



Decisions should be based on both environmental and economic considerations ...

Guest Editorial

Opportunity and Challenge in China

With further global economic growth and abrupt deterioration of the ecologic environment, every country should continue to increase environmental investment and rapidly expand products and technology for environmental protection. To realize the environmental protection target of China's Ninth Five-Year Plan (1996–2000) and to effectively implement the Environment Protection Project, the Chinese government is currently carrying out two significant activities: the Overall Control Plan and the Transcentury Green Project Program. These activities have created enormous demands for advanced industrial and environmental technologies and equipment. The investment in environmental protection by the Chinese government in 2000 has surpassed 1% of the gross national income. Currently, China is politically stable and the economy is prosperous, which creates an ideal investment opportunity for the environmental protection industry.

China is a large agricultural nation with a huge population base. The development of small townships is a strategy to spur rural economic and social development. The Chinese government is already planning the construction of small townships. The critical issues are how to effectively solve the environmental problems for township construction and urbanization, how to coordinate the development of industry with protection of the ecologic environment in townships, and how to avoid the traditional ways of "polluting first and cleaning later, and destruction first and protection later." The ecologic environmental problems that exist in China's small townships are as follows: *a)* programs in small townships lag behind those required for economic development and environmental protection; *b)* small townships have not effectively been divided into functional districts; *c)* basic infrastructure construction lags behind township construction; *d)* both resource utilization and pollution prevention capabilities are limited; and *e)* the ability for pollution control and environmental protection is low. Especially in recent years, enterprises in rural townships have experienced rapid development; meanwhile, these enterprises suffer from overall low-level technology and management, slow equipment renewal and innovation, and irrational industrial structure. They increase production by simple extension, and they exploit resources in a way that results in wasted resources and serious pollution of the environment. Therefore, there is a special need to establish a new concept for sustainable economic development as well as ecologic and environmental protection of townships.

To develop sustainable and ecologic small townships, the principles of ecology and ecologic economy should be used to direct the harmonious development of the economy, society, and the environment. Programs and planning should be comprehensive. High economic growth should be obtained with a low cost to resources and the environment. The economy, township construction, and the environment should be planned as one, implemented as one, and developed as one. With regard to current township enterprises, we should take action to encourage the improvement of technology, to revise the industrial



structure, and to practice clean production technology. Development of township industry should be considered part of the national economic and social development system. This would reduce and eliminate discharge of pollutants and help to share limited

resources. Experience and technology from developed countries should be introduced to achieve harmony between the use of natural resources and the protection of the environment, and to develop and construct new small townships in China.

By joining the World Trade Organization (WTO), China will promote environmental protection and provoke corresponding challenges. Environmental protection and the merge of trade has become the focus of international attention. In guidelines for international trade, there should be a balance between the need to protect the environment and the right to use environmental resources. Environmental protection should be included in the overall balance of trade so that it becomes a major component of the nation's economy. Because of a lack of environmental concern in trade and the economy in the past, it was hard to carry out environmental management and enforcement in China. After joining the WTO, there will be international pressure for environmental protection. Chinese foreign economy and trade laws will also be used to resolve environment- and trade-related issues. A great discrepancy still exists among China's foreign economy management policy, environmental standards, the binding force of laws and regulations, and international practice and laws and regulations, especially the standards for discharge of pollutants and for environmental quality.

By joining the WTO, China can use the environmental management experiences of developed countries to deliberate the laws and regulations that are more stringent than domestic ones to promote the overall technologic level of environmental protection, and can take part in the global economic exchange. On one hand, foreign products will compete in the domestic market with lower prices and better quality, which will initiate improvements in certain domestic products and enterprises that lag behind in technology, cause serious pollution, and have low economic efficiency. This offers China the opportunity to revise the structure of industry and improve technology. China can then selectively import, digest, and absorb advanced technology and products to enhance and implement the overall level of the environmental industry. On the other hand, the current international economic and trade structure will exert great pressure on China to protect the environment. Discrepancies are still obvious between China and developed nations with respect to the economic base, the level of science and technology, and laws and regulations. Products from developed nations feature high technical content and more environmental consideration for both production and application. In contrast, this is hardly the case in China.

In China, economic development has occurred by using pollutive production methods and by exploiting natural resources and exporting raw materials at a low price. These practices result in the predatory use of environmental resources and further expansion of environmental destruction. This is another challenge that China will confront with membership in the WTO. Based on this, the Chinese government should evaluate natural resources and the ecologic environment, determine environmental efficiency, and integrate export, free foreign investment assistance, and environmental protection into trade policy and strategy. Priorities should be determined for developing environmental trade. Environmental protection-related foreign trade laws and regulations should be established and implemented to reduce negative responses from the WTO. Assistance and policy preference should be granted to trading activities that are good for sustainable development of the environment and trade, production investment, and importation of technology. Technology and equipment transfer for clean production should be encouraged. The structure of tariffs should be focused on the cooperation of global environmental protection and should target continuous development of the environment and trade into earlier realization.

The Western Open-Up project brings a historical opportunity to western China and also creates a challenge to protect the environment in these areas. The strategy will focus on the construction of the infrastructure, the protection of the natural environment, and the development of scientific and technologic education to keep up the pace with economic reform and development in all of China.

Western China is one of the birthplaces of Chinese civilization; it was a place with abundant grassland and dense forests and a prosperous economy and culture. Due to historical and natural circumstances, some districts of western China are now suffering from serious environmental pollution and ecologic destruction. Soil erosion,

lake shrinkage, desertlike conditions, urban air pollution, and polluted water are big problems. The deterioration of the western environment not only harms this part of China but also threatens the environmental safety of the entire country. China's Western Open-Up project is a broad-scale project in which environmental protection should play a key role. Decisions should be based on both environmental and economic considerations, and environmental protection and construction should carry equal weight. Pollution prevention and protection of the environment should be carried out together, and environmental protection should be integrated with the economic structure. Environmental protection technology and education will bring about improvements in many areas. The overall principle of China's Western Open-Up project is to achieve economic prosperity by improving technology and policy and by considering infrastructure construction as fundamental, environmental protection as basic, and revision of the economic structure and establishment of characteristic industry as critical. The final target of the Western Open-Up project is to create both a prosperous economy and good environmental quality.

Western China should make full use of governmental policy and actively introduce foreign investment and advanced technology to improve the economy and industrial structure. Both the acceleration of economic development in western China and the use of the Western Open-Up strategy will offer valuable and profitable opportunities for environmental improvement.

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