Rationalizing the Allocation of Water in California

How did we get the Water System we have and what are the Implications for Contemporary Water Policy?



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Sharp Lecture Hall, Arms Building California Institute of Technology

Depending on how measured, agriculture may consume 60% of California's water. With drought reducing supplies and growing urban, environmental and recreational demands, pressures exist to reallocate water. This can come from market exchange based on existing property rights or from regulatory mandates. The former is likely to meet long-term reallocation objectives at lower cost than the latter.

Given the long-term ownership expectations associated with prior appropriation, water reallocation that is not based on them could lead to significant economic disruption and cost in achieving California's emerging water allocation objectives.