

Economics 266
Economics of Natural Resources (Fall 08-09)

Instructor: Mark Jacobsen

Email: m3jacobs@ucsd.edu

Office: Economics 223

Office Hours: Monday 2:00–3:00 pm

Thursday 4:30–5:30 pm

Class: Monday and Wednesday 10:30–11:50 am, Econ 304

This course will introduce the central concepts used in natural resource and environmental economics. While we will survey a variety of literature in the field, more in-depth attention will be given to the areas of climate change and the regulation of industry. You may choose to focus on any aspect of resource or environmental economics in your written assignments, but are encouraged to talk with me particularly if working on topics discussed only in passing during class.

Reading List

Required readings will be assigned each week and a careful reading of them will help everyone gain much more from the discussion in class. I'm also happy to direct you to recent literature and more in-depth studies in particular areas that interest you – feel free to come by my office hours or send an email.

Assignments, Grades, Etc.

i) Numerical policy simulation (due 10/27/08)

Develop a simulation of a simple environmental policy in a setting with pre-existing distortionary taxes.

ii) Mock referee report (due 11/10/08)

A concise two page referee report of a recent working paper or journal article in environmental economics. It should include a brief summary of the methods and findings followed by a longer section critiquing the paper. Your critique can include potential problems with the method or assumptions that may be violated, suggestions for improvements in the presentation, and plausible extensions and refinements to the main arguments.

iii) Research proposal and presentation

A proposal for a project that would contribute to the environmental economics literature. The written proposal and literature review (less than 10 pages) will be accompanied by a presentation to the class during the last week of classes.

Grades will be based mainly on the items above. Participation in class discussion is also expected and can influence your grade.

Tentative Outline

1. Externalities
2. Overview and Pigouvian taxes
3. Tradable permits
4. Prices vs. quantities (uncertainty)
5. Second best optimal policies
6. (continued)
7. Climate change
8. (continued)
9. Induced technological change
10. Transportation
11. (continued)
12. Discuss mock-referee working papers
13. Non-market valuation
14. Ecosystem valuation/development and environment
15. Natural resources models
16. Fisheries
17. Sustainability
18. Final presentations
19. Final presentations