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GREEN BONDS AND CORPORATE FINANCIAL INVESTMENT BEHAVIOR IN CHINA

Baiqiang Jiao[1]*, Weiyi Pan[2]

[1]*Business School, Zhejiang Wanli University, Ningbo, 315100, China*
[2]*School of Economics, Guangxi University, 530004, China*

Abstract

Green bonds have garnered significant attention from various sectors of society due to their pivotal role in facilitating the transition toward low-carbon and environmentally sustainable economic development. Utilizing the "Guidelines for Green Bonds" as a natural experiment, we examine the impact of green bonds on corporate financial investment behavior using data from listed firms between 2008 and 2024. Our findings indicate that green bonds reduce corporate financial investment behavior. Further robustness tests confirm the validity of this conclusion. We find that financing constraints, information disclosure quality, and analyst attention serve as mediating factors in the relationship between green bonds and corporate financial investment behavior. Moreover, we find that the negative impact of green bonds on financial investment behavior is more pronounced in firms with higher levels of equity incentives, higher levels of ownership balance, and higher levels of government subsidies. This study enriches the literature on green bonds and corporate financial investment behavior, providing policy guidance for reducing corporate financial investment behavior.

Key words: financing constraints, financial investment behavior, green bonds, information disclosure quality

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* Author to whom all correspondence should be addressed: e-mail: baiqiang145@163.com