

University of Colorado Boulder

Econ 3535 Natural Resource Economics  
Fall 2014

Professor: Daniel Kaffine  
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Lectures: Monday, Wednesday, Friday 100-150 HSM 19

Office hours: Monday and Wednesday 2:00-3:30

**Course Description:** This course in natural resource economics will introduce students to the interlinkages between natural resources and the economic system. Classic allocation problems for renewable and nonrenewable resources will be examined. This course will also consider the fundamental role of institutions in shaping natural resource use. Understanding the incentives faced by users of natural resources will allow us to consider market failures and the important question of whether or not market interventions are justified on economic grounds. Because natural resources play a central role in many current energy and environmental policy debates, this course will also address policy issues related to climate change, renewable energy, transportation, and sustainability.

**Course Organization:** This course will be a mix of lecture and discussion. The first half of the class will focus on the theory of natural resource economics, with the Midterm covering this material midway through the course. The second half of the class will focus on application to natural resource, energy and environmental policy, with the Final covering the material for the last half of the semester.

**Textbooks:** The required textbook is

Tom Tietenberg and Lynne Lais, Environmental and Natural Resource Economics, 9th ed, Prentice Hall, 2011.

**Grading:**

Class Participation	10%
Unit summaries	30%
Midterm Exam	30%
Final Exam	30%

**Unit Summaries:** At the end of each of the six units, a 2-3 page review of the material covered will be required. This summary can be worked on in a group of up to 3 students with a single submission from the group. The document is expected to summarize the unit material covered and discuss open and unresolved questions or debates related to the unit. I will provide more details when the first summary is assigned.

**Exams:** The exams will be short answer essay plus one numerical problem. I will provide example questions from past exams as study aids prior to the test date. The Midterm Exam will be in class (roughly mid-October) and cover material from Units I-III. The Final Exam is scheduled for Wednesday December 17<sup>th</sup> 1030-1100.

### **Tentative Schedule**

The six units for the class are listed below. I expect to spend approximately 2-3 weeks on each unit, depending on the volume of the material and general class interest in the unit. For each unit, tentative topics are also listed.

#### **I. Extraction of nonrenewable resources**

- Metal products**
- Oil and gas**
- Groundwater**

#### **II. Extraction of renewable resources**

- Fisheries**
- Forestry**
- Agriculture**

#### **III. Property rights and institutions**

- Open access**
- Common property**
- The Resource Curse**

**Midterm Exam (mid-October) and Final Exam (Wednesday December 17<sup>th</sup> 1030-1100)**

**Final Exam December 17<sup>th</sup> 1030 -**

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5) All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of t