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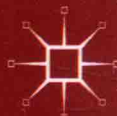
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FOREIGN DIRECT
INVESTMENT,
GOVERNANCE, AND THE
ENVIRONMENT
IN CHINA

Regional Dimensions

Jing Zhang



Foreign Direct Investment, Governance, and the Environment in China

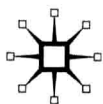
Regional Dimensions

Jing Zhang

University of Nottingham



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For Bing and Amy

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List of Abbreviations

AR	Autonomous Region
AR(1)	autoregressive process of order one
BI	Business International
BLUE	Best Linear Unbiased Estimator
BOD	Biochemical Oxygen Demand
CBS	Copenhagen Business School
CC	Construction Committee
CO	Carbon Monoxide
CO ₂	Carbon Dioxide
CPC	Communist Party of China
CPI	Corruption Perception Index
CSPP	China's Supreme People's Procuratorate
DM	Davidson–MacKinnon test
EDB	Economic Development Bureau
EKC	Environmental Kuznets Curve
EJV	Equity Joint Venture
EPB	Environment Protection Bureau
EPL	Environment Protection Law
FCPA	Foreign Corrupt Practices Act
FDI	Foreign Direct Investment
FGLS	Feasible Generalized Least Square
FIE	Foreign Invested Enterprise
G2SLS	Generalized Two-Stage Least Square
GDP	Gross Domestic Product
GLS	Generalized Least Square
GMM	Generalized Method Of Moment
HTM	Hong Kong, Taiwan, Macau
IAACA	International Association of Anti-Corruption Authorities
ICAC	Independent Commission Against Corruption
ICRG	International Country Risk Guide
IMD	Institute for Management Development
IMF	International Monetary Fund
IPE	Institute of Public and Environmental Affairs
IV	Instrumental Variable
M&A	Merger and Acquisition

MEP	Ministry of Environmental Protection
MNC	multinational corporation
MWR	Ministry of Water Resources
NBS	National Bureau of Statistics (China)
NO ₂	Nitrogen Dioxide
NO _x	Nitrogen Oxide
OECD	Organisation for Economic Co-operation and Development
OLS	Ordinary Least Square
PB	Planning Bureau
PCI	Per Capita Income
PHH	Pollution Haven Hypothesis
PM ₁₀	Particulate Matter less than 10 microns in diameter
PPP	Purchasing Power Parity
R&D	Research and Development
RMB	renminbi (currency of the mainland of China)
SEPA	State Environmental Protection Administration
SEZ	Special Economic Zone
SO ₂	Sulphur Dioxide
SPM	Suspended Particulate Matter
STD	standardized value of government efficiency indices
TI	Transparency International
2SLS	two-step-least squares
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USD	US dollar
WDR	World Development Report
WIPS	World Investment Prospects Survey
WTO	World Trade Organisation

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