

Methods and practices of managing the human resources related to property rights, externalities and environmental problems

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Abstract

This paper can be used to understand why the environmental asset can be undervalued by both the market and governmental policy. Also it's discuss how the government and the market can, on occasion, use knowledge of property rights and their effects on incentives to developed and coordinated approach to resolving these difficulties.

The manner in which producers and consumers use environmental resources depends on the property rights governing those resources. In economics, property right refers and define to a bundle of entitlements defining the owner's rights, privileges, and limitations for use of the resource.

By examining such entitlements and how they effect human behavior, we will better understand how environmental problems arise from government and market allocations.

Key words : Human Resources, Environmental Asset, Government Policy, Property Rights, Costumer's Surplus, Producer's Surplus, Benefits

Efficient property right structures

An efficient property right structure has three main characteristics: exclusivity, transferability and enforceability.

When well-defined property rights are exchanged, as in a market economy, this exchange facilitates efficiency. It's can illustrate this point by examining the incentives consumers and producers face when a well-defined system of property rights is in place.

Given a market price, the consumer decides how much to purchase by choosing that amount that maximizes his or her individual net benefit (Figure 1).

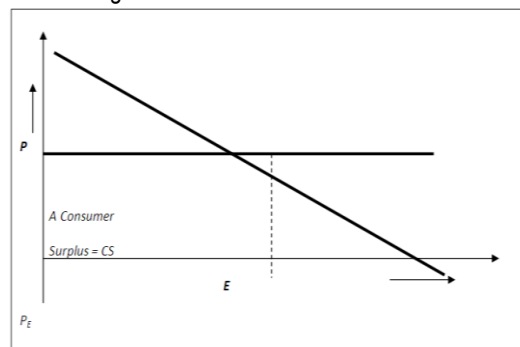
The consumer's net benefit is the area under the demand curve minus the area representing cost. The cost to the consumer is the area under the price line, since that area represents the expenditure on the commodity. Obviously,

for a given price P_E , consumer net benefit is maximized by choosing to purchase Q_E units.

In this aspect, given:

$$E\left(\frac{A-P_E}{B}; P_E\right); CS = \frac{(A-P_E)^2}{2B}; B = \frac{P_E(A-P_E)}{B}; B_{\max} = \frac{A^2}{4B} \quad \bullet$$

With $B_{\max}$ given maximum value of Benefits.



In Figure 2 it's shows graphical presentation to reports $CS/B_{\max}$ for $P_E = 2$.

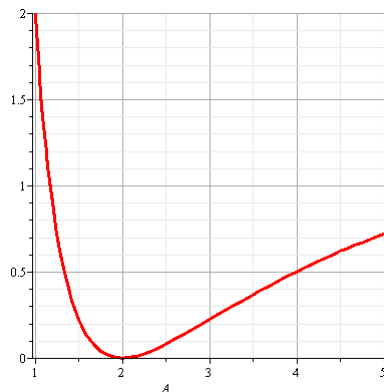
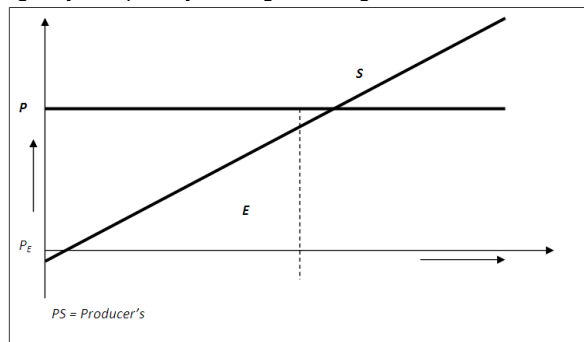


Figure 2 : Graphical presentation to reports , $CS/B_{\max}$.
Meanwhile , sellers face a similar choice (Figure 3) .
Given price (P_E) , the seller maximizes his or her own net benefits by choosing to sell Q_E units . The net benefit received (Area PS) by the seller is called producer surplus . It is the area under the price line that lies over the marginal cost curve , bounded the left by the vertical axis and the right by the quantity of the good being considered .



$$E\left(\frac{C - P_E}{D}; P_E\right); PS = \frac{(P_E - C)^2}{2D}; B = \frac{P_E(P_E - C)}{D}; B_{\max} = \frac{C^2}{4D} \quad \bullet$$

The price level that producers and consumers face will adjust until supply equals demand , as depicted in Figure 5 . Given that price , consumers maximize their surplus , producers maximize their surplus , and the market clears . It's need to discuss is this allocation efficient , and according definition of static efficiency , it's clear that answer is positive .

The net benefit is maximized by the market allocation and , as seen in Figure 5 , it is equal to the sum of consumer and producer surplus .

Thus , it's necessary to established a procedure for measuring net benefits , and a means of describing how the net benefits are distributed between consumers and producers .

This distinction is crucially significant . Efficiency isn't achieved because consumers and producers are seeking efficiency .

In a system with well-defined property rights and competitive markets in which to sell those rights , producers try to maximize their surplus and consumers try to maximize their surplus .

The price system , then , induces those self-interested parties to make choices that are efficient from the point of view of society as a whole .

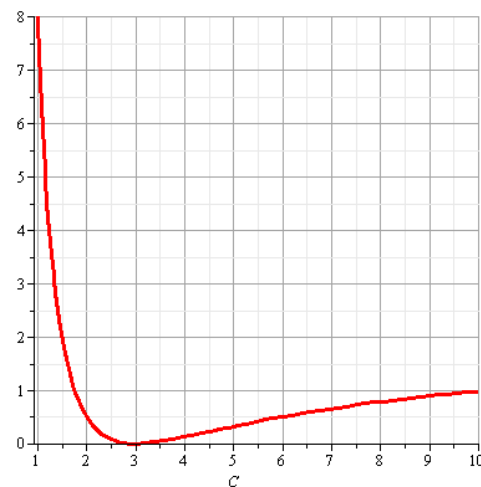
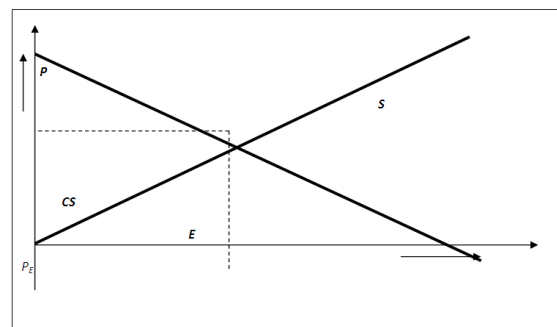


Figure 4 : Graphical presentation to reports , $PS/B_{\max}$.



Related of efficiency of benefits for consumer's and producer's surplus , given :

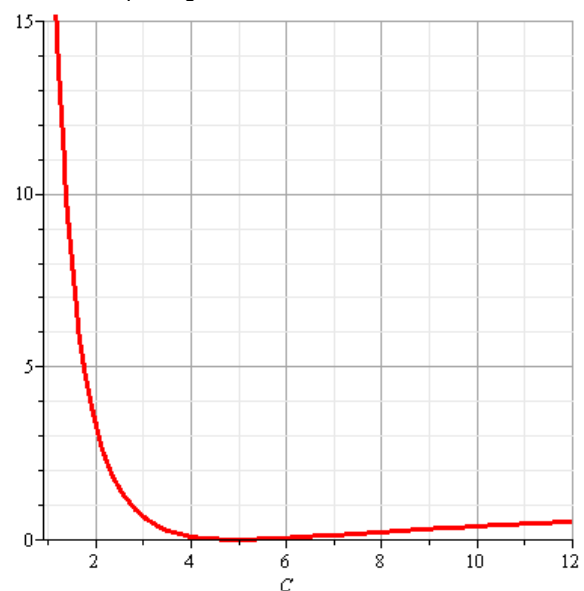


Figure 6 : Graphical presentation to reports , $(CS+PS)/B_{\max}$

In Figure 6 it's yield graphical presentation to reports , $(CS+PS)/B_{\max}$, for projecting parameters : $A = 5$, $B = 2$, $D = 6$ ►

About of externalities as a source of market failure given graphical presentation in Figure 7 .

Exclusivity is one of the chief characteristics of an efficient property rights structure . This characteristic is frequently violated in practice .

Related of Figure 7 , given :

$$E_1 \left(Q_{E1} = \frac{A-C}{B+D}; P_{E1} = \frac{AD+BC}{B+D} \right); E_2 \left(Q_{E2} = \frac{A-E}{B+F}; P_{E2} = \frac{AF+BE}{B+F} \right);$$

$$B_1 = \frac{(A-C)(AD+BC)}{(B+D)^2}; B_2 = \frac{(A-E)(AF+BE)}{(B+F)^2}; \Delta B = B_2 - B_1$$

Graphical presentation of difference to benefits , ΔB , it's shown in Figure 8 . , for projecting parameters : $B = 2, C = 3, D = 6, E = 2, F = 8$ ►

Respectively , in this aspect , graphical presentation of maxim value of difference to benefits , ΔB_{max} , given in Figure 9 ►►

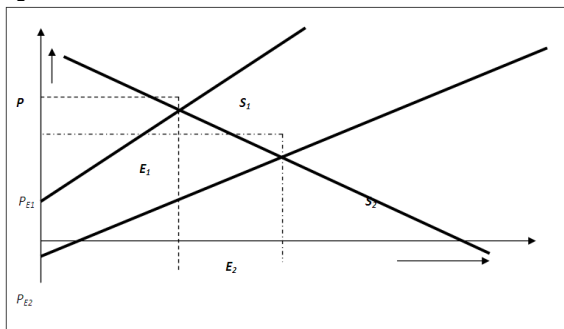


Figure 8 : Graphical presentation of difference to benefits , ΔB .

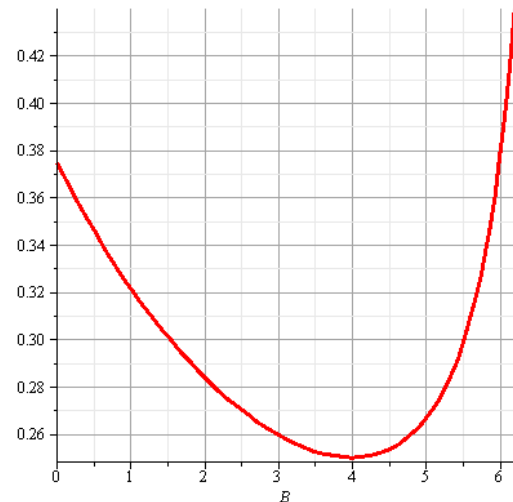


Figure 9 : Graphical presentation of maximum value of difference to benefits , ΔB_{max} .

Results

In this paper given original contribution about of determine of methods and practices related of managing of human resources against of property rights , externalities and environmental problems and cases .

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