

**Environment and Development
Agricultural and Consumer Economics 411
Fall 2018**

INSTRUCTOR: Dr. Kathy Baylis, baylis@illinois.edu (please e-mail course related questions to compass discussion board)
Office hours: 2-3 Tues. and by appointment
302B Mumford Hall

TA: Elizabeth Wright, nwokobi2@illinois.edu
Office hours: 11-12 Wed.
415 Mumford Hall

COURSE MEETS: Lectures 11-12:20 TR in 166 Bevier Hall

COURSE OBJECTIVES: This course is about environmental challenges in developing countries. The course uses key economic concepts from environmental and development economics to explore the cause and effect of environmental degradation and to analyze possible policy solutions. Students will be exposed to techniques for evaluating environmental interventions.

COURSE PREREQUISITES: ACE 411 is worth 3 hours credit. Econ 302 or equivalent is a prerequisite for the course.

ASSIGNMENTS: There will be two midterms and a cumulative final exam. The three exams will make up 60% of the grade. **Make-up exams will not be offered.** If a student has to miss a mid-term exam, the portion of the final exam that covers the missed material will be used to calculate the missed mid-term score. Three group class assignments will make up 30% of the grade and class participation and worksheets will comprise 10% of the grade. Any questions about exam or homework scores must be raised with the instructor within one week after the exam, homework, or worksheet is returned in class. *Late homework assignments will be accepted with a penalty of 5% per day late.*

Graduate students taking this course for 4 credits will be expected to answer additional questions on the assignments and hand in a 20-page term paper analyzing an existing or potential intervention. In this case, the paper will be worth 40% of the grade, exams will be worth 40%, and assignments worth 20%.

The calculated final grade for the course will not be rounded up, and will be converted to a letter grade as follows: 90-92.99 is an A-, 93-96.99 is an A, and 97-100 is an A+; with similar breakdowns for B's, C's, etc.

Course Resources:

The class home page is accessible through Illinois Compass (<http://compass2g.illinois.edu>). Students can use their UI network username and password to access the class home page. Abridged lecture notes will also be posted. *The website provides necessary reference material but is not a substitute for class attendance.*

You will need to use this page for reading assignments and other work. *Readings are expected to be completed before the class in which they are discussed.* Any questions that you have about the course that are of general interest should be posted to the discussion board on the course web page. Replies to e-mails that you send to the instructor or TA will be posted on the discussion board if they are of general interest.

Academic Integrity: All University policies concerning cheating on exams and plagiarism on papers will be strictly followed (zero tolerance). It is assumed that all students are familiar with and agree to obey the University's Code of Policies and Regulations Applying to All Students concerning academic integrity http://www.admin.uiuc.edu/policy/code/article_1/a1_1-402.html

Disabilities: If you need accommodation for any sort of disability, please speak to the instructor concerning appropriate arrangements as soon as possible. Be advised that each student requesting special accommodation must provide the instructor with a letter from the Division of Rehabilitation-Education Services (DRES), phone 333-4603.

Classroom requirements: Out of respect for your classmates, please turn off all cell phones, pagers, portable music devices, PDAs and any portable device starting with an 'i' (and android versions thereof). I discourage the use of laptops in the classroom - increasingly research shows that they inhibit learning. At a minimum, please do not check e-mail or surf the web in class - it is distracting and you will be asked to leave.

Course Outline and Readings (readings may change – please check the Compass site for updates)

- I. Introduction and Review of Key Concepts
 - Thurs, Aug. 30st Jha and Whalley (2001)
 - Thurs, Sept 6th Greenstone and Jack (2013)
- II. Environment and Economic Growth
 - Thurs, Sept 13th Copeland and Taylor (2004)
 - Thurs, Sept 20st Wick and Bulte (2009)

First Assignment: Tues, Sept 25th

- III. Common Pool Resources, Forestry and Fish and Conservation
 - Thurs, Sept 27th Ostrom and Gardner (1993); Shogren et al (1999)
- IV. Impact Evaluation and Cost Benefit Analysis
 - Thurs, Oct 5th Ferarro (2009); Greenstone and Gayer (2009)
 - Thurs Oct 11th Deaton (2010)

Mid-Term 1: Thurs, Oct 18th

No Class, Tues, Oct 23rd

Thurs Oct 25th Fullerton (2011)

- V. Issues in Environmental Economics
 - i. Health Thurs, Nov 1st Graff-Zivin and Neidell (2013)

Second Assignment: Tues, Nov 6th

- ii. Water
 - Thurs, Nov 8th Ahuja, Kremer and Zwane (2010)

Mid-Term 2: Tues, Nov. 13th

- iii. Urban
 - Thurs, Nov. 15th Zheng and Kahn (2013)
- iv. Energy
 - Thurs, Nov. 29th Wolfram et al (2012)

Third Assignment: Tue, Dec 4th

- v. Climate Change
 - Thurs, Dec 6th Aldy et al (2010)

Tues, Dec 11th: Review

Final Exam: 8:00-11:00 a.m., Wednesday, Dec. 19

References (in list of appearance, * denotes required reading)

- *Jha, R. and J. Whalley. 2001. "The Environmental Regime in Developing Countries" in *Behavioral and Distributional Effects of Environmental Policy* eds. C. Carraro and G.E. Metcalf National Bureau of Economic Research, University of Chicago Press, pp. 217-250.
- *Greenstone, M. and K. Jack. 2015. "Envirodevonomics: A Research Agenda for a Young Field" *Journal of Economic Literature* 53(1): 5-42.
- *Copeland, B. and S. Taylor. 2004. "Trade, Growth and the Environment" *Journal of Economic Literature*, XLII (March): 7-71.
- *Wick, K. and E. Bulte. 2009. "The Curse of Natural Resources" *Annual Review of Resource Economics*, 1: 139-55.
- *Ostrom, E. and Gardner 2003. "Coping with Asymmetries in the Commons: Self-Governing Irrigation Systems Can Work" *Journal of Economic Perspectives*, 7(4): 93-112.
- *Shogren, J. J. Tschirhard, T. Anderson, A. Ando, S. Beissinger, D. Brookshire, G. Brown Jr., D. Coursey, R. Innes, S. Meyer, S. Polasky. 1999. "Why Economics Matters for Endangered Species Protection" *Conservation Biology* 13(6): 1257-1261.
- *Ferro, P. 2009. "Counterfactual Thinking and Impact Evaluation in Environmental Policy" in M. Birnbaum & P. Mickwitz (Eds.), *Environmental program and policy evaluation: Addressing methodological challenges. New Directions for Evaluation*, 122, 75-84.
- *Greenstone, M. and T. Gayer. 2009. "Quasi-experimental and experimental approaches to environmental economics" *Journal of Environmental Economics and Management* 57: 21-44.
- *Deaton, A. 2010. "Understanding the Mechanisms of Economic Development" *Journal of Economic Perspectives*, 24(3): 3-16.
- *Fullerton, D. 2011. "Six Distributional Effects of Environmental Policy" *Risk Analysis*, 31(6): 923-929.
- *Graff-Zivin, J. and M. Neidell. 2013. "Environment, Health and Human Capital" *Journal of Economic Literature*, 51(3): 689-730.
- *Ahuja, Kremer and Zwane (2010). "Providing Safe Water: Evidence from Randomized Evaluations" *Annual Review of Resource Economics*, 2: 237-56.
- *Zheng, S. and M. Kahn 2013. "Understanding China's Urban Pollution Dynamics" *Journal of Economic Literature* 51(3): 731-772.
- *Wolfram, C, O. Shelef and P. Gertler. 2012. "How Will Energy Demand Develop in the Developing World?" *Journal of Economic Perspectives* 21(1): 119-138.
- *Aldy, J., A. Krupnick, R. Newell, I. Parry and W. Pizer. 2010. "Designing Climate Mitigation Policy" *Journal of Economic Literature* 48(4): 903-934.