

# Environmental and Public Economics

Essays in Honor of Wallace E. Oates

---

*Edited by*

Arvind Panagariya

*Professor of Economics and co-Director of the Center for  
International Economics, University of Maryland at College  
Park, Maryland, USA*

Paul R. Portney

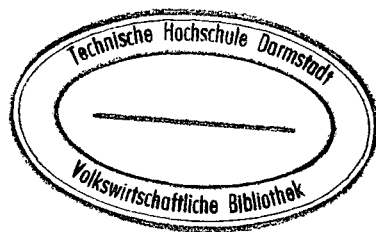
*President and Senior Fellow, Resources for the Future,  
Washington, DC, USA*

Robert M. Schwab

*Professor of Economics, University of Maryland at College  
Park, Maryland, USA*

**Edward Elgar**

Cheltenham, UK • Northampton, MA, USA



# Contents

---

<i>List of figures</i>	vii
<i>List of tables</i>	ix
<i>List of contributors</i>	xi
<i>Introduction</i>	xiii

## PART I ENVIRONMENTAL ECONOMICS

1. On environmental policy for a conservative era <i>William J. Baumol</i>	3
2. Environmental federalism: welfare losses from uniform national drinking water standards <i>Terry M. Dinan, Maureen L. Cropper, and Paul R. Portney</i>	13
3. The case for a two-part instrument: presumptive tax and environmental subsidy <i>Don Fullerton and Ann Wolverton</i>	32
4. Tax-interactions, revenue-recycling, and the efficiency impacts of pollution-abatement policies <i>Lawrence H. Goulder</i>	58
5. The positive political economy of instrument choice in environmental policy <i>Nathaniel O. Keohane, Richard L. Revesz, and Robert N. Stavins</i>	89
6. Does nature limit environmental federalism? <i>V. Kerry Smith, Kurt A. Schwabe, and Carol Mansfield</i>	126

## PART II PUBLIC ECONOMICS

7. Modeling urban growth controls <i>Jan K. Brueckner</i>	151
8. Congestion and taxation in lumpy countries <i>David L. Hummels, Paul N. Courant, and Alan V. Deardorff</i>	169
9. The effects of educational vouchers when schools track students by ability <i>Dennis Epple, Elizabeth Newlon, and Richard E. Romano</i>	189

10. On designing intergovernmental transfers with an application in the new South Africa	
<i>Robert P. Inman</i>	222
11. Public pensions in the EU: migration incentives and impacts	
<i>David E. Wildasin</i>	253
12. Early American federalism and economic development, 1790–1840	
<i>John Joseph Wallis</i>	283
13. Capitalization and efficiency	
<i>John Yinger</i>	310
<i>Wallace E. Oates: published books and papers</i>	327
<i>Index</i>	335