



# Pakistan Journal of Economic Studies

ISSN (E) 2708-1486 (P) 2708-1478

Volume 8: Issue 1, January-March 2025

Journal homepage: <https://journals.iub.edu.pk/index.php/pjes/index>

## Assessing Environmental Impacts of ICT integration in Asian Economies

<sup>a</sup> Amna Ahsen, <sup>b</sup> Dr. Tariq Majeed, <sup>c</sup> Maria Mazhar

<sup>a</sup> Ex-MPhil Scholar, Quaid-i-Azam University, Islamabad, Pakistan. Email: [amnaahsen15@gmail.com](mailto:amnaahsen15@gmail.com)

<sup>b</sup> Professor, Economics department, Quaid-i-Azam University, Islamabad, Pakistan. Email: [tariq@qau.edu.pk](mailto:tariq@qau.edu.pk)

<sup>c</sup> Ex M-Phil Scholar, Economics department, Quaid-i-Azam University, Islamabad, Pakistan.

### ARTICLE DETAILS

#### History:

Accepted: 1 January 2025

Available Online: 22 January 2025

#### Keywords:

CO<sub>2</sub> emissions

Economic growth

Digitization

Asia

Income groups.

#### JEL Codes:

### ABSTRACT

**Objective:** This study is intended to explore how integration of ICT with increment in production level alters the environmental quality of a region.

Secondly how the three income groups of Asia region are able to maintain their environmental quality and achieve sustainable development by the adoption of ICT.

**Research Gap:** No such study exists in literature which identifies the validity of EKC hypothesis in three income groups of Asia by incorporating Variable of ICT and makes comparison of the effects of ICT penetration in three income groups of Asia.

**Design/Methodology/Approach:** The impact is analyzed for three Asian income groups i.e., lower, middle and higher. Impact of digitization is captured by constructing ICT index using four variables as its proxies i.e., Internet users (IU), mobile cellular subscribed (MCS), fixed broad band subscribed (FBS) and fixed telephone lines subscribed (FTS). The study uses the data for the period of 1990-2016 due to the limitation of data availability of CO<sub>2</sub> which is dependent variable of the study and depicts the quality of environment and hence sustainability. Panel time series estimation procedure is followed by application of second-generation tests such as cross-sectional dependent test (Pesaran CD, Pesaran scaled LM and Breusch Pagan LM test), second-generation unit root tests (CADF and CIPS) test and Westerlund cointegration test.

**Findings:** This study evidences the existence of EKC hypothesis in middle and high-income groups of Asia, whereas it favors rejection of the theory in low-income countries. Impacts of digitization on environmental quality are diversified. It reduces carbon emissions and significantly improves environmental in low and middle-income countries of Asia. However, it intensifies carbon emissions level in high-income Asian countries. Policies are suggested in the relevant chapter of the study accordingly.

**Theoretical / Practical Implications of the Findings:** findings of the study can be helpful to formulate policies to improve environmental quality while considering the impact of economic growth and ICT adoption.

#### Originality value:

The study employees the model with self-created ICT index incorporated in EKC frame work along with control variables chosen from literature.

© 2025 The authors. Published by PJES, IUB. This is an open-access research paper under the Creative Commons Attribution-Non-Commercial 4.0



### Recommended Citation:

Ahsen, A., Majeed, T., & Mazhar, M. (2025). Sustainable Development Through ICT Integration: Assessing Environmental Impacts in Asian Economies. *Pakistan Journal of Economic Studies*, 8(1), 1-17. Available at: <https://journals.iub.edu.pk/index.php/pjes/article/view/3549>

Corresponding Author's email address: [amnaahsen15@gmail.com](mailto:amnaahsen15@gmail.com)

### 1. Introduction

In the present era of increasing digitization and ICT penetration sustainable development is the most debatable issue for policy makers and researchers. According to a report provided by united nations in 1987, sustainability is defined as preserving natural resources which allow future generations to enjoy if not better

then equal standards of living. Maintaining pure and healthy environment and preserving natural resources is one of the major goals among all the goals of sustainability. Undoubtedly ICT adoption and its penetration enables societies to achieve sustainable development goals however production of ICT equipment, their use and disposal is energy intensive process (Charfeddine & Umlai, 2023). Fewer studies are found in literature which explores the link between the two. Ionescu-Feleagă et al., 2023 and Kumar & Jyoti (2023) depicts the positive relation between digitization and sustainable development in the respective area of their study.

In academic discourse, ICT or digitization serves as an extension of the conventionally recognized notion of Information Technology (IT). It prominently grew after World War II, but the actual trajectory of ICT development commenced in the early 2000s. While a universally accepted definition of the term remains elusive. It generally encompasses all entities, elements, networks, and systems facilitating digital interactions among individuals. This overarching concept finds wide-ranging applicability, encompassing entertainment products, household technologies, and including personal electronics devices and not limited to computers, televisions, radios, music and gaming equipment and other communication devices such as cell phones (Ropke & Christensen, 2012).

Digitization serves as a catalyst that fosters greater connectivity among societies, thereby facilitating social, economic and interpersonal communications and transactions. Its significance becomes evident through the lens of the neo-classical growth model, which underscores the pivotal role of technology as a determining factor of output. Proponents of the theory argued that sustained growth cannot be achieved without continual advancement in technology. In the contemporary landscape, ICT has emerged as a vital force in driving economic growth and promoting human development. This technology and its associated tools empower economies to efficiently access and exchange information at a reduced cost, consequently contributing to enhanced production efficiency, increased productivity, improved energy efficiency and hence sustainability. These collective benefits, in turn, catalyze growth across various sectors of economies (Kaplan, 2006).

Moreover, ICT plays an important role in facilitating trade and for creating opportunities to establish new businesses, jobs, and revenue generation (Carayannis & Popescu, 2005). The diffusion of ICT not only fosters market competition but also stimulates both domestic and foreign investments, thereby contributing significantly to economic growth (Gruber & Verboven, 2001). Nevertheless, as ICT contributes to economic growth (Toader et al., 2018 & Latif et al., 2018) which in turn exerts an influence on CO<sub>2</sub> emission level (Hossain, 2011; Bengochea-Morancho, 2001). Akin (2014) speculates that economic progress and CO<sub>2</sub> discharge level of a region are strongly correlated. Theoretically, this relationship aligns with the Environment Kuznets Curve (EKC) theory, suggesting that during earlier stages of economic growth and development carbon emissions escalate with rise in income per person reaching a peak and exacerbating environmental degradation. However, beyond a certain level called threshold level, further increase in income results in reduced CO<sub>2</sub> emissions, ultimately purifies the environment (Grossman & Krueger, 1991).

Irrespective of the economic growth pathway, ICT also exerts a direct impact on environmental quality by influencing the environmental burden accompanying to greenhouse gases (GHG) particularly CO<sub>2</sub> a major contributor to such discharges (World Bank, 2007). Monzon et al. (2017), Zhang & Liu (2015), Mathiesen et al. (2015) and Chavanne et al. (2015) affirm that digitization within industrial and transport sectors contributes significantly to the management and mitigation of environmental degradation.

However, it is crucial to acknowledge that ICT also exerts a significant and irrefutable effect on quality of environment, primarily through its usage, disposal, and recycling practices which directly contribute to GHG emissions. The disposal of electronic waste (e-waste), including unusable ICT and other electronic devices, represents a substantial contributor to environmental degradation. E-waste monitor report (2017) witnesses of the global generation of 44 Million metric tons e-waste from 2014 to 2017. Gonel & Akinci (2018) assert that ICT accounts for about 2% of global CO<sub>2</sub> emissions, thereby playing role in the deterioration of environment. This is primarily attributed to the fact that ICT devices increase energy and fuel consumption during production activities, consequently leading to increased CO<sub>2</sub> emissions (Asongu et al., 2017).

In a wider context, the impact of ICT unfolds across two dimensions i.e., economic and environmental. through this study we are intended to examine its environmental aspects in the region of Asia. The choice of Asia as our study area is grounded in the region's prolonged exposure to severe environmental pressures over the past few decades. In the context of carbon emissions, China has consistently held the position of the top emitter whereas India and Indonesia are lying on second and third position (Alam et al., 2016). Despite the region's overall high economic growth rates in recent years, there has been a conspicuous lack of emphasis on preserving environmental quality. Consequently, maintaining environmental integrity poses a significant challenge for policymakers across Asian economies.

Limited research available in which explores the relation between digitization and environmental quality. Lee and Brahmasrene (2014), Zhang et al. (2015), Danish et al. (2018), Majeed (2018), Asongu (2018), Notley (2019) and Raheem et al. (2020) carries out analysis on different regions other than Asia and its income groups. A noticeable gap is however left in literature regarding the impact of ICT on CO<sub>2</sub> emissions in Asian countries.

## **1.2. Contribution in literature:**

Our study makes noteworthy addition into the already existing literature. Firstly, it stands as inaugural investigation of its kind that systematically explores the varied impacts of digitization on CO<sub>2</sub> emissions within three distinct income groups in Asia i.e., low, middle and high. Secondly, this study incorporates ICT as focused variable of the study along within EKC framework.

The study enables us to compare the sustainability in environment by the three income groups of Asia when they increase their production level with the adoption of ICT.

## **1.3. Theoretical framework**

Neo classical growth model also known as Solow Swan model provides strong theoretical framework to our study which addresses technological improvement as a crucial factor for output level and growth of an economy. According to this model output is obtained by the combination of labor, capital at given level of technology. Technology is kept constant or controlled by some exogenous factor and hence it is also named as exogenous growth model. Diminishing marginal returns of capital and labor due to exogenous technological advancement is limitation of this model which can be overcome by A-K model in which technology is endogenous factor.

## **1.4. Sequence of the study**

Remaining sections of the paper are sequenced as follow: section 2 comprises on comprehensive review about literature relevant to our study. Section 3 provides details pertaining to the data, econometric model, methodology used in our study. Section 4 offers an in-depth discussion of obtained empirical findings, and Section 5 which is last section gives conclusion of the study by summarizing key insights and policy implications.

## **2. Literature Review**

In the contemporary era, heightened spendings on ICT equipment to promote digitization have emerged as a significant cause of economic progress for countries (Nasab & Aghaei, 2009). Concurrently, this period has witnessed a rise in the climatic burden, manifested in the form of GHG emissions. Among these gases, CO<sub>2</sub> emissions hold the highest proportion and are thus recognized as a major contributor to the climatic burden. A paramount concern for policymakers in the present age is the pursuit of sustainable development, necessitating a dual focus on both economic and environmental considerations. Theoretically, researchers and scholars have frequently employed EKC theory to investigate the environmental impacts of economic progress. This study is centered on two key aspects of literature: Nexus between CO<sub>2</sub> emissions and economic growth through the context of EKC theory, and examination of CO<sub>2</sub> emissions level.

### **2.1. Economic growth and CO<sub>2</sub> emissions linkage**

EKC hypothesis links economic progress of a region with its environmental quality through GDP, its quadratic

term and CO<sub>2</sub> emissions level as proxies of these indicators and predicts an inverted u-shaped relation of these two variables. After the concept had established theoretically, several researches evidenced it through empirical analysis. Studies of (Grossman & Krueger, 1991) and then (Panayotou, 1993) provided its empirical evidence initially.

Theory of EKC has proved valid for the region of China for the time period of 1975 to 2005 and two-way causality is observed between the two variables being involved (Jalil & Mahmud, 2009). Many other studies exist in literature which are conducted for single economy by applying panel time series analysis. They provided heterogeneous results for acceptance or rejection of environment Kuznets curve theory for their focused region of analysis. The theory is proved valid for the region of Malaysia (Saboori et al., 2012) and for the kingdom of Saudi Arabia (Kahia et al., 2021). Sarkodie & Ozturk (2020) confirmed EKC hypothesis for the economy of Kenya for the time span of 1971 to 2013. Economy of Pakistan (Javid and Sharif, 2016) and Azerbaijan (Mikayilov et al., 2018) also exhibit EKC relation. Recently, Mahmood et al. (2023) verified the EKC relation for China.

Contradictory to the EKC theory, GDP and CO<sub>2</sub> emissions exhibit u-shaped relation for the Economy of Greenland (Arnaut & Lidman, 2021). This theory is also rejected for the economy of Turkey (Shahbaz et al., 2013), economy of Vietnam Al-Mulali et al. (2015). According to their study increased production leaves environmental degrading and energy exhaustive impacts on the economy. Similarly EKC curve is rejected for the economy of Tunisia (Farhani & Ozturk, 2015), BRICST economies (Dogan et al., 2020) and for BRICS economies (Latif et al., 2018).

Numerous studies conducted panel data analysis and provided heterogeneous results regarding the theory's validity. EKC hypothesis is proved for MENA region (Arouri et al., 2012). Apergis & Ozturk (2015) proved it for 14 countries of Asia, Al-Mulali et al. (2015) for Latin American economies and Caribbean countries, (Le & Ozturk, 2020) for 47 emerging markets and developing economies favored EKC hypothesis. Ansari et al. (2020) used ecological footprints as a measure of environmental quality and provided different results regarding acceptance or rejection of EKC theory in Asian sub regions. Environmental Kuznets curve hypothesis is validated for Central and East Asian countries but it is not the case for west and southeast Asian countries. However, when material footprints were used to identify environmental quality EKC proved to be valid for all sub-regions of Asia except Central Asia. This relation is further confirmed by Demissew (2023), Maneejuk et al. (2020), Alam et al. (2016) and Jebli et al. (2016).

## **2.2. Digitization and Sustainability**

Digitization has direct role to enhance the concentration of CO<sub>2</sub> emissions and hence we cannot deny its environmental impacts. No doubt increased digitization in production and other activities reduces climatic burden via use of smarter equipment but at the same time they add pollutants in the form of greenhouse gases of which CO<sub>2</sub> is a major contributor. Which may be helpful to achieve sustainability or may be an obstacle. The major fact behind, is the huge amount of energy consumption by utilization of ICT equipment and through E-waste. Heterogeneous impacts of digitization on environmental quality are observed in literature i.e., positive, negative and insignificant depending upon the level of ICT penetration, its patterns of energy consumption, and the treatment of waste products produced by discarded ICT equipment.

Digitization contributes to much greater extent in greenhouse gases due to increased energy consumption (Pohl et al., 2019); (Belkhir & Elmeli, 2018); (Lee & Brahmasrene, 2014). Whereas, Avom et al. (2020) discovered increasing impact (direct and indirect) of digitization on CO<sub>2</sub> discharge level. The study also proves that ICT usage and CO<sub>2</sub> emissions have inverted U shaped relation.

However, several studies explored the decreasing impact of digitization on GHG emissions (Asongu, 2018; Monzon et al., 2017; Zhang & Liu, 2015). According to these studies, digitization is the use of technology with enhanced efficiency and hence it provides a way of living with low carbon consumption which in turn minimizes environmental pollution. A study conducted for top ten Asian high emitter countries for the period

of 1990-2019 using an advanced non-linear panel ARDL approach proved that digitization improves environmental quality. Some more studies confirm the mitigating impact of digitization on carbon emissions level (Brodny and Tutak, 2022; Ma and Wu, 2022; Ramos-Meza et al., 2021; Ullah et al., 2021; Yang et al., 2021). Furthermore, some studies show insignificant impacts of digitization on carbon emissions (Amri et al., 2019; Salahuddin et al., 2016).

### **3. Data source, Econometric Model and Methodology**

The whole data of Asia is divided into three groups based on their income level i.e., low, middle and high income. Disintegration of income is based on the criterion of World Development Indicators data base (2019). Data used for analysis is also extracted from the database of World Development Indicators data base (2019). The analysis are conducted for the time period of 1990 to 2016 due to limited availability of data. CO2 emissions being a broadly accepted proxy of environmental quality and hence an indicator of sustainability is therefore chosen as a dependent variable of the study. It is initially being used in many studies (Amri et al., 2019; Asongu, 2018; Mikayilov et al., 2018). Index of ICT is created through Principal Component Analysis (PCA) in order to incorporate the effect of digitization. We used four indicators of digitization for the construction of index. The proxies being selected includes percentage of internet users IU, percentage of mobile cellular subscribed or purchased MCS, percentage of subscribed fixed telephone subscribed lines FTS, and fixed broadband subscribed in percentage FBS (Amri et al., 2019; Latif et al., 2018; Toader et al., 2018; Pradhan et al., 2015). GDP and the square of GDP are used with the purpose to check the validity of EKC hypothesis. Unit used to measure GDP is US dollars constant 2010 constant 2010 US dollars (Toader et al., 2018; Latif et al., 2018).

Besides above mentioned dependent and independent focused variables, the study also uses few control variables namely urban population measured as percentage from total population and abbreviated as UPP (Al-Mulali & Ozturk, 2016; Farhani & Ozturk, 2015; Zhang & Liu, 2015). Electricity consumption EC measured in kilowatts per hour by (Al-Mulali & Ozturk, 2016; Al-Mulali et al., 2015) and lastly inflation INF measured as percentage of GDP deflator (Ullah et al., 2020; Ahmed et al., 2020). Environmental quality is influenced indirectly by instability in inflation via performance and conditions of capital market (Ahmed et al., 2020). Definitions of all the above mentioned variables with descriptions of their units are present on WDI indicators website. Econometric model of the study is:

$$ICO_2 = \beta_0 + \beta_1 LGDP_{it} + \beta_2 LGDP_{it}^2 + \beta_3 ICT_{it} + \beta_4 UPP_{it} + \beta_5 EC_{it} + INF + \mu_{it} \quad (1)$$

In the model given above  $i$  and  $t$  represents cross sections and time span for analysis respectively.  $U_{it}$  is the error term. Logarithmic form of GDP, its square and CO2 emissions are used for estimations in order to interpret them accordingly with other variables taken in percentage.  $\beta_0$  represents intercept while  $\beta_1, \dots, \beta_6$  are to be estimated as they are unknown. According to statement of EKC theory we expect positive signs of  $\beta_1$  and negative for  $\beta_2$  to prove the theory valid. Variable of ICT may have positive or negative sign with CO2 emissions which depends on the modes and methods of ICT adoption. Signs of control variables may also be negative or positive it depends upon geographical and social conditions of the selected region though we expect positive signs of electricity consumption with carbon emissions.

#### **3.1. Methodology**

For the data of each income group time factor  $T$  is larger than the number of cross sections ( $N$ ) which means the time factor is dominant indicating our data samples are of panel time series type. Hence we will proceed our estimations with panel time series estimation technique and steps involved in it. This technique uses certain steps i.e. determining cross-sectional dependence (CSD), stationarity of variables, their cointegration, and then finding their long run and short run estimates.

Asian countries sharing the same geographical territory hence there is a huge chance of similarity in them in terms of geographical and social conditions and political circumstances as well. Any change in economic indicators of a country may bring change in other country. Hence at first step the data is analyzed for the

presence of CSD by using more recent Pesaran Scaled LM test (2004); Pesaran Cross-sectional dependent test (2004) and Breusch Pagan LM test (1980). Previously used by Haseeb et al., 2019 and suggested to be more suitable for dominant time series.

Secondly, we moved towards the identification of stationarity of variables which is an important step in panel time series estimation procedure. To fulfil the purpose panel unit root tests of second-generation i.e., CIPS and CADF are applied being suggested by (Pesaran,2007). They are robust to heterogeneity and take into account CSD. Therefore, we can get more appropriate results from this test in comparison with first-generation unit root test (Haseeb et al., 2019).

Moving further is to identify cointegration relation of variables. Generally used tests for this purpose are Pedroni's (1999, 2004) previously used by (Pradhan et al., 2018). Co-integration tests of second-generation proposed by Westerlund (2007) recently used in different studies (Haseeb et al., 2019 and Saud et al., 2019). It takes into accounts both types i.e., within and between units CSD and is suitable for samples of small size. In addition to these, cointegration among variables can also be observed through the values of variance ratio statistics. Therefore, Westerlund cointegration test (a second-generation test) is applied to tests co integration among variables (Haseeb et al., 2019 and Saud et al., 2019).

We used FMOLS estimation technique proposed by Phillips & Hansen (1990) to obtain long run estimates lastly. Further this technique is appropriate to encounter the problem of endogeneity (Pederoni, 2001) and also when data is not fulfilling the assumptions of classical linear regression model and hence ordinary least square OLS is inappropriate.

DOLS estimation technique is applied for robustness check (Stock and Watson, 1993; Saikkonen, 1992) is appropriate in our case as we have small sample size having lesser number of cross sections and hence gives asymptotically efficient cointegrating vectors (Salahuddin et al., 2016). This technique uses lags and leads by involving excessive cointegration regressions and hence it is efficient in the case when variables are cointegrated in the long run (Lee & Brahmastreene, 2014).

#### 4. Discussion of Results

**Table A: Summary Statistics**

Variable name	Observations	Mean	Std. Dev.	Minimums	Maximums
CO <sub>2</sub>	452	7.23	8.3	0.1	44
GDP	452	553	1520	3380	9490
FTS	452	22	17	0.4	63
FBS	452	1.2	9.7	0	33
MCS	452	79	52.3	0.26	239
IUI	452	29	27	0.06	100
UPP	452	62	27	15.5	100
EC	452	4508	5131	75	21508
INF	452	6.72	8.5	18.9	53

Source: Author's estimation.

##### 4.1. Cross-sectional Dependence Test Results

The results of these tests are discussed in table 1. Probability values less than 0.05 and value of T- stats greater than two for all the three income groups leads to rejection of null hypothesis of 'no cross- sectional dependence'. Hence our results indicate the existence of CSD among variables. Therefore, we will proceed with this conclusion of existence of cross-sectional dependency among variables.

**Table 1: Cross-sectional Dependence Test Results**

Variable name	Results for LICs		
	B-Pagan LM test	Scaled LM test	Pesaran CD test
	Statistics	Statistics	Statistics
CO <sub>2</sub>	73.4513***	13.0701***	-1.9165***

GDP	33.3575***	11.1686***	5.4047***
GDP <sup>2</sup>	33.4595***	11.210***	5.4047***
ICT index	61.8641***	14.9719***	7.8606***
UPP	189.469***	39.0125***	3.2839***
EC	127.446***	25.1438***	0.9804***
INF	17.2805***	0.5099***	3.0445***

**Results for MICs**

Variable name	B-Pagan LM test	Scaled LM test	Pesaran CD test
	<b>Statistics</b>	<b>Statistics</b>	<b>Statistics</b>
CO <sub>2</sub>	5326.47***	158.397***	44.7085***
GDP	10025.24***	312.476***	99.3429***
GDP <sup>2</sup>	10051.30***	313.306***	99.4803***
ICT index	4266.998***	123.656***	63.8189***
UPP	9525.577***	296.0915***	57.3132***
EC	3796.329***	135.1396***	35.2656***
INF	1861.645***	44.78125***	28.16438***

**Results for HICs**

Variable name	B-Pagan LM test	Scaled LM test	Pesaran CD test
	<b>Statistics</b>	<b>Statistics</b>	<b>Statistics</b>
CO <sub>2</sub>	318.01***	18.7560***	1.6907*
GDP	459.322***	81.123***	21.421***
GDP <sup>2</sup>	458.77***	81.0274***	21.407***
ICT index	918.411***	73.14840***	30.2648***
UPP	186.3604***	31.286***	10.462***
EC	804.549***	70.4179***	26.45674***
INF	443.840***	28.2498***	8.32376***

Source: Author's estimation.

## 4.2. Unit Root Test

Results of unit root tests are provided in table no 2. Where probability values and t-stats value given against each variable indicate about stationarity of variables. Probability values less than one confirm the stationarity of the variable. According to the given results some variables become stationary at level whereas all the variables remaining get stationary at first difference. Hence the order of integration for all the variables is one.

**Table 2: Unit Root Test Results**

Variables' name	Probability values			
	CADF Test Results		CIPS Test Result	
	Results for LICs			
	Level	1 <sup>st</sup> difference	Level	1 <sup>st</sup> difference
CO <sub>2</sub>	0.991	0.01	0.959	0.585
GDP	0.001	-	0.978	0.111
GDP <sup>2</sup>	0.000	-	0.978	0.115
ICT index	0.214	0.013	1.000	0.003
UPP	0.082	0.003	0.026	-
EC	0.878	0.004	0.998	0.547
INF	0.000	-	0.881	0.634
	Results of MICs			
	Level	1 <sup>st</sup> difference	Level	1 <sup>st</sup> difference
CO <sub>2</sub>	0.082	0.000	0.871	0.000
GDP	0.731	0.000	0.921	0.000
GDP <sup>2</sup>	0.695	0.000	0.881	0.001
ICT index	0.997	0.591	0.766	0.006
UPP	0.000	-	0.000	-
EC	0.762	0.000	0.999	0.000
INF	0.000	-	0.800	0.000

Results for HICs				
	Level	1 <sup>st</sup> difference	Level	1 <sup>st</sup> difference
CO <sub>2</sub>	0.475	0.000	0.351	0.000
GDP	0.05	0.000	0.121	0.041
GDP <sup>2</sup>	0.07	0.000	0.123	0.045
ICT index	0.008	-	0.142	0.000
UPP	0.001	-	0.000	-
EC	0.787	0.000	0.566	0.015
INF	0.038	-	0.722	0.008

Source: Author's estimation

### 4.3. Panel Cointegration Test Results

Cointegration test results are given in Table 3, where variance ratios and probability values obtained for each income group confirm the existence of cointegration in the data of all the three income groups of Asia with 1% significance level (low income group and middle income group) and 5% significance level (high income group).

**Table 3: Westerlund Cointegration Test Results**

Regions	Variance ratio values	
	Statistics	Probability
Results of LICs	5.032***	0.000
Results of MICs	-2.256***	0.012
Results of HICs	-1.582***	0.057

Source: Author's estimation

### 4.4. FMOLS test results

Long run coefficients are obtained by applying FMOLS estimation technique. First panel of the table comprises the results of lower income countries. Where the sign of GDP and its square with dependent variables CO<sub>2</sub> emissions denies the existence of EKC theory for this income group of Asia. These findings are consistence with that of Majeed and Mazhar (2020) for low-income group of the global economy and South Asian countries, Alam et al. (2016), Omojolaibi (2010), Omisakin & Olusegun (2009). EKC curve has proved valid for middle income and high income Asian countries. Our findings are consistent with the study of Alam et al. (2016) which proves it for Indonesian, Chinese and Brazilian economy. Javid and Sharif (2016) obtained such results for Pakistan's economy, Apergis & Ozturk (2015) provided such results for 14 countries of Asia. Jalil & Mahmud (2009) found the same results for the economy of China. These studies provide confirmation for EKC theory for their region of analysis. for the case of high income countries our results match with the results obtained by (Majeed & Mazhar, 2020). Their study proved the existence of EKC for upper-income countries. According to them the existence of EKC in these countries is the evidence of structural transformation in these countries and hence the sustainable level of development is achieved by these countries. Also consistent with Higón et al. (2017) & Al-Mulali & Ozturk (2016), who proved the validity of EKC theory for 27 advanced economies and 26 developed economies correspondingly. However, our finding is in contradiction with the findings of (Al-Mulali et al. , 2015), (Farhani & Ozturk, 2015) also contradict with the findings of (Chandran & Tang, 2013).

Significantly negative impact of ICT adoption and digitization on CO<sub>2</sub> emissions is found for low income region and middle income region. These findings are aligned with that of (Asongu ,2018) for low-income African countries. According to the results, increased use of ICT by one percent in low income countries causes reduction in CO<sub>2</sub> emissions by 0.116 percent and 0.04432 percent reduction in middle income countries. The reason is, these countries extend the use of ICT to protect their environment as they follow upper income countries. Thus, by making production efficient through ICT adoption in industry and conservation of energy from transport sector environmental quality can be improved. However, in high income countries of Asia ICT adoption and digitization effects positively and significantly the level of carbon emissions. According to the results obtained CO<sub>2</sub> emissions are increased by 0.041 percent by one percent



increase in ICT adoption. Nature and situation of these economies justifies this relation of ICT and CO<sub>2</sub> emissions i.e., some characteristics of upper-income countries like greater size of their economies, diversity in their production activities, higher consumption and demand of goods and hence production which in turn increases the use of ICT equipment and hence carbon emissions level as well. Advanced technology in these countries is no more advance as these countries came out of their transition period and hence there is more scope of research and advancement in technology in these countries.

Shifting the discussion towards the results of control variables it is observed that urban population insignificantly effects CO<sub>2</sub> emission level of low- and middle-income Asian countries. Obtained results are consistent with Zhang & Liu (2015). However it contradicts with the findings of Farhani & Ozturk (2015) and with Al-Mulali and Ozturk (2016). Contrary to the findings we have in case of middle- and low-income countries, urban population significantly effects emission level of high income countries due to high rate of urbanization in these countries. Increased consumption of electricity increases CO<sub>2</sub> emissions significantly in all the three income groups (Al- Mulali & Ozturk, 2016; Al-Mulali et al., 2015). These results are consistent with Akadiri et al. (2020). The study predicts that electricity consumption positively impacts the level of carbon emissions which further clarifies that the use of non-renewable sources of electricity production dominates and exerts pressure on the environment. The effect of inflation on carbon emissions is insignificant in all income groups of Asia which contradicts with the conclusions of the study of Ahmed et al. (2020) and Ullah et al. (2020).

**Table 4: Results from FMOLS (region-wise analysis)**

Results for LICs			
Variable name	Coefficient values	Std. error	T-stats
GDP	-2.837***	0.416	-6.83
GDP <sup>2</sup>	0.117***	0.018	6.45
ICT index	-0.116**	0.053	-2.19
UPP	-0.001	0.019	0.044
EC	0.002***	0.000	5.519
INF	0.0012	0.004	0.288
Results for MICs			
Variable name	Coefficient values	Std. error	T-stats
GDP	1.5601***	0.597	2.614
GDP <sup>2</sup>	-0.0205*	0.012	-1.686
ICT index	0.0443**	0.019	-2.253
UPP	0.0107	0.008	-1.285
EC	0.0003***	0.000	7.468
INF	0.0004	0.002	0.275
Results for HICs			
Variable name	Coefficient values	Std. error	T-stats
GDP	5.079***	0.855	5.938
GDP <sup>2</sup>	-0.106***	0.017	-6.230
ICT index	0.041***	0.009	4.265
UPP	0.006*	0.004	1.715
EC	0.000***	0.000	13.683
INF	0.000	0.000	1.6171

Source: Author's estimation

#### 4.5. DOLS Test Results

Findings of DOLS are provided in table 5. Similarity of the long run estimates of DOLS with that obtained by FMOLS indicate the robustness of these results. EKC hypothesis is again rejected for low income Asian group and accepted for other two groups. The impact of digitization and ICT penetration are also exactly similar as we obtained from FMOLS estimation technique with slight differences in their coefficient values. Shifting our discussion towards the impact of control variables it is evident that we found same results in case of DOLS as we obtained in case of FMOLS.

**Table 5: Results from DOLS (region-wise analysis)**

Results for LICs			
Variable Name	Co-efficient values	Std error	T- stats
GDP	-2.8735***	0.5193	-5.5336
GDP <sup>2</sup>	0.1184***	0.0227	5.2159
ICT index	-0.1565**	0.0669	-2.3471
UPP	0.0037	0.0244	0.1496
EC	0.0020***	0.0005	4.4208
INF	-0.00035	0.0060	0.0588
Results for MICs			
Variable Name	Co-efficient values	Std error	T- stats
GDP	1.4463***	0.5293	2.7325
GDP <sup>2</sup>	-0.0203**	0.0109	-1.8647
ICT index	-0.0399***	0.0191	-2.0888
UPP	-0.0029	0.0079	-0.4004
EC	0.0003***	0.0000	8.0990
INF	0.0007	0.0014	0.4752
Results for HICs			
Variable Name	Co-efficient values	Std error	T- stats
GDP	4.1124**	1.9429	2.117
GDP <sup>2</sup>	-0.0855**	0.0393	-2.1728
ICT index	0.0163	0.0251	0.6482
UPP	0.0137***	0.0056	2.4326
EC	0.0000***	0.0000	3.7646
INF	0.0006	0.0014	0.4513

Source: Author's estimation

## 5. Conclusions of Results

Outcomes of the study prove that the EKC relation does not exist for the case of Asian low-income countries. Where U shaped relation is observed between economic growth and environmental quality. However, the study validates hypothesis of environmental Kuznets curve for middle income and also for high income groups of Asia. ICT employed technology negatively and significantly effects emission level of low- and middle-income Asian countries and hence aid them to achieve sustainability. While the impact of such technology is found positive and significant on carbon emissions level in high income Asian countries as these countries are at the stage where disposal and recycling of ICT equipment and e-waist is a major problem.

### 5.1. Policy Recommendation

In low-income countries of Asia, the environment gets impure and its quality declines in the long term due to increase in their production level. Hence, they should remain focused on finding less energy consuming methods of production. This can be accomplished by adopting smart technology. Therefore, these countries should adopt smart equipment for their production activities such as digitization and ICT adoption has mitigating impact on CO<sub>2</sub> emissions of the region. The policy is also applicable for middle income countries. But the existence of Environment Kuznets curve in these countries suggests that they should attain that particular production level (threshold level) where emission level starts falling with further increase in production.

Use of ICT worsens environmental quality and increases climatic burden in high-income countries of Asia. These countries should encourage the consumption of renewable energy sources by investing more for them. Carbon pricing which is proved as effective strategy to clarify environment by the reduction in climatic burden can be implemented to control the emissions level. Building smart grid systems is another way of mitigating the effects of ICT and digitization on environmental quality in these countries. Such policies should be formed and implemented which are helpful to develop smart cities, efficient transportation and communication system also such production methods with less energy consumption and or equipment as well. Hence emissions level can be controlled on global level. Further research and development in these countries may introduce some other ways for control of carbon emissions level in these countries. Moreover the government should implement taxation system for such activities which pollute environment and make it impure. They should

promote the use of renewable energy resources. The implementation of smart city pilot construction policy as implemented in China from 2013 can be helpful in mitigating the level of CO<sub>2</sub> emissions in other cities and countries.

## 5.2. Limitations of the Study

Environmental quality is only indicated by its one indicator which is carbon emissions. Undoubtedly carbon dioxide is the major contributor to greenhouse gases but other kinds of emissions such as Nitrogen and Sulphur di and tri oxides are also contributing to environmental degradation. The ability of a region to achieve sustainable growth can also be measured by using other indicators of it like use of renewable energy resources. The time period chosen for analysis is limited up to 2016 due unavailability of data of CO<sub>2</sub> emissions at the time of analysis. Future research needs to focus on more comprehensive measures of environmental quality and different classification of the Asian economies.

## Abbreviations:

---

LICs	Low income countries
MICs	Middle income countries
HICs	High income countries
UPP	Urban population in percentage
EC	Electricity consumption
INF	Inflation
FMOLS	Fully modified ordinary lest square
DOLS	Dynamic ordinary lest square
ICT	Information and communication technology

---

Note: \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$  for all tables

## References

- Ahmad, W., Ullah, S., Ozturk, I., & Majeed, M. T. (2020). Does inflation instability affect environmental pollution? Fresh evidence from Asian economies. *Energy & Environment*, 0(0), 1-7.
- Akin, C. S. (2014). The impact of foreign trade, energy consumption and income on CO<sub>2</sub> emissions. *International Journal of Energy Economics and Policy*, 4(3), 465.
- Alam, M. M., Murad, M. W., Noman, A. H. M., & Ozturk, I. (2016). Relationships among carbon emissions, economic growth, energy consumption and population growth: Testing Environmental Kuznets Curve hypothesis for Brazil, China, India and Indonesia. *Ecological Indicators*, 70, 466-479.
- Al-Mulali, U., & Ozturk, I. (2016). The investigation of environmental Kuznets curve hypothesis in the advanced economies: the role of energy prices. *Renewable and Sustainable Energy Reviews*, 54, 1622-1631.
- Al-Mulali, U., Saboori, B., & Ozturk, I. (2015). Investigating the environmental Kuznets curve hypothesis in Vietnam. *Energy Policy*, 76, 123-131.
- Al-Mulali, U., Tang, C. F., & Ozturk, I. (2015). Estimating the environment Kuznets curve hypothesis: evidence from Latin America and the Caribbean countries. *Renewable and Sustainable Energy Reviews*, 50, 918-924.
- Amri, F., Zaied, Y. B., & Lahouel, B. B. (2019). ICT, total factor productivity, and carbon dioxide emissions in Tunisia. *Technological Forecasting and Social Change*, 146, 212-217.
- Ansari, M. A., Haider, S., & Khan, N. A. (2020). Environmental Kuznets curve revisited: an analysis using ecological and material footprint. *Ecological Indicators*, 115, 106416.
- Apergis, N., & Ozturk, I. (2015). Testing environmental Kuznets curve hypothesis in Asian countries. *Ecological Indicators*, 52, 16-22.
- Arnaut, J., & Lidman, J. (2021). Environmental sustainability and economic growth in Greenland: testing the environmental Kuznets curve. *Sustainability*, 13(3), 1228.
- Arouri, M. E. H., Youssef, A. B., M'henni, H., & Rault, C. (2012). Energy consumption, economic growth and CO<sub>2</sub> emissions in Middle East and North African countries. *Energy policy*, 45, 342-349.
- Asongu, S. A. (2018). ICT, openness and CO<sub>2</sub> emissions in Africa. *Environmental Science and Pollution Research*, 25(10), 9351-9359.
- Asongu, S. A., Le Roux, S., & Biekpe, N. (2017). Environmental degradation, ICT and inclusive development

- in Sub-Saharan Africa. *Energy Policy*, 111, 353-361.
- Avom, D., Nkengfack, H., Fotio, H. K., & Totouom, A. (2020). ICT and environmental quality in Sub-Saharan Africa: Effects and transmission channels. *Technological Forecasting and Social Change*, 155, 120028.
- Belkhir, L., & Elmeligi, A. (2018). Assessing ICT global emissions footprint: Trends to 2040 & recommendations. *Journal of Cleaner Production*, 177, 448-463.
- Bengochea-Morancho, A., Higón-Tamarit, F., & Martínez-Zarzoso, I. (2001). Economic growth and CO2 emissions in the European Union. *Environmental and Resource Economics*, 19(2), 165-172.
- Breusch, T., & Pagan, A. (1980). The Lagrange Multiplier Test and Its Applications for the Error Components Model with Incomplete Panels. *Review of Economic Studies*, 47, 239-53.
- Brodny, J., & Tutak, M. (2022). Analyzing the level of digitalization among the enterprises of the European Union member states and their impact on economic growth. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(2), 70.
- Carayannis, E. G., & Popescu, D. (2005). Profiling a methodology for economic growth and convergence: learning from the EU e-procurement experience for central and eastern European countries. *Technovation*, 25(1), 1-14.
- Chandran, V. G. R., & Tang, C. F. (2013). The impacts of transport energy consumption, foreign direct investment and income on CO2 emissions in ASEAN-5 economies. *Renewable and Sustainable Energy Reviews*, 24, 445-453.
- Chavanne, X., Schinella, S., Marquet, D., Frangi, J. P., & Le Masson, S. (2015). Electricity consumption of telecommunication equipment to achieve a telemeeting. *Applied Energy*, 137, 273-281.
- Charfeddine, L., & Umlai, M. (2023). ICT sector, digitization and environmental sustainability: A systematic review of the literature from 2000 to 2022. *Renewable and Sustainable Energy Reviews*, 184, 113482.
- Danish, Khan, N., Baloch, M. A., Saud, S., & Fatima, T. (2018). The effect of ICT on CO2 emissions in emerging economies: does the level of income matters? *Environmental Science and Pollution Research*, 25, 22850-22860.
- Demissew Beyene, S. (2023). Going beyond the traditional EKC hypothesis: a panel quantile approach. *International Journal of Environmental Studies*, 80(1), 93-112.
- Dogan, E., Ulucak, R., Kocak, E., & Isik, C. (2020). The use of ecological footprint in estimating the environmental Kuznets curve hypothesis for BRICST by considering cross-section dependence and heterogeneity. *Science of the Total Environment*, 723, 138063.
- Farhani, S., & Ozturk, I. (2015). Causal relationship between CO 2 emissions, real GDP, energy consumption, financial development, trade openness, and urbanization in Tunisia. *Environmental Science and Pollution Research*, 22(20), 15663-15676.
- Global E-waste monitor report. (2017) link for download pdf  
[https://collections.unu.edu/eserv/UNU:6341/Global-E-waste\\_Monitor\\_2017\\_\\_electronic\\_single\\_pages\\_.pdf](https://collections.unu.edu/eserv/UNU:6341/Global-E-waste_Monitor_2017__electronic_single_pages_.pdf)
- Gonel, F., & Akinci, A. (2018). How does ICT-use improve the environment? The case of Turkey. *World Journal of Science, Technology and Sustainable Development*, 15(1), 2-12.
- Grossman, G. M., & Krueger, A. B. (1991). *Environmental impacts of a North American free trade agreement* (No. w3914). National Bureau of economic research.
- Gruber, H. (2001) Competition and innovation: The diffusion of mobile telecommunications in Central and Eastern Europe, *Information Economics and Policy*, 13(1), 19–34.
- Haseeb, A., Xia, E., Saud, S., Ahmad, A., & Khurshid, H. (2019). Does information and communication technologies improve environmental quality in the era of globalization? An empirical analysis. *Environmental Science and Pollution Research*, 26(9), 8594-8608.
- Higón, D. A., Gholami, R., & Shirazi, F. (2017). ICT and environmental sustainability: A global perspective. *Telematics and Informatics*, 34(4), 85-95.
- Hossain, M. S. (2011). Panel estimation for CO2 emissions, energy consumption, economic growth, trade openness and urbanization of newly industrialized countries. *Energy Policy*, 39(11), 6991-6999.
- Ionescu-Feleagă, L., Ionescu, B. Ș., & Stoica, O. C. (2023). The link between digitization and the sustainable development in European union countries. *Electronics*, 12(4), 961.
- Jalil, A., & Mahmud, S. F. (2009). Environment Kuznets curve for CO2 emissions: a co-integration analysis

for China. *Energy policy*, 37(12), 5167-5172.

Javid, M., & Sharif, F. (2016). Environmental Kuznets curve and financial development in Pakistan. *Renewable and Sustainable Energy Reviews*, 54, 406-414.

Jebli, M. B., Youssef, S. B., & Ozturk, I. (2016). Testing environmental Kuznets curve hypothesis: The role of renewable and non-renewable energy consumption and trade in OECD countries. *Ecological Indicators*, 60, 824-831.

Kaplan, W. A. (2006). Can the ubiquitous power of mobile phones be used to improve health outcomes in developing countries? *Globalization and health*, 2(1), 9-14.

Kahia, M., Omri, A., & Jarraya, B. (2021). Green energy, economic growth and environmental quality nexus in Saudi Arabia. *Sustainability*, 13(3), 1264.

Latif, Z., Latif, S., Ximei, L., Pathan, Z. H., Salam, S., & Jianqiu, Z. (2018). The dynamics of ICT, foreign direct investment, globalization and economic growth: Panel estimation robust to heterogeneity and cross-sectional dependence. *Telematics and Informatics*, 35(2), 318-328.

Le, H. P., & Ozturk, I. (2020). The impacts of globalization, financial development, government expenditures, and institutional quality on CO<sub>2</sub> emissions in the presence of environmental Kuznets curve. *Environmental Science and Pollution Research*, 27, 22680-22697.

Lee, J. W., & Brahmastreene, T. (2014). ICT, CO<sub>2</sub> emissions and economic growth: evidence from a panel of ASEAN. *Global Economic Review*, 43(2), 93-109.

Ma, Z., & Wu, F. (2022). Smart city, digitalization and CO<sub>2</sub> emissions: evidence from 353 cities in China. *Sustainability*, 15(1), 225.

Mahmood, H., Furqan, M., Hassan, M. S., & Rej, S. (2023). The environmental Kuznets Curve (EKC) hypothesis in China: A review. *Sustainability*, 15(7), 6110.

Majeed, M. T. (2018). Information and communication technology (ICT) and environmental sustainability in developed and developing countries. *Pakistan Journal of Commerce and Social Sciences*, 12(3), 758-783.

Majeed, M. T., & Mazhar, M. (2020). Reexamination of Environmental Kuznets Curve for Ecological Footprint: The Role of Biocapacity, Human Capital, and Trade. *Pakistan Journal of Commerce & Social Sciences*, 14(1), 202-254.

Maneejuk, N., Ratchakom, S., Maneejuk, P., & Yamaka, W. (2020). Does the environmental Kuznets curve exist? An international study. *Sustainability*, 12(21), 9117.

Mathiesen, B. V., Lund, H., Connolly, D., Wenzel, H., Østergaard, P. A., Möller, B., ... & Hvelplund, F. K. (2015). Smart Energy Systems for coherent 100% renewable energy and transport solutions. *Applied Energy*, 145, 139-154.

Mikayilov, J. I., Galeotti, M., & Hasanov, F. J. (2018). The impact of economic growth on CO<sub>2</sub> emissions in Azerbaijan. *Journal of Cleaner Production*, 197, 1558-1572.

Monzon, A., Garcia-Castro, Á., & Valdes, C. (2017). Methodology to Assess the Effects of ICT-measures on Emissions. The Case Study of Madrid. *Procedia Engineering*, 178, 13-23.

Notley, T. (2019). The environmental costs of the global digital economy in Asia and the urgent need for better policy. *Media International Australia*, 173(1), 125-141.

Nasab, E. H., & Aghaei, M. (2009). The effect of ICT on economic growth: Further evidence. *International Bulletin of Business Administration*, 5(2), 46-56.

Omisakin, D., & Olusegun, A. (2009). Economic growth and environmental quality in Nigeria: does environmental Kuznets curve hypothesis hold?. *Environmental Research Journal*, 3(1), 14-18.

Omojolaibi, J. A. (2010). Environmental quality and economic growth in some selected West African Countries: a panel data assessment of the environmental Kuznets curve. *Journal of Sustainable Development in Africa*, 12(8), 35-48

Panayotou, T. (1993). *Empirical tests and policy analysis of environmental degradation at different stages of economic development* (No. 992927783402676). International Labour Organization.

Pedroni, P. (1999). Critical values for cointegration tests in heterogeneous panels with multiple regressors. *Oxford Bulletin of Economics and statistics*, 61(S1), 653-670.

Pedroni, P. (2001). Purchasing power parity tests in cointegrated panels. *Review of Economics and statistics*, 83(4), 727-731.

- Pedroni, P. (2004). Panel cointegration: asymptotic and finite sample properties of pooled time series tests with an application to the PPP hypothesis. *Econometric theory*, 597-625.
- Pesaran, M. H. (2004). General diagnostic tests for cross-sectional dependence in panels. *Empirical Economics*, 1-38.
- Pesaran, M. H. (2007). A simple panel unit root test in the presence of cross-section dependence. *Journal of applied econometrics*, 22(2), 265-312.
- Phillips, P. C., & Hansen, B. E. (1990). Statistical inference in instrumental variables regression with I (1) processes. *The Review of Economic Studies*, 57(1), 99-125.
- Pohl, J., Hilty, L. M., & Finkbeiner, M. (2019). How LCA contributes to the environmental assessment of higher order effects of ICT application: A review of different approaches. *Journal of Cleaner Production*.698-712.
- Pradhan, R. P., Arvin, M. B., & Norman, N. R. (2015). The dynamics of information and communications technologies infrastructure, economic growth, and financial development: Evidence from Asian countries. *Technology in Society*, 42, 135-149.
- Pradhan, R. P., Mallik, G., & Bagchi, T. P. (2018). Information communication technology (ICT) infrastructure and economic growth: A causality evinced by cross-country panel data. *IIMB Management Review*, 30(1), 91-10.
- Raheem, I. D., Tiwari, A. K., & Balsalobre-Lorente, D. (2020). The role of ICT and financial development in CO 2 emissions and economic growth. *Environmental Science and Pollution Research*, 27(2), 1912-1922.
- Ramos-Meza, C. S., Zhanbayev, R., Bilal, H., Sultan, M., Pekergin, Z. B., & Arslan, H. M. (2021). Does digitalization matter in green preferences in nexus of output volatility and environmental quality? *Environmental Science and Pollution Research*, 28, 66957-66967.
- Ropke, I., & Christensen, T. H. (2012). Energy impacts of ICT–Insights from an everyday life perspective. *Telematics and Informatics*, 29(4), 348-361.
- Saboori, B., Sulaiman, J., & Mohd, S. (2012). Economic growth and CO2 emissions in Malaysia: a co-integration analysis of the environmental Kuznets curve. *Energy policy*, 51, 184-191.
- Saikkonen, P. (1992). Estimation and testing of cointegrated systems by an autoregressive approximation. *Econometric theory*, 1-27.
- Saint Akadiri, S., Alola, A. A., Bekun, F. V., & Etokakpan, M. U. (2020). Does electricity consumption and globalization increase pollutant emissions? Implications for environmental sustainability target for China. *Environmental Science and Pollution Research*, 27(20), 25450-25460.
- Salahuddin, M., Alam, K., & Ozturk, I. (2016). The effects of Internet usage and economic growth on CO2 emissions in OECD countries: A panel investigation. *Renewable and Sustainable Energy Reviews*, 62, 1226-1235.
- Sarkodie, S. A., & Ozturk, I. (2020). Investigating the environmental Kuznets curve hypothesis in Kenya: a multivariate analysis. *Renewable and Sustainable Energy Reviews*, 117, 109481.
- Saud, S., Chen, S., & Haseeb, A. (2019). Impact of financial development and economic growth on environmental quality: an empirical analysis from Belt and Road Initiative (BRI) countries. *Environmental Science and Pollution Research*, 26(3), 2253-2269.
- Shahbaz, M., Ozturk, I., Afza, T., & Ali, A. (2013). Revisiting the environmental Kuznets curve in a global economy. *Renewable and sustainable energy reviews*, 25, 494-502.
- Singh, A. K., & Jyoti, B. (2023). Impact of digitalization on global sustainable development across countries. *Green and Low-carbon Economy*.
- Stock, J. H., & Watson, M. W. (1993). A simple estimator of cointegrating vectors in higher order integrated systems. *Econometrica: Journal of the Econometric Society*, 783-820.
- Toader, E., Firtescu, B., Roman, A., & Anton, S. (2018). Impact of information and communication technology infrastructure on Economic Growth: An empirical assessment for the EU countries. *Sustainability*, 10(10), 3750.
- Ullah, S., Apergis, N., Usman, A., & Chishti, M. Z. (2020). Asymmetric effects of inflation instability and GDP growth volatility on environmental quality in Pakistan. *Environmental Science and Pollution Research International*.27(2020) 31892–31904.

- Ullah, S., Ozturk, I., Majeed, M. T., & Ahmad, W. (2021). Do technological innovations have symmetric or asymmetric effects on environmental quality? Evidence from Pakistan. *Journal of Cleaner Production*, 316, 128239.
- Westerlund, J. (2007). Testing for error correction in panel data. *Oxford Bulletin of Economics and statistics*, 69(6), 709-748.
- World bank (2019). World development indicators. Available from <https://databank.worldbank.org/source/world-development-indicators>
- World Bank. (2007). The world bank annual report 2007. [Online] Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/7534/411880v10ENGLISH0WBAR0200701PUBLIC1.pdf?sequence=1&isAllowed=y>
- Yang, L., Wang, X., Kim, S. H., Baek, S. W., Majeed, M. T., & Andlib, Z. (2021). Digitalization and CO2 emissions in BRICS: What role does education play in the green economy?
- Zhang, C., & Liu, C. (2015). The impact of ICT industry on CO2 emissions: a regional analysis in China. *Renewable and Sustainable Energy Reviews*, 44, 12-19.

### **Declarations**

**Contribution of authors:** The idea of the study was provided by Dr. Muhammad Tariq Majeed. He did supervise the whole thesis. Analysis of the data, estimation and drafting all the sections of the paper was done by Amna Ahsen. The introduction section of the paper is written by Maria Mazhar. Literature reviews are written by Maria Mazhar and Amna Ahsen.

**Acknowledgement:** The authors are grateful to editorial team for their cooperation and support.

**Disclaimer:** Only the views of authors alone are presented in the paper they are not reflected by any other institute.

---