



COLORADO SCHOOL OF MINES

## Property Rights and Natural Resources-EBGN 434

Division of Economics and Business

Fall 2018

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Lecture: MWF: 9:00-9:50, Marv Kay Stadium 250  
Office Hours: MW: 1:30-3:00 and by appointment  
Website: [Canvas](#)

### Course Description

When choosing how to allocate our scarce resources, institutions serve as constraints at any given time. Over time, these institutions form and evolve when it appears profitable to do so. This course focuses on the North American story of resource use and draws on economics, law, and history to understand those processes and their implications. We will seek to understand property rights from a philosophical, legal, and economic perspective, fitting property rights into the more general institutional framework. The course will provide a framework to understand why certain institutions were adopted and how they now shape our economic decisions today.

### Prerequisites

ECON 201

### Readings

Five books are required for the course. Additional readings will be provided on the course website.

### Books:

Yoram Barzel (1997). *Economic Analysis of Property Rights*. Cambridge University Press

Gary D. Libecap (1994). *Contracting for Property Rights*. Cambridge University Press.

Patricia N. Limerick (1987). *The Legacy of Conquest: The Unbroken Past of the American West*. W.W. Norton & Company.

Douglass C. North (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge University Press.

Charles F. Wilkinson (1993). *Crossing the Next Meridian: Land, Water, and the Future of the West*. Island Press.

\*\*Other required short readings and videos will be provided on the course website.

## Grading

There will be 5 components of your final grade.

|               |     |  |
|---------------|-----|--|
| Midterm       | 25% | September 26 (in-class) and September 28 (take-home)       |
| Final Quiz    | 10% | Finals Week (Dec. 8-13)                                    |
| Project       | 30% | Nov. 5—Topic Due, Nov. 26—First Draft, Dec. 13—Final Draft |
| Participation | 10% | Daily (five emphasized days indicated below)               |
| Assignments   | 25% | Frequent (on Canvas by 8:00 a.m.)                          |

## Grading Scale

|    |              |    |             |
|----|--------------|----|-------------|
| A  | 92.00-100.00 | C  | 72.00-77.99 |
| A- | 90.00-91.99  | C- | 70.00-71.99 |
| B+ | 88.00-89.99  | D+ | 68.00-69.99 |
| B  | 82.00-87.99  | D  | 62.00-67.99 |
| B- | 80.00-81.99  | D- | 60.00-61.99 |
| C+ | 78.00-79.99  | F  | <59.99      |

### **Midterm:**

There will be an in-class and take-home exam, both open notes, to assess your understanding of the property right theories presented in the first portion of the class. You can take up to two hours for the take home portion.

### **Final Quiz:**

For finals a short “quiz” will be given to assess your overall absorption of the resource case studies in the American West.

### **Project:**

You will be tasked to research the property right structure of a resource in another country (both of your choosing) and analyze the source and/or implications of that property right structure.

### **Participation:**

Participation in class discussions is also required. At a basic level, this requires attending. In addition, there are five specific dates noted below for which attendance will be particularly important. Last, 2 points of your participation grades will be awarded for coming to office hours prior to February 16<sup>th</sup>.

### **Assignments:**

Broadly there are three type of write up assignments for many of the class days to be submitted on canvas: (1) summary will typically require a summary and comment on the reading; (2) application will require applying a concept to another example; and (3) opinion will require some fact-finding and stating your view of the problem. The assignments application and opinion assignments will each have a specific prompt to follow and all require around a one page write up.

## Course Schedule

| Week     | Topic   | Book Chapters                           | Articles   | Due/Activity                 |
|----------|---|---|--|------------------------------|
| Aug. 20  | Do I want to take this?                       |   |  |                              |
| Aug. 22  | History, Law, and Economics                   | Limerick Introduction, Wilkinson Ch. 1, | Atack & Passel Ch. 1                             | <b>Write up: summary</b>     |
| Aug. 24  | Institutions                                  | North Ch. 1, 5, & 6                     |  |                              |
| Aug. 27  | Institutional Change and Economic Performance | North Ch. 12 & 13                       |  | <b>Write up: application</b> |
| Aug. 29  | Property Rights                               | Barzel Ch. 1 & 2                        |  |                              |
| Aug. 31  | Property Rights                               | Barzel Ch. 6                            | Demsetz (1967), Locke (1690)                     |                              |
| Sept. 3  | <b>LABOR DAY</b>                              |   |  |                              |
| Sept. 5  | Property Rights                               |   |  | <i>CPR puzzle</i>            |
| Sept. 7  | Property Rights                               | Libecap Ch. 1 & 2                       |  | <b>Write up: application</b> |
| Sept. 10 | Property Rights                               |   | Ostrom & Schlager (1992), Cole & Grossman (2002) |                              |
| Sept. 12 | Property Rights                               | North Ch. 4                             | -Coase (1960)                                    |                              |
| Sept. 14 |   |   |  | <i>Commons Game</i>          |
| Sept. 17 | Property Rights                               | North Ch. 2                             | Hardin (1968), Ostrom (2009)                     | <b>Write up: application</b> |
| Sept. 19 | Divided Ownership                             |   | -Williamson (1979)                               | <b>Write up: summary</b>     |
| Sept. 21 | Non-market allocation                         |   | Roth (2007), Sandel (1997)                       | <i>Repugnance Discussion</i> |
| Sept. 24 | Institutional Change/Performance              | North Ch. 9-11                          |  | <b>Write up: summary</b>     |
| Sept. 26 | <b>Exam (in class)</b>                        |   |  |                              |
| Sept. 28 | <b>No Class</b>                               |   |  | <b>*Exam (take-home)*</b>    |
| Oct. 1   | Property Rights on the Frontier               | Limerick Ch. 2, A&P Ch. 9               |  | <b>Write up: summary</b>     |
| Oct. 3   | Demarcation                                   |   | Demarcation Handout                              | <b>Write up: opinion</b>     |
| Oct. 5   | Mineral Rights                                | Wilkinson Ch. 2, Limerick Ch. 4         |  | <b>Write up: summary</b>     |
| Oct. 8   | Mineral Rights                                | Libecap Ch. 3                           |  |                              |
| Oct. 10  | Land Rights (Agriculture)                     | Wilkinson Ch. 3, Libecap Ch. 4          | -Daily Show Video                                | <b>Write up: opinion</b>     |
| Oct. 12  | Land Rights (Agriculture)                     |   | Hornbeck (2010) or Hansen & Libecap (2004)       | <b>Write up: summary</b>     |
| Oct. 15  | <b>Fall break</b>                             |   |  |                              |
| Oct. 17  | Land Rights (Rail Road)                       |   | -Cronon (1992)<br>- A&P Ch. 16                   | <b>Write up: summary</b>     |
| Oct. 19  | <b>No Class</b>                               |   |  | <b>Write up: application</b> |

|                 |                            |                             |   |                                       |
|-----------------|----------------------------|-----------------------------|---|---------------------------------------|
| Oct. 22         | Timber Rights              | Wilkinson Ch. 4             |   | <b>Write up: summary</b>              |
| Oct. 24         | Conservation               | Limerick Ch. 9              | -Krutilla (1967)                                |                                       |
| Oct. 26         | Market Conservation        |                             | Leonard & Regan (2018), Lyme Timber             | <b>Write up: summary</b>              |
| Oct. 29         | Conservation               |                             | Abbey (1971), Babbit OP ED, NP Video            | <i>Public Lands Debate, NP report</i> |
| Oct. 31         | Right to Roam              |                             | Patagonia Video, NYT Readings, Lester (1998)    | <i>Right to Roam</i>                  |
| Nov. 2          | <b>No Class</b>            |                             |   | <b>Write up: application</b>          |
| Nov. 5          | Oil Resources              | Libecap Ch. 6               |   | <b>***Topics Due***</b>               |
| Nov. 7          | Natural Gas Rights         |                             |   | <b>Write up: opinion</b>              |
| Nov. 9          | Water Rights               | Wilkinson Ch. 6 (to pg 259) | Getches (2009), Harris v. Brooks                | <b>Write up: opinion</b>              |
| Nov. 12         | Water Rights               |                             | Bretsen & Hill (2006) or Carey & Sunding (2001) | <b>Write up: summary</b>              |
| Nov. 14         | Water Rights               | Wilkinson Ch. 6 (the rest)  | -Edwards, Ayers, Libecap (2018)                 | <b>Write up: summary</b>              |
| Nov. 16         | Water Rights               |                             | -Smith (2018)                                   | <b>Write up: opinion</b>              |
| Nov. 19         | Water Rights               |                             | Ferraro et al. (2011), NT Times Articles        | <b>Write up: opinion</b>              |
| Nov. 21         | <b>No Class</b>            |                             |   |                                       |
| Nov. 23         | <b>No Class</b>            |                             |   |                                       |
| Nov. 26         | Fishery Rights             | Wilkinson Ch. 5             |   | <b>***First Draft Due***</b>          |
| Nov. 28         | Fishery Rights             | Libecap Ch. 5               | -Gordon (1954)                                  |                                       |
| Nov. 30         | Wind Rights                |                             | Kaffine & Worley (2010)                         | <b>Write up: opinion</b>              |
| <b>Dec 1/2</b>  |                            |                             |   | <b>***Conference***</b>               |
| Dec. 3          | Space Rights/Presentations |                             | Coffey (2009)                                   | <b>Write up: opinion</b>              |
| Dec. 5          | Wrap up/Presentations      |                             |   | <b>Write up: summary</b>              |
| <b>Dec 8-13</b> | <b>Final Quiz</b>          |                             |   |                                       |
| <b>Dec. 13</b>  |                            |                             |   | <b>***Final Draft Due***</b>          |

**Policy on academic integrity/misconduct:** The Colorado School of Mines affirms the principle that all individuals associated with the Mines academic community have a responsibility for establishing, maintaining and fostering an understanding and appreciation for academic integrity. In broad terms, this implies protecting the environment of mutual trust within which scholarly exchange occurs, supporting the ability of the faculty to fairly and effectively evaluate every student's academic achievements, and giving credence to the university's educational mission, its scholarly objectives and the substance of the degrees it awards. The protection of academic integrity requires there to be clear and consistent standards, as well as confrontation and sanctions when individuals violate those standards. The Colorado School of Mines desires an environment free of any and all forms of academic misconduct and expects students to act with integrity at all times.

Academic misconduct is the intentional act of fraud, in which an individual seeks to claim credit for the work and efforts of another without authorization, or uses unauthorized materials or fabricated information in any academic

exercise. Student Academic Misconduct arises when a student violates the principle of academic integrity. Such behavior erodes mutual trust, distorts the fair evaluation of academic achievements, violates the ethical code of behavior upon which education and scholarship rest, and undermines the credibility of the university. Because of the serious institutional and individual ramifications, student misconduct arising from violations of academic integrity is not tolerated at Mines. If a student is found to have engaged in such misconduct sanctions such as change of a grade, loss of institutional privileges, or academic suspension or dismissal may be imposed.

The complete policy is [online](#).

**Students with Disabilities:** In guidance put forth by the Department of Justice and the Office for Civil Rights, it is incumbent upon us as an institution to ensure that students know where to seek assistance for disability-related accommodations or information. Inclusion of a disability support statement in syllabi is a national best practice and standard supported by ADA enforcement agencies and AHEAD (Association on Higher Education and Disability), as part of a multi-pronged approach to supporting an inclusive culture on campus.

As such, please include the following statement (*italicized*) in your course syllabi at Mines. Additionally, please make sure to underscore the statement pertinence and directive as part of your course welcome.

***Disability Support Services** - The Colorado School of Mines is committed to ensuring the full participation of all students in its programs, including students with disabilities. If you are registered with Disability Support Services (DSS) and I have received your letter of accommodations, please contact me at your earliest convenience so we can discuss your needs in this course. For questions or other inquiries regarding disabilities or academic accommodations, I encourage you to visit [disabilities.mines.edu](https://disabilities.mines.edu) for more information.*

**Discrimination, Harassment and Title IX** - All learning opportunities at Mines, including this course, require a safe environment for everyone to be productive and able to share and learn without fear of discrimination or harassment. Mines' core values of respect, diversity, compassion, and collaboration will be honored in this course (More information can be [found here](#)) and the standards in this class are the same as those expected in any professional work environment. **Discrimination or harassment of any type will not be tolerated.** As a participant in this course, we expect you to respect your instructor and your classmates. As your instructor, it is my responsibility to foster a learning environment that supports diversity of thoughts, perspectives and experiences, and honors your identities. To help accomplish this:

- Course rosters are provided to the instructor with the student's legal name. I will honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records.
- If something is said or done in this course (by anyone, including myself) that made you or others feel uncomfortable, or if your performance in the course is being impacted by your experiences outside of the course, please report it to:
  - Me (if you are comfortable doing so)
  - Wellness Center- Counseling (<https://www.mines.edu/counseling-center/>)
  - Speak Up (<https://www.mines.edu/speak-up/>)- Anonymous Option

In this course, we will cultivate a community that supports survivors, prevents interpersonal violence, and promotes a harassment free environment. Title IX and Colorado State law protects individuals from discrimination based on sex and gender in educational programs or activities. Mines takes this obligation seriously and is committed to providing a campus community free from gender and sex-based discrimination. Discrimination, including sexual harassment, sexual violence, stalking, and domestic violence, is prohibited and will not be tolerated within the Mines campus community. If these issues have affected you or someone you know, you can access the appropriate resources here: <http://www.mines.edu/title-ix/>. You can also contact the Mines Title IX Coordinator, Karin Ranta-Curran, at 303-384-2558 or [krcurran@mines.edu](mailto:krcurran@mines.edu) for more information.

It's on us, all of the Mines community, to engineer a culture of respect.