

The Impact of Fiscal Policy on Economic Growth: An Empirical Analysis

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Abstract. This study examines the relationship between fiscal policy and economic growth by employing a comprehensive empirical framework. Using data from multiple countries, the analysis reveals how different fiscal policy measures influence economic performance. The results suggest that government spending and tax policies play a critical role in shaping economic growth trajectories. The study provides insights into effective fiscal policy design that can foster sustainable economic development.

Keywords: Fiscal Policy, Economic Growth, Government Spending, Tax Policy, Sustainable Development

Introduction

Fiscal policy remains a central tool for governments aiming to influence economic growth. This paper explores the nuances of fiscal policy, including government spending and taxation, and their respective impacts on the economic growth of various countries. By employing an empirical analysis, we uncover the intricate relationships between these variables and their effects on economic performance. Our study contributes to the broader understanding of how fiscal measures can be optimized to stimulate growth while ensuring economic stability.

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