Economics 266 - Economics of Natural Resources (Fall 2013)

Instructor: Mark Jacobsen *Email*: m3jacobsen@ucsd.edu *Office*: Economics 223 *Office Hours*: Tuesdays 1:30 - 2:30pm and by appointment

Class: Wednesday 9:30am - 12:20pm SH 231

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 I encourage you to talk with me outside class particularly if working on topics we cover only briefly.

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 and Grades

i) Numerical policy simulation (due 10/30 – 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 11/6)

A concise two page referee report of a new working paper or journal article (papers will be assigned in class). 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.

iii) Research proposal and mini-presentation (presentations 12/4; written version 12/9) A proposal for a project that would contribute to the environmental economics literature. The written version should be 5-7 pages, excluding references, tables, etc. and there will be a short presentation to gather comments from the class on 12/4.

iv) Class participation and reading report / presentation

Each week I'll assign one student a short reading-group style presentation to concisely summarize one of the required papers (see reading list) and discuss key assumptions and possible extensions. Together with your overall contribution to class each week this will factor in to your grade (though with relatively low weight).

Outline

10/2	Introduction, externalities and Pigouvian taxes, tradable permits
10/9	Leakage/incomplete regulation, prices vs. quantities (uncertainty), and policy
10/16	Optimal taxation and the second best (and detail on the simulation assignment)
10/23	Climate change, overlapping regulation
10/30	Technological change and the environment, begin transportation <i>(Simulation assignment due)</i>
11/6	Transportation, energy-efficiency gap, green preferences (Mock referee report due)
11/13	Non-market valuation, ecosystem valuation, resource models
11/20	Resource models (continued), fisheries
11/27	Development and environment, sustainability
12/4	Presentations
	Research proposal due 12/9