The Study of the Impact of Foreign Direct Investment and Economic Growth on Carbon Emissions in EU Members

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Abstract Since the environment is an essential component of human economic and service activities, naturally, damage to the environment can lead to irreparable losses in the long term. The main objective of the study is to investigate the effect of foreign direct investment and economic growth on carbon emissions in EU member states. Therefore, the data of member states for a period of 17 years (2000 to 2016) has been analyzed. After performing the F-limmer test and the Hausman test to the appropriate model, it was found that the model is of a fixed effect type. Therefore, regression is estimated widths of constant origin. The results of the estimation showed that economic growth and net inflow of foreign direct investment have a positive and significant correlation with carbon dioxide emissions. It was also found that the increase in population, the degree of openness of the country's economy and the real exchange rate have a positive and significant relationship with the dependent variable.

Keywords : Keywords: environmental quality, co2 emission, economic growth, foreign direct investment, EU.

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