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HOW GREEN TRANSFORMATION DROVE THE IMPROVEMENT OF TOTAL FACTOR PRODUCTIVITY IN CHINA'S TEXTILE ENTERPRISES

Wenguang Tang[1], Wenping Li[1], Shenglin Ma[2*]

[1]*College of Science, Tianjin University of Commerce, Tianjin, 300134, China*
[2]*School of Economics and Management, North University of China, Taiyuan, 030051, China*

Abstract

Green transformation constitutes a key initiative for advancing high-quality economic growth, and it serves a significant function in reshaping the production structure of textile enterprises. According to data from A-share listed companies in the textile industry, this research examined the effect of green transformation upon the total factor productivity (TFP) of textile enterprises. Empirical evidences demonstrated that green transformation evidently spurred the growth of TFP in textile firms, and the robustness of the relationship was confirmed through additional testing. Mechanism tests uncovered that green transformation facilitated the enhancement of TFP in textile firms by suppressing green innovation bubbles and expanding the scale of environmental protection investment. Further investigation revealed that the improvement of data factor utilization levels and the alleviation of financing constraints reinforced the promotional effect of green transformation on the TFP of textile enterprises. It indicated that the promotional effect of green transformation on TFP was more notable for non-state-owned textile enterprises, heavily polluting textile enterprises, and textile enterprises situated in regions with high human capital as well as in eastern regions through heterogeneity analysis. The results derived from this study provide support for the accurate assessment of how green transformation impacts productivity in the textile sector and provide empirical backing for the formulation and refinement of relevant policies.

Key words: green transformation, textile industry, total factor productivity

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[*] Author to whom all correspondence should be addressed: E-mail: sz202209002@st.nuc.edu.cn, shenglinma5364@yeah.net, Phone: +86 18660435547