of Economic Perspectives*, 37 (3): 137–62**.**

Papers to be discussed in part c.

Note: These papers might be subject to changes.

1. Ebenstein, A., Fan, M., Greenstone, M., He, G., & Zhou, M. (2017). New evidence on the impact of sustained exposure to air pollution on life expectancy from China's Huai River Policy. *Proceedings of the National Academy of Sciences*, 114(39), 10384-10389.

2. Deschenes, O., Greenstone, M., & Shapiro, J. S. (2017). Defensive investments and the demand for air quality: Evidence from the NOx budget program. *American Economic Review*, 107(10), 2958-2989.
3. Jones, M., Kondylis, F., Loeser, J., & Magruder, J. (2022). Factor market failures and the adoption of irrigation in Rwanda. *American Economic Review*, 112(7), 2316-2352.