The economic development of Canada has a close relationship with the development of its natural resources. Although Canada has a fairly high level of income per capita, its specialization in the production of raw materials with little transformation is still a dominant characteristic of its economy. Furthermore most natural resources in Canada are publicly owned; this particular feature leads to questions on access, management, taxation, and rent allocation. In this course, we explore some of these questions in the specific context of Canada while taking into account the boarder field of natural resource economics.

GENERAL COURSE OBJECTIVES

i. Present and analyze the role that natural resources play in the Canadian economy;

ii. Analyze some policies that have been adopted by government with respect to natural resources: resource access, further processing, taxation, and rent allocation.

   What are the implications in terms of economic welfare? Why is it so?

iii. Analyze specific natural resources: forestry, hydroelectric power, oil and natural gas.

SPECIFIC OBJECTIVES

The students will learn how to formulate positive and normative research questions with respect to Canadian natural resources development: what are the issues? How significant are they? What lessons can we draw from economic analysis? What the previous studies are telling us on these issues?
EVALUATION

- Midterm exam (March 1) 35%
- Final exam (Exam period) 35%
- Term paper 30

TERM PAPER

The objective of the term paper is to explore an economic issue, preferably an economic policy issue, related to natural resource production and use. The application is not limited to Canada. You have to inform me in writing what is the topic of your term paper before Friday, February 15 and the paper has to be handed in before noon Friday, April 12. The paper is limited to 18 pages, one space and one half, including references, tables and graphs.

For useful tips on how to write a University paper, please refer to the following Website: http://www.sciencessociales.uottawa.ca/USB/cleusbkey.swf.

COURSE OUTLINE

Introduction: Some statistical information on natural resources and the Canadian economy.

1- The contribution of a natural resource to GNP
- Chambers, E. and D. Gordon,(1966)
  «Primary Products and Economic Growth; An Empirical Measurement»
  Journal of Political Economy, 74:315-332
- Lewis, F. (1975)
  «The Canadian Wheat Boom and Per Capita Income: New Estimates»

2- The Dutch Disease
  «Booming Sector and De-industrialisation in a Small Open Economy»
  The Economic Journal, 92:825-848
- Beine, M., C.S. Bos and S. Coulombe,(2012)
  «Does the Canadian Economy Suffer from Dutch Disease? »
3- Natural resource rent and its allocation

«Political Economy of Resource Policy»
-Copithorne, L. (1979)
«Natural Resources and Regional Disparities: A Skeptical View»
Canadian Public Policy/ Analyse de politiques, 5(2):181-194
«Taxation des ressources naturelles et rentes hydro-électriques au Canada»
L’Actualité économique, 66(4):421-440
«Aluminium ou exportation : de l’usage de l’électricité québécoise»
Canadian Public Policy/Analyse de politiques, XVII(2) :197-204
«Rent Dissipation through Electricity Prices of Publicly Owned Utilities»
Canadian Journal of Economics, 30(4b):1204-1219

4- Natural Resources and Equalization

«The Canadian Equalization Program: Main Elements, Achievements and Challenges»
-Smart, M. (2007)
«Raising Taxes through Equalization»
Canadian Journal of Economics, 40(4):1188-1212
«Péréquation et comportement stratégique des provinces bénéficiaires : un contre-exemple intrigant»
Canadian Public Policy/Analyse de politiques, 36(2):215-225

5- The Natural Resource Curse

-Sachs, J. D. and A.M. Warner(2001)
«Natural Resource and Economic Development»
European Economic Review, 45:827-838
-Van Der Ploeg, F. (2011)
«Natural Resources : Curse or Blessing»
Journal of Economic Literature, 49(2):366-420
«Who is to Blame? Canadian Manufacturers and the Absence of Income per Capita Convergence»  

«The Failure of Canada-U.S. Income per Capita to converge»

«The Engine or the Caboose? Resource Industries and Twentieth Century Canadian Economic Performance»  

6- Canada-US Soft Lumber Trade War

«The Political Economy of Protectionism: Tariffs and Retaliation in the Timber industry»  

7- Measuring Natural Resource Scarcity

«Trends in Natural Resource Commodity Prices; an Analysis in the Time Domain»  

- Livernois, J. (2009)  
«On the Empirical Significance of the Hotelling Rule»  
Review of Environmental Economics and Policy, 3:22-41

«An Identification Robust Test for Time-Varying Parameters in the Dynamics of Energy Prices»  
Journal of Applied Econometrics, 27(4):603-624

7- Canadian Electric Utilities

«La tarification de l’électricité au Québec»  

«Electricity Restructuring in Ontario»  
The Energy Journal, 26(1)

- Clark, C.R. and A. Leach (2007)  
«The Potential for Electricity Market Restructuring in Québec»  
Canadian Public Policy/Analyse de politiques, 33
Absence from an examination or late submission of an assignment

Absence from any examination or test, or late submission of assignments due to illness, must be justified; otherwise, a penalty will be imposed. The Faculty reserves the right to accept or reject the reason offered. Reasons such as travel, employment, and misreading the examination schedule are not usually accepted.

Beware of Academic Fraud!

Academic fraud is an act committed by a student to distort the marking of assignments, tests, examinations, and other forms of academic evaluation. Academic fraud is neither accepted nor tolerated by the University. Anyone found guilty of academic fraud is liable to severe academic sanctions.

Here are a few examples of academic fraud:

4- engaging in any form of plagiarism or cheating;
5- presenting falsified research data;
6- handing in an assignment that was not authored, in whole or in part, by the student;
7- submitting the same assignment in more than one course, without the written consent of the professors concerned.

In recent years, the development of the Internet has made it much easier to identify academic plagiarism. The tools available to your professors allow them to trace the exact origin of a text on the Web, using just a few words.

In cases where students are unsure whether they are at fault, it is their responsibility to consult the University’s Web site at the following address:  http://www.socialsciences.uottawa.ca/eng/writing_tools.asp « Tools for Writing Papers and Assignments ».

Persons who have committed or attempted to commit (or have been accomplices to) academic fraud will be penalized. Here are some examples of the academic sanctions, which can be imposed:

• a grade of « F » for the assignment or course in question;
• an additional program requirement of between 3 and 30 credits;
• suspension or expulsion from the Faculty.

Last session, most of the students found guilty of fraud were given an « F » for the course and had between three and twelve credits added to their program requirement.

For more information, refer to:

http://www.uottawa.ca/academic/info/newsletter/fraud_e.html