

Microeconomic Theory with Application to Natural Resources

We will cover the material in the following order. *Fair warning.* I may modify or add to this reading list during the term in response to political events.

The textbook is: Jeffrey M. Perloff, *Microeconomics, Theory and Applications with Calculus*, 5th edition, Pearson, 2020 (see Textbook21.pdf for details).

Note: Many of these readings express a definite point of view. You and I may disagree with some of them. Feel free to speak up in class about your disagreements. Most of the readings (besides the textbook and those related to Chapter 2) are optional.

Please read:

<http://www.nytimes.com/2016/08/21/opinion/sunday/conquering-the-freshman-fear-of-failure.html>.

Chapter

- A Review of Supply and Demand*
- 2 **Supply and Demand**
- Organ Market** Gary S. Becker and Julio J. Elias, "Cash for Kidneys: The Case for a Market for Organs," *Wall Street Journal*, January 18, 2014.
- Alex Tabarrok, "The Meat Market," *Wall Street Journal*, January 8, 2010.
- Megan McArdle, "What If We Paid People to Donate Their Kidneys to Strangers?" https://www.washingtonpost.com/opinions/what-if-we-paid-people-to-donate-their-kidneys-to-strangers/2019/01/08/6f397a0c-1391-11e9-b6ad-9cfd62dbb0a8_story.html
- Frank McCormick, et al., "The Terrible Toll of the Kidney Shortage," *Journal of the American Society of Nephrology*, 29, 2018:2775–2776.
- Zoe Greenberg, "What is the Blood of a Poor Person Worth?," *New York Times*, February 1, 2019, <https://www.nytimes.com/2019/02/01/sunday-review/blood-plasma-industry.html> (These articles are available under bCourses, Files/Readings "OrganMarket.pdf.")
- Immigration** Philip Martin, "Hired Farm Workers," *Choices*, 27(2) 2nd Quarter 2012.
- ANWR**
- Alaskan Governor Wants to **Drill**
- "U.S. Drilling Won't Lower Gas Prices, Study Shows," *San Francisco Chronicle*, March 22, 2012.
- Tegan Hanlon, "In Last-minute Move, Trump Administration Removes Nearly 475k Acres from ANWR Oil Lease Sale," <https://www.alaskapublic.org/2020/12/21/in-last-minute-move-trump-administration-removes-nearly-475k-acres-from-anwr-oil-lease-sale/>, December 21, 2020.
- Locovorism** Steven Sexton, "Does Local Production Improve Environmental and Health Outcomes?" *Giannini Foundation of Agricultural Economics*, December 2009.
- Minimum Wage** (see under Inequality, Income_and_Wealth/Minimum wage: many articles, e.g.) <http://news.berkeley.edu/2017/01/11/research-zeroing-in-on-fresno-shows-15-california-minimum-wage-has-big-impact-on-pay-none-on-jobs/>.
- Ekaterina Jardim, et al., "Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle," NBER Working Paper, 2018.
- Consumer Theory*
- 3–5 **A Consumer's Constrained Choice**
- Food Stamps (SNAP)** Parke Wilde, "The Nutrition Title's Long, Sometimes Strained, but Not Yet Broken, Marriage with the Farm Bill," *Choices*, 31(4), 4th Quarter 2016 (also under Files/Readings: SNAP16.pdf). <http://www.motherjones.com/environment/2017/01/food-stamps-snap-soda-nyt> (their diet)
- Avoiding Taxes** Joshua S. Gans, and Andrew Leigh, "Toying with Death and Taxes: Some Lessons from Down Under," *The Economists' Voice*, 3(6), June, 2006.

Income and Wealth Distribution How much [money](#) do you need to be in the top 1% in your [state](#)?
<http://www.epi.org/multimedia/unequal-states-of-america/>

California:

How much you need to earn to be in the top 1 percent: \$454,000

Average income of the top 1 percent: \$1.4 million

Average income of the bottom 99 percent: \$49,000

How much does the 1 percent make compared to the bottom 99 percent? 29 times

[AFL/CIO](#), How much CEOs earn relative to workers, 2015.

Clair Brown, "Buddhist Economics: An Enlightened Approach to the Dismal Science," [Challenge](#), 58(1), 2015.

<http://news.berkeley.edu/2017/01/18/berkeley-among-top-u-s-universities-for-upward-mobility/>

[Theory of the Firm](#)

6 [Firms and Production](#)

Productivity Growth Edward Glaeser, "Those Were the Days," [Wall Street Journal](#), January 15, 2016 (under Files/Readings: "Growth 16.pdf")

Files/Readings: "Growth Inequality 16.pdf".

7 [Costs](#)

Jobs Tax Credit Edlin, Aaron S., and Phelps, Edmund (2009) "Getting Serious about Job Creation: Part I," [The Economists' Voice](#), 6(5), [link](#).

Bartik, Timothy J., "Comment on Edlin and Phelps: A Better Employer Wage Subsidy," [The Economists' Voice](#), 6(9), September 2009, [link](#).

James Bushnell, "Breaking News! California Electricity Prices are High," [Energy Institute at Haas](#), February 21, 2017, <https://energyathaas.wordpress.com/2017/02/21/breaking-news-california-electricity-prices-are-high/>.

Tom Vilsack, "What the 2018 Farm Bill Means for Urban, Suburban and Rural America," [The Conversation](#), January 16, 2018, <http://theconversation.com/what-the-2018-farm-bill-means-for-urban-suburban-and-rural-america-89605> (or look under Files/Agriculture).

[Competitive Firms, Markets, Welfare, and Applications](#)

8 [Competitive Firms and Markets](#)

9, 10 [Properties and Applications of the Competitive Model](#)

(Read Ch 9 and Section 10.4 through Solved Problem 10.4)

[Agricultural Subsidies](#)

<https://www.youtube.com/watch?v=Dmh28Tylago> (see this movie)

Terry Townsend, "The 2014 U.S. Farm Bill and Cotton: Proof that the WTO Matters," [Choices](#), 30(2), 3rd Quarter 2015.

Beau Olen and JunJie Wu, "The 2014 Farm Bill: What Are the Major Reforms and How Do They Affect Western Agriculture?" [OreCal](#), No. 13, April 2014.

Trade James Melik, "The Dangers of Trade Protectionism," BBC News, February 4, 2009,

<http://news.bbc.co.uk/2/hi/business/7866930.stm>

http://www.fredericksburg.com/opinion/columns/column-farm-subsidies-do-little-to-promote-food-security/article_69856bac-3c15-50e2-a739-08505c0a4ac1.html

<https://www.washingtonpost.com/news/wonk/wp/2017/01/24/donald-trump-just-forfeited-in-his-first-fight-with-china/>

[General Equilibrium, Welfare, and Income Distribution](#)

10 [General Equilibrium and Welfare](#) (read only: Sections 10.1, 10.2, and 10.5)

Distributional Effects of Energy Tax Credits Severin Borenstein and Lucas W. Davis, "[The Distributional Effects of U.S. Clean Energy Tax Credits](#)," Jeffrey R. Brown, ed., [Tax Policy and the Economy](#), NBER, 2015.

[Monopoly, Pricing, and Advertising](#)

11 [Monopoly](#)

Two-Sided Markets [Wikipedia](#).

Net Neutrality Robert W. Hahn and Scott Wallsten, "The Economics of Net Neutrality," [The Economists' Voice](#), 3(6), 2006.

- Eric Kodjo Ralph, *The Economists' Voice*, 3(1), [Comment](#) on Hahn-Wallsten.
- 12 [Pricing and Advertising](#)
[Senior Discounts](#): Kathleen Pender, "If Seniors Wealthier than Ever, Why Discounts?" [San Francisco Chronicle](#), November 8, 2011.
- [Externalities, Open Access, Club Goods, & Public Goods](#)
- 17 [Externalities, Open Access, Public Goods](#)
[Fishing](#) see materials under Files/Readings: my notes; [crab season](#), Dec. 23, 2020.
[Spam](#) Marshall W. Van Alstyne, "Curing Spam: Rights, Signals & Screens," [The Economists' Voice](#), 4(2), April 2007.
 Jamus Jerome Lim, "Letter: Zombies May Mean Attention Bonds Will Not Cure Spam," [The Economists' Voice](#), 5(2), May 2008.
 Marshall Van Alstyne, and Sarah Zatzko, "Comment on Jamus Jerome Lim: Markets Can Cure Spam Zombies," [The Economists' Voice](#), 6(9), September 2009.
[Global Warming](#) Robert Stavín, "Paris Agreement—A Good Foundation for Meaningful Progress," [blog](#), December 12, 2105.
 Jean Tirole, "[Getting Climate Talks Back on Track](#)," Toulouse School of Economics Debate, December 15, 2015.
 Jean Chemnick, "Obama Team Held Its Ground, Shaped Deal Around Its Wishes," [Greenwire](#), December 14, 2015.
 Claude Crampes and Stefan Ambec, "[Without Carbon Pricing, Subsidies to Renewables Can be Counterproductive](#)," Toulouse School of Economics Debate, November 30, 2015.
 Joseph E. Stiglitz, GDP Fetishism, [The Economists' Voice](#), 6(8), September 2009.
 Christophe McGlade & Paul Ekins, "The Geographical Distribution of Fossil Fuels Unused When Limiting Global Warming to 2° C," [Nature](#), 2015.
[Online Music](#) (optional) Joel Waldfogel, "Copyright Research in the Digital Age: Moving from Piracy to the Supply of New Products," [American Economic Review](#), 102(3), May 2012:337–342.
[Coase Theorem](#) Ronald H. Coase, "The Problem of Social Cost," [Journal of Law and Economics](#), 3, October 1960: 1-44.
[Tobacco Tax](#) Michael Adams, "Preventing Children's Tobacco Consumption," [The Economists' Voice](#), 6(6), May 2009.
[Electric Cars](#) <https://energyathaas.wordpress.com/2017/01/03/does-anyone-really-know-how-much-electricity-goes-into-cars/> January 3, 2017.
[Fuel Efficiency Standards](#) Max Auffhammer, "A Tale of Two Standards," <https://energyathaas.wordpress.com/2017/03/20/a-tale-of-two-standards/>
[Cap and Trade](#) Severin Bornstein and James Busnell, "California's Carbon Cap is Not in Jeopardy, Because It's Not Really a Cap," <https://energyathaas.wordpress.com/2018/01/02/californias-carbon-cap-is-not-in-jeopardy-because-its-not-really-a-cap/> (also in Files).
- 15 [Interest Rates, Investments, and Capital Markets](#) (Sections 15.2 and 15.3).
- [Oligopoly and Game Theory](#)
- 13-14 [Oligopoly and Game Theory](#)
[Terror Game](#) Paul Campos, "Undressing the Terror Threat," [Wall Street Journal](#), January 9, 2010.
- 16 [Uncertainty](#)
[Nuclear Energy](#) Lucas W. Davis, "Prospects for Nuclear Power," [Journal of Economic Perspectives](#), 26(1), Winter 2012.
[California Wildfires](#) <https://www.marketplace.org/2018/01/02/business/increased-wildfires-utilities-california-are-trying-pass-costs-damages>.
[California Wildfires](#) <https://energyathaas.wordpress.com/2019/01/22/stabilizing-utilities-in-an-unstable-climate/>