

ABSTRACT

Economic development was increasing inline with descending endure capacity and live environment function. Economy development aimed to made society prosperous but finally became supporting system destroyer (in this case was live environment quality).

Aim of this research was to find connection of both industry sector GDP with environment quality refer to the cost theory concept and production function level. In this research, Sulfur per capita and CO2 per capita emissions as the proxy of environmental quality.

Data used within this research was secondary data use such data of GDP sector industry, emission CO2 percapita and Sulfur emission percapita of 5 ASEAN countries such Indonesia, Malaysia, Philippina, Singapore and Thailand of 1980-2000 periods. Data analysis used by Fixed Effect Model (FEM) by Fixed Effect Model Fixed Cross Section, processed by using software Eviews 6.1.

Research result showed that connection which formed quadratic function curve among earning percapita, Sulfur and emission.

Key words : Income, cost theory, theory of production function level, Sulfur emission, CO2 emission, Fixed Effect Model Fixed Cross Section