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RESEARCH ON THE IMPACT OF TWO-WAY FDI COORDINATION ON PROVINCIAL ECOLOGICAL WELFARE PERFORMANCE: EMPIRICAL EVIDENCE FROM CHINA

Jianhong Fan, Linke Pian*, Jiaqi Zhao

College of Economics and Management, Taiyuan University of Technology, 209 University Street, Yuci District, Jinzhong, Shanxi 030600, China

Abstract

The coordinated development of two-way Foreign Direct Investment (FDI) serves as a crucial lever for advancing high-level opening up to the outside world and represents a strategic choice for promoting green development and green transformation of the economy and society, thereby enhancing people's livelihood and well-being. To clarify the impact of two-way FDI coordination (TFDI) on provincial ecological welfare performance (EWP), this study employs the Super-Efficiency Slacks-Based Measure (Super-SBM) model and the coupling coordination model to measure EWP and the coupling coordination degree of two-way FDI of 30 provinces in the Chinese mainland from 2010 to 2019, respectively. Additionally, the regression model is established to examine the impact of TFDI on provincial EWP. The empirical findings reveal that TFDI has a significant positive impact on enhancing provincial EWP. This impact exhibits heterogeneous characteristics across different regions, with a notable positive impact observed in the eastern region, while no significant impact is found in the central, western, and northeastern regions. Furthermore, this study also discovers that environmental decentralization and green finance can further strengthen the positive impact of TFDI on provincial EWP; industrial structure ecologicalization plays a vital "bridging" role between TFDI and provincial EWP. This study enriches the relevant literature in the field of FDI and EWP, providing a theoretical basis for relevant departments to guide China in improving EWP.

Key words: ecological welfare performance, environmental decentralization, green finance, industrial structure ecologicalization, two-way FDI coordination

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* Author to whom all correspondence should be addressed: E-mail: syplk1304246508@163.com; Phone: +86 18234118077