

The role of conflict for optimal climate and immigration policy

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Abstract:

In this article we investigate the role that internal and external conflict plays for optimal climate and immigration policy. Reviewing the empirical literature, we put forward five theses regarding the link between climate change, migration, and conflict. Based on these theses, we then develop a theoretical model in which we take the perspective of the North who unilaterally chooses the number of immigrants from a pool of potential migrants that is endogenously determined by the extent of climate change. Accepting these migrants allows increases in local production which not only increases climate change but also gives rise to internal conflicts. In addition, those potential migrants that want to move due to climate change but that are not allowed to immigrate may induce external conflict. While we show that the external and internal conflict play a significant yet decisively different role, it is the co-existence of both conflicts that makes policy making difficult. Considering only one conflict induces significant immigration but no mitigation. Allowing for both types of conflict, then depending on parameters, either a steady state without immigration but with mitigation will be optimal, or a steady state with a larger number of immigrants but less mitigation. Furthermore, we find the possibility of Skiba points, signaling that optimal policy depends on initial conditions, too. During transition we examine the substitutability and complementarity between the mitigation and immigration policy.

Keywords: climate change, immigration, conflict, mitigation

JEL codes: Q54, Q56, F22.