

Faculty Profile

Anthony Fisher is Professor and Chair of Agricultural and Resource Economics at UC Berkeley. Tony received his Ph.D. in Economics at Columbia University, under the supervision of Nobel Laureate Gary Becker.

After graduation, he joined Resources for the Future and was part of a core group of economists who laid the foundations for broadening economic analysis of resource development projects such as large dams or oil pipelines to include the value of environmental amenities threatened by the projects. This work led to a more general consideration of project evaluation under uncertainty. Traditionally, economists recommend that a project should be carried out when its benefits outweigh the costs, but in “*Environmental Preservation, Uncertainty, and Irreversibility*”, with Nobelist Kenneth Arrow, in the *Quarterly Journal of Economics*, Tony recognized that projects are subject to much uncertainty, and further that investments in resource development are sometimes irreversible. Therefore, he suggested that decision-makers should consider a third option -- to defer the decision to execute the project and, in the meantime, obtain added information to reduce uncertainty and make possible a better decision. This led to the introduction of the notion of option value. The paper received the award for Publication of Enduring Quality from the Association of Environmental and Resource Economists in 1995.

Tony arrived in Berkeley in 1977, and has since engaged in research on incorporating environmental considerations in managing California resources, including the impact of withdrawal of water from the San Francisco Bay/Delta on the California salmon fishery, and the response to drought of urban water users. The latter showed that instead of investing in extra storage, the best strategy to manage drought is to combine water marketing and conjunctive use of ground and surface water.

Tony continues to work on some of the major environmental and resource issues of our time. Much of his current research focuses on the economics of climate change. Some of this work is theoretical, extending and applying his earlier models



Anthony Fisher È
Professor and Chair È
Department of Agricultural and Resource Economics È
UC Berkeley È

of decisions under uncertainty to the problem of how soon, and how stringently, to control emissions of greenhouse gases. Some of the work is empirical, such as the study reported on page 7 in this issue, estimating the potential impact of climate change on U.S. agriculture.

Tony’s main professional activity has been directed toward the Association of Environmental and Resource Economists. He has served on the Board of Directors, as Vice President, and has just been elected President.

Tony and his wife, Margaret Bentson, live in Orinda and enjoy hiking, music, good food and good wine. His son, John, is an undergraduate majoring in mathematics at UC Berkeley and, also a computer whiz, he has assisted faculty in agricultural and resource economics.

Tony Fisher can be reached at UC Berkeley by telephone at (510)642-7555 or by e-mail at fisher@are.berkeley.edu.