
The Impact of FinTech Development on Corporate Greenwashing: Evidence from Chinese Listed Firms

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Abstract

Thanks to worldwide juggernaut technological progress, firms are capable of leveraging emerging technologies to optimize operations while being confronted with complex regulatory challenges especially those related to the environment. By utilizing data from 2008 to 2020, we analyze the effect of FinTech on corporate greenwashing behavior in Chinese listed firms. Empirical results confirm a positive impact of FinTech on the degree of greenwashing, indicating that firms with more advanced FinTech capabilities are more likely to resort to greenwashing practices. The study also identifies three mediating pathways (higher business complexity, greater corporate financialization, and reduced quality of information disclosure) that collectively contribute to higher levels of greenwashing. Additionally, the impact of FinTech on greenwashing is particularly strong in state-owned enterprises, firms located in central China, and those in light-polluting industries. The results offer important guidance for policymakers, emphasizing the necessity to enhance regulatory oversight while encouraging FinTech innovation to curb greenwashing behavior.

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