Natural Resource Economics

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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:

**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.*


I think that you have written the perfect introductory text covering environmental and natural resource economics. The production is first-rate very clear and uncluttered, excellent diagrams and examples, well thought out discussion questions and problems. A new chapter on water economics including analysis of water demand management, water pricing, and water privatization. Natural Resource economics is primarily about the monetization of nature’s resources putting an economic value on those things of nature that have utility for humans. This is often difficult because we each live in our own environment and the things that are useful or desired by one person may be different from those of another. Natural resource economics deals with the supply, demand, and allocation of the Earth’s natural resources. One main objective of natural resource economics is to better understand the role of natural resources in the economy in order to develop more sustainable methods of managing those resources to ensure their availability for future generations. Resource economists study interactions between economic and natural systems, with the goal of developing a sustainable and efficient economy. In: Natural Resource and Environmental Economics. 4th edition. Pearson Education. pp. 1–15. This reading is the introductory chapter to the textbook by Perman et al. It looks at the origins of natural resource economics and introduces some key concepts. You might want to revisit the discussion of efficiency and optimality after reading both Units 1 and 2 as you will find further clarification there. Section 2. v Perman, R., Ma, Y., Common, M., Maddison, D. & McGilvray, J. (2011) Natural Resource and Environmental Economics.