

An Account of Pollution Emission Embodied in Global Trade

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Abstract

For the period between 1988 and 2009, we constructed the world panel dataset for the pollution emission embedded in international trade by applying the time-invariant common pollution intensity at industry level for international trade of over 150 countries. This dataset, consisting of scale and composition effects, allows us to investigate whether the composition of international trade for a country changed toward pollution intensive industries during the last two decades. By utilizing a proxy variable for technique effect, we provide a full account of pollution emission embodied in global trade and show to what degree the pollution emission is attributed to technique, scale, and composition effect.

Keywords: Composition effect; Environment; International trade; Pollution emission..

JEL Classification Codes: F18; O13; Q56.

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