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TITLE: POLICY FOR AVOIDING DEFORESTATION, LOCAL ECONOMY AND LAND MARKET IN AMAZON: SIMULATIONS USING I-O MATRIX TO SOUTHEASTERN OF PARÁ AND EXTRAPOLATION TO THE GREAT NORTH REGION

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ABSTRACT:

The current discussion on avoiding carbon emission associated to agricultural use of land needs a more systemic approach. Given that avoiding deforestation schemes implicate resources input-output throughout local economies and broader economic context, it seems fundamental to discuss what are the final impacts of those flows. The basic questions are a) how such policies, starting from the rural sectors, will affect final demand, the value of the production and the variables of value added all over the economy and b) how variations in the economy affect the forms of use of natural resources and, therefore, deforestation itself. The article uses an ascending model to generate input-output matrices for local economies based on primary products (CSα), incorporates an algorithm of carbon balance, finds the multipliers of the economy of Southeastern Pará and simulates four situations of policies on avoiding deforestation, including de effects of a local land market. With these results, produces an extrapolation for whole Amazon weighted by available results of Agricultural Census. The main conclusion is that policies for avoiding deforestation will probably have a hard time if not part of macro development policy on local and regional level, which encompass strong regulation of the land market.