

## Dissertation

Thomas Hahn successfully defended his PhD-thesis in institutional economics on 19 January, 2001 at Department of Economics, Swedish Agricultural University (SLU) Uppsala, Sweden. The title was: *Property rights, ethics, and conflict resolution: Foundations of the Sami economy in Sweden*.



Prof. Göran Skogh, Linköping University, was the opponent and the committee consisted of Prof. Clive Spash, Cambridge University, Docent Arild Vatn from Agricultural University of Norway, and Docent Olof Johansson-Stenman, University of Göteborg. Advisors have been Prof. Daniel Bromley from University of Wisconsin-Madison and Prof. Ing-Marie Gren, SLU Uppsala. Prof. Öje Danell at SLU Uppsala was assistant advisor.

Thomas Hahn (b. 1964) is an agronomist and was teaching ecological economics at SLU when he became interested in the reindeer issue as an example of *Tragedy of open access* – privately owned reindeer on a communal grazing land. Since the Sami communities are prohibited to design and enforce effective common property institutions, the expected results are overstocking and overgrazing. The reindeer stock in Sweden reached a peak of 300 000 in 1990 and this caused soil erosion and loss of biodiversity according to conservation interests. Hahn received the first research grants from the Swedish EPA. However, he soon realised that reindeer stock fluctuation was not a real problem for biodiversity and his focus shifted to the moral philosophical foundation of property rights and a new approach to economics where utility maximization was interpreted as constructive conflict management. Two cases were analysed: winter grazing in Härjedalen and small-game hunting on crown land.

*Abstract:* The purpose of the dissertation was to develop conceptual tools appropriate for analysing changes in property rights and to use these tools for evaluating the Sami reindeer herding economy. In the thesis, socially desirable institutional arrangements are defined as those that manage conflicts most constructively and hence perceived as fair. Constructive conflict management is defined in terms of reasonability (rights) as well as feasibility (consequences). The approach is one of operationalising rights-based consequentialism (Sen, 1987). With respect to rights, Hahn examines to what extent there exists an ethical consensus (Mishan, 1980) on a fundamental (second-

order) level concerning a specific issue, and in turn, which property rights changes this may justify. Such ethical consensus is searched for in political and legal documents, which in turn employ various moral philosophical arguments. With respect to consequentialism, the objectives and institutional preferences of the stakeholders are analysed within a multi-objective framework and several alternative institutional arrangements are derived. Alternatives found to be ethically unreasonable are dismissed. The remaining alternatives are assigned values (figures) for how well they appear to meet the objectives of the stakeholders. The final trade-offs between what is “right” and what is “good” (consequences) are not made in this thesis. Instead, these deliberation are assumed to be worked out by the stakeholders within the realm of pragmatic discourse ethics, which merges concern for outcome and process (Benhabib, 1992). However, insofar as the stakeholders have explicit institutional preferences, predictions of what may be socially desirable institutional arrangements can be suggested.

The Sami are an indigenous people in Sweden. The property rights analysis suggests that Sami rights to reindeer grazing and hunting, prescriptions from time immemorial, are similar in nature to easements. This similarity justifies a stronger protection compared to today’s institutional arrangements and enforcement. Two conflicts are analysed using the method developed in the thesis. The first conflict is between Sami reindeer herders and private landowners outside Lapland over reindeer winter grazing. The second conflict is between Sami reindeer herders on the one side and the state and hunters on the other, over small-game hunting on crown land above the cultivation line, an area where Sami land rights are strongest. In both of these conflicts, Sami rights have recently eroded in a way that is hard to justify by the second-order ethical consensus. In 1886, at the time of the first Reindeer Grazing Act, the Swedish state had a clear position on these conflicts that was relatively favourable to the Sami. Today, this clarity has been lost and replaced by legal ambiguities and political manipulation. The thesis suggests what may constitute ethically reasonable and socially feasible institutional arrangements.

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