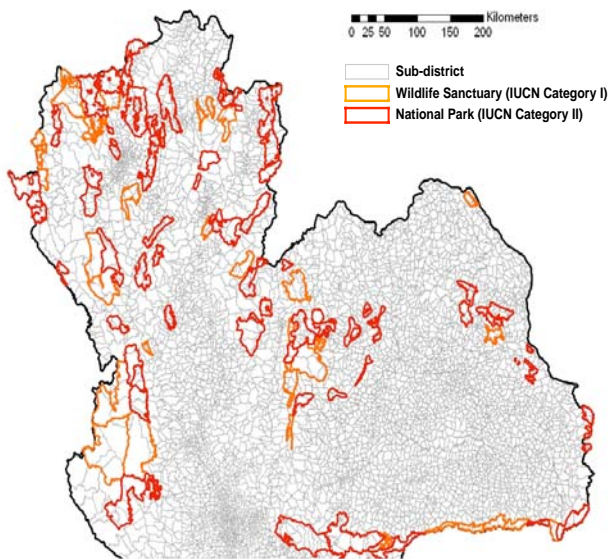


# Energy and Resources Group Spring 2008 Colloquium Series (ER295)

January 23, 2008



**Katharine R. Emans Sims**

Center for International Development  
Kennedy School of Government  
Harvard University

*The Effects of Protected Forest Areas  
on Land Use and Local Economic  
Development: Evidence from  
Northern Thailand*

Protected areas cover a significant fraction of global land area but little is known about their effects on local economies. This paper examines the effects of national parks and wildlife sanctuaries on forest cover and local economic outcomes using spatial data from over 4000 sub-districts in North and Northeast Thailand. The empirical analysis exploits the centralized political process of protected area designation and variation in placement from unique natural features, while controlling for pre-protection selection characteristics that could affect outcomes. An additional instrumental variables specification takes advantage of the targeting of protection to key headwaters areas. The results indicate that protection, by increasing forest cover, has imposed a significant constraint on local land use. However, such protection has not led to adverse wealth impacts on average. Sub-districts with land in national parks actually have significantly higher consumption and lower poverty rates than similarly remote and rugged sub-districts. This suggests that the gains from protection, most likely from increased recreational tourism activities, have been high enough to offset the costs of constraints on land use at the sub-district level.

**4:00 P.M. - 110 Barrows Hall**