

Cheating the Homeland

Though China is shrewdly boasting its investment in much-desired solar and wind energy, the health and wellbeing of own people isn't part of the agenda.

by *Claudia Astarita*

WRITER FUTANG LIU was arrested recently. He was hauled away while in a hospital undergoing a series of regular tests for those who suffer from diabetes and hypertension. Government agents told him only that he'd soon face trial for "illicit commercial activities." But his real "crime" had nothing to do with squirreling away secret profits. Instead, he'd published a series of books intended to improve environmental awareness among the Chinese.

The 65-year-old Liu has spent the better part of a lifetime writing about the ecological downside of industrialization. He's exposed bureaucratic malfeasance and written about how state companies illegally bury their waste underground. He's singled out national officials for taking bribes in exchange for approving environmental sustainability certificates. He's written about workers in hospitals, some on their deathbeds, as a result of breathing toxic discharges from factories that failed to comply with (rarely enforced) government orders calling for air purification systems. He's cited cases of people dying from sipping water from contaminated rivers, many of which qualify as little more than glorified dumps.

It's long been clear that the 21st century economy would involve a contentious battle among those seeking a monopoly over essential resources, not only oil and gas but also rare earth, water and renewable energy. In that global fight for control of increasingly scarce materials, China is coming out on top, gradually assuming a monopoly position that's worrying to say the least.

Optimists hoped Beijing would come to terms with at least a portion of its environmental problems, particularly regarding waste disposal. It also hoped

the country would make tangible strides in the field of renewable energy. But while the country has made strides in both areas in terms of production and marketing, it has so far failed to create a sense of national responsibility and environmental awareness, a serious shortcoming in a nation that produces more pollution and waste than any other.

Beijing controls more than 97 percent of the world production of renewable energy. Unafraid of foreign competition, it can fix prices and export quotas based on national requirements and adjust them as needed. Simply put, China obtained its monopoly by embracing unfair practices, creating an effective cocktail that mixed profoundly low wages and generous government subsidies into an environment almost complete lacking in occupational safety and sustainable development legislation. The approach wasn't pretty, or legal, but it Beijing knock off all potential competitors, forcing them to fall into line to avoid bankruptcy. Chinese factories still resound with constant propaganda messages. "We're all here to make money! We work harder!"

Over the last seven years, China has become the world leader in the production of solar panels and wind turbines. Statistics released by the country's environmental protection ministry say national PV production has increased from 350 MW in 2005 to 1,500 in 2007, reaching 12.2 GW in 2008. In 2012, industry giants Suntech Power, Yingli Green Energy and Trina Solar covered 44 percent of the world production. In 2010, Suntech alone reached 1,800 MW in total capacity. The ability to generate wind energy increased from 1.26 million KW in 2005 to 44.7 GW in 2010, the

Solar panel going up in China's Hami prefecture.

year in which China took over primacy in the global production of wind energy (23 percent), thanks to the merger of three large companies, Sinovel, Goldwind and Dongfang Electric.

China's twelfth five-year plan, which runs from 2011-2015, made the country's commitment to renewable energy clear. At the end of 2010, the country had installed less than one gigawatt worth of PV capacity, but 2011 brought a new national rate intended to boost consumption (prices dropped from 0.8 to 0.6 Yuan per kWh, about .7 euro cents). In short order, new installations worth 2GW were completed and made operative. Forecasts for 2012 speak of an additional 4GW. The five-year plan's final target has been revised upward twice already, from five to 10GW immediately after Japan's Fukushima reactor tragedy, and then raised again to 15GW.

The €293 billion in green investment approved by the Communist Party for the 2006-2020 period is intended to help the country to take advantage of sectors in which import demand is expected to continue to grow notwithstanding the global economic crisis.

The underlying idea is to strengthen national companies while putting the pressure on foreign ones. One after other, foreign firms have cut jobs and scale back production, trimming losses by tightening their alliances with Chinese partners. Some have pulled out of the market entirely. The standoff between Washington and Beijing on solar power ended in mid-May with the imposition of heavy anti-dumping measures on Chinese panel imports. Tariffs will go up between 31 and 249 percent, to go with 2.9 percent to 4.73 percent increases in effect since March. But not even these draconian



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measures will be enough to save the North American market from the onslaught of Chinese goods, and Beijing knows it.

Despite ambitious goals (100 GW of up-and-running wind capacity by 2015 to reach 1,000 by 2050, 80 percent of it with Chinese systems and components), Beijing continues export just under 100 percent of the turbines it builds. That's largely because of the strength of its renewable energy market is disengaged from national ecological priorities. China's increasing market share comes at extreme domestic environmental cost. China's unstoppable industrial leaps is headed up by unscrupulous titans, the 21st-century equivalent of



A. Dean/Bloomberg via Getty Images

American robber barons, who are invulnerable to crisis thanks most to ongoing national government support, both in financial and social terms. The budgets of these companies depend not only of Beijing's muscular economic subsidies but also on its willingness to turn a blind eye to starvation wages and similar willingness to ignore the principles of sustainable development.

The dark side of China's resounding success is visible on the devastated faces of its workers, undone by punishing schedules, poisoned by pollution, and left to their own devices in seas of abandoned toxic waste dumped into waterways located close to factories or simply buried underground.

It's a disposal system that, while heedless of environmental consequences, has the advantage of being quick and cheap. It's no coincidence that demonstrations against pollution scandals involving the disposal of heavy metal waste into rivers, rendering them toxic, and protests against worker exposure to toxic workplaces, once limited to villages and swept under the carpet, are

on the rise in the country's major cities.

Stories like the ones made public by Liu Futang have led increasing large portions of the Chinese populace to repeat lines such as, "the party has abandoned us," "no one cares about us," and "no one is making any effort to protect our future and that of our children." Such complaints, which the government works hard to derail or trivialize, may in the long run call national stability into question.

With the most recent five-year plan, China's ruling classes officially committed itself to a more environmentally friendly future, saying Chinese would have a "future of clean air and blue skies." So far, the promise has been neglected, and with it any systematic effort to give priority to the country's long-term needs. Instead, China continues boring full speed ahead with investments that carry potentially fatal consequences. Knowing the real intentions of a country renowned for its lack of transparency was difficult even when China was growing nine percent annually. Now, with



Facing page, wind turbine.
Left, solar panels
at a Chinese bus stop.

estimates steadily revised downwards (the latest range is between 6.5 and 7.5 percent), with Chinese officials keenly aware that political stability depends on economic development, the door to information is closed even more tightly.

But going-on within renewable energy market can allow for the venturing of predictions.

Beijing is well aware of the sector's potential. As a result, aware that the country badly needs new production and increased internal growth, it's willing to overhaul the market to suit potential demand. But it wants to go about such change on its own terms, avoiding the establishing of precise rules that might also benefit foreign companies. It is willing to encourage the mass construction panels and wind turbines for the domestic market whole knowing full well that it won't have enough internal customers, at least not in the short term. Since no one denies China has a pollution problem, encouraging the use of renewable energy at home can only have a positive effect, particularly in terms of national image. A University of Leeds study on greenhouse gas emissions recently calculated that China circulates 20 percent more gas than officials statistics state. But Beijing's long-term plan has little to do with image.

while limiting outside competition at home. The idea is to limit the impact of duties and tariffs, which are only destined to grow.

A fifth of Europe's alternative energy companies have already decided to reconsider plans for China expansion, notwithstanding Beijing's announcement of a second stimulus package worth 2 trillion Yuan (¥251 billion). Company chiefs are convinced the stimulus funding will finish in the hands of Chinese entrepreneurs alone, which was the fate of the first such package.

Still, it is hard believe China can turn an eternal blind eye to the green revolution. While recent economic restructuring was clearly oriented toward taking advantage of the global crisis by acquiring troubled factories in Europe and America (as well as the technology they possessed), attempting to monopolize a sector destined to continue booming indefinitely, it's seems probable that China itself will eventually begin, almost by default, to reap at least a portion of the ecological benefits at home.

At the same time, as long as China continues arresting, trying and sentencing men like Liu Futang, it's unrealistic to imagine Beijing deciding that it's time to start listening to the voice of the destitute, and to meet their ecological needs.