

## Privatization of Parks

Landowners, conservationists, illegal settlers, taxpayers, and others have different interests and thus disagree on the goals of government-run parks. This generates endless conflict. I believe that voluntary arrangements—including selling, buying, and other deals—among private agents generally solve conflicts of interest better than centralized decision making by government. I suggest that governments should not own or manage land and should leave the preservation of landscapes and biodiversity to private individuals and institutions.

A recent editorial by Redford, Robinson, and Adams (2006, *Parks as shibboleths*, *Conservation Biology* 20: 1–2) tells the story of a conflict in Laguna del Tigre, Guatemala, the largest national park in Central America. An armed gang of illegal settlers took four hostages among park workers. In exchange for hostage release, the regional governor promised the captors a school, technical assistance, and a road into the heart of the park. Redford et al. assert that “although the violence of this case may be unusual, the complexity of the scenario is not.”

Redford et al. argue that these conflicts cannot be solved until we recognize that “parks fit into a variety of categories and incorporate people and their economic endeavors in dif-

ferent ways” and that “parks set out to achieve different things, and they suit different situations.” This, however, does not eliminate conflict. People who regard themselves as parties to a park will disagree about the policy decisions for that particular park. Governments must hear them all but cannot make them all happy. As the example above illustrates, governments often adopt policies that benefit the parties that shout the loudest. These policies may or may not be the socially optimal ones.

A solution is to leave the matter to private negotiation. Under well-defined and ample property rights that allow for buying, selling, leasing, and other forms of voluntary bargaining, goods tend end up in the hands of the people who value them most. Owners then have strong incentives to use the goods in the most useful way.

Markets work less than perfectly if there are externalities, substantial transaction costs, and poor information. When markets fail, people do not make an efficient use of resources. For example, markets do not work perfectly in the case of nature conservation because many benefits of conservation accrue to other people besides the landowners, and the latter cannot obtain a material compensation for those external benefits. As a result, a less-than-optimal amount of land is allocated to nature conservation. According to this argument, some people would buy land

to care for nature—as, for example, The Nature Conservancy does—but not enough people and not enough land.

A potential solution to market failure is government intervention. But government also fails. Government management suffers from poor information, enormous bureaucratic costs, and the problems associated with positive and negative externalities. Voters do not have the right incentives to elect efficient governments, and people working for government do not have the right incentives to do things efficiently. For example, rational voters spend little effort to inform themselves about political candidates and their policies because they know that the probability that their vote will be decisive is negligible. Rational politicians favor policies that influence their prospects of election or reelection rather than socially optimal policies.

People with an interest in nature conservation engage in very expensive campaigning to get governments involved in nature conservation. With secure property rights, conservationists could redirect much of that effort to buying land or reaching deals with landowners to achieve their goals.

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