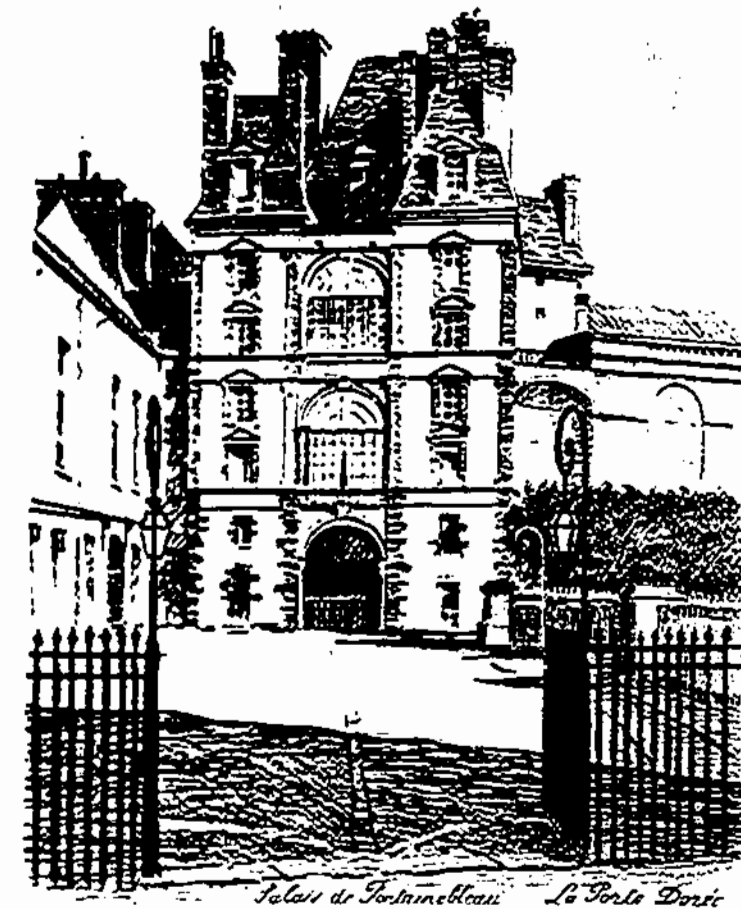


**The European Association of
Environmental and Resource Economists**

Fourth Annual Conference

**Programme
and
List of Participants**



June 30 - July 3, 1993

INSEAD (The European Institute of Business Administration)

Fontainebleau, France

EAERE

The European Association of Environmental and Resource Economists

Fourth Annual Conference

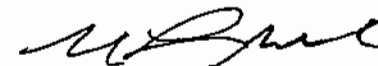
On behalf of INSEAD, EAERE, and the Conference Programme Committee, we would like to welcome you to this Fourth Annual EAERE Conference.

As befits its location at Europe's premier international business school, the conference has as its theme "The Firm and the Environment". Much or most of the research of EAERE members has traditionally focused on market failure and public policy instruments to correct that failure. Relatively little research has considered the possibility that firms may fail also, and that the causes and remedies of organizational failure are relevant to environmental protection. It is to this issue that the conference theme is addressed.

For this Fourth Annual Conference, we received nearly 150 paper submissions on the conference theme and many other topics. The Programme Committee selected eighty-eight papers for inclusion in the programme, grouped into topics including the *Organization of the Firm, Cost-Benefit Analysis, Global Problems, Contingent Valuation, National Income Accounts, Industrial Organization, Policy Instruments, Technological Choice, Sustainability*, and several sessions of case studies.

The Conference was supported by INSEAD's Centre for the Management of Environmental Resources which owes its gratitude to the companies that in turn support it: **Gebr. Otto KG, Ciba-Geigy, Sandoz, Danfoss, and Royal Dutch/Shell**. All programme participants owe thanks to those at INSEAD whose help in administrative matters was invaluable, especially Muriel Larvaron and Brigitte Pernet. Next, we as co-chairmen of the conference thank the members of the Programme Committee who, apart from ourselves, include Robert Ayres, Carlo Carraro, Rudiger Pethig, Bernard Sinclair-Desgagné, and Alistair Ulph.

We hope that all the participants at the conference will find these three and a half days spent in Fontainebleau rewarding, not only for the quality of the papers and the discussions, but also for the ambience of the setting and the camaraderie of their friends and colleagues.



H. Landis Gabel
Co-chairman



Henk Folmer
Co-chairman

Programme

WEDNESDAY, JUNE 30

09.00-10.00 **Conference and EAERE Membership Registration**

10.00-10.45 **Plenary Session : Opening of the Conference (Amphi A)**
Chairman: Landis Gabel, Co-Chairman of the Conference
Speakers: Ludo Van der Heyden, Dean of INSEAD
Henk Folmer, Co-Chairman of the Conference
and President of EAERE

10.45-11.00 Break

11.00-12.30 **Plenary Session : Jean-Jacques Laffont, "Incomplete information and regulation of externalities" (Amphi A)**
Chairman: Sinclair-Desgagne

12.30-14.00 Lunch at the INSEAD restaurant

14.00-15.30 **Parallel Sessions No. 1**

Session 1A: The Organization of the Firm (Amphi A)

Chairman: Carraro

Krechetov, "Incentive structures in multidivisional firms: The environmental aspect"

Discussant: Folmer

Gabel, Sinclair-Desgagne, "Environmental regulation and firm structure"

Discussant: Xepapadeas

Alexander, Cohen, "Why do corporations become criminals?"

Discussant: Wathieu

Session 1B: Cost-Benefit Analysis (I) (Amphi B)

Chairman: Lanza

Brendemoen, Vennemo, "The marginal cost of funds in the presence of external effects"

Discussant: Grønn

Gren, Zylicz, "Cost-effectiveness of the Baltic sea clean-up: Reconciling biodiversity with efficiency"

Discussant: Pere Riera

Bonnieux, Rainelli, "Assessing marine resource damage and the clean-up cost of oil spills"
Discussant: Langford

Session 1C: Computable General Equilibrium Analysis (Amphi C)

Chairman: Hoel

Proost, Van Regemorter, "Optimal tax reform in the presence of an energy carbon tax. The role of the macro-economic regime"
Discussant: Hanley

Bergman, "General equilibrium costs and benefits of environmental policies: Some preliminary results based on Swedish data"
Discussant: Hordijk

Van Leeuwen, Velthuisen, "Energy, environment and the Polish economy: A CGE model approach"
Discussant: Cesar

Session 1D: Permit Trading (I) (Amphi D)

Chairman: Peszko

Kort, "The effects of marketable pollution permits on the firm's optimal investment policies"
Discussant: Howe

Klaassen, Forsund, "Emission trading in Europe with an exchange rate"
Discussant: Viladrich

Kruitwagen, "SO₂ emission trading in Europe: A pollution offset experiment"
Discussant: Bates

15.30-16.00 Break

16.00-17.30 Parallel Sessions No.2

Session 2A: Global Problems (Amphi A)

Chairman: Rose

Kverndokk, "Coalitions and side payments in international CO₂ treaties"
Discussant: Proost

Kolstad, "Looking vs. leaping: The timing of CO₂ control in the face of uncertainty and learning"
Discussant: Wirl

de Zeeuw, Cesar, "Issue linkage in global environmental problems"
Discussant: Peszko

Session 2B: Contingent Valuation (I) (Amphi B)

Chairman: Hanley

Veisten, Hoen, Navrud, Strand, "Valuing biodiversity in Norwegian forests: A contingent valuation study with multiple bias testing"
Discussant: Ytterhus

Randall, Hoehn, "Embedding effects in contingent valuation"
Discussant: Bishop

Schechter, Freeman, "Non-use value: Reflections on definition and measurement"
Discussant: Bonnieux

Session 2C: National Income Accounts (Amphi D)

Chairman: Ayres

Zeitouni, "Should risk of environmental quality loss be incorporated into the national accounts?"
Discussant: Lund

Vellinga, Withagen, "Some notes on the concept of green national income"
Discussant: Ayres

17.30 - 18.30 Plenary Session: EAERE Business Meeting (Amphi A)

Chairman: Henk Folmer

18.30 Cocktails at the INSEAD restaurant

20.00 *Bus departure to Hotels*

THURSDAY, JULY 1

09.00-10.30 Plenary Session : Kip Viscusi, "Environmental regulation and the firm"
(Amphi A)

Chairman: Ayres

10.30-11.00 Break

11.00-12.30 Parallel Sessions No.3

Session 3A: Industrial Organization (Amphi B)

Chairman: Conrad

Chua, Kennedy, Laplante, "Industry structure and compliance with environmental standards"

Discussant: Romstadt

Katsoulacos, Xepapadeas, "Pigouvian taxes under oligopoly"

Discussant: Carraro

Usategui, "Emission taxes, entry and location in a river model"

Discussant: Wathieu

Session 3B: Policy Instruments (Amphi C)

Chairman: Zylicz

Wirl, "Clean-up follows pollution and vice versa: The optimality of cyclical harvesting of renewable resources with special emphasis to environmental policies"

Discussant: Schubert

Scheele, "Environmental strategies - Spatial effects and institutional implications"

Discussant: Gorka

Golombek, Hagen, Hoel, "Efficient incomplete international climate agreements"

Discussant: Bergland

Rose, Stevens, "A global marketable permits approach to CO₂ mitigation: Implications for US energy demand"

Discussant: Kolstad

Session 3C: Contingent Valuation (II) (Amphi D)

Chairman: Randall

Bishop, Welsh, Heberlein, "Some experimental evidence on the validity of contingent valuation"

Discussant: Svento

Hanley, Munro, "The effects of information in contingent markets for environmental goods"

Discussant: Collins

McConnell, Weninger, Strand, "Testing the validity of contingent valuation by combining referendum responses with observed behavior"

Discussant: Randall

Session 3D: Case Studies (I) (Amphi O)

Chairman: Bergman

Van Ierland, "Effects on an energy tax on energy intensive branches of industry: A case study"

Discussant: Cottica

Skea, "Ownership, market structure and environmental strategy: electricity generation in Britain"

Discussant: Stevens

Lanza, Pigliaru, "Specialization in tourism based on natural resources in the presence of a trade-off between quality and quantity"

Discussant: Schechter

12.30-14.00 Lunch at the INSEAD restaurant

12.30-14.00 **EAERE Board Meeting (EW1)**

14.00-16.00 **Tour of the Fontainebleau Chateau**

16.00-17.30 Parallel Sessions No.4

Session 4A: Technical Choice (Amphi A)

Chairman: Proost

Cesar, Aalbers, Van der Ploeg, "Earmarked carbon taxes and R&D investments"

Discussant: Kort

Carraro, Soubeyran, "Environmental policy and the choice of production technology"

Discussant: Sinclair-Desgagne

Hetemäki, "The Impact of pollution control on firm production technology and efficiency: A distance function approach"

Discussant: Conrad

Session 4B: Valuation (I) (Amphi B)

Chairman: Braden

Collins, Evans, "Aircraft noise and residential property values: an artificial neural network approach"

Discussant: Navrud

Krupnik, Harrison, Nickell, Toman, "Health damages from air pollution in Central and Eastern Europe: A preliminary assessment"

Discussant: Linddal

Viscusi, Magat, Carlin, Dreyfus, "Environmentally responsible energy pricing"

Discussant: Huang

Session 4C: Games and Other Theoretical Models (Amphi C)

Chairman: Withagen

Wirl, "Complex, dynamic environmental policies"

Discussant: Tahvonen

Folmer, Van Mouche, "Tensor games"

Discussant: Hoel

Tahvonen, "Carbon dioxide abatement as a differential game"

Discussant: Kverndokk

Session 4D: Sustainability (I) (Amphi D)

Chairman: Opschoor

Aronsson, Löfgren, "The Measurement of economic welfare in the presence of externalities"

Discussant: Marin

Howe, "Intergenerational equity, sustainability, and economic efficiency: New paradigms and old prescriptions"

Discussant: Pezzey

Tacconi, Bennett, "Implications of intergenerational equity for biodiversity conservation"

Discussant: Baland

FRIDAY, JULY 2

09.00-10.30 Plenary Session : Presentations of "Best Papers" (Amphi A)

Chairman: Gabel

Romstad, Bergland, "Inducing individual firm compliance to emission quotas when abatement costs are private knowledge"

Asheim, Brekke, "Sustainability when resource management has stochastic consequences"

Kennedy, "Equilibrium pollution taxes in open economies with imperfect competition"

10.30-11.00 Break

11.00-12.30 Parallel Sessions No.5

Session 5A: The Open Economy (Amphi A)

Chairman: Musu

Conrad, "Optimal environmental policy for oligopolistic industries in an open economy"

Discussant: Aalbers

Bovenberg, de Mooij, "Environmental policy in a small open economy with distortionary labor taxes: A general equilibrium analysis"

Discussant: Alho

Session 5B: Contingent Valuation (III) (Amphi B)

Chairman: Schechter

Laughland, Musser, Shortle, Musser, "Correlation of contingent valuation and averting cost measures of compensating variation for environmental improvements"

Discussant: Freeman

Langford, Bateman, "Estimation and reliability of welfare measures for dichotomous choice and open ended contingent valuation studies"

Discussant: Asheim

Svento, "Some notes on the confidence of CV answers"

Discussant: Luken

Session 5C: Sustainability (II) (Amphi C)

Chairman: Folmer

Faucheux, Froger, Noel, "Towards a reconsideration of rationality hypotheses for sustainable development decision making"

Discussant: Sinclair-Desgagne

20.00

Gala dinner at the Chateau de Nandy

Randall, Farmer, "Policies for sustainability: Lessons from an overlapping generations model"
Discussant: Lines

Session 5D: Case Studies (II) (Amphi D)

Chairman: Gabel

Harrington, McConnell, "Cost effectiveness of remote sensing for reducing vehicle emissions"
Discussant: Cygler

Linddal, "Economic incentives for environmental benefits in forestry"
Discussant: Salomon

Laplante, Rilstone, "The Impact of environmental inspections on the pulp and paper industry in Quebec"
Discussant: Ollikainen

12.30-14.00 Lunch at the INSEAD restaurant

14.00-15.30 Parallel Sessions No.6

Session 6A: Monitoring and Enforcement (Amphi A)

Chairman: Sinclair-Desgagne

Huang, "Effects of environmental regulations with imperfect enforcement quality"
Discussant: Krechetov

Groves, Stinchcombe, Viladrich, "Optimal monitoring of oil spills: Control in a stochastic, dynamic context"
Discussant: Cohen

Wathieu, "Immediate self-reporting of mistakes"
Discussant: Magat

Session 6B: Growth Models (Amphi B)

Chairman: Tahvonen

Alho, "Growth, the environment and environmental aid in the international economy"
Discussant: Vellinga

Lines, Musu "Endogenous growth and environmental preservation"
Discussant: de Mooij

Michel, Rotillon, "Pollution's disutility and endogeneous growth"
Discussant: Kriström

Session 6C: Trade and the Environment (Amphi C)

Chairman: Pethig

Lund, "Under different International agreements: Can a small nation gain from introducing a carbon tax early?"
Discussant: Pethig

Pallage, "A two-country model of renewable resource sharing"
Discussant: Ulph

15.30-16.00 Break

16.00-17.30 Parallel Sessions No.7

Session 7A: Tax Instruments (Amphi A)

Chairman: Howe

Braden, Ascente, "Consumer tax vs. producer tax to correct an externality: Experimental evidence on equivalence"
Discussant: Zylicz

Eyckmans, Proost, Schokkaert, "Tax instruments and participation constraints in greenhouse negotiations"
Discussant: Pallage

Hediger, "On the use of carbon tax revenues as an instrument of environmental policy"
Discussant: Van Ierland

Session 7B: Cost-Benefit Analysis (II) (Amphi B)

Chairman: Ulph

Brekke, "Do cost-benefit analyses favour environmentalists"
Discussant: Poskrobko

Luken, "Regulatory impact analysis of US environmental regulations, 1981-1990"
Discussant: Santos

Session 7C: Agriculture (Amphi C)

Chairman: Shortle

Shortle, Abler, "Incentives for non-point pollution control"
Discussant: Rainelli

Astorquiza, Howitt, "Irrigation development under limiting environmental conditions: Policy analysis for non-point source control"
Discussant: Yaron

Ollikainen, "How to control the nutritive pollution of agriculture? An analysis of the feasibility of protective belt areas"
Discussant: Convery

Session 7D: Central and Eastern Europe (Amphi D)
Chairman: Gorka

Baland, Platteau, "Should common property resources be privatized? A re-examination of the tragedy of the commons"
Discussant: Velthuisen

Bates, Cofala, Toman, "Alternative standards and instruments: An initial simulation study of air pollution policy in Poland"
Discussant: Wasikiewicz

Boyd, "Issues and proposals for a system of environmental liability in Central and Eastern Europe"
Discussant: Strukova

Amman, Hordijk, Klaassen, Schopp, Sorensen, "Economic restructuring in Eastern Europe and acid rain abatement strategies"
Discussant: Kaderjak

SATURDAY, JULY 3

09.00-10.30 Parallel Sessions No.8

Session 8A: Water Management (Amphi A)

Chairman: de Zeeuw

Schechter, Zeitouni, Becker, "Two models of water market mechanisms with and illustrative application to the Middle East"
Discussant: Meublart

Zeitouni, Dinar, "Mitigating negative water quantity and quality"
Discussant: Astorquiza

Session 8B: Valuation (II) (Amphi B)

Chairman: Navrud

Ebert, "Selecting preferences for nonmarket goods: Possibilities and limitations"
Discussant: Bennett

Brännlund, Kriström, "Welfare measurement in partial and general equilibrium models: An application to environmental policy"
Discussant: McConnell

Okogu, Birol, "Positive externality: Valuing the carbon absorption service of developing countries' forests"
Discussant: Laplante

Session 8C: Permit Trading (II) (Amphi C)

Chairman: Hordijk

Peszko: "Transferrable area licences - An alternative to road pricing in the central urban districts: Option for Cracow"
Discussant: Hediger

Zylicz, "Improving environment through permit trading: The limits to a market approach"
Discussant: Klaassen

Session 8D: Sustainability (III) (Amphi D)

Chairman: Lines

Farzin, "The effect of technical change on the dynamics of resource scarcity measures"
Discussant: Leveque

Withagen, "Pollution and exhaustibility of fossil fuels"
Discussant: Froger

10.30-11.00 Break

List of Participants

11.00 Plenary Session: **Conference Closing (Amphi A)**
Chairman: Gabel

12.00 Lunch at the INSEAD restaurant

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