

# REDEFINING PROGRESS: BALANCE BETWEEN ECONOMIC BUOYANCY AND ENVIRONMENTAL CONSERVATION

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**Abstract:** *This research examines the intricate and often contentious relationship between economic growth and environmental sustainability, challenging conventional paradigms that prioritize economic expansion at the expense of ecological preservation. The study critically assesses the assumptions underpinning growth-centric development models, with particular attention to the Environmental Kuznets Curve (EKC), which posits that environmental degradation increases in the early stages of economic growth before improving as a society becomes wealthier. Through a detailed critique of the EKC and the impacts of capitalist economic structures, this paper highlights the flaws of these models, particularly their failure to account for irreversible environmental damage and the insufficient role of policy interventions in mitigating ecological harm. Furthermore, the research explores how international competition and the capitalist drive for profit exacerbate environmental degradation, pushing nations to weaken environmental regulations in pursuit of economic advantage. The paper advocates for a shift towards sustainable economic models that integrate both economic growth and environmental conservation, stressing the need for robust regulatory frameworks and international cooperation. The findings underscore that, while economic and environmental objectives have historically been seen as mutually exclusive, a balanced approach is not only feasible but essential for achieving long-term prosperity and ecological stability.*

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## **Introduction**

The interplay between economic buoyancy and environmental conservation emerged as one of the most pressing and pluralistic issues in modern development discourse. Economic growth has traditionally been viewed as a key engine of national development, raising living conditions. While traditional policy frameworks continue to prioritise robust economic growth as the primary indicator of national progress, mounting environmental and ecological concerns have heightened criticism of this long-held paradigm. The environmental implications of the rise have become increasingly impossible to ignore, reigniting the argument over whether economic buoyancy and environmental sustainability can coexist amicably, or if one must inevitably contribute at the expense of the other. Historically, development policies were based on the notion that growing productivity, expanding industrial production, and maximising GDP were necessary predecessors to social well-being.<sup>1</sup> This included prioritising economic growth while considering environmental conservation as secondary. Although the trajectory has resulted in significant economic advantages, it has also brought severe and irreversible environmental

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<sup>1</sup> Carpio-Thomas, Christian D., (2020). "The Interplay Between Economic Growth and the Environment: The Case of China" Electronic Theses and Dissertations. 1729.

impacts, some of which surpass planetary thresholds and jeopardise ecological resilience.<sup>2</sup> As scientific assessments and worldwide environmental accords place greater focus on planetary limitations, the incompatibility of unbridled economic expansion with long-term ecological integrity has become more apparent.

Notwithstanding the theoretical discussions, there are still pressing research gaps: to what extent can economies expand without drastically and permanently harming the environment, and what legislative frameworks are needed to strike a balance between environmental sustainability and economic buoyancy? The main issue stems from the enduring perception that economic stability must unavoidably come at the price of excessive environmental exploitation and extraction. A crucial research gap is also created by this enduring hierarchy: the false dichotomy that restricts the creation of mechanisms that pursue both goals in tandem and additionally gap in knowledge about how countries can achieve upsurge without compromising ecological integrity. The research paper seeks to challenge the traditional prioritisation of economic buoyancy over environmental conservation by critically examining the assumptions underlying growth-centric development models, evaluating the shortcomings of existing theories such as the EKC, and analyse how policy interventions, sustainability-oriented economic models, and stricter environmental regulations can help achieve a long-term equilibrium between economic advancement and ecological preservation. By assessing both the risks of unchecked growth and the potential of integrated, sustainability-driven approaches, this paper aims to illuminate pathways through which societies can meet current economic needs without compromising the environmental wellbeing of future generations.

The research begins with a theoretical framework that outlines and differentiates the three key approaches related to economic growth and environmental sustainability. Next, the risks of prioritizing economic growth over environmental conservation are explored. Following that, a critique of the Environmental Kuznets Curve and its weaknesses is presented. The impact of capitalism and international competition on the environment comes fourth, followed by a discussion on achieving a balance between economic buoyancy and environmental sustainability. The sixth section examines environmental regulations and policies, and finally, the research concludes with a summary of the findings.

### **Literature Review**

**Keywords:** Economic Buoyancy, Environmental Sustainability, Environmental Kuznets Curve, Sustainable Capitalism, Over-exploitation,

Theodore, Panayotou. (2000).<sup>3</sup>

The environment and economic growth. The study on the relationship between environmental sustainability and economic development is thoroughly analysed and synthesised in this paper. It examines two research strands: a theoretical strand that includes macroeconomic models of the relationship between environmental degradation and economic growth, and an empirical strand that uses ad hoc specifications and estimations of a reduced form equation to relate

<sup>2,2</sup> Ekonomou, G. and Halkos, G. (2023) 'Exploring the impact of economic growth on the environment: An overview of trends and developments'

<sup>3</sup> Gupta, J. (2023) (PDF) impact of economic growth on environment,

environmental impact indicators to per capita income. According to the author, macroeconomic models provide substantial support for the empirical results of the Environmental Kuznets Curve research. The paper suggests developing alternative macroeconomic models that provide a more practical role for government and doing more empirical research on the additive separability premise.

William, A., Brock., M., Scott, Taylor. (2004).<sup>4</sup>

A review of theory and empirical data on economic growth and the environment. This article discusses and assesses the theoretical literature that links environmental quality to economic growth. It focusses on the relationship between economic growth and the environment, the growth limitations imposed by environmental restrictions, and the potential for further study. The review reflects on new empirical research, highlights important unresolved theoretical issues, and provides an integrated evaluation of current knowledge. Although it is not examined in the study, the report also mentions the existence of a composition influence acting through changes in the fleet of vehicles. The rise in lead per gallon of petrol consumption among low-income individuals may be caused by the composition effect.

### **Theoretical Foundations**

- **Economic Growth First Approach**

The approach put forward and prioritise the development and well-being of the economy first then environment afterwards. The approach uses an aspect found in the field of environmental economics called anthropocentric worldview – a perspective that places human at the centre of analysis. Thus, the value of nature arises because humans assign it value.<sup>5</sup> From this approach, environmental conservation comes the last after economic buoyancy and somehow environment sustainability is often viewed hinderance to economic growth.

- **Environment First Approach**

Unlike the economic growth first, the environment first approach places environmental conservation before economic buoyancy. Similar with economic growth first, this approach uses an aspect found in the field of environmental economics called ecocentric worldview – a perspective that put the natural world centre of the analysis, where environmental conservation is the underlying premise, influencing and leading economic activities rather than being something to be handled later.<sup>6</sup>

- **Economic-Environment Balanced Approach**

This is an approach that seeks to consolidate the sentiments of economic growth and environmental conservation to exist sustainably as integrated, seen as mutually fortifying and supplementing one another rather than opposing each other.

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<sup>4</sup> Gupta, J. (2023) (PDF) *impact of economic growth on environment*,

<sup>5</sup> Harris, J.M. and Roach, B. (2023) *Environmental and natural resource economics: A contemporary approach*. New York, NY: Routledge.

<sup>6</sup> Harris, J.M. and Roach, B. (2023) *Environmental and natural resource economics: A contemporary approach*. New York, NY: Routledge.

## **Risk of prioritizing Economic Growth over Environmental Conservation**

Throughout prehistoric times, nations and governments have prioritised economic success and expansion. It is still vital to support ongoing improvements in factors that affect the welfare of individuals, such as health, employment, education, and quality of life, as well as to assist the government in achieving a variety of policy goals, both economically and socially.<sup>7</sup> However, its emphasis on fast expansion above environmental protection eventually leads in increased consumption of natural resources, which overwhelms the ecosystem. In other words, when economies grow, they need more energy, resources, land, and water. The principal way in which expansion degrades environmental quality is through increased economic activity.<sup>8</sup> The environment consists of multiple systems that are in stable equilibrium. If one of the parameters in this system collapses and fail to perform its function very well, then environment will fail to work properly, causing environmental balance. Even though renewable resources are believed to be limitless, non-linear and permanent alterations may arise if some renewable environmental assets are altered beyond unidentified limits. The boundary between alternate stable states is indicated by these thresholds. The resource may eventually be exhausted if certain crucial thresholds are exceeded since it may no longer be able to provide services or be sufficiently replaced.

While acknowledging that these constraints are neither static nor fixed, Arrow et al. (1995)<sup>9</sup> attracted attention to the ever-growing magnitude of economic activity because of economic expansion versus the planet's finite carrying capacity. Economic activity may grow at a rate and scale that exceeds the planet's much slower expanding carrying capacity in the absence of endogenously (within the economic system) generated signals of increasing scarcity, such as rising environmental resource prices. This could result in irreversible harm to the productivity of the resource base and unsustainable economic growth itself.<sup>10</sup> Many developed economies continue to grapple with significant environmental degradation even after experiencing remarkable economic growth in recent decades, but the results of degradation came to fire back on the economy.<sup>11</sup> Other social and physical scientists like Georgescu-Roegen (1971) and Meadows et al. (1972)<sup>12</sup> reveal that increasing economic activity (production and consumption) necessitates greater energy and material inputs and produces greater amounts of waste byproducts. Daly (1977)<sup>13</sup> also added that despite growing wages, increased resource extraction, waste buildup, and pollution concentration would exceed the biosphere's carrying capacity, degrading environmental quality and lowering human wellbeing.

<sup>7</sup> Carpio-Thomas, Christian D., (2020). "The Interplay Between Economic Growth and the Environment: The Case of China" Electronic Theses and Dissertations. 1729.

<sup>8</sup> Ekonomou, G. and Halkos, G. (2023) 'Exploring the impact of economic growth on the environment: An overview of trends and developments'

<sup>9</sup> Panayotou, T. (1993) ECONOMIC GROWTH AND THE ENVIRONMENT,

<sup>10</sup> Panayotou, T. (1993) ECONOMIC GROWTH AND THE ENVIRONMENT,

<sup>11</sup> Ahmed, J. and Alvi, A.A. (2024) Balancing economic growth and environmental sustainability in developing countries: The role of Financial Innovation, Journal of Energy and Environmental Policy Options.

<sup>12</sup> Levallois, C. (2010) 'Can de-growth be considered a policy option? A historical note on Nicholas Georgescu-Roegen and the club of Rome', Ecological Economics

<sup>13</sup> Daly, H. (1977). Steady State Economics. The Economics of Biophysical and Moral Growth

The decline in air quality is one of the most prominent effects of unsustainable growth. Large volumes of carbon dioxide, methane, nitrogen oxides, and particulate matter are released into the atmosphere by economies that primarily rely on fossil fuels to power industries, motor vehicles, and the production of electricity.<sup>14</sup> Acid rain, smog-filled cities, and global warming are all caused by these pollutants. The climate starts to become unstable when emissions surpass the capacity of natural systems like forests and oceans. This imbalance leads to intense weather, changing rainfall patterns, and rising global temperatures. By continuing to raise emissions more quickly than environmental systems can adjust or recover, unsustainable economic activities exacerbate these consequences.<sup>15</sup> The need for water increases as cities and businesses grow. Natural water cycles are perturbed, rivers are redirected, and groundwater is over extracted. Water bodies are contaminated by untreated sewage, industrial waste, and agricultural runoff, rendering them hazardous for aquatic life and dangerous for human usage. Moreover, large-scale farming uses fertilisers and pesticides that wash into rivers and lakes, causing algae blooms and dead zones where fish and other species cannot live due to low oxygen levels.<sup>16</sup> These effects show how economic buoyancy that ignores natural constraints deteriorates crucial environmental freshwater systems, which are critical for biodiversity, agriculture, and human health. The devastation of ecosystems due to changes in land use is another serious effect of unsustainable growth. Natural landscapes are removed when economies grow rapidly to make room for infrastructure, mining, agricultural, and urban growth. Wetlands being drained, meadows are turned into homes or farms, and forests are being felled at startling rates.<sup>17</sup> Animal species are forced into smaller, isolated regions where they struggle to live because of the severe habitat loss and fragmentation that follows. When ecosystems are changed more quickly than they can recover, biodiversity drastically decreases. Additionally, the loss of species upsets the ecological balance by decreasing pollination, decreasing soil fertility, and increasing the susceptibility of ecosystems to diseases and pests. The effects of these ecological losses are long-lasting and occasionally permanent since they are difficult to restore.<sup>18</sup> Consumption increases as economies grow, which raises the creation of packaging, plastics, electronic trash, and industrial byproducts. Garbage builds up in dumps, rivers, and seas because many nations lack proper waste management systems. Mining, industry, and energy production all release toxic chemicals into the land and water, ruining ecosystems and endangering human health. Since billions of tonnes of plastic decompose into microplastics that contaminate water supplies, marine life, and ultimately the human food chain, plastic pollution has emerged as one of the most urgent environmental problems leading to the asset's final depletion.<sup>19</sup>

The environment's capacity to sustain life is ultimately weakened by unsustainable economic expansion. The environment becomes less resilient when natural resources are depleted more quickly than they can be restored, pollutants build up more quickly than they can be degraded, and ecosystems are destroyed more quickly than they can recover. Since clean air, rich land, safe water, and a stable climate are necessary for any society, this not only endangers animals but

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<sup>14</sup> Marjot, A. (2025) Eco-economic decoupling – IB ess revision notes,

<sup>15</sup> Marjot, A. (2025) Eco-economic decoupling – IB ess revision notes,

<sup>16</sup> Kuppens, L. (2025) Economic growth and its environmental impact: Can they coexist?, Journal of Economics and Economic Education Research

<sup>17</sup> Jayachandran, S. (2021) 'How economic development influences the environment

<sup>18</sup> Jayachandran, S. (2021) 'How economic development influences the environment

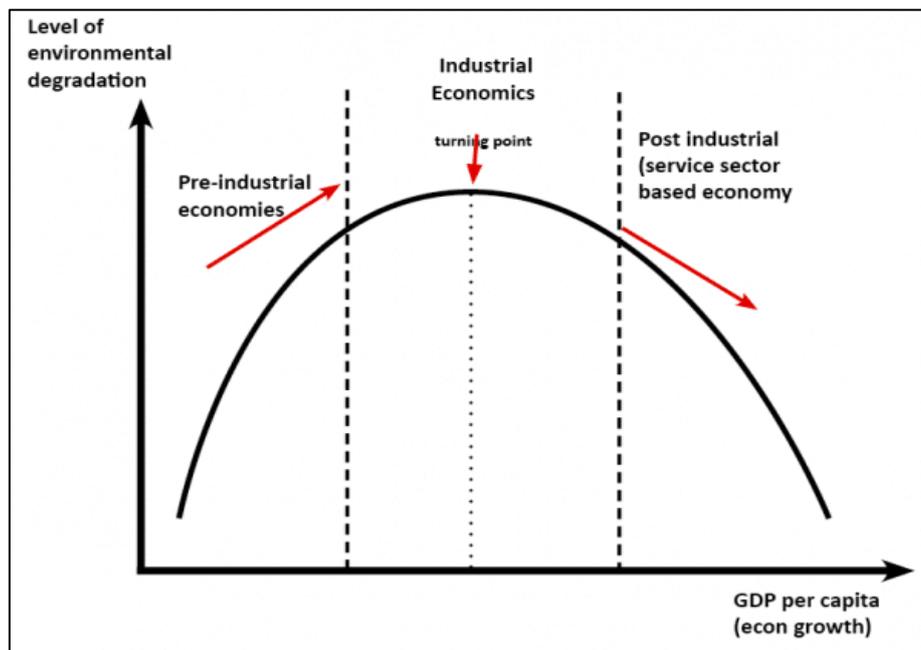
<sup>19</sup> Ekonomou, G. and Halkos, G. (2023) 'Exploring the impact of economic growth on the environment: An overview of trends and developments

also jeopardises human survival. Future generations' welfare and endowment will be impacted by the activities of the current generation. For instance, harm to environmental capital impacts individuals not only now but for many generations to come.

### **Environmental Kuznets Curve Critique and Weaknesses**

Environmental Kuznets Curve (EKC) says that environmental deterioration rises with economic growth before plateauing as per capita wealth rises.<sup>20</sup> Environmental Kuznets Curve often make use of an inverted U-shape graph to elucidate the relationship between environmental quality as demonstrated by a subset of contaminants and economic growth. The inverted U-shaped curve's shape can be understood as follows: while environmental pollution rises with economic development in the early years of economic growth, it gradually slows down as the economy grows; once economic growth surpasses a certain threshold and reaches a turnaround point, environmental pollution and degradation gradually decline and environmental quality improves.<sup>21</sup> In other words, according to EKC, economic progress causes the environment to deteriorate at first, but at a certain point, society starts to better its connection with the environment, and degradation stops.<sup>22</sup> China's remarkable economic success provides optimism for those who argue that economies should develop first, then focus on abating emissions after incomes have increased sufficiently.<sup>23</sup>

***Figure 1.1: Environmental Kuznets Curve***



<sup>20</sup> Pettinger, T. (2019) Environmental Kuznets curve, Economics Help.

<sup>21</sup> Vara Prasad, M.N. (2023) Bioremediation and bioeconomy: A circular economy approach. Elsevier

<sup>22</sup> Guo, X. and Shahbaz, M. (2024) 'The existence of Environmental Kuznets curve: Critical look and future implications for environmental management

<sup>23</sup> Carpio-Thomas, Christian D., (2020). "The Interplay Between Economic Growth and the Environment: The Case of China" Electronic Theses and Dissertations. 1729.

However, Environmental Kuznets Curve theory is not as accurate, effective, predictable as economists reveal and has been questioned from several angles. Some critics cast doubt on its accuracy, uncertainties, and problems that it ignores or fails to address. It is not explicit enough, or more accurately, it does not specify how much growth is necessary to reduce resource over-extraction and environmental damage.<sup>24</sup> It doesn't specify the precise how much of environmental harm must be done before the economy may enter a period of steady growth. This uncertainty raises issues such as (1) What is the tipping point in terms of per capita income? (2) What would have been the extent of the damage? (3) Would over-extraction of resources result in any ecological thresholds being crossed, such as irreversible damage? and (5) When will resource extraction or degradation stop during economic expansion, and how will that phase be preserved to keep the economy steady without resorting to resource exploitation and further harm? There is no absolute assurance that the economic expansion portrayed by the Environmental Kuznets Curse would result in an ameliorated environment and the opposite is often the case. It may be far more expensive to repair damage and improve environmental quality after the economy has passed its tipping point than it would be to stop the harm or start mitigation efforts sooner. The accumulated damages in the future may far exceed cost of the present conservation and management.<sup>25</sup>

However, Environmental Kuznets Curve theory is not as accurate, effective and predictable as economists reveal. The EKC's existence has been questioned from several angles. Some critics cast doubt on its accuracy, uncertainties, and problems that it ignores or fails to address. It is not explicit enough, or more accurately, it does not specify how much growth is necessary to reduce resource over-extraction and environmental damage. It doesn't specify the precise how much of environmental harm must be done before the economy may enter a period of steady growth. This uncertainty raises issues such as (1) What is the tipping point in terms of per capita income? (2) What would have been the extent of the damage? (3) Would over-extraction of resources result in any ecological thresholds being crossed, such as irreversible damage? and (5) When will resource extraction or degradation stop during economic expansion, and how will that phase be preserved to keep the economy steady without resorting to resource exploitation and further harm?

There is no absolute assurance that the economic expansion portrayed by the Environmental Kuznets Curse would result in an ameliorated environment and the opposite is often the case. It may be far more expensive to repair damage and improve environmental quality after the economy has passed its tipping point than it would be to stop the harm or start mitigation efforts sooner.<sup>26</sup> According to the EKC theory,<sup>27</sup> society should prioritise economic growth above environmental deterioration, which is a resource-intensive and environmentally costly approach. A low-income developing nation, for instance, may take decades to go from the upward to the downward sloping segment of the Environmental Kuznets Curve. The unpredictability and inefficiency of EKC theory may be demonstrated by the possibility that these nations would

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<sup>24</sup> Guo, X. and Shahbaz, M. (2024) 'The existence of Environmental Kuznets curve: Critical look and future implications for environmental management

<sup>25</sup> Panayotou, T. (1993) ECONOMIC GROWTH AND THE ENVIRONMENT,

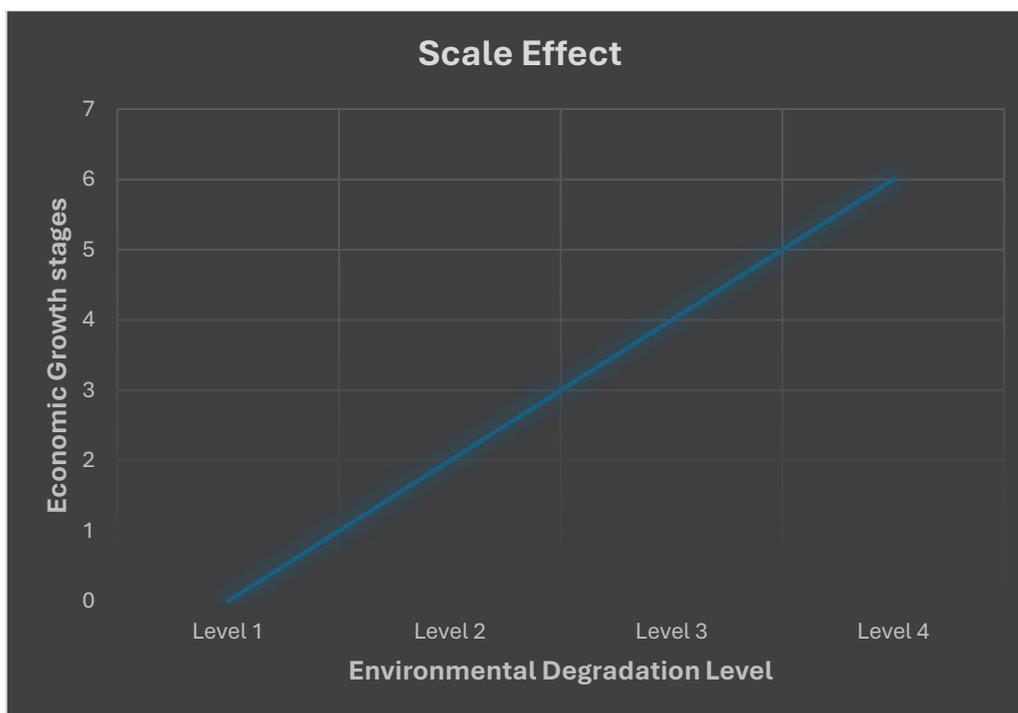
<sup>26</sup> Panayotou, T. (1993) ECONOMIC GROWTH AND THE ENVIRONMENT,

<sup>27</sup> Guo, X. and Shahbaz, M. (2024) 'The existence of Environmental Kuznets curve: Critical look and future implications for environmental management

exhaust their resources either before or after they achieve a period of sustained economic development. The EKC theory mostly relies on revenue to enhance the environment, ignoring the function of laws and regulations. First, it is important to recognise that policy action may either boost or undermine environmental progress. The improvement of the environment is not solely due to high income; it also results from supply response, policy intervention, and responsiveness to the increasing demand for environmental quality through the implementation of environmental laws and the creation of new environmental protection institutions.<sup>28</sup>

- Alternative perspective on Economic Growth and Environmental Degradation correlation

***Figure 2.1: Scale Effect Perspective***



The scale effect demonstrates the antithesis of the EKC hypothesis. It indicates that environmental damage increases as the economy grows and as economic progress accelerates, more resources are pulled from the environment, creating deterioration and pollution.<sup>29</sup> In a nutshell, the scale effect implies that the economy nonetheless requires resources to sustain its status after reaching the stage of economic growth; this includes more resource extraction and degradation, which will eventually lead to depletion. Even after industrialisation, considerations such as demand will require continued production, resulting in increased resource exploitation. This idea is comparable to the *new toxics' perspective*, in which emissions from present pollutants decrease with increasing economic progress, but new toxins substituting for them increase.<sup>30</sup>

<sup>28</sup> Pettinger, T. (2019) Environmental Kuznets curve, Economics Help.

<sup>29</sup> Everett, T. et al. (2010) Defra evidence and Analysis Series Paper 2 Economic Growth and the environment, assets publishing service

<sup>30</sup> Everett, T. et al. (2010) Defra evidence and Analysis Series Paper 2 Economic Growth and the environment, assets publishing service

### **Relevant Case Study: China**

“China provides an essential and prevalent case study for comprehending dynamic relationship because it is one of the largest economies in the world and a significant contributor to environmental issues worldwide. China’s remarkable economic growth over the last few decades has catapulted it to the forefront of the world trade and manufacturing. But along with this economic growth, there have been serious negative effects on the environment such as rising carbon emissions, declining air and water quality and a widespread loss of natural resources. The case of China demonstrates that relying on a development strategy that prioritizes economic growth can have disastrous environmental results. By promoting the role of the market, establishing special economic zones, and liberalizing trade, China managed to experience immense economic growth at the expense of its environment. An economic system predicated on the need for expansion imposes obstacles to successfully achieving sustainability. Instead, growth is prioritized over social and environmental needs as the government faces increased pressure to attain higher levels of growth. Despite the strides made in income growth, poverty reduction, and educational attainment, China also realized growing inequality and environmental degradation. The drastically worsening air quality caused by the industrialization and urbanization of the Chinese economy has increased threats to human health. Furthermore, the increases in pollution have contributed to a clean water crisis which leads to more threats against 155 Chinese citizens. Although China addressed the unsustainability of its development model through commitments to international climate accords, increased environmental policies, and strengthened renewable investment, the country continues to grow its coal capacity and global emissions” (Carpio & Christian, 2020).

### **Capitalism contribution to Environmental Degradation**

Capitalism as defined by Field (2018),<sup>31</sup> is an economic system where primary objective is profiting accumulation. This system has historically been known to use a linear "take, make, and throw away" model of production and consumption, prioritising profit accumulation over all else, even at the expense of increased waste creation and environmental damage.<sup>32</sup> Competition has been one of the key characteristics of capitalism where businesses or governments fight for market share in order to turn a profit. The competition encourages rivalry between corporations and governments to maintain market dominance, gain money, and build economies. Brenner<sup>33</sup> further revealed that capitalism has a tendency toward overproduction that arises from the unstoppable force of competition, which compels each producer on pain of extinction to generate overcapacity and overproduction. However, this rivalry comes at the expense of environmental and natural resource exploitation, which poses a huge danger to the environment and its exhaustible resources.<sup>34</sup> Multinational firms are among the most significant contributors to capitalism's influence on environmental degradation and climate change. Profit is prioritised before environmental conservation, and their actions reflect this.

<sup>31</sup> Murphy, A. (2022) 'Is capitalism causing climate change?',

<sup>32</sup> Biro, A. (2024) *What is sustainable capitalism?*

<sup>33</sup> Foster, J.B. (2025) Is over competition the problem? Monthly Review.

<sup>34</sup> Nawaz, A.R. and Sabir, A.A. (2023) Profit over planet: Capitalism's impact on Climate Crisis: The Express Tribune

The capitalist system's dependence on competition forces corporations to minimise costs, often at the price of environmental safeguards, while a consumerist culture fuelled by this system pushes demand for more things by means of excessive consumption, putting further strain on natural resources.<sup>35</sup> Excessive consumerism refers to the overconsumption of goods and services that often exceeds society's requirements.<sup>36</sup> While it may appear to be economic growth, it is not sustainable since excessive consumption has substantial negative environmental implications, including resource depletion, pollution, and climate change. The persistent demand created by excessive consumerism hastens the depletion of scarce resources, that are often non-renewable. Since capitalism places a higher priority on growth and profits than anything else, it encourages continual production, consumption, and resource extraction, which harms the environment and depletes resources. Furthermore, it puts economic expansion and profit-making ahead of social and environmental issues, which results in unsustainable behaviours that hasten environmental deterioration, climate change, and its effects.<sup>37</sup> Its fundamental goal is to increase wealth and profit at any costs, even if it means destroying the world physically. The monetary value of the environment and its natural resources is more important than their inherent ecological value. Because of this, the capitalist system ignores and undervalues their contribution to ecosystem maintenance.

Capitalism in its current form has contributed to and continues to contribute to the environmental catastrophe and climate change, and researchers also contend that without major reforms, capitalism cannot preserve the planet.<sup>38</sup> Because capitalism is inherently based on over-exploitation and over-consumption, environmental justice and conservation cannot be fully achieved if capitalism is in dominance. Therefore, it is necessary to implement a new type of capitalism known as sustainable capitalism or stakeholder capitalism.<sup>39</sup> Sustainable capitalism is an approach of capitalism that incorporates environmental, social, and governance (ESG) elements into traditional capitalism to assure long-term economic value generation while minimising environmental and societal harm.<sup>40</sup> This type of capitalism requires corporations and governments to consider the ramifications of their activities for the environment, society, and future generations, rather than merely their shareholders.<sup>41</sup>

#### ➤ International Over-Competition

Shifting away from the competition conveyed by the capitalist system, international competition on its own has and continues to degrade the environment and deplete natural resources through the "race to the bottom" strategy where countries and companies are competing in the global market.<sup>42</sup> The "race to the bottom" drive to stay competitive in the global market has caused governments to purposefully reduce environmental standards in order to attract foreign investment and keep production costs low.<sup>43</sup> This generated a negative spiral in which countries

<sup>35</sup> YAGAY & SUN (2025) Excessive consumerism: Disastrous for our environment {environment protection and healing climate change}

<sup>36</sup> YAGAY & SUN (2025) Excessive consumerism: Disastrous for our environment {environment protection and healing climate change}

<sup>37</sup> Nawaz, A.R. and Sabir, A.A. (2023) Profit over planet: Capitalism's impact on Climate Crisis: The Express Tribune

<sup>38</sup> Biro, A. (2024) What is sustainable capitalism?

<sup>39</sup> Biro, A. (2024) What is sustainable capitalism?

<sup>40</sup> Biro, A. (2024) What is sustainable capitalism?

<sup>41</sup> Biro, A. (2024) What is sustainable capitalism?

<sup>42</sup> Sustainability-Directory (2024) How does trade affect environmental degradation? pollution sustainability-directory.

<sup>43</sup> Sustainability-Directory (2024) How does trade affect environmental degradation? pollution sustainability-directory.

competed by weakening vital protections. In the international over-competitive climate, the pressure to survive and race to the bottom drives corporations and governments to implement dangerous unsustainable initiatives to obtain market advantage, which includes ignoring environmental and resource conservation to maximise short-term benefits.<sup>44</sup> Trade is one of the most active and influential forces driving worldwide over-competition. It is a vital component of the world economy that links markets and spurs growth.<sup>45</sup> However, environmental deterioration casts a serious shadow over the connection. To illustrate how commerce influences environmental deterioration, examine the trip of a simple commodity, such as a t-shirt. Cotton might be cultivated in one place, processed into fabric in another, coloured and made into a shirt in a third, and then sent around the world to reach customers. Each stage in the global supply chain adds to environmental issues. Higher trade volume leads to higher resource extraction for raw materials, energy consumption during manufacture, factory pollution, and transportation emissions.<sup>46</sup>

### **Balance between Economic Buoyancy and Environmental Conservation**

It is evident that economic growth cannot be achieved without causing environmental harm, but the damage should not be irreparable. In today's quickly changing world experiencing climate change, pollution and environmental degradation, the relationship between economic growth and environmental sustainability has become a focus for policymakers, corporations, and non-governmental organisations (NGOs).<sup>47</sup> The long-held belief that economic progress must come at the price of environmental overexploitation and extraction is challenged. Instead, a paradigm change is taking place, emphasising the possibility of coexisting with long-term economic development and environmental responsibility. Both the long-term viability of economies and the health of the planet depend on cohabitation and balance of economic buoyancy and environmental conservation. There has never been a more urgent need for a healthy balance between economic activity and environmental protection as pollution, climate change, and the depletion of natural resources increase. In many parts of the world, the effects of ignoring this equilibrium are clear. Policies that prioritise economic expansion over environmental protection cause long-term harm that may be hard to restore.<sup>48</sup> On the other hand, overly severe environmental rules may stymie economic progress and limit potential to improve social welfare.<sup>49</sup> As a result, it is critical to design holistic and integrative policies that address these two elements concurrently and seek solutions that can be advantageous.

The world's natural resources, particularly minerals, are finite, which means they will deplete if utilised and mined in an unsustainable manner. The economic-environmental equilibrium guarantee that they are pursued in a way that fulfils present requirements without jeopardising future generations' capacity to meet their own.<sup>50</sup> Since the economy and the environment are closely linked, the environmental effects directly and indirectly affect economies through their

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<sup>44</sup> Maside-Sanfiz, J.M. et al. (2024) 'The impact of competition on environmental and social performance in the mena banking sector', Corporate Social Responsibility and Environmental Management

<sup>45</sup> Foster, J.B. (2025) Is over competition the problem?

<sup>46</sup> Sustainability-Directory (2024) How does trade affect environmental degradation? pollution sustainability-directory.

<sup>47</sup> Teixeira, N., Rodrigues, R. and Rodrigues, A. (2025) Economic growth and environmental sustainability in more and less sustainable countries

<sup>48</sup> Feng, S. et al. (2024)

<sup>49</sup> Feng, S. et al. (2024)

<sup>50</sup> Plat, E. (2025) Balancing Economic Growth and environmental protection, Global media journal.

influence on the productivity of the other factors of production.<sup>51</sup> There are more ways in which the natural environment enhances human capital. For instance, studies indicate that the presence of green areas increases the likelihood that individuals would engage in and maintain physical exercise, which is essential for both physical and mental well-being.<sup>52</sup> For instance, according to a recent estimate, obesity-related expenses cost England over £2.5 billion annually, while inactivity costs the country over £8 billion.<sup>53</sup> The presence of green space and wildlife-rich places may also have broader benefits, such as lowering crime, enhancing mental health, decreasing stress, and increasing worker productivity.<sup>54</sup>

Moreover, environmental protection itself contributes to economic growth. Sustainable and protected environment, together with its resources, might help to attract and maintain investment.<sup>55</sup> The desire for a clean and healthy natural environment creates opportunities for employment and wealth generation in the economy. For example, organic agriculture and enterprises that manage and protect natural resources. Other industries seek to lessen the environmental implications of economic activity, such as by generating renewable energy, implementing waste management techniques, and developing goods and technology that reduce pollution from manufacturing operations. Others try to offset negative environmental consequences and restore natural assets to their prior state, such as water treatment services and land rehabilitation. Cohen (2020)<sup>56</sup> reveals that the path to climate mitigation is not through slower economic growth, but through economic growth that is steered toward environmental sustainability and away from gratuitous environmental destruction. The economy can expand endlessly if growth and ecological protection can coexist. The ability of nations to separate economic expansion from environmental deterioration is a prerequisite for infinite economic growth.

### **Calling for Stringent Environmental Laws and Regulations**

The fate of the world, its environment, and natural resources is dependent not solely on individual activities, but also on the effectiveness of government policies advocating environmental sustainability and conservation. Based on the studies undertaken, data demonstrate that worldwide pollution is not decreasing but rather increasing year after year, along with the amount of environmental deterioration.<sup>57</sup> According to (Mckay, 2024),<sup>58</sup> carbon footprint emissions have surged to previously unheard-of levels since 2022, reaching an astounding milestone of 34,1536,8 billion tonnes. According to predictions, emissions increased by 1.1% in 2023, reaching a record high of 37.55 gigatons of CO<sub>2</sub>. The top ten nations in the world have the largest

<sup>51</sup> Gupta, J. (2023) (PDF) impact of economic growth on environment,

<sup>52</sup> Chen, S., Wang, F. and Haroon, M. (2023) 'The impact of green economic recovery on economic growth and ecological footprint: A case study in developing countries of Asia

<sup>53</sup> Everett, T. et al. (2010) Defra evidence and Analysis Series Paper 2 Economic Growth and the environment, assets publishing service

<sup>54</sup> Everett, T. et al. (2010) Defra evidence and Analysis Series Paper 2 Economic Growth and the environment, assets publishing service

<sup>55</sup> Everett, T. et al. (2010) Defra evidence and Analysis Series Paper 2 Economic Growth and the environment, assets publishing service

<sup>56</sup> Cohen, S. (2020) Economic Growth and Environmental Sustainability, State of the Planet.

<sup>57</sup> Mckay, B. (2024) Countries with the highest carbon footprint 2025

<sup>58</sup> Mckay, B. (2024) Countries with the highest carbon footprint 2025

carbon footprints, which greatly contribute to the amounts of emissions that cause global warming and its effects.

Rank	Country	MtCO <sub>2</sub> (million tons of CO <sub>2</sub> )	Percentage of World CO <sub>2</sub> Emission
1	China	12,667	32.88%
2	United States of America	5,057	12.6%
3	India	2,830	6.99%
4	Russia	2,032	4.96%
5	Japan	1,083	2.81%
6	Indonesia	729	1.8%
7	Iran	691	1.78%
8	Germany	673	1.75%
9	Saudi Arabia	663	1.66%
10	South Korea	636	1.53%

(Based on the latest annual figures from 2022. Sourced via Global Carbon Project and World Population Review.)

With the current existing environmental laws and regulations, many regions are still struggling to handle the urgent issues of climate change, environmental degradation, biodiversity loss, and pollution. This deficiency highlights the need for stricter enforcement measures that require corporations consider environmental responsibility in their economic activities. The purpose of environmental laws is to safeguard human health, conserve the environment for current and future generations, and promote sustainable development. These laws control human activities that have an influence on oil, water, air, land, and biodiversity, with the goal of balancing economic requirements and environmental protection.

The laws include:

- Pollution Control Laws - These laws seek to minimise the discharge of pollutants into the environment using industrial regulation.<sup>59</sup>
- Resource management laws - control the use and conservation of natural resources including forests, minerals, and water.<sup>60</sup>
- Conservation laws - aim to safeguard animals and environments while also regulating hunting, fishing, and the trading of endangered species.<sup>61</sup>
- Environmental Impact Assessment (EIA) - These rules force developers to assess and report on the environmental repercussions of their proposed activities before beginning operations, allowing for public comment and government assessment.<sup>62</sup>

The current rate of environmental degradation, driven by short-term economic interests, is already jeopardising both existing and future demands. Stricter restrictions, governed by the precautionary principle, are critical to preserving long-term ecological and economic resilience. In light of the current situation, advocating for more stringent environmental laws and regulations that promote the sustainable use of the environment and its resources by conducting economic

<sup>59</sup> Why are stricter regulations essential for sustainability? (2025) Pollution

<sup>60</sup> Nithi, N. (2025) Environmental laws: Rules for protecting nature

<sup>61</sup> Why are stricter regulations essential for sustainability? (2025) Pollution

<sup>62</sup> Nithi, N. (2025) Environmental laws: Rules for protecting nature

operations need to be the top priority. Governments should consider leaning towards developing and implementing more stringent economic-environmental sustainability rules and regulations that prioritise conservation over excessive use of natural resources.

Several surveys show that the majority of nations emphasise economic policies above environmental rules and regulations.<sup>63</sup> This is where economic policies are more rigorously enforced than environmental policies, putting the environment and its finite resources at risk of deterioration and depletion. Furthermore, the adoption of more stringent regulations must be dependent on the degree of pollution produced by each nation. To put it another way, the companies and nations with the highest levels of pollution and degradation should be subject to the more stringent environmental rules and regulations. Additionally, the implementation of more stringent environmental regulations to prevent environmental deterioration in its early stages may also be supported solely by economic grounds. Similarly, even in terms of present value, current prevention and mitigation may be more cost-effective than a future solution; for instance, safe disposal of hazardous waste as it is produced may be less expensive than future cleanups of massive dispersed hazardous waste sites.<sup>64</sup>

Beyond national laws and regulations, there are international environmental agreements addressing and regulating the environmental issues that cross borders such as climate change, ozone depletion and marine pollution.<sup>65</sup> These include: The Paris Agreement, The Conventional on Biological Diversity (CBD) and The Basel Convention.<sup>66</sup> The international environmental agreements powers are very limited and weak because every country or national government possess authority to exercise the regulations within its own sovereignty. The current compliance with their laws and regulations is challenging, as enforcement mechanisms are often weaker than those found in domestic laws. With transboundary challenges like climate change, current international agreements lack a binding enforcement framework, emphasising the need for greater and more stringent pledges to guarantee collective action and responsibility.<sup>67</sup>

Critics argue that environmental rules might be costly for corporations.<sup>68</sup> They claim that if restrictions are too expensive to apply, they would disrupt certain enterprises and cause job losses.<sup>69</sup> The results of regulations also led to the emergence of global pollution export that occurs when businesses in regions with strict regulations are moving their production to regions that are less regulated.<sup>70</sup> Consequently, this contributes more to the global levels of emissions and degradation at the cost of environment and countries with less regulations becomes the victims of pollution and degradation as a result of the actions of countries with more strict regulations. Strict environmental can be costly and difficult to enforce in the near term but their successful implementation guarantees safeguard against worse consequences in the future.

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<sup>63</sup> Suriya (2024) 'The Role of Government in Enforcing Environmental Accountability: A Call for Stricter Measures?'

<sup>64</sup> Plat, E. (2025) Balancing Economic Growth and environmental protection

<sup>65</sup> The Paris Agreement (no date) United Nations

<sup>66</sup> The Paris Agreement (no date) United Nations

<sup>67</sup> Suriya (2024) 'The Role of Government in Enforcing Environmental Accountability: A Call for Stricter Measures?'

<sup>68</sup> How regulations help fight climate change (2024) Council on Foreign Relations

<sup>69</sup> How regulations help fight climate change (2024) Council on Foreign Relations

### **Conclusion Based on Research Findings**

Based on the findings of this research, it is evident that economic growth and environmental sustainability have been traditionally seen as opposing goals, with economic development often prioritized at the expense of environmental conservation. This research critically analysed various theoretical approaches and real-world implications of this paradigm, revealing the unsustainable nature of growth models that neglect ecological balance. The Environmental Kuznets Curve, often used to justify environmental degradation during the early stages of economic growth, was found to be flawed, as it fails to address irreversible damage and neglects the role of policy interventions in mitigating environmental harm. Furthermore, the research highlighted the negative impact of capitalist economic systems, which prioritize profit over environmental health, and how international competition exacerbates the race to the bottom, pushing governments and corporations to weaken environmental regulations. Despite these challenges, the paper argues for a new approach - one that integrates both economic growth and environmental conservation through sustainable models, emphasizing the need for effective environmental policies and stricter regulations. In conclusion, the research underscores the urgent need to rethink economic development strategies. Achieving a balance between economic buoyancy and environmental sustainability is not only possible but necessary for long-term prosperity. It is critical that nations implement policies that ensure the protection of natural resources, while fostering economic growth that does not compromise the environment. The role of governance, international cooperation, and innovative sustainable practices will be key in ensuring a future where economic success and environmental health go hand in hand.

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