CLIMATE CHANGE ECONOMICS
Paris School of Economics, Centre d'Economie de la Sorbonne
Instructor: Matti Liski, Aalto University

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This is an advanced mini-course in Resource and Environmental Economics with a special focus on the economics of climate change. It covers the static and dynamic public resource problems, and their implications, for example, technology choices in climate change. The course has also methodological objectives; it introduces the main principles of dynamic decision-making relevant for climate-economy modeling. Recent developments in climate-economy modeling will be covered. During the course, a detailed in climate-economy model is developed, and issues such as calibration, discounting, uncertainty, and climate-economy feedbacks will be analyzed. We progress using the chalk-and-talk method.

Classes

Tuesday 14h-17h room S/3
Wednesday 9h-12h room S/3
Wednesday 13h30-16h30 room115

Structure

The structure of the course is the following
* = main reading assignment

I. Public vs. Private Resources
A. Static and dynamic common pool problems
B. Private resources and distortions

II. Dynamic general-equilibrium externality pricing
A. General equilibrium Pigouvian tax
B. Discounting and uncertainty
C. Growth
Readings: Gerlagh et al. (2012, section 2)*, Weitzman (2007)*, Brock&Mirman (1972)

III. Integrated Assessment Models
A. Carbon cycle
B. Climate-economy interactions

Readings: advanced general texts

Texts on methods

Articles
12. Mikhail Golosov, John Hassler, Per Krusell, Aleh Tsyvinski, OPTIMAL TAXES ON FOSSIL FUEL IN GENERAL EQUILIBRIUM, Working Paper 17348