

VU Research Portal

Resource extraction and the Green Paradox: Accounting for political economy issues and climate policies in a heterogeneous world

Ryszka, K.A.

2016

document version

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

citation for published version (APA)

Ryszka, K. A. (2016). *Resource extraction and the Green Paradox: Accounting for political economy issues and climate policies in a heterogeneous world*. Tinbergen Institute.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

E-mail address:

vuresearchportal.ub@vu.nl



Resource Extraction and the Green Paradox: Accounting for Political Economy Issues and Climate Policies in a Heterogeneous World

Karolina Ryszka

The thesis presents research on the intersection of two fields: climate change economics and resource economics.

The focus of two chapters is to analyze the “Green Paradox”, a term denoting unintended adverse effects of climate policies. I discard the common assumption of unified climate policies, analyze instead the effects of unilateral climate policies with the help of theoretical models and illustrate the results using numerical examples and calibrations.

One chapter shows that, in a world with heterogeneous regions, the region with the costlier to extract non-renewable resource (f.ex. oil) benefits from a carbon tax, both environmentally and with regard to its terms of trade. Incorporating monopolistic resource production into the setting results in a regime with two limit-pricing phases, where climate policy tightening does not result in higher initial carbon emissions. Overall emissions, however, might increase and the regulated region’s welfare decreases as more resources are sold to the unregulated region.

Whereas two chapters share a global view on resource extraction and resulting climate damages, the focus of the last chapter lies on national determinants of resource extraction and accounts for the fact that most of the world’s non-renewable resources are state-owned or state-controlled. I develop a political economy model to examine the resulting non-renewable resource extraction pattern and social welfare loss. A key finding is that the presence of self-interested politicians results in over-extraction of the resource.

After having completed a B.A. in political science at the Free University and a B.Sc. at the Humboldt University in Berlin, Karolina was admitted to the graduate program of the Tinbergen Institute in Amsterdam in 2010. Having successfully completed the research master in economics in 2012, she joined a new research group working on the so called “Green Paradox”, lead by prof. Cees Withagen and prof. Rick van der Ploeg. The book at hand is the result of three years of research and collaboration with her colleagues. Karolina will defend her thesis in April 2016.



Resource Extraction and the Green Paradox Karolina Ryszka

