

# Common Pool Resource Challenges

Course 8001GED04Y – Block 2 2014

Professor David Zetland

Syllabus – November 28, 2014

## 1 Course description

Common pool resources (CPR) are finite (rival) but available (non-excludable) to everyone. Challenges arise when people cannot agree on how to use or manage CPRs. This class will explore different management paradigms, successes and failures in managing traditional (e.g., land or water) and emerging (air and virtual) CPRs. We will emphasize case studies, in-class exercises, and strategies for addressing CPR problems.

**Themes:** Decision-making in groups, property rights, fairness, politics, discount rate, cost-benefit analysis

**Learning objectives:** Students with a background in economic principles will move from a single player, one-shot (myopic) paradigm to a multiple-player, repeated game environment that more closely resembles real world conditions. Students will leave the class equipped with ideas and methods for improving CPR.

## 2 Logistics

**Greetings:** I'm an assistant professor. Call me "Professor" or "David" but not "Doctor"

**Contact:** d.j.zetland@luc.leidenuniv.nl or mobile 06 2890-9774

**Office hours:** Tuesday and Thursday, 14:00-16:00 (shared with Env Econ) in Room 4.37

**Technology:** I do not allow laptops or mobile phones to be used in class. It's best to take notes

**Classes:** Tuesday (11:00-12:50) and Thursday (17:00-18:50) in room 3.09, with a 10 minute break at :50

**Dates:** The first class is Tuesday, 28 Oct. The last class is Thursday, 11 Dec. The final is Tues, 16 Dec (12:00 - 14:00)

### 2.1 Assignments, scoring and grades

This is a 100 level class. You are not expected to know anything about these topics before starting the class.

**Homework:** 30 percent

**Quiz:** 10 percent

**Group presentation:** 20 percent

**Group report:** 30 percent

**Participation:** 10 Percent

Assignments will be scored in points that are translated into percentages.

Letter grades *for the class* will be assigned according to the "American" system, e.g., A+ (97-100), A (93-96), A- (90-92). Bs, Cs and Ds will be assigned using the same -/+ cutoffs in the 80-, 70- and 60-percent ranges. An F results from a score of 59 percent or less.

Requests for regrades on assignments must be submitted in writing within one week of receiving graded assignments. Accounting mistakes (mis-adding your points) need not come with a written request.

### 2.2 Participation and attendance

Everyone starts with 10 points. Points will be *deducted* for missing a class (one point), failing to comprehend readings (e.g., "I can't answer that question because I didn't do the reading"), or disruption (e.g., using a laptop in class). Students who miss three classes receive an F for the class (per student handbook).

As usual, there is no deduction if you're absent due to "extenuated circumstances," but I'll need a doctor's note, approval of your tutor, or equivalent as justification.

Students who are more than two minutes late will bring "goodies" for everyone in the next class.

### 2.3 Required reading

- Olson, Mancur (1965), *The Logic of Collective Action*. Harvard University Press. ISBN 0-674-53751-3
- Ostrom, Gardner and Walker (1994). *Rules, Games, and Common-Pool Resources*. Ann Arbor Books

## 2.4 Group Project

I will place, randomly, you into four groups of 5-6. Your group must identify a *real* CPR challenge and analyze its origins, consequences (costs and benefits) and persistence (barriers to change). You will suggest *and attempt to implement* one or more solutions to this challenge and report on how and why your efforts succeeded or failed.

CPR examples: dirty shared bathrooms or refrigerators, littering, “freeriding” transit, special interest lobbying, coming late to class, cheating, pollution, climate change (maybe too big for this class), etc.

Your group will be graded on its written analysis, in-class presentation and practical success (relative to the difficulty of the addressed CPR challenge). Your individual role will be assessed by your peers. I will assign all grades.

**Groups formed:** Tuesday, 28 Oct

**Project proposal:** Tuesday, 4 Nov (I’ll comment/approve by Thurs, 6 Nov)

**Group presentation:** Week 7 (45 min, each group)

**Group report:** Due at the final exam in hard copy *and* via email. Everyone must attend the final to assess peers

## 3 Weekly Schedule

- Read Olson before Ostrom et al.
- Don’t worry too much about math in either book; use it to understand the stories and actions
- Homeworks will be due in class one week after distribution
- Please do bring questions on readings, homework, world events, etc. to class

**Week 1:** The economics of CPR challenges (goods vs institutions)

**Reading:** Olson Chp 1 (skip “technical” part of Section D) and Ostrom Chps 1 and 15

**Assignment:** In class exercise. Groups formed

**Week 2:** Potential solutions to CPR challenges (via Coase, Ostrom)

**Reading:** Olson Chp 2 and Ostrom Chps 2 and 3

**Assignment:** In class exercise. Project proposals due Tues; comments by Thurs

**Week 3:** Material from Olson and Ostrom

**Reading:** Olson Chp 3 and Ostrom Chps 4 and 5

**Assignment:** Homework 1 due

**Week 4:** Material from Olson and Ostrom

**Reading:** Olson Chp 4 and Ostrom Chps 6 and 7

**Assignment:** In class quiz. Homework 2 due

**Week 5:** Material from Olson and Ostrom

**Reading:** Olson Chp 5 and Ostrom Chps 8 and 9

**Assignment:** In class dynamics. Homework 3 due

**Week 6:** Material from Olson and Ostrom

**Reading:** Olson Chp 6 and Ostrom Chps 10 and 11

**Assignment:** None

**Week 7:** Group presentations

**Reading:** None

**Assignment:** Group presentations

**Week 8:** N/A – reading week

**Reading:** None

**Assignment:** Group reports due at final exam