

Tiedekunta-Fakultet-Faculty Valtiotieteellinen tiedekunta		Laitos-Institution-Department Department of Economics	
Tekijä-Författare-Author Lombardini-Riipinen Chiara			
Työn nimi-Arbetets titel-Title Essays on Environmental Quality Competition in a Vertically Differentiated Duopoly Model			
Oppiaine-Läroämne-Subject Public Economics			
Työn laji-Arbetets art-Level Doctoral dissertation		Aika-Datum-Month and year 2002-08-09	Sivumäärä-Sidantal-Number of pages 140
<p>Tiivistelmä-Referat-Abstract</p> <p>In this dissertation we analyze the need and modes of regulation of a duopoly that is vertically differentiated in environmental quality. In the first essay, we study the impacts of an exogenous tax on emissions per unit of production when the market is partially covered and the cost of quality is quadratic in quality. We show that the emission tax increases the product's environmental quality, enhances competition, expands output, decreases aggregate emissions and increases social welfare. In the second essay, we characterize the first-best ad valorem tax/emission tax policy when the market is fully covered and the cost of quality is linear in quantity and quadratic in quality. The first-best policy that couples a uniform valorem tax and a subsidy to consumers who purchase the high environmental quality variant is also characterized and so are the second-best policies when only one instrument is available. In the third essay, we endogenize the choice of a unit emission standard. We show that, when the market is partially covered, the optimal unit emission standard is the slacker the more polluting the differentiated commodity and the higher the marginal damage from emissions. When the differentiated commodity is very polluting or the marginal damage from pollution is very high, no optimal binding standard exists. In the fourth essay, we study the impact on quality choice and aggregate emissions of two social norms. The first norm socially rewards consumers who choose the environmentally friendlier variant of the differentiated commodity, while the second punishes those consumers who purchase the more polluting variant. Our results suggest that the impacts of a social norm that rewards the purchase of environmentally friendlier products and disregards consumption reduction depend crucially on whether the market for the differentiated commodity is fully or partially covered. If it is partially covered, the norm may be detrimental to the environment in that it may induce an increase in aggregate emissions and lead to deterioration of the environment. We show that aggregate emissions increase at the margin with social rewards. A social norm, which punishes the consumers, who purchase the more polluting variant decreases aggregate emissions.</p>			
<p>Avainsanat-Nyckelord-Keywords</p> <p>imperfect competition emission taxes emission standards social norms vertical differentiation kilpailu - ympäristövaikutukset - tuotteet haittavero - vaikutukset - tuotekehitys verotus - ympäristön tila vertikaalisesti differentioitunut duopoli</p>			
Säilytyspaikka-Förvaringsställe-Where deposited			
Muita tietoja-Övriga uppgifter-Additional information			