



**AGRICULTURAL ECONOMICS**

**Come Join Us!  
April 8, 2022  
210 Filley Hall  
Online and In-Person  
Time: 3:00pm - 5:00pm**

**To join us via zoom, please follow  
the link below:**

**<https://unl.zoom.us/j/99892364834>  
Meeting ID: 998 9236 4834**

***Dr. Andrew Plantinga***

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Science and Management  
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**Title:**

***Environmental Markets: Is the Promise of Coase Fulfilled?***

***Abstract***

*It has long been recognized that common-pool resources, if left unmanaged, tend to be inefficiently over-extracted. This "problem of the commons" remains pervasive today as many natural resources around the world deplete at unprecedented rates. In 1960, Ronald Coase proposed that the assignment of property rights to resources can counter over-extraction and improve welfare by providing incentives for more efficient resource use. These appealing predictions have led to the recommendation of property rights for nearly every common-pool resource - from fisheries, forests, water, to the global climate - and provide an intellectual foundation for the use of environmental markets more broadly. The effectiveness of property rights, however, is predicated on a number of stylized theoretical assumptions, many of which are violated in practice. Thus, it is an empirical question whether property rights will be effective under real-world conditions. In this talk, I will review the empirical literature on the performance of environmental markets, including discussion of my recent paper on groundwater markets (Ayres, A.B., Meng, K.C., and A.J. Plantinga. 2021. Do Environmental Markets Improve on Open Access? Evidence from California Groundwater Rights. Journal of Political Economy 129(10):2817-2860).*