The Tragedy of the Commons

In 1832, the British political economist William Forster Lloyd <u>observed</u> that cattle grazing on common land tended to be scrawnier than those raised in private enclosures. The "commons," Lloyd realized, were threatened by people's private interests and unwillingness to maintain the grass enclosure the way they would their private property.

Using Lloyd's concern about the "tragedy of the commons," ecologist Garrett Hardin wrote a famous 1968 article in Science magazine about the dangers of overpopulation. In Hardin's view, people are privately motivated to reproduce and consume scarce resources at an unsustainable level. Hardin brought concerns over the "commons" into the mainstream. Since then, the "tragedy of the commons" has served as a metaphor in political science and economics for instances when individuals might be motivated to deplete a shared resource at the expense of the community's long-term interests.

Some environmentalists argue that contemporary issues like global warming or endangered species make the "tragedy of the commons" more relevant than ever. They believe that industrial companies' willingness to emit dangerous levels of carbon dioxide or undermine species' natural habitats occur because capitalists do not personally bear the burden of pollution or resource exhaustion. Instead, these environmental costs are socialized and the planet suffers in the same way that the common English pasture was depleted. Environmentalists tend to advocate government intervention and regulation to prevent individuals from using up the community's resources.

In contrast, some libertarians argue that the "tragedy of the commons" can be addressed through the privatization of lands. The gist of this argument is that when people own their own property, they are motivated to preserve it. From the

libertarian perspective, Lloyd's farming example illustrates that people sustain private property far better than socialized land. Thus, we should have less communal land, not more, if we want the earth to be well cared for.

A third view comes from Elinor Ostrom, the winner of the 2009 Nobel Prize in Economics, who spent much of her life's work studying the ways that local institutions can help people manage "common-pool" resources, such as fisheries or forests. In the spirit of Friedrich Hayek, Ostrom favors local, knowledge-based solutions and believes that people actually living in a particular environment can usually manage and sustain their resources better than planners or social engineers. At the same time, she is not opposed to public lands and communal efforts. In fact, much of her research emphasizes social cooperation and reciprocity.

The tragedy of the commons is closely related to the idea of market failure, or the inability for the market to achieve economic efficiency and put resources to their best use. Like environmentalists who believe that the government can help us overcome the tragedy of the commons, market interventionists contend that the market's failure to adequately address issues like healthcare or national defense calls for more government control of the economy. Like the libertarians who favor private solutions over the commons, skeptics of market failure say that poorly functioning markets such as healthcare are actually the result of expensive state mandates or regulations.

Recently, scholars have also applied the tragedy of the commons to debates concerning intellectual property and technological data. For instance, with the expansion of digital technology, it has grown easier to duplicate intellectual property despite copyright laws. This can benefit more people, but potentially damage the profits of intellectual property creators.

The issue is similar for technical and medical innovation. Should every technological breakthrough be patented, because that breakthrough is the product of an individual or firm's personal intellectual and financial investments? Or does patent law prevent the free flow of information and therefore prevent future innovations ("tragedy of the anticommons")? For example, without a patent, once a pharmaceutical company develops a new drug, rival companies can easily manufacture that same product. On one hand, this seems unfair, since the drug may have taken many years and millions of dollars for the first company to develop. On the other hand, dispersing that knowledge can make the drug more affordable and easier to produce, potentially benefiting more people. In such ways, property in the digital age has actually become much harder to regulate than in the 19th century.?

Though the specific issues may have changed, the philosophical problem of how people and communities best protect their private and communal resources remains a relevant topic for our day.