

Abstract

The Environmental Kuznets Curve (EKC) is a hypothesized relationship between GDP per capita and pollution. It suggests that the relationship has a shape of a concave quadratic function—i.e. that firstly, with increasing GDP per capita, levels of pollution increase. And then, from some level of GDP per capita, as GDP per capita rises, levels of pollution decrease. This bachelor thesis examines whether the EKC holds for the Czech Republic or not. It uses panel data on air pollution for the period 1995–2017, in particular concentrations SO_2 and NO_x . This analysis is conducted using the fixed effects method.

The results of this bachelor thesis suggest that for the case of SO_2 , there is a relationship between GDP per capita and the pollutant's concentrations. However, this relationship does not change over time significantly. Moreover, for the case of NO_x , the relationship between the pollutant's concentrations and GDP per capita is not significant, hence, the EKC hypothesis can be rejected for both examined pollutants.