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Title: Sustainable Development, Environmental Governance and Economic Prosperity



Although sustainable development requires good political, social, economic and environmental governance, it is often mainly associated with the environmental aspects of governance. The main hypothesis of the proposed study is that countries with a relatively high degree of good environmental governance also tend to have relatively high degrees of social, economic and political governance. It is argued that those countries with the highest good scores in the four aspects of governance are likely to be the ones with the highest degree of sustainable development performance. Reference will be made to the need for appropriate institutional set-ups in this regard.

The study will also investigate whether good environmental governance is also associated with economic prosperity, measured by GDP per capita. This investigation will be used to assess whether the pattern of the data follows the Environmental Kuznets Curve prediction.

The study will also discuss causality issues, relating to the question as to whether economic prosperity leads to better opportunities for implementing sustainable development measures or vice versa.

The data for testing these hypotheses will be obtained from components of four global indicators, namely (1) the Environmental Performance Index with regard to environmental governance, (2) the International Monetary Fund database with regard to economic governance (3) the Worldwide Governance Indicators with regard to political governance and (4) the Human Development Index with regard to Social governance.

The importance of the study is that it attempts to demonstrate that there is evidence that apart from the moral imperative of ensuring a good quality of life for future generations, sustainable development also leads to material gain.

The results of this study will have a number of important implications. First, environmental governance need not negatively affect economic development. Second, good environmental, economic, social and political governance are highly correlated with each other, suggesting that the pursuit of one is likely to be associated with the pursuit of the others. These two implications will be based on general tendencies, referring to the majority of cases, and it is expected that there will be a number of exceptions.