

Common-Pool Resources and Collective Action

Governor's Economic Summit:
The Future of the Ogallala Aquifer

Ogallala Aquifer is a Common-
Pool Resource

Characteristics

- Excludability
 - Difficult to exclude others from benefiting from the use of the water



Characteristics

- Subtractability of Use
 - Each well subtracts from the water resources available to all
 - But the actions of any single-user, by themselves, to either conserve or abuse the aquifer, has an imperceptible impact on the long-term viability of the aquifer
 - This creates individual incentives for the over-use of the water resource, commonly referred to as the Tragedy of the Commons

Collective Action is the only effective means to address an issue of sustainability with a common-pool resource like the aquifer.



Cartoosh's View

How was your
Civics test today?

It couldn't have been easier.
"Government" was the solution
to all the questions...



Collective Action works when:

- Strong communications networks among users
- Collective solutions come from the users as a group
- Local institutions, which are congruent to local conditions and governed by users, implement the solutions
- Users are accountable to each other:
 - Water use is monitored
 - Graduated sanctions for abusers
 - Rapid, low cost, conflict resolution

It is your choice.

Bed time reading:
Elinor Ostrom, Nobel Prize Winner
for Economics

“Beyond Markets and States:
Polycentric Governance of Complex
Economic Systems”

Nobel Prize Lecture, December 2, 2009