CHAPTER 5

Conclusions and Implications

5.1 Conclusion

This paper investigated economic growth and the effects of CO_2 emissions in Myanmar during 1980- 2015. This paper divides into two parts, an empirical survey and descriptive analysis. Variables in this study are CO_2 emission, GDP per capita and urban population for the period from 1980 to 2015. To find out the appropriate answers, two main approaches, including econometric methods and descriptive analysis are employed. Econometric methods in the first section include and augmented Dickey-Fuller unit root test, Johansen Cointegration test and Vector Error Correction (VECM) Model.Environmental issues in Myanmar are analysed in the second part.

VEC estimation results showed that the CO_2, GDP per capita and urban population has a statistically significant relationship. The CO_2 and GDP per capita are positive relationships in the long run. The CO_2 and urban population are a negative correlationin the long-term. The CO_2 emissions provide a positive significant effect on GDP per capita and urban population over the short term. Urban populations have a negative significant effect on CO_2 emission in the near term. Therefore the first hypothesis GDP per capita effect on the CO_2emission of Myanmar over the year1980-2015has not been rejected, and we cannotaccept the alternative hypothesis that GDP per capita does not affect on theCO_2 emission of Myanmar over the year 1980-2015.

The second hypothesis is that urban population is the factor which leads to increase the CO_2 emission of Myanmar during 1980 to 2015.Long run results of VEC estimation showed that there is a statistically significant negative effect of urban population on CO_2 emissions of Myanmar and significant adverse effect on CO_2 emissions of Myanmar in the short run. So, we can accept these hypotheses and not reject it.

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Finally, the responses function showed that the time path response of three variables positive relationship and then these variables are toward reach equilibrium.

5.2 Policy Implications

The results are (1) economic growth in Myanmar determined CO_2 emission during the period 1980-2015; (2) CO_2 emissions and GDP per capita have a relationship. (3) CO_2 emissions and urban population have a significant association. As mentioned earlier, this paper is focused on CO_2 emission of Myanmar. Myanmar has main export sector such as agriculture livestock and forestry product. In general, Myanmar had received revenue by these sectors. These sectors grow and cause environmental degradation. On the one side, Government supported to grow these sectors and must be developed strict law for environmental degradation. The long run result of VECM estimation that there is significance association between CO_2 emission and GDP per capita. In this case, for the second one is that in order to reduce CO_2 emissions on economic growth of Myanmar. For the policy makers who decide for achieving economic growth including preventing environmental natural resources and   consuming less energy should try to consider these two factors for economic growth.

5.3 Suggestions for the future study

This study examines the relationship between CO_2 emission and economic growth of Myanmar in general. Using the data in this paper included for empirical analysis. The environmental issues of Myanmar analysed as descriptive analysis part The environmental issues of Myanmar analyzed as descriptive analysis part. Keeping environmental quality for every country is very important. Much environmental degradation has been emerged in Myanmar. So, we must be maintained environmental quality to get future sustainability. Myanmar has developing country. Myanmar is being to grow for economic growth. If we are reducing CO_2 emissions caused economic activities are slow. We do not expect the CO_2 emission will reduce instantly. Regarding with using model is to investigate the case great detail; a more advanced model would be helpful for the researchers. To the available data for simple regression model is more appropriate for some countries for instance –Myanmar.

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