HOW DOES PUBLIC LAND OWNERSHIP AFFECT ECONOMIC GROWTH?

Paul M. Jakus, Utah State University
Therese C. Grijalva, Weber State University
Lassina Coulibaly, Utah State University

Abstract: As the dominant landowner in the western United States, the federal government plays an important role in the economic well-being of western communities. Recently several states enacted legislation seeking title to federal lands, claiming that states can better manage public lands for economic growth. Using county-level data for eight western states, we find that federally-owned land enhances economic growth, yet a diminishing rate, whereas state-owned land does not aid economic growth until state-ownership reaches a critical mass of about 15% of county area. We also find that the “checkerboard” nature of stated-owned land has a negative effect on economic growth.

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