

The economics of stewardship: Implications for investing in species at risk recovery.

Murray A. Rudd

Fisheries and Oceans Canada, Policy and Economics Branch – Maritimes Region. 176 Portland Street,
Dartmouth, NS B2Y 4T3, < RuddM@dfo-mpo.gc.ca >, Phone: 902-426-4825

Investments in 'stewardship' activities are important components of many recovery strategies for species at risk. One category of stewardship investment targets the education and skills – the human capital – of resource users involved in production processes (e.g., investments used to help fishers understand and reduce encounters with marine mammals). These investments potentially increase the supply of conservation effort directly by reducing the cost of conservation. A second category of stewardship investment is directed towards building conservation norms – a type of social capital – in resource-dependent communities. The rationale is that the transaction costs of governance (i.e., the costs of monitoring and enforcement) are reduced when formal rules and social norms are aligned. This again decreases the cost of conservation and induces more conservation effort.

A third class of stewardship investment is different, targeting the 'consumer' side of the conservation cost-benefit calculus. Education programs targeting people who do not pose a direct threat to species at risk, for example, are investments that are meant to shift the preferences of those individuals, making the conservation of species at risk more important to them. In economic terms, these investments are meant to increase the non-use economic value of conservation. When demand for conservation increases, it implies that the 'price' of a species at risk rises and, presumably, conservation effort should increase in response. A question arises however: how does an increase in the 'price' of a species at risk translate to increased conservation effort? Certainly possibilities exist for direct compensation of the suppliers of conservation effort by those who demand higher levels of conservation. Increasing the value of conservation for the general public might also provide justification for higher levels of political support and public investment in species at risk recovery activities.

In this paper, I explore the basic economic rationale for the different types of possible stewardship investments and their policy implications. When trying to induce increased conservation effort, it is imperative that individuals and organizations investing money or time in stewardship are very clear as to their objectives if those investments are to be effective and efficient.