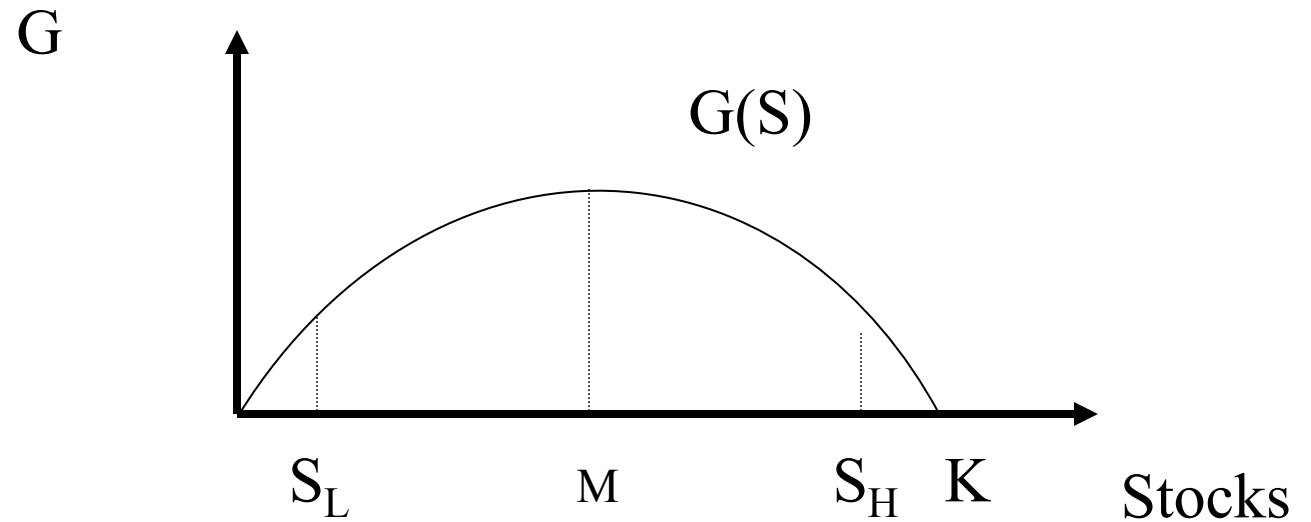


Natural Resource Policy

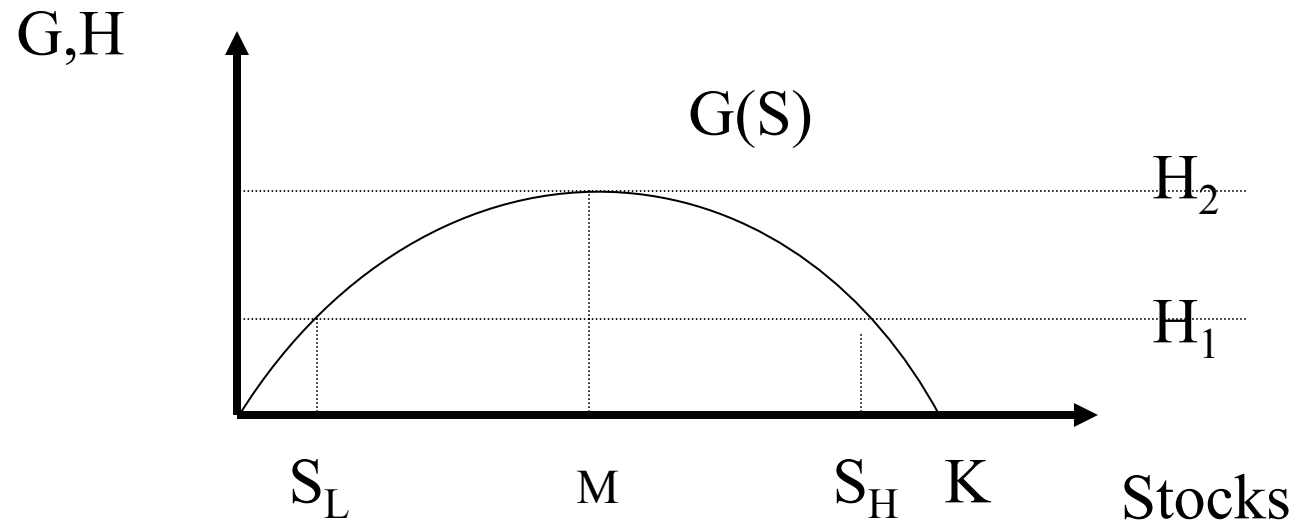
Renewable resource Management

- Fish stocks, forests, animal species, soil
- Resources renew themselves through natural process
- Harvest affect the process
- Desirable harvest level?
 - Slightly below maximum harvest level?
 - It may be better to leave the stock alone!
 - It might be efficient to harvest all the stock
 - Cyclical management

Renewable Resource Dynamics



Harvesting



Too much? North Atlantic cod

- Important fisheries off the coast of Newfoundland
- Abundant until the 1960s, when technology improved
- Early 1990s, close to extinction
- Closure from 1992 and 1990, partial recovery

Externalities, again!

- Open access problem (“tragedy of the commons”)
- Example: sheep-rising in England
- Private land: costs are fully taken into account
- Common: costs of overgrazing borne by all
- Solution: privatize the land

- But, what do we do with the ocean?
 - Regulation and quotas
 - International waters?

Non-renewable resources

- Oil, gas,
- Problem of resource depletion:
 - Oil for 40 years?
 - Gas for 60 years?
- But, in the long-run... change technology!
- No market failure
- Intergenerational equity?

Final remarks

- Wildlife conservation:
 - Important for medicines
 - Preferences
- Land use, waste disposal and recycling:
 - Land becomes more scarce
 - Landfill sites and incinerator locations are difficult to find
 - Recycling!