

# High-speed Railways and Environmental Pollution: The Mediating Effect of Environmental Regulations and Moderating Effect of Officials' Political Promotion Incentives

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## Research Article

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# 1 High-speed Railways and Environmental Pollution: The 2 Mediating Effect of Environmental Regulations and Moderating 3 Effect of Officials' Political Promotion Incentives

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9  
10 **Abstract:** This study examines the relationship between high-speed railways (HSRs) and environmental  
11 pollution by focusing on the mediating role of environmental regulations and the moderating role of officials'  
12 political promotion incentives. Based on a sample of 113 prefecture-level cities, with balanced panel data in  
13 China from 2009 to 2017, using the difference-in-differences (DID) model, the results show that HSRs can  
14 reduce environmental pollution via the mediating effect of environmental regulations. Additionally, high  
15 officials' political promotion incentives can strengthen this mediating effect. A propensity score matching with  
16 difference-in-differences (PSM-DID) model is used to solve endogenous problems, and a placebo test and a  
17 parallel trend test indicate that these results are robust. This study encourages the government to rationally  
18 promote the construction of high-speed railways and expand the social advantages of high-speed railways to  
19 improve environmental regulations and reduce environmental pollution.

20 **Keywords:** high-speed railways, environmental pollution, environmental regulations, political promotion  
21 incentives

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26 supported the data collection. Jiang Wu examined the manuscript and give advice on manuscript submission.  
27 Ximeng Jia revised the manuscript.

## 28 **1.Introduction**

29 The rapid economic growth over the past three decades has led to severe environmental problems in developing  
30 countries (Mayer, 1999). Various studies have determined that environmental regulations can control  
31 environmental pollution (He and Zhang, 2021). Environmental regulators include the government, investors,  
32 and community monitors (Millimet and Roy, 2016). According to reputation theory, firms regard reputation as  
33 a precious resource for competition in the market. Negative environmental news can reduce stock prices and  
34 induce losses in market value (Hitzhusen, 2000). To maintain a good reputation, firms have to obey the law and  
35 rules of environmental protection and respond positively to the monitor from the investors and community (J.  
36 W. Shen, Yehua Dennis Yang, Zi 2017).

37 However, asymmetric information exists between firms and regulators, which increases the cost and  
38 reduces the efficiency of environmental regulations (Jebjerg and Lando, 1997). For instance, Grossman argues  
39 that information asymmetry exists between investors and firms. Owing to the lack of reliable information,  
40 investors tend to expect the worst, driving down share prices without adequate disclosure by managers (S. J.  
41 Grossman, 1981). Thus, increasing transparency and comprehensive information disclosure are crucial for  
42 reducing the degree of information asymmetry and promoting the development and implementation of  
43 environmental regulations (Huang and Chen, 2015).

44 To control and reduce pollution emissions, many developing countries not only promulgated many policies  
45 to strengthen environmental regulations but also coordinated industrial upgrading and energy restructuring to  
46 curb pollution at its source. During this process, advanced environmentally friendly technology plays a very  
47 important role in pollution control. High-speed railways (HSRs) are environmentally friendly, can consume  
48 energy more efficiently, and reduce greenhouse gas emissions more significantly than other modes of  
49 transportation (D'Alfonso et al., 2016). Some studies have indicated that HSRs can directly reduce  
50 environmental pollution by providing an environmentally friendly technology advantage (S. Wang et al., 2020).

51 In addition to the advantages of environmentally-friendly technology, some studies have demonstrated  
52 that HSRs can significantly reduce distances and travel times between cities (Kobayashi and Okumura, 1997).  
53 Further, they can speed up the flow of people, the spillover of information, knowledge, and technologies  
54 (Glaeser and Mare, 2001). With the introduction of high-speed railways, people are more likely to discover  
55 social problems, especially negative events, and spread this information more rapidly (DiMicco et al., 2007).  
56 Thus, we wonder whether this social advantage of HSRs, increasing transparency and comprehensive

57 information disclosure, and reducing the degree of information asymmetry could have a positive effect on  
58 environmental regulations.

59 Furthermore, green development strategies are becoming important and urgent in developing countries  
60 (Halkos and Paizanos, 2013). The government in many developing countries have added environmental  
61 performance to the working criteria of officials. For example, the Chinese central government introduces  
62 “tournament competition” among officials by promoting or demoting them based on their comprehensive  
63 consideration of environmental performances and economic development (Bo, 1996). Officials who have strong  
64 political promotion incentives will be more sensitive to negative environmental events according to promotion  
65 tournament theory (DeVaro, 2006). To prevent the occurrence of negative environmental events, these officials  
66 are committed to strengthening environmental regulations and strictly monitoring firms’ environmental  
67 pollution behavior in their jurisdiction.

68 The notion that the introduction of HSRs could directly reduce the environmental pollution has been  
69 verified in numerous papers ((Fan et al., 2020). However, the indirect effect of the introduction of HSRs on  
70 environmental pollution and its mechanism has not been thoroughly explored. To fill this gap, our study aims  
71 to explore the mechanism of the indirect effect of the introduction of HSRs on environmental pollution from  
72 the perspective of environmental regulations and officials’ political promotion incentives. China was selected  
73 as the research object for this study. The country is experiencing severe levels of air pollution while still  
74 pursuing economic benefits. Thus, reducing air pollution is an urgent task for the Chinese government.  
75 Moreover, China is a successful example of developing large-scale HSR networks with advanced technology.  
76 By the end of 2017, the length of inter-city HSRs in operation in China was more than 25000 km, and 66.3%  
77 of the total mileage globally, ranking first in the world.<sup>1</sup>

78 Our research employed prefecture-level panel data for 113 Chinese cities that have pollution information  
79 transparency index reports (Tu et al., 2019) from 2009 to 2017 for an empirical analysis. Specifically, in  
80 accordance with information asymmetry theory (Quanqi Liu and Li Li, 2019), we examine the effect of the  
81 introduction of HSRs on environmental regulations. According to reputation theory (Gioia et al., 2000),  
82 environmental regulations are considered a mediating factor in the relationship between HSRs and  
83 environmental pollution. Moreover, according to the promotion tournament theory, the moderated mediation  
84 effect of officials’ political promotion incentives on the indirect relationship between the introduction of HSR

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<sup>1</sup> <http://www.chinanews.com/>

85 and environmental pollution controlled through environmental regulations was tested (DeVaro, 2006).

86 The contribution of this study to the literature is threefold. First, previous research has emphasized the  
87 direct effect of HSRs only. We propose a new conceptual framework for the indirect influence of HSRs on  
88 environmental pollution with respect to environmental regulations, which enriches the literature on path  
89 analyses of the impact of HSRs on environmental pollution. Second, many studies have focused on the  
90 relationship between environmental regulations and pollution (J. Shen et al., 2017). This study attempts to  
91 expand the relationship between environmental pollution and environmental regulations by inserting HSRs,  
92 which connects the HSRs research with the environmental regulations' literature. Third, this study builds an  
93 indirect relationship between officials' political promotion incentives and environmental pollution, which  
94 extends their existing direct relationship (Zheng et al., 2014a). The existing literature points out that political  
95 promotion incentives can positively and directly reduce environmental pollution (Kahn et al., 2015). Our  
96 research finds that political promotion incentives positively moderate the relationship between environmental  
97 regulations and environmental pollution.

98 This research has significant implications for policymakers in practice. First, our study indicates that the  
99 introduction of HSRs can indirectly reduce environmental pollution through their social advantage via the  
100 mediation effect of environmental regulations, which provides policymakers with a new perspective to curb  
101 environmental pollution. Governments should not only make efficient use of the technological advantages of  
102 HSRs, but also attach importance to their social advantages. Promoting the influence of HSRs on environmental  
103 regulations is an effective way to control environmental pollution. Second, our paper exposes officials' strong  
104 political incentives that can prompt environmental regulations and further positively control pollution.  
105 Governments could develop a suitable officials' political promotion mechanism by considering environmental  
106 pollution control performance assessment.

107 The remainder of this paper is organized as follows. In Section 2, we review the relevant literature and  
108 introduce five hypotheses. Then, we introduce the data, variables, and research methods in Section 3. In Section  
109 4, we discuss the empirical results. Finally, in Section 5, the principal findings are summarized, and theoretical  
110 and practical implications are presented. This section also discusses the limitations of this study in guiding  
111 future research.

## 112 **2.Theoretical framework and research hypothesis**

### 113 **2.1 HSRs and environmental pollution**

114 The effect of HSRs on environmental pollution can be analyzed from the perspective of direct and indirect  
115 impacts. Regarding the direct impact, HSRs are encouraged because of their low carbon and high efficiency  
116 advantages. Givoni (2007) found that, comparing the emissions, impact, and damage costs of air travel and  
117 high-speed rail travel, it is beneficial to replace airplane seats with high-speed rail seats. Janic (2011) stated that  
118 this substitution effect involves reducing the amount and associated costs of social and environmental impacts,  
119 such as airport airside delays, noise, and local and global emissions of greenhouse gases. Considering the  
120 indirect impacts, the high-speed rail can reduce air pollution through an innovative effect, allocating effect, and  
121 substituting effect, which is discussed by Yang et al. (2019). HSRs can not only transport people and goods but  
122 also accelerate innovation, improve resource utilization efficiency, and substitute industrial structures, which  
123 can reduce pollution (Vickerman, 2018). Based on these results, we can develop hypothesis 1:

124 **H1:** The introduction of HSRs can reduce the environmental pollution.

## 125 **2.2 HSRs and environmental regulations**

126 There is asymmetric information between firms and regulators, which increases the difficulties and costs of  
127 environmental regulations. According to information asymmetry theory, a party with more information is in an  
128 advantageous position in terms of economic activity (Quanqi Liu and Li Li, 2019). Meanwhile, firms are in  
129 an advantageous position in terms of pollution information disclosure. To pursue maximum economic benefits,  
130 firms tend to sacrifice environmental protection. Nevertheless, according to reputation theory, they need to build  
131 a good public reputation for environmental protection to further economic development (Gioia et al., 2000). As  
132 a result, firms are motivated to deliberately withhold information on pollution. This asymmetric information  
133 will increase the difficulty for regulators to discover the truth and obtain comprehensive information.  
134 Furthermore, regulators may make unsound environmental regulations decisions that adversely affect pollution  
135 control. Therefore, reducing asymmetric information is the key point for environmental regulations.

136 Nowadays, the internet and videoconferencing have been greatly developed. However, for business,  
137 scientific, and creative activities, face-to-face contact is still necessary. During face-to-face communication,  
138 individuals' awareness and participation in discussions will increase, more problems will be identified, and  
139 more information will be shared. As a result, negative information spreads more rapidly and frequently  
140 according to the negativity bias theory (Yan and Jiang, 2018). Some existing literature has indicated that the  
141 introduction of HSRs can reduce the time and geographical distance among different cities, promote face-to-  
142 face communication, and enhance knowledge spreading between regions (Lin, 2017). HSRs not only carry

143 people and goods but also “carry” information and act as information nodes. The introduction of HSRs provides  
144 people more opportunities for discussion and communication. More information on firms’ environmental  
145 pollution will be discovered during face-to-face communication by the government and investors, which can  
146 reduce asymmetric information (DiMicco et al., 2007). In this situation, environmental regulations will be  
147 strengthened, and firms will be forced to reduce emissions (Gioia et al., 2000). Therefore, this discussion leads  
148 to the development of hypothesis 2 as follows:

149 **H2:** The introduction of HSRs can promote effective implementation of environmental regulations.

### 150 **2.3 Environmental regulations and environmental pollution**

151 Formal environmental and informal environmental regulations exert powerful effects on firms’ active  
152 participation in environmental pollution (Li et al., 2017). The government or political institutions are the  
153 primary formal regulators that monitor firms’ emissions and enforcement of standards , while informal  
154 regulations depends on the supervision of investors, shareholders, and communities (Féres and Reynaud, 2012).  
155 According to reputation theory, reputation is a precious resource that can gain a competitive advantage for firms  
156 in comparison to similar distributors. To prevent negative judgment, investors and shareholders use  
157 environmental information in unsophisticated ways to pressure firms to voluntarily reduce their pollution.  
158 Additionally, community pressure has an indirect effect on firms’ pollution control (Kathuria, 2007).

159 Studies have indicated that environmental regulations positively influences environmental performance.  
160 Matthew A. Cole (2005) analyzed the UK manufacturing sector to explore industrial characteristics,  
161 environmental regulations, and air pollution, finding that both formal and informal regulations are successful  
162 in reducing pollution intensity. Qi et al. (2019) evaluated the effectiveness of environmental regulations in  
163 reducing pollution, improving efficiency, and revealing the systematic heterogeneity therein. Other papers have  
164 obtained results (Silajdzic and Mehic, 2017). Consequently, this discussion leads to the development of  
165 hypothesis 3:

166 **H3:** Environmental regulations can reduce environmental pollution.

### 167 **2.4 Mediating role of environmental regulations**

168 Hypothesis 2 predicts that the introduction of HSRs can improve environmental regulations. With the  
169 introduction of HSRs, more information on firms’ environmental pollution will be discovered by the  
170 government and investors, which can reduce asymmetric information and further promote the effective  
171 implementation of environmental regulations (Cohen and Santhakumar, 2007). Hypothesis 3 predicts the

172 improved environmental regulations can reduce environmental pollution (H. Wang and Liu, 2019). Together,  
173 these hypotheses specify a model in which environmental regulations plays a mediating role in the relationship  
174 between the introduction of HSRs and environmental pollution. Therefore, we propose hypothesis 4:

175 **H4:** Environmental regulations mediate the relationship between the introduction of HSRs and  
176 environmental pollution.

## 177 **2.5 Moderated mediation role of officials' political promotion incentives**

178 In the past, GDP growth was the primary criterion used by upper-level governments to evaluate the performance  
179 of lower-level officials' performance and promotion (H. Zhang et al., 2018). Since the release of the "11th Five-  
180 Year Plan" in China, energy conservation and pollution reduction have been considered in performance  
181 evaluations and promotion criteria of local officials. This has been implemented to address the principal-agent  
182 problem in the pursuit of a sustainable development strategy (Zheng et al., 2014b).

183 In this situation, according to promotion tournament theory (DeVaro, 2006), local officials who have  
184 strong political promotion incentives will be more sensitive to pollution news in their jurisdictions. If severe  
185 pollution remains or accidents occur, local government leaders will become demoted or dismissed. Thus, to  
186 increase the chance of promotion, local government leaders who have strong political promotion incentives will  
187 reinforce government regulations on pollution reduction, pay more attention to public participation, and  
188 implement a response as soon as possible. Thus, we can predict that officials' political promotion incentives  
189 can moderate the relationship between environmental regulations and environmental pollution.

190 Environmental regulations mediate the relationship between the introduction of HSRs and environmental  
191 pollution. We can deduce that officials' political promotion incentives moderate the mediating effect of  
192 environmental regulations on the relationship between the introduction of HSRs and environmental pollution.  
193 From this, we can develop hypothesis 5:

194 **H5:** Officials' political promotion incentives moderate the mediating effect of environmental regulations  
195 on the relationship between the introduction of HSRs and environmental pollution, such that this relationship  
196 is strong in the presence of strong political promotion incentives.

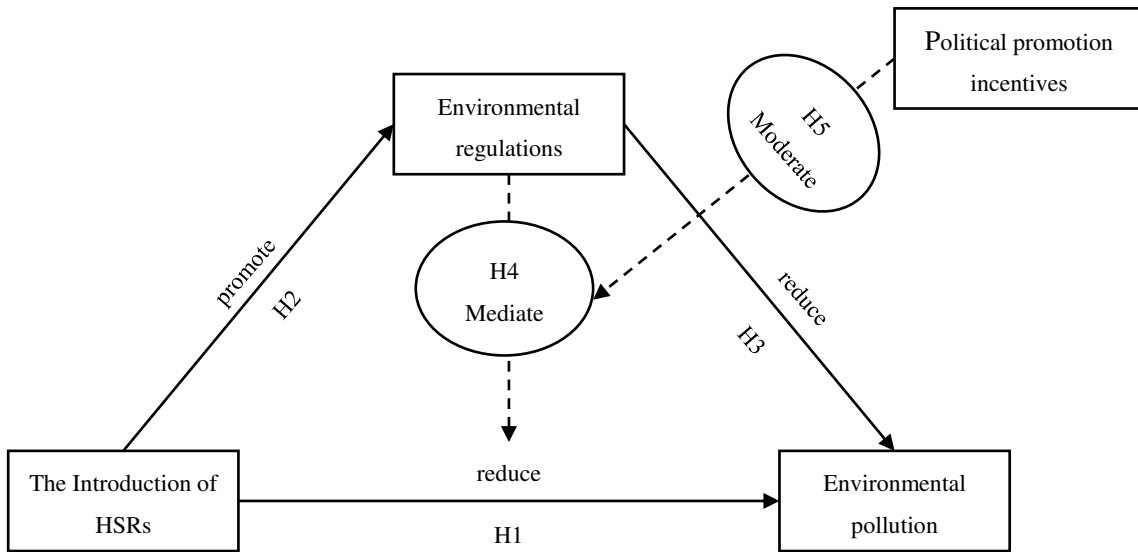
197 Be with five above hypotheses, the conceptual model is illustrated in Figure 1.

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**Figure 1** Conceptual framework

210

### **3. Methodology and data**

211

#### **3.1 Data sources and variable selection**

212

##### 3.1.1 Data sources

213

We obtain the HSR data by looking up the relevant information in the China Railway Yearbook and 12306.com.

214

The implementation of HSRs in each city was manually sorted and the distribution of China's HSR cities is

215

shown in Figure 2. The first HSR line was introduced in 2008. HSRs were introduced every year from 2009 to

216

the present. By 2017, there were 213 prefecture-level cities and municipalities with HSRs. Because several

217

HSR lines in China were introduced at the end of the year, and the impact of HSRs may not be apparent in such

218

a short period, the introduction year of HSR is delayed by one year in our model.

219

The original resource of environmental pollution data used in this study is from the Chinese Cities

220

Statistical Yearbook. We supplement the missing data by using the average growth rate of each city. The

221

environmental regulations data are from the Pollution Information Transparency Index reports, which were

222

jointly published by the Institute of Public and Environmental Affairs (IPE) and the Natural Resources Defense

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Council (NRDC) (Tu et al., 2019). In these reports, the governance, and regulations indexes of 113 cities were

224

disclosed (extended to 120 cities in 2013), and they have been published since 2008. These 113 cities are facing

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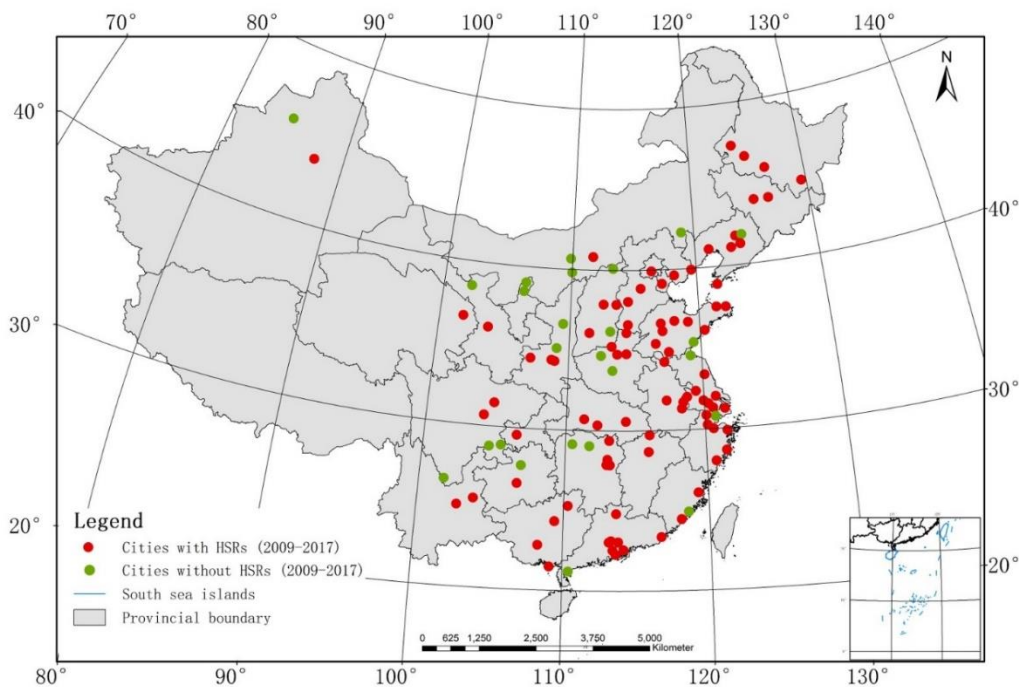
severe environmental pollution but play an important role in economic development, making them prominent

226

targets for environmental protection regulations.

227 Information on officials' political promotion incentives comes from the China Yearbook of Municipalities,  
228 provincial yearbooks, and www.xinhuanet.com. In China, two leaders exist simultaneously in a city, the mayor,  
229 and the Chinese Communist Party secretary. According to the law, the mayor is the executive officer of the  
230 municipal government in charge of daily governmental operations, such as economic growth, energy  
231 conservation, and environmental protection (Tu et al., 2019). Thus, we primarily discuss political incentives for  
232 the mayor.

233 Considering the delayed observation window, we chose the 113 cities that have Pollution Information  
234 Transparency Index reports as our observation units, and extend the data to a balanced panel data of 1017  
235 samples from 2009 to 2017.



236 **Figure 2** Distribution map of cities with Pollution Information Transparency Indexes

### 237 3.1.2 Dependent variable

238 The pollution in Chinese cities comes from industrial pollution sources and includes air and water pollution  
239 (Chen et al., 2012). Air pollution is primarily caused by industrial SO<sub>2</sub>, industrial NO<sub>x</sub>, and soot, whereas water  
240 pollution is generally created by wastewater from plants (Rohde and Muller, 2015). In our research, we selected  
241 industrial SO<sub>2</sub> emissions, industrial NO<sub>x</sub> emissions, soot emissions, and industrial wastewater emissions as  
242 environmental pollution indicators. For simplicity and convenience, we integrated the above indicators using a  
243 principal composition analysis method and created an aggregative pollution index called *pollution*.

### 244 3.1.3 Independent variable

245 We set *HSR* as the independent variable in our empirical analysis and operationalized it as a dummy variable.  
246 Because we use the difference-in-differences (DID) method for our empirical analysis, we construct a group  
247 dummy variable, *dz*, and a time dummy variable, *dt*. The interaction term  $dz*dt$  is our focus, which is described  
248 as the “policy treatment effect” of an HSR, and we define it as  $HSR \equiv dz*dt$ . Regarding *dz*, we set cities with  
249 HSR services from 2009 to 2017 as the treated group and let  $dz = 1$ . We set cities that do not have HSR services  
250 from 2009 to 2017 as the untreated group and let  $dz = 0$ . For *dt*, if the observation year is before the year of an  
251 HSR introduced, we set  $dt = 0$ ; otherwise,  $dt = 1$ . Thus,  $HSR = 1$  when  $dz = 1$  and  $dt = 1$ ; otherwise,  $HSR = 0$ .

### 252 3.1.4 Control variables

253 Population density (*Popu\_density*): Environmental pollution can be affected by population density, which is  
254 calculated as the population divided by the area. A high population density will create more environmental  
255 pollution (Hixson et al., 2012). Whether or not to open an HSR in cities is related to its population density.

256 Industrial structure (*Second industry*): Environmental pollution and the introduction of HSR will be  
257 affected by industrial structure. Environmental pollution is primarily emitted by secondary industries (Managi  
258 and Kaneko, 2009). We consider the proportion of secondary industries a part of GDP to reflect the impact of  
259 the industrial structure on environmental pollution.

260 Ratio of foreign direct investment to GDP (*FDI*): The ratio of foreign direct investment to GDP will be  
261 heterogeneous for different cities in terms of pollution emissions. Foreign direct investment can increase  
262 emissions and may induce a pollution haven effect (Tang, 2015). This study uses the proportion of foreign direct  
263 investment in GDP to reflect the effects of foreign direct investment on environmental pollution emissions.

264 Number of Internet users (*Net*): Public environmental regulations require information transfer and spread.  
265 As a good information transfer carrier, the Internet plays an important role in promoting environmental  
266 regulations. Thus, we use the number of internet users to reflect information transfer.

267 Economic development (*Per capita GDP*): According to the Environmental Kuznets Curve theory  
268 proposed by G. M. Grossman and Krueger (1995), there is an inverted U-curve relationship between economic  
269 growth and environmental pollution. Therefore, this paper uses the square term of logarithm GDP per capita to  
270 calculate economic development.

### 271 3.1.5 Mediating variable

272 We used the pollution information transparency index (*PITI*) as our mediating variable to calculate the  
 273 environmental regulations of a city. The pollution information transparency index (*PITI*) is a score assessed by  
 274 the Institute of Public and Environmental Affairs (IPE) and the Natural Resources Defense Council (NRDC)  
 275 based on the eight indicators<sup>2</sup> in implementing the open environmental information measures<sup>3</sup> (Tu et al., 2019).  
 276 *PITI* aims to evaluate the transparency level of environmental information disclosure and pollution regulatory  
 277 information disclosure in 113 cities (this increased to 120 after 2013) (Li et al., 2017). Higher *PITI* scores  
 278 represent a higher level of pollution supervisory information disclosure and a higher level of public participation  
 279 (L. Zhang et al., 2016). *PITI* information disclosure can effectively help the public to supervise and measure  
 280 the degree of environmental pollution. Further, with the help of environmental information transparency, local  
 281 governments have strengthened environmental regulations. Thus, the *PITI* could serve as a proxy variable for  
 282 evaluating environmental regulations.

### 283 3.1.6 Moderator variable

284 We set officials' political promotion incentives (*Pro\_incent*) as a moderator variable, which was measured by  
 285 a proxy variable. A mayor's age reflects the political promotion incentives. The Chinese Communist Party has  
 286 emphasized the appointment and promotion of younger cadres while restricting the promotion of aging officials<sup>4</sup>.  
 287 According to the Interim Provisions for Party and Government Leading Cadre Tenure, mayors below the age  
 288 of 57 can be promoted to higher-level positions (Kou and Tsai, 2014). Zhou and Zeng (2018) also found that  
 289 mayors who were below the age of 57 had stronger promotion incentives. If they cannot get promoted before  
 290 this age, they are less likely to be promoted afterward and retire with relatively lower pension packages. Based  
 291 on this analysis, we choose a mayor's age as a proxy variable to represent his or her political promotion  
 292 incentives and define it as a dummy variable. If a mayor's age is less than 57, we regard this mayor as having  
 293 strong political promotion incentives, and *Pro\_incent* equals 1; otherwise, *Pro\_incent* equals 0.

294 The variables, brief descriptions of the variables, and basic descriptive statistics are shown in Table 1.

295 **Table 1** Variables and brief descriptions of the variables

| Variables set | Variables | Variable Definition | Basic Statistics |
|---------------|-----------|---------------------|------------------|
|---------------|-----------|---------------------|------------------|

<sup>2</sup> The eight indicators include disclosures of: enterprise violations, results of EPB enforcement campaigns, clean production audit information, enterprise environmental performance ratings, disposition of petitions and complaints, environmental impact assessment reports and project completion approvals, discharge fee data, and responses to public information requests.

<sup>3</sup> On May 1, 2008, Open Environmental Information measures came into effect. The Ministry of Environmental Protection requires governments to disclose information on environmental laws, regulations, and standards.

<sup>4</sup> Information source: <http://www.zhaozhou.gov.cn/zhengminhudong/12380jubaowangzhan/faguizhidu/61733.html>

|                      |   |   | Mean | Std. | Min   | Max  | Obs. |
|----------------------|---|---|------|------|-------|------|------|
| Dependent variable   | An aggregative pollution index, <i>Pollution</i>            | An integrated index with wastewater emissions, SO <sub>2</sub> emissions, smoke emissions, and PM <sub>2.5</sub> inhalable particles in the sample cities using a principal component analysis method | 0.35 | 0.87 | -3.03 | 2.16 | 1017 |
| Independent variable | High-speed railways (HSRs), <i>HSR</i>                      | HSRs dummy variable   | 0.57 | 0.50 | 0.00  | 1.00 | 1017 |
| Control variables    | Population density, <i>Popu_density*</i>                    | Number of people per unit area in an administrative region (1000 people/km <sup>2</sup> )   | 6.03 | 0.82 | 3.68  | 7.84 | 1017 |
|                      | Industrial structure, <i>Second industry</i>                | Proportion of secondary industry in GDP (%)   | 3.91 | 0.21 | 3.18  | 4.38 | 1017 |
|                      | Ratio of Foreign direct investment (FDI) to GDP, <i>FDI</i> | Proportion of FDI in GDP (%)  | 0.14 | 0.14 | 0.01  | 0.59 | 1017 |
|                      | Number of Internet users, <i>Net*</i>                       | Number of internet users (households)   | 4.18 | 0.98 | 1.99  | 7.34 | 1017 |
|                      | Economic development, <i>Per capita GDP*</i>                | Square term of logarithm per capita GDP   | 2.05 | 0.38 | 1.05  | 2.88 | 1017 |
| Mediating variable   | Pollution information transparency index, <i>PITI*</i>      | Pollution information transparency index  | 3.68 | 0.43 | 2.58  | 4.36 | 1017 |
| Moderator variable   | Political promotion incentives, <i>Pro_incent</i>           | Dummy variable =1 if mayor' age≤57, otherwise, = 0  | 0.73 | 0.44 | 0.00  | 1.00 | 1017 |

296 \*These variables were used in logarithmic form. For variables that were measured as numbers, this took the form log  
297 (*variable* + 1).

298 The correlation matrix for all variables is described in Table 2. These variables were used in logarithmic  
299 form, except for the dummy variable. The correlation coefficient is lower than 0.60. Additionally, the maximum  
300 variance inflation factor (VIF) in the regression is 3.12, which is lower than the critical threshold value of 10  
301 (Giorgio and Bedogni, 2010). This indicates that there was no multicollinearity problem.

302 **Table 2** Statistical description of the main variables

| Variables           | 1    | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---------------------|------|---|---|---|---|---|---|---|---|
| 1. <i>Pollution</i> | 1.00 |   |   |   |   |   |   |   |   |

|                           |       |       |       |       |       |       |      |       |      |
|---------------------------|-------|-------|-------|-------|-------|-------|------|-------|------|
| 2. <i>HSR</i>             | -0.13 | 1.00  |       |       |       |       |      |       |      |
| 3. <i>Popu_density</i>    | 0.01  | 0.38  | 1.00  |       |       |       |      |       |      |
| 4. <i>Second industry</i> | 0.25  | -0.27 | -0.10 | 1.00  |       |       |      |       |      |
| 5. <i>FDI</i>             | -0.02 | 0.26  | 0.51  | -0.21 | 1.00  |       |      |       |      |
| 6. <i>Net</i>             | 0.11  | 0.47  | 0.58  | -0.37 | 0.54  | 1.00  |      |       |      |
| 7. <i>Per capita GDP</i>  | 0.01  | 0.02  | 0.00  | -0.01 | 0.04  | 0.02  | 1.00 |       |      |
| 8. <i>PITI</i>            | -0.13 | 0.35  | 0.46  | -0.22 | 0.41  | 0.54  | 0.02 | 1.00  |      |
| 9. <i>Pro_incent</i>      | -0.09 | -0.12 | -0.21 | 0.16  | -0.20 | -0.29 | 0.00 | -0.19 | 1.00 |

### 303 3.2 Methodology

304 The DID model is adopted in this study because the introduction of an HSR is a part of a national-level strategic  
305 plan, which can be regarded as a quasi-natural experiment. To explore the relationship between the introduction  
306 of an HSR and pollution, we should not only compare the effect of introduction of an HSR on pollution before  
307 and after the introduction of HSR in a city but also consider the common trend of the treated groups (cities with  
308 HSRs in the observation period) and untreated groups (cities without HSRs in the observation period). Other  
309 factors, such as macroeconomic and local environmental policies, could affect pollution and should be ignored.  
310 DID is an appropriate method for analyzing policy effects and has been widely used in the quantitative  
311 evaluation of public policy or project implementation effects in econometrics. Compared to other methods in  
312 evaluating policy effects, the DID method can maximally solve the endogeneity problem and avoid reverse  
313 causality, which is more scientific and accurate in estimating the policy effect. The DID framework allows us  
314 to control the differences in pollution emissions before and after the introduction of HSR and the variations in  
315 pollution emissions of cities with and without HSR. The DID model controls the fixed effect of time and  
316 individual fixed effects of the city. The baseline regression model (Model 1) built in this study is

$$Pollution_{it} = \alpha_i + \delta_t + \beta_1 HSR_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (1)$$

317 where  $i$  is the city index, and  $t$  is the time index. Further,  $Pollution_{it}$  is a dependent variable;  $\alpha_i$  and  $\delta_t$  are city  
318 and year fixed effects, respectively;  $\sum X_{it}$  is control variables; and  $\varepsilon_{it}$  is an error term. Because the specification  
319 includes city and year fixed effects, it is not necessary to include a noninteraction treatment or a period dummy  
320 variable. The estimate of the effect of HSR on pollution is  $\beta_1$ .

321 The hierarchical regression method was applied to test the mediating effects (Baron and Kenny, 1986). In  
322 the first step, the relationship between the introduction of HSR and pollution was tested. If the coefficient of

323 *HSR* is significant, the introduction of HSR has a significant influence on environmental pollution, and we  
 324 proceed to the next step. In the second step, the relationship between environmental regulations and HSR was  
 325 examined. If the coefficient of *HSR* is significant, the introduction of HSR has a significant influence on  
 326 environmental regulations. In the third step, both *HSR* and *PITI* are included in the regression. If the coefficient  
 327 of *PITI* is significant and the coefficient of *HSR* becomes insignificant, there is a complete mediating effect.  
 328 However, if the coefficient of *PITI* is significant, and the coefficient of *HSR* remains significant, the partially  
 329 mediating effect is significant. The three-step hierarchical regression method (Model 2) is expressed as follows:

330 **Step 1.** Examining the impact of the introduction of HSR on environmental pollution:

$$Pollution_{it} = \alpha_i + \delta_i + \beta_1 HSR_{it} + \gamma \sum X_{it} + \varepsilon_{it}. \quad (2)$$

331 **Step 2.** Testing the impact of the introduction of HSR on environmental regulations:

$$PITI_{it} = \alpha_i + \delta_i + \beta_1 HSR_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (3)$$

332 **Step 3.** Putting *HSR* and *PITI* into the regression equation:

$$Pollution_{it} = \alpha_i + \delta_i + \beta_1 HSR_{it} + \beta_2 PITI_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (4)$$

333 To examine the moderated mediation effects of officials' political promotion incentives on the relationship  
 334 between environmental regulations and environmental pollution, hierarchical regression was applied (James  
 335 and Brett, 1984). In the first step, the relationship between the introduction of HSRs and officials' political  
 336 promotion incentives was tested. If the coefficient of *HSR* is significant, we proceed to the next step. In the  
 337 second step, the relationship between environmental regulations, the introduction of HSRs, and officials'  
 338 political promotion incentives is examined. If the coefficient of *HSR* is significant, we proceed to the third step.  
 339 In the third step, the relationship among pollution, the introduction of HSR, environmental regulations, and  
 340 officials' political promotion incentives is examined. If the coefficient of *HSR* is significant, the mediating  
 341 effect of environmental regulations is significant. In the last step, the interaction term between environmental  
 342 regulations and political promotion incentives is added. According to Edwards and Lambert (2007) giving out  
 343 methods for integrating moderation and mediation, if the coefficient of the interaction term is significant, the  
 344 moderated mediation effect of political promotion incentives is significant. The model (Model 3) of the four-  
 345 step method above is expressed as follows:

346 **Step 1.** Examining the impact of the introduction of HSRs and political promotion incentives on environmental  
 347 pollution:

$$Pollution_{it} = \alpha_i + \delta_t + \beta_1 HSR_{it} + \beta_2 Pro\_incentives_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (5)$$

348 **Step 2.** Testing the impact of the introduction of HSR and officials' political promotion incentives on  
 349 environmental regulations:

$$PITI_{it} = \alpha_i + \delta_t + \beta_1 HSR_{it} + \beta_2 Pro\_incentives_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (6)$$

350 **Step 3.** Putting *HSR*, *Pro\_incent*, and *PITI* into the regression equation:

$$Pollution_{it} = \alpha_i + \delta_t + \beta_1 HSR_{it} + \beta_2 Pro\_incentives_{it} + \beta_3 PITI_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (7)$$

352 **Step 4.** Putting *HSR*, *Pro\_incent*, *PITI*, and the interaction term *PITI*×*Pro\_incent* into the regression equation:

$$Pollution_{it} = \alpha_i + \delta_t + \beta_1 HSR_{it} + \beta_2 Pro\_incentives_{it} + \beta_3 PITI_{it} + \beta_4 PITI_{it} \times Pro\_incentives_{it} + \gamma \sum X_{it} + \varepsilon_{it} \quad (8)$$

## 353 4. Empirical results and discussion

### 354 4.1 Benchmark regression result

355 The benchmark regression results, based on Equation 1, are presented in Table 3. Column (1) shows the  
 356 regression results only with the control variables. We added the independent variable *HSR* in column (2) to test  
 357 the influence of the introduction of HSRs on industrial pollution emissions. We found that the coefficient of  
 358 *HSR* is significantly negative ( $\beta = -0.2268$ ,  $p < 0.01$ ), which implies that the introduction of HSRs reduces  
 359 environmental pollution by 22.68%.

360 **Table 3** Benchmark regression result

|                        | (1)              | (2)                          |
|------------------------|------------------|------------------------------|
| <b>Variables</b>       | <b>Pollution</b> | <b>Pollution</b>             |
| <i>HSR</i>             |                  | -0.2268***<br>(-4.69)        |
| <i>Popu_density</i>    | -0.1650*         | -0.1598*<br>(-1.75) (-1.71)  |
| <i>Second industry</i> | 2.5025***        | 2.2757***<br>(8.82) (7.98)   |
| <i>FDI</i>             | -1.1627***       | -0.8941**<br>(-2.90) (-2.29) |



|                       |            |            |
|-----------------------|------------|------------|
| <i>Net</i>            | 0.1851***  | 0.2361***  |
|                       | (2.77)     | (3.54)     |
| <i>Per capita GDP</i> | -0.0202    | -0.0219    |
|                       | (-0.35)    | (-0.39)    |
| <i>PITI</i>           |            |            |
| <i>Constant</i>       | -9.3433*** | -8.4880*** |
|                       | (-7.67)    | (-7.13)    |
| <i>Year fixed</i>     | YES        | YES        |
| <i>City fixed</i>     | YES        | YES        |
| <i>N</i>              | 1017       | 1017       |
| <i>R<sup>2</sup></i>  | 0.2260     | 0.2385     |

361 Note: Two-tailed; Standard errors in parentheses; Year dummy and City dummy were controlled for; Some observations  
362 were excluded from the regression due to missing lag variables; VIF was lower than 10; *t*-statistics in parentheses;  
363 \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

#### 364 4.2 Parallel trend test using the DID method

365 A parallel trend test using the DID method is necessary because we need to ensure that the developing trend of  
366 the treated group and the untreated group is parallel before they receive the policy shock. In our test, we generate  
367 a group of time trend dummy variables to test the parallel trend before and after the introduction year of an  
368 HSR. The model is expressed in Eq. (9)

$$Pollution_{it} = \alpha_i + \delta_t + \sum_{k=1}^4 \beta_1 first\_HSR_{i,t-k} + \sum_{z=1}^4 \beta_1 first\_HSR_{i,t+z} + \gamma \sum X_{it} + \varepsilon_{it}, \quad (9)$$

369 where  $first\_HSR_{i,t}$  is a dummy variable indicating whether a city  $i$  is first connected to an HSR network in  
370 year  $t$ . It switches to 1 only if the HSR line connecting the city  $i$  is opened in year  $t$ ; otherwise, it is set to 0.  
371 Here,  $first\_HSR_{i,t-k}$  represents the  $k$  ( $k = 1, 2, 3, 4$ ) years before the HSR is first connected. If the  
372 observation unit includes the data from years  $k$  before the policy impact, the unit is set to 1; otherwise, it is  
373 set to 0. Here,  $first\_HSR_{i,t+z}$  represents the  $z$  ( $z = 1, 2, 3, 4$ ) years after the HSR is first connected. If the  
374 observation unit includes the data from  $z$  years after the policy impact, the unit is set to 1; otherwise, it is set

375 to 0.

376 The parallel trend test results are presented in Table 4. We found that the regression coefficient of HSR is  
377 not significant in the 4 years before the introduction of HSR. After the HSR is introduced, the regression  
378 coefficient of the HSR is significantly negative, indicating that the introduction of an HSR influences pollution  
379 and the DID parallel trend assumption is satisfied. Based on the benchmark regression result and parallel trend  
380 test, we can verify that the introduction of an HSR can reduce pollution emissions, and hypothesis 1 is supported.

381

**Table 4** Parallel trend test results

| <b>Variables</b>                 | <b>Pollution</b>      |
|----------------------------------|-----------------------|
| <i>first_HSR<sub>i,t+4</sub></i> | -0.2917**<br>(-2.36)  |
| <i>first_HSR<sub>i,t+3</sub></i> | -0.5081***<br>(-4.18) |
| <i>first_HSR<sub>i,t+2</sub></i> | -0.9412***<br>(-8.68) |
| <i>first_HSR<sub>i,t+1</sub></i> | -0.7745***<br>(-6.72) |
| <i>first_HSR<sub>i,t</sub></i>   | -0.8210***<br>(-6.78) |
| <i>first_HSR<sub>i,t-1</sub></i> | -0.0746<br>(-0.40)    |
| <i>first_HSR<sub>i,t-2</sub></i> | -0.0318<br>(-0.16)    |
| <i>first_HSR<sub>i,t-3</sub></i> | -0.1992<br>(-0.99)    |
| <i>first_HSR<sub>i,t-4</sub></i> | -0.1624<br>(-0.86)    |
| Control variables                | YES                   |
| Year fixed                       | YES                   |
| City fixed                       | YES                   |

|     |                       |        |
|-----|-----------------------|--------|
| 382 | <i>N</i>              | 1017   |
|     | <i>R</i> <sup>2</sup> | 0.3581 |

383 Note: Two-tailed; Standard errors in parentheses; year dummy and City dummy were controlled for; Some observations  
384 were excluded from the regression due to missing lag variables; the variance inflation factor (VIF) was lower than 10; *t*-  
385 statistics are in parentheses; \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

386 **4.3 Testing the mediating effect of environmental regulations on the relationship between HSR and**  
387 **pollution emissions**

388 Hypothesis 2 predicts that the introduction of HSRs can promote the effective implementation of environmental  
389 regulations. hypothesis 3 predicted that environmental regulations can reduce environmental pollution.  
390 hypothesis 4 predicted that environmental regulations can mediate the relationship between environmental  
391 regulations and environmental pollution. To test hypotheses 2–4, the multiple regression results with model 2,  
392 based on Eqs. (2)– (4), are presented in Table 5. In column (2), we examine the impact of HSRs on  
393 environmental pollution. The coefficient of *HSR* is significantly negative ( $\beta = -0.2268, p < 0.01$ ), which  
394 indicates that HSRs can reduce pollution emissions. In column (3), we examine the impact of HSRs on  
395 environmental regulations. The coefficient of *HSR* is significantly positive ( $\beta = 0.2349, p < 0.01$ ), which implies  
396 that the introduction of HSRs can improve environmental regulations. Hypothesis 3 was verified. In column (4),  
397 we placed the independent variable *HSR* and the mediating variable *PITI* into a regression. The coefficient of  
398 *PITI* is significantly negative ( $\beta = -0.1079, p < 0.01$ ), as well as the coefficient of *HSR* ( $\beta = -0.2048, p < 0.01$ ).  
399 Moreover, the absolute value of the coefficient of *HSR* in column (4) is smaller than the absolute value of the  
400 coefficient of *HSR* in column (2), which indicates that environmental regulations can reduce environmental  
401 pollution and environmental regulations has a partially mediating effect on the relationship between HSRs and  
402 environmental pollution. Therefore, hypotheses 2 and 4 were verified.

403 **Table 5** Multiple regression results for mediating effects

|                     | (1)              | (2)                   | (3)                 | (4)                   |
|---------------------|------------------|-----------------------|---------------------|-----------------------|
| <b>Variables</b>    | <b>Pollution</b> | <b>Pollution</b>      | <b>PITI</b>         | <b>Pollution</b>      |
| <i>HSR</i>          |                  | -0.2268***<br>(-4.69) | 0.2349***<br>(4.75) | -0.2048***<br>(-4.23) |
| <i>Popu_density</i> | -0.1650*         | -0.1598*              | 0.1915***           | -0.1126               |

|                        |            |            |            |            |
|------------------------|------------|------------|------------|------------|
|                        | (-1.75)    | (-1.71)    | (3.43)     | (-1.47)    |
| <i>Second industry</i> | 2.5025***  | 2.2757***  | -0.1608*** | 0.4378***  |
|                        | (8.82)     | (7.98)     | (-3.44)    | (7.48)     |
| <i>FDI</i>             | -1.1627*** | -0.8941**  | 0.1984     | -0.8355**  |
|                        | (-2.90)    | (-2.29)    | (0.48)     | (-2.20)    |
| <i>Net</i>             | 0.1851***  | 0.2361***  | 0.3106***  | 0.2693***  |
|                        | (2.77)     | (3.54)     | (4.02)     | (4.05)     |
| <i>Per capita GDP</i>  | -0.0202    | -0.0219    | 0.0305     | -0.0047    |
|                        | (-0.35)    | (-0.39)    | (1.30)     | (-0.21)    |
| <i>PITI</i>            |            |            |            | -0.1079*** |
|                        |            |            |            | (-3.92)    |
| <i>Constant</i>        | -9.3433*** | -8.4880*** | -0.2043**  | 0.3915***  |
|                        | (-7.67)    | (-7.13)    | (-2.53)    | (4.40)     |
| <i>Year fixed</i>      | YES        | YES        | YES        | YES        |
| <i>City fixed</i>      | YES        | YES        | YES        | YES        |
| <i>N</i>               | 1017       | 1017       | 1017       | 1017       |
| <i>R<sup>2</sup></i>   | 0.2260     | 0.2385     | 0.1252     | 0.2400     |

404 Note: Two-tailed; Standard errors in parentheses; Year dummy and City dummy were controlled for; Some observations  
405 were excluded from the regression due to missing lag variables; VIF was lower than 10; *t*-statistics in parentheses;  
406 \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

#### 407 **4.4 Testing the moderated mediation effect of promotion incentives on the relationship between** 408 **environmental regulations and environmental pollution**

409 Multiple regression results based on Eqs. (5)– (8) for the moderating mediation effect test are shown in Table  
410 6. In column (1), we examine the impact of HSRs on environmental pollution, and the coefficient of *HSR* is  
411 significantly negative ( $\beta = -0.2272$ ,  $p < 0.01$ ). In column (2), we examine the impact of the introduction of  
412 HSRs on environmental regulations, and the coefficient of *HSR* is significantly positive ( $\beta = 0.2312$ ,  $p < 0.01$ ).  
413 In column (3), we place the independent variable *HSR* and the mediating variable *PITI* into a regression. The  
414 coefficient of *PITI* is significantly negative ( $\beta = -0.1063$ ,  $p < 0.01$ ), as well as the coefficient of *HSR* ( $\beta = -$   
415  $0.2057$ ,  $p < 0.01$ ). These three steps indicate that environmental regulations have a mediating effect on the

416 relationship between the introduction of HSRs and environmental pollution. In column (4), the coefficient of  
 417 the interaction term ( $PITI \times Pro\_incent$ ) is significantly negative ( $\beta = -0.0429, p < 0.05$ ). The coefficient of  $R^2$   
 418 increased from 0.2410 in column (3) to 0.2552 in column (4). The moderating effect is plotted in Figure 3. It  
 419 can be observed that officials' political promotion incentives positively moderate the relationship between  
 420 environmental regulations and environmental pollution and further positively moderate the indirect relationship  
 421 between the HSRs and environmental pollution via the mediation effect of environmental regulations. We  
 422 presented a path diagram with a path coefficient that quantitatively and visually reveals the relationships  
 423 between the variables in Figure 4. The path coefficient is the regression coefficient between variables.

424

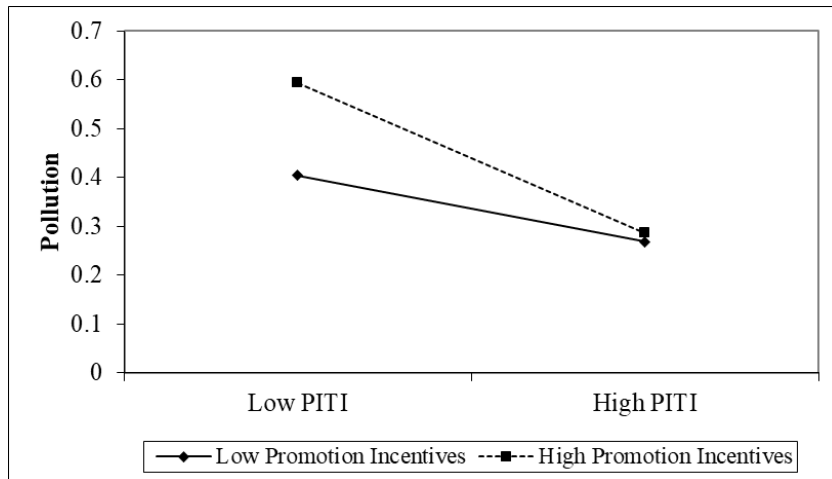
**Table 6** Multiple regression results for moderator effects

|                        | (1)                   | (2)                   | (3)                   | (4)                   |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Variables</b>       | <b>Pollution</b>      | <b>PITI</b>           | <b>Pollution</b>      | <b>Pollution</b>      |
| <i>HSR</i>             | -0.2272***<br>(-4.68) | 0.2312***<br>(4.61)   | -0.2057***<br>(-4.24) | -0.2056***<br>(-4.27) |
| <i>Popu_density</i>    | -0.1292*<br>(-1.68)   | 0.1886***<br>(3.45)   | -0.1114<br>(-1.45)    | -0.1093<br>(-1.42)    |
| <i>Second industry</i> | 0.4610***<br>(7.80)   | -0.1505***<br>(-3.19) | 0.4318***<br>(7.35)   | 0.4278***<br>(7.27)   |
| <i>FDI</i>             | -0.8467**<br>(-2.18)  | 0.2336<br>(0.55)      | -0.8002**<br>(-2.12)  | -0.7517**<br>(-2.01)  |
| <i>Net</i>             | 0.2365***<br>(3.56)   | 0.3006***<br>(3.91)   | 0.2724***<br>(4.06)   | 0.2799***<br>(4.15)   |
| <i>Per capita GDP</i>  | -0.0079<br>(-0.36)    | 0.0288<br>(1.21)      | -0.0043<br>(-0.20)    | -0.0053<br>(-0.24)    |
| <i>PITI</i>            |                       |                       | -0.1063***<br>(-3.90) | -0.1108***<br>(-4.19) |
| <i>Pro_incent</i>      | 0.0619<br>(1.11)      | -0.1788***<br>(-2.67) | 0.0424<br>(0.77)      | 0.0523<br>(0.94)      |
| <i>PITI×Pro_incent</i> |                       |                       |                       | -0.0429**<br>(-2.12)  |

|                       |           |         |           |           |
|-----------------------|-----------|---------|-----------|-----------|
| <i>Constant</i>       | 0.3805*** | -0.1307 | 0.3791*** | 0.3882*** |
|                       | (4.03)    | (-1.57) | (4.13)    | (4.29)    |
| <i>Year fixed</i>     | YES       | YES     | YES       | YES       |
| <i>City fixed</i>     | YES       | YES     | YES       | YES       |
| <i>N</i>              | 1017      | 1017    | 1017      | 1017      |
| <i>R</i> <sup>2</sup> | 0.2395    | 0.1373  | 0.2410    | 0.2552    |

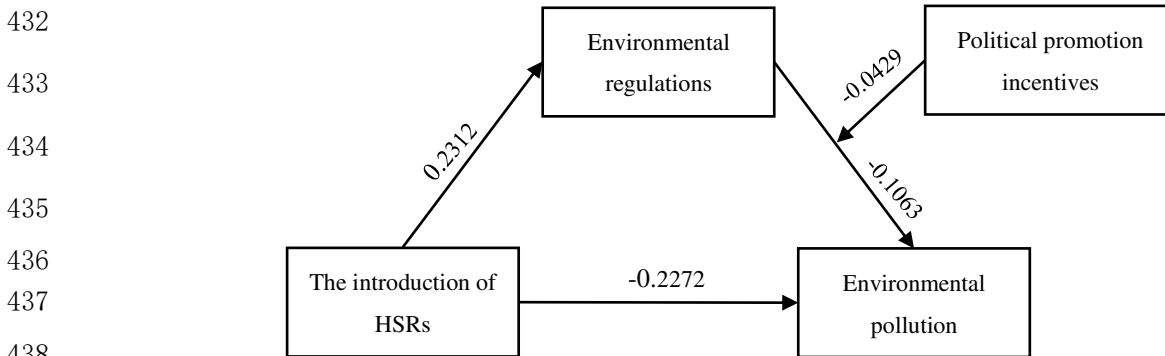
425 Note: Two-tailed; Standard errors in parentheses; Year dummy and City dummy were controlled for; Some  
426 observations were excluded from the regression due to missing lag variables; VIF was lower than 10; *t*-statistics in  
427 parentheses; \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

428



429 **Figure 3** Moderating effects of political promotion incentives on the relationship  
430 between environmental regulations and environmental pollution

431



432  
433  
434  
435  
436  
437  
438  
439 **Figure 4** The path diagram of regression with path coefficients

440 **4.5 Robustness analyses**

441 We used the placebo test and PSM-DID method to verify the empirical results.

#### 442 4.5.1 Placebo test

443 The placebo test checks the baseline regression result, which demonstrates that the effect does not exist when  
444 it “should not” exist. Specifically, we test whether the positive effect of the introduction of HSRs on pollution  
445 reduction still exists if the introduction year of an HSR is advanced. We use the variable  $F_n\_HSR$  ( $n = 3, 4, 5$ )  
446 representing the number of years before the HSR was introduced. If the coefficient of  $F_n\_HSR$  is not significant,  
447 the environmental pollution reduction is indeed caused by the introduction of HSRs; otherwise, it is caused by  
448 other unobservable factors, and the conclusion is not robust. We used Eq. (1) to finish the regression, and the  
449 results are shown in Table7. We found that the coefficient of  $F_n\_HSR$  ( $n = 3, 4, 5$ ) is not significant, and the  
450 coefficient of  $R^2$  does not change significantly among the  $F_n\_HSR$  ( $n = 3, 4, 5$ ), indicating the robustness of our  
451 baseline regression result.

452

**Table7** Placebo test results

| <b>Variables</b>         | <b>Pollution</b>   |
|--------------------------|--------------------|
| $F3\_HSR$                | -0.1197<br>(-1.63) |
| $F4\_HSR$                | -0.0976<br>(-0.94) |
| $F5\_HSR$                | 0.0157<br>(0.14)   |
| $F3\_R^2$                | 0.2450             |
| $F4\_R^2$                | 0.2441             |
| $F5\_R^2$                | 0.2436             |
| <i>Control variables</i> | YES                |
| <i>Year fixed</i>        | YES                |
| <i>City fixed</i>        | YES                |
| <i>N</i>                 | 1017               |

453 Note: Two-tailed; Standard errors in parentheses; Year dummy and City dummy were controlled for; Some  
454 observations were excluded from the regression due to missing lag variables; VIF was lower than 10;  $t$ -statistics in  
455 parentheses; \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

456 4.5.2 PSM-DID method

457 Propensity score matching (PSM) was used to check the baseline regression results and multiple regression  
 458 results for the mediating effect. This is because cities with PITI always have more serious pollution problems,  
 459 which will cause a sample selection bias when using the DID model. Heckman et al. (1998) proposed and  
 460 developed the PSM-DID method, which could compensate for the inadequacy of the DID method and deal with  
 461 endogenous problems. First, we used city-level variables such as population density, per capita GDP, and  
 462 industrial structure as our chosen criteria. A nearest-neighbor propensity score of 1:1 between group matching  
 463 strategies was used to identify the untreated group sample (to keep the sample different). As a result, we obtained  
 464 unbalanced panel data (909 samples) from 2009 to 2017. Second, we used the DID model to perform a  
 465 regression on this sample. The results are presented in Table 8.

466 In column (2), we find that the coefficient of *HSR* is still negatively significant ( $\beta = -0.2296$ ,  $p < 0.01$ ),  
 467 which indicates that the introduction of HSRs can reduce environmental pollution. In column (3), we examine  
 468 the impact of HSRs on environmental regulations. The coefficient of *HSR* is significantly positive ( $\beta = 0.2276$ ,  
 469  $p < 0.01$ ), which implies that the introduction of HSRs can improve environmental regulations. In column (4),  
 470 we use the independent variable *HSR* and the mediating variable *PITI* in a regression. The coefficient of *PITI*  
 471 is significantly negative ( $\beta = -0.1143$ ,  $p < 0.01$ ), as well as the coefficient of *HSR* ( $\beta = -0.2062$ ,  $p < 0.01$ ).  
 472 Moreover, the absolute value of the coefficient of *HSR* in column (4) is smaller than the absolute value of the  
 473 coefficient of *HSR* in column (2). This indicates that environmental regulations can reduce environmental  
 474 pollution and environmental regulations have a partially mediating effect on the relationship between HSRs and  
 475 environmental pollution. The robust check results support our empirical results.

476 **Table 8** Results of robustness check using the PSM-DID method

|                        | (1)                  | (2)                   | (3)                   | (4)                   |
|------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Variables</b>       | <b>Pollution</b>     | <b>Pollution</b>      | <b>PITI</b>           | <b>Pollution</b>      |
| <i>HSR</i>             |                      | -0.2296***<br>(-4.60) | 0.2276***<br>(4.50)   | -0.2062***<br>(-4.15) |
| <i>Popu_density</i>    | -0.2305**<br>(-2.23) | -0.1945*<br>(-1.86)   | 0.2344***<br>(3.46)   | -0.1343<br>(-1.57)    |
| <i>Second industry</i> | 2.5222***<br>(7.91)  | 2.2339***<br>(6.83)   | -0.1405***<br>(-2.69) | 0.4320***<br>(6.57)   |



|                       |            |            |           |            |
|-----------------------|------------|------------|-----------|------------|
| <i>FDI</i>            | -0.9058**  | -0.6320    | 0.1373    | -0.5740    |
|                       | (-2.28)    | (-1.64)    | (0.32)    | (-1.55)    |
| <i>Net</i>            | 0.1791***  | 0.2370***  | 0.3087*** | 0.2414***  |
|                       | (2.59)     | (3.41)     | (4.29)    | (3.97)     |
| <i>Per capita GDP</i> | -0.0171    | -0.0194    | 0.0241    | -0.0041    |
|                       | (-0.28)    | (-0.33)    | (1.01)    | (-0.18)    |
| <i>PITI</i>           |            |            |           | -0.1143*** |
|                       |            |            |           | (-3.73)    |
| <i>Constant</i>       | -8.9531*** | -8.0803*** | -0.1768** | 0.4531***  |
|                       | (-6.87)    | (-6.36)    | (-2.17)   | (5.05)     |
| <i>Year fixed</i>     | YES        | YES        | YES       | YES        |
| <i>City fixed</i>     | YES        | YES        | YES       | YES        |
| <i>N</i>              | 909        | 909        | 909       | 909        |
| <i>R</i> <sup>2</sup> | 0.2126     | 0.2292     | 0.1230    | 0.2312     |

477 Note. Two-tailed; Standard errors in parentheses; Year dummy and City dummy were controlled for; Some observations  
478 were excluded from the regression due to missing lag variables; VIF was lower than 10; *t*-statistics in parentheses; \*  $p <$   
479 0.10, \*\*  $p <$  0.05, \*\*\*  $p <$  0.01.

#### 480 4.5.3 Changing the proxy of the moderator variable

481 We changed the proxy of the moderator variable, political turnover, to check the moderator mediation effect.  
482 Political turnover indicates that mayors are placed in either more important (still at the mayoral level) or higher-  
483 ranked (vice-provincial level) positions, retiring, being transferred to another position at the same rank, or  
484 termination. If a mayor is promoted, we regard his or her political promotion incentive as strong, and *Pro\_incent*  
485 is set to 1; otherwise, we regard his or her political promotion incentives as poor, and *Pro\_incent* is set at 0.

486 Table 9 shows robustness check result. In column (1), we examine the impact of HSRs on environmental  
487 pollution, and the coefficient of *HSR* is significantly negative ( $\beta = -0.2181, p < 0.01$ ). In column (2), we examine  
488 the impact of HSRs on environmental regulations, and the coefficient of *HSR* is significantly positive ( $\beta =$   
489 0.2309,  $p < 0.01$ ). In column (3), we place the independent variable *HSR* and the mediating variable *PITI* into  
490 a regression. The coefficient of *PITI* is significantly negative ( $\beta = -0.1067, p < 0.01$ ), as well as the coefficient  
491 of *HSR* ( $\beta = -0.1971, p < 0.01$ ). In column (4), the interaction term (*PITI*  $\times$  *Pro\_incent*) is added in the regression

492 and the coefficient of interaction term is significantly negative ( $\beta = -0.0497, p < 0.05$ ). The coefficient of  $R^2$   
 493 increased from 0.2463 in column (3) to 0.2564 in column (4). The robust check result supports the empirical  
 494 moderated mediation effect result. In addition, the moderating effect is plotted in Figure 5, which also shows  
 495 that official's political incentives positively moderated the relationship between environmental regulations and  
 496 environmental pollution.

497

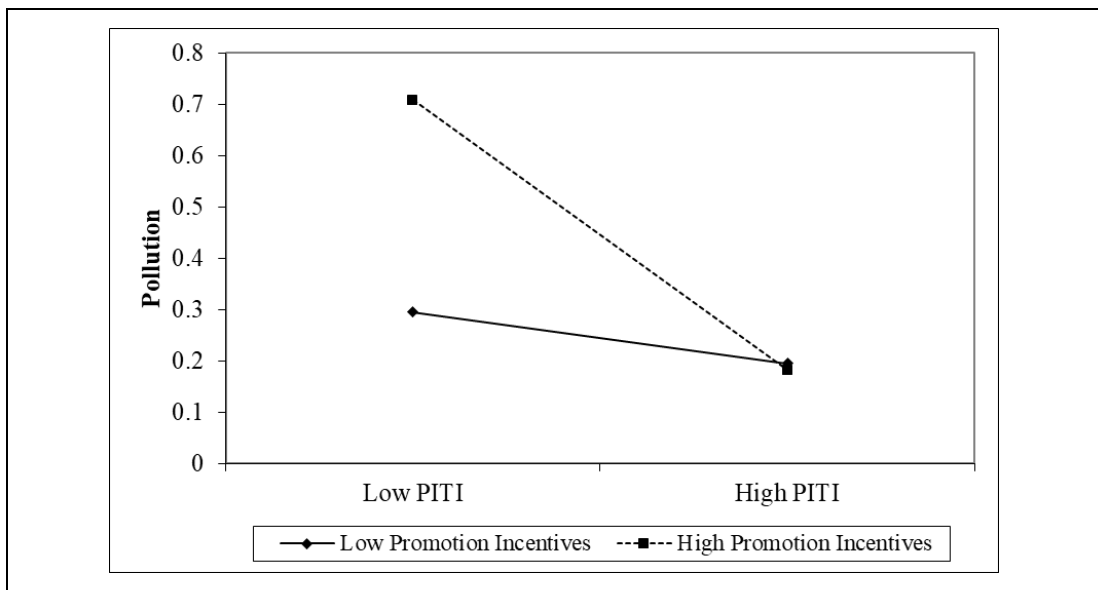
**Table 9** Robustness check results for moderator effects

|                          | (1)                   | (2)                   | (3)                   | (4)                   |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Variables</b>         | <b>Pollution</b>      | <b>PITI</b>           | <b>Pollution</b>      | <b>Pollution</b>      |
| <i>HSR</i>               | -0.2181***<br>(-4.58) | 0.2309***<br>(4.64)   | -0.1971***<br>(-4.15) | -0.2075***<br>(-4.52) |
| <i>Popu_density</i>      | -0.1343*<br>(-1.75)   | 0.1932***<br>(3.41)   | -0.1157<br>(-1.51)    | -0.1140<br>(-1.48)    |
| <i>Second industry</i>   | 0.4669***<br>(7.94)   | -0.1617***<br>(-3.43) | 0.4351***<br>(7.47)   | 0.4349***<br>(7.48)   |
| <i>FDI</i>               | -0.8833**<br>(-2.26)  | 0.1938<br>(0.47)      | -0.8254**<br>(-2.18)  | -0.7653**<br>(-2.06)  |
| <i>Net</i>               | 0.2216***<br>(3.35)   | 0.3147***<br>(4.04)   | 0.2592***<br>(3.88)   | 0.2635***<br>(3.99)   |
| <i>Per capita GDP</i>    | -0.0094<br>(-0.43)    | 0.0309<br>(1.32)      | -0.0056<br>(-0.26)    | -0.0048<br>(-0.22)    |
| <i>PITI</i>              |                       |                       | -0.1067***<br>(-3.89) | -0.1565***<br>(-5.27) |
| <i>Pro_incent</i>        | 0.1181<br>(1.55)      | -0.0421<br>(-0.52)    | 0.1120<br>(1.53)      | 0.1002<br>(1.33)      |
| <i>PITI × Pro_incent</i> |                       |                       |                       | -0.0497**<br>(-2.23)  |
| <i>Constant</i>          | 0.3324***<br>(3.43)   | -0.1783*<br>(-1.86)   | 0.3280***<br>(3.49)   | 0.3450***<br>(3.74)   |
| <i>Year fixed</i>        | YES                   | YES                   | YES                   | YES                   |

|                       |        |        |        |        |
|-----------------------|--------|--------|--------|--------|
| <i>City fixed</i>     | YES    | YES    | YES    | YES    |
| <i>N</i>              | 1017   | 1017   | 1017   | 1017   |
| <i>R</i> <sup>2</sup> | 0.2453 | 0.1265 | 0.2463 | 0.2504 |

498 Note: Two-tailed; Standard errors in parentheses; Year dummy and City dummy were controlled for; Some  
499 observations were excluded from the regression due to missing lag variables; VIF was lower than 10; *t*-statistics in  
500 parentheses; \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

501



502 **Figure 5** Moderating effects of promotion incentives on the relationship between environmental  
503 regulations and environmental pollution

504 **5. Conclusion and policy implication**

505 Developing countries face severe environmental pollution problems, and reducing environmental pollution is  
506 an urgent task. As a green and environmentally friendly transportation tool, HSRs have benefited the economy,  
507 tourism, and urban development. The ways in which the introduction of HSRs directly reduces environmental  
508 pollution have been explored in various papers. However, the indirect effect of the introduction of HSRs on  
509 environmental pollution and its mechanism has not been thoroughly investigated. With a balanced panel of 113  
510 cities in China from 2009 to 2017, using the DID method and hierarchical regression model, this empirical  
511 study explores the influence of HSRs on environmental pollution via environmental regulations' mediation  
512 effect. Additionally, the moderated mediation effect of officials' political promotion incentives is discussed.

513 The empirical finding shows that the introduction of HSRs can reduce pollution. The introduction of HSRs  
514 can promote the effective implementation of environmental regulations, which can reduce environmental

515 pollution. Environmental regulations play a mediating role in the relationship between HSRs and environmental  
516 pollution. Additionally, we find that political promotion incentives positively moderated the effect of  
517 environmental regulations on environmental pollution. Furthermore, officials' political promotion incentives  
518 moderate the indirect relationship between the introduction of HSR and environmental pollution through  
519 environmental regulations such that this relationship is stronger with strong political promotion incentives of a  
520 mayor. The PSM-DID method was used to address endogenous problems caused by sample selection bias.  
521 Moreover, we used the parallel trend test, placebo test, and changing the moderator variable for the robustness  
522 check. All the results show that our conclusion is reliable.

523 This study has important implications for policymakers. First, our results indicate that the introduction of  
524 HSRs can reduce urban environmental pollution through efficient use of technological and social advantages,  
525 harmonizing the relationship between economic development and environmental protection. Second, our results  
526 indicate that environmental regulations reduce environmental pollution. Therefore, to achieve effective  
527 pollution control, the government should strengthen environmental regulations by increasing environmental  
528 information disclosure, creating a transparent information environment, and positively responding to public  
529 participation. For example, the government can create a reward feedback plan for the public and community  
530 when these regulators contribute to environmental pollution monitoring. In a transparent information  
531 environment and with the support of the government, the public is likely to become more active, which further  
532 promotes governmental performance. Third, we found that officials' strong political promotion incentives could  
533 prompt environmental regulations, and pollution is further controlled. To improve environmental regulations, a  
534 reductions environmental pollution and increased green development could be achieved through performance  
535 evaluations and political promotion criteria.

536 Despite these results, our study has some limitations. The effect of the introduction of HSRs on pollution  
537 in cities is heterogeneous. The quality, length, and route of HSRs are different in the western, eastern, and central  
538 regions of China. Moreover, the effect of HSRs on cities' pollution increases with the HSR network  
539 development. Some cities that are rich in HSR lines may be more affected by the HSR network. In future studies,  
540 the heterogeneity effect of HSRs on environmental pollution will be explored. Further, changes in  
541 environmental protection that can be brought about through the introduction of a network of HSRs will be  
542 discussed.

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