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## **THE RELATIONSHIP BETWEEN RENEWABLE ENERGY CONSUMPTION AND ECONOMIC GROWTH: EVIDENCE FROM OECD COUNTRIES**

### **Abstract:**

This study examines the relationship between renewable energy consumption and economic growth for OECD countries for the period of 1992–2013 utilizing panel cointegration method proposed by Pedroni (1999). Dumitrescu and Hurlin

(2012) panel causality test applied to investigate the causality between renewable energy consumption and economic growth. The data extracted from different sources. The panel cointegration test shows that there is a long-run cointegration relationship between GDP, renewable energy consumption, capital stock, total employment. The fully modified ordinary least squares (FMOLS) results reveal that renewable energy consumption, capital stock have a positive impact on economic growth. Renewable energy plays an important role in economic growth, as renewable energy could decrease the imports of energy resources.

### **Keywords:**

Renewable energy consumption

Economic Growth

Panel data

**JEL Classification:** C23, O47, Q27