



Energy: A Giannini Jingle

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The Past

Lin & Wagner (forthcoming, JEEM): “Steady-state growth in a Hotelling model of resource extraction”

- reconciles trendless nature of historical minerals prices with Hotelling model
 - Technological progress
 - Stock effects
- But: yields steady-state growth in extraction
 - In reality, resource stocks are finite

The Present

- Structural break (a là Lee, List & Strazicich, 2006)
 - Impending scarcity of resource
 - High oil prices

The Future

- Investment in:
 - unconventional fossil fuels
 - alternative energy
- R&D investment decisions
 - following Lin (2007): “Do firms interact strategically?: A structural model of the multi-stage investment timing game in offshore petroleum production”
- Growth and natural resources