Natural Resource Economics

2020-21

Gerhard Toews
New Economic School
gtoews@nes.ru

Course information

Course Website: https://my.nes.ru
Instructor’s Office Hours: By appointment.
Room Number:
TAs:

Course description

It is hard to imagine how the global economy would have developed if mankind would not have access to natural resources. Non-renewable resources have been used as tools, weapons, jewelry and money for thousand of years. This course is designed to familiarize students with the role of natural resources in the global economy. To do that, students will first be exposed to a historical overview of the critical role exhaustible resources played in economic development over the last centuries. In the second part of the course students will be familiarized with the main determinants of demand and supply of exhaustible resources and, thus, commodity price fluctuations. In the third part of the course we will explore the interaction between natural resource wealth and economic development by focusing on the main issues facing resource rich economics. This will allow students to understand why some countries succeed while other countries fail to benefit from their resource wealth. Throughout the course we will use theoretical and empirical tools from a variety of subfields in economics such as international economics, development economics, labor economics, economic history and political economy. Due to Russia’s role as an important player in global commodity markets and the importance of natural resources for Russia’s economy, Russia will be employed as a case study whenever possible. Throughout the course, the main goal will be that after successfully completing the course students will be able to make informed decisions on economic issues related to natural resources. This will prepare students for advising firms in the private sector, international organizations and policy makers on issues such as the optimal timing of resource extraction, the local impacts of industrial and artisanal resource extraction, on the macro-management of resource wealth as well many others.
NEW ECONOMIC SCHOOL
Master of Arts in Economics

Course requirements, grading, and attendance policies

A successful completion of Microeconomics, Macroeconomics as well as Econometrics is necessary. The grade will be a combination of the final multiple choice exam (40%), an essay on self-selected topic related to natural resources using data which I may help to get (40%) and a short presentation (executive summary with discussion) of an academic paper (20%). Attendance is compulsory during the presentation, but voluntary otherwise.

Course outline

Historical Overview (Lecture 1 - 2)

Main reference:

Classical Economics of Natural Resources (Lecture 3 - 5)

Main reference:

Natural Resources and Economic Growth (Lecture 6)

Main reference:

Micro and Macro Issues of Resource Booms and Busts (Lectures 7 - 9)

Main reference:
NEW ECONOMIC SCHOOL
Master of Arts in Economics


Rent Management (Lectures 10 - 11)

Main reference:

Political Economy Issues (Lectures 12- 13)

Main reference:

Long-Run Consequences (Lectures 14)

Main reference:

Course materials

Required textbooks and materials

Neither of the books is compulsory, but if you do not like these books, well, maybe you are picking the wrong option.


Renewable natural resource: A resource from nature useful to human economies that exhibit growth, maintenance, and recovery from exploitation over an economic planning horizon.

Resilience: The ability to maintain a given state when subject to disturbance.

Summary: The economics of such resources has traditionally considered stocks of fish, forests, or freshwater, much like a banker would tally interest on cash deposits. Natural Resource Economics. The long-term viability of the food supply depends upon the sustainable use of natural resources. Unlike most agricultural inputs, such as fertilizer or animal feed, most natural resources do not have prices determined in the market. The field of Natural Resource Economics seeks to value natural resources to aid in the optimization of the production of goods and services from agricultural lands while protecting the environment.

Importance of Natural Resource Economics: 'Natural Resource Economics presents the theory behind resource economics with an elegant mathematical presentation that should be very appealing to advanced students. Their handling of dynamic modeling and application of that theory to several different resource topics is particularly impressive.' Robert Mendelsohn - Yale University. Natural resource economics focuses on the supply, demand, and allocation of the Earth's natural resources. It's goal is to gain a better understanding of the role of natural resources in the economy. Learning about the role of natural resources allows for the development of more sustainable methods to manage resources and make sure that they are maintained for future generations. The goal of natural resource economics is to develop an efficient economy that is sustainable in the long-run.