

Food for Thought: The Tragedy of the Commons

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In the first experiment, ownership wasn't defined, and no fisher was willing to risk waiting to until the second round because other fishers would take all the fish. As a result there was overfishing. Economists refer to this scenario as "the tragedy of the commons."

The original term comes from eighteenth century England, where towns reserved some land as common land available for everyone to use. Because everyone could use the common land, shepherds in England used common land rather than their own land for grazing. There was no problem at first, as long as only a few people used the commons; but when many did, they overgrazed the land. The grass died.

The key to understanding "the tragedy of the commons" is to remember that people are more likely to take better care of things they own than things that someone else—or no one else—owns. Private ownership creates incentives that reward the wise use of property and the conservation of resources for use in the future. The wise use of property increases its future value.

Publicly owned land, on the other hand, creates incentives for overuse. When everyone owns land collectively, people who actually use the land share the costs of their use with everybody else – including those who don't use it. For example, people in England placed additional animals on the common land even though the livestock were scrawny and unhealthy and the commons overgrazed.

Why is the elephant population decreasing in Kenya and Zambia, while their numbers are increasing dramatically in South Africa, India, Botswana, and Zimbabwe? In those African countries where elephants are owned in common, and where the ivory trade is banned, the number of elephants is dwindling rapidly. They are victims of poachers in search of ivory. But in India, South Africa, Botswana or Zimbabwe, elephants are not government owned (they are owned by villages or by individuals), and the ivory trade is legal. Despite this (really, because of it) the elephant population is growing! Why? Villagers are issued hunting permits, depending on the size and health of the herds in their area. The villagers may choose to sell the permits. The hunters benefit by gaining meat and hides; the fees paid by the hunters help to support wildlife management services as well as provide income for the villagers.

HW: (1 paragraph) Why is the elephant population increasing in countries where ivory trade is legal?