Determinants of Environmental Quality in ASEAN Countries

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ABSTRACT

Global warming and climate change are forms of decreasing environmental quality. The main cause of global warming is the emission of carbon dioxide (CO2). Carbon dioxide emissions will increase along with industrial growth. Increased industrial growth as a form of increasing economic growth. This is explained in Kuznets theory that there is a relationship between economic growth and environmental quality. Therefore, empirical studies are needed to analyse the effect of economic growth and openness on environmental quality. This study uses a quantitative method with panel data regression estimates in 10 ASEAN member countries during the 2010-2020 period. The variables used are carbon dioxide emissions as the dependent variable and population, economic growth, economic openness and foreign investment as the independent variable. The results of this study indicate that economic growth has a negative and significant effect, then exports and foreign investment have a positive effect on carbon dioxide emissions. Meanwhile, population and import variables have no significant effect on carbon dioxide emissions. Therefore, to improve the quality of the environment, the government in each country is advised to take advantage of its economic growth as an effort to improve environmental quality.

Keywords:

Environmental quality; economic growth; ASEAN countries; panel data