



UNIVERSITAS ANDALAS

**THE RELATIONSHIP BETWEEN TOURISM AND ENVIRONMENTAL
DEGRADATION IN THE UPPER MIDDLE-INCOME SOUTHEAST ASIAN
ECONOMIES**

UNDERGRADUATE THESIS

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The Relationship Between Tourism and Environmental Degradation in the
Upper Middle-Income Southeast Asian Economies

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Submitted to the Department of Economics in partial fulfillment of the
requirement for the degree of

Bachelor of Economics


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ABSTRACT

Tourism is one of the industry sectors that are growing very well globally, development in this sector is not only carried out by developing countries but also carried out by developed countries. The study analyzed the relationship between environmental degradation and tourism, which was used in the Study of Carbon Dioxide Emissions, Tourism Arrivals, Economic Growth, and Energy Consumption. Carbon dioxide emissions are a proxy used to analyze environmental pollution caused by tourism arrivals and some other variable controls. The research was conducted in three ASEAN countries Indonesia, Malaysia, and Thailand for the period 1995-2014. This study uses a Fully Modified Ordinary Least Squared approach to determine the relationship of tourism with environmental degradation in three ASEAN countries namely Indonesia, Malaysia, and Thailand. To overcome structural breaks in the data the study used the Zivot-Andrews unit root test and the Gregory-Hansen test to examine whether there was a long-term relationship between variables. Based on the results of data processing can be confirmed that tourism harms the environment for Indonesia, Malaysia, and Thailand. This illustrates that tourism's relationship with environmental degradation can be proven. Each country has different geographical conditions and has its characteristics.

Keyword : Carbon Dioxide Emission, Tourism arrivals, Energy Use

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DECLARATION OF ANTI-PKAGIARISM

I hereby declare that this thesis entitled "The Relationship Between Tourism and Environmental Degradation in the Upper Middle-Income Southeast Asian Economies" is written by myself, and that has no part that contains the phrase, idea, or opinion from another source without acknowledging the original authors. I have acknowledged all parts sourced from other people's work according to the norms, ethics, and rules of scientific writing. If anyone finds plagiarism in this thesis, I am willing to accept the sanction of revocation of academic degrees that I have gained.

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