

The Potential of Renewable Energy in Tunisia and Its Impact on Economic Growth

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Abstract : Tunisia is ranked among the countries with low energy diversification, but this configuration makes the country too dependent on fossil fuel exporting countries and therefore extremely sensitive to any oil crises, many measures to diversify electricity production must be taken in making use of other forms of renewable and nuclear energy. One of the solutions required to escape this dependence is the liberalization of the electricity industry which can lead to an improvement of supply, energy diversification, and reducing some of the negative effects of the trade balance. This paper examines the issue of renewable electricity and economic growth in Tunisia consumption. The main objective is to study and analyze the causal link between renewable energy consumption and economic growth in Tunisia over the period 1980-2010. To examine the relationship in the short and in the long terms, we used a multidimensional approach to cointegration based on recent advances in time series econometrics (test Zivot - Andrews, Test of Cointegration Johannsen, Granger causality test, error correction model (ECM)).

Keywords : renewable electricity, economic growth, VECM, cointegration, Tunisia

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