Understanding institutional efficiency: What drives transaction costs when managing environmental impacts of development with an offset?

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12:30 – 1:30
Seminar Room 1, 2nd floor, J.G. Crawford Building (no. 13)

ABSTRACT:
Government intervention is often required to encourage private landholders to supply publicly valued ecosystem services. The caveat on any form of intervention is that it is efficient - that the benefits are greater than the costs. Transaction cost economics highlights the importance of including the cost to government of establishing and administering the new institutional structure and the costs to the agents who must adapt to and comply with the new institutional structure in any cost accounting. There is a growing body of literature that presents how to measure transaction costs and reports on the ex post transaction costs of different intervention types. There is very little literature reporting on what has driven the extent of transaction costs to all parties of developing, implementing and operating within a new institutional structure. Without this information ex ante policy decision making is ill informed and policy refinement is unguided. The proposed research seeks to test a hypothesis on what drives transaction costs for agencies and agents in the creation and use of a policy for ecosystem service management on private land. The hypothesis will be tested using a case study environmental policy, a development offset applied to manage the impact of development on the endangered Southern Cassowary in Mission Beach, Far North Queensland.

Anthea has a Bachelor of Agricultural Economics from Sydney University and a Masters in Environmental Management and Development from ANU. Anthea is an environmental economist at CSIRO Sustainable Ecosystems and a PhD student in the EMD Program.

ALL WELCOME

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