Reading 1:

Daly, H. (2013). A further critique of growth economics, *Ecological Economics*, 88, 22-24.

Answer the following questions based on your understanding of the above article and feel free to come up with your own examples:

1) Can growth be bad? Can aggregate growth make us poorer?
2) Is there any empirical evidence that the marginal cost of growth can become bigger than the marginal benefit?
3) Is GDP a trustworthy guide to economic growth?

Reading 2:

Ji K., Magnus J.R., and Wang W. (2014). Natural Resources, Institutional Quality, and Economic Growth in China, *Environmental and Resource Economics*, 57, 323-343.

Answer the following questions based on your understanding of the above article and feel free to come up with your own examples:

1) What does the "resource curse" refer to? And briefly discuss the possible reasons for it to happen (you might need to do a bit of your own research in order to address the question in full detail).
2) What are the 4 main contributions of this study?
3) What data (i.e. source, variables etc.) was employed? Describe the empirical model being estimated and the econometric approaches used.
4) What are the main findings and policy implications?

Reading 3:

Textbook Chapter 6 - Tietenberg, T. and Lewis, L., *Environmental and Natural Resource Economics*, 10th edition, 2015, Prentice Hall.

Recall the simple two-period model we covered during class: when the demand curve is stable over time and the marginal cost (of extraction) is assumed to be constant, the value of the marginal user cost was shown to rise over time at the rate in an efficient allocation.

With the aid of appropriate diagrams, one can generalize the results to loner time periods:

1) Discuss what happens to the efficient allocation path when we extend the time horizon from 2 periods to periods while retaining all the other assumptions?
2) Discuss what happens to the efficient allocation when we further assume a substitute renewable resource is available at constant marginal cost? (This case, for example, could describe the efficient allocation of oil or natural gas with a solar or wind substitute).
3) Discuss what happens to the efficient allocation path when we further assume the marginal cost of extraction rises with the cumulative amount extracted? (This is commonly the case, for example, with minerals, where the higher-grade ores are extracted first, followed by an increasing reliance on lower-grade ones).