

# International Waste Trade: The impact of European Regulation on World Trade

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## **Abstract**

The waste haven effect is a really emerging subject, environmental economics researchers start to study it on the one hand because of the important and very recent increase that this trade had and on the other hand because of the important efforts that international community has made, to regularized it and diminishing it. This paper takes an original approach to the waste trade in the European Union, focusing on the imports of hazardous waste, taking into account two important features, the differences in environmental regulation, known by the literature, and a specific trade policy. Doing so, we can observe deeper the effects that the European Regulation on shipments of waste has inside the European Union, and with a difference-in-difference strategy we try to observe if the regulation was efficient to stop a potential Waste Haven Effect for the poorest countries of the European Union, and in which conditions. Finally, we try to give some possible explanations about the reason why this trade could be considered not threatening for those countries, but it could be creating an externality that could affect the environmental performance of the rest of the developing world.

**JEL codes:** F13, F18, Q53, Q56, Q58

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