

Environmental Economics and Policy

Potential Topics for Class Presentation

The topics below are found by the instructor to be relevant to the understanding of environmental economics and as related to policy. Student groups can choose one of the topics below; first-come, first-serve, no topic will be presented more than once, or, groups can decide on their own different topics. (It is recommended that teams discuss their project with the Instructor to make sure the topic is relevant for the class).

Topics you might find interesting are:

- 1) In Summer 2012 the USA placed 30% tariffs on Chinese solar panels coming into the United States. Why would the US government do this if the stated policy of the Administration is to encourage alternative energy use? Present to the class the reasoning behind this economic-nationalist policy of the Obama Administration, who “wins” and who “loses” from these trade barriers? In your opinion (and from your research) what does this trade barrier do to the development of markets for alternative energy in the USA? In this context show the history of the USA solar panel market over the last 10 years, what do subsidies have to do with the growth of this industry? Is this industry sustainable without subsidies? Who are the major players in this industry (globally and in the USA) and why? (Again it may be helpful to evaluate these questions from a Public Choice economics perspective, i.e. who benefits from the policies?)
- 2) Is recycling profitable (divide analysis into paper fibers, differing grades of metals, glass and plastic)? For example, in New York City (or a location of your interest), would recycling occur for each of these differing economic goods without subsidies? Do a cost-benefit analysis (or recreate one from your research) showing the social cost of recycling (with and without subsidies) versus that of private profit for those (if any) that recycle without subsidy. Who are the major “winners” and “losers” in recycling policy as it is? Can you recommend any policy reforms that would make recycling profitable in a market (non “command-and-control”) context (for each product classification) without subsidies?

- 3) Research and critically analyze the advertised “environmental footprint” of a major international corporation (such as Apple, Inc., or another company of your choosing) as found in their public statements and corporate publications. Which environmental proclamations are in your opinion meant to reduce costs, which are meant to take advantage of regulatory incentives providing subsidies or tax loopholes for “green” behavior, and are any altruistic social contribution? Is the corporation’s international value chain and footprint influenced by public policy incentives in locations where the company operates, or are decisions made by “green marketing” absent policy incentives? Give several specific examples.
- 4) Why does France have a much larger nuclear power industry than do other OECD countries? Does France’s nuclear power presence give the country an advantage in the international market, and/or improved standards of living for the French people? Why has there been so little nuclear power activity in the USA in the last 25 years? Does France take into account the social costs of storing nuclear waste? Compare France’s and the USA’s policies toward nuclear power, do you recommend any policy changes for either France or the USA, why or why not?
- 5) Present a timeline showing the USA’s market for electrical (and/or hybrid) cars over the last 20 years. Is the market growing or declining? Who are the leading manufacturers today and why, and compared with the historic trend? What are the current policies in the USA for promoting electric cars? Who “wins” and who “loses” by these policies? Would there be a market for electric cars without government intervention? Why or why not?
- 6) A big complaint about current ethanol-gasoline policy in the USA (and worldwide) is that it reduces farm-land devoted to the production of foodstuffs, and therefore makes food more expensive for the poor. Is this true? Do ethanol policies “crowd-out” agricultural production? Why or why not? Do ethanol policies actually reduce energy usage, why or why not? What are differing measures for the energy flow input-output ratio for ethanol fuel, who makes these ratios and why? What reforms to ethanol policy would you recommend, why?

- 7) Do a follow-up on the Julian Simon – Paul Ehrlich wager of 1980, where they bet that a basket of scarce commodities would go down (Simon’s environmental optimism) or up (Ehrlich’s pessimism) by 1990. Who won this bet and why? Do the same results hold today, 20 years later? Give a clear and precise methodology used to measure the inflation-adjusted price changes of this basket of commodities, both at the time of the original bet and today.
- 8) Critically evaluate the most-outspoken advocates *for* and *against* global climate change as a *man-made* phenomenon. In a public choice framework, where do each of these groups get most of their funding? Do you think the funding source influences how the science is portrayed? What are the special-interest groups who would benefit if there was a global carbon tax or global cap-and-trade policy? Who would be hurt if there was a global carbon tax? Who would determine how taxes from a global tax would be spent? Who gains and who loses today due to the European Union carbon trading? Do you have any recommendations for global environmental policy relating to climate change and how and by whom would your proposal be implemented?
- 9) There is a debate today as to whether, in the last 50 years, there has been de-forestation (due to unsustainable business practices) or re-forestation (due to re-alignment of property rights for forest lands encouraging regeneration by the owners) in the global eco-system. Research and review this debate and give your view.
- 10) The *Economist* magazine (2011) reported that the state of Texas spent almost \$1.5 million of tax-payer money for every “green job created” by its policies. Can you give specific examples of the cost of “green jobs”, such as tax-breaks for locating manufacturing facilities in a location (it can be Texas, or another location of your choosing)? Do you think subsidies for economic development, including green development, are a beggar-thy-neighbor policy? Why or why not? If each job costs so much why does “economic development” funding continue at the federal, state and local levels? Who “wins” and who “loses” when the government picks businesses to subsidize? Give several specific examples of the cost of state-subsidized job creation and the beneficiaries. Are these subsidies socially-

or politically-motivated, why do you say this? Give specific examples of the reasoning stated by the government body for giving subsidies, do you agree with their reasoning, why or why not?

- 11) Do a survey of one of the academic journals devoted to environmental economics (see references section in course syllabus for a list of journals related to environmental economics) over the last 10 years relating to time-preference and social discounting for environmental intergenerational equity. What is the justification for each article in the journal for deviating from a commercial (market) rate of interest? Do you agree with their reasoning? Why or why not?
- 12) Evaluate the Cost-Benefit analysis done for the 3 Gorges Dam project in China. Critique this analysis. Who funded this project? Who gains and who loses from the project? Do you agree with the economic and social criteria for evaluation, why or why not? What are the “social” costs and benefits contained in the project analysis, do you think the social aspects are captured fully in the analysis? In your presentation give a timeline of the major events surrounding the project’s approval and implementation.
- 13) What are Ronald Bailey’s main criticisms of the Stern Review recommendations to address Global Climate Change? Do you agree with Bailey’s criticisms, why or why not? You can use the Nelson 2012 “Economics and Environmentalism: Belief Systems at Odds” article (available on instructor’s website) to help form your response. Do you think Nelson is correct when it comes to Bailey and Stern, why or why not?
- 14) Find a contingent evaluation study in one of the journals listed in the syllabus, either of the Willingness-to-Pay or Willingness-to-Accept variety. Based on class discussion and textbook critiques of these survey methodologies, what do you find right, and what do you find wrong, with the journal article findings and the methodologies used?
- 15) In the Harris text (p. 145, fn 9), Harris mentions that there is a debate over the use of “sustainability” in environmental economics between Beckerman on the one hand, and Daly and El Serafy on the other. Outline the main points in this debate, and whose side do you take and why.