

Impact of Governance in Green House Emission: Evidence from SAARC Nation

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Abstract:

The South Asian Association for Regional Cooperation (SAARC) has often been described as a structure whose development heavily relies on governmental actions. However, the South Asian region still remains a place with enormous economic and developmental potential in case there are efficient ways of promoting economic integration in the region and its cooperation. Under such circumstances, the current research seeks to explore the impact that governance has on greenhouse gas emissions in SAARC member states. In particular, the research uses panel cointegration approach, Dynamic Ordinary Least Squares (DOLS) and Vector Error Correction Model (VECM) for exploring the short- and long-term relations between the examined variables. For obtaining comprehensive results, the analysis considers the relation between the variables on the level of both individual countries and the panel group during 2003–2024. It is shown that there exists unidirectional causality between governance and greenhouse gas emissions in the SAARC region. Based on the obtained empirical evidence, several policy suggestions are provided.

Keywords:

Governance, economic growth, renewable energy, urbanization, SAARC countries.