

Environmental Threats in Benin: The Role of Trade Openness

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Abstract: Growing interest in environmental considerations is leading countries to take environmental concerns into account in their various development policies. This study analyses the effect of trade liberalisation on environmental quality in Benin over the period 1982-2022. Based on the ARDL estimation, results show that trade openness contributes to environmental degradation in Benin. In addition, economic growth accentuates environmental degradation, while foreign direct investment moderates production and increases its effectiveness in reducing greenhouse gas emissions. Results also confirm the presence of the pollution halo hypothesis in Benin. In view of the results, political decision-makers should improve the business climate and invest more in economic policies aimed at developing the financial market in order to achieve long-term climate objectives.

Keywords: Trade openness, Environmental quality, ARDL estimation

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