

Water Markets and the SAHRA Research Experience

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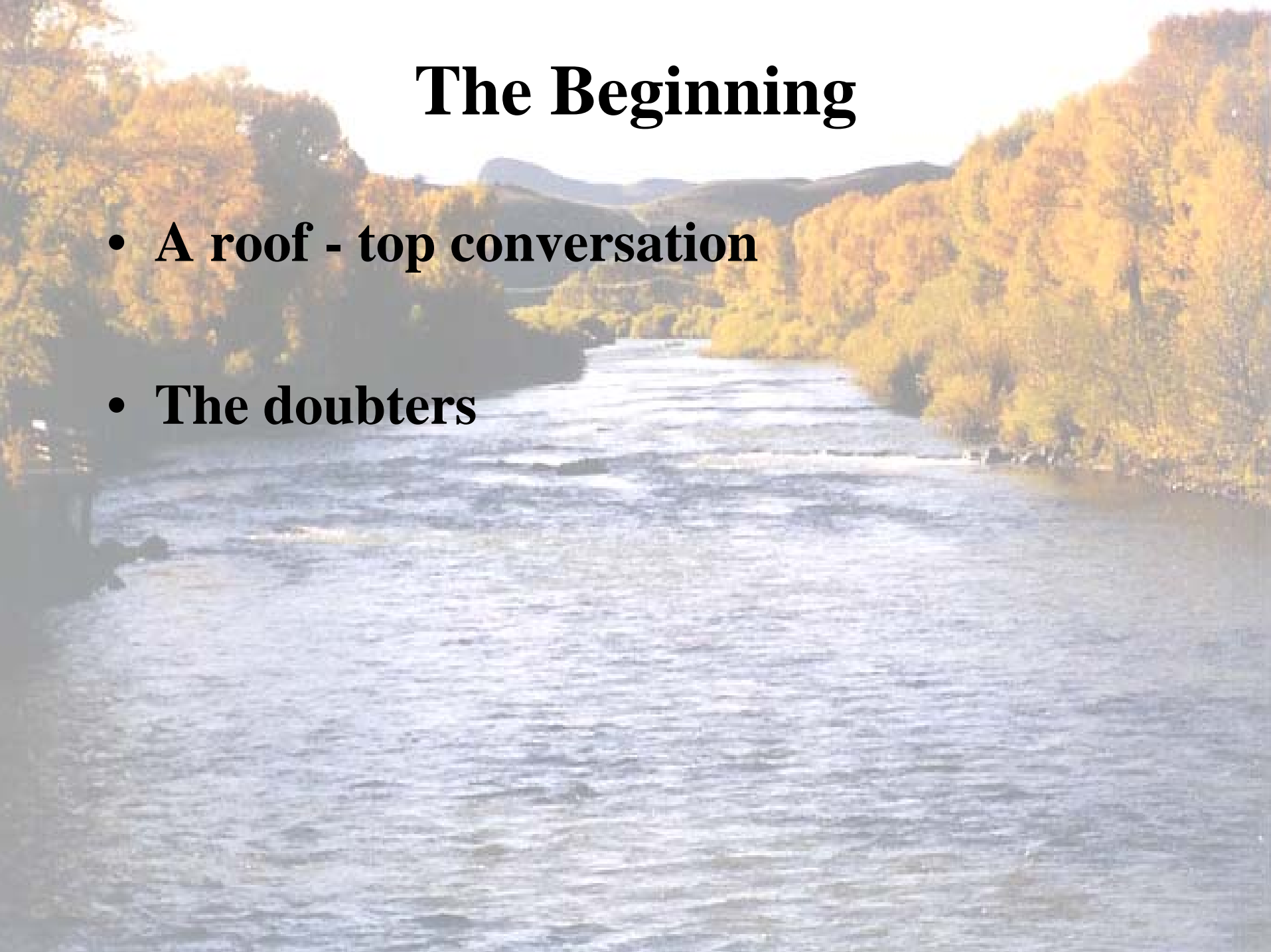
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The Beginning

- A roof - top conversation
- The doubters



Integrated Modeling

- **The slow learning curve associated with work between hydrologist and economists**
- **Language and paradigm issues**
- **Doing SAHRA over again – a re- learning curve**

Market Construction and Performance

- **A water market as a lemonade stand, but...**
- **The massive efficiency of our experiments**
- **New results concerning trading partners**

Third Party Effects

- **Shift the burden of proof onto those that claim third party effects**
- **A multi-dimensional issue?**

Mimbres, NM and Public Policy

- **Flexibility of the Mimbres population to explore trading platform**
- **Farmers are not normal economic folks**
- **Co-operative role of the Office of the State Engineer**
- **Exportability of the trading system**

Concluding Comments

- **Informed voluntary exchange leaves both parties better off**
- **The “engineering approach” and economics**



Thank You