Pollution Haven Hypothesis or Factor Endowment Hypothesis: Theory and Empirical Examination for the US and China*

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Abstract

This paper examines how free international trade affects the environment in the developed and less developed worlds. Using input-output techniques, tests of the pollution haven hypothesis (PHH) and the factor endowment hypothesis (FEH) for the US and China were empirically carried out. We found that China gains and the US lose in terms of CO2, SO2 and NOx emissions from increased trade, and the US is not exporting capital intensive goods. Thus both the PHH and the FEH are rejected, which implies that explaining the trade of pollutants remains an unresolved puzzle.

Abstrakt

Tato studie zkoumá, jak volný mezinárodní obchod ovlivňuje životní prostředí v rozvinutých a méně rozvinutých zemích světa. Testy hypotéz znečišťovacího ráje (PHH) a faktorového vybavení (FEH) byly provedeny empiricky pro USA a Čínu pomocí input-output technik. Zjistili jsme, že z rostoucího obchodu získává Čína, kdežto USA ztrácí co se týče emisí CO2, SO2 a NOx. Kromě toho USA neexportuje kapitálově náročné statky. Tím pádem jsme obě hypotézy zamítli, což mimo jiné znamená, že mezinárodní obchod s emisemi zůstává nevyřešenou hádankou.

Keywords: International trade, Environment, Pollution haven, Factor endowment, Inputoutput analysis
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