THE LINKAGE BETWEEN CARBON DIOXIDE EMISSIONS, ENERGY USE AND ECONOMIC GROWTH IN MALAYSIA

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ABSTRACT: *The aim of the study is to know the linkages between carbon dioxide emissions (CO_2), energy use and economic growth (GDP) in Malaysia. Annual data has been used in this study. The result of Unit Root test shows that all the variables are stationary at first difference. Based on the causality relationship between three variables, the short-run causal relationship had been recognised in this study; a unidirectional causality running from energy use to carbon dioxide and from energy use to economic growth (GDP) and a bidirectional causality running between carbon dioxide and economic growth (GDP). Some policies had been recommended as for solution to Malaysian and as a springboard for researcher to further the study on economic growth, energy use and carbon dioxide.*

KEYWORDS: *Carbon Dioxide, Emission, Energy, Growth*

1.0 INTRODUCTION

Why the excessive concern with "economic growth"? Why does it matter to the environment? Under specify economic theory, the rate of living growth standard comprise of three broad categories; the progress of science and productive knowledge, the growth of individual skill and incentives (Jovanovic, 2000).

There are two different perspectives of growth; the ecology side and the economic side. From the ecological side, the growth refers to the growth in the population of a species. The normal pattern is that populations grow until some feature of their environment, perhaps a predator or a limited food supply, brings that growth to a halt or pushes it into reverse (Anderson, 1991). In economics, 'economic growth' can be defined as an increase of gross national product or gross domestic product (GDP). The term of 'growth' in economics basically refers to the growth rate of the composition of output between industry, agriculture, and services between polluting and non-polluting sector; between resource depleting and converting activities and so on (Anderson, 1991).

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