



**EKC ANALYSIS FOR STUDYING ECONOMIC GROWTH
AND ENVIRONMENTAL QUALITY: A CASE IN SABAH**

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SEPTEMBER 2012

ABSTRACT

Environmental Kuznets Curve (EKC) has suggested that the relationship between economic growth and the environment could be positive and hence growth is a prerequisite for environmental improvement. Environmental Kuznets Curve (EKC) hypothesis is the best ways to describe the relationship between economic growth and environmental sustainability. This study test the Environmental Kuznets Curve (EKC) hypothesis using panel data methodology to estimate the relationships between real income per capita and pollution indicators in Sabah, Malaysia over the period of 2003-2010. There are four indices uses in this study. The result of finding shows that included; a) GDP at the constant price and air pollution index (API) have positive relationship with GDP per capita; b)water pollution index (WPI) have negative relationship with GDP per capita; c) F-statistic show there are significant relationship between independent variables and dependent variables. This study also achieves the objective of the study. These studies also use Breush-Godfrey LM Test and White test to test the data.

Keywords: Environmental Kuznets Curve (EKC), GDP at the constant prices, GDP per capita, air pollution index (API), water pollution index (WPI), Breush-Godfrey LM Test, White Test

ACKNOWLEDGEMENT

I would like to thank ALLAH S.W.T almighty in giving me strength to completing this thesis on time and keeps me on believing that this project paper would be possible and more interesting. I would also like to express my great gratitude to madam Sumaffiatiee Bte Sulong for her valuable and constructive suggestions during the planning and development of this project paper. Her willingness to give her time so generously has been very much appreciated. I also like to express my great gratitude toward Tuan Haji Sheikh Junaidi Sheikh Mohammad as my second examiner, Dr. Imbarine Bujang that give his valuable and constructive suggestions during planning and development of this project paper, sir Hylmee Matahir and others lecturer that help and give valuable contribution during development of this project paper. Finally, an honorable mention goes to my families and friends for their understandings and supports on me in completing this project paper. I especially also wanted to thank my families who inspired ,encouraged and fully supported me in every trial that came to my way. Also, I thank them for giving me not just financial ,but moral and spiritual support. Without helps of the particular that mentioned above, I would face many difficulties while doing this project paper.

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