

## **Structural change, trade and the environment: an application to WIOD data**

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Structural change has been identified to have a significant impact on environmental issues just because of its impact on international trade patterns. The present paper provides insights into the driving forces of structural change and its close relationship to international trade. In a further step, the paper connects these economic forces with environmental issues based on recent econometric approaches in the literature. We especially address possible arising endogeneity problems with regard to the effects of trade on the environment, trade on income and income on environmental regulation. In addition to these guidelines by the literature, an econometric panel data approach using WIOD data is offered and employed to shed some light on the impact of structural change and international trade on environmental pressure. Our main findings are, that trade is not per se bad for the environment and that the effect of changing trade patterns depend on the comparative advantage of a country in "dirty" or "clean" production.