

Polluting China for the sake of economic growth

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China's economic growth will continue to be energy-intensive and highly polluting for the foreseeable future with emissions and efficiency far below capital growth on the agenda, according to a study published in the *International Journal of Global Energy Issues*.

Economist Yanqing Xia of Dongbei University of Finance and Economics and the Northeast Branch of the [Chinese Academy of Sciences](#) in Liaoning has looked at almost a decade's worth of data from 30 Chinese provinces to build a comprehensive model of pollution, [energy consumption](#) and economic growth. The model offers an empirical look at the balance between economic growth, energy consumption and pollution and gives a [positive outlook](#) for average gross domestic product (GDP) but paints a rather bleak medium-term view regarding a lack of sustainability and environmental targets.

Economic growth in China is heavily invested in the development of manufacturing and heavy industries, export and fixed asset investment, and energy consumption is thus growing rapidly. In one sense, energy consumption underlies economic growth. Unfortunately, this rapid increase in energy consumption and the rise in pollution and [carbon emissions](#) reflects [rapid economic growth](#) but is adding to [environmental harm](#) on a global scale and having a tremendous impact on ecological systems.

Xia points out that the data show that energy consumption has a greater impact on output compared with conventional factors of production such

as labor (human capital), while pollution has relatively little effect on output. "China's economic growth is still powered by physical capital expansion and substantial energy consumption, she says. Energy consumption and pollution still increase with China's economic growth.

China is a rapidly developing nation but Xia suggests that economic growth and environmental protection must now be bound together. "China must implement effective environmental regulations so that firms and consumers can be properly encouraged to reduce pollution and energy consumption," she asserts. Economic growth may continue unhindered for many years in China but the environmental payback may stymie opportunities to reap the rewards of that growth because of the harm that ignoring environmental urgency may cause.

More information: "An empirical research on the interactions of China's energy consumption, pollution emissions and economic growth" in *Int. J. Global Energy Issues*, 2012, 35, 411-425

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