

Policy perspectives on changing land management

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Summary

There are various policy mechanisms that may be used to encourage changes in land management by rural landholders. The choice of policy mechanism for particular programs and projects needs to be considered on a case-by-case basis. In particular, it should depend on the levels of public and private benefits that would be generated by the proposed changes in land management. The private benefits of adopting new land management practices (or in other words the adoptability of those practices) is often not adequately considered by policy makers or natural resource management bodies when selecting policy mechanisms for particular projects or programs.

Introduction

Many government programs around the world have been created to attempt to encourage landholders to change their practices in various ways. Examples with an environmental emphasis include the Conservation Reserve Program, the Environmental Quality Incentive Reserve Program, and the Conservation Security Program in the United States of America; the Rural Development Regulation in the European Union; the National Farm Stewardship Program in Canada; and the Natural Heritage Trust in Australia.

Questions that the designers and implementers of these programs need to address include:

- How should the resources of the program be targeted? Should they be directed to landholders in particular locations, or particular types of farms?
- Which policy mechanisms should be used to encourage practice change?

This chapter explores these questions. It starts by considering the justification for governments seeking rural practice change in general, followed by a discussion of issues related to the targeting of resources. Then it presents a framework for selecting policy mechanisms depending on the levels of public and private benefits that are expected to arise from the proposed changes in practices.

Justifications for governments seeking practice change

Why should governments intervene to influence landholder practices? In principle, why should landholders not be free to manage their land as they see fit? Economists recognise two broad