

Economics 266 - Economics of Natural Resources (Fall 2010)

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Office Hours: By appointment and after class on Monday. Also Tuesdays 5:00 – 6:00pm.

Class: Monday and Wednesday 9:30–10:50 am Econ 304

This course is an introduction to the principal topics and methods in natural resource and environmental economics. Within this broad outline we'll give particular attention to environmental regulation of industry and the economics of climate change. 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 happy to direct you to additional papers on particular topics that interest you – feel free to come by my office hours or send an email.

Assignments, Grades, Etc.

i) Numerical policy simulation (due beginning of class 10/27 – but you'll need to start early)

Develop a simulation of a simple environmental policy in a setting with pre-existing distortionary taxes. The first part of the assignment will be mainly on paper (working with a typical set of functions used to represent utility and production) and the second part using Matlab or similar.

ii) Mock referee report (due 11/12 by email)

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 (i.e. more than a page) 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 (presentations 12/1+; paper due 12/6)

A proposal for a project that would contribute to the environmental economics literature. The written proposal and literature review (5-8 pages of concise text, excluding references, tables, etc.) is accompanied by a presentation during the last week of classes.

Grades will be based mainly on the items above. Contribution to the class discussion is also expected and will influence your grade (by at most one step).

Outline

9/27	Introduction
9/29	Externalities and Pigouvian taxes
10/4	Tradable permits
10/6	Prices vs. quantities (uncertainty)
10/11	Second best optimal policies
10/13	Second best optimal policies
10/18	Numerical simulation, climate change
10/20	Climate change
10/25	<i>No class</i>
10/27	Climate change, induced technological change
11/1	Transportation
11/3	Transportation
11/8	Transportation, non-market valuation
11/10	<i>No class (rescheduled to last week of classes)</i>
11/15	Discuss papers from referee reports, ecosystem valuation
11/17	Development and environment
11/22	Resource models/fisheries
11/24	Fisheries
11/29	Sustainability
12/1	Presentations
12/?	Presentations (date to be determined)