



# Environmental Institutions Seminar Series

*Presents*

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### NAFTA and the Environment: What Can the Data Tell Us?

Thursday, March 25, 2004

12:30 – 2:00 pm

A 158 LSRC, Research Drive, Duke University

#### Abstract

Trade and investment liberalization, along with weaker environmental and worker protection in developing countries, have raised concerns that those industries that are more polluting in their production processes have located in developing countries for regulatory reasons. Using the North American Free Trade Agreement (NAFTA) as a trade and investment liberalization episode, I test if NAFTA led to greater growth in US import intensity from Mexico in the dirtier industries relative to cleaner ones between the pre and post-NAFTA periods. Next, I examine several other NAFTA-related questions of interest, where I describe patterns that coincide with the passage of NAFTA, without making causal claims. I ask whether output from foreign owned facilities in Mexico has shown a greater increase in the dirtier versus the cleaner industries. I also describe the technological aspect of trade i.e. the NAFTA-related reduction on Mexican import tariffs on pollution abatement equipment and the increase in these imports. Additionally, I assess locational issues, i.e. whether industrial growth post-NAFTA is less concentrated in Mexico's border region, which already suffers significant environmental pressure, than in the interior region. Finally, I examine whether ambient air pollution in Mexican border cities has worsened post-NAFTA.

#### Biography

Dr. Gamper-Rabindran has been on the Public Policy faculty of UNC-Chapel Hill since 2002. She applies empirical methods (Geographical Information Systems and econometrics) to pollution, natural resources and environmental health issues in developing and developed countries. Her research examines the causes of land fires in Indonesia, household deforestation in Bolivia, the environmental aspect of US-Mexican trade, and the environmental impact of economic expansion in the US-Mexican border region. Currently, she is working on the changes in health and environmental indicators in the US-Mexico border region during the NAFTA transition and on a comparative study of regulations and voluntary approaches in reducing manufacturing facilities release of toxic pollutants.

She received her Ph.D. in Economics from MIT, her M.Sc. in Environmental Management from Oxford, where she was a Rhodes Scholar, and her A.B. in Economics and Environmental Science from Harvard University.

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