

Elasticity of CO₂ emissions with Respect to Income, Population, and Energy Use: Time Series Evidence from African Countries

Olaronke T. ONANUGA*

Summary

This study examines the CO₂ emissions elasticity of income, population and Energy because it has become imperative for Africa to follow cleaner development pathways. The specified models, guided by the STIRPAT, EKC and EEO framework, are estimated by applying a dynamic regression technique. To minimise data attrition, different sample periods, between 1971 and 2013, are adopted for each 26 sampled African countries. The findings support the literature that environmental quality is a normal good in economies but do not support the neoclassical view that it is a luxury one. Economies in which a cleaner environment is found to be an inferior good are of higher threat to Africa's environment than economies where a cleaner environment is a normal good. African countries with positive population elasticity depict a threat to having a cleaner CO₂ environment in Africa. The study finds the EKC for 15 countries, the U-shaped relationship for six countries and a linear relationship for five countries. It, also, discovers that energy consumption, followed by affluence, is the primary driver of human-induced CO₂ emissions in

African countries while the population is a lower impact-factor than affluence and recommended that CO₂ mitigation should relentlessly be made a regional, national and local focal issue.

Key words: CO₂ emissions; Energy-Emissions-Output; Environmental Impact Assessment; Environmental Kuznets Curve; Stochastic Impacts by Regression on Population, Affluence and Technology

JEL Classification: Q56

1. Introduction

Climate change is recognised as the greatest challenge of our time and carbon dioxide (CO₂) emission is the major driving force behind it (GEO4, 2007). Although Africa's average growth rate in CO₂ emissions was reduced from 3.09% during 1976-1995 to 2.52% during 1996-2015, its growth rate in emissions is above the world's average growth and its share of global emissions is higher than the previous decades (Canadell *et al.*, 2009). Africa's CO₂ per capita has been rising from 0.98 in 1976 to 1.08 in 1995 and 1.11 in 2015. Compared to other continents, Africa has a higher average growth rate in CO₂ per capita than Europe, North America and Oceania but a lower average growth rate in CO₂ per capita than

* Department of Economics, Hallmark University, Ijebu-Itele, Ogun State, Nigeria, Correspondence address: P.O. Box 19101, Dugbe, Ibadan, Oyo state, Nigeria, Email: ronanuga@yahoo.co.uk Phone: +234 803 401 7633

Asia, Central America, Middle East and South America during 1996-2015 (www.globalcarbonatlas.org).

To its credit, Africa's average growth rate in CO₂ emissions to GDP dropped, and from being second in the ranking of continents (next to the Middle East), it now comes sixth, i.e. higher than Europe and North America and lower than others. In spite of this encouraging statistics on CO₂ emissions to GDP, the share of global cumulative atmospheric carbon for developing countries, including Africa, is likely to reach 50% by 2030 (Wheeler and Ummel, 2007). This indicates that unchecked emissions in Africa pose a threat (Wheeler and Hammer, 2010) and so it is imperative to follow cleaner development pathways.

Explaining the factors that determine emissions, Ehrlich and Holdren (1971) suggested that Population, Affluence and Technology influence emissions' environmental Impact (called the IPAT framework). This led Meadows *et al.* (1972) to argue that the world should transit to a steady-state economy by putting an end to economic growth. However, due to the strong correlation between income (affluence) and environmental protection, Beckerman (1992) maintains that the most certain way to reduce environmental abasement is by getting rich.

Although Beckerman's position is popularized by the World Bank's World Development Report (WDR) (1992), the report exposes the relevance of Ehrlich and Holdren's assumption by mentioning that rapid increase in population size (experienced in most African countries) may make it more difficult to address environmental problems like climate change. In support of this view, the UN Conferences on Trade and Development (UNCTAD) (2012) observed that with Africa's rising population, farm sizes have been declining and an increasing number of people are forced to cultivate virgin lands for farming and urban development, which causes organic

CO₂ stored in trees and soil to be released into the atmosphere. Hence it is not surprising that a few years back Canadell *et al.* (2009) found an upward trend in Africa's average CO₂ emissions.

Due to access to energy-efficient technologies, this factor can either reduce or expand the degree of environmental impact (UNCTAD, 2012). This endorses Hamilton and Turton's (2002) conclusion that affluence and population are the main factors for the increasing CO₂ in Organization for Economic Cooperation and Development (OECD) countries. In furtherance of this debate, Liddle (2015) identified that some studies found that population has a greater environmental impact than affluence (e.g. Neumayer, 2004; Martínez-Zarzoso *et al.*, 2007; Liddle and Lung, 2010). Contrarily, recent studies like that of Pastpipatkul and Panthamit (2011) and Fang and Miller (2013) established that affluence has a higher environmental impact than population. This study identifies which statements are true for 26 African countries.

Earlier studies (e.g. Borchering and Deacon, 1972; Bergstrom and Goodman, 1973) found that income elasticity for environmental quality is greater than one, while more recent ones (e.g. Imber *et al.*, 1991; Carson *et al.*, 1996) detected an income elasticity that is less than one. Unlike the more recent studies, Dietz and Rosa (1997) introduced a stochastic framework and obtained the CO₂ emissions elasticity of income and population that are greater than but close to unity. York *et al.* (2003) found a roughly proportional effect of population on the environment. Shi (2003) supports the more recent studies and York *et al.* (2003) on income elasticity and calls into question the findings of Dietz and Rosa (1997) that population elasticity is greater than but not approximately one. Applying a more robust estimation technique, Neumayer (2004) found that emissions

change less proportionately with income and proportionately with population.

Some recent studies do not agree with the above-mentioned studies. Fan *et al.* (2006) found both elasticities to be less than one. At the provincial level, Pastpipatkul and Panthamit (2011) obtained unitary and less than unitary emissions elasticity of income and population. Although Fang and Miller (2013) agree with Dietz and Rosa (1997) on emissions elasticity of population, they found income elasticity to be greater than one. However, Liddle (2015) supports Shi (2003) on income and population elasticity to be less and more proportional, respectively.

This study takes into account the wealth of the literature on panel analysis, the endogeneity of data and the non-linearity of the models, and makes the following contributions: [a] Country-specific analysis is conducted; [b] Models are specified using three theoretical frameworks; and [c] A time series robust estimation technique is applied. This paper is organised into four sections. The next section makes an overview of the literature on environmental impact, the methodology is presented in section three, the estimated results are discussed in section four and the paper is concluded in the last section.

2. Literature Review

Studies in the literature are based on the framework of Stochastic Impacts by Regression on Population, Affluence and Technology (STIRPAT) (e.g. York *et al.*, 2003; Martínez-Zarzoso *et al.*, 2007), Environmental Kuznets Curve (EKC) (e.g. Jorgenson and Clark, 2013), STIRPAT and EKC (e.g. Neumayar, 2004), and STIRPAT and Kaya identity on intensity variables (e.g. Liddle, 2015). To consider a different perspective, this study applies the STIRPAT, EKC and Energy-Emissions-Output (EEO) frameworks. These frameworks have income in common, though they share some

uncommon features (York *et al.*, 2003).

Criticizing the IPAT framework for not explaining the non-proportional effects of the determinants and omitting other factors of interest, Dietz and Rosa (1997) and York *et al.* (2003) proposed a more elaborate approach called the STIRPAT (specified in equation 1).

$$I = \alpha P^\beta A^\gamma T^\delta \varepsilon \quad (1)$$

The term I is the environmental impact, α is the constant term, P is the population with coefficient β , A is affluence with coefficient γ , T is a vector of variables including technology with coefficient δ and ε is the error term. If the natural log of equation 1 is obtained as equation 2, the equation is expressed as a log-linear model. The STIRPAT framework is, perhaps, the most widely utilised environmental impact theory in the literature on the effect of population on CO₂ emissions and it consistently shows that income and population has a non-negative effect on emissions.

$$\ln I = \alpha + \beta \ln P + \gamma \ln A + \delta \ln T + \mu \quad (2)$$

The EKC is widely used to examine the effect of income on CO₂ emissions. It is due to neoclassical economists' argument that economic growth contributes to environmental problems and increasing income should yield increase in the demand for environmental quality (Martinez-Alier, 1995). That is, a cleaner CO₂ environment is a luxury good affordable only for rich societies (York *et al.*, 2003) as the demand for a cleaner CO₂ environment rises more proportionately with the increase in income. If emissions elasticity of income is less than one but non-negative then a cleaner CO₂ environment is a necessary good with its demand rising less proportionately as income increases. Meanwhile, a negative emissions elasticity of income means that a cleaner CO₂ environment is an inferior good as its demand falls as income rises.

To illustrate this point, the following case is suggested: if public transport is considered indispensable in a society then as income increases people would not shy away from trekking/riding the bus/train/bicycle, which in turn implies that cleaner CO₂ environment is seen as a normal good. If owning a car is considered to be a status symbol while trekking/riding the bus/train/bicycle are interpreted as a sign of poverty, then as income increases people would trade off trekking/riding the bus/train/bicycle for buying cars. This would lead to a dirtier environment and accordingly make the cleaner CO₂ environment an inferior good.

The EKC is specified in equation 3 as an inverse-U-shaped relationship between income (Y) and environmental degradation (E).¹ The model expresses that as income increases environmental degradation goes up at first, and income reaches a point at which environmental degradation starts to decline. Since the paper aims to obtain the elasticity of the stimulus variables for the response variable, the natural log of equation 3 is obtained as the log-quadratic model in equation 4.

$$E = \beta_0 + \beta_1 Y + \beta_2 Y^2 + \varepsilon \quad (3)$$

$$\ln E = \beta_0 + \beta_1 \ln Y + \beta_2 \ln Y^2 + \varepsilon \quad (4)$$

Although the EKC model is based on the presumption that the emissions elasticity of population is one (Neumayer, 2004) and it could be removed via division (Dinda, 2004), Ehrlich and Holdren (1971) argued that population has a disproportional impact on the environment and Panayotou (2000) claimed that a higher population may result in higher emissions for a given income per capita.

Except for Shahbaz *et al.* (2011) who found the EKC for South Africa, country-specific study in the EKC literature on

African countries (e.g. Boopen and Vinesh (2010) for Mauritius; Alege and Ogundipe (2013) for Nigeria; Onafowora and Owoye (2013) for Nigeria and South Africa) did not find the inverted-U-shape relationship between income and CO₂ emissions.

Relying on the findings of Kraft and Kraft (1978) on the causality that exists between economic growth and energy consumption², the EEO model is introduced by Ang (2007) to have a comprehensive estimate that considers the CO₂ emissions-income relationship and energy-income causality. The EEO model is presented in equation 5, where E is the environmental indicator, Y is income, Ec is energy consumption and ε is the error term.

3. Methodology

Given that, once emitted, CO₂ can persist for over 100 years (Cunha-e-Sá, 2008), the log-linear model in equation 6 is a dynamic STIRPAT model on the EEO. Where CO₂ (metric tons per capita) is the environmental indicator in country i ; CO_{2it-1} is a period lagged of CO₂ emissions; Y is income/affluence in country i proxy with GDP per capita measured in constant 2010 U.S. dollars; P is the population for country i ; the share of industry in GDP is used as a proxy for technology in country i ; Ec is energy consumption per capita in country i and μ is the error term.

$$\ln E = \beta_0 + \beta_1 \ln Y + \beta_2 \ln Y^2 + \beta_3 \ln Ec + \varepsilon \quad (5)$$

$$\ln CO_{2it} = \beta_0 + \beta_1 \ln CO_{2it-1} + \beta_2 \ln Y_{it} + \beta_4 \ln P_{it} + \beta_5 \ln I_{it} + \beta_6 \ln Ec_{it} + \mu_{it} \quad (6)$$

$$\ln CO_{2it} = \beta_0 + \beta_1 \ln CO_{2it-1} + \beta_2 \ln Y_{it} + \beta_3 \ln Y_{it}^2 + \beta_4 \ln P_{it} + \beta_5 \ln I_{it} + \beta_6 \ln Ec_{it} + \mu_{it} \quad (7)$$

¹ The coefficients of income and squared income are expected to be positive and negative to obtain the inverse-U-shape. If reversed signs are obtained, then the relationship between income and degradation will be U-shaped.

² Increase in economic growth leads to increasing energy consumption which is associated with an increase in carbon emissions (Kraft and Kraft 1978).

The second model specified is the log-quadratic model in equation 7 and it is a dynamic combination of the STRIPAT, EKC and EEO models where the squared income term is introduced and the definitions remain the same. The squared income depicts what happens to CO₂ emissions as income further increases. If the log-linear model is significant, β_2 is the emissions elasticity of income (ϵy). If the log-quadratic model is significant, the ϵy is calculated as (Shafik and Bandyopadhyay, 1992):

$$\epsilon y = \beta_2 + 2\beta_3 \ln Y \quad (8)$$

The estimation of equation 6&7 yields the short-term elasticity. Since the EKC is expected to convey a long-run relationship, the long-term elasticity is obtained as the short-run elasticity divided by $(1-\beta_1)$.

The panel Ordinary Least Squares (OLS) method has been applied by Dietz and Rosa (1997); Shi (2003); Fan *et al.* (2006). More robust estimation methods like Panel Corrected Standard Error (PCSE) (Neumayer, 2004), difference Generalized Method of Moments (GMM) (Fang and Miller, 2013); and Common Correlated Effects Mean Group (CMG) and Augmented Mean Group (AMG) Estimator (Liddle, 2015) have also been employed in the panel study literature. Thus, unlike studies on African countries³, this study contributes by estimating equations 6&7 with a more robust technique called the Single-Equation Instrumental Variables (IV) regression (GMM estimator) which is heteroscedasticity and autocorrelation consistent (HAC) to take care of the argument of nonlinearity in modelling (Itkonen, 2012) its time series data.

The IV regression is adopted to resolve the bias of the lag of CO₂ emissions (CO_{2it-1}) (see Rabe-Hesketh and Skrandal, 2012). As a result, whether the error term has (or does not have) an effect on CO_{2it-1} , the coefficients of other explanatory variables in both models become inconsistent, given that they are either too small or insignificant when empirical methods like OLS and ECM are employed (Achen, 2001). Unlike the previously applied estimation methods, the IV regression also resolves likely endogeneity in the models by capturing the effect of an endogenous variable(s) on CO₂ only due to induced instruments (Stock and Watson, 2015). Since the specified models are single equation regressions and not a simultaneous equation, the identified exogenous variables that correlate with identified endogenous variables, the untransformed data of the endogenous variables (where applicable) and the lags of endogenous variables that do not correlate with the error term are used as instruments.⁴

Likewise, the IV regression is preferable to the Hansen GMM (another dynamic estimation method) as long as heteroscedasticity is absent (Baum *et al.*, 2003). The test of Pagan and Hall (1983), designed specifically to detect the presence of heteroscedasticity in IV regression, is conducted as a diagnostic test in addition to the Hansen's J over-identification test for misspecification. Before the IV regression, the Augmented Dickey-Fuller (ADF) unit root test and the Engle-Granger cointegration test are conducted. This is conducted to test whether the long-run estimates obtainable from the IV regression estimates are reliable. The data for all the variables are sourced

³ Boopen and Vinesh (2010) = vector autoregression (VAR) & OLS; Shahbaz et al. (2011) autoregressive dynamic lag (ARDL) & error correction model (ECM); Alege and Ogundipe (2013) = fractional cointegration approach; Onafowora and Owoye (2013) = ARDL & unrestricted ECM.

⁴ The problematic variable(s) varies from country to country but $\ln CO_{2t-1}$ is generally instrumented and it is the only problematic variable for most of the countries. Examples of countries with more than one problematic variable are Sudan and Zambia ($\ln Y$), Togo ($\ln P$), Senegal ($\ln Ec$), Benin, Egypt, Namibia and Zimbabwe ($\ln Y$ & $\ln P$), Congo Republic ($\ln Y$ & $\ln Ec$), and Tunisia ($\ln P$ and $\ln Ec$).

from the World Bank's World Development Indicators. Due to the shortage of data, different time periods (between 1971 and 2013) have been selected for the sampled 26 African countries (see Table 1).

4. Empirical Results and Discussion

The ADF unit root test and the Engle-

Granger cointegration test are presented in Table 1. The study variables are mostly integrated at first difference (I(1)) for all the sampled countries, except for Algeria which is integrated at level (I(0)) for all the variables. GDP per capita, population and the share of industry in GDP are integrated at second difference (I(2)) under a few

Table 1. Unit Root Test and Cointegration test

	lnCO ₂	lnY	lnP	lnI	lnEc	Cointe- gration Test	Critical Values: @1%	@5%	@10%
Algeria (1971-2013)	-4.621* I(0)	-3.25** I(0)	-9.553* I(0)	-3.785* I(0)	-4.054* I(0)	-5.805* I(0)	-3.634	-2.952	-2.610
Angola (1985-2013)	-8.005* I(1)	-5.642* I(2)	-6.163* I(1)	-8.246* I(1)	-5.001* I(1)	-5.902* I(0)	-3.743	-2.997	-2.629
Benin (1971-2013)	-7.417* I(1)	-6.211* I(1)	-3.720* I(1)	-6.639* I(1)	-6.514* I(1)	-3.670* I(0)	-3.641	-2.955	-2.611
Botswana (1981-2013)	-6.555* I(1)	-4.513* I(1)	-10.25* I(0)	-4.819* I(1)	-6.951* I(1)	-3.886* I(0)	-3.709	-2.983	-2.623
Cameroon (1971-2013)	-3.33** I(0)	-4.163* I(1)	-5.545* I(0)	-5.386* I(1)	-4.531* I(1)	-4.674* I(0)	-3.641	-2.955	-2.611
Congo Dem. Rep. (1971-2013)	-5.502* I(1)	-6.988* I(2)	-6.763* I(1)	-6.452* I(1)	-7.222* I(1)	-3.821* I(0)	-3.641	-2.955	-2.611
Congo Rep. (1971-2013)	-6.661* I(1)	-3.729* I(1)	-3.970* I(0)	-6.426* I(1)	-6.367* I(1)	-3.848* I(0)	-3.641	-2.955	-2.611
Cote d'Ivoire (1971-2013)	-8.088* I(1)	-4.266* I(1)	-20.16* I(0)	-7.614* I(1)	-7.133* I(1)	-4.492* I(0)	-3.641	-2.955	-2.611
Egypt (1971-2013)	-7.823* I(1)	-3.558* I(1)	-3.935* I(0)	-5.155* I(0)	-5.786* I(1)	-4.747* I(0)	-3.641	-2.955	-2.611
Ethiopia (1981-2013)	-6.668* I(1)	-3.926* I(1)	-5.801* I(0)	-4.635* I(1)	-8.125* I(2)	-2.66*** I(0)	-3.716	-2.986	-2.624
Gabon (1971-2013)	-6.612* I(1)	-3.22** I(0)	-5.186* I(1)	-8.602* I(1)	-6.120* I(1)	-4.206* I(0)	-3.641	-2.955	-2.611
Ghana (1971-2013)	-9.220* I(1)	-4.110* I(1)	-8.179* I(1)	-5.333* I(1)	-5.875* I(1)	-5.089* I(0)	-3.641	-2.955	-2.611
Kenya (1971-2013)	-6.570* I(1)	-5.669* I(1)	-12.76* I(0)	-6.683* I(1)	-5.433* I(1)	-3.176** I(0)	-3.655	-2.961	-2.613
Mauritius (1976-2013)	-4.843* I(1)	-5.329* I(1)	-7.202* I(0)	-2.89** I(1)	-5.068* I(1)	-4.391* I(0)	-3.675	-2.969	-2.617
Morocco (1980-2013)	-6.435* I(1)	-12.25* I(1)	-12.97* I(0)	-10.72* I(1)	-6.317* I(1)	-4.190* I(0)	-3.702	-2.980	-2.622
Mozambique (1980-2013)	-3.11** I(0)	-3.624* I(1)	-5.381* I(1)	-3.781* I(0)	-4.899* I(0)	-3.948* I(0)	-3.696	-2.978	-2.620
Namibia (1991-2013)	-5.924* I(1)	-3.761* I(1)	-4.279* I(0)	-4.799* I(1)	-6.952* I(1)	-4.336* I(0)	-3.750	-3.000	-2.630

⁵ Angola, Congo Democratic Republic (DR.) and Tanzania under GDP per capita; Ethiopia and Nigeria under the share of industry in GDP and population, respectively.

Nigeria (1981-2013)	-5.438* I(1)	-4.197* I(1)	-3.860* I(2)	-5.910* I(1)	-5.354* I(1)	-2.61*** I(0)	-3.716	-2.986	-2.624
Senegal (1980-2013)	-2.92** I(0)	-6.294* I(1)	-4.557* I(1)	-7.553* I(1)	-4.700* I(1)	-3.748* I(0)	-3.702	-2.980	-2.622
South Africa (1971-2013)	-5.815* I(1)	-4.136* I(1)	-6.110* I(0)	-4.790 I(1)	-5.974* I(1)	-6.432* I(0)	-3.641	-2.955	-2.611
Sudan (1971-2013)	-8.343* I(1)	-4.616* I(1)	-5.330* I(0)	-5.726* I(1)	-9.822* I(1)	-3.09** I(0)	-3.641	-2.955	-2.611
Tanzania (1990-2013)	-4.135* I(1)	-7.697* I(2)	-6.112* I(1)	-4.793* I(1)	-2.84*** I(1)	-3.27** I(0)	-3.750	-3.000	-2.630
Togo (1971-2013)	-3.477* I(0)	-6.439* I(1)	-6.394* I(1)	-7.093* I(1)	-6.689* I(1)	-5.594* I(0)	-3.641	-2.955	-2.611
Tunisia (1971-2013)	-8.326* I(1)	-9.255* I(1)	-6.750* I(0)	-3.445* I(0)	-9.922* I(1)	-6.900* I(0)	-3.641	-2.955	-2.611
Zambia (1971-2013)	-5.910* I(1)	-5.047* I(1)	-6.643* I(0)	-5.881* I(1)	-8.122* I(1)	-4.639* I(0)	-3.641	-2.955	-2.611
Zimbabwe (1971-2013)	-6.557* I(1)	-4.304* I(1)	-8.405* I(0)	-6.516* I(1)	-5.280* I(1)	-3.36*** I(0)	-3.641	-2.955	-2.611

Source: Author using Stata 14

Notes: The statistic and diagnosis are presented for each test. Statistic significant at 1%, 5% & 10% are indicated as *, ** & ***, respectively. Diagnosis I(0), I(1) & I(2) means integration at level, first difference and second difference, respectively.

sampled countries.⁵ A long-term relation has been identified for the variables for all the sampled countries, which suggests that the long-term estimates obtained from the IV regression estimates are reliable.

Table 2 presents the estimated results of the log-linear and log-quadratic models in equation 6&7 as short-run effects and the obtained results after dividing the short-run coefficients with $(1 - \beta_1)$ as long-run effects under each country's time series data. On the Table, contrary to the expectation that population has a non-negative elasticity on emissions; this study found that 13 African countries have negative population elasticity (ϵ_p) for CO₂ emissions. This implies that these countries⁶ have economies of scale on the response of emissions to increase in population size. Meanwhile, emissions are found to grow faster than the population in eight countries⁷ because they have positive ϵ_p . Some uniform results have been obtained

that support other studies while others are multiform. Like Liddle's (2015) findings, Angola and Mauritius have found emissions elasticity of population that are greater than one in the short and long run. Ethiopia, Ghana, Sudan and Togo have emissions elasticity of population that is less than one in the short and long run. These findings are consistent with Fan *et al.* (2006) and Pastpipatkul and Panthamit (2011). The study obtained conflicting results (i.e. positive and negative ϵ_p) for Congo DR., Egypt and Morocco and statistically insignificant results for Algeria and Cote d'Ivoire.

Contrary to the findings in the literature, the study also found five African countries in the sample with negative income elasticity (ϵ_y) for CO₂ emissions. The negative ϵ_y means that a cleaner CO₂ environment is an inferior good as income rises in these countries⁸ in the short and long run. Seventeen sampled African countries have positive ϵ_y , which supports

⁶ Botswana, Cameroon, Congo Republic, Gabon, Kenya, Mozambique, Namibia, Nigeria, Senegal, South Africa, Tanzania, Zambia and Zimbabwe

⁷ Angola, Benin, Ethiopia, Ghana, Mauritius, Sudan, Togo and Tunisia

⁸ Kenya, Mauritius, Morocco, Nigeria and South Africa

Table 2. Estimated Results test

	β_0	$\ln CO_{2it-1}$	$\ln Y_i$	$\ln Y_i^2$	$\ln P_i$	$\ln I_i$	$\ln Ec_i$	R^2	Pagan-Hall Test	Hansen's J overid. Test
ALGERIA (1971-2013)										
Short-run	-0.064 (0.839)	-0.447* (0.056)	0.160** (0.064)	----	0.075 (0.065)	-0.849* (0.093)	0.356* (0.054)	0.34	3.044 [0.218]	1.533 [0.957]
Short-run	28.01 (37.30)	-0.577* (0.063)	-6.281 (8.933)	0.382 (0.539)	-0.059 (0.091)	-0.798* (0.108)	0.554* (0.078)	0.24	3.035 [0.219]	1.518 [0.823]
€y for Short-run log-quadratic			-0.018							
Long-run	-0.044		0.111"	----	0.052	-0.587"	0.246"			
Long-run	17.76		-3.983	0.242	-0.037	-0.506"	0.351"			
€y for Long-run log-quadratic			-0.011							
ANGOLA (1985-2013)										
Short-run	-41.79* (3.906)	-0.719* (0.066)	1.266* (0.168)	----	4.358* (0.406)	-1.049* (0.259)	-5.819* (0.989)	0.68	1.349 [0.509]	1.755 [0.416]
Short-run	-147.1* (39.73)	-0.721* (0.072)	26.45* (9.936)	-1.602** (0.635)	3.860* (0.428)	-0.670* (0.254)	-3.726* (1.049)	0.69	2.179 [0.336]	1.522 [0.467]
€y for Short-run log-quadratic			1.126"							
Long-run	-24.31"		0.736"	----	2.535"	-0.610"	-3.385"			
Long-run	-85.47"		15.37"	-0.931"	2.243"	-0.389"	-2.165"			
€y for Long-run log-quadratic			0.653"							
BENIN (1971-2013)										
Short-run	-54.73* (3.598)	-0.348* (0.063)	4.535* (0.793)	----	1.013* (0.178)	-0.11*** (0.059)	1.338* (0.139)	0.89	1.762 [0.414]	1.507 [0.681]
Short-run	-260.9* (74.30)	-0.383* (0.096)	65.80* (23.49)	-5.116* (1.840)	2.050* (0.105)	0.296* (0.057)	2.473* (0.117)	0.90	3.488 [0.175]	1.503 [0.826]
€y for Short-run log-quadratic			-0.319"							
Long-run	-40.60"		3.364"	----	0.751"	-0.082"	0.993"			
Long-run	-188.6"		47.58"	-3.699"	1.482"	0.214"	1.788"			
€y for Long-run log-quadratic			-0.231"							
BOTSWANA (1981-2013)										
Short-run	-10.17* (2.944)	0.300* (0.066)	0.295*** (0.174)	----	-0.622** (0.315)	-0.338* (0.084)	2.860* (0.197)	0.89	5.956 [0.051]	1.664 [0.893]

Short-run	-22.15* (5.057)	0.318* (0.080)	3.451* (1.275)	-0.189* (0.071)	-0.592** (0.271)	-0.394* (0.095)	2.655* (0.150)	0.90	5.899 [0.052]	1.706 [0.945]
€y for Short-run log-quadratic			0.291"							
Long-run	-14.53"		0.421"	----	-0.889"	-0.483"	4.086"			
Long-run	-32.48"		5.060"	-0.277"	-0.868"	-0.578"	3.893"			
€y for Long-run log-quadratic			0.427"							
CAMEROON (1971-2013)										
Short-run	16.84** (6.763)	-0.206* (0.074)	1.109* (0.265)	----	-1.005* (0.225)	1.936* (0.335)	-2.739* (0.492)	0.28	1.824 [0.402]	1.674 [0.892]
Short-run	-465.4* (58.37)	-0.302* (0.089)	154.9* (16.13)	-10.88* (1.129)	-3.451* (0.327)	4.000* (0.367)	-7.551* (0.824)	0.15	0.671 [0.715]	2.157 [0.707]
€y for Short-run log-quadratic			1.579"							
Long-run	13.96"		0.920"	----	-0.833"	1.605"	-2.271"			
Long-run	-357.5"		118.9"	-8.356"	-2.651"	3.072"	-5.800"			
€y for Long-run log-quadratic			1.213"							
CONGO DR. (1971-2013)										
Short-run	-38.29* (2.826)	-0.147* (0.051)	1.732* (0.101)	----	0.414* (0.067)	-0.375* (0.038)	3.199* (0.475)	0.97	1.008 [0.604]	1.428 [0.921]
Short-run	-78.14* (2.578)	-0.407* (0.039)	23.76* (0.906)	-1.769* (0.077)	-0.471* (0.074)	0.210* (0.053)	0.506* (0.172)	0.98	2.341 [0.310]	1.259 [0.974]
€y for Short-run log-quadratic			1.711"							
Long-run	33.38"		1.510"	----	0.361"	-0.327"	2.789"			
Long-run	-55.54"		16.89"	-1.257"	-0.335"	0.149"	0.360"			
€y for Long-run log-quadratic			1.216"							
CONGO REPUBLIC (1971-2013)										
Short-run	-5.785* (0.981)	0.622* (0.033)	0.775* (0.141)	----	-0.129** (0.059)	-0.191* (0.056)	0.351* (0.072)	0.59	3.186 [0.203]	1.395 [0.498]
Short-run	-447.4* (111.3)	0.288* (0.042)	113.4* (28.91)	-7.194* (1.855)	-0.447* (0.172)	-0.398* (0.107)	1.475* (0.166)	0.45	0.972 [0.615]	1.746 [0.782]
€y for Short-run log-quadratic			0.641"							
Long-run	-15.30"		2.050"	----	-0.341"	-0.505"	0.929"			

Long-run	-628.4"		159.3"	-10.10"	-0.628"	-0.559"	2.072"			
€y for Long-run log-quadratic			0.900"							
COTE D'IVOIRE (1971-2013)										
Short-run	-11.81* (1.810)	-0.830* (0.102)	1.955* (0.149)	----	-0.132 (0.081)	1.249* (0.202)	-0.907* (0.110)	0.21	1.175 [0.556]	1.601 [0.901]
Short-run	-187.5* (35.54)	-0.453* (0.149)	49.05* (8.679)	- 3.214* (0.563)	0.027 (0.181)	0.256 (0.213)	-0.25*** (0.147)	0.55	0.902 [0.637]	3.631 [0.727]
€y for Short-run log-quadratic			1.881"							
Long-run	-6.454"		1.068"	----	-0.072	0.683"	-0.496"			
Long-run	-129.0"		33.76"	-2.212"	0.019	0.176"	-0.172"			
€y for Long-run log-quadratic			1.295"							
EGYPT (1971-2013)										
Short-run	-19.65* (1.014)	-1.330* (0.082)	2.410* (0.201)	----	0.138** (0.063)	-0.127* (0.038)	0.115 (0.109)	0.95	2.296 [0.317]	1.276 [0.735]
Short-run	22.99 (14.40)	-1.248* (0.141)	-6.79*** (3.702)	0.607* (0.233)	-0.532* (0.175)	-0.054 (0.082)	0.719** (0.324)	0.94	0.594 [0.743]	1.478 [0.687]
€y for Short-run log-quadratic			2.152"							
Long-run	-8.433"		1.034"	----	0.059"	0.055"	0.049			
Long-run	10.23		-3.020"	0.270"	-0.237"	-0.024	0.320"			
€y for Long-run log-quadratic			0.957"							
ETHIOPIA (1981-2013)										
Short-run	-12.23* (1.121)	0.525* (0.039)	0.170* (0.048)	----	0.060** (0.029)	0.111* (0.031)	1.419* (0.210)	0.87	1.021 [0.600]	1.736 [0.884]
Short-run	-100.3* (21.04)	0.393* (0.054)	19.46* (4.660)	-1.803* (0.434)	0.138* (0.042)	-0.09*** (0.049)	7.207* (1.350)	0.87	1.078 [0.583]	2.026 [0.917]
€y for Short-run log-quadratic			-0.106"							
Long-run	-25.75"		0.358"	----	0.126"	0.234"	2.987"			
Long-run	-165.2"		32.06"	-2.970"	0.227"	-0.148"	11.87"			
€y for Long-run log-quadratic			-0.175"							
GABON (1971-2013)										
Short-run	41.34* (7.229)	-0.107 (0.169)	-0.852* (0.191)	----	-2.231* (0.359)	0.615* (0.207)	-0.44*** (0.247)	0.86	0.794 [0.672]	1.157 [0.561]

Short-run	-89.44* (27.18)	-0.084 (0.099)	22.89* (6.049)	-1.217* (0.319)	-1.381* (0.136)	0.370* (0.115)	0.152* (0.056)	0.95	4.820 [0.089]	1.369 [0.504]
€y for Short-run log-quadratic			0.256"							
Long-run	37.34		-0.769	----	-2.015	0.556	-0.397			
Long-run	-82.51		21.12	-1.123	-1.274	0.341	0.140			
€y for Long-run log-quadratic			0.236							
GHANA (1971-2013)										
Short-run	-12.75* (0.555)	-0.194* (0.024)	0.644* (0.039)	----	0.370* (0.025)	0.033** (0.016)	0.118** (0.055)	0.75	3.220 [0.199]	1.664 [0.893]
Short-run	-17.42** (8.555)	-0.200* (0.036)	1.921 (2.285)	-0.092 (0.164)	0.383* (0.037)	0.02*** (0.012)	0.124** (0.055)	0.75	3.174 [0.205]	1.854 [0.933]
€y for Short-run log-quadratic			0.655							
Long-run	-10.68"		0.539"	----	0.310"	0.028"	0.099"			
Long-run	-14.52		1.601	-0.077	0.319"	0.017"	0.103"			
€y for Long-run log-quadratic			0.546							
KENYA (1971-2013)										
Short-run	-11.91* (0.722)	0.682* (0.035)	-0.556* (0.132)	----	-0.076* (0.024)	-0.17*** (0.092)	2.792* (0.173)	0.69	2.312 [0.315]	1.607 [0.900]
Short-run	-19.17 (41.25)	0.695* (0.039)	1.546 (11.99)	-0.155 (0.879)	-0.074* (0.024)	-0.179** (0.087)	2.813* (0.178)	0.69	1.679 [0.432]	1.611 [0.952]
€y for Short-run log-quadratic			-0.555							
Long-run	-37.45"		-1.748"	----	-0.239"	-0.535"	8.780"			
Long-run	-62.85		5.069	-0.508	-0.243"	-0.587"	9.223"			
€y for Long-run log-quadratic			-1.820							
MAURITIUS (1976-2013)										
Short-run	-55.66* (6.122)	-0.079** (0.036)	-0.673* (0.206)	----	3.429* (0.511)	0.356* (0.060)	1.958* (0.230)	0.99	0.694 [0.707]	1.475 [0.688]
Short-run	-38.13* (2.406)	0.073* (0.022)	2.609* (0.794)	-0.165* (0.044)	1.216* (0.264)	0.237* (0.061)	1.606* (0.126)	0.99	2.833 [0.243]	1.421 [0.922]
€y for Short-run log-quadratic			-0.153"							
Long-run	-51.58"		-0.624"	----	3.178"	0.330"	1.815"			

Long-run	-41.13"		2.814"	-0.178"	1.312"	0.256"	1.732"			
€y for Long-run log-quadratic			-0.165"							
MOROCCO (1980-2013)										
Short-run	-8.508* (0.824)	-0.299* (0.033)	-0.08*** (0.046)	----	0.09*** (0.051)	-0.239* (0.039)	1.435* (0.054)	0.99	0.551 [0.759]	1.744 [0.942]
Short-run	-19.62* (2.785)	-0.136* (0.032)	4.610* (1.212)	-0.305* (0.078)	-0.346** (0.136)	-0.131* (0.029)	1.481* (0.050)	0.99	0.170 [0.918]	4.464 [0.485]
€y for Short-run log-quadratic			-0.011"							
Long-run	-6.550"		-0.062"	----	0.069"	-0.184"	1.105"			
Long-run	-17.12"		4.058"	-0.268"	-0.305"	-0.115"	1.304"			
€y for Long-run log-quadratic			-0.01"							
MOZAMBIQUE (1980-2013)										
Short-run	12.34** (5.083)	0.769* (0.050)	1.205* (0.156)	----	-1.367* (0.298)	-0.182* (0.067)	0.634* (0.199)	0.87	0.296 [0.863]	1.495 [0.474]
Short-run	142.7* (46.49)	0.919* (0.148)	-24.51* (7.596)	2.352* (0.698)	-3.192** (1.555)	0.707** (0.314)	-4.713* (1.682)	0.79	0.145 [0.930]	1.581 [0.454]
€y for Short-run log-quadratic			1.146"							
Long-run	53.42"		5.216"	----	-5.918"	-0.788"	2.745"			
Long-run	1761.7"		-302.6"	29.04"	-39.41"	8.728"	-58.19"			
€y for Long-run log-quadratic			14.15"							
NAMIBIA (1991-2013)										
Short-run	0.968 (1.673)	0.110* (0.042)	0.856* (0.209)	----	-1.087* (0.220)	0.10*** (0.059)	1.143* (0.264)	0.84	5.048 [0.080]	1.580 [0.454]
Short-run	42.37 (32.73)	-0.204* (0.045)	-9.623 (7.871)	0.612 (0.469)	-1.274* (0.137)	0.216* (0.052)	2.035* (0.189)	0.84	3.736 [0.154]	2.073 [0.557]
€y for Short-run log-quadratic			0.595							
Long-run	1.088		0.962"	----	-1.221"	0.112"	1.284"			
Long-run	35.19		-7.993	0.508	-1.058"	0.179"	1.690"			
€y for Long-run log-quadratic			0.494							
NIGERIA (1981-2013)										
Short-run	-13.28* (1.442)	0.737* (0.021)	-0.266* (0.050)	----	-0.365* (0.081)	-0.111** (0.047)	3.387* (0.285)	0.65	2.002 [0.368]	1.778 [0.879]

Short-run	-86.83* (9.324)	0.699* (0.035)	19.86* (2.484)	-1.360* (0.168)	-0.192** (0.084)	-0.242* (0.050)	2.844* (0.609)	0.67	2.541 [0.281]	1.906 [0.862]
€y for Short-run log-quadratic			-0.099"							
Long-run	-50.49"		-1.011"	----	-1.388"	-0.422"	12.88"			
Long-run	-288.5"		65.98"	-4.518"	-0.638"	-0.804"	9.449"			
€y for Long-run log-quadratic			-0.33"							
SENEGAL (1980-2013)										
Short-run	-7.758* (0.763)	0.134* (0.050)	0.622* (0.254)	----	-0.15*** (0.078)	0.727* (0.228)	0.545* (0.197)	0.35	0.656 [0.721]	1.835 [0.766]
Short-run	42.22 (155.8)	0.073 (0.097)	-13.56 (46.54)	1.178 (3.448)	-0.303** (0.132)	1.118* (0.270)	-0.710* (0.255)	0.25	1.544 [0.462]	1.759 [0.881]
€y for Short-run log-quadratic			2.456							
Long-run	-8.958"		0.718"	----	-0.173"	0.839"	0.629"			
Long-run	45.54		-14.63	1.271	-0.327"	1.206"	-0.766"			
€y for Long-run log-quadratic			2.649							
SOUTH AFRICA (1971-2013)										
Short-run	-4.253* (0.234)	0.129* (0.022)	-0.037* (0.011)	----	-0.142* (0.011)	-0.034** (0.016)	1.157* (0.027)	0.96	0.567 [0.753]	1.554 [0.817]
Short-run	-13.02* (1.729)	0.079* (0.016)	1.732* (0.365)	-0.101* (0.021)	-0.102* (0.012)	0.024 (0.015)	1.181* (0.023)	0.96	0.179 [0.915]	2.033 [0.845]
€y for Short-run log-quadratic			-0.044"							
Long-run	-4.883"		-0.042"	----	-0.163"	-0.039"	1.328"			
Long-run	-14.14"		1.881"	-0.110"	-0.111"	0.026	1.282"			
€y for Long-run log-quadratic			-0.048"							
SUDAN (1971-2013)										
Short-run	-26.91* (2.973)	0.499* (0.077)	0.759* (0.159)	----	0.237** (0.099)	0.165* (0.017)	2.742* (0.323)	0.85	0.593 [0.744]	1.850 [0.763]
Short-run	23.09** (10.79)	0.588* (0.038)	-14.10* (3.483)	1.046* (0.247)	0.367* (0.056)	0.221* (0.020)	2.814* (0.182)	0.90	1.595 [0.451]	1.957 [0.582]
€y for Short-run log-quadratic			0.253"							
Long-run	-53.71"		1.515"	----	0.473"	0.329"	5.473"			

Long-run	56.04"		-34.22"	2.539"	0.891"	0.536"	6.830"			
€y for Long-run log-quadratic			0.615"							
TANZANIA (1990-2013)										
Short-run	-5.119 (3.587)	0.479* (0.049)	1.089* (0.362)	----	-0.934* (0.267)	-0.729* (0.089)	2.582* (0.354)	0.90	0.027 [0.987]	0.425 [0.935]
Short-run	60.68* (17.92)	0.533* (0.081)	-26.12* (6.642)	2.006* (0.494)	0.016 (0.12)	-0.876* (0.083)	4.254* (0.674)	0.93	0.127 [0.939]	1.858 [0.762]
€y for Short-run log-quadratic			-0.720"							
Long-run	-9.825		2.090"	----	-1.793"	-1.399"	4.956"			
Long-run	129.9"		-55.93"	4.296"	0.034	-1.876"	9.109"			
€y for Long-run log-quadratic			-1.542"							
TOGO (1971-2013)										
Short-run	-26.66* (7.111)	-0.408* (0.137)	1.150** (0.498)	----	0.688** (0.334)	0.227* (0.081)	1.053* (0.280)	0.33	0.239 [0.887]	1.740 [0.783]
Short-run	136.4** (67.69)	-0.404** (0.187)	-51.60** (23.63)	4.221** (1.924)	0.914** (0.445)	0.151** (0.067)	0.805** (0.369)	0.36	0.535 [0.765]	2.928 [0.711]
€y for Short-run log-quadratic			1.500"							
Long-run	-18.93"		0.817"	----	0.489"	0.161"	0.748"			
Long-run	97.15"		-36.75"	3.006"	0.651"	0.108"	0.573"			
€y for Long-run log-quadratic			1.069"							
TUNISIA (1971-2013)										
Short-run	-38.05* (3.142)	-0.869* (0.134)	0.681* (0.176)	----	2.025* (0.230)	1.079* (0.133)	-0.349* (0.126)	0.92	1.332 [0.514]	1.320 [0.724]
Short-run	-36.15* (6.488)	-0.239* (0.066)	5.939* (1.368)	-0.349* (0.077)	0.439* (0.113)	0.555* (0.058)	0.436** (0.183)	0.98	2.466 [0.291]	1.930 [0.749]
€y for Short-run log-quadratic			0.475"							
Long-run	-20.36"		0.364"	----	1.083"	0.577"	-0.187"			
Long-run	29.18"		4.793"	-0.282"	0.354"	0.448"	0.352"			
€y for Long-run log-quadratic			0.383"							
ZAMBIA (1971-2013)										
Short-run	-13.38* (4.777)	-0.221* (0.064)	0.491* (0.082)	----	-0.705* (0.184)	0.108* (0.027)	2.976* (0.422)	0.97	2.617 [0.270]	1.856 [0.762]

Short-run	24.00* (7.499)	0.458* (0.131)	-10.25* (2.457)	0.736* (0.173)	-0.084** (0.041)	0.037** (0.015)	1.871* (0.615)	0.98	1.419 [0.492]	1.619 [0.805]
€y for Short-run log-quadratic			0.157"							
Long-run	-10.96"		0.402"	----	-0.577"	0.088"	2.437"			
Long-run	44.28"		-18.91"	1.358"	-0.155"	0.068"	3.452"			
€y for Long-run log-quadratic			0.290"							
ZIMBABWE (1971-2013)										
Short-run	-14.81* (1.394)	-0.276* (0.063)	0.914* (0.094)	----	-0.116* (0.041)	0.579* (0.107)	1.268* (0.239)	0.86	2.767 [0.251]	1.576 [0.665]
Short-run	-42.62* (6.885)	-0.238* (0.064)	9.376* (2.191)	-0.617* (0.159)	-0.112* (0.040)	0.565* (0.091)	1.089* (0.233)	0.87	0.566 [0.754]	1.512 [0.679]
€y for Short-run log-quadratic			0.780"							
Long-run	-11.61"		0.716"	----	-0.091"	0.454"	0.994"			
Long-run	-34.43"		7.574"	-0.498"	-0.090"	0.456"	0.880"			
€y for Long-run log-quadratic			0.630"							

Source: Author using Stata 14

Note: *, ** & *** represent 1%, 5% & 10% statistical significance of estimated values. Figures in () are standard errors and those in [] are the probability values. Estimates with " are significant long run values.

the literature that a cleaner CO₂ environment is a normal commodity in the short and long run. The results of seven of these countries, consistently, depict €y that is less than one which implies that a cleaner environment is a necessity in the short and long run.⁹ These findings support the more recent studies, Shi (2003), Fan *et al.* (2006) and Liddle (2015).

Three countries have €y that is greater than unity, which shows that environmental quality is a luxury in the short and long run.¹⁰ These findings reconfirm the early studies and those of Fang and Miller (2013). The remaining countries with normal cleaner CO₂ environment have different elasticity interpretation in the

short and long run. For example, Angola's environmental quality depicts luxury in the short run and necessity in the long run (others are Cameroon, Congo Republic, Egypt, Sudan, Senegal and Togo). Inconsistent results (i.e. positive and negative €y) have been found for Benin, Gabon, Ethiopia and Tanzania.

The EKC has been found for 15 out of the 26 sampled African countries¹¹ (these findings support Shahbaz *et al.* (2011) on South Africa and contrast Boopen and Vinesh (2010) on Mauritius; Alege and Ogundipe (2013) on Nigeria; and Onafowora and Owoye (2013) on Nigeria and South Africa). The U-shape relationship has been

⁹ Algeria, Botswana, Ghana, Namibia, Tunisia, Zambia and Zimbabwe

¹⁰ Congo DR., Cote d'Ivoire and Mozambique

¹¹ Angola, Benin, Botswana, Cameroon, Congo DR., Congo Republic, Cote d'Ivoire, Ethiopia, Gabon, Mauritius, Morocco, Nigeria, South Africa, Tunisia and Zimbabwe

established for six countries¹² while a linear relationship between income and emissions has been established for the remaining five countries¹³. This study supports WDR (1992) and UNCTAD (2012) that technology can either reduce or expand the degree of environmental impact. Industrial activities contribute to emissions in 12 countries¹⁴ while they limit emissions in 10 countries¹⁵ in the short and long run. This may be due to lack of energy-efficient technologies or an uncontrolled industrial-use of carbon-related resources in the 12 countries. The results on how the share of industry in GDP affects CO₂ emissions in Benin, Congo DR., Ethiopia and Mozambique are found to be varying under the models.

Energy consumption is the main source of CO₂ emissions in 19 countries in the short and long run. This implies that fossil fuel was largely used to generate energy in these countries.¹⁶ Eight of these countries are found to have inefficient energy consumption as their long-run effects on CO₂ emissions are higher than their short-run effects.¹⁷ Meanwhile, energy consumption limits emissions in three countries in the short and long run. Thus, Angola, Cameroon and Cote d'Ivoire have been consuming more of renewable (or low-carbon) energy.¹⁸ Conflicting results are found for Gabon, Mozambique, Senegal and Zimbabwe.

Unlike Hamilton and Turton (2002), who found affluence and population as the main factors increasing CO₂ emissions, and Shi (2003) and others, who found that population has a greater environmental impact than affluence, this study has identified energy consumption as the main driving factor for CO₂ emissions in 16 countries¹⁹; affluence is the main driving factor in nine countries²⁰; technology is the main driving force in four countries²¹; and population is the main driving force in three countries²². Using the number of countries, these results support Pastpipatkul and Panthamit (2011) and Fang and Miller (2013) that affluence has a higher environmental impact than population.

The Pagan-Hall heteroscedasticity tests conducted do not reject the null hypothesis that 'the disturbance in the models is homoscedastic' at 10% and 5% significant level for all the countries. Hansen's J over-identification tests do not reject the null hypothesis of 'over-identification restrictions of the instruments used are valid' at 10% significant level. These diagnostic tests inform that there is no model misspecification.

5. Conclusion

The CO₂ emissions elasticity of income and population for 26 African countries has been examined in this paper. Using

¹² Egypt, Mozambique, Sudan, Tanzania, Togo and Zambia

¹³ Algeria, Ghana, Kenya, Namibia and Senegal

¹⁴ Cameroon, Cote d'Ivoire, Gabon, Ghana, Mauritius, Namibia, Senegal, Sudan, Togo, Tunisia, Zambia and Zimbabwe

¹⁵ Algeria, Angola, Botswana, Congo Republic, Egypt, Kenya, Morocco, Nigeria, South Africa and Tanzania

¹⁶ Algeria, Benin, Botswana, Congo DR., Congo Republic, Egypt, Ethiopia, Ghana, Kenya, Mauritius, Morocco, Namibia, Nigeria, Sudan, South Africa, Tanzania, Togo, Zambia and Zimbabwe

¹⁷ Botswana, Congo Republic, Ethiopia, Kenya, Nigeria, South Africa, Sudan and Tanzania

¹⁸ These findings speak to these facts: Côte d'Ivoire has the third largest hydro-power plants system in West Africa (AfDB, 2013) and Angola's liquefied natural gas (LNG) is one of the world's largest gas flaring reduction projects (UNECA, 2012). However, Nigeria and Ghana have the first and second largest hydro-power plants in West Africa, Nigeria has an LNG plant, Kenya is the world leader in the number of solar power systems installed per capita (Allied Crowds, 2015), Ethiopia uses a geothermal plant and six wind projects to generate over 1000 kilowatts (Babatunde, 2014), etc. are facts not supported by the findings.

¹⁹ Algeria, Benin, Botswana, Congo DR., Congo Republic, Ethiopia, Kenya, Mauritius, Morocco, Namibia, Nigeria, South Africa, Sudan, Tanzania, Zambia and Zimbabwe

²⁰ Benin, Congo DR., Congo Republic, Cote d'Ivoire, Egypt, Ghana, Mozambique, Senegal and Togo

²¹ Cameroon, Gabon, Senegal and Tunisia

²² Angola, Mauritius and Tunisia

the STIRPAT, EKC and EEO framework, the study has identified technology and energy consumption as additional indicators of environmental impact on income and population. The study found that the response of emissions to population growth has a limiting effect in some countries and a contributory one in others. The study confirms that the perception of a cleaner CO₂ environment is not the same in all countries. Generally, the results do not support the neoclassical view that environmental quality is a luxury good in economies. Rather, the findings support the literature that environmental quality is seen as a normal good. African countries with positive population elasticity pose a threat to having a cleaner CO₂ environment in Africa. The few economies with low demand for environmental quality, i.e. a cleaner CO₂ environment is considered to be an inferior good, can be deemed to be a bigger threat to the continent's environment than the economies that regard it as a normal good.

Furthermore, the study found the EKC for 15 countries, the U-shaped relationship for six countries and a linear relationship for five countries. Technology is a relevant mitigating factor in 10 countries while other countries need to move towards cleaner technologies and away from high-carbon technologies. Energy consumption is generally a contributory factor to emissions in Africa, given that it is a limiting factor in only Angola, Cameroon and Cote d'Ivoire.

In the first part, this paper summed up the findings in the literature pertaining to the main factors of environmental impacts, namely affluence and population. However, the results obtained in this study has established that energy consumption, followed by affluence, is the primary driving force behind human-induced CO₂ emissions in African countries, while population is a factor with a lower impact than affluence (except in Angola, Mauritius and Tunisia). Hopefully, CO₂ emissions in African

countries will be reduced in the nearest future by implementing the measures envisaged in the following documents: the continuous integration of low-carbon strategies into regional, national and local development plans; the orientation of individual, household and firms' activities that contributes to CO₂ emissions and alternative activities; and the African Renewable Energy Initiative (AREI), announced in Paris in 2015, which has the goal to build new and additional renewable energy generation plants by 2020 (Climate Council 2015).

References

- Achen, C., 2001. Why lagged dependent variables can suppress the explanatory power of the independent variables. Available: <http://www.princeton.edu/csdp/events/Achen121201/achen.pdf> [accessed 20 April 2017].
- Ang, J.B., 2007. CO₂ emissions, energy consumption, and output in France. *Energy Policy*, 35(10), pp. 4772–4778.
- AfDB (African Development Bank), 2013. Cote d'Ivoire combined 2013-2017 country strategy paper and 2013 portfolio review. AfDB, Abidjan.
- Alege, P.O. and Ogundipe, A.A., 2013. Environmental quality and economic growth in Nigeria: a Fractional Cointegration analysis. *International Journal of Development and Sustainability*, 2(2), pp. 1-17.
- AlliedCrowds, 2015. Developing world crowdfunding: Sustainability through crowdfunding. Q2 Report, AlliedCrowds, London, July.
- Babatunde, O., 2014. Inclusive green growth in Africa: rationale, challenges and opportunities. UNDP Policy Brief, South Africa.
- Baum, C.F., Schaffer, M.E. and Stillman, S., 2003. Instrumental Variables and GMM: Estimation and Testing. *The Stata Journal*, 3(1), pp. 1-31.

- Beckerman, W., 1992. Economic growth and the environment: whose growth whose environment? *World Development*, 20(4), pp. 481-496.
- Bergstrom, T.C. and Goodman, R.P., 1973. Private Demands for Public Goods. *American Economic Review*, 63(3), pp. 280-296.
- Boopen, S. and Vinesh, S., (2010) On the relationship between CO₂ emissions and economic growth: the Mauritian experience. Available: <http://www.csae.ox.ac.uk/conferences/2011-EDiA/papers/776-Seetanah.pdf> [accessed 17 December 2016].
- Borcherding, T.E. and Deacon, R.T., 1972. The Demand for the Services of Non-Federal Governments. *American Economic Review*, 62, pp. 891-901.
- Canadell, J.G., Raupach, M.R. and Houghton, R.A., 2009. Anthropogenic CO₂ emissions in Africa. *Biogeosciences*, 6, pp. 463-468.
- Carson, R.T., Flores, N.E., Martin, K.M. and Wright, J.L., 1996. Contingent Valuation and revealed Preference Methodologies: Comparing the Estimates for Quasi-Public Goods. *Land Economics*, 72, pp. 80-99.
- Climate Council, 2015. Paris COP 21: key issues for the new climate agreement. Briefing Paper, Climate Council, Australia.
- Commoner, B., 1972, The environmental cost of economic growth, In R.G. Ridker (Ed.), *Population, Resources and the Environment*, Washington DC: United States Government Printing Office, 339-363.
- Cunha-e-Sá, M.A., 2008. The economics of climate change: An overview. Paper prepared for the Bank of Portugal Conference, Portugues Economic Development in Europe, Lisbon.
- Dietz, T. and Rosa, E., 1997. Effects of population and affluence on CO₂ emissions. *Ecology*, 94, pp. 175-179.
- Dinda, S., 2004. Environmental Kuznets Curve hypothesis: A survey. *Ecological Economics*, 49(4), pp. 431-455.
- Ehrlich, P. and Holdren, J., 1970. The people problem. *Saturday Review*, 4, pp. 42-43.
- Ehrlich, P. and Holdren, J., 1971. Impact of Population Growth. *Science*, 171, pp. 12-17.
- Fan, Y., Liu, L.C., Wu, G. and Wei, Y.M., 2006. Analysing impact factors of CO₂ emissions using the STIRPAT model. *Environmental Impact Assessment Review*. 26, pp. 377-395.
- Fang, W. and Miller, S., 2013. The effect of ESCOs on carbon dioxide emissions. *Applied Economics*, 45(34), pp. 4796-4804.
- GEO4 (Global Environment Outlook 4), 2007. Environment for development. United Nations Environment Programme, Malta.
- Hamilton, C. and Turton, H., 2002. Determinants of Emissions Growth in OECD countries. *Energy Policy*, 30, pp. 63-71.
- Imber, D., Stevenson, G. and Wilkins, A.L., 1991. Contingent Valuation Survey of the Kakadu Conservation Zone. Australian Government Printing Office for the Resource Assessment Commission, Canberra.
- Itkonen, J., 2012. Problems estimating the carbon Kuznets curve. *Energy*, 39, pp. 274-280.
- Jorgenson, AK, and Clark, B., 2013. The relationship between national-level carbon

- dioxide emissions and population size: An assessment of regional and temporal Variation, 1960–2005. *PLoS ONE*, 8(2), pp. 1-8.
- Kraft, J. and Kraft, A., 1978. On the relationship between energy and GNP. *Journal of Energy Development*, 978(3), pp.401-403.
- Liddle, B., 2015. What are the carbon emissions elasticities for income and population? Bridging STIRPAT and EKC via robust heterogeneous panel estimates. *Global Environmental Change*, 31, pp.62-73.
- Liddle, B. and Lung, S., 2010. Age structure, urbanisation, and climate change in developed countries: revisiting STIRPAT for disaggregated population and consumption-related environmental impacts. *Population and Environment*, 31, pp. 317–343.
- Martinez-Alier, J., 1995. The environment as a luxury good or 'too poor to be green?' *Ecological Economics*, 13(1), pp. 1-10.
- Martínez-Zarzoso, I., Bengochea-Morancho, A., Morales-Lage, R., 2007. The impact of population on CO₂ emissions: evidence from European countries. *Environmental Resource Economics*, 38, pp. 497–512.
- Meadows, D.H., Meadows, D.L., Randers, J. and Behrens, W., 1972. *The limits to growth*. London: Earth Island Limited.
- Neumayer, E., (2004) Examining the impact of demographic factors on air pollution. LSE Research Online, London, Available <http://eprints.lse.ac.uk/archive/00000621> [accessed 12 July 2016].
- Onafowora, O.A. and Owoye, O., 2013. Carbon emissions and income trajectory in eight heterogeneous countries: the role of trade openness, energy consumption and population dynamics. *Journal of Global Economy*, 9(2), pp. 85-122.
- Pagan, A.R. and Hall, D., 1983. Diagnostic tests as residual analysis. *Econometric Reviews*, 2(2), pp. 159-218.
- Panayotou, T., 2000. Economic growth and the environment. CID Working Paper No. 56, Environment and Development Paper No. 4, Centre for International Development, Cambridge, July.
- Pastpipatkul, P. and Panthamit, N., 2011. The impact of population on CO₂ emissions: Provincial panel evidence from Thailand. 3(3), pp. 258-267.
- Poumanyong, P. and Kaneko, S., 2010. Does urbanisation lead to less energy use and lower CO₂ emissions? A cross-country analysis. *Ecological Economics*, 70, pp. 434-444.
- Rabe-Hesketh, S. and Skrondal, A., 2012. Multilevel and longitudinal modelling using Stata. Third edition, StataCorp LP, Texas.
- Shafik, N. and Bandyopadhyay, S., 1992. Economic growth and environmental quality — time series and cross-country evidence. Background Paper for World Development Report (WDR) 1992, World Bank Working Paper No. 904, World Bank, Washington D.C., June.
- Shahbaz, M., Tiwari, AK. and Nasir, M., 2011. The effects of financial development, economic growth, coal consumption and trade openness on CO₂ emissions in South Africa. *Energy Policy*, 61, pp. 1452-1459.
- Shi, A., 2003. The impact of population pressure on global carbon dioxide emissions, 1975-1996: evidence from pooled cross-country data. *Ecological Economics*, 44, pp. 29-42.

- Stock, J.H. and Watson, M.W., 2015. *Introduction to Econometrics*. (Third Edition), Boston: Pearson Education Inc publishing as Addison-Wesley.
- UNCTAD (United Nations Conference on Trade and Development), 2012. *Economic Development in Africa: Structural Transformation and Sustainable Development in Africa*. United Nations, New York.
- UNECA (United Nations Economic Commission for Africa), 2012. *A green economy in the context of sustainable development and poverty eradication: what are the implications for Africa?* UNECA, Addis Ababa.
- WDR (World Development Report), 1992. *Development and the Environment*. Oxford University Press, Oxford.
- Wheeler, D. and Hammer, D., 2010. The economics of population policy for carbon emissions reduction in developing countries. CGD Working Paper 229, Centre for Global Development, Washington D.C., November.
- Wheeler, D. and Ummel, K., 2007. Another Inconvenient Truth: A Carbon-Intensive South Faces Environmental Disaster, No Matter What the North Does. CGD Working Paper No.134, Center for Global Development, Washington D.C., December.
- York, R., Rosa, E.A. and Dietz, T., 2003. STIRPAT, IPAT and ImPACT – Analytic Tools for unpacking the Driving Forces of Environmental Impacts. *Ecological Economics*, 46, pp. 351-365.