

Three Essays on Environmental and Resource Economics Bin Hu

Abstract

This dissertation comprises three different topics on environmental and resource economics. The first chapter provides a theoretical explanation of the resource curse: countries with abundant resources may have higher initial consumption but tend to grow more slowly. In addition, the model can explain why some resource-abundant countries avoid the curse. Chapter 2 investigates the impact of international trade on consumption-generated pollution. Our theoretical model predicts that the Pollution Haven Hypothesis (PHH) applies to consumption-generated pollution. In addition, the overall impact of trade liberalization will increase the total consumption-generated pollution. These predictions are tested using an international panel of data on carbon monoxide emissions. The empirical results are consistent with theoretical predictions. The last chapter considers the question of whether temperature trends and weather system variations affect the market value of insurance and reinsurance firms. We find the increases in the Climate Extremes Index and Accumulated Cyclone Energy Index are associated with an increase in the returns to insurance firm shares. Overall, the results suggest that global temperature trends are unlikely to have a negative effect on the market value of insurance firms.