Seminario de Microeconomía Aplicada - Food Policy in a Warming World

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Resumen: Do governments systematically intervene in agricultural markets in response to climate shocks? If so, what are the aggregate and distributional consequences? We construct a global dataset of agricultural policies and extreme heat exposure by country and crop since 1980. We find that extreme heat shocks to domestic production lead to increased consumer assistance. This effect is persistent, primarily implemented via border policies, and stronger in election years when politicians are particularly responsive to constituent demands. Shocks to foreign production lead to increased producer assistance, consistent with policymakers' targeting redistribution rather than price stabilization. Interpreted via a model, the estimates imply that policy responses almost fully stabilize prices in shocked markets, reducing losses to domestic consumers by 97% while increasing those to domestic producers and foreign consumers by 55% and 105%, respectively. Responsive policy exacerbates overall welfare losses from projected end-of-century climate shocks by 14%.

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Acerca del expositor: Allan Hsiao is an Assistant Professor in the Department of Economics at Standford University. He works on questions in environmental and development economics using tools from industrial organization and international trade. He holds a PhD in Economics from the MIT.

Tiempo de exposición: 1 hora y 30 minutos.

Fuente: https://www.banrep.gov.co/es/seminario-microeconomia-aplicada-food-policy-warming-world