

The Economic Value of Space Property Rights

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The Economic Importance of Property Rights

“Private property rights for land and minerals have existed for hundreds of years and were created both by actions of governments (e.g., enclosure acts for land) and by actions of private individuals through litigation and the establishment of common law precedent.” (Hartwick, 1998).

“Some have argued that private property rights will be established when the resource in question is highly valued, thus making exclusive ownership of *sufficient benefit to overcome the costs of establishing and enforcing* property rights.”

Types of Property

Private property

Common property

Open access

Degree of Exclusivity

- Private Property is exclusive, involving no sharing of natural resources
- Common Property has arrangements for sharing the natural resources with others in the designated group
- Open Access is completely nonexclusive - no one can be prevented from using or exploiting the natural resource

Why is private property important?

Fundamental Principle of western economics:

- Promotes efficiency
- Discourages over-development
- Creates natural incentives for optimal resource usage

The Coase Theorem

“The establishment and acceptance of a private land title system for space resources will instantaneously generate a specific increment of new wealth based on current expectations of the productive capacity of that new land.”

Generation of Wealth

- Mineral Deposits
 - provide inputs to industrial manufacture
- The Economic Process
 - transfer of physical material into financial asset

Cooperation with the Public Sector

- Six areas of technical assistance typically provided by government agencies within developing nations (Eggert, 1992)
 - Planning and implementation of exploration programs to detect mineral deposits which are suitable for small-scale mining.
 - Technical advice on the improvement of traditional mining and processing methods in order to increase the recovery of valuable minerals, thereby increasing the profitability and reducing destructive exploitation.
 - Evaluating mineral deposits.
 - Improvement of infrastructures in rural areas where small-scale mining is common, in order to guarantee energy supplies, water supplies, transportation routes, medical services and educational facilities.
 - Establishment of training facilities for the miners and managerial staff of small mines.
 - Organizational assistance in setting up cooperatives, central workshops, sales offices and regional mining banks.