Property rights and efficiency
AGEC 350
Efficient property rights

- **Transferability** -- owners can fully transfer the asset and all the associated benefits or costs to others
- **Enforceability** -- owner’s rights are secure
- **Exclusivity** – all benefits and costs accrue only to the owners of an asset.
Enforceability

Exclusivity

Market Efficiency and Exclusivity

Total Benefits to consumers

Market Efficiency and Exclusivity

Total Cost

Market Efficiency and Exclusivity

MC

CS

PS