ECONOMIE DES RISQUES INDUSTRIELS, INTERNATIONAUX, SANITAIRES

ECTS
6 crédits

Composante
École d'économie de la Sorbonne (EES)

Volume horaire
36h

Période de l'année
Automne

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Description

The Economics of health, environmental and industrial risks

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There is an increase of risky activities in modern industrial societies which leads to industrial accidents as well as latent hazards. The necessity to properly compensate the victims of accidents and to induce an efficient level of care by the potential injurers is a key issue.

- This course discusses the use of liability and safety regulation as means of controlling industrial accident risks and latent hazard. It proposes a discussion on how economic tools allow the researcher or the practitioner to compare the effects of different rules implemented with regard to civil liability and to correct externalities/damages produced by economic agents (firms). Civil liability can be seen as a mean to promote economic efficiency which is guaranteed by the minimization of the social cost of accidents.
- Moreover, there has been in the US and in Europe an increase in the entry rate of small firms into hazardous sectors. The combination of small firms and potentially large accident costs raises the possibility of an increase in the number of "judgment-proof" firms, that is, firms which can cause accidents and become bankrupt but do not have sufficient assets left to compensate the victims. Judgment-proofness is a cause for concern because it results in a reduced incentive for the firm to be cautious. One may then wonder what the most appropriate policy is for dealing with such a reduced incentive. This course gives some theoretical foundations for using a regime of extended liability and, more broadly, analyzes how private transactions between principals and their agents are modified accordingly.
- Finally, we will discuss an interesting issue related to how markets react to site risks. In particular, we will develop a model of a homebuyer's reaction to geographical sites' risks.

Syllabus du cours « Économie des risques industriels, internationaux, sanitaires et environnementaux » de Philippe Gagnepain et Jean-Charles Bricongne

Ce cours, articulé avec celui de M. Philippe Gagnepain, vise à montrer en quoi les échanges avec le reste du monde peuvent être plus coûteux et risqués que pour l'activité domestique, et faire face à une incertitude particulière.

Plan du cours :

Introduction : la mondialisation a-t-elle accru les risques et pourquoi est-il plus risqué d'échanger à l'international ?

Chapitre 1 : risques, coûts et bénéfices : concepts, méthodes et politiques publiques

Chapitre 2 : sécurité alimentaire, risques sanitaires, barrières non tarifaires, normes et commerce international

Chapitre 3 : risques financiers, taux de change et commerce

Chapitre 4 : incertitude, risques et commerce

Chapitre 5 : risques liés aux chaînes de valeur

Chapitre 6 : comment se couvrir contre les risques à l'international ?

Objectifs

Content

Chapter 1. The economics of liability

Chapter 2. Extended liability (Paper "*")

Chapter 3. Measuring individual risks and populations at risk

Chapter 4. Market reactions to site risks

Chapter 5: Empirical tests on industrial catastrophes and latent hazards (papers "**")

Book

Deffains, B., & Langlais, E. (2009). Analyse économique du droit: principes, méthodes, résultats. De Boeck.

Calabresi, G. (2008). The cost of accidents: A legal and economic analysis. Yale University Press.

Hamilton, J., & Viscusi, W. K. (1999). Calculating risks?: the spatial and political dimensions of hazardous waste policy (Vol. 21). Mit Press.

References

Akerlof, G. A., Romer, P. M., Hall, R. E., & Mankiw, N. G. (1993). Looting: the economic underworld of bankruptcy for profit. Brookings papers on economic activity, 1993(2), 1-73.

**Alberini, A., & Austin, D. (1999). On and off the liability bandwagon: Explaining state adoptions of strict liability in hazardous waste programs. Journal of regulatory Economics, 15(1), 41-64.

*Boyd, J., & Ingberman, D. E. (1997). The search for deep pockets: Is “extended liability” expensive liability?. The Journal of Law, Economics, and Organization, 13(1), 232-258.

Gupta, S., Van Houtven, G., & Cropper, M. (1996). Paying for permanence: an economic analysis of EPA's cleanup decisions at Superfund sites. The RAND Journal of Economics, 563-582.

Hansmann, H., & Kraakman, R. (1991). Toward unlimited shareholder liability for corporate torts. Yale Law Journal, 1879-1934.

*Hiriart, Y., & Martimort, D. (2006). The benefits of extended liability. The RAND Journal of Economics, 37(3), 562-582.

Hiriart, Y., Martimort, D., & Pouyet, J. (2010). The public management of risk: Separating ex ante and ex post monitors. Journal of Public Economics, 94(11-12), 1008-1019.

*Pitchford, R. (1995). How liable should a lender be? The case of judgment-proof firms and environmental risk. The American Economic Review, 1171-1186.

**Ringleb, A. H., & Wiggins, S. N. (1990). Liability and large-scale, long-term hazards. Journal of Political Economy, 98(3), 574-595.

Shavell, S. (1984). A model of the optimal use of liability and safety regulation. The Rand Journal of Economics, 15(2), 271-280.

**Sigman, H. (2010). Environmental liability and redevelopment of old industrial land. The Journal of Law and Economics, 53(2), 289-306.

Evaluation

Paper discussion (1/3 of final grade): Students are asked to present a paper on December 16th. They may choose any paper among those *not* marked with “*” or “**” in the syllabus. They must summarize the article but must discuss as well potential limitations and/or unrealistic assumptions, and propose potential extensions.

Final exam (2/3 of final grade).