ABSTRACT

The economy that continues to grow has the impact of environmental damage. This study aims to prove empirically the Environmental Kuznets Curve (EKC) hypothesis by analyzing the relationship between economic growth and environmental damage. Economic growth is measured by GDP growth per capita, while environmental damage is measured by CO_2 emissions.

The data used in this study are secondary data in the form of GDP per capita, CO_2 emissions, population growth, inflation, and control of corruption in 10 countries in the ASEAN region in 2002-2016. Data analysis used the fixed effect model with the EGLS cross-section SUR method.

The results show that there is a relationship between economic growth and environmental damage. In this study, economic growth will initially have a positive effect on environmental damage to the point where economic growth has a negative impact on environmental damage, thus forming EKC which has an inverted U shape. By adding a control variable: population growth, inflation, corruption, variables, inflation and corruption have a positive impact on environmental damage, while population growth variable negatively affect environmental damage

Keyword: Environmental Kuznets Curve, ASEAN, fixed effect.