

Green technology transfer and the absorptive capacity of high- and low-income countries: A synthesis of trade in environmental goods

Stephen Taiwo Onifade¹, Jaana Rahko^{2,1}, Andrew Adewale Alola³

¹University of Vaasa, Vaasa, Finland. ²VEBIC - Vaasa Energy Business Innovation Centre, Vaasa, Finland. ³Inland Norway University, Elverum, Norway

Extended Abstract

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Abstract Summary

By contributing to the literature on transfer of environmentally friendly technologies, this study examines whether the drivers of environmental goods trade are consistent across countries' income level groups. Specifically, the role of exporting and importing countries' absorptive capacity in fostering international trade in environmental goods is examined and compared in terms of human capital (HC) and research and development (R&D) intensity. The investigation also offers evidence on how countries' environmental regulations via taxes foster environmental goods exports and imports. With the use of Poisson Pseudo Maximum Likelihood approach, the results particularly show that R&D intensity supports environmental goods exports both in high- and low-income economies. However, human capital development supports exports only among low-income countries, whereas in high income countries human capital intensity leads to a reduction of environmental imports, which are likely replaced by domestic production. Overall, R&D intensity outperforms HC in determining competitiveness of environmental goods exports. In line with the prior literature, we find that environmental taxes support environmental trade among the high-income countries; however, this does not hold for low-income countries. With these results, relevant policies are formulated to provide guidance to decision makers and specific stakeholders in view of the roles of technology diffusion in the transition to low-carbon economy and a sustainable future.

Presenting Author Biography

Dr Stephen is an Assoc. Prof at the University of Vaasa in Finland where he teaches and also conduct research in the areas of Sustainable Development, Energy & Resource Economics. He is passionate about developmental issues in emerging economies, including those in Africa; especially in the sub-Saharan Africa. He has authored many peer-reviewed

scientific publications. He speaks Yoruba, English, Turkish, and he is currently learning the Finnish language.