

China's green growth potential 'could create 9.5m new jobs'

Report urges China to replace dirty, energy intensive industries with renewable technology and other 'green' businesses

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If China phases out energy-intensive technology it can create millions of jobs, a report says. Photograph: Frederic J. Brown/AFP

China can make a net gain of 9.5m jobs over the next five years if it phases out its dirtiest, energy intensive industries and replaces them with renewable technology and other "green" businesses, according to an influential advisory body.

The potential for green growth was flagged up in a report that highlights the "Jeckyl and Hyde" nature of the environmental situation in China, which can claim both the world's biggest investment in new energy and the most dangerous levels of pollution. The report was released this week by the China Council of International Co-operation on Environment and Development, which is headed by Li Keqiang – widely tipped to become the next prime minister – and includes 200 domestic and overseas experts and leading figures in the United Nations and other world bodies.

On the economics of a shift to a more sustainable development path, it is brimful of ambition and optimism. The council advises the government to spend 5.8 trillion yuan (£61bn) on measures to save energy, protect the environment and replace polluting industries with hi-tech firms. It estimates this would create 10.6m jobs, boost GDP by 8 trillion yuan and result in energy savings worth another 1.4 trillion yuan. These gains, it says, would far exceed the costs of eliminating the dirtier sectors of the economy, which are calculated as a loss of 950,000 jobs and 100bn yuan in output.

At their annual meeting, the council emphasised the need to shift track – a process that the government has tried to promote in its latest five-year plan. "The industrial sector is still the prime energy consumer and a major cause of pollution, so greening the sector is

key for China's green transformation," Li Ganjie, vice minister of environmental protection and the council's secretary general was quoted as saying by the China Daily.

On the environmental situation, however, the report painted a far bleaker picture for the next 10 years of worsening levels of toxic waste, ecological degradation and water shortages. At the release of the report, Achim Steiner, executive director of the UN Environment Programme, praised China's \$49bn (£31bn) investment last year in renewable energy, but said the country is also paying an alarming health cost for the past three decades of dirty growth. "They are paying a price first of all individually by premature deaths ... Respiratory diseases and premature deaths in the hundreds of thousands," he said.

The report - which was three years in the making - placed much of the blame on an obsession with GDP expansion, particularly at a local government level, which has resulted in lax implementation of environmental goals. "The blind pursuit of economic growth has now become a huge obstacle for China's green growth," it says.

It suggests the introduction of a carbon tax and new pricing mechanisms that would encourage more efficient use of scarce resources such as water. The central government says it is also trying to rebalance environmental quality with economic quantity, partly by setting new goals to reduce pollution.

In the latest promise of improvement, the Ministry of Environmental Protection said it will tighten air quality monitoring and include PM2.5 small particulate matter in the index for the first time. Zhou Shengxian, the environment minister, told the council that China would move towards international standards of monitoring, but warned that there was still a long way to go. "It will be a gradual process, and won't be achieved all at once," Zhou said while outside Beijing was shrouded in a thick haze.

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