AVIK SINHA  
Indian Institute of Management Indore, India  

JOYSANKAR BHATTACHARYA  
Indian Institute of Management Indore, India  

ECONOMIC LIBERALIZATION AND ENVIRONMENTAL DEGRADATION IN INDIA: A CAUSAL ANALYSIS OF INTERVENTIONS

Abstract:
Considering the context of India, economic liberalization plays a major role in industrialization and environmental degradation, at the same time. India’s fossil fuel based energy-led economic growth and consequential carbon emissions are largely influenced by economic liberalization. In this paper, we have considered the twenty years per and post liberalization (1971-2010) and by formulation of an error correction model, we have demonstrated by the established causal associations among economic growth, drivers of growth, and negative consequences of growth undergo changes. This demonstration is based on three constructs associated with economic liberalization, namely industrialization, energy efficiency, and rural-urban migration. Analysis of missing feedback link in Environmental Kuznets Curve hypothesis using contextual interventions is the primary contribution of this paper in ecological economics literature.

Keywords:  
Fossil Fuel, CO2 Emission, Economic Liberalization, Environmental Kuznets Curve, India, Vector error correction

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