

# Reviews of ECONJOURNAL-D-23-00188R1

Re-investigating the Impact of Economic Growth, Energy Consumption, Financial Development, Institutional Quality, and Globalization on Environmental Degradation in OECD Countries

## Round 1

### Reviewer 1

Dear Sirs! I read the prepared article with interest. Of course, the authors have been working on this topic for a long time, they are familiar with the materials that precede their work. The simulation carried out proves the correctness of the author's vision of the problem.

However, there are a number of comments and suggestions to the authors.

1. While the material is somewhat scholastic in nature, divorced from reality, it is substantiated by the econometric calculations of its predecessors.

It is not clear how the authors determine the quality of the institutional environment, especially since their thesis that FDI immediately gives impetus to progressive innovative development does not correspond to reality, because FDI is primarily a means of pursuing commercial income. The belief that they always improve the institutional environment or contribute to the quality of economic growth (especially for developing and underdeveloped countries) does not correspond to reality (James Harrison. Trade Agreements and Sustainability: Exploring the Potential of Global Value Chain (GVC) Obligations. Journal of International Economic Law, jgac057, <https://doi.org/10.1093/jiel/jgac057>

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2. The authors took into account the factor of globalization without any real connection to OECD countries, and the authors indicate that globalization ensures a positive reform of institutions; in which OECD countries did this happen?

3. The authors confirm that economic growth, an increase in globalized FDI, and transformation under the influence of globalization of institutions in the OECD will lead to a reduction in emissions and an improvement in the quality of life.

Life in Germany, for example, in connection with the abandonment of fossil fuels from Russia and nuclear energy (i.e. due to political decisions) led to an increase in emissions into the atmosphere due to the use of hard and brown coal. In this regard, the quality of life of the country's citizens is not improving. At the same time, in China, due to increasing national investments in "green energy" according to the plan for 2020-2025, air quality has improved in the northern regions and south of China.

4. As a recommendation to the authors, I believe it would be advisable to consider not all of the factors they indicated, which are very heterogeneous, but to focus on the interdependence of economic growth and electricity consumption, and with reference to specific countries.

The process of financialization of the world economy and the economies of developed countries (OECD members) was actually accompanied by the actual deindustrialization of their economies, the development of the service sector, and this is a significantly less energy-intensive segment (with the exception of mining). The authors did not reflect this aspect at all.

I would like to wish the authors success in their research. With friendly greetings, Prof. Dr. Perskaya V.V.

## Reviewer 2

The paper is very well written.

The hypothesis under discussion are presented in a clear way. I particularly appreciated the in-depth presentation of the used statistical methods, the several tools are introduced with the appropriate theoretical references.

I can only make one small, purely formal note: I would prefer bigger images for Figure 3 at page 15: in my opinion, the comprehension of which is the quantile regression variable represented in each one of the six little graphs is not so easy.

## Round 2

### Editor

The authors have submitted a document clearly outlining how they have addressed all of the comments from the reviewers. These changes, in my opinion, are adequate and the article should be published.