



Wageningen School  
of Social Sciences

# **Advanced Course on the Economics of Regulation: Applied to Environmental and Food Law**

**Justus Wesseler and Francesca Leucci**

**17, 22, 27 May and 21 June 2024**

**Course organised by the Wageningen School of Social Sciences (WASS),  
Wageningen University**

### **Introduction & objectives of the course**

The study of regulation, which means “any attempts to control, order or influence the economic behaviour of market players” (Black, 2002) has been gaining increasing momentum in recent years, especially with regard to environmental and food safety concerns. In the bioeconomy, the field of regulation has gained momentum since phenomena such as climate change, food scarcity, technical (e.g. new plant breeding technology, synthetic biology), and global trade raise new challenges for regulative measures. From an economic perspective, benefits and costs of different regulatory approaches are compared and assessed to what extent objectives have been achieved. From a legal perspective, the effect of existing norms are assessed in order to propose evidence-based recommendations on how policy tools and the laws incorporating them should be designed.

From the outset, studying regulations has been an interdisciplinary field of economics and law, while it increasingly resorts to other disciplines such as marketing, psychology and sociology.

In this course students will study in-depth economic and legal origins of regulations, the applications of liability law under different jurisdictions, major regulatory approaches used at national (civil and common law countries) and international level (EU, WTO, Bio-Safety). They will also be familiarized with the tools used in the field.

Pertinent questions addressed include:

- the effect of regulation on investment and international trade from a spatial and temporal perspective;
- the effectiveness of liability rules to govern safety concerns;

The course targets at the heart of WASS, as it tries to understand social processes with regard to today’s global challenges with respect to the bio-economy from a regulatory perspective.

### **Target group**

Master students: MME – Management, Economics, and Consumer Studies

MID – International Development Studies

MES – Environmental Sciences, students with a specialization in economics

New MSc Biobased Sciences for students with a specialization in economics

PhD candidates: from AEP, BEC, DEC, ECH, ENR, LAW, MCB, MST.

### **Learning outcomes**

After successful completion participants are expected to be:

- familiar with the similarities and differences between common and civil law countries with respect to the use of regulations;
- familiar with the concepts of liability law and how this is applied in view of ex-post and ex-ante regulation with special regard to environmental laws;
- familiar with the regulations used to govern key bioeconomy technologies (animal and plant breeding technologies, pest control agents, biorefineries, food processing) and the environment;
- able to apply liability law for assessing new bioeconomy products entering markets;
- familiar with the economic tools to assess welfare implications of regulations from an ex post as well as ex ante perspective;
- able to assess specific regulations from an economic as well as legal perspective and be able to combine both;
- familiar with the importance of uncertainty and irreversibility for implementing regulations;
- familiar with the concept of real options for comparing regulatory policies and in particular the difference between ex-ante and ex-pot measures.

### Assumed prior knowledge

Having a background in economics and econometrics (by e.g. having completed AEP-21306 Econometrics and ECH-21806 Microeconomics or equivalent courses) would be recommended but it is not mandatory. Please contact the organizers in case of doubt about the required entry level.

### Course fees

For PhDs of WASS and WIMEK/SENSE there is a fee of 200 euros. For all other participants and for staff members (fellows/post docs), there is a fee of 400 euros for the whole course.

### Outline of the Course

	Sessions	Time	Place	Content	Readings (optional)	Hours
1	Friday May 17	15:40 – 17:10	Leeuwenborch, to be announced	Regulations from an economic perspective	Coase, Shleifer  (Kolstad, Rothbard)	10 (including readings)
2	Wednesday May 22	15:40 – 17:10	Leeuwenborch, to be announced	Justification for Regulation: Irreversibilities, Uncertainties, True costs, and Precaution.	van den Belt, Goodstein & Polasky  (Wesseler & Zhao)	10 (including readings)
3	Monday May 27	15:40 – 17:10	Leeuwenborch, to be announced	The economics of liability and safety regulation: environment and food	Dari-Mattiacci & Parisi  (Bussani & Sebock, Calabresi & Melamed)	10 (including readings)
4	Friday June 21	15:40 – 17:10	Leeuwenborch, to be announced	Presentation of course papers		40 (preparing and presenting the course paper)

### Teaching methods

The course will be a combination of lectures, discussion groups, reading assignments, and a practical work. The remaining time will be used by the students to deepen their understanding by completing assignments including simple exercises and group discussion.

During the lectures the students will be familiarized with the relevant literature and the recent scientific debates on the topic. The economic and legal history of regulations will be discussed, the economic models used to assess regulations, and the regulations for key technologies of the bioeconomy. During the practical students will be familiarized with the relevant legal material and apply the economic models (ex-ante assessment) and econometric tools (time series analysis) discussed during class (albeit at an introductory level to familiarize the students with the conceptual model that should allow them to further develop those for their own research) to the regulatory options chosen in assorted legal regimes.

## References

- Bussani, M & Sebock, AJ (2015): *Comparative Tort Law: Global Perspectives*. Cheltenham: Edward Elgar.
- Calabresi, G & Melamed AD (1972). Property Rules, Liability Rules and Inalienability: One View of the Cathedral. *Harvard Law Review* 85(6): 1089-1128. <https://doi.org/10.2307/1340059>.
- Coase, RH (1960). The Problem of Social Cost. *The Journal of Law & Economics*, 3, 1–44. <http://www.jstor.org/stable/724810>
- Dari-Mattiacci, G & Parisi, F (2006). The Economics of Tort Law: A Precis. In: *The Elgar Companion to Law and Economics* (2nd ed.), Edward Elgar Publishing, George Mason Law & Economics Research Paper No. 03-49, Available at SSRN: <https://ssrn.com/abstract=458701> or <http://dx.doi.org/10.2139/ssrn.458701>
- Goodstein, E & Polasky, S (2020). The Sustainability Standard. In: *Economics and the Environment*. 10<sup>th</sup> Edition. Chapter 8. Hoboken, US: John Wiley & Sons.
- Kolstad, CD, Uhlen TS & Johnson GV (1990). Ex Post Liability for Harm vs. Ex Ante Safety Regulation: Substitutes or Complements? *American Economic Review* 80 (4): 888-901.
- Rothbard, M (1982). Law, Property Rights, and Air Pollution. *Cato Journal* 2 (1): 55-99.
- Shleifer, A (2010). Efficient Regulation. In: *Regulation vs. Litigation: Perspectives from Economics and Law*, ed. By Daniel P Kessler, pp. 27-43. Chicago: University of Chicago Press. <http://www.nber.org/books/kess09-1>.
- van den Belt, H (2003). Debating the precautionary principle: "guilty until proven innocent" or "innocent until proven guilty"? *Plant Physiology*, 132(3), 1122–1126. <https://doi.org/10.1104/pp.103.023531>
- Wesseler, J & Zhao, J (2019). Real Options and Environmental Policies - the Good, the Bad, and the Ugly. *Annual Review of Resource Economics* 11:43-58. <https://doi.org/10.1146/annurev-resource-100518-094140>.

## Requirements and ECTS

Students need to write an essay (15 to 20 pages) using a case such as novel food regulation, greenhouse gas emission, nitrogen emission, pesticide use regulation and aimed at discussing its advantages and disadvantages based on the most recent literature.

## Location

The sessions will be in person only. Students need to attend all four classes to receive a grade.

## Registration

Registration is possible electronically via the WASS courses page:

<http://www.wageningenur.nl/en/Education-Programmes/PhD-Programme/Graduate-Schools/Wageningen-School-of-Social-Sciences/Courses/Registration.htm>

The maximum number of participants is set at 16, the minimum at 10.

Please make sure that you provide the most recent contact details so that in case of any changes you will be notified promptly. After your internet registration you will receive a short notification that your name has been registered. At least two weeks before the course you will receive a confirmation about the location and the schedule. WASS will also send an invoice to the address indicated in the registration form.

Please e-mail to [Marcella.Haan@wur.nl](mailto:Marcella.Haan@wur.nl) in case you have not received the second confirmation two weeks before the course.

**Cancellations**

Cancellations may be made free of charge until 1 month before the start of the course. Cancellation fee of 100 % applies if participants cancel the course less than 1 month prior to the course. The organisers have a right to cancel the course not later than 1 month before the course starts. The participants will be notified of any changes at their e-mail addresses.

**Further information**

On course content please contact the course organisers, Justus Wesseler, AEP and Francesca Leucci, LAW. They can be reached at [justus.wesseler@wur.nl](mailto:justus.wesseler@wur.nl) and [francesca.leucci@wur.nl](mailto:francesca.leucci@wur.nl).

On WASS: [www.wageningenur.nl/wass](http://www.wageningenur.nl/wass)

For details about the logistics, accommodation, registration, fees, study materials, etc. please contact

Marcella Haan

Tel +31 317 484126

[Marcella.haan@wur.nl](mailto:Marcella.haan@wur.nl)

Contact address:

Wageningen School of Social Sciences

Wageningen University

Hollandseweg 1

6706 KN WAGENINGEN

The Netherlands

### Useful information on accommodation for participants from outside Wageningen

#### Hotels:

Hof van Wageningen: 62.50 euro for 1 persons room, 70 euros for 2 persons room, both prices are including breakfast;

[www.hofvanwageningen.nl](http://www.hofvanwageningen.nl)

Hotel de Wageningseberg: 85 euro for 2 persons room, also including breakfast;

<http://hoteldewageningscheberg.nl/en/>

Hotel Nol in 't Bosch: 79 euro for 1 person room, 85 euro for 2 persons room, also including breakfast; <http://www.nolintbosch.nl/>

#### Bed&Breakfast:

See: <https://www.bedandbreakfast.nl/bed-and-breakfast/wageningen/netherlands/c2745088>

B& B De Heksenspeeltuin: 30 euro for a 1 person room

Address: Einthovenstraat 15, 6706JA Wageningen

Phone: +31 317-418161

E-mail: [callyd@zonnet.nl](mailto:callyd@zonnet.nl)

Website: [www.heksenspeeltuin.nl](http://www.heksenspeeltuin.nl)

Villaria Bed en Breakfast: 39-58 euro for a 1 person room

Address: Nassauweg 21, 6703CG Wageningen

Phone: +31 317-419636

Emai: [info@villaria.nl](mailto:info@villaria.nl)

Website: <http://villaria.nl/>

Possibilities to rent a bike

Ons Bakhuus Bed & Breakfast: 45 euro for a 1 person room

Address: Dolderstraat 64, 6706 JG Wageningen

Phone.:+31 317-411994

E-mail: [info@onsbakhuus.nl](mailto:info@onsbakhuus.nl)

Website: [www.onsbakhuus.nl](http://www.onsbakhuus.nl)

De Herbergh Bed & Breakfast: 60 euro for a 1 person room

Address: Generaal Foulkesweg 8, 6703 BR Wageningen

Phone: +31 317-410747

E-mail: [glindenbergh@wanadoo.nl](mailto:glindenbergh@wanadoo.nl)

Website: <https://www.bedandbreakfast.nl/bed-and-breakfast/wageningen/de-herbergh/3269/>

Toproom B&B: 55 euro for a 1 person room

Vossenlaan 17

6705 CD Wageningen-Hoog

Phone: +31 317-450214

E-mail: [info@toproom.nl](mailto:info@toproom.nl)

Website: [www.toproom.nl](http://www.toproom.nl)

Possibilities to rent a bike

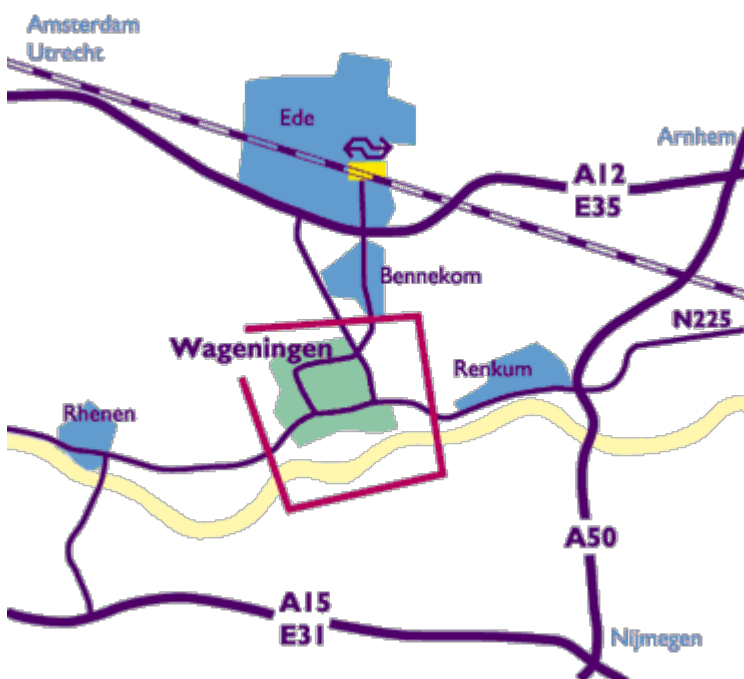
## From Schiphol Amsterdam Airport to Wageningen

At the Airport you can buy a train ticket in the 'arrivals' area by the baggage claims. You will see the sign "Train tickets" near the exit. Then follow the signs 'Nederlandse Spoorwegen' (NS) or 'Trains and busses' to the railway station.

Purchase a one-way ticket to the Ede-Wageningen train station, this will cost € 14,10 (plus a service charge if you buy the ticket at the ticket counter). It is also possible to buy the ticket from the ticket vending machines in the station.

There are direct connections from Schiphol Amsterdam Airport to Ede-Wageningen every 30 minutes. Additionally, twice an hour there is a connecting service from Schiphol to Ede-Wageningen where you have to change trains in Utrecht. The destination boards on the platform will indicate the different stations where the train will stop. Check for the names Ede-Wageningen or Utrecht and board the train and when necessary change in Utrecht. The trip from Schiphol to Ede-Wageningen takes you a bit more than one hour.

For Dutch train connections use [www.ns.nl](http://www.ns.nl), [www.thalys.com](http://www.thalys.com), [www.db.de](http://www.db.de)



The train station is not located directly in Wageningen. This lack is fully compensated by fair means of transportation by buses and taxis. From railway station Ede-Wageningen you can take a taxi (approx. 15 min.). Taxis leave at the north side of the station. You can also come by bus: line 52 (direction Wageningen/ Arnhem) departs from the north side of the station or bus line 88 (Valleilijn, direction Wageningen) leaves from the south side of the station. You have to purchase a ticket from the driver in the bus, which will cost about 2 euros.