

Valuing impacts in secondary markets

Primary markets: directly affected by policy
 Secondary markets: indirectly affected by policy

7.1 Valuing benefits and costs in efficient secondary markets

7.1.1 Complements and Substitutes

7.1.2 Efficient secondary market effects without price changes

We should ignore impacts in secondary markets as long as DS in the primary market is measured and prices in the secondary market don't change

7.1.3 Efficient secondary markets w/ price changes

demand schedule = equilibrium/observed demand schedule

7.2 Valuing benefits and costs in distorted secondary markets

all DS is in primary market but increase in tax revenue happens in both

7.3 Indirect effects of infrastructure projects

7.4 Secondary market effects from the perspective of local communities

Multiplier effects = money recirculated into the economy

only relevant to specific communities