

WWZ research seminar

Tuesday, April 30, 2019, 12:30 – 13:45 pm, WWZ, HG, S 15

Prof. Dr. Dr. h.c. M. Scott Taylor, University of Calgary

"Is Free Trade bad for Resources?"

Abstract:

This paper develops a theoretical and empirical framework for assessing the impact of international trade on natural resource stocks and country welfare. Both harvesting decisions and the decision to convert habitat to alternative uses are linked to world prices, government enforcement power, and resource characteristics. We develop a simple estimating equation from our theory that allows us to examine whether liberalized trade at higher world prices strengthens resource management practices providing gains, or whether new entrants attracted by higher rents overwhelm the regulatory ability of resource managers producing losses. Our empirical application studies deforestation in Indonesia to provide a proof of principle evaluation.