

EconWorld2016@Barcelona

Environment, Society and Economic Growth / Çevre Toplum ve Ekonomik Büyüme

Serkan Çınar¹¹Celal Bayar University, Turkey

ABSTRACT

This study has investigated the links between pollution, institution and economic growth. At issue relationship is important for identifying appropriate sustainable development policies. For this purpose, we analyzed the long-run relationship between pollution, society and economic growth for 10 newly industrialized countries from 1996 to 2014. In equation, we used considering as pollution, carbon dioxide emission and energy depletion for environment variables; considering as rule of law, government effectiveness and control of corruption for society variables. We have applied Lagrange Multiplier (LM) test statistics for cross-section dependence and second generation stationary tests for unit root and cointegration test with multiple breaks. We finally analyzed long-run coefficient by PMG (Pooled Mean Group), CCE (Common Correlated Effects) and AMG (Augmented Mean Group). The results demonstrate dependent and independent variables are co-integrated, which is evident in the model. We have found that the environment variables have a negative effect on economic growth and the society variables have a positive effect on economic growth.

KEYWORDS Pollution; Institutions; Sustainable Development; Panel Data

JEL Q56, Q01, C33