



INDIANA UNIVERSITY BLOOMINGTON  
**OSTROM WORKSHOP**

## COLLOQUIUM SERIES

### **Anita M. Chaudhry**

*California State University, Chico*

Monday, April 12: 12:00 – 1:00 pm ET

Virtual via Zoom: [Click here for link to Zoom meeting](#)



### **Is California's Water Market Supply-Constrained? Insights from a High-Resolution View**

Climate change and population pressures continue to increase competition over limited water supplies. In California, as elsewhere, markets in water have been facilitated to improve allocations of existing water supplies from lower to higher-valued uses. But today, after three decades of market development, volume of water traded in the market remains lower than desired. Using a novel purpose-built data from a sample of California irrigation districts' participation in water sales over 1991-2019---a period that covers the development of California water market from its inception to relative maturity--we show how some of the policies intended to protect multiple water users from harm have also restricted water sales. Low sale frequency and magnitude is a direct result of farmers responding to the conflicting pressures of drought-induced high water prices against the need to support local agricultural economy and the environment. We highlight important questions for further research that could affect the future potential of water markets in easing structural and drought-induced water scarcity in California.

**Anita M. Chaudhry** is a Professor of Economics at California State University, Chico. Her research lies in the intersection of the economics of land and water resource institutions and economic development.

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*Due to the COVID-19 pandemic, all Ostrom workshop presentations will be virtual until further notice. Join instantly using the link above. For questions, contact Allison Sturgeon ([sturgeon@iu.edu](mailto:sturgeon@iu.edu))*