



Lectures' Outlines – Prof. Scott TAYLOR

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LECTURE 1: GLOBALIZATION, RESOURCES AND PROPERTY RIGHTS

This first lecture will develop a simple framework for thinking about the relationship between globalization and the use of renewable resources. The purpose is to examine how and when international trade can lead to excessive resource depletion from either a biological or welfare standpoint. To do so we must first develop a simple general equilibrium model of trade with a sector using renewable resources. I will then use this framework to examine how trade, technology transfer, and population growth all affect resource depletion. We will investigate the determinants of trade patterns and show that weak or absent property rights can be a source of comparative disadvantage in resource sectors rather than the reverse. An empirical example will then be discussed that highlights the negative effects of trade in a situation of open access. Background reading would be Brander and Taylor (1997, CJE) and Brander and Taylor (1998, Resource and Energy Economics), and Taylor (2006) "Buffalo Hunt: International Trade and the Virtual extinction of the North American Bison" available on my website at [works.bepress.com\taylor\](http://works.bepress.com/taylor/).

LECTURE 2: TRADE, TRAGEDY AND THE COMMONS: THEORY AND EMPIRICS

In this lecture I will demonstrate how allowing the property rights regime to change with the impacts of globalization can drastically affect the outcomes from trade or technology transfer. I do this by developing a simple model of endogenous property rights and demonstrate how open access, the first best level of protection, and an intermediate degree of protection arise as endogenous outcomes under some circumstances. Using this model, I then demonstrate how we may identify countries in the work at risk from globalization, and those for whom free trade may in fact be the optimal policy.