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DOES THE "10-POINT WATER PLAN" POLICY IMPROVE ENTERPRISE WATER PERFORMANCE? EVIDENCE FROM CHINA

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Abstract

With China's rapid economic development, water pollution has become more and more serious, and the shortages of water resources has intensified. To increase water pollution prevention and control, China issued the "Water Pollution Prevention and Control Action Plan" ("10-Point Water Plan") policy, which supervises the prevention and control of water pollution from a legal perspective and forces enterprises to manage water resources. This paper selects 316 listed companies in the A-share high water-sensitive industries from 2011 to 2018 as the research object, and it uses the Differences-in-Differences Model (DID) and the Differences-in-Differences Propensity Score Matching Model (PSM-DID) to empirically test the impact of the "10-Point Water Plan" policy on enterprises. The empirical results show that after the implementation of the "10-Point Water Plan" policy, the water performance of the industries that focus on key industries has improved more than that of industries that do not. Further analysis reveals that the positive impact of the "10-Point Water Plan" policy on water performance is more significant in state-owned enterprises and regions with high levels of marketization. In addition, the impact of the "10-Point Water Plan" policy on water performance is mainly achieved by promoting enterprise green technological innovation. This paper examines the micro implementation effect of the implementation of China's "10-Point Water Plan" policy from the micro-enterprise level, which is of great significance to the management of water resources by Chinese enterprises and the formulation of relevant environmental policies by government departments.

Key words: double difference, 10-Point Water Plan, policy, water performance

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