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DOES STRENGTHENED ENVIRONMENTAL-LAW ENFORCEMENT IMPROVE GOVERNANCE EFFICIENCY? CAUSAL EVIDENCE FROM CHINA

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Abstract

Although China has made remarkable strides in environmental governance, persistent inefficiencies within the regulatory system continue to undermine its effectiveness. This study aims to explore how strengthened environmental-law enforcement improve the efficiency of local environmental governance. First, we employ the non-desirable-output Slacks-Based Measure (SBM) model to measure city-level environmental governance efficiency. Then, exploiting the exogenous rollout of environmental courts as a quasi-natural experiment, we employ the Difference-in-Differences (DID) approach to assess its causal effects. Our findings demonstrate that strengthened environmental-law enforcement significantly enhances local environmental governance efficiency. Mechanism analysis reveals three key pathways: (1) enhanced environmental justice efficiency, (2) reduced local government interference, and (3) elevated public attention in environmental protection. Furthermore, the effect is more pronounced in cities facing greater environmental governance pressure and lower environmental information transparency. These findings not only provide empirical evidence on the effectiveness of judicial reform in environmental governance, but also demonstrate that strengthening legal enforcement—through institutional innovations like specialized courts—is a viable pathway to overcoming governance inefficiency in developing countries.

Key words: environmental governance efficiency, environmental court, judicial efficiency, government interference, public attention

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