

The Impact of Fiscal Policy on Economic Growth in Emerging Markets

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Abstract. This study explores the relationship between fiscal policy and economic growth in emerging markets. Using a panel data analysis from 2000 to 2020, we examine how government spending and taxation influence growth rates in these economies. Our findings suggest that expansionary fiscal policies can stimulate short-term economic growth, but may also lead to inflationary pressures if not managed properly. Policymakers must balance these factors to ensure sustainable growth.

Keywords: Fiscal Policy, Economic Growth, Emerging Markets, Government Spending, Taxation

Introduction

Fiscal policy plays a vital role in shaping the economic landscape of emerging markets. In recent years, these countries have implemented various fiscal measures to boost their economic performance. This article examines the impact of such policies on economic growth, with a focus on government spending and taxation. We analyze data from 2000 to 2020 to identify trends and patterns that can inform future policy decisions. Our study aims to provide insights into how fiscal policy can be optimized to support sustainable growth in emerging markets.

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