Environmental Engineering and Management Journal

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
http://www.eemj.icpm.tuiasi.ro/; http://www.eemj.eu

"Gheorghe Asachi" Technical University of Iasi, Romania

STRICTER BUT MORE SYMBOLIC? RETHINKING ENVIRONMENTAL GOVERNANCE AND GREENWASHING IN CHINA'S LOW-CARBON TRANSITION

Dan Wang[1], Jian Hu[2], Shenglin Ma[3*]

[1]*School of Economics, Guangxi University, Nan Ning, 530004, China*
[2]*School of Statistics, Tianjin University of Finance and Economics, Tianjin, 300222, China*
[3]*School of Economics and Management, North University of China, Taiyuan, 030051, China*

Abstract

Amid intensifying efforts to promote sustainable development, this study investigates how government environmental governance influences corporate greenwashing behavior, emphasizing symbolic compliance as an unintended response. Using panel data of Chinese A-share listed firms from 2012 to 2022, we find that stronger low-carbon policy intensity significantly increases greenwashing tendencies, and this relationship remains robust after addressing endogeneity concerns. Heterogeneity analyses reveal that command-and-control and energy-efficiency policies are more likely to induce such responses. Mechanism tests identify three pathways: weakened environmental performance, reduced media oversight, and amplified internal agency costs. These effects are more pronounced among firms with lower adaptability, smaller scale, greater environmental risk, and stricter external scrutiny. Our findings highlight the unintended behavioral distortions of environmental regulation and offer insights for improving the credibility and effectiveness of green governance.

Key words: agency costs, corporate greenwashing, environmental performance, low-carbon policy governance intensity, media attention

Received: May, 2025; Revised final: September, 2025; Accepted: October, 2025

* Author to whom all correspondence should be addressed: e-mail: sz202209002@st.nuc.edu.cn; Phone: +86 18660435547