



# Can leasing for conservation reduce conflict?

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## Why this study was needed

From water rights to mining, logging, grazing, and oil-and-gas leases, private parties are usually granted rights to public natural resources on a use-it-or-lose-it basis; if they don't divert, mine, log, graze, harvest, or extract, the lease may be forfeited. These requirements were sometimes established more than one hundred years ago and sought to encourage growth and development while discouraging waste and speculation during westward expansion. While natural resource commodity uses continue to be major economic drivers, conservation and recreation have become increasingly valuable and offer new economic opportunities. Yet, historical institutions don't always recognize these non-extractive uses as legally valid applications of natural resource leases.

As such, conservation interests are unable to acquire public natural resource rights directly from the market, even when they are willing to pay more than resource developers. Instead, they turn to expensive and inefficient legislation and litigation that pits them as adversaries against energy companies, loggers, ranchers, and farmers. The result is conflict between competing uses, less durable public land management, and potential lost revenue to state and federal governments. Conservation practitioners and scholars have worked to address these issues in individual natural resource fields, but the field is very young. This paper brings existing work together under one overarching economic and legal framework and identifies key areas for future research.

## How it was done

The authors held listening sessions where natural resource experts, practitioners, and managers explained how they engaged with, and even overcame, use-it-or-lose-it requirements across a range of resource types. The interdisciplinary research team further analyzed economic and legal literature, as well as relevant statutes and regulations for each natural resource in order to understand barriers to potentially recognizing "nonuse" rights.

## What the researchers discovered

Letting conservation interests purchase natural resource rights directly or buy out existing leaseholders could add value to public lands and resources by providing additional revenue streams to state and federal governments. It could also lead to more secure, less fractious conservation outcomes. Finally, a more open market could reveal the relative value of different land uses, including conservation. This could result in clearer market signals for public goods, a notoriously difficult issue in economics.

Already in the very limited situations where it is allowed, environmental non-governmental organizations (ENGO's) have demonstrated willingness to pay and have successfully purchased state land energy leases, negotiated with ranchers to voluntarily retire grazing permits, left water instream for fish, and bid on timber leases. However, the authors caution that recognizing nonuse rights could have unintended consequences if not approached with care (see box).

## Why it's important

On-the-ground implementation of “nonuse rights” will probably happen resource by resource, but this analysis treats the issue holistically, setting the stage for a new subfield of inquiry that may help guide careful implementation of these ideas.

As the United States and the international community put forward ambitious conservation agendas, market-based mechanisms like this could offer voluntary and flexible alternatives to top-down regulations when navigating multiple uses on public land. The agility and efficiency of paying to conserve public lands may be particularly useful in the face of rapidly disappearing “unused” land and a changing climate.

Finally, validating nonuse rights like the protection of ecosystem services, scenic views, wildlife habitat, and recreation may enable land managers to capitalize on the burgeoning conservation, outdoor recreation, and tourism economies. As on private lands, conservation of public resources and lands can be an asset that generates revenue for current and future generations.

## RESEARCH NEEDS TO ADDRESS PITFALLS

This analysis cautions against potential side effects of recognizing nonuse rights and calls for additional research around the following potential problems.



**Community impact:** A large-scale use of conservation leasing could lead to economic and cultural shifts for some communities. Local engagement will be critical to achieving a socially acceptable balance.



**Pricing structure:** Though conservation interests may pay a higher upfront premium for a lease, governments could still see lower revenue over time because of the lack of royalties associated with resource extraction.



**Meeting management goals:** Some extractive industry doubles as land management. Logging, for example, can provide wildfire mitigation while hunting helps control wildlife populations.



**Leakage:** Conservation interests purchasing rights in one area could create pressure for land managers to open additional resources for extraction elsewhere.



**Monopoly power:** Nonuse rights could be exploited to drive up prices or drive out competition if speculators buy up rights and withhold them from production.



**Aversion to paying:** Some conservation interests may object to the idea of having to pay to conserve natural public resources.

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## Read the paper

Bryan Leonard, Shawn Regan, Christopher Costello, Suzi Kerr, Dominic P. Parker, Andrew J. Plantinga, James Salzman, V. Kerry Smith, and Temple Stoellinger. “Allow ‘nonuse’ rights to conserve natural resources.” *Science* 373 (6558): 958-961. DOI: [10.1126/science.abi4573](https://doi.org/10.1126/science.abi4573)

