

The Relationship Between Environmental Regulations and Economic Performance

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Abstract. This study examines how environmental regulations affect economic performance. Focusing on data from 1990 to 2020, the research analyzes the balance between regulatory measures and economic growth. Our findings suggest that while stringent regulations can initially hinder growth, they ultimately lead to sustainable development by encouraging innovation and efficiency. These insights are crucial for policymakers aiming to design effective environmental policies.

Keywords: Environmental Regulations, Economic Performance, Sustainable Development, Innovation, Efficiency

Introduction

Environmental regulations are often seen as a double-edged sword in the context of economic performance. This paper investigates the impact of such regulations on economic growth, using data spanning from 1990 to 2020. We explore the trade-offs between enforcing strict environmental measures and fostering economic development. Our analysis reveals that although stringent regulations may pose short-term challenges, they can drive long-term sustainability through innovation and increased efficiency. These findings offer valuable guidance for policymakers tasked with designing balanced environmental policies.

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