Strategic environmental commitment and climate change in Africa: Evidence on mining and deforestation

Co-auteur: Théophile Azomahou (https://cerdi.uca.fr/version-francaise/unite/lequipe/annuaire/m-theophile-azomahou)

Discutants: Isaac Amedanou et Jean-Louis Combes

RÉSUMÉ

This paper addresses two issues on the link between mining, deforestation and environmental policy in Africa using a panel data of 35 African countries spanning over 2001-2017. First, we study the relationship between mining and deforestation. Our findings suggest that mining increases deforestation while environmental policy contributes to reduce deforestation in mineral resource-rich countries. An increase in mineral rent by a one-point percentage of GDP leads to forest loss of about 50 km². Moreover, regional economic community has heterogeneous effects on deforestation consistent with the coordination policies. Second, we test the implication of these results for uncoordinated environmental policies using two measures: ade jure and ade facto environmental policy. Our results support that countries adopt a strategic behavior in response to the environmental policy of their neighbors. A 1% increase in neighbors’ environmental commitment increases one’s own environmental commitment by 0.3% and 0.8% for ade jure and ade facto, respectively. We document that this strategic behavior leads to a race to the top for ade jure environmental policy and a race to the bottom for ade facto environmental policy. As African countries increasingly engage in ade jure environmental enforcement, their ade facto efforts to mitigate climate change are slackening.

Mahamady Ouédraogo (https://www.linkedin.com/in/mahamady-ouedraogo-b49ba1a1/)
@Oued_Mahamady (https://twitter.com/oued_mahamady)