

**Reading List for
BREAD-IGC Virtual PhD Course on Environmental Economics**

Regulation of Environmental Externalities

October 26th, 2023

Rohini Pande and Nicholas Ryan

Yale University

* Recommended article to read in advance

Overview: Why regulate and what are the constraints?

* Pande, R (2023), [*The Climate Crisis is a Crisis of Inequality*](#), *Science*

Monitoring and agency problems in the regulation of air pollution

* Duflo, E., Greenstone, M., Pande, R., & Ryan, N. (2013). Truth-telling by third-party auditors and the response of polluting firms: Experimental evidence from India. *The Quarterly Journal of Economics*, 128(4), 1499-1545.

Duflo, E., Greenstone, M., Pande, R., & Ryan, N. (2018). The value of regulatory discretion: Estimates from environmental inspections in India. *Econometrica*, 86(6), 2123-2160.

Greenstone, Michael, Guojun He, Ruixue Jia, and Tong Liu. 2022. "Can Technology Solve the Principal-Agent Problem? Evidence from China's War on Air Pollution." *American Economic Review: Insights*, 4(1): 54–70.

* Greenstone, M., Pande, R., Ryan, N. & Sudarshan, A. (2022). "Can Pollution Markets Work in Developing Countries? Experimental Evidence from India." *Mimeo, Yale University*. Available at: https://bpb-us-w2.wpmucdn.com/campuspress.yale.edu/dist/5/91/files/2022/09/gpsr_emissions_trading_20220919.pdf

Zou, Eric Yongchen. 2021. "Unwatched Pollution: The Effect of Intermittent Monitoring on Air Quality." *American Economic Review*, 111(7): 2101–26

Externalities in regulatory enforcement

* Lipscomb, M., & Mobarak, A. M. (2016). Decentralization and pollution spillovers: evidence from the re-drawing of county borders in Brazil. *The Review of Economic Studies*, 84(1), 464-502.

He, Guojun, Shaoda Wang, and Bing Zhang. 2020. "Watering Down Environmental Regulation in China." *The Quarterly Journal of Economics*, 135(4): 2135–2185.

Duflo, Esther and Rohini Pande. 2007. "Dams." *The Quarterly Journal of Economics*, 122(2): 601-646.

* Dipoppa, G., Gulzar, S., [No Smoke Without a Fire: Bureaucratic Incentives, Crop Burning, and Pollution in South Asia.](#)

Regulating emissions from transportation

Auffhammer, M., & Kellogg, R. (2011). Clearing the air? The effects of gasoline content regulation on air quality. *American Economic Review*, 101(6), 2687-2722.

Barahona, N., Gallego, F. A., & Montero, J. P. (2020). Vintage-specific driving restrictions. *The Review of Economic Studies*, 87(4), 1646-1682.

* Davis, L. W. (2008). The effect of driving restrictions on air quality in Mexico City. *Journal of Political Economy*, 116(1), 38-81.

* Jacobsen, M. R., Sallee, J. M., Shapiro, J. S., & Van Benthem, A. A. (2023). Regulating Untaxable Externalities: Are Vehicle Air Pollution Standards Effective and Efficient?. *The Quarterly Journal of Economics*, qjad016.

* Oliva, P. (2015). Environmental regulations and corruption: Automobile emissions in Mexico City. *Journal of Political Economy*, 123(3), 686-724.

Second-best regulation of groundwater use

* Ayres, A. B., Meng, K. C., & Plantinga, A. J. (2021). Do environmental markets improve on open access? Evidence from California groundwater rights. *Journal of Political Economy*, 129(10), 2817-2860.

* Ryan, N., & Sudarshan, A. (2022). Rationing the commons. *Journal of Political Economy*, 130(1), 210-257.

Blakeslee, D., Fishman, R., & Srinivasan, V. (2020). Way down in the hole: Adaptation to long-term water loss in rural India. *American Economic Review*, 110(1), 200-224.