

“Privatizing an Open-Access Resource and Environmental Degradation”, Edward Birdyshaw and Christopher Ellis, forthcoming in *Ecological Economics*.

Abstract: We develop a tractable dynamic model of the exploitation of an environmental resource with endogenous property rights. We are able to explain both the evolution of property rights and environmental quality. The model demonstrates that the development of property rights may emerge from within a community as a response to the overexploitation of an open-access resource. In the equilibrium of our model, the resource is fully privatized and resource quality is greater than under the open-access steady state. We show that, while environmental quality may initially decline, privatizing the resource reduces its exploitation and eventually environmental quality improves.