

ABSTRACT

The purpose of this research is to prove the pollution theory halo, pollution haven and the factors that cause environmental damage within the scope of ASEAN.

This research uses panel data regression using the fixed effect model and correction of Heteroscedasticity and Autocorrelation Consistent (HAC). The dependent variable of this research is environmental damage proxied by CO2 while the independent variable is Foreign direct investment, GDP per capita, population, world governance index, economic openness. This research uses secondary data from 10 ASEAN countries in the period 2002-2014.

Based on the results of econometric regression, it is known that the pollution halo theory is proven because FDI shows the impact of decreasing environmental damage, besides that economic growth which is proxied by the GDP per capita variable shows the impact of increasing environmental damage. While population variables, economic openness, and WGI have no significant effect.

Keywords: environmental degradation, pollution halo, pollution haven, ASEAN