## Problem of collective action or Tragedy of the commons:

* **What is a problem of collective action and what happens if it arises?**

Some resources in this world are scarce, but do not have exclusive owners’ rights, which means everyone has the same right to use the resource. These resources are so-called **common property**.

The scarcity means the resource is worth something (money) and since no one has clear ownership, it is in everyone’s self-interest to gather as much of the resource as possible. This scarcity also means the resource will run out if overexploited. The problem this brings is a **problem of collective action** also known as the **tragedy of the commons (in which commons stands for common property)**.

In the case of this problem everyone who has the ability to do so will gather as much of the resource as possible (to gain as much as they can), and their **collective** **action** of **overexploitation** leads to the resource **running out**. This means no-one in the community can exploit the resource anymore and in the long term means the individuals won’t get the maximum amount of profit for themselves, so this is a problem for **both community and individual.**

In short, the problem of collective action, aka the tragedy of the commons is the problem of a **scarce resource running out, because of overexploitation, which is stimulated by the lack of clear property rights**. In terms of **responsibility** this means people fail their responsibility toward the community (it’s in the best interest of the community to continue to be able to exploit the resource), and ultimately themselves, because of their short-term self-interest.

* **How could a problem of collective action be solved?**

British economist Coase suggested solving the tragedy of the commons by defining **clear property rights; who can use what quantity of the resource?** Usually this means **cooperation involving sustainable exploitation.** **Think of a quota scheme where limits are set to the amount of the resource each individual can gather every year.** This brings the danger of someone not complying to the scheme and continuing to gather more than the quota allows (**called free riding**), the self-interest might win out again!

**Then how would we make everyone comply?** **With morality**, people might see the sustainability as a desirable and shared goal, which the quota supplies. This means morality would ensure compliance, however for morality to take effect the quota has to be fair for the people involved. The problem with morality is some people don’t have any, they might not comply because of moral motivation and continue their overexploitation.

**Enforcement** will be necessary to ensure compliance of the amoral people.This means having for instance a police force or neighbourhood watch to enforce abiding to the system: those who won’t abide to the rules will be penalized (with fines for instance). **Enforcement on it’s own might not be sufficient to ensure an effective cooperation either**. There might be too many users of the resource for the enforcement agency to handle, or the enforcers might be bribed or simply lazy.

**For now a** **combination of enforcement and moral motivation seems the best way to go to make people abide to the cooperative scheme of clear property rights.**

**\*VOORBEELD MAKEN\* HOE DENKEN JULLIE EROVER?? (denk 2 min, en kort bespreken)**

**Unregulated logging**

As many of you may know, the tropical rainforests are giant, but diminishing. The rainforests are a common property, since the wood they provide is valuable (and so is the space they provide when gone) and in many countries are neither properly governed nor do they have clear owners. This means the timber producers in those countries are cutting down the trees way faster than they can grow back, which leads to massive deforestation.

Now, I want you to think in groups of X for a few minutes, to see if you can come up with some good solutions. Then we can speak on those solutions for a few more minutes.

**My solution:** Creation of parcels with clear ownership of those parcels and creation of a corporation of owners. The corporation would have their own guards to protect the parcels of all owners. Only give part of the rainforest to loggers, have big parts under governmental ownership (meaning it’s illegal to cut down the trees). Also start campaigns to raise awareness of the effects of deforestation under locals and most importantly the loggers. Maybe design contracts between local governments and logging companies.

**Will my solution work? I don’t know!**