

CONTENTS

1. Introduction
 2. Natural resources, employment and capital in a small open economy
 - 2.1. *National accounts*
 - 2.2. *Factor demand by firms*
 - 2.3. *The representative consumer*
 - 2.4. *Labour market equilibrium*
 3. Environmental quality and optimal government policy
 - 3.1. *Public consumption and abatement*
 - 3.2. *The marginal cost of public funds and the tax on the use of natural resources*
 4. Comparative statics
 - 4.1. *Household behaviour*
 - 4.2. *Factor demand and the factor price frontier*
 - 4.3. *Market equilibrium and the government budget*
 - 4.4. *Tax on natural resources and public abatement*
 - 4.5. *Public consumption, environmental quality and private utility*
 - 4.6. *The demand for private utility (modified Samuelson rule)*
 - 4.7. *The marginal cost of public funds*
 - 4.8. *Solution*
 5. Increased concern for environmental quality
 - 5.1. *Environmental policy: Higher tax on resources and more abatement*
 - 5.2. *Lower labour tax rate*
 - 5.3. *Employment: Failure of the double dividend hypothesis*
 - 5.4. *Do green policies cause capital flight?*
 - 5.5. *Do green policies hurt private utility?*
 - 5.6. *Public consumption: Are red and green preferences compatible?*
 6. Other shocks
 - 6.1. *Increased concern for public consumption*
 - 6.2. *Discovery of new natural resources*
 - 6.3. *Higher world price for natural resources*
 7. Extensions: Environmental quality and production
 - 7.1. *Pollution as a joint output*
 - 7.2. *Beneficial effect of environmental quality on production*
 8. Conclusions
- References

KNIHOVNA AV ČR
D 32217



04170/93

04170/93