



“The Effects of Environmental Regulation on Industrial Pollution and Industrial Activities: Evidence from China”

(in English)



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Venue: WYL314, Dorothy Y. L. Wong Building

Biography:

Prof. Liangliang Jiang is Assistant Professor at the Department of Economics of Lingnan University. She received his PhD in Economics from the University of Florida, USA, in August 2009. Her research interest includes banking and financial institutions, economics of regulation and corruption, environmental economics, and development economics.

Abstract:

Realizing the serious environmental problems caused by rapid industrialization, many developing countries have implemented pollution regulations in recent years. However, the socioeconomic effects of these policies have been relatively less studied. Using a natural experiment based on a national policy regulating sulfur dioxide (SO₂) emissions implemented in China since 1998, this study examines the policy's effects on SO₂ emissions and industrial activities in Chinese municipalities. Employing a difference-in-differences approach, we compare the outcomes for municipalities classified as regulated zones (the treatment group) to municipalities not classified as regulated zones (the comparison group), before and after the policy took effect. We find that the policy reduced industrial SO₂ emissions by about 20 percent, with the reduction mostly realized in the policy's later stages. We also find that SO₂ emissions in a municipality increase if more of its neighbor municipalities are regulated, which suggests potential relocation of polluting firms from regulated areas to nearby unregulated places. While there are few significant effects on the industrial activities of domestic firms, we find that the policy negatively affected the activities of private firms (in terms of total output, value added, and TFP) and positively impacted collective firms (in terms of TFP) in heavy-pollution industries.

All Are Welcome

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