
Analysis of the implementation effect of environmental policy for economic development

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Abstract

The primary aim to analysis on the implementation effect of environmental policy and economic development evidence from the country of China. Data based on secondary information collected from (WDI) world development indicators World Bank, official websites, etc. and the nature of this study is quantitative research. The data were elaborated by some using models and techniques such as descriptive test statistics, correlation analysis, regression analysis, and also unit root analysis apply in this study. These tests run from the E-views software to test the hypotheses. According to regression analysis, some variables are present a positive relationship, and some are negative and insignificantly related to each other. The research findings represent the overall significant and positive relationship between economic development and environmental policy. This research uses some different variables such as gross domestic product, (GDP), foreign trade (F.T.), per capita income (PCI), broad money growth (BMG), environmental sustainability (E.S.), energy consumption (E.C.), water productivity (W.P.), and natural resources for measuring the environmental policy in china. This research measure through the equational modelling techniques Research founded that there is a positive influence among environmental policy and economic development and economic growth.

Keywords: Environmental policy (E.P.), Economic Development (E.D.), Gross Domestic Product (GDP), Broad money Growth (BMG), Environmental Sustainability (E.S.), Foreign Trade (F.T.).

1. Introduction

As we all know that China is in the list of world's most developing countries, China has the world's strong mass-produce economy and exporter of products. It has furthermore the world's nimble growing buyer market and second considerable importer. If we talk more deeply, china started its economy since 1978 and GDP increase average 10% per year and now today's world China become the second-biggest economy country in the world.

As the economy comes up from stagnation, human curiosity has to fetch to china's sustained and long-lasting economic growth as the natural environment plays a vital role in any county's economy. There might be many challenges that any

country has to face like climate change, flooding, disaster, pollution, etc. So the natural environment has a significant role in economic growth as a prompt contribution or through the many services that it offers—some resources, such as non-renewable energy sources, minerals, etc. Directly invigorate the production. The earth provides different types of assistance that empower financial action, for example, sequestering carbon, ensuring against flood problems, and soil evolution. It is additionally fundamental for our successful welfare, giving us with restoration chances, improving our prosperity, and many more.

The research objectives of maintainable development can't accomplish without bringing about two significant factors. One is the state petition and the nature of governance. Indeed, natural environmental protection measures are receiving without government improvements. The other factor,

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firmly connected to the first, is the nature of the institutional setting. Institutions decide the execution and result of governmental policies, mirroring the ability to oversee environmental issues. The quality of organizations impacts the degree by which the general public is to engage with the procedure of environmental renaissance. More grounded establishments infer environmental acknowledgement along these lines choosing natural security as a functioning manageability strategy. The above system is, as contended, unequivocally tied with financial development since a more grounded institutional setting upgrades the procedure of economic growth. (Zhu, Zeng et al. 2019, Adefarati and Bansal 2019)

It is keeping up that an increase in salary originating from the support of foundations suggests an expansion in demand for ecological protection, prompting pollution decrease. Therefore, the help of the institutional setting can make a successful win circumstance as it might improve both natural environmental assurance and the degree of pay of a nation. Then again, if the support of the institutional setting doesn't suggest an increase in salary, ecological security is increasingly hard to actualize. A comparative instrument can be a route to the job of pay that upgrades institutional authorization and, in this manner, pollution reduction. Thus, as contended, pollution ought to be given just a fractional job in the opposite causality bearing. The expansion of contamination could suggest a more prominent salary on the off chance that if we consider rising and growing nations that do have a stable institutional setting, yet it ought not to be so in created economies where substantial establishments add to decrease pollution. (Wu, Cheng et al. 2019)

Environmental policies have made for the arrangement and usage of ecological assets, which supports continued development in health and wealth for all coming generations in the future.

There are several reasons why government arbitration was expecting to manage this. More precisely, market collapse in the adaptation and usage of natural blessings means that natural resources would be over-used without government negotiation. This market collapse appears from the local habitat, 'outer' outlay, and advantages where the utilization of resources by one group has consequences on others. Many market failures have an impact on growth; some of them discuss here.

The Government has various policies alternatives to deal with these market collapses. This

paper sums up the distinctive approach instruments that the Government may use to improve the designation of natural resources and for the promotion of long term supportable financial development.

China faces various significant ecological dangers – like the evolving atmosphere, expanding population, and the most recent coronavirus. These factors have a lot of impact on the environment, economic growth. These dangers have positive ramifications for China's drawn-out development and flourishing. As natural imperatives become all the more binding – as has been the situation with environmental change – the U.K. will require a framework that boosts financial development inside these limitations, and that empowers a move towards more prominent asset productivity. (Oláh, Kovács, et al. 2019).

The conveyance and utilization of most foundation happen over a prolonged period of skylines, and the investments made in framework today will influence the limit and versatility of the economy for a long time to come. Infrastructure can lessen natural dangers by encouraging a move towards earth supportable development. It can likewise expand the versatility and capacity of the economy to react to these environmental dangers. Charging focuses on electric vehicles, fast rail systems, a more reliable water framework, and structures (for example, houses, schools, and clinics) will all require to oversee ecological dangers and limit disturbances adequately. (Chen, Huang et al. 2020)

Also, it isn't only interested in the physical framework that can decrease future dangers to financial development. The typical habitat itself can be saddled to give biological answers to inherent difficulties. For example, tidal salt bogs and mudflats provide standard protections against storm floods, and oversaw re-arrangement ventures are an option in contrast to building ocean walls.

An environmental arrangement can lay about investment, endowment, and advantages to firms and enterprises – decreases in the costs of resources, productivity can cause development and balloon global controversy for 'first-person' and lessen instability to evolution from refined business flexibility to natural shocks. It has additionally noticed that environmental policies need not have negative ramifications for the venture. (Börzel and Buzogány 2019)

Overall it specifies that the economic effects of environmental policy will base on the setting in which is applied. Environmental policy can be a substantial

driver of development. Effective arrangement policies made to control any momentary barter between environmental theories and economic evolution. To the extent that environmental arrangement, resource effectiveness, and advancement in innovations, it can come up with natural enhancements while creating long term evolution and reducing the investment to get the desired natural outcomes.

The research paper present in five sections. The first section represents the introduction and research background study of Chinese environmental policy and its economic growth. The second section explains the pervious literature review of past researchers related to the environmental policy and its sustainability. The third section explains the methodology and sampling techniques; it also describes the variable's theoretical and equational Model. The fourth section explains the results and interpretations, and the last part summarized the research paper in conclusion, also gives some limitations.

2.Literature Review

Mangra, Cotoc, et al. (2014) examine the research on economic development sustainability through all environmental management systems. The author studied that EMS is most suitable for developing relations among peoples and also the natural environment. Some organizations are enhancing the concern to demonstrate the environment performance services on the environment and all-controlling activities. For this purpose, the organization faces some issues. These issues enrolled in the development of economic sustainability, and its policy also increases business concerns. This research also discusses the 19 stages which relate to the environmental management system (EMS). These stages implemented in the organization effectively and efficiently perform in environmental activities.

Shen, Li et al. (2020) investigate the impact of all tools of environmental policy and techniques on region green innovation. This research conducted in China. Environmental policy is an essential tool for improving local development. This research study based on some models for this purpose used in 30 china's provinces. The data sampling period was from 1997 to 2014. they were using different regression models to measure the selected data. These results concluded that tools of environmental policy have the most significantly and positively affected on

innovations and all green products. The researcher has seen the overall effect of environmental policy. Concluded that the total emission trade mechanism does not significant.

Li, Yang et al. (2019) studied environmental regulation. This research discussed some issues such as emerging effects, uneven governance, different economic growth, sustainable economic developments. The study creates a boundary in need for social welfare, and environment tax policy. It creates the same effect on market structure and consumer performance. This research uses the theoretical Model and the Cournot model. The findings of this research analysis occur when the market activities and structure are competitive forms. The study concluded that the govt must be considered externalizations, consumer performance, and market powers. Also, govt can achieve the trend toward the successful development of environmental policy and consumer preferences.

Wang, Ghadimi et al. (2019) analyze the issues and policy and evaluation factors of those policies it's implementing on distributor photovoltaic power and also rural frontier areas of china. By using the different elements, the research investigates the first pilot project. According to these investigations, the impact of this study embodied in the policy. These are a positive effect on national amalgamation. Also, that research promoting all different diversified its participation.

You, Zhang, et al. (2019) investigate the effect sustainability of the environment and market development. This research conducted in china with all provincial panel data. According to the study, the public is playing vital attention to environmental governance. Data has collected from 2006 to 2014. The empirical results show the public environment behaviour concluded that there is a significant presence in the positive response among the organization.

Ouyang, Shao, et al. (2019) studied on economic development, environmental regulation. For this purpose, use threshold analysis researched OECD countries. By using a panel method of occupied and used 30 OECD countries. The data sample was from 1998 to 2015. They concluded that it increased the environment policy and represented no significant relationship among them. Correlation also a reduction level. Results represented that there is a meaningful relationship.

Wang and Shao (2019) examine the effectiveness of environmental productivity and

other Mix policy evidence from different countries. A research study based on effective environmental policy. For this purpose, use some synthetic methods of control by measuring the effectiveness of industrial value. Results concluded that these five-water treatments have more enhancing the industrial importance and sewage discharge. Found that this research must be extended analysis and shows this process increase the sewage treatment also its capacity.

Shen, Liao et al. (2019) explained the main objective of this research study to preference reliability towards all water production and their improvements. This research paper used a contingent valuation surveying method. Data has collected from mar menor by the selected the year 2010 to 2017. The research concluded that these decision makings are based on the preference and should be careful understanding about biases from the management performance.

Sarkodie and Strezov (2019) studied that compliance with E.U. environmental law, European Union (E.U.) most became an essential driver for the environmental policy and its outcomes. According to this research, the implementation gap has most narrowed over the 25 years past. This research explains the European commissions and their strategy. The commission has become developed a new instrument for state members.

Zhang, Shen, et al. (2019) examine the social welfare and its rules and regulation of all industries across the European Union countries and also environmentally regulated policy. Data has collected from different groups of international principles. Organization ISO 14000 and other administrations from E.U. Through these panel data analyses, the results show that this serval mode represents significantly and also positively associated with innovation. Results founded that these innovation factors affected firms' business practices.

Bond, Pope et al. (2020) researched economic and country's financial risk. The fundamental aim of this study is to calculate the industrial and commercial threat sources. For this purpose, use a questionnaire to analyze the importance of risks and risk management. Results concluded that there are shows insufficient profit as compared to the risk. This research also discusses previous international reviews.

Wu, Tam, et al. (2019) examine how does the implementation of all the rules and regulations also other policies of electricity substitution and even

influencing the green economic growth. Research conducted in China. This study examines the increment of electricity demand based on output and input models. By using some different data analysis models and tests included correlation and descriptive statistics. The research concluded that the policy of electricity is not adequate to minimize the relativity on energy and also the environment—secondly, the increase in electricity consumption due to some electricity substitution in china's economy.

Wu, Cheng, et al. (2020) investigate on china's economic development from the other carbon emission. For this purpose, empirical studies from the Chinese provinces sample selected is 30 and from 2001 to 2015. This research study concluded on the perspective of per capita carbon emission and carbon intensity etc. based on LMDI method results show that a strong relationship between CI and GDP in all selected provinces of china. The conclusion also helps local governments and measure to the regional economic growth and its development.

Zhang, Deng et al. (2019) studied environmental policy and economic productively. This research represents a comprehensive data analysis on environmental policy and dramatic economic growth, even its development. For this purpose, use 283 cities of data collected through survey methods. Outcomes show that the complete performance of china's cities is comparatively low, and among these differences are significant. Another result also shows substantial improvement. The research concluded the most valuable references and showed environmental ability in china.

Popp (2019) researched environmental policy and innovation. Innovation is the central part of environmental policy and also encourages policymakers. This study included a large type of literature related to environmental policy and change. The research discusses three promising areas and justifies the evidence of technology that relates the innovation instruments.

D'Souza, McCormack, et al. (2020) studied on sustainability for all the chines multinational firms. The research argues that the highest emphasis on the management system in china and research on economic activities and its recycling period, which required the sustainability practices also to make theoretical and other practical contribution in literature.

Loňčar, Paunković, et al. (2019) discuss environmentalism and economic development, which handled the country of China. The local Government

of china performs effectiveness in environmental governance. Focus on two types of policy in china.

First, is plan derived environment policy and second, is law derived policy. This study also analyzes the effect of central and local Government, rules and regulations, rewards, and mechanisms even these policies implemented on government work activities.

3. Methodology

In this study, we are research and analyzing environmental policy and economic development. It is secondary data; information has collected from world development indicators (WDI) by selecting the country china, and the nature of this research is on quantitative study. All the findings of this study depend on data collection and its results.

Sample:

This research study data has collected from world development indicators (WDI) and other for data collection, we targeted china's country and selected sample 1995 to 2019. Its 25 years of data sampling. Data are in natural form. For this purpose, use china country and through this research measure the economic development and environmental policy implementation on the economy in China.

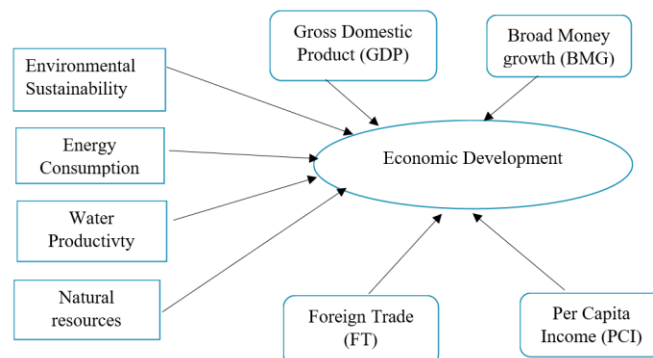
Descriptions variable and the research design:

Dependent Variables:

This research paper uses regular data from china's country. Data were collected from world development indicators (WDI) from 1995 to 2019. Economic development is our dependent variable, which included (GDP, Per capita income, interest rate, foreign trade, etc.) this study use the secondary method to measure the environment policy effect on economic development.

Independent Variables:

This research study elaborates through the four different independent variables such as



Hypothesis Development:

H0=, There is no specific association between environmental policy and economic development.

environmental sustainability (E.S.), energy consumption (E.C.), water productivity (W.P.), and natural resources to measure the environmental policy effect on economic development. Through these variables measure the financial performance and relationship between environmental policy and economic development.

Independent variables	Notation
Energy consumption	E.C.
Natural resources	N.R.
Water productivity	W.P.
Environmental sustainability	E.S.
Dependent Variables	
Gross domestic product growth	GDP.
Broad money growth	BMG
Foreign trade	F.T.
Per capita income	PCI

The above table represents the short form of our research variables. Energy consumption is an independent variable which is donated by E.C. Although natural resources denoted by N.R. water productivity indicated by W.D. environmental sustainability reported by the E.S. Similarly; there is four dependent variable gross domestic product (GDP), Broad money growth denotes by (BMG) other one is foreign trade (FTO, and per capita income meant by (PCI). There is also our research study variable which indicates different notations. These are variables used in empirical results and our research study models, Such as the descriptive statistical analysis, correlation model, least-square regression models, and unit root test model. The equational Model explains these.

Theoretical Model:

H1= There is an associated association between environmental sustainability and gross domestic product (GDP).

H2= There is an associated association between energy consumption and economic development.

H3= There is a specific association between natural resources and foreign trade.

H4= There is associated with water productivity and economic development.

$$Y = \alpha + \beta x + \varepsilon_1$$

In the Model;

Economic development represents a dependent variable, and the independent variable is environmental policy. So, economic development measured by the Gross domestic product (GDP),

$$GDP = \alpha + \beta_1 ES + \beta_2 EC + \beta_3 WP + \beta_4 NR + \varepsilon_1 \quad (1)$$

$$BMG = \alpha + \beta_1 ES + \beta_2 EC + \beta_3 WP + \beta_4 NR + \varepsilon_2 \quad (2)$$

$$FT = \alpha + \beta_1 ES + \beta_2 EC + \beta_3 WP + \beta_4 NR + \varepsilon_3 \quad (3)$$

$$PCI = \alpha + \beta_1 ES + \beta_2 EC + \beta_3 WP + \beta_4 NR + \varepsilon_4 \quad (4)$$

Where:

ES= Environmental Sustainability

E.C. = Energy Consumption

WP= water Productivity

NR = Natural Resources

Equational Model:

The determinants of economic development and environmental policy are analyses from regular data. The proper data framework defined by the simple multiple regression equations as

Broad Money Growth (BMG), Foreign Trade (F.T.), and Per Capita Income (PCI).

So, four regression models have developed, which are as follows:

For measuring the implementation, 25 years' data ranging from 1995 to 2019 considered.

4. Results and discussion

Descriptive Statistic Analysis:

	GDP	BMG	FT	PCI	ES	EC	NR	WP
Mean	8.808156	15.90009	43.52055	28.00628	2.800000	17.44421	2.160667	4.398498
Median	9.130646	14.90435	42.74740	32.09500	3.000000	15.34937	1.630498	2.897100
Maximum	14.23139	29.46102	64.47888	67.09810	6.000000	30.53718	5.867986	14.96397
Minimum	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.682761	1.000000
Std. Dev.	2.505156	6.336338	13.30325	20.58211	1.500000	10.18750	1.439356	4.025422
Skewness	-0.703973	0.151539	-0.937214	0.052536	0.423369	-0.170185	1.128256	1.123789
Kurtosis	5.493497	3.472810	5.366983	1.918694	2.133745	1.910655	3.301721	3.263800
Jarque-Bera	8.541497	0.328547	9.495925	1.229441	1.528502	1.356797	5.398834	5.334583
Probability	0.013971	0.848510	0.008669	0.540792	0.465683	0.507429	0.067245	0.069440
Sum	220.2039	397.5022	1088.014	700.1571	70.00000	436.1053	54.01667	109.9624
Sum Sq. Dev.	150.6193	963.5802	4247.434	10166.96	54.00000	2490.844	49.72193	388.8966
Observations	25	25	25	25	25	25	25	25

Interpretation:

This table represents the main results of descriptive statistical analysis. The above line represents the variables data selected for the economic development of china and environmental policy sampling from 1995 to 2019. Mean value represents the all average value of variables standard deviation (S.D) present the deviated value from the mean. Probability has shown the significant and non-significant level of all the indicators. The overall descriptive statistical analysis has described the

results of selected variables. The first one is the gross domestic product (GDP). Its mean value is 8.808156, which shows a 9% average value. Its maximum value is 14.2313 minimum value od GDP is 1.0000. Its probability is 0.013971, which shows a 1% significant level. The second variable is Broad money growth (BMG) mean value is 15.9009 show 15% average value maximum value of broad money growth is 29.46102 its minimum amount is 1.00. Its probability is 0.8485, which shows an 80% significant level.

Similarly, foreign trade our dependent variable its mean value 43% maximum value is 64%, the standard deviation is 13%, and the probability is 0.008 shows a 100% significant level. According to this analysis, results show that foreign trade is more meaningful and positively related to the economic development of China. Another one Per capita income PCI present means value 28.006 maximum, and the minimum value is 32% and 67%, respectively its probability value is 54 % show an insignificant level.

Environmental sustainability (E.S.), energy consumption (E.C.), natural resources (N.R.), and water productivity (W.P.) are all independent variables. Which represent the mean value is 2.8, 17.44, 2.160, and 4.398, respectively. Similarly, its probability value is 46%, 50%, 6%, and 7%, respectively shows that significant and insignificant relation.

Correlation Analysis:

	GDP	BMG	FT	PCI	ES	EC	NR	WP
GDP	1	0.7135624	0.8129758	0.3976284	-0.3030524	0.4217534	0.5717707	-0.2074961
BMG		1	0.3837429	0.420074	-0.2700012	0.5404084	0.3212883	-0.3543633
FT			1	0.3510083	-0.177166	0.0488713	0.6730136	0.0125493
PCI				1	-0.20605	0.464269	0.0887694	-0.3724445
ES					1	-0.3244369	0.0849175	0.3133312
EC						1	-0.0865233	-0.5298006
NR							1	0.0269678
WP								1

Interpretation:

This above table represents the statistical correlation analysis among all variables. In this Model, we can see the significant level of each variable. The Model has focused on the quality of one variable focusing the other variable. It represents the 100% considerable level. GDP represents a 71% significant level. Broad money growth (BMG) is 81% related to GDP and shows a 38% significance level. According to the correlation, matrix variables are too much to correlate with each other, respectively, in the above table. Some are negative or some positive correlation

among them. Another variable is Per capita income (PCI) 39% significant relations with GDP and 42% considerable relationship with broad money growth. Similarly, all variables are more related to each other. Some variables represent the most important and also optimistic association between them, and some are negative and not significant with each other.

Regression Analysis:

Dependent Variable: Gross domestic product (GDP)

Method: Least Squares

Sample: 1995 2019

Variables	Coefficient	Standard. Error	t-Statistic	Probability
C	0.449371	1.12581	0.399154	0.6947
BMG	0.136981	0.044006	3.112751	0.0063**
FT	0.125689	0.024223	5.188767	0.0001*
PCI	-0.012834	0.012579	-1.020293	0.3219
ES	-0.066332	0.154919	-0.428169	0.6739
EC	0.060745	0.028427	2.13687	0.0474*
NR	0.078484	0.211839	0.370489	0.7156
WP	0.006059	0.062972	0.096215	0.9245
R-squared	0.887907	-	-	-
Adjusted R-squared	0.841751	-	-	-
Standard.E. of regression	0.996566	-	-	-
Sum squared value	16.88343	-	-	-
Log-likelihood value	-30.56667	-	-	-
F-statistic	19.23704	-	-	-
Probability (F-statistic)	0.000001	-	-	-

Interpretation:

The above table shows the least square regression analysis. This regression analysis model

represents the overall performance of variables. The R-squared value indicates that the global Model either fits for review or not. The probability value represents the whole significance level. T-statistic value shows the results of variables are positively and negatively related to dependent variables. In this Model, GDP is dependent variable other BMG is independent variables its t- statistic value is 3.112751 and probability is 0.0063 shows that positive and significant relationship. Secondly, foreign trade also independent variable t-statistic value is 5.188767, and probability value is 0.0001 shows a 100% considerable level and even positive relationship. The T-statistic amount of per capita income is -1.020293 shows a negative correlation, and its probability value is 0.3219 represents insignificant relation. So, results that per capita income represent the negative and

irrelevant relationship with GDP. Environmental sustainability (E.S.) also that independent variable its t-statistic value is -0.4281 and probability value is 0.6739 shows that there is a negative and substantial association between environmental sustainability and gross domestic product economic development of China. Another one is energy consumption (E.C.). Its t-statistic value is 2.1368, and the probability value is 0.0474 shows a positive and significant relationship. Natural resources (N.R.) and water production (W.P.) also represent a substantial and optimistic association. According to the overall results research reject the null hypothesis and accept the H1.

Dependent Variable: Broad money growth

Method: Least Squares

Sample: 1995 2019

Variables	Coefficient	Standard Error	t-Statistic	Probability
C	2.81941	4.927941	0.572127	0.5747
GDP	2.650284	0.851428	3.112751	0.0063
FT	-0.29469	0.15564	-1.893405	0.0755
PCI	0.053993	0.055473	0.973303	0.344
ES	-0.05213	0.684977	-0.076105	0.9402
EC	0.017937	0.140769	0.127421	0.9001
NR	0.562793	0.925542	0.608069	0.5512
WP	-0.07581	0.276455	-0.274221	0.7872
R-squared	0.660996	-	-	-
Adjusted R-squared	0.521406	-	-	-
Standard Error of regression	4.383508	-	-	-
Sum squared	326.6575	-	-	-
Log-likelihood	-67.59892	-	-	-
F-statistic	4.735273	-	-	-
Probability(F-statistic)	0.004159	-	-	-

Interpretation:

In this Model, broad money growth (BMG) is dependent variable others considered are independent variables. Its t- statistic value of GDP is 3.1127, and probability is 0.0063 shows that positive and significant relationship. Secondly, foreign trade also independent variable t-statistic value is -1.893405, and probability value is 0.0755 shows a 7% significant level and even negative relationship. The T-statistic amount of per capita income is 0.9733 show a positive relationship, and its probability value is 0.3440 represents insignificant relation. So, results that per capita income represent the positive and negligible relationship with broad money growth (BMG). Environmental sustainability (E.S.) also that

independent variable its t-statistic value is -0.0761 and probability value is 0.9402 displays that there is a negative and significant association between environmental sustainability and broad money growth in the economic development of China. Another one is energy consumption (E.C.). Its t-statistic value is 0.127421, and the probability value is 0.9001 shows a positive and significant relationship. Natural resources (N.R.) concrete and water production (W.P.) negatively related to broad money growth, and both are shows insignificant relationships. So, accepted the H2 hypothesis, there is a association between expansive money growth and environmental policy.

Similarly, foreign trade (F.T.) and per capita income (PCI) are dependent variables in which regression analysis results shown in the below tables.

Dependent Variable: Foreign Trade
Sample: 1995 2019

Variables	Coefficient	Standard. Error	t-Statistic	Probability
C	8.172563	6.760904	1.208797	0.2433
GDP	4.876812	0.939879	5.188767	0.0001
BMG	-0.590978	0.312125	-1.893405	0.0755
PCI	0.139795	0.073251	1.908446	0.0734
ES	-0.42666	0.964647	-0.442297	0.6639
EC	-0.331326	0.182536	-1.815122	0.0872
NR	1.845691	1.246949	1.480166	0.1571
WP	0.195564	0.389484	0.502111	0.622
R-squared	0.845769	-	-	-
Adjusted R-squared	0.782262	-	-	-
S.E. of regression	6.207621	-	-	-
Sum squared	655.0874	-	-	-
Log-likelihood	-76.29712	-	-	-
F-statistic	13.31772	-	-	-
Probability(F-statistic)	0.000009	-	-	-

Unit root test:

This test measures the hypothesis we usually rejected the H0 null hypothesis when the worth of probability is less than and equal to the 5% or 10% significance level. According to the fallouts, the probability value is 0.9257 shows a 92% significant level so, research is base on analysis reject the null hypothesis and accept H1, H2, H3, H4. Another one is

a dickey-fuller test also represents the relationship between economic development and environmental policy in china. These results shown in the below tables. T- Statistic represents the coefficient value, and the probability measures the significant level of all variables.

Null Hypothesis: GDP has a unit root

Augmented Dickey-Fuller test statistic		t-Statistic	Probability*
		-0.202496	0.9257
Test critical values:	1% level	-3.737853	-
	5% level	-2.991878	-
	10% level	-2.635542	-

Unit root analysis

Variables	Coefficient	Standard. Error	t-Statistic	Probability
GDP(-1)	-0.037325	0.184326	-0.202496	0.8414
C	-0.07364	1.71978	-0.042819	0.9662
R-squared	0.00186	Mean dependent var		-0.414551
Adjusted R-squared	-0.04351	S.D. dependent var		1.684138
S.E. of regression	1.720386	-	-	-
Sum squared resid	65.11401	-	-	-
Log-likelihood	-46.03156	-	-	-
F-statistic	0.041005	-	-	-
Probability(F-statistic)	0.84139	-	-	-

5. Discussion and conclusion

In the past years, the economic growth and its achievements not only promote in china but also that

this promotion creates some environmental severe policy problems. The research paper focuses on measuring environmental policy and economic development performance of China in the last 25

years. The sampling period is 1995 to 2019 by using the equational models and least square regression analysis. The overall empirical results show that environmental activities are positively and significantly related to Chinese economic development. The contribution of this research paper is to represent the overall profile and effects of environmental resources and its policy on economic growth and its efficiency in China. Economic growth is significant for every country. This study implemented and showed the impact of the environment and measure the growth of China through some selected variables. It accomplishes that there is a most important association between environmental policy and economic development.

This study is the first research that implements economic development and environmental policy in China. The research study provided the most important references for measuring the environmental policy and economic growth with effectiveness in other countries. This research paper also contributes to the literature review in economic development. Some limitations of this research are most appreciated for future researchers. Firstly, the main features of all environmental policy should be measured. Secondly, the researcher selected other variables and enhanced the sample of data for the investigation of the environmental policy factors and economic growth in a more efficient way.

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