

MARGINAL MEMOS

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Editor: Sadie Brendalen

Environmental and Natural Resource Candidate Seminars

Justin Johnson, University of Minnesota

"Global and local analysis of economics and the environment: linking computable general equilibrium to ecosystem service models"

Date: Wednesday, January 22nd

Time: 9:00-10:30 a.m.

Location: 119 Ruttan Hall

Abstract: Environmental sciences have documented large changes in earth systems with potential for very negative consequences on future human wellbeing. Securing equitable economic growth and reducing poverty while avoiding the loss of the natural capital on which humans rely is one of the central challenges facing global society in the 21st century. We have developed a new model, GTAP-InVEST, that integrates general equilibrium economic models with spatially-explicit environmental models in order to provide guidance on achieving sustainable development. We have applied this model to future trajectories of economic growth to estimate the impact on ecosystems and changes in six important ecosystem services (pollination, water yield, coastal protection, timber provision, marine fisheries and carbon sequestration), along with the consequent effect this has on the economy through general equilibrium effects. We find that the impact is large: the present value of cumulative impacts from 2011 to 2050 is over 10 trillion \$US, measured as the difference between business-as-usual and a global conservation scenario. We also find that investing in global ecosystem services is a pro-poor strategy, evidenced by achieving greater percent increase in income for low-income countries under the global conservation strategy.

Laura Bakkensen, University of Arizona

"Sorting Over Flood Risk and Implication for Policy Reform"

Date: Friday, January 24th

Time: 9:00-10:30 a.m.

Location: 119 Ruttan Hall

Abstract: Do individuals sort across flood risk? This paper applies a boundary discontinuity design to a residential sorting model to provide novel estimates of heterogeneous sorting across flood risk by race, ethnicity, and income. We find clear evidence that low income and minority residents are more likely to move into high risk flood zones. We then highlight the overall and distributional implications of proposed price and information reforms to the U.S. National Flood Insurance Program. While such reforms are likely welfare increasing overall,

heterogeneous behavioral responses yield significant distributive effects that also alter the composition of residents in harm's way.

Casey Wichman, University of Chicago

"Do behavioral nudges interact with prevailing economic incentives? Pairing experimental and quasi-experimental evidence from water consumption."

Date: Monday, January 27

Time: 9:00-10:30 a.m.

Location: 119 Ruttan Hall

Abstract: Social comparisons are a popular behavioral nudge to change behavior, partially because raising prices can be politically difficult. In many settings, nudges may interact with prevailing prices, potentially crowding out intrinsic motivation to conserve or by increasing the salience of prices. We investigate the interaction of prices and nudges for water conservation in two experiments in neighboring utilities. First, we layer randomized behavioral treatments on top of variation in price driven by arbitrary lot-size thresholds that assign marginal prices to customers exogenously. Second, we explore whether behavioral treatments affect consumers' price sensitivity. We find no consistent evidence that social comparisons are more effective at inducing conservation at higher prices or that they increase consumers' price sensitivity. Ultimately, we find little empirical support that consumers respond to behavioral treatments due to private economic benefits.

Anouch Missirian, Columbia University

"Yes, in your backyard: Forced technological adoption and spatial externalities."

Date: Wednesday, January 29

Time: 10:30 a.m.-12:00 p.m.

Location: 119 Ruttan Hall

Abstract: Diffusion of new technologies in competitive markets is often thought to be too slow relative to an optimal adoption trajectory due to learning-by-doing, learning-by-using, or network externalities. In this paper, in contrast, I study a phenomenon of hastened technology adoption facilitated by a negative spatial externality imposed by adopters on non-adopters. Focusing on new herbicide-tolerant seeds for soybean and cotton, I show that adoption by U.S. farmers was partly caused by wind carrying the drift-susceptible herbicide across plots. I estimate that being in the same wind corridor as an adopter increased the probability of adopting by about 29%. The externality also led to defensive adaptation: cropland was converted to crops able to withstand the herbicide, suggesting a form of protective land-use change to prevent damage. I then turn to broader consequences of the widespread adoption of the technology, including its overall effect on yields. *A priori*, the effect on yields is ambiguous. I find that overall, yields remained practically unchanged, despite increased crop failure. The rapid diffusion of this new technology and the consequences highlighted here call for the careful consideration of policies to address such inventions and of their accompanying side-effects.

Announcements

Congratulations, Katie!

ApEc grad student Katie Wilts received the noteworthy Anthony Grano Scholarship award, given to students who

TFIC luncheon January 27

The next TFIC luncheon will be hosted on Monday, January 27 at 11:30 in room 202 of the St. Paul Student center. The

New CFFM Director

We're excited to welcome Kevin Klair as the new director of the Center for Farm Financial Management. Kevin has worked at the University

are highly motivated in agricultural economics. This scholarship supports the recipients travel to Washington, DC to meet with senior staff from the USDA, Congressional offices, and agricultural trade associations and commodity organizations. Great job, Katie!

speaker, Kylla Hummel, an account manager at WinField United, a Land O' Lakes Company, will be talking about her job and what she did as a student that helped her secure her position.

[RSVP online](#)

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since 1987, most recently serving as CFFM's associate director. He has more than 30 years of experience teaching farm management workshops and developing farm management software tools. Kevin and former director Bob Craven worked closely together for over 30 years and we know this transition will go smoothly and be a great step forward for everyone involved. Bob will be transitioning to a role as CFFM's associate director and hopes to take a short study leave in the near future.

Jobs

Economist/Data Scientist: Farm Credit Administration

The Economist/Data Scientist will be responsible for conducting or directing research on developments in the agricultural sector, rural economy, and industries served by the Farm Credit System (FCS). This position is in the Office of Data Analytics and Economics (ODAE), which evaluates strategic risks to the System and agency using data, analytics, economic trends, and other risk factors. The Economist/Data Scientist will develop and maintain tools and models for evaluating market conditions and their impact on the performance of the FCS institutions. They will serve as the technical and analytical expert responsible for the development of complex queries for interacting with disparate databases to extract, manipulate, transform, and analyze data for use.

[Apply online](#)

Fisheries Economic Project Manager: JIMAR; University of Hawaii

The Joint Institute for Marine and Atmospheric Research (JIMAR) is seeking a Fisheries Economic Project Manager to serve as manager for economic research projects in support of fisheries management in the Pacific Islands, conduct fisheries economics analyses and modeling for fisheries and seafood markets, and to develop research designs, collect data and communicate their findings. Much have a master's in economics or relevant areas, 3-5 years of relevant experiences and knowledge of fisheries is preferred.

[Apply online](#)

Several postdoc positions: University of Chicago

The Harris School of Public Policy at the University of Chicago just opened several postdoc positions. The links to apply are below:

- [Development](#)
- [Political Economy](#)
- [Data Analytics](#)
- [Econ](#)
- [Energy](#)



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