The Commons: Tragedies and Triumphs

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Garret Hardin’s “Tragedy of the Commons”  
(*Science*, 1968)

- “Picture a pasture open to all. It is to be expected that each herdsman will try to keep as many cattle as possible on the commons…
- As a rational being, each herdsman seeks to maximize his gain, (asking) "What is the utility *to me* of adding one more animal to my herd?" …
- 1) … Since the herdsman receives all the proceeds from the sale of the additional animal, the positive utility [to the herdsman] is nearly +1.
- 2) … Since, however, the effects of overgrazing are shared by all the herdsmen, the negative utility [to that] herdsman is only a fraction of -1.”
Hardin’s Example: Cows
What Makes a Commons (a.k.a. common pool resource)?

• Lack of ability to exclude potential users:
  – Whether technologically too difficult, or
  – Legally not allowed.

• One person’s use subtracts from another person’s use:
  – My cow eats grass your cow could eat;
  – The water I draw from an aquifer is no longer available for you to draw;
  – If I use the stream for waste disposal, you can’t drink from it.
Solutions

• Privatization
  – “Everybody’s business is nobody’s business”
  – Privatization creates incentive for owner to take care of the resource, but is not always feasible or politically acceptable.

• Regulation
  – Top-down control.
  – Can work, but may not take account of stakeholders’ interest/knowledge.

• Self-governance (stakeholder management)
  – Stakeholders working together to manage the resource.
Not Always a Tragedy: Self-Governance

• Hardin was wrong about grazing commons—Swiss grazing commons have been successfully managed for over 700 years.

• But stake-holder management is not easy.
  – What makes it more or less difficult?
  – What common pool resource (cpr) are you dealing with, and what makes stake-holder management more or less difficult in your case?
A Dilbert Example

I found a way to save a million dollars by spending only $10,000.

The $10,000 would come out of my budget but the savings would go into someone else's budget. It's not feasible.

Our stockholders might disagree. That's why they aren't invited to meetings.

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