

# **Convergence in Carbon Emissions across the ANNEX I countries: Theory and Evidence**

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## **Abstract:**

This study investigates the convergence in carbon emissions across the Annex I countries. To this end, we first develop a carbon emission convergence equation and then test it via System GMM, using 5-year span panel data from 41 Annex I countries for the period 1960-2014. The results provide strong evidence for the existence of unconditional convergence among the Annex I countries. The estimates show that the convergence is even stronger when control variables are used. We conclude that emission reduction targets set for Annex I countries have led to convergence of emissions per capita among Annex I countries.

**Keywords:** Carbon Emission, Convergence, Annex I Countries, Panel Data Analysis, System GMM

**JEL Codes:** C23, O47, L92