

Markets for Conservation and Mitigation

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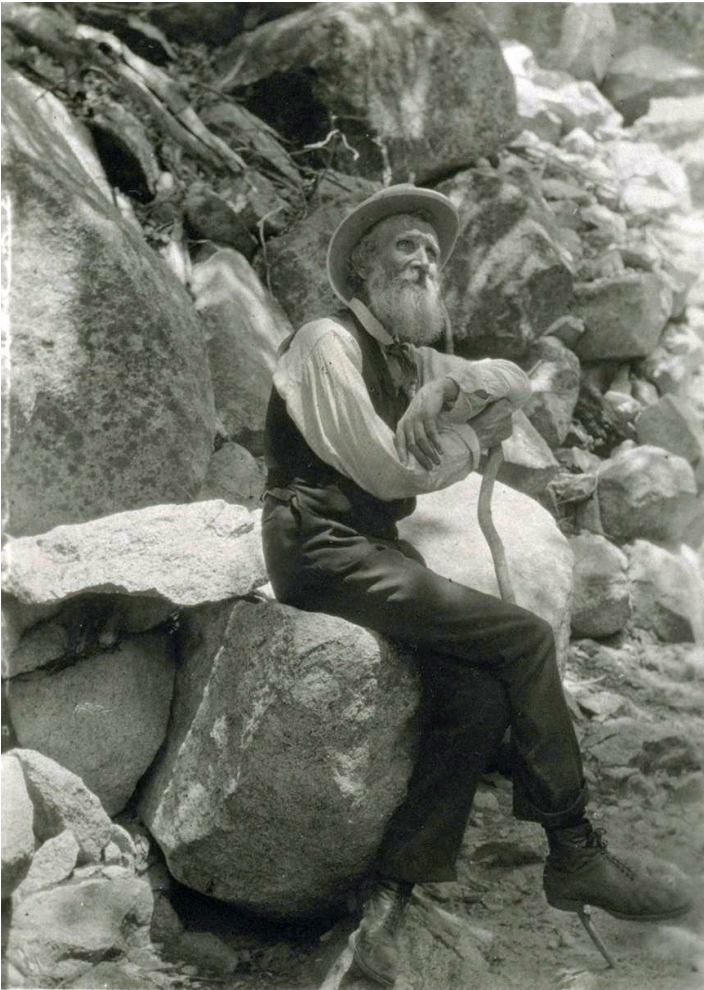
STANFORD UNIVERSITY

MARKETS VS. MANDATES

PROMOTING ENVIRONMENTAL QUALITY AND ECONOMIC PROSPERITY

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Markets *versus* or *for* the Environment?



John Muir



Aldo Leopold



“Conservation will ultimately boil down to rewarding the private owner who conserves the public interest”

Markets for Conservation and Mitigation: Motivating Questions

How well do voluntary environmental agreements perform when compared to top-down government control?

What barriers prevent more widespread use of markets and which of these result from government policy?

1. Can you give an example of an environmental transaction or market?
2. What are the benefits? How should we think about what is lost when they don't occur?
3. How do we measure the success or failure of environmental transactions? How does this relate to "additionality" and "leakage"?
4. Where are environmental markets most and least active?
5. What has enabled or prevented their development? Let's first consider financing challenges.
6. Assume environmental entrepreneurs have successfully raised money and identified willing sellers. What other obstacles stand in the way? Government?
7. Where are potential gains from flourishing markets most significant? Are you hopeful that markets can emerge?
8. Where are government mandates the least likely to be replaced or complemented by environmental markets? Is this a bad thing?