Economics of Climate Change – Reading list Fall 2022

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This reading list includes all the references to the papers mentioned during the lectures and tutorials. It will be updated as the lectures go.

Recommended manuals

- Thomas H. Tietenberg and Lynne Lewis. 2018. *Environmental and Natural Resource Economics*, 11th edition.
- R. Perman, Y. Ma, M. Common, D. Maddison, &J. Mcgilvray. 2011. *Natural Resource and Environmental Economics*. Pearson Education Limited.
- Sydsaeter, Knut, and Peter J. Hammond. 2016. *Essential Mathematics for Economic Analysis*.

Week 1 – Introduction to climate economics

Compulsory reading

- IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

Additional references

- Carson, Rachel, 1907-1964. *Silent Spring*. Boston: Houghton Mifflin, 2002.
- Dietz, Simon, Frederick van der Ploeg, Armon Rezai, and Frank Venmans (2021) "Are economists getting climate dynamics right and does it matter?" *Journal of the Association of Environmental and Resource Economists*, 8 (5), 895–921.
- Christian Gollier. *Pricing the Planet's Future : The Economics of Discounting in an Uncertain World*. Princeton University Press, 2013.
- Heal, Geoffrey. 2017. "The Economics of the Climate." Journal of Economic Literature, 55 (3): 1046-63.
- William D.Nordhaus. A review of the Stern review on the economics of climate change. *Journal of Economic Literature*, 45(3) :686–702, September 2007.

- Nordhaus, William (2018) "Projections and uncertainties about climate change in an era of minimal climate policies," *American economic journal: economic policy*, 10 (3), 333–60.
- Nordhaus, William D. (2017) "Revisiting the social cost of carbon," *Proceedings of the National Academy of Sciences*, 114 (7), 1518–1523.
- Riahi, K., Van Vuuren, D. P., Kriegler, E., Edmonds, J., O'neill, B. C., Fujimori, S., ... & Tavoni, M. (2017). "The shared socioeconomic pathways and their energy, land use, and greenhouse gas emissions implications: an overview". *Global environmental change*, 42, 153-168.
- Robert S. Pindyck. Climate change policy : What do the models tell us? *Journal of Economic Literature*, 51(3) :860–72, September 2013.
- Stern, Nicholas. 2007. The Economics of Climate Change : The Stern Review. Cambridge University Press.
- UN Environment (2019). Global Environment Outlook – GEO-6: Summary for Policymakers.
- Martin Weitzman. On modeling and interpreting the economics of catastrophic climate change. *Review of Economics and Statistics*, 91(1) :1–19, 2009.

Week 2 – Instrument choice for climate policies

Compulsory reading

- Stiglitz, Joseph E., et al. "Report of the high-level commission on carbon prices." (2017): 1-61.

Additional references

- Andersson, J. J. (2019). "Carbon taxes and CO_2 emissions: Sweden as a case study". *American Economic Journal: Economic Policy*, 11(4), 1-30.
- Severin Borenstein & Lucas W. Davis, 2014. "The Distributional Effects of U.S. Clean Energy Tax Credits," NBER Chapters, in: Tax Policy and the Economy, Volume 30, pages 191-234.
- Dominique Bureau, Fanny Henriet, & Katheline Schubert. "Pour le climat : une taxe juste, pas juste une taxe". Les notes du conseil d'analyse économique, (50) :12, 2019.
- Raphael Calel and Antoine Dechezleprêtre, 2016. "Environmental Policy and Directed Technological Change: Evidence from the European Carbon Market", *The Review of Economics and Statistics* vol. 98, issue 1, 173-191
- Lucas W. Davis & Christopher R. Knittel. "Are fuel economy standards regressive?" *Journal of the Association of Environmental and Resource Economists*, 6(S1):S37–S63, 2019.
- Dell, Melissa, Benjamin F Jones, and Benjamin A Olken (2012) "Temperature shocks and economic growth: Evidence from the last half century," *American Economic Journal: Macroeconomics*, 4 (3), 66–95.

- Thomas Douenne, "The vertical and horizontal distributive effects of energy taxes: A case study of a french policy". *The Energy Journal* 41 (3), 2020.
- Hsiang, Solomon, Paulina Oliva, and ReedWalker (2020) "The distribution of environmental damages," *Review of Environmental Economics and Policy*.
- Mark R. Jacobsen. "Evaluating us fuel economy standards in a model with producer and household heterogeneity". *American Economic Journal: Economic Policy*, 5(2):148–87, May 2013.
- Känzig, Diego (2021) "The unequal economic consequences of carbon pricing," working paper, London Business School.
- Leroutier, M. (2022). "Carbon pricing and power sector decarbonization: Evidence from the UK". *Journal of Environmental Economics and Management*, 111, 102580.
- Arik Levinson. "Energy Efficiency Standards Are More Regressive Than Energy Taxes: Theory and Evidence." *Journal of the Association of Environmental and Resource Economists*, 6(S1):7–36, 2019.
- Pizer, William A and Steven Sexton (2019) "The Distributional Impacts of Energy Taxes," *Review of Environmental Economics and Policy*, 13 (1), 104–123.
- Ricke, K., Drouet, L., Caldeira, K., & Tavoni, M. (2018). "Country-level social cost of carbon". *Nature Climate Change*, 8(10), 895-900.
- Sager, Lutz (2019) "The Global Consumer Incidence of Carbon Pricing: Evidence from Trade", LSE GRI Working Paper Series, WP 320.
- Roberton Williams, Hal Gordon, Dallas Burtraw, Jared Carbone, & Richard D. Morgenstern. "The initial incidence of a carbon tax across income groups". *National Tax Journal*, 68(1): 195–214, 2015.

Week 3 – Climate policies beyond *Homo Economicus*

Compulsory reading

- A. Millner & H. Ollivier. "Beliefs, Politics, and Environmental Policy". *Review of Environmental Economics and Policy*, 2016.

Additional references

- Allcott, H. (2011). Social norms and energy conservation. *Journal of public Economics*, 95(9-10), 1082-1095.
- Allcott, H., & Kessler, J. B. (2019). The welfare effects of nudges: A case study of energy use social comparisons. *American Economic Journal: Applied Economics*, 11(1), 236-76.
- Allcott, H., & Rogers, T. (2014). The short-run and long-run effects of behavioral interventions: Experimental evidence from energy conservation. *American Economic Review*, 104(10), 3003-37.

- Anderson et al (2019). Can Pigou at the polls stop us melting the poles? (No. w26146). National Bureau of Economic Research.
- Bastian Brock, Steve Loughnan, Nick Haslam, Helena R. M. Radke, "Don't Mind Meat? The Denial of Mind to Animals Used for Human Consumption", *Personality and Social Psychology Bulletin*, 2012 38(2):247-56
- Dechezleprêtre et al (2022), "Fighting Climate Change: International Attitudes Toward Climate Policies", NBER Working Paper No. 30265
- Douenne & Fabre (2022), "Yellow Vests, Pessimistic Beliefs, and Carbon Tax Aversion", *American Economic Journal: Economic Policy*.
- Feldman et al, "Climate on Cable: The Nature and Impact of Global Warming Coverage on Fox News, CNN, and MSNBC", *The International Journal of Press/Politics*, 2011, 17(1).
- Glaeser, Edward L. (2006) "Paternalism and Psychology," *University of Chicago Law Review*: Vol. 73: Iss. 1, Article 8.
- Hestermann et al (2020), "An economic model of the meat paradox", *European Economic Review*.
- Shapiro, J. M. 2016. "Special interests and the media: Theory and an application to climate change'.", *Journal of Public Economics*, vol 144.
- Zaval, Lisa, Elizabeth A. Keenan, Eric J. Johnson, and Elke U. Weber. "How Warm Days Increase Belief in Global Warming." Nature Climate Change 4, no. 2 (February 2014): 143–147.

Week 4 –

Week 5 –

Week 6 –