Accepted Manuscript

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PII: S1043-951X(16)30036-0

DOI: doi: 10.1016/j.chieco.2016.03.006

Reference: CHIECO 927

To appear in: China Economic Review

Received date: 1 September 2015 Revised date: 24 March 2016 Accepted date: 24 March 2016



Please cite this article as: Huang, J., Chen, X., Huang, B. & Yang, X., Economic and environmental impacts of foreign direct investment in China: A spatial spillover analysis, *China Economic Review* (2016), doi: 10.1016/j.chieco.2016.03.006

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ACCEPTED MANUSCRIPT

Economic and Environmental Impacts of Foreign Direct Investment in

China: A Spatial Spillover Analysis

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Abstract

This paper studies the economic and environmental impacts of foreign direct investment (FDI) in China. First, we build a simple theoretical model to predict the overall beneficial effects of FDI, and also find that a stronger sense of "environmental citizenship" by the FDI firm is associated with lower pollution and lower emission intensity in the host region. For empirical analysis, we use Spatial Durbin Model (SDM) to address the regional spillovers of

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Jianhuan Huang thanks the financial supports from National Natural Science Foundation of China (No. 41571524), Natural Science Foundation of Hunan Province (No.13JJ3052) and the Collaborative Innovation Center for the Development of Modern Services and New Urbanization in Hunan Province.

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