UNIVERSIDAD DE GRANADA

Departamento de
Teoría e Historia
Económica

Seminario: Marco Giansoldati (University of Trieste)

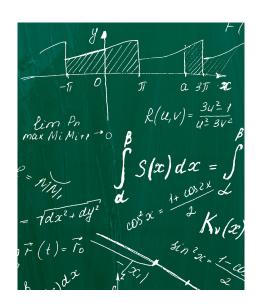08/04/2025

Seminarios 2024-2025

Título: Institutional corruption and environmental degradation

Sala: E22

Hora: 12.30

Resumen: Fighting climate change has become a major commitment nowadays. Climate change is the effect of a persistent distortion in the relationship between human activity and environment, and it is due to an innumerable variety of factors, which operate autonomously and in connection with one another. One of these factors is corruption, with the simple, but alleged idea that more corruption implies more pollution. In this paper, we show that the link between corruption and pollution may be unstable because it goes through multiple channels with different signs and sizes. Yet, we untangle this ambiguity empirically, by applying a novel econometric methodology that is based on the sequential model selection and controls for potential endogeneity. The employed panel data set embraces 161 countries over the period 1990-2020. The results of a two-step system generalized methods of moments (GMM) are that both political and regime corruption increase CO_2 emissions in the short and the long run. Our outcomes also indicate there is no evidence of any turning point in an alleged Environmental Kuznets Curve. These results have a great and still unexploited potential in terms of policy action: fighting climate change through corruption reduction is both effective and economically efficient.

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