

## Does Trade and Institutional Quality Play Any Significant Role on Environmental Quality in Sub-Saharan Africa?

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**Abstract :** This paper measures the impacts of trade and institutions on environmental quality in Sub-Saharan Africa (SSA). To examine the direction and the magnitude of the effects, the study employs the pooled mean group (PMG) estimation technique on the panel data obtained from the World Bank's World Development and Governance Indicators, between 1996 and 2018. The empirical estimates validate the environmental Kuznets curve hypothesis (EKC) for the region, even though there have been inconclusive results on the environment - growth nexus. Similarly, a positive coefficient is obtained on the impact of trade on the environment, while the impact of the institutional indicators produce mixed results. A significant policy implication is that the governments of the SSA countries pursue policies that tend to increase economic growth, so that pollutants may be reduced. Such policies may include the provision of incentives for sustainable growth-driven industries in the region. In addition, the governance infrastructures should be improved in such a way that appropriate penalties are imposed on the pollutants, while advanced technologies that have the potentials to reduce environmental degradation should be encouraged. Finally, it is imperative from these findings that the governments of the region should promote their trade relations and the competitiveness of their local industries in order to keep pace with the global markets.

**Keywords :** environmental quality, institutional quality sustainable development goals, trade

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