Wildlife and Conflict: The Cost of Protecting Biodiversity

Abstract:
Our planet is experiencing the first human-induced mass extinction of species. In response, policymakers have implemented international trade bans to preserve rare animals and forest species such as rhinos, elephants, and rosewood. Yet little research examines their consequences.
Combining georeferenced habitat maps of wild animals and trees with armed conflict data, I uncover sizeable adverse effects of international trade ban treaties. First, event-study estimates reveal that bans raise the likelihood of conflict in habitat areas by about 40%. Two findings support a windfall-related conflict mechanism. For elephant ivory, a natural experiment shows that, in response to supply-side policies, prices change, which in turn changes the likelihood of conflict events in their habitat. Given the elephant's broad habitat, the implied magnitude exceeds that of well-studied conflict minerals. For wild trees, satellite data show that harvesting shifts from high- to low-capacity states once bans are imposed, generating rents that spark violence. An analysis of battles' locations before and after the policy reveals that militias and rebels expand into new, distant areas and are more likely to gain territorial control, consistent with a feasibility mechanism in which windfalls relax budget constraints. A quantitative model suggests that a targeted policy restricting trade in states with strong institutions and smaller wildlife stocks can conserve resources while limiting conflict. Given these spillovers, international trade bans, if maintained, should be accompanied by state-building support for low-income countries, which often lack enforcement capacity.