Professor:
Christian A. Vossler
Associate Professor
Department of Economics
527C Stokely Management Center
Phone: 974-1699
E-mail: cvossler@utk.edu
Office Hours: My “official” hours are Tuesdays, 2:00-3:00pm and Wednesdays, 9:00-11:00am. However, please feel free to stop by at any time or otherwise arrange for an appointment.

Course Description:
This course focuses on the “demand side” of environmental economics. The beginning of the course lays important foundations, including essentials of welfare economics, mechanism design theory and survey techniques. Then, the main stated and revealed preferences techniques for estimating the nonmarket values associated with environmental and other public goods are covered, including benefits associated with health risk reductions. The course concludes with a discussion of the environmental program evaluation literature.

Prerequisites:
Two semesters each of Ph.D.-level Microeconomic Theory and Econometrics, OR instructor permission.

Evaluative Criteria:
The course grade will be based on a research proposal/paper (20%), three problem sets (30%), a midterm (20%), and a final (30%). I reserve the right to implement quizzes and factor these into the course grade, in which case the weights on other work will be adjusted proportionally.

Research Proposal/Paper: If you are not writing part or your entire dissertation in environmental economics, this assignment will give you experience formulating a research idea worthy of pursuit. For those interested in environmental economics research, this will provide you with a foundation for a dissertation chapter, field paper, publication, or all of the above. Although you are only required to write a proposal, I encourage those in their third year (or beyond) to instead write a research paper. This course then serves as a valuable commitment device and provides you with feedback on your research. Your proposal/paper grade will be broken down into a research sketch (20%), draft proposal/paper (20%) and final proposal/paper (60%).

Texts:
The following is a list of books that you may wish to purchase or have access to. I have consulted these books in preparation for this class.


**Students with Disabilities:** If you have a documented disability and need special accommodations, please come see me as soon as possible. Special accommodations will be handled discretely.

**Academic Dishonesty:** With the exception of collaboration on problem sets, any work submitted will be your own. I reserve the right to take appropriate actions, as mandated by University policies, in the event of suspected cheating or plagiarism.

**Attendance Policy:** I will not formally take attendance, nor will your course grade be adjusted downward for poor attendance. However, this is a reasonably demanding graduate course and it is presumably in your best interest to attend. Further, in the case your course grade is on the margin, I reserve the right to give you the benefit of the higher grade if you actively participate in the course.

**Policy on Make-up Work:** Only in special circumstances (i.e. ones outside of your control) will you receive even partial credit for late assignments, or be allowed to take an exam at an alternative date. If you foresee such circumstances, it is in your best interest to bring this to my attention prior to an assignment due date or exam date.

**Course Website:** This course utilizes the “Blackboard” online course management system (http://online.utk.edu/). Here you will find the course syllabus, some handouts, assignments and most journal articles that are listed below. I will update the gradebook so you can track your progress and verify that grades for assignments you turn in have been recorded accurately. Please check the website for important announcements.

**Course Outline and Reading List:**

**I. Welfare Economics** [5 lectures]

**Textbook Material**

Champ, Boyle and Brown, Chapters 1, 2, 4, and 8.
Bateman and Willis, Chapter 6 (by R. Sugden).
Freeman, Chapter 3
Haab and McConnell, Chapter 1.

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1All referenced chapters from Champ, Boyle and Brown, and all articles are required reading. Other “textbook material” is suggested for those desiring additional background. Additional journal articles, including most of those cited or discussed in lecture, can be found on our course Blackboard site.
II. Background essentials [3 lectures]

Textbook Material

*Champ, Boyle, and Brown, Chapter 3.
Dillman, Smyth and Christian.
Greene, Chapter 19 (p. 872-883).
Mas-Colell, Winston and Green, Chapter 23.

A. Mechanism Design

B. Survey Design
Various survey materials posted/linked on Blackboard

C. Sample Selection

III. Stated Preference Methods [5 lectures]

Textbook Material

*Champ, Boyle and Brown, Chapters 5 & 6.
Bateman and Willis, Chapter 11 (by W.M. Hanemann and B. Kanninen).
Freeman, Chapter 6.
Greene, Chapter 21 (p. 663-689; 719-735)
Haab and McConnell, Chapters 2-5.
Louviere, Hensher and Swait book.

Journal Articles


Midterm: Oct 13th (over all material above)

**IV. Hedonic Pricing Methods** [3 lectures]

**Textbook Material**

Champ, Boyle and Brown, Chapter 10 pp. 331-378.

Freeman, Chapter 11.

Haab and McConnell, Chapter 9.

**Journal Articles**


**V. Valuing risk reductions – VSL** [3 lectures]

**Textbook Material**

Champ, Boyle and Brown, Chapter 10, pp. 379-393.
VI. Recreation Demand Analysis [3 lectures]

Textbook Material
Champ, Boyle and Brown, Chapter 9.
Freeman, Chapter 13.
Greene, Chapter 21 (p. 740-752).
Haab and McConnell, Chapters 6-8.

Journal Articles


VII. Environmental Program Evaluation [5 lectures] (Guest Lecturer: Michael Price)

A. Quasi-experimental approaches


B. Natural experiments


Final: Thursday, December 8th, 5:00-7:00pm