PRINCETONIAN JOURNAL OF SCIENCES

VOLUME 1, ISSUE 2

Princetonian Journal of Sciences is published by the Princetonian Institute.

See here: https://princetonian.org/journal-info

Fitchburg, MA

📖 Princetonian Journal of Sciences

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Editorial Introduction – Volume 1, Issue 2
Princetonian Journal of Sciences

It is with great enthusiasm that we introduce Volume 2 of the *Princetonian Journal of Sciences*. As we continue to build on our mission of showcasing rigorous, interdisciplinary research by emerging scholars, this new issue further illustrates the analytical sophistication and intellectual engagement of high school researchers tackling globally consequential questions. This volume features four compelling articles that traverse the fields of economics, environmental policy, data science, civil engineering, and digital technology:

Geneva Huang's *"Global Migration Determinants: A Data-Driven Analysis of Economic, Demographic, and Environmental Influences"* employs cross-country regression analysis across 193 nations to uncover how factors such as GDP per capita, urbanization, and gender inequality shape international migration patterns. By bridging economic and sociopolitical variables, her work challenges mono-causal theories of migration and enriches contemporary debates on human mobility.

Yin Thiri Hlaing's *"The Effect of Carbon Tax on Economic Growth of Developed and Developing Countries"* evaluates carbon taxation as a policy instrument for climate mitigation. Through correlation and regression analyses of environmental and economic indicators, the paper distinguishes how governance quality, revenue recycling, and energy structures affect the tax's efficacy across national contexts. It adds a timely contribution to climate economics by juxtaposing environmental integrity with growth imperatives.

Chong Ping's *"The Role of News Sentiment on Bitcoin's Realized Volatility"* explores the link between media narratives and cryptocurrency volatility using intraday price data from 2017 to 2023. Her statistical results demonstrate a significant relationship between sentiment shifts and market fluctuations, offering valuable insights into behavioral finance and the speculative dynamics of decentralized markets.

Finally, Dia Liu's *"Digital Twins for Sustainable Infrastructure Management in Civil Engineering"* delivers a rich conceptual framework for integrating digital twin technology into civil infrastructure. The paper blends systems theory, predictive analytics, and lifecycle sustainability to propose a holistic model for resilient urban design—highlighting both technological promise and implementation challenges in smart city transformations.

Taken together, these four contributions represent not only thematic diversity but also methodological breadth—ranging from conceptual frameworks and policy evaluations to large-scale data analytics. They demonstrate a shared commitment to addressing real-world challenges through empirical rigor, critical reflection, and forward-looking solutions.

We are deeply proud to showcase the talents of these young scholars. May their work continue to inspire curiosity, dialogue, and meaningful action across disciplines and generations.

On behalf of the Editorial Board,
The Princetonian Journal of Sciences

Global Migration Determinants: A Data-Driven Analysis of Economic, Demographic, and Environmental Influences

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DOI: **10.5281/zenodo.15710346**

ABSTRACT
This research explores the key determinants of migration and their relative influence on movement patterns. By analyzing migration factors such as GDP per capita, life expectancy, urban population ratio, Gender Inequality Index, and tertiary education completion rates, these determinants are able to be evaluated by their impact on the decision to migrate. Establishing this correlation between determinant variables and the immigrant population by country in this paper provides a data-driven analysis and offers a clear understanding of trends in global movement. Rather than prioritize migration patterns at the micro-scale, I focus on migration trends that are globally familiar and therefore emphasize which variables exert the strongest impact across nations. According to my findings, there is evidence that while economic incentives remain a primary driver in migration decisions, demographic and environmental factors are becoming increasingly more important. In particular, the study reveals that after the highest correlation between GDP per capita and migration, there is a larger correlation with inward migration and urbanized countries (where the urban population to total population ratio is higher) than the correlation with cost of living. This insight provides a fresh perspective on addressing migration trends and fosters strategies that consider both social and economic factors in order to support population movement.

KEYWORDS: migration; migration determinants; economic factors; cross-country data.

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RESEARCH ARTICLE

1. **Introduction**

Migration has been a defining force throughout human history that has shaped our societies and cultures worldwide. In pursuit of various needs, individuals migrate and carry profound implications for both the countries they leave and those they enter. Understanding migration is critical not only for economic policy, but for human welfare: it affects how we provide for our demographics and make use of our public services, yet gives us ways to improve social cohesion.

Migration is just one way people are able to improve their quality of life and that of future generations. However, the process of migration and individuals involved face legal barriers and social discrimination. Given its widespread impact, migration is a critical subject for policymakers and global institutions to understand, as this subject may help implement more efficient policies and ensure that migration remains a force of opportunity and prosperity.

While prior studies have explored specific migration influences, such as education (Hare, 1999) and diasporic networks (Simpson, 2022), this paper takes a broader, multifaceted approach, examining migration factors individually. This research raises questions of the role that non-economic factors play, such as household structure, in shaping migration decisions. This also aligns with Ponce (2019), who challenges the sole importance of economic incentives and emphasizes that migrants are also drawn to destinations that offer better social factors. Ultimately, this paper addresses the ongoing discussion by synthesizing various determinants of migration and offering a more macroeconomic perspective on the forces that shape migration today.

Much of the literature on migration today either treats migration as a purely economic or social phenomenon, disregarding a perspective that fully integrates both ideas and their overall impact. Moreover, migration policies are frequently debated on despite there being limited empirical research on their actual economic outcomes: approaching this pressing issue based on assumptions rather than data analysis makes way only for counterproductive policies. Because of this, I seek to fill the gaps that remain in understanding its nuanced economic and social effects, particularly in the context of specific economic, demographic, and environmental influences. Current research and its reliance on data from a particular geographic region overlooks the world's complexity. Providing more general patterns gives countries a broad framework to address their own challenges.

In this study, I investigate the extent to which 15 economic, environmental, and demographic factors in 193 countries around the world affect migration decisions. Through analyzing how different migration determinants correlate with migration patterns across the world, I aim to provide a more accurate and holistic understanding of each determinant on migration and help policymakers design more effective and humane migration policies. Using country-specific data from recent years, this study uses methods of data analysis to examine the relationship between economic and social drivers in influencing migration. These migration determinants contribute to a broader understanding of why people migrate internationally, expanding insight for policymakers through a data-driven perspective. While economic factors have traditionally been the dominant forces behind migration, this research highlights the growing influence of social determinants. Governments must account for both economic and social dynamics to craft more effective and inclusive migration policies.

The rest of the paper is organized as follows: Section 2 presents previous research on both international and intranational migration and relative determinants, as well as theories and assumptions for the study. In Section 3, I present the data found based on 15 key migration determinants, provide methods, and interpret what the statistics show and what they do not show. Section 4 outlines the key findings of the data analysis and discusses the weak or strong correlations of specific migration determinants with migration. Finally, Section 5 explores the implications of the findings, the shortcomings of the study, and potential avenues for further research.

2. Theoretical Framework

2.1. Literature Review

Migration decisions are shaped by a number of individual, household, and community characteristics, with choices also varying by destination and employment sector. Hare (1999) shows that education only impacts internal migration away from farm work but has no effect on international migration. Hare's research highlights how migration and trade integration often complement each other and are able to alter the characteristics of rural populations through their influence on migration patterns. Similarly, Taylor (2006) finds that secure access to external markets boosts migration, highlighting the complementary relationship between migration and trade integration at the local level. Simpson (2022) reveals that migrants are often drawn to countries with a high population from their home countries, where community networks reduce the psychological and economic costs of moving. Additionally, the human capital model emphasizes the costs and benefits of migration in terms of maintaining relationships and accessing cultural amenities (Kontuly et al. 1995). Kontuly et al. recalls that economic factors are the primary driver of internal migration in the U.S., however, similar to my research, explains that social factors are becoming increasingly prominent. Kontuly investigates how migration to Utah among Mormons is influenced by both non-pecuniary and pecuniary factors, and that migration motivations differ by distance.

Ponce (2019) challenges the conventional welfare magnet hypothesis, which was built upon a study in Denmark and showed that places with better welfare received more immigration. Ponce believes that migrants are primarily drawn to destinations offering social and political inclusion rather than the promise of these generous welfare systems. National regimes may influence migrants' political incorporation and their sense of belonging in society, which would motivate migrants to stay. Taima et al. (2019) examines the determinants of migration, highlighting how the increase of migration from larger to smaller cities offers social benefits: it alleviates population density issues in metropolitan areas, improves public services, and boosts the public finances of smaller cities.

Data on immigrant inflows into 14 OECD countries between 1980 and 1995 shows that pull factors become more influential (and push factors lose significance) when a host country's immigration laws are less restrictive (Mayda 2010). It is found that distance between the origin and the destination country consistently has a negative impact on migration flows and that origin countries with younger demographics align with higher migration aspiration. However, cultural variables do not significantly affect bilateral migration flows. Aslany (2020) adds on by noting that younger individuals, especially young adults, are more likely to aspire to migrate due to gender norms, household size, and marital status playing significant roles: men generally have greater freedom to pursue migration for economic reasons. Bilateral and multilateral economic collaborations and regulatory frameworks have fostered a thriving market environment in the tri-state area between China, Vietnam, and Laos (Tian 2024). The Hmong community of microentrepreneurs and small business owners has leveraged these opportunities to achieve upward social mobility, especially among ambitious youth. I see that the role of middleman minority groups in connecting dominant group producers with customers bridges status gaps and establishes businesses in low-income areas. Hatlebakk (2016) also finds that households of early in-migrants to a frontier area, specifically in Nepal, are more likely to have international labor migrants than late
in-migrants because it takes a generation or more for households to settle in before sending members abroad. Migration decisions are influenced by land ownership, which is often passed down from previous generations and affects the ability to migrate for work. Landlessness today decreases the likelihood of successful international labor migration, with historical land ownership influencing the chances of migration.

2.2. Conceptual Framework

Policymakers should use this data to efficiently implement the proper strategies and reforms necessary for a society by questioning the significance of each migration variable and identifying those most correlated to the migrant

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populations. Based on past research that studied how smaller households were more likely to migrate than larger households, I theorize that household size would have a strong correlation to the number of migrants in each country. Additionally, I speculated that countries with a younger population would correlate to a larger migrant population, as research shows younger individuals are more likely to aspire to migrate. The Henley Passport Index is proposed to have a strong correlation with the number of migrants per 1,000 persons because greater ease of travel and long-distance movement is expected to increase migration likelihood.

Figure 1 below presents the external impacts of international migration, based on which I will be conducting the empirical analysis.

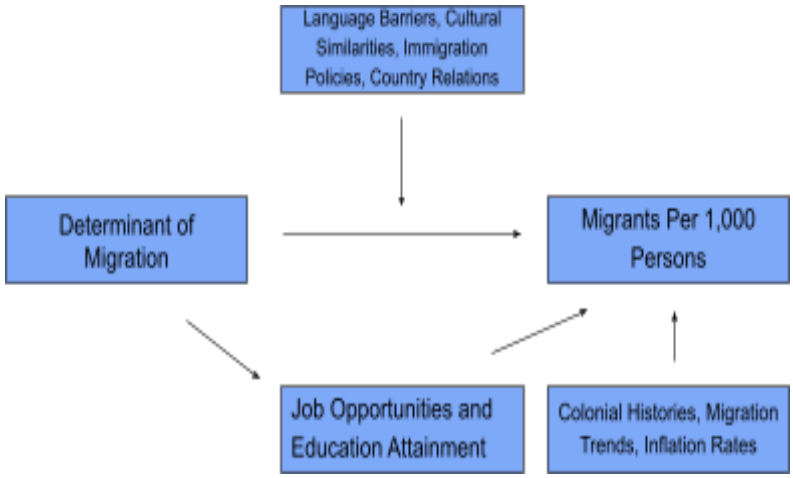

Figure 1. External Impacts to International Migration

3. Data and Methods

3.1 Data

Table 1 references the descriptive summary statistics of each determinant– the mean, median, standard deviation, minimum, and maximum– to gain better insight into the distribution and variability of the data. This large array of metrics was chosen to represent economic, demographic, and environmental indicators, serving to measure the prevailing trends.

Statistics for educational attainment in tertiary education (ages 25 and up) are from the World Bank, which found data from 2016 through 2023, and the Organization for Economic and Cooperative Development (OECD), which obtained its data through information collected annually by UNESCO. The United Nations Development Program provided data for the Gender Inequality Index, which highlights gender-based disparities in reproductive health, empowerment and participation in the workforce. Moreover, the World Population Review assessed data from the World Risk Reports in 2023 and 2024 to illustrate the Natural Disaster Risk in each country. The World Risk Index is a composite measure that assigns countries over the world a single World Risk along with five subcategories (Risk Exposure, Risk Vulnerability, Risk Susceptibility, Lack of Coping Capacities, and Lack of Adaptive Capacities), in each country.

Life expectancy, the average number of years a person is expected to live in a given population, derives its values from the latest data from the United Nations Population Division. Multidimensional poverty is a holistic method to understanding and measuring poverty that extends beyond income or consumption levels. This index captures the various types of deprivation people experience in their daily lives. Using the Multidimensional Poverty Index, the Oxford Poverty and Human Development Initiative (OPHI) assesses poverty across three key categories using ten specific indicators: health, education, and living standards. An individual is classified as MPI poor if they are denied access to at least one-third of these weighted indicators, which are weighted differently to guarantee a strong representation of each dimension in the overall poverty evaluation.

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Metric	Mean	Median	Std. Dev	Minimum	Maximum
Percent of population that are immigrants	9.51%	3.71%	14.40%	0.03%	88.13%
Migrants per 1,000 population	-0.32	-0.30	5.04	-21.00	36.50
Henley Passport Index	110.77	94.50	54.77	26.00	195.00
GDP per capita	175.85	7153.95	23318.65	193.00	128678.20
Gender Inequality Index	0.33	0.35	0.19	0.009	0.82
World Risk Index	8.304.12		9.17	0.28	46.91
Life Expectancy	73.40	74.25	7.01	54.64	85.63
Tertiary Education Completion Rate of Population 25+	25.72	22.54	18.73	0.00	79.02
Overall Criminality Score	5.03	5.00	1.35	1.62	8.15
Average Household Size	4.01	3.96	0.94	2.59	6.55
Multidimensional Poverty Index	0.11	0.03	0.14	0.00	0.60
Urban population to Total population percentage	60.27	60.00	23.04	14.00	100.00
Median Age	31.39	30.70	9.34	15.10	54.00
Total Fertility Rate	2.52	2.10	1.25	0.70	6.70
Cost of Living Index	40.55	37.00	15.22	17.80	98.40

Table 1. Descriptive Summary Statistics

Health and education factors each contribute 1/6 to the total score, while living standards factors contribute 1/18 each. Global Data Lab 2023 findings for household sizes were extracted from late demographic reports. Typically, wealthier countries tend to have smaller average household sizes since fiscal security requires less additional financial support. Additionally, as women gain greater empowerment and education, family sizes decline. However, social norms, cultural traditions, and government regulation may affect this. The Cost of Living Index is included because from my perspective, the harder it is to maintain financial stability in a country, the more likely migrants will move out. A high cost of living would act as a push factor, while a low cost of living would serve as the opposite. This data was found through Numbeo, a source that publishes periodically and updates data frequently to show up-to-date facts. The data for crime rate in each country was found through the World Population Review, which used sources including Numbeo and OCindex. OCindex is financed by the United States Government and the ENACT program that is funded by the European Union.

Urban population (percent of total population) data was culled from the World Bank and the United Nations Population Division to explore how urbanization rates of a country affect the desire to emigrate or immigrate. While urban areas provide job opportunities and access to necessities like hospitals and education, urban areas facilitate overcrowding and high living costs. Median age is studied throughout this paper because of prior research indicating that countries with younger cohorts will have a population more able and willing to migrate across borders (Aslany 2020). This data was sourced from World Population Review, a source that analyzed the CIA World Factbook, the United Nations World Population Prospects, and WorldData. Since low fertility rates are an effect of modernization (as more women are working instead of playing traditional domestic roles), this determinant is studied in this research and has been gathered by the World Bank, which uses information from the aforementioned UN Population Division and Eurostat. Lastly, I have incorporated the determinant of the Henley Passport Index, which measures a country's citizens freedom to travel without needing a prior visa. I believe this indicator will have a direct relationship to migration because the greater freedom to move around, the more likely that people will use this opportunity to do so and migrate internationally. It is understandable, however, that high-ranking countries based on the index will attract immigrants as well, since the freedom to move is relatively a positive incentive. Therefore, the Henley Passport Index is dependent on the stability of the country.

3.2 Methods

This study employs a quantitative and data-driven approach to analyze the key determinants of migration across 193 countries. To achieve this, my research relies on publicly available datasets from international organizations, including the World Bank, the United Nations, the Organization for Economic Cooperation and Development (OECD), and the World Population Review. I aim to examine the relationship between migration patterns and a range of economic, demographic, and environmental factors. The data above will be used to analyze and identify the most influential factors of migration according to its correlation to migrant numbers, seen below in Table 2 (see the next section), and by examining central tendencies presented in Table 1.

In this study, the primary outcome measuring migration is the percentage of the population that are immigrants and the number of migrants per 1000 people. Migration is measured using two dependent variables: the percentage of the population that are immigrants and the number of migrants per 1,000 people. Independent variables include economic indicators such as GDP per capita, Cost of Living Index, and the Henley Passport Index; demographic indicators such as life expectancy, median age, fertility rate, tertiary education completion rate, and average household size; and environmental indicators such as the Gender Inequality Index, the Multidimensional Poverty Index, Crime Rate Index, and World Risk Index. These variables were selected based on their prominence in migration literature and previous research pointing to their significance.

This study applies correlation analysis using Pearson's correlation coefficients to assess the strength and direction of relationships between migration and each determinant. Correlation values addressed in this study are interpreted based on standard thresholds: strong correlations are those with an absolute value above 0.50, moderate correlations range between 0.30 and 0.49, and weak correlations fall below 0.30. In addition, statistics including mean, median, standard deviation, and maximum and minimum are presented to provide an overview of the dataset. This statistical approach allows not only for a comprehensive understanding of how macro-level factors influence migration, but patterns in the data to analyze.

While the dataset is comprehensive, it contains several limitations and may oversimplify complex migration decisions by focusing on quantitative indicators. Correlation to migration will not always imply causation, and migration decisions are often household-level or individual choices, but this study relies on macro-level indicators. Additionally, data availability and reporting discrepancies across 193 countries can present challenges, as migration figures often fail to capture irregular migration flows, asylum seekers, or the impact of temporary labor migration policies across the globe. Since study focuses on national-level data, cultural ties or social networks that have significantly influenced an individual's decision to migrate in the past is not factored into this study. Historical migration patterns and colonial relationships that may influence migration flow are not fully incorporated into the analysis, despite their significance.

Despite these limitations, this study contributes to the broader discussion on migration by offering a quantitative perspective on how economic, social, and environmental factors shape global migration. Future research could build on these findings by evaluating particular migration policies in order to capture the evolving dynamics of migration over time.

4. Results

Table 2. Migration Correlations

Category	Correlation with % of population that are immigrants	ation with Migrants per 1,000 population
GDP per capita	0.61	0.37
Gender Inequality Index	-0.46	-0.26
Urban population to Total population percentage	0.46	0.26
Cost of Living Index	0.45	0.25
Tertiary Education Completion Rate of Population 25+	0.44	0.25
Life Expectancy	0.43	0.14
Henley Passport Index	0.35	0.23
Median Age	0.33	0.24
Total Fertility Rate	-0.32	-0.15
Multidimensional Poverty Index	-0.27	0.07
World Risk Index	-0.19	0.04
Overall Criminality Score	-0.17	0.16
Average Household Size	-0.06	0.16

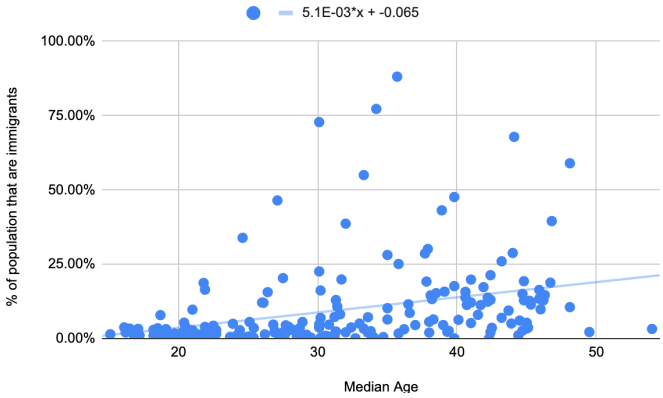

Figure 2. Migration vs. Median Age

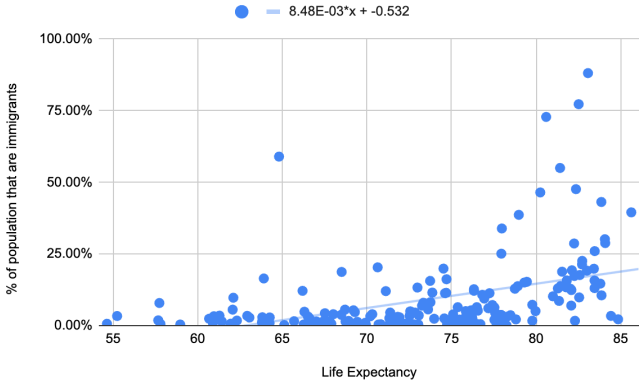

Figure 3. Migration vs. Life Expectancy

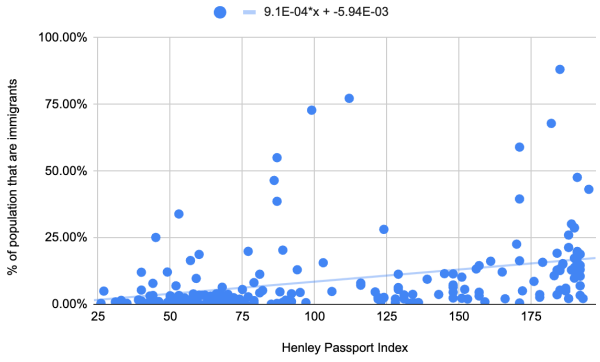

Figure 4. Migration vs. Henley Passport Index

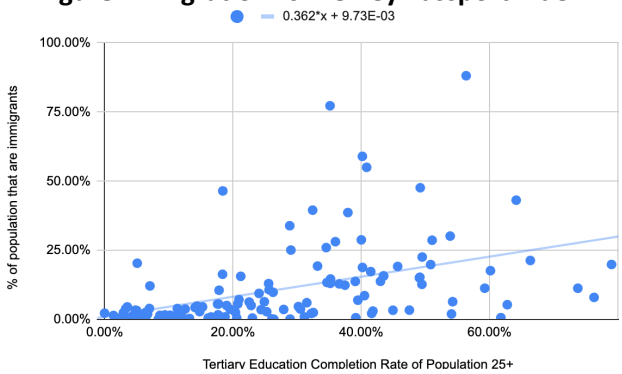

Figure 5. Migration and Tertiary Education Completion

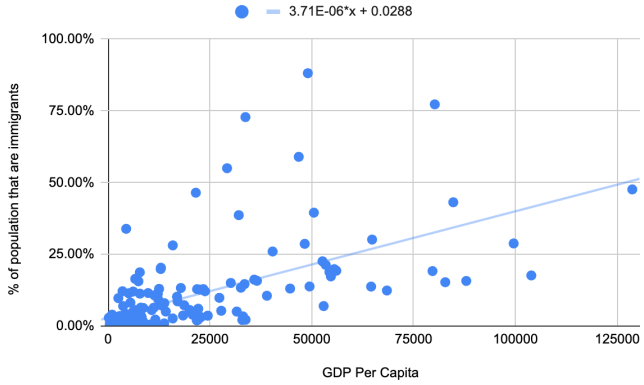

Figure 6. Migration and GDP Per Capita

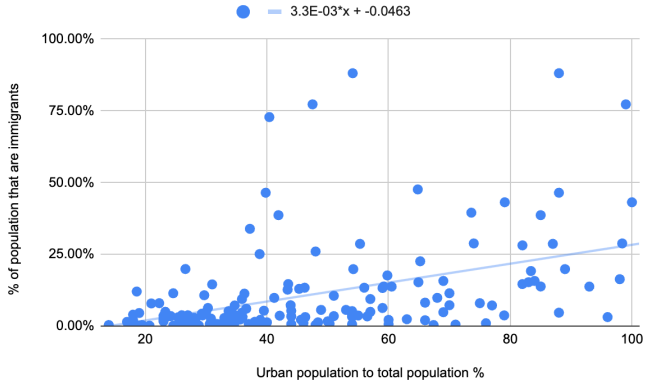

Figure 7. Migration vs. Urban Population

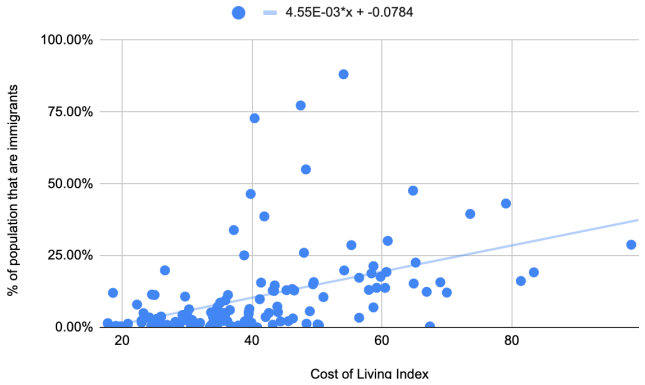

Figure 8. Migration vs. Cost of Living

Figures 2 to 8 above provide a visual representation of the correlation between the given determinant and the immigrant population for 193 countries. All figures show a direct relationship with migration, although figures with GDP per capita and Urban Populations are significantly more correlated than others. However, since all of the correlation values in Table 2 are on the lower side, the correlation coefficients were small. Data sources were sometimes limited, affecting the accuracy of the results in Table 2, which represents each determinant and its correlation to migrants per 1,000 of

each country and percent of population that are immigrants. For example, the lack of sufficient findings on average household sizes may have contributed to the negligible correlation.

My research findings align with several themes presented in the literature but also introduce new perspectives by incorporating a broader quantitative approach across multiple countries. In comparison to data in the literature review, my data confirms that economic factors are the strongest migration determinants, with this research showing GDP per capita with the highest correlation to migration rates. This aligns with Hare (1999) and Taylor (2006), who emphasize the role of economic opportunities and trade integration in migration decisions. Tian (2024) discusses regional economic collaborations influencing migration, and while my study does not focus on specific trade corridors, the correlation of Henley Passport Index suggests policy and regulatory frameworks influence mobility. Similar to Mayda (2010), my findings suggest that restrictive immigration laws reduce migration, as seen in the Henley Passport Index's lower correlation with migration. However, the moderate correlation between education attainment and migration contradicts Hare's theory that education only influences internal migration.

While past research has focused on economic output per person, my analysis expands the discussion by quantifying economic factors globally rather than within specific countries or regions. The Cost of Living Index is also a notable predictor, showing that migration is not just about income but also about the affordability of living in destination countries, an area underexplored in prior studies. Ponce (2019) challenges the welfare magnet hypothesis, suggesting migrants prioritize social and political inclusion over economic incentives, yet my data only provides limited support of this. While this research highlights that economic factors are still stronger determinants than purely social ones, the gap is relatively small, suggesting that social indicators play a significant role– though perhaps not the greatest one. Aslany (2020)'s claim that younger individuals are more likely to migrate is only partially supported in my study, as Median Age has a low but positive correlation with migration. The urbanization rate's correlation with migration further emphasizes that people tend to migrate to more developed countries to gain access to the resources and opportunities it gives. Many of the studies in the literature review rely on specific case studies or smaller sample sizes, such as Hare (1999) and Simpson (2022), which focuses on internal migration rather than international migration, which does not fully capture modern migration patterns. My dataset spans 193 countries and includes more recent data (2023-2024), allowing for more comprehensive analysis and helping to quantify the relative

importance of different migration determinants. The inclusion of recent data (2023-2024) makes my findings more relevant for current policy discussions compared to older studies. However, while the dataset is comprehensive, it may oversimplify complex migration decisions by focusing on quantitative indicators. Some migration factors, such as social networks and cultural ties are difficult to measure numerically and may not be fully captured in my study.

Despite that method for collecting data did not drastically change throughout the research, a numerous number of resources were used that may have slightly different definitions to particular determinants. Over time, improvements in data collection methodologies cause older studies to perhaps underestimate migration trends and challenge historical comparability. Since developed countries also tend to have better migration data collection systems, their trends may be overrepresented in this study. Likewise,

high-migration regions like Latin America, Sub-Saharan Africa, and South Asia, may be underrepresented due to a lack of complete reports by national governments. Underrepresentation of these regions may misidentify true migration patterns. In order to verify the reliability of my findings, I evaluated multiple resources and found the findings remained relatively unchanged, with GDP per capita and social factors such as urbanization and gender inequality retaining their trends. Ultimately, both the Henley Passport Index and median age of each country analyzed both indicated moderate correlation with the migration in comparison to the other variables tested. GDP per capita was the strongest determinant, while average household size remained the weakest.

The dependent variable, percent of population that are immigrants/number of migrants per 1,000 people, is influenced by several migration determinants analyzed in this study, though there are many other potential factors that were not included in this paper. Nonetheless, economic factors such as GDP per capita and cost of living remained a determinant with high correlations to migration. Both the Gender Inequality Index and the percent of the urban population to the total population in a country had high absolute correlations to migration as well. Interestingly and contrary to past research, average household sizes of each country had negligible correlation to migration.

Table 2 presents correlation estimates between migration rates and various economic, social, and demographic determinants across 193 countries. It shows that economic factors remain the strongest migration drivers, with GDP per capita having the highest correlation, reinforcing the idea that

higher-income countries attract more migrants. Similarly, the Cost of Living Index and tertiary education completion rate suggest that affordability and education access also influence migration patterns.

Social factors also contribute, as Gender Inequality Index indicates that countries with greater gender inequality tend to have higher emigration rates. Urban population percentage further supports the role of urbanization in facilitating migration. However, some variables show weak correlations, such as the World Risk Index and overall criminality score. This suggests that environmental risk and crime levels are not major migration determinants. Similarly, average household size and Multidimensional Poverty Index exhibit minimal impact. Overall, Table 2 confirms that economic conditions are the primary migration drivers, while social and demographic factors play secondary but significant roles.

Migration decisions are often household-level or individual choices, but this study relies on macro-level indicators, which may oversimplify localized migration factors. To address this, using alternative migration datasets to cross-check migration trends and account for unexamined migrants would be beneficial. Like other papers have mentioned before, economic incentives remain the dominant force in migration. Social factors like gender inequality and education play a role in migrations, but they are secondary to economic drivers. Environmental and crime-related risks appear to have minimal influence on migration, contrary to theories on climate-induced migration. A probable cause of this is the economic conditions that mediate the impact of environmental risks. Future research should explore migration at a more granular level, incorporating regional trends and government policy to provide a more complete picture of migration determinants.

5. Conclusion

Economic factors have long been the primary drivers of international migration, however this research reveals that social determinants are playing an increasingly significant role. GDP per capita remains one of the strongest determinants of migration, but social and demographic factors such as gender equality, urban population percentage, and education rates are beginning to take importance as people migrate for opportunities outside of income. While past research indicated that smaller household sizes were more likely to migrate internationally, the weak correlation in this paper indicates that this factor actually plays a minimal role in migration decisions. Although we discussed the correlation between choosing to migrate and the determining factors at hand in Table 2, this overlooks the implemented immigration policies of a country or cultural factors that encourage particular migration patterns. Table 2 and the correlation coefficients only imply relationships and do not confirm statistical significance. Displaced persons by rising sea levels and desertification were not accounted for and

should be further explored in other studies. It is necessary for policymakers to consider both economic and social influences to develop more effective and equitable migration policies as this research shows that social determinants are increasingly influential in shaping migration patterns.

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PRINCETONIAN JOURNAL OF SCIENCES

RESEARCH ARTICLE

The Effect of Carbon tax on Economic Growth of Developed and Developing countries

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DOI: 10.5281/zenodo.15710363

ABSTRACT

The introduction of carbon taxation had emerged as a prominent policy tool to mitigate climate change by targeting carbon dioxide emissions. This paper investigates the impact of carbon tax implementation on emission levels in both developed and developing countries. Specifically, the study analyzes how the tax has influenced carbon output and economic behavior across different national contexts. The findings reveal that rapid growing economies tend to pollute more compared to slow-paced economies. The study suggests that the effectiveness of carbon taxation is closely tied to governance quality, complementary policies, and economic structure.

KEYWORDS: Carbon tax; Emissions; Developed countries; Developing countries; Environmental policy

1. Introduction

A growing body of literature has explored the complex relationship between carbon taxation, economic growth, and environmental sustainability, particularly in developing countries. Many studies affirm that carbon tax can be an effective tool to reduce carbon emissions without significantly hindering economic growth, provided the policies are well-designed and supported by complementary measures. For example, Alper (2017) shows that environmental taxes in European countries lead to a measurable reduction in emissions, while Ayu (2018)

demonstrates that in Indonesia, a carbon tax of US$20 per ton of CO2 could reduce emissions by 9.6% with limited disruption to household demand. These insights are particularly relevant for policymakers navigating trade-offs between environmental sustainability and economic development.

Similarly, Aye and Edoja (2017) confirm a nonlinear relationship between economic growth and emissions in developing countries, reinforcing the Environmental Kuznets Curve (EKC) hypothesis and suggesting that carbon taxes may be more effective at higher income levels. Vo et al. (2019) and Arango-Miranda et al. (2018) further emphasize the importance of energy efficiency and renewable energy as mediating factors in achieving green growth, with the latter highlighting the role of "exergy" in managing energy use sustainably.

In support of regional applicability, several studies such as those by Yiadom et al. (2024) and Effendi & Resosudarmo (2024) explore how carbon tax can coexist with foreign investment and political acceptance if revenues are transparently earmarked for green infrastructure. These findings align with the broader literature that suggests public trust and investor confidence are crucial for successful implementation. Siswahyudi (2023) and Sharif et al. (2023) add that coupling carbon taxes with green technological innovation enhances both economic and environmental outcomes, particularly in ASEAN countries.

However, some cautionary perspectives emerge. Dissanayake et al. (2020) stress that while carbon tax is preferable over other instruments like fuel taxes in Indonesia, implementation challenges such as inflation and unemployment must be addressed. Fakoya (2014), studying South Africa, warns that poor tax design could lead to negative impacts on unemployment and economic growth, underscoring the need for adaptive policies that consider national economic structures.

Overall, the literature suggests that carbon tax, when paired with strong governance, innovation incentives, and strategic reinvestment of revenues, holds significant potential as a dual-purpose tool mitigating environmental harm while supporting long-term economic development in the developing world.

2. Literature Review

Alper (2017) emphasized that carbon tax is the most market-based tax which is proven to reduce carbon emissions. The results of 1% increase in environmental taxes reduces carbon dioxide emissions by 0.9%. The author utilized the panel data obtained between 1995-2015 of 18 European countries on carbon taxation, economic growth, urbanization, natural gas and petroleum usage. Analyzed that

urbanization leads to economic growth and encourages the usage of natural gas and cleaner modern energy resources with lower air contaminants to reduce carbon dioxide emissions in European countries. The study underscores that carbon taxes, when implemented alongside structural reforms, can successfully balance emission reduction with economic development.

Ayu, P. (2018) analyzed the impact of carbon dioxide mitigation policy on the value change in GDP, government household demand, private household demand and carbon dioxide emission reductions in Indonesia by using the dynamic energy Computable General Equilibrium (CGE) model with GTAP-E. The results of the carbon dioxide mitigation policy caused the increase in taxation for producers, higher prices of commodities except crude oil decreasing due to the impact of carbon tax. On the other hand, the government household demand for agriculture sector, crude oil, refined oil products, and other industries is increasing. The author concluded that a carbon tax of US$20/tCO2 has the potential to reduce carbon dioxide emissions by -9.6%.

Aye, G. C., & Edoja, P.E. (2017) examined the effect of economic growth on carbon emissions using the dynamic panel threshold model. The authors investigated the relationship between carbon emissions and economic growth by analyzing data from a panel of 31 developing countries between 1970-2013. The results show that economic growth negatively affects CO2 emission in the low growth regime but positively affects in the high growth regime with the marginal effect being higher in the high growth regime. The paper indicated that the expansion of the human populace, increasing of per capita affluence and the application of polluting technology as the factors that cause the degradation of the environment (I=PAT). The increased allocation of natural resources, accumulation of waste, and concentration of pollutants directly impacts on the degradation of environmental quality, leading to a decrease in the people's living standards, despite the rising income.

Vo et al. (2019) investigated the link between carbon dioxide emissions, energy consumption, renewable energy, population growth, and economic growth for the five ASEAN countries by using various time-series econometrics approaches of the countries during the period of 1971-2014. The results indicated that there is no cointegrating relationship among the variables in the Philippines and Thailand, but a relationship exists in Indonesia, Myanmar, and Malaysia. In addition, there is no existence of granger causality among carbon emissions, energy consumption, and renewable energy usage, environment degradation in

Malaysia, Thailand and the Philippines. The authors analyzed the trade-off between rising economic growth and increase in the level of carbon dioxide emissions.

Arango-Miranda et al. (2018) analyzed a comparative empirical study of developed and developing countries based on the panel data from 1971-2014 of 10 chosen countries. The author conducted an exergy analysis using the exergetic indicator as a control variable. Identified the positive correlation indicating the improvement of energy efficiency policies, regulatory instruments and efficient systems due to the reduction of emissions and environmental impacts. The results show that developed countries have greater ability to manage environmental problems. Emphasized the use of renewables or natural gas as the right solution for environmental issues. Concluded energy as a limiting factor for economic growth.

Cohen et al. (2019) provides a comprehensive analysis of the relationship between greenhouse gas emissions and GDP in China using both aggregate and provincial data. The authors investigated the elasticity of emissions with respect to GDP approximately 0.6 for China, which is higher than in developed countries but below that of major emerging countries. The study suggests that while economic growth in China has been associated with increased emissions, the rate of increase is less than proportional to GDP growth, indicating potential for decoupling through policy measures.

Dissanayake et al. (2020) evaluates the economic and environmental impacts of three carbon emissions mitigation strategies–the carbon tax, fuel tax, and emissions trading scheme (ETS) in Indonesia. By using the GTAP-E model, the authors investigated that while a fuel tax increases economic growth by 0.29%, it leads to higher inflation, unemployment and welfare loss. On the other hand, carbon tax and ETS reduces economic growth slightly by about 0.11% but have fewer negative effects on employment and inflation. Additionally, due to Indonesia's political and economic constraints, implementing a carbon tax of $36 per ton of CO2 is identified as the most practical. The author suggested the usage of carbon tax as a better option in the short term compared to ETS due to the lack of necessary institutional infrastructure in Indonesia. Highlighting the importance of policy design and governance when implementing carbon pricing mechanisms in developing economies.

Fakoya, M. B. (2014) analyzed three critical issues that are likely to impact economic growth and unemployment when implementing carbon emissions tax. The author identified that according to the past data, countries that implemented

carbon tax policy had negative net effects on their economy. Anticipating that a carbon tax would increase unemployment and worsen the economic growth rates in South Africa. The author suggests other policy options such as lower capital tax rates and increasing depreciation allowances of carbon-intensive industries to reduce cost of production, or reduce carbon tax on companies which invest on renewable and cleaner energy projects.

Köppl, A., & Schratzenstaller, M. (2023) anticipates the empirical effects on the impact and significance of carbon taxes. The study identified that carbon taxes can be insufficient, leading to negative externalities as one of the main pillars of environmental economics. According to the historical data of country studies and cross-country, carbon tax can be implemented effectively to reduce emissions, while promoting economic growth at the same time. The factor of achieving both environmental effectiveness and economic growth together is the implementation of carbon tax revenues. In addition, there is evidence that environmental taxes and carbon taxes widen the gap of income inequality. The authors suggest the usage of higher carbon tax rates to encourage cleaner environmental technologies and lower carbon emissions. Moreover, to introduce revenue recycling schemes to encourage innovation and employment.

Siswahyudi, D. (2023) investigates the interconnected roles of green energy technologies, carbon finance, carbon tax, and economic growth on environmental outcomes in ASEAN countries. The study highlights how green technologies and carbon finance mechanisms can enhance the effectiveness of environmental policies by improving access to sustainable funding and reducing emissions. It also suggests that carbon tax policies, when implemented alongside green innovation, can support environmental improvements without significantly hindering economic growth. These findings support the idea that carbon taxation can be a viable tool in developing economies, particularly when paired with strategic investments in clean energy solutions. The research underscores the importance of integrated policy design in achieving both economic and environmental objectives.

Yiadom et al. (2024) analyze how carbon tax adoption affects foreign direct investment (FDI) in African countries using a Dynamic Stochastic General Equilibrium (DSGE) model. Their study finds that well-designed carbon tax policies do not necessarily deter FDI and may even support economic growth when coupled with stable regulatory frameworks. The authors emphasize that investor confidence can be maintained if carbon revenues are transparently managed and

reinvested in sustainable infrastructure. These findings highlight the potential of carbon taxes to coexist with economic development objectives in developing nations. This supports the argument that carbon taxes, when strategically implemented, can be an effective tool for climate action without harming economic attractiveness.

Wiyendi et al. (2024) examine the relationship between economic growth, carbon emissions, renewable energy consumption, and ecological patent development across five Southeast Asian countries. Their study finds that higher GDP and renewable energy usage positively influence innovation in ecological technologies, while rising emissions may hinder green patent activity. The authors argue that environmental policy, especially in the form of incentives for innovation, can mediate the trade-off between economic growth and sustainability. This highlights the importance of aligning carbon tax frameworks with innovation policies to stimulate green technological advancement in developing economies. Their findings underscore how carbon regulation can support long-term economic development through environmentally driven innovation.

Naz et al. (2024) explores whether developing countries, particularly those with rapidly expanding economies, can decouple economic growth from carbon emissions in the context of rising global climate concerns. Their research integrates Environmental Kuznets Curve (EKC) analysis to assess if countries can achieve economic expansion without corresponding increases in emissions. Their findings reveal mixed results, suggesting that while some economies show signs of relative decoupling, absolute decoupling remains a challenge without robust policy intervention. The study emphasizes the importance of targeted environmental regulations, such as carbon taxes paired with green innovation to achieve sustainable development. This research reinforces the notion that carbon tax effectiveness depends heavily on broader economic and policy frameworks in developing regions.

Sharif et al. (2023) analyzed the interplay between green technology innovation, economic growth, environmental taxation across ASEAN-6 countries. Their study finds that green investment and technological advancement significantly contribute to clean energy production and improved energy efficiency. By promoting carbon- neutral technologies, environmental taxes can enhance the effectiveness of climate policies without impeding economic development. The paper highlights the synergistic role of innovation and taxation in supporting sustainable growth in developing economies. This supports the argument that

carbon taxes, when aligned with technological innovation, can be a strategic tool for balancing environmental and economic priorities.

Finally, Effendi, Y., & Resosudarmo, B. P. (2024) examine the effectiveness of embarking carbon tax revenues for renewable energy development in East Asian countries. They argue that public concerns about the economic impact of carbon taxes can be mitigated if the revenue is transparently reinvested into clean energy infrastructure. The study identifies recycling mechanisms that enhance the political and economic feasibility of carbon tax implementation. Their findings support the idea that earmarking improves public trust and policy outcomes, making carbon taxation more acceptable in developing economies. This reinforces the role of strategic revenue use in aligning environmental goals with economic growth.

3. Methodology and Data

This study uses a quantitative regression approach to assess the relationship between environmental pollution and economic growth, with a particular focus on developing countries. The objective is to determine whether carbon-related emissions are significantly associated with economic performance, as measured by GDP growth and GDP per capita growth. For instance, four environmental indicators were tested as independent variables: Fossil CO_2 per capita, CO_2 emissions (World Bank), CO_2 emissions (Wikipedia), Greenhouse Gas emissions per capita. Each of these indicators were separately regressed against both measures of economic growth. Data for CO_2 emissions were sourced from the World Bank database and Wikipedia's aggregated statistics for cross-validation. Fossil CO_2 per capita and GHG per capita data were obtained from the Global Carbon Atlas and Our World in Data. GDP-related indicators were retrieved from the World Bank.

The regression results included coefficient, p-value and R^2. The data was drawn from multiple sources and summarized through descriptive summary statistics; mean, median, standard deviation, minimum and maximum values to ensure its robustness. Additionally, a correlation matrix was also analyzed to capture the linear relationships between variables. These methods helped isolate

how pollution per capita is associated with broader macroeconomic trends, particularly in developing world.

This area of study has its limitations. Given that only one time period is taken into consideration for each variable, the analysis may not fully reflect long-term trends or policy effects over time. Moreover, differences in data collection methods and definitions across sources such as, World Bank and Wikipedia CO_2 data may introduce inconsistencies that affect the comparability of results. As such, the findings should be interpreted with caution and considered as part of a broader empirical investigation into environmental-economic linkages.

Table 1. Descriptive Summary Statistics

Variable	Mean	Median	Standard Deviation	Minimum	Maximum
CO_2 (World Bank)	1.347925	0.18	3.646566478	0	30.58
CO_2 (Wikipedia)	0.531214	0.05	2.752740419	0.0002	34
Fossil CO2 per capita	4.59442	2.51	6.968363057	0.05	62.59
GHG per capita	12.14038	8.25	12.87240748	0.8	65.29
GDP Growth (%)	2.908889	2.9	4.276273229	-20.1	33.8
GDP per capita growth	1.724444	1.85	4.485029377	-21.2	33
GDP per capita (US$)	19920.56	6839.7	37254.15339	193	332121.4

Table 1 presents the descriptive Summary Statistics of all variables used in the empirical analysis (N=190)

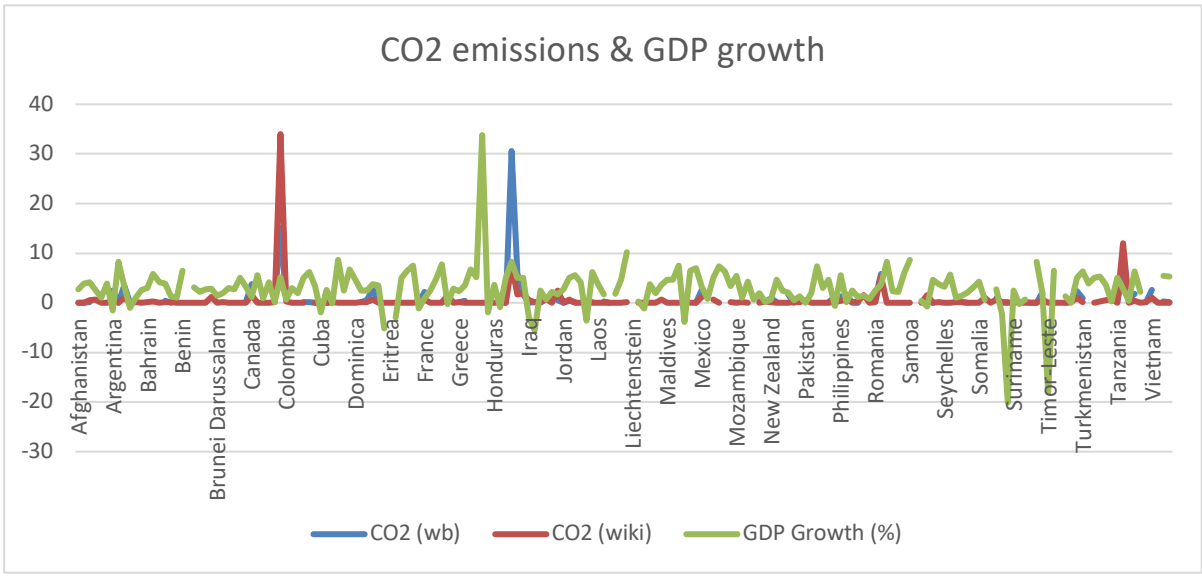

Figure 1: Relationship between CO_2 emissions and GDP growth across 38 countries in 2023

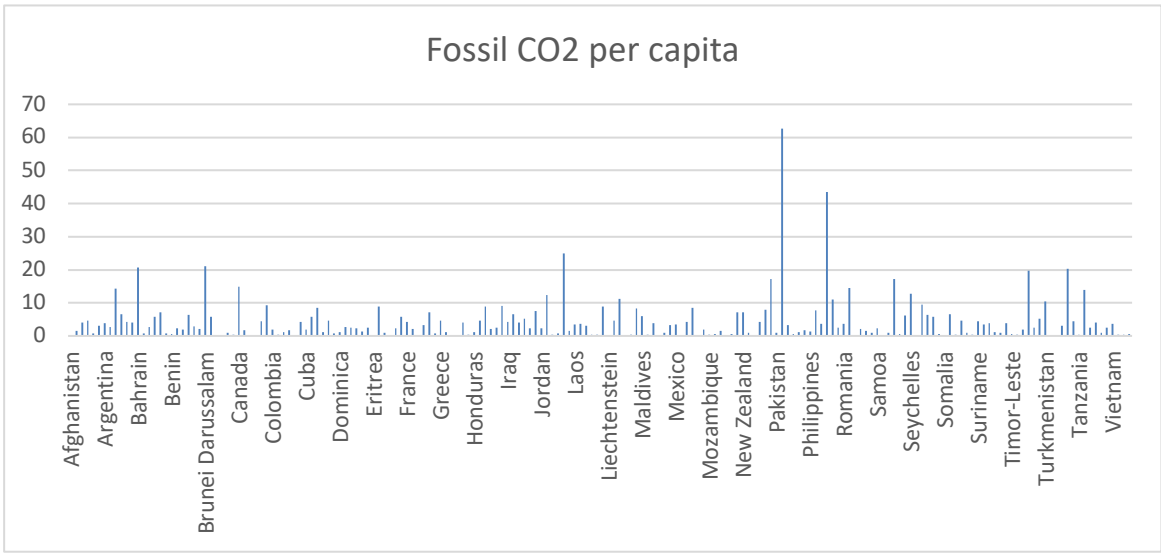

Figure 2: Fossil CO_2 per capita of 38 countries during 2023

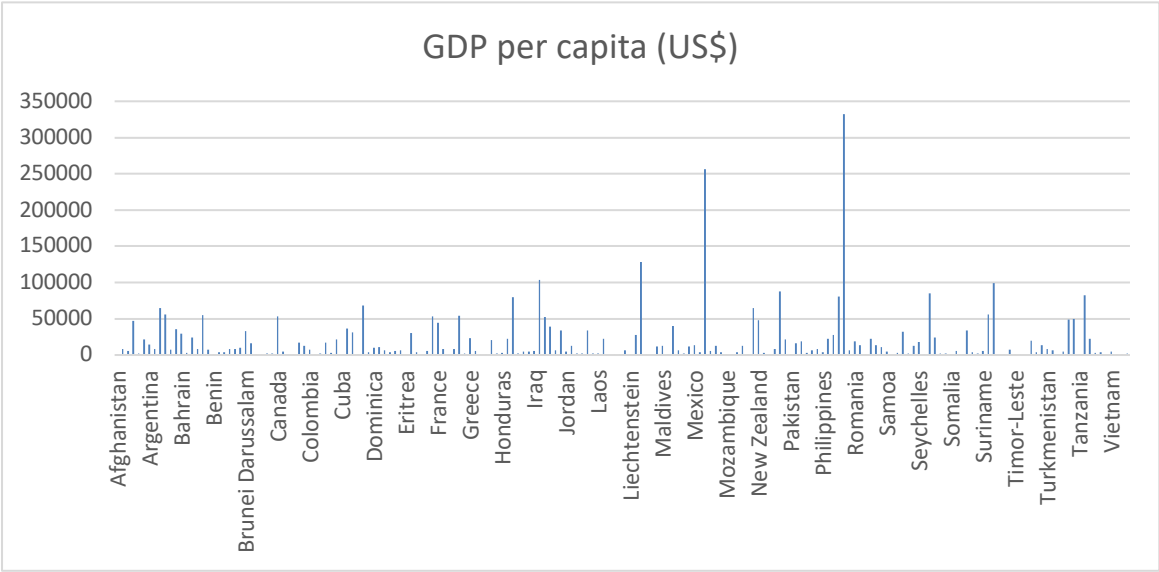

Figure 3: GDP per capita (US$) of 38 countries in 2023

Figures 1, 2 and 3 present illustrations of the three data series used in this paper.

4. Results

Table 2. Correlations Table

	CO_2 (wb)	CO_2 (wiki)	Fossil CO_2 per capita	GHG per capita
Correlation with GDP growth	0.193217	0.0466954	-0.09782217	-0.08405687
Correlation with GDP per capita growth	0.203448	0.0794421	-0.085817579	-0.15696936

Table 2 illustrates correlation relationship between four environmental indicators and economic growth indicators (N=190). These correlations are also visualized in Figure 4.

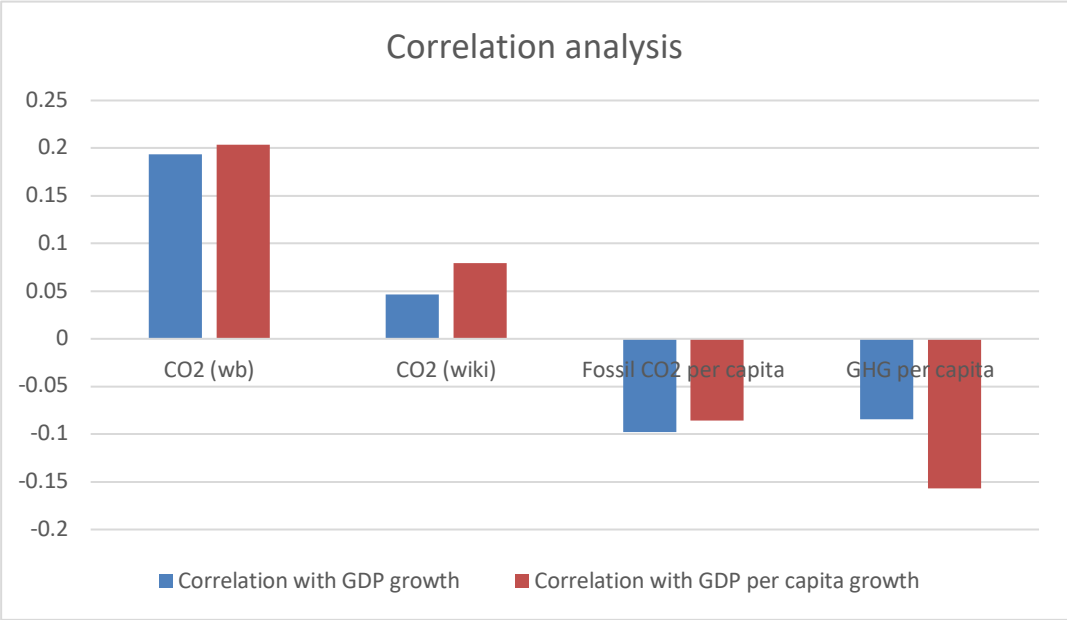

Figure 4: Visual representation of Table 2.

Table 3: Regression analysis

Dependent Variable	Environmental Variable	Coefficient (b)	p-value	R-squared
GDP Growth	Fossil CO_2 per capita	0.316	0.000043	0.297
GDP Growth	CO_2 (World Bank)	0.619	0.0000004	0.416

Dependent Variable	Environmental Variable	Coefficient (b)	p-value	R-squared
GDP Growth	CO_2 (Wikipedia)	0.543	0.0000035	0.364
GDP Growth	GHG per capita	0.224	0.000535	0.223
GDP per capita Growth	Fossil CO_2 per capita	0.295	0.000619	0.219
GDP per capita Growth	CO_2 (World Bank)	0.560	0.0000002	0.384
GDP per capita Growth	CO_2 (Wikipedia)	0.498	0.0000017	0.344
GDP per capita Growth	GHG per capita	0.137	0.0193	0.096

Table 3 shows the regression analysis results showing the statistical relationship between environmental and economic indicators (N=190)

5. Discussion and Conclusion

According to regression analysis, reported in Table 3 there are several key findings. Coefficient (b), indicates the strength and weakness of the relationship between the variable; how much growth increases for each extra unit of pollution. P-value, assesses statistical significance with <0.05 indicating strong evidence. R^2 explains how much of the variation in growth is accounted for by the environmental factor.

The regression analysis reveals statistically positive relationships between pollution and economic growth. All environmental variables showed positive coefficients, the four environmental indicators exhibit positive coefficients when regressed against both GDP growth and GDP per capita growth. Indicating that higher pollution per person tends to be associated with faster economic growth and higher income growth. For instance, CO_2 emissions (World Bank) had the highest predictive power for GDP growth, with a coefficient of 0.619, a p-value of <0.00001, and $R^2 = 0.416$. In addition, CO_2 (Wikipedia) also showed a strong

relationship, b = 0.543, R^2 = 0.364. Moreover, fossil CO_2 per capita had a weaker but still statistically significant relationship, b = 0.316, R^2 = 0.297. Moreover, fossil CO_2 per capita had a weaker but still statistically significant relationship, b=0.316, R^2=0.297.

However, these findings must be interpreted with caution. While the positive coefficients indicate an association, they do not imply causation. The observed relationship is more accurately attributed to the fact that higher-income developing countries undergoing rapid industrialization tend to emit more pollutants due to higher energy consumption, larger manufacturing sectors, and increasing transportation demands. These countries often have broader economic bases, stronger investment in industrial activity, and greater access to infrastructure, all of which contribute to growth and emissions simultaneously.

Also, CO_2 (Worldbank) had the strongest correlations with GDP growth of r = 0.193 and GDP per capita growth r = 0.203. Additionally, GHG per capita showed weak and slightly negative correlations with both growth measures, r = -0.084 and r = -0.157, respectively, aligning with its low explanatory power in the regressions. This emphasize that countries with high GHG emissions are not necessarily the fast-growing economies, or that other structural and policy factors mediate the growth-emission relationship.

Furthermore, while pollution appears correlated with economic growth, correlation does not imply causation. A more accurate interpretation is that higher-income, developing countries tend to pollute more, not necessarily that pollution drives growth. This is mainly due to developed countries with high levels of economic activities, with higher consumption, leading to the increase in investments, causing more factory manufacturing and industrial byproducts. These relationships were statistically significant, but only explain part of the growth story. Other factors like education, political stability, infrastructure, and innovation should also be considered. Furthermore, developed countries invest heavily on research and development, this could foster the development of sustainable technologies, promoting green GDP growth, whereby reducing negative externalities on the environment.

This area of study also has several limitations. Given that analysis is based on cross-sectional data from a single year, it does not capture long-term trends or the dynamic effects of policy implementation over time. Additionally, differences in measurement and data definitions, particularly between sources like

World Bank and Wikipedia, may affect the consistency and comparability of results.

Overall, while the findings confirm a statistically significant association between pollution and economic growth, they underscore the complexity of the relationship. As developing countries continue to grow, careful policy design, such as investing in green technology, adopting progressive carbon taxation, and reinvesting revenues into green infrastructure will be essential to ensure that economic expansion does not come at the expense of environmental sustainability.

Acknowledgments

Special thanks and gratitude to my mentor, Dr. Ceyhun Elgin, Professor at Bogazici University and Lecturer at Columbia University. His valuable feedback and guidance enriched the findings of this study.

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PRINCETONIAN JOURNAL OF SCIENCES

RESEARCH ARTICLE

The Role of News Sentiment on Bitcoin's Realised Volatility

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ABSTRACT

This study examines the relationship between the realized volatility (RV) of Bitcoin and news sentiment. Using intraday closing price data from August 8, 2017, to July 7, 2023, we analyse how news sentiment influences Bitcoins volatility. Regression analysis demonstrates that news sentiment positively and significantly impacts realised volatility. These findings highlight the important role of news in driving cryptocurrency price movements, offering insights for traders, investors, and policymakers, to better understand the unpredictable capital market.

KEYWORDS: Volatility, news sentiment, cryptocurrency.

Introduction

Bitcoin, the most widely traded cryptocurrency, has gained significant attention in the global financial system since 2009. Nakamoto (2008) first described Bitcoin as a peer-to-peer electronic system. Since then, it has grown from a niche technology to a major asset class that draws in a wide spectrum of investors, traders, and institutional participants. However, one of the important characteristics of bitcoin is its extreme price volatility. This volatility poses both risk and opportunity for market participants.

The volatility of bitcoin is influenced by a variety of factors, including market sentiments (Sapkota, 2022)), regulatory changes, macroeconomic conditions (Kristoufek, 2015), technological development, exchange rate, interest rate, and investment behaviour (Ibikunl et al., 2020). Among these factors, news sentiment has gained increasing attention in recent years as a potential determinant of bitcoin volatility (Corbet et al., 2019; Eom et al., 2018; Lee and Jeong, 2023).

Understanding the driver's volatility is crucial for risk arrangement and market efficiency. It has become a significant determinant of cryptocurrency price dynamics. News sentiment can enhance market activity, influence investor sentiment, and cause significant price fluctuation, especially in highly speculated markets such as bitcoin. Previous studies have examined several factors influencing bitcoin volatility; however, the effect of news on intraday price volatility has not been adequately investigated. This study seeks to address this deficiency by investigating the relationship between realised volatility and news sentiment. We aim to provide empirical evidence that sheds light on the role of sentiment-driven volatility in the cryptocurrency market.

This paper is important because it aims to analyse bitcoin volatility and news sentiment. Despite the growing body of literature on bitcoin volatility, the role of news sentiment has not been sufficiently explored. Understanding the determination of the volatility is important for traders, investors, policymakers, and regulators who aim to navigate the challenge posed by price fluctuation. The study seeks to analyse the correlation between news mood and the actual volatility of Bitcoin, utilising intraday closing price data from August 8, 2017, to July 7, 2023.

This study substantially enhances the existing literature on Bitcoin volatility. This study examines the correlation between news sentiment and Bitcoin volatility over a six-year duration, providing enhanced empirical data that supports robust evidence. This research employs intraday data to demonstrate the impact of news sentiment on short-term price volatility. This is beneficial for traders

and investors requiring prompt decision-making in response to market fluctuations. This study enhances existing literature on the cryptocurrency market by illustrating the importance of unconventional factors, such as changing sentiments, that affect price volatility.

Literature review

The volatility of bitcoin and other cryptocurrencies has been a topic of extensive research with scholars investigating the underlying drivers and methodology to model and predict it. Early cornerstone work by Nakamoto (2008) introduced bitcoin as a peer-to-peer electronic cash system that resolved the double spending problems without requiring a trusted intermediary. This makes it possible for Bitcoin to be seen as a risky investment.

Numerous research has investigated the impact of investor mood on bitcoin volatility. Bouoiyour and Selmi (2015) employed GARCH models to illustrate that bitcoin volatility is symmetrically affected by negative shocks, underscoring its nascent status as a financial asset. Cheoljun Eom et al. (2018) similarly discovered that the high volatility of bitcoins is substantially affected by investor attitude, as indicated by Google Trends, implying its speculative character. Kristoufek (2015) demonstrated that the price of bitcoin is affected by basic reasons and investor interest, but it does not serve as a safe haven asset. This discovery underscores the distinctive behavioural dynamics of cryptocurrencies in contrast to conventional financial assets.

Sentiment analysis is a crucial method for predicting future Bitcoin prices. Karaaijeveld and De Smedt (2020) discovered that Twitter emotions might forecast variations in Bitcoin prices. The need for precise sentiment analysis data is shown by the fact that bots made up about 14% of tweets relating to sentiment. Niranjan Sapkota (2022) augmented this research by incorporating positive financial attitudes into volatility models, demonstrating that trust and expectations significantly influenced Bitcoin volatility.

This study underscores the significant influence of emotion on the bitcoin market.

The relationship between news and cryptocurrency volatility has also been extensively studied. Štefan Lyócsa et al. (2020) emphasise that regulatory news and security breaches significantly impact bitcoins volatility, with minimal influence from macroeconomic news. Wang et al. (2022) compare the effect of macroeconomic and technical indicators, concluding that macroeconomic factors are more robust predictors of bitcoin volatility. Lee and Jeong (2023) highlighted that unrelated news increases price volatility, particularly from minor cryptocurrencies, raising concerns about misinformation in the market.

In analysing bitcoin volatility and price dynamics, a range of methodologies have been employed, each providing unique insights into the factors influencing the Bitcoin market. Several studies utilise econometrics models, such as Generalized Autoregressive Conditional Heteroskedasticity (GARCH) models, to capture volatility clustering in Bitcoin price (Bouoiyour et. al., 2015; Tiwari et. al., 2019; Yua et. al., 2019; Angeles et. al., 2021), vector autoregressive (VAR) models to examine the relationship between bitcoin returns and traditional financial market (Charles and Darné, 2019), machine learning techniques (Gurrib et. al., 2022), Granger causality test (Kraaijeveld et. al., 2020), event-study methodologies (Jo et. al., 2020), Panel data analysis (Lee et. al., 2023), stochastic model (Bhatnagar et. al., 2023).

Many variables used in studies examining bitcoin volatility and dynamic focus on investor sentiment (Jo et. al., 2020; Kraaijeveld et. al., 2020; Tiwari et. al., 2019; Sapkota 2022), news-related factors (Ibikunl et. al., 2020, Eom et. al. 2018, Sapkota et. al., 2022) macroeconomic indicators (Lyócsa et. al., 2020; Corbet et. al., 2019; Wang et. al., 2022).

The main findings across various studies on bitcoin price volatility and its determinants highlight the significant impact of both market-specific and external factors.

The comprehensive literature summary table is presented in table 1.

Table 1, the summary of key study on bitcoin volatility and sentiment.

Authors	Year	Variable	Methods	Time periods	Key findings
Sapkota	2022	BTC and Sentiment	HAR-RV	2012-2021	News sentiment affects BTC volatility
Lyócsa et al.	2020	Crypto variables and News	Event study	2013-2018	Hacks and regulation increase volatility
Corbet et al.	2019	Cryptocurrency	Causality	2010-2019	News impact crypto market
Bouoiyour and Selmi	2015	BTC volatility	Garch method	2010-2015	BTC volatility is asymmetric
Bhatnagar et al.	2023	Cryptocurrency	E-Garch model	2019-2022	News impact volatility
Ibikunl et al.	2020	Bitcoin	Google Trends	2018-2019	Investor attention are associated with noise
Jo et al.	2020	Bitcoin and sentiment	Factor model	2010-2018	Returns follow sentiment
Kraaijeveld and De Smedt	2020	Crypto and Twitter	Granger causality test	2017-2018	Twitter sentiment has predictive power
Tiwari et al.	2019	Bitcoin and Litecoin	GARCH vs. SV models	2017-2018	SV-t best for BTC; Garch-t best for LTC

Eom et al.	2018	Bitcoin return; volatility; sentiment	Autoregressive model	2011-2017	BTC volatility is driven by sentiment
Gurrib and Kamalov	2022	BTC	Vector Machine (SVM) model and Linear Discriminant Analysis (LDA)	2016-2021	SVM outperforms LDA
Wang et. al	2022	Volatility and micro economy indicators	Lasso	2011-2021	Macroeconomic factors are stronger predictors of Bitcoin volatility than technical indicator
Lee and Jeong	2023	Cryptocurrency	Panel data	2014-2017	News increases crypto volatility
Kraaijeveld, Smedt	2020	Cryptocurrency	Granger causality	June - August 2018	Twitter sentiment predicts price returns
Yua et. al	2019	Bitcoin price and google trend	GARCH model	2015-2017	Google trends and trading volume help predict Bitcoin volatility
Kristoufek	2015	Bitcoin	Wavelets	April 2014	Bitcoin is

		price, financial stressing index, exchange rate, gold price and search engine	analysis		driven by fundamentals and investor interest but is not a safe-haven asset
Katsiampa	2017	Bitcoin return and volatility	GARCH models	2010-2016	GARCH models capture volatility but miss some shocks
Eom et. al	2019	Bitcoin return, volatility and google trend index	Autoregressive modeling	2011-2017	Bitcoins volatility is driven by investor sentiment
Sapkota	2022	Bitcoin volatility, News sentiment	HAR-RV model	2012-2021	News sentiment impact Bitcoin volatility
Lopez-Cabarcos et. al	2021	Bitcoin volatility, S&P 500 returns, VIX returns, and investor sentiment	GARCH models	2016-2019	Bitcoin can be a safe haven in volatile markets

Empirical Finding

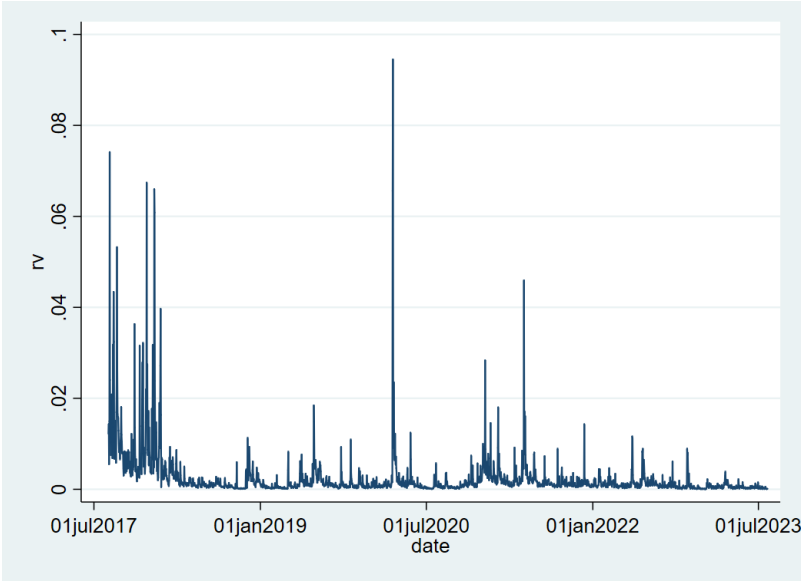
Data

The data consists of intraday data on the closing prices of bitcoin from August 08, 2017, to July 7, 2023.

Intraday returns are typically calculated using log returns between consecutive prices. The formula is $r_t = ln(\frac{p_t}{p_{t-1}}) \times 100$.

Realise volatility is calculated by aggregating the squared intraday returns over given day period.

Figure 1 Realise volatility of bitcoin



The figure 1 above presents the realised volatility dynamics over time

Figure 1 shows how realized volatility (RV) has changed over time from mid-2017 to mid-2023. In the early years particularly in 2017 and 2018, volatility was quite high. This could be due to economic uncertainty, interest rate changes, or global trade tensions affecting financial markets. After this period, volatility gradually decreased. Reaching relatively low levels in 2019. However, in mid-2020, there was a sharp spike in volatility, which likely coincided with the COVID-19 pandemic. The COVID-19 pandemic caused major uncertainty in the

financial market, leading to sudden price fluctuations and increased trading activity. Following this peak, volatility decreased again but remained somehow unstable. Around mid-2022, another increase in volatility is visible, possibly due to rising inflation, the central bank rising interest rates, and geographical issues such as the Russia-Ukraine war. After this volatility slowly declines again, showing more stable market conditions, these changes in volatility can be explained by different factors, including the economic crisis, policy changes, investor sentiment, and global events. When there is more uncertainty in the world, investors react by buying and or selling stocks more aggressively, which increases volatility. On the other hand, when markets are stable and predictable, volatility tends to be lower.

Descriptive statistics

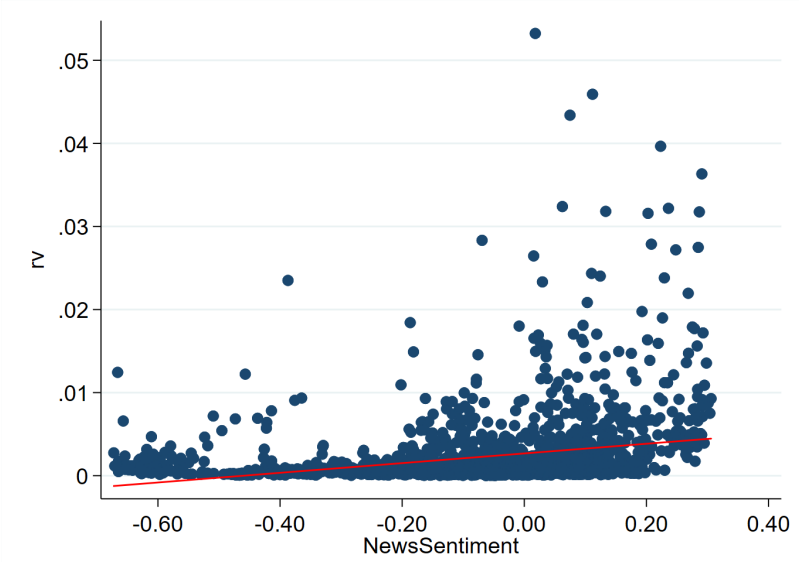
Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Rv	2175	.005	.062	0	1.928
NewsSentiment	2174	-.078	.191	-.672	.306

Table 2. Provides descriptive statistics for realised volatility (RV) and news sentiment. The Realised volatility has 2175 observations with a mean of 0.005 and a standard deviation of 0.062, ranging from a minimum of 0 to a maximum of 1.928. The news sentiment has 2174 observations with a mean of -0.078 and a standard deviation of 0.191, ranging from a minimum of -0.672 to a maximum of 0.306.

Findings

Figure2 Scatter Plot



The Scatter Plot Figure 2 shows the connection between realised volatility (RV) and news sentiment. Realised volatility positively correlates with new sentiment suggesting that more news leads to more realised volatility of bitcoin.

Table 3. Regression Model

	(1)
VARIABLES	rv
NewsSentiment	0.97109***
	(0.3183)
Constant	0.59110***
	(0.1375)
Observations	2,174
R-squared	0.0009

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 3 presents the result of the regression model, where the dependent variable realised the volatility of Bitcoin. If the results are statistically significant at the 1% level we indicated by (***), the 5% level (***), and the 10% level (*). The regression analysis in Table 2 indicates that the new sentiment has a positive and statistically significant impact on realised volatility of bitcoin, with p-values below 0.01, highlighting its robust contribution to realised volatility.

The observed low R-squared value likely reflects financial market volatility's multifactorial and complex nature. While news sentiment is an important driver, volatility is simultaneously affected by a wide range of other factors such as macroeconomic indicators, market microstructure variables, investor behavior, and liquidity conditions — many of which are not included in the current model specification. This resulted in relatively low explanatory power. That's why the new sentiment explains only a small portion of the variation in volatility. Nevertheless, the significant sentiment and volatility remain important findings, highlighting sentiment as one of the contributing factors.

Conclusion

This study presents empirical evidence of positive association between news sentiment and realised the volatility of Bitcoin. Our analysis based on intraday data demonstrates that news sentiment significantly affects the volatility of the bitcoin market price.

The finding of this paper contributes to the growing body of literature on cryptocurrency volatility by emphasising the importance of news sentiments. Understanding how news sentiment impacts volatility is essential for investors to minimise the risk and maximise return in the highly volatile market condition.

Future research could explore the relationship between cryptocurrency volatility and other factors such as trading volume, macroeconomic indicators, or regulatory development to build a more comprehensive model of cryptocurrency price behaviour.

Expanding the analysis to include this variable could help create a more comprehensive model of cryptocurrency model behaviour.

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Appendix 1. Definition of Variables

Variable	**Definition**	**Source**
Realized Volatility (RV)	The realized volatility (RV) defined as a sum of squared intraday returns	https://www.kaggle.com/datasets/mczielinski/bitcoin-historical-data?resource=download
News Sentiment (NS)	News sentiment refers to the overall tone or emotional attitude expressed in news articles or reports.	https://www.frbsf.org/economic-research/publications/economic-letter/2020/april/news-sentiment-time-of-covid-19/ Shapiro, Adam Hale, Moritz Sudhof, and Daniel J. Wilson. 2020. "Measuring News Sentiment." Federal Reserve Bank of San Francisco Working Paper 2017-01. https://doi.org/10.24148/wp2017-01

PRINCETONIAN JOURNAL OF SCIENCES

RESEARCH ARTICLE

Digital Twins for Sustainable Infrastructure Management in Civil Engineering

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DOI: **10.5281/zenodo.15710402**

ABSTRACT

The civil engineering sector faces unprecedented challenges in managing aging infrastructure while meeting sustainability goals and adapting to climate change. Digital twin technology has emerged as a transformative solution, offering real-time monitoring, predictive analytics, and lifecycle optimization capabilities. This paper explores the conceptual framework of digital twins in civil infrastructure management, examining their potential to revolutionize how we design, construct, and maintain the built environment. We synthesize current theoretical foundations, identify key implementation paradigms, and propose a unified framework for sustainable infrastructure management through digital twin adoption. The analysis reveals that while digital twins offer significant opportunities for improving infrastructure resilience and reducing environmental impact, challenges remain in data integration, standardization, and scalability. This conceptual exploration provides a foundation for future research directions and practical implementations in the evolving landscape of smart infrastructure systems.

KEYWORDS: Digital twins, civil infrastructure, sustainability, lifecycle management, smart cities, predictive maintenance

1. Introduction

1.1 Context and Motivation

The global infrastructure sector stands at a critical juncture. With over 97% of existing buildings constructed before modern energy efficiency standards and infrastructure systems approaching or exceeding their design lifespans, the need for innovative management approaches has never been more urgent. Traditional infrastructure management methods, characterized by reactive maintenance and limited real-time visibility, are increasingly inadequate for addressing contemporary challenges including climate change adaptation, resource optimization, and sustainability imperatives.

Digital twin technology represents a paradigm shift in how civil engineers conceptualize and manage infrastructure systems. By creating dynamic, data-driven virtual representations of physical assets, digital twins enable unprecedented levels of insight, prediction, and optimization throughout the infrastructure lifecycle. Digital Twin (DT) technology has the capacity to revolutionise the construction industry across areas including virtual design, project planning and management, asset management and maintenance, safety management, energy efficiency and sustainability, quality control and management, supply chain management and logistics, and structural health monitoring (Omrany et al., 2023).

1.2 Problem Definition

Despite growing interest in digital twin applications, the civil engineering sector faces several fundamental challenges in realizing their full potential:

1. **Fragmentation of approaches**: Current implementations often focus on isolated lifecycle phases rather than holistic, integrated solutions
2. **Data heterogeneity**: Infrastructure systems generate diverse data types from multiple sources, creating integration challenges
3. **Scalability limitations**: Transitioning from pilot projects to city-wide or network-level implementations remains problematic
4. **Sustainability integration**: Aligning digital twin capabilities with sustainability objectives requires new conceptual frameworks

1.3 Research Questions

This paper addresses the following key questions:

- How can digital twins be conceptualized as enablers of sustainable infrastructure management?
- What are the essential components and relationships within a comprehensive digital twin framework for civil infrastructure?
- What theoretical foundations support the integration of sustainability principles into digital twin architectures?
- How can the civil engineering sector overcome current barriers to achieve scalable, impactful implementations?

1.4 Paper Objectives

The primary objectives of this conceptual exploration are to:

1. Synthesize current understanding of digital twins in civil engineering contexts
2. Develop a unified conceptual framework linking digital twins to sustainable infrastructure outcomes
3. Identify critical success factors and implementation considerations
4. Propose future research directions that address current limitations

1.5 Organization of the Paper

Following this introduction, Section 2 provides background on digital twin evolution and current applications in civil engineering. Section 3 presents our proposed conceptual framework. Section 4 analyzes implementation challenges and opportunities. Section 5 explores future directions, and Section 6 concludes with key insights and recommendations.

2. Background and Literature Review

2.1 Historical Context and Evolution

The concept of digital twins originated in the aerospace and manufacturing sectors, where the need for precise monitoring and predictive maintenance of complex systems drove early innovations. The theoretical foundations can be traced

to Product Lifecycle Management (PLM) concepts introduced in 2002, which envisioned dynamic representations linking physical and virtual systems throughout their operational lives.

In civil engineering, the adoption trajectory has been markedly different. Unlike manufacturing's controlled environments and standardized processes, civil infrastructure operates in diverse, uncontrolled conditions with assets often spanning decades or centuries. The Architecture, Engineering and Construction (AEC) sector's actual application of Digital Twins is still largely at the prototype stage, with industry and academia currently reconciling many competing definitions and unclear processes for developing DTs (Pregnolato et al., 2022).

2.2 Current State of Digital Twin Applications

Recent advances in sensor technology, Internet of Things (IoT) connectivity, and cloud computing have accelerated digital twin adoption in civil engineering. Current applications span multiple domains:

Structural Health Monitoring: Digital twins enable continuous assessment of structural integrity through integrated sensor networks. By analyzing vibration patterns, temperature variations, and material degradation indicators, engineers can identify potential issues before they become critical failures.

Urban Infrastructure Management: Cities are implementing digital twin platforms to optimize traffic flows, energy consumption, and emergency response. Digital twins allow engineers to simulate 'what if' scenarios, such as the effect of installing traffic signals in specific areas, enabling informed decision-making before physical implementation (Georgia Tech News Center, 2024).

Sustainable Building Operations: Building digital twins integrate BIM models with real-time operational data to optimize energy performance, indoor environmental quality, and maintenance schedules. This integration supports the transition toward net-zero carbon buildings by enabling data-driven optimization strategies.

2.3 Theoretical Foundations

The conceptual underpinnings of digital twins in civil engineering draw from multiple theoretical domains:

Systems Theory: Infrastructure assets are conceptualized as complex adaptive systems with emergent properties arising from component interactions. Digital twins provide the computational framework to model these interactions and predict system-level behaviors.

Lifecycle Assessment Theory: Digital twins enable comprehensive tracking of environmental impacts throughout infrastructure lifecycles, from material extraction through decommissioning. This aligns with circular economy principles and supports evidence-based sustainability decisions.

Predictive Analytics Theory: Machine learning algorithms applied to digital twin data enable the transition from reactive to predictive maintenance paradigms. Pattern recognition and anomaly detection capabilities support risk-based asset management strategies.

2.4 Research Gaps and Opportunities

Despite growing interest and investment, significant gaps remain in digital twin research for civil infrastructure:

1. **Interoperability Standards**: The lack of unified data standards hampers integration across different systems and stakeholders
2. **Scalability Frameworks**: Methods for scaling from individual assets to network-level implementations remain underdeveloped
3. **Value Quantification**: Robust methodologies for assessing digital twin return on investment in infrastructure contexts are needed
4. **Sustainability Metrics**: Integration of comprehensive sustainability indicators into digital twin architectures requires further development

These gaps highlight the need for conceptual frameworks that address both technical and organizational dimensions of digital twin implementation in pursuit of sustainable infrastructure outcomes.

3. Conceptual Framework

3.1 Foundation Principles

The development of a comprehensive digital twin framework for sustainable infrastructure management requires a synthesis of technological capabilities, organizational processes, and sustainability objectives. At its core, this framework must address the fundamental challenge of creating dynamic, bidirectional connections between physical infrastructure assets and their virtual representations while embedding sustainability considerations throughout the system architecture. The framework proposed here builds upon established digital twin principles while introducing novel elements specific to civil infrastructure contexts and sustainability imperatives.

The conceptual foundation rests on three interconnected pillars that collectively enable sustainable infrastructure management through digital twin technology. The first pillar encompasses data integration and interoperability, addressing the heterogeneous nature of infrastructure data sources ranging from IoT sensors and satellite imagery to maintenance records and user feedback. The second pillar focuses on predictive analytics and decision support, leveraging machine learning algorithms to transform raw data into actionable insights for proactive management. The third pillar embeds sustainability metrics and lifecycle thinking, ensuring that environmental, social, and economic considerations inform all aspects of infrastructure management decisions.

3.2 Core Components and Architecture

The proposed framework architecture comprises five hierarchical layers that work synergistically to deliver comprehensive digital twin functionality. At the foundation lies the Physical-Digital Interface Layer, which manages the bidirectional flow of information between infrastructure assets and their digital representations. This layer incorporates edge computing capabilities to process time-sensitive data locally while transmitting aggregated information to cloud-based systems for deeper analysis. The interface layer must accommodate diverse data acquisition methods, from traditional instrumentation to emerging technologies such as drone-based photogrammetry and crowdsourced mobile sensing.

Above this foundation, the Data Integration and Management Layer addresses the critical challenge of harmonizing disparate data streams into coherent, analy-

sis-ready formats. This layer implements semantic data models based on industry standards while maintaining flexibility to incorporate emerging data types and sources. The integration layer employs distributed ledger technologies to ensure data provenance and integrity, particularly important when multiple stakeholders contribute to and consume infrastructure data. Advanced data fusion algorithms reconcile conflicting information from different sources, providing confidence metrics that inform subsequent analysis and decision-making processes.

The Computational Modeling Layer represents the analytical core of the framework, hosting physics-based simulations, machine learning models, and hybrid approaches that combine domain knowledge with data-driven insights. This layer enables multi-scale modeling, from material degradation at the component level to network-wide traffic flow optimization. The modeling layer incorporates uncertainty quantification methods to communicate the reliability of predictions, essential for risk-informed decision-making in infrastructure management contexts.

3.3 Sustainability Integration Mechanisms

Sustainability considerations permeate all framework layers through explicit integration mechanisms that ensure environmental, social, and economic impacts inform infrastructure management decisions. The framework embeds lifecycle assessment methodologies within the computational modeling layer, enabling real-time calculation of carbon footprints, embodied energy, and other environmental indicators. These calculations account for both operational impacts and the environmental costs of maintenance, repair, and eventual replacement activities.

Social sustainability metrics capture infrastructure performance from user perspectives, incorporating accessibility, equity, and quality of service considerations. The framework integrates participatory sensing approaches that enable citizens to report infrastructure conditions and service quality, creating feedback loops that enhance system responsiveness to community needs. Economic sustainability analysis extends beyond traditional cost calculations to include externalities, resilience benefits, and the value of ecosystem services provided by green infrastructure components.

The framework operationalizes circular economy principles through material tracking and waste minimization features. Digital twins maintain detailed records of material compositions, enabling optimized recycling and reuse strategies at end-of-life. Predictive maintenance algorithms explicitly consider the environmental trade-offs between extending asset life through repairs versus replacement with more efficient technologies, supporting evidence-based sustainability decisions.

3.4 Implementation Pathways and Maturity Levels

Recognizing that organizations possess varying levels of digital maturity and resources, the framework defines progressive implementation pathways that enable incremental adoption while maintaining compatibility with advanced capabilities. The Digital Twin Consortium's Platform Stack Architectural Framework (PSAF) provides guidance on critical components, identifying primary layers including IT/OT infrastructure, virtual representation, integration and synchronization services, followed by application layers for insights (McKee, 2023).

The initial implementation level focuses on establishing basic digital representations and data collection infrastructure, providing immediate value through improved asset visibility and condition monitoring. Organizations at this level benefit from centralized data management and basic analytical capabilities without requiring extensive computational resources or specialized expertise. The framework ensures that investments at this foundational level remain valuable as organizations progress to more sophisticated implementations.

Intermediate implementation levels introduce predictive analytics and automated decision support, requiring greater computational resources and analytical expertise. Organizations at this level leverage machine learning models trained on historical data to anticipate maintenance needs, optimize resource allocation, and identify efficiency improvement opportunities. The framework provides pre-configured model templates and validation procedures to accelerate deployment while ensuring analytical rigor.

Advanced implementation levels achieve full bidirectional integration between physical and digital systems, enabling autonomous optimization and adaptive management strategies. At this level, digital twins actively control infrastructure

operations within defined parameters, continuously learning from outcomes to improve future performance. The framework incorporates safeguards and human oversight mechanisms to ensure that automated decisions align with broader organizational objectives and stakeholder values.

3.5 Stakeholder Engagement and Governance

Successful digital twin implementation requires careful attention to stakeholder engagement and governance structures that balance technological capabilities with organizational and social considerations. The framework establishes clear roles and responsibilities for data ownership, access rights, and decision authorities across the infrastructure lifecycle. Multi-stakeholder governance models accommodate the complex ownership and operational arrangements common in civil infrastructure, from public-private partnerships to multi-jurisdictional assets.

The framework incorporates transparency and explainability features that enable stakeholders to understand how digital twin insights are generated and decisions are made. Visual analytics interfaces present complex analytical results in accessible formats, supporting informed participation by non-technical stakeholders. Audit trails maintain records of all significant decisions and their underlying rationales, supporting accountability and continuous improvement processes.

Privacy and security considerations receive explicit attention through the implementation of zero-trust architectures and differential privacy techniques. The framework ensures that sensitive infrastructure data remains protected while enabling authorized access for legitimate purposes. Federated learning approaches enable organizations to benefit from collective insights without sharing raw data, particularly valuable for benchmarking and best practice identification across jurisdictions.

4. Analysis and Discussion

4.1 Implementation Challenges

The transition from conceptual frameworks to operational digital twin systems in civil infrastructure faces multifaceted challenges that span technical, organizational, and societal dimensions. Technical barriers represent perhaps the most immediate obstacles, with data quality and integration emerging as primary concerns. The construction industry's fragmented nature, characterized by multiple stakeholders using disparate systems and standards, creates significant interoperability challenges. Current digital twin applications face challenges such as poor data quality, the inability to harmonize types that are difficult to integrate, and insufficient data security (Yang et al., 2024). These technical hurdles are compounded by the heterogeneous nature of infrastructure data, which ranges from structured sensor readings to unstructured inspection reports and historical documentation spanning decades.

The scalability challenge presents another critical barrier to widespread digital twin adoption. While pilot projects demonstrate compelling benefits for individual assets or small networks, scaling to city-wide or national infrastructure systems introduces exponential complexity. The computational requirements for real-time processing of massive data streams, coupled with the need for distributed computing architectures, strain existing information technology infrastructures. Moreover, the long lifecycles of civil infrastructure assets mean that digital twins must accommodate legacy systems while remaining flexible enough to incorporate emerging technologies over decades of operation.

Organizational resistance to change represents a significant non-technical barrier that often proves more challenging to overcome than technological limitations. The construction industry has traditionally been slow to adopt digital technology, resulting in inefficient workflows, frequent cost overruns, and delays (Moshood et al., 2024). This conservative culture, rooted in risk aversion and established practices, creates institutional inertia that impedes digital transformation efforts. Middle management, accustomed to traditional decision-making processes, may perceive digital twins as threats to their expertise and authority rather than tools for enhanced decision-making.

4.2 Economic Considerations

The economic implications of digital twin implementation in civil infrastructure extend beyond simple cost-benefit calculations to encompass broader value cre-

ation mechanisms and financial sustainability models. Initial investment requirements for digital twin systems can be substantial, encompassing not only technology infrastructure but also organizational transformation costs, workforce training, and process redesign. Construction firms report that cost pressures, lack of models and data, and uncertain economic returns represent top barriers to digital twin adoption (Zhu et al., 2024). These upfront costs must be weighed against long-term benefits that often accrue to different stakeholders than those bearing initial expenses, creating misaligned incentives that complicate investment decisions.

Value quantification challenges further complicate economic justifications for digital twin investments. While operational efficiencies and predictive maintenance benefits can be measured relatively directly, broader societal benefits such as improved resilience, enhanced safety, and environmental sustainability prove harder to monetize. Traditional infrastructure investment models, based on capital expenditure and depreciation schedules, struggle to capture the dynamic value creation potential of digital twins. New financial instruments and public-private partnership models that recognize the long-term value of data and predictive capabilities are needed to align investment incentives with societal benefits.

The emergence of digital twin-as-a-service business models offers potential solutions to address high entry barriers and distribute costs across multiple stakeholders. These models enable smaller organizations to access sophisticated digital twin capabilities without massive upfront investments, democratizing access to advanced infrastructure management tools. However, questions remain about data ownership, liability allocation, and value distribution in such shared service models. The development of equitable pricing mechanisms that reflect both immediate operational benefits and long-term strategic value remains an active area of innovation.

4.3 Comparative Analysis with Other Industries

Examining digital twin adoption patterns across industries reveals valuable insights for accelerating implementation in civil infrastructure contexts. The manufacturing sector, where digital twin concepts originated, benefits from controlled environments, standardized processes, and shorter product lifecycles that

facilitate rapid iteration and refinement. Manufacturing digital twins typically focus on optimizing production processes and product quality within well-defined parameters, enabling clear return on investment calculations and straightforward implementation pathways.

In contrast, the aerospace industry's approach to digital twins emphasizes reliability, safety, and lifecycle management over decades-long asset operations. This sector's rigorous certification requirements and emphasis on predictive maintenance align closely with civil infrastructure needs, offering transferable lessons. The aerospace industry's success in developing digital twins for individual aircraft that accumulate operational data throughout their service lives provides a model for infrastructure asset management, though the scale and environmental exposure of civil infrastructure present unique challenges.

The energy sector's experience with digital twins for power generation and distribution networks offers particularly relevant insights for civil infrastructure. Like transportation and water systems, energy networks comprise distributed assets operating under varying conditions with complex interdependencies. The sector's progress in developing digital twins for grid optimization, renewable energy integration, and demand response demonstrates the feasibility of large-scale implementations. However, the energy sector benefits from more standardized components and clearer performance metrics than the diverse asset types found in civil infrastructure portfolios.

4.4 Technological Enablers and Constraints

The rapid evolution of enabling technologies creates both opportunities and challenges for digital twin implementation in civil infrastructure. Advances in Internet of Things sensors, edge computing, and 5G connectivity dramatically expand data collection capabilities while reducing costs. These technologies enable dense sensor networks that capture previously unmeasurable infrastructure behaviors, from micro-crack propagation in concrete to real-time traffic flow dynamics. However, the proliferation of connected devices also introduces cybersecurity vulnerabilities that must be addressed through robust security architectures and continuous monitoring.

Artificial intelligence and machine learning capabilities represent transformative enablers for digital twin functionality, particularly in pattern recognition and predictive analytics. These technologies excel at identifying subtle correlations in massive datasets that human analysts might miss, enabling early detection of deterioration patterns and optimization of maintenance interventions. Yet the "black box" nature of many machine learning algorithms raises concerns about explainability and accountability in critical infrastructure decisions. Developing interpretable AI models that provide transparent reasoning for their recommendations remains essential for building stakeholder trust and meeting regulatory requirements.

Cloud computing platforms provide the scalable computational infrastructure necessary for digital twin operations, but their centralized architectures may not suit all infrastructure applications. Latency requirements for real-time control applications, data sovereignty concerns, and resilience considerations drive interest in hybrid architectures that balance cloud capabilities with edge processing. The evolution toward federated digital twin architectures, where multiple autonomous systems collaborate while maintaining local control, offers promising solutions but requires new standards for interoperability and data exchange.

4.5 Societal Implications and Governance

The widespread deployment of digital twins for civil infrastructure carries profound implications for privacy, equity, and democratic governance of public assets. Infrastructure digital twins necessarily collect vast amounts of data about citizen movements, behaviors, and interactions with the built environment. While this data enables optimization of services and improved quality of life, it also raises legitimate concerns about surveillance and privacy erosion. Developing governance frameworks that balance operational benefits with privacy protection requires careful consideration of data minimization principles, purpose limitations, and citizen consent mechanisms.

Equity considerations emerge as critical factors in digital twin deployment strategies. The risk of creating "digital divides" where well-resourced communities benefit from advanced infrastructure management while underserved areas lag behind demands proactive attention. Digital twin implementations must expli-

citly consider distributional impacts and incorporate mechanisms to ensure equitable service delivery. This includes not only geographic equity but also accessibility for diverse user groups, including elderly populations, people with disabilities, and those with limited digital literacy.

The democratization of infrastructure data through digital twins creates opportunities for enhanced citizen engagement and participatory governance. Open data initiatives that provide public access to infrastructure performance metrics can increase transparency and accountability while enabling innovation by third-party developers. However, balancing openness with security concerns requires sophisticated access control mechanisms and careful consideration of which data can be safely shared. The development of "citizen science" applications that enable public contributions to infrastructure monitoring represents promising directions for enhancing both data coverage and civic engagement.

5. Future Directions

5.1 Emerging Technologies and Convergence

The future evolution of digital twins in civil infrastructure will be shaped by the convergence of multiple emerging technologies that promise to address current limitations while opening new possibilities. Quantum computing, though still in early stages, offers potential breakthroughs in optimization problems that are computationally intractable with classical computers. Applications such as traffic flow optimization across entire metropolitan areas or real-time structural analysis of complex infrastructure systems could benefit from quantum algorithms once the technology matures. The construction industry's growing focus on technology adoption, with firms reporting that cutting-edge tools help recruit talent and improve safety and productivity, creates favorable conditions for embracing such emerging technologies (Deloitte, 2024).

The integration of augmented reality (AR) and virtual reality (VR) technologies with digital twins promises to transform how engineers and operators interact with infrastructure systems. Immersive visualization enables intuitive understanding of complex data relationships and supports more effective decision-making. Field workers equipped with AR devices can access real-time digital twin insights overlaid on physical infrastructure, enhancing maintenance efficiency and safety. The development of haptic feedback systems further extends possibilities

for remote operation and training applications, particularly valuable for hazardous or difficult-to-access infrastructure components.

Blockchain and distributed ledger technologies offer solutions to several current digital twin challenges, particularly around data provenance, multi-party collaboration, and transaction transparency. Smart contracts can automate maintenance workflows and payment processes based on digital twin-verified performance metrics. Distributed ledgers provide immutable audit trails for infrastructure modifications and decisions, enhancing accountability and supporting forensic analysis when failures occur. The integration of tokenization mechanisms could enable new financing models where infrastructure performance directly links to investment returns.

5.2 Standardization and Interoperability

The establishment of comprehensive standards for digital twin development and operation represents a critical prerequisite for industry-wide adoption and interoperability. Current fragmentation in data formats, communication protocols, and modeling approaches creates silos that limit value realization and increase implementation costs. International standardization bodies must collaborate with industry stakeholders to develop open standards that accommodate diverse use cases while ensuring compatibility. These standards must address not only technical specifications but also semantic interoperability to enable meaningful data exchange across systems and organizations.

The evolution toward federated digital twin architectures requires new frameworks for distributed governance and coordination. Unlike centralized systems where a single authority controls all aspects, federated approaches must reconcile potentially conflicting objectives and protocols across autonomous participants. Developing consensus mechanisms that enable collaborative decision-making while preserving local autonomy presents both technical and organizational challenges. Lessons from distributed computing and federal governance systems offer starting points, but the unique characteristics of infrastructure systems require tailored solutions.

Certification and validation frameworks for digital twins will become increasingly important as these systems assume critical roles in infrastructure management. Establishing trust in digital twin predictions and recommendations requires rigorous verification processes that validate both component technologies and integrated system behaviors. The development of "digital twin assurance" as a professional discipline, analogous to current roles in structural engineering certification or safety auditing, will provide necessary quality controls. These frameworks must evolve continuously to accommodate technological advances while maintaining appropriate safety margins.

5.3 Research Priorities and Innovation Pathways

Future research must address fundamental questions about the theoretical foundations and practical limitations of digital twins in infrastructure contexts. Understanding the conditions under which digital twin predictions diverge from physical reality, and developing methods to detect and correct such divergences, remains a critical research priority. This includes investigating the propagation of uncertainties through complex models and developing robust methods for confidence quantification that decision-makers can interpret and act upon.

The integration of sustainability metrics and circular economy principles into digital twin architectures requires interdisciplinary research spanning engineering, environmental science, economics, and social sciences. Developing comprehensive lifecycle assessment capabilities that account for embodied carbon, ecosystem services, and social impacts throughout infrastructure lifecycles represents a complex challenge requiring new methodological approaches. Research into dynamic sustainability optimization, where digital twins continuously balance multiple objectives including environmental, social, and economic factors, could enable truly sustainable infrastructure management.

Human factors research focusing on the interaction between infrastructure operators and digital twin systems deserves increased attention. Understanding how to design interfaces that augment human expertise rather than replacing it, and developing training approaches that build appropriate trust in digital twin recommendations, will prove essential for successful implementations. Research into cognitive load management, decision support under uncertainty, and human-AI collaboration in infrastructure contexts can draw from other domains while addressing unique sector requirements.

5.4 Policy and Regulatory Evolution

The regulatory landscape must evolve to accommodate and encourage responsible digital twin adoption while protecting public interests. Current infrastructure regulations, developed for physical assets and traditional management approaches, often inadvertently create barriers to digital innovation. Regulatory sandboxes that allow controlled experimentation with digital twin applications could accelerate learning while managing risks. Policy frameworks must balance innovation encouragement with appropriate safeguards for safety, privacy, and equity.

Public procurement policies represent powerful levers for driving digital twin adoption across publicly owned infrastructure. Incorporating digital twin requirements into infrastructure project specifications can create market demand that justifies private sector investments. However, such requirements must be carefully designed to avoid creating barriers for smaller firms or perpetuating vendor lock-in. Open standards requirements and phased implementation approaches can help ensure competitive markets while advancing technological capabilities.

International cooperation on digital twin standards and practices becomes increasingly important as infrastructure systems transcend national boundaries. Transportation networks, energy grids, and water systems often span multiple jurisdictions, requiring coordinated approaches to digital twin implementation. Developing international frameworks for data sharing, cybersecurity, and interoperability will facilitate cross-border infrastructure optimization while respecting sovereignty concerns. Organizations such as the International Organization for Standardization (ISO) and the Digital Twin Consortium provide forums for such collaboration, but sustained governmental support remains essential.

6. Conclusions

6.1 Key Insights and Contributions

This comprehensive exploration of digital twins for sustainable infrastructure management in civil engineering has revealed both tremendous potential and significant challenges facing the sector. The conceptual framework developed in this paper provides a structured approach for understanding how digital twin

technologies can transform infrastructure management while explicitly incorporating sustainability considerations throughout the system architecture. By synthesizing technological capabilities with organizational processes and sustainability objectives, the framework offers a roadmap for practitioners seeking to implement digital twins in complex infrastructure contexts.

The analysis reveals that successful digital twin implementation requires far more than technological deployment; it demands fundamental shifts in organizational culture, business models, and stakeholder relationships. The construction industry's traditional conservatism, while serving important risk management functions, must evolve to embrace data-driven decision-making and continuous innovation. The economic analysis demonstrates that while initial investments may be substantial, the long-term value creation potential of digital twins extends far beyond operational efficiencies to encompass enhanced resilience, improved safety, and reduced environmental impacts.

The comparative analysis across industries highlights that while civil infrastructure can learn from manufacturing, aerospace, and energy sectors, the unique characteristics of infrastructure assets require tailored approaches. The scale, longevity, and public nature of civil infrastructure create distinct challenges that cannot be addressed simply by transferring solutions from other domains. Instead, the infrastructure sector must chart its own path, drawing insights from others while developing innovations suited to its specific needs.

6.2 Implications for Practice

For infrastructure owners and operators, this analysis underscores the importance of developing comprehensive digital transformation strategies that extend beyond technology adoption to encompass organizational change management. Starting with pilot projects that demonstrate clear value while building organizational capabilities provides a pragmatic pathway toward broader implementation. The maturity model presented in the conceptual framework enables organizations to assess their current state and plan progression toward more sophisticated digital twin capabilities.

Engineering professionals must prepare for fundamental changes in their roles and required competencies. While traditional engineering skills remain essential, the ability to work with data analytics, machine learning, and complex systems

modeling becomes increasingly important. Educational institutions must evolve curricula to prepare future engineers for careers where physical and digital domains seamlessly integrate. Continuing education programs for current professionals can help bridge skill gaps and ensure the workforce remains relevant in an increasingly digital industry.

Technology providers and consultants serving the infrastructure sector should focus on developing solutions that address the specific challenges identified in this analysis. Rather than attempting to force-fit solutions from other industries, successful providers will develop platforms that accommodate the long lifecycles, diverse stakeholder needs, and sustainability requirements unique to civil infrastructure. Open architectures that avoid vendor lock-in while enabling integration with existing systems will prove most valuable for infrastructure owners managing diverse asset portfolios.

6.3 Future Outlook

The trajectory of digital twin adoption in civil infrastructure appears irreversible, driven by mounting infrastructure challenges, technological advances, and evolving stakeholder expectations. Within the next decade, we anticipate digital twins becoming standard practice for major infrastructure projects and asset management programs. However, the path toward this future remains uncertain, with multiple possible scenarios depending on how current challenges are addressed.

The optimistic scenario envisions rapid standardization enabling seamless interoperability, dramatic cost reductions through economies of scale, and widespread benefits including enhanced sustainability and improved quality of life. In this future, digital twins enable infrastructure systems that autonomously optimize performance while adapting to changing conditions and user needs. Citizens interact seamlessly with infrastructure services that anticipate and meet their needs while minimizing environmental impacts.

A more cautious scenario acknowledges persistent challenges in standardization, continued resistance to organizational change, and uneven adoption creating digital divides. In this future, digital twins deliver value in pockets of excellence while broader transformation remains elusive. The risk of technological lock-in

and widening inequalities between digitally advanced and lagging regions requires careful policy attention to ensure equitable outcomes.

6.4 Final Reflections

The digital twin revolution in civil infrastructure represents both tremendous opportunity and significant responsibility. As stewards of society's foundational systems, civil engineers must thoughtfully navigate the transformation ahead, ensuring that technological capabilities serve broader societal objectives. The integration of sustainability principles throughout digital twin architectures, as advocated in this paper, provides a framework for ensuring that efficiency gains translate into genuine progress toward a more sustainable future.

The success of digital twins in civil infrastructure ultimately depends not on technology alone but on our collective ability to reimagine how we design, build, operate, and govern the built environment. This requires collaboration across disciplines, sectors, and stakeholder groups to create shared visions and aligned incentives. The framework and analysis presented in this paper provide a foundation for such collaboration, but sustained effort from all participants will determine whether the potential of digital twins translates into tangible benefits for society and the environment.

As we stand at this inflection point in infrastructure management, the choices made today will reverberate for decades through the long-lived assets that define our cities and communities. By embracing digital twin technologies while carefully managing their implementation to ensure equitable and sustainable outcomes, the civil engineering profession can lead transformation that enhances both human welfare and environmental stewardship. The journey ahead promises to be challenging but ultimately rewarding for those willing to embrace change while staying true to the fundamental mission of civil engineering: creating infrastructure that serves society's needs today and for generations to come.

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