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“Thinking ‘one world’ and servicing the same home”

1. Introduction

During the last two decades, China has experienced rapid economic growth and dramatic industrialization and urbanization. This galloping growth with conventional development pattern has resulted from massive use of limited resources and in serious environmental damage. As one of large developing countries, in the coming 15 years China is firmly project to continuously improve people's living standards with the objective quadruple GDP by the year 2020 against 2000. Due to 3 major challenges of the large population, shortage of resources and environmental pollution, pursuing economic, social and environmental sustainable development is the only solution.

In March 1994, China formulated the white paper, China's 21st Century Population, Environment and Development, to guide the country's sustainable development. After 10 years experience, the new government adopted a practical strategy to implement a “New Scientific Development Concept” and a “Harmonious Society” which call for people-centered in ensuring sustainable development suited to China's current economic conditions.

The scientific development concept focuses on integrating humanism with overall, harmony and sustainable development, while pushing forward the reform and development drive to coordinate development between urban and rural areas, different regions, economy and society, man and nature, and domestic development and open up to outside world. A harmonious society aims at giving full scope to people's talent and creativity, enable all people to share the social wealth of reform and development, and forges an ever closer relationship between the people and government.

2. National priority strategies to implement sustainable industrial production

There are three major policies, which reveal China's priorities for sustainable industrial development:

- The development of a new development pattern of industrialization

- The development of a circular economy
- The development of a resource saving society

As a developing country, China has a comparatively weak industrial base. Besides, the extensive pattern of industrial production has led to a great waste of natural resources and energy and serious environmental pollution. This new development pattern of industrialization is to promote transition from the conventional extensive to an intensive pattern of China's economic development. Characteristics of such industrialization will be focused on featuring the following 3 aspects:

- Informationization driving industrialization, industrialization promoting the informationization
- High containing of science and technology, good economic return, and lower resource consumption and environmental pollution
- Efficient deployment of human resources

Circular economy is the abbreviation of closing materials cycle economy in terms of material flow patterns. The conventional industrial production is a one-way linear economy consisted of "resource – production – consumption -wastes and disposal". Circular economy, which is different, promotes an economy development pattern harmonious with the earth natural principle of circulation. The main purpose of it is to organize economic activities to a close-loop process of "resource – production – consumption - secondary resources". The circular economy currently focuses two major areas of production and consumption. China will implement the circular economy in following four major priority sectors

- eco-industry,
- eco-agriculture,
- sustainable consumption
- and reutilization and re-resource and sound disposal of wastes.

Founding a resources-saving society is the common orientation for sustainable development of various countries around the world, which is especially important and urgent for China. A resource-saving society contains 2 concepts: one is a resource-saving national economic system, not a certain one or several links the other is a resources-saving society, which refers mainly to the field of consumption.

China now is in a stage of large-scale capital construction. Along with rapid economic growth, China has been sustaining increasingly heavy pressure of energy and other resources. To build up a resource saving society also need energetically strengthen scientific research and innovation in the field of energy resources, improve the utilization efficiency of China resources, especially energy and water resources, reduce wastes of resources and develop renewable resources, so as to provide technical guarantee for the

establishment of a resource-saving society.

3. Challenges for China's industrial sustainable development

China is going through a period of immense and rapid change as it moves from a centrally planned to a market economy. Since China reformed and opened, a large number of small and medium-sized enterprises (SMEs) have grown rapidly, and more and more multinational corporations also have had direct investments or set up manufactures in China. Both of them have become an important new driving force for China's industrial development.

As a developing country, China has a comparatively weak industrial base. The majority of China's SMEs are still confronted with weak technology, backward equipment, incompetent staff and insufficient funding. It means that priority concerns of China's business are surviving and growing, instead of sustaining in a long run. According to above national strategies on sustainable industrial development, implementing cleaner production and environmental management is important priority step on China industries' path towards a sustainable development. According to a recent survey, China's businesses are generally positive about environmental management with more than half aware of the benefits of environmental management. However, many barriers to the implementation of good environmental management and cleaner production towards sustainable business still exist to China's industries in particular SMEs.

Lower awareness on sustainable business – Most businesses see environmental improvement is a burden of business. Environmental protection and social responsibilities are bounden duty of government instead of their business. Very few enterprises currently implement Corporate Social Responsibility programme.

Lack of efficient systematic solutions for environmental sound production– Most of China's industries see environmental protection as involving end of pipe measures rather than process improvement. Many production processes are old with end of pipe treatment. R&D capability is too low to develop and adopt resource and energy-efficiency and clean process technologies, including maintenance and servicing techniques.

Lack of economic incentive – Most of China enterprises can be of an enormous scale with an ownership structure, level of debt and insufficient market demand that are not conducive to investment. Resources of water and energy prices are relative low.

Lack of integrated environmental and business strategy: Environmental issue is nothing related with core business for most of China enterprises. Also few enterprises see environment as a drive for marketing, product eco-design and innovation.

Public awareness – A relative lack of disposable income and inappropriate

marketing means that the green consumer is not yet prolific in China and there is therefore a lack of public pressure on enterprises.

4. Sustainable Outlooks to Henkel in China

Henkel direct investment in China undoubtedly strengthens the local capital market, brings advanced production technology, and provides high standard products. Henkel establishment in China also provide a number of job opportunities for the location.

As a multinational corporation operating in China, Henkel could initiate more actions to contribute local sustainable development while fulfilling its own Corporate Social Responsibilities worldwide.

For production: to save all resources, including raw materials, water, energy; to minimize wastes, emissions and by-products; to operate a healthy and safe working environment; and to demonstrate a model of circular economy not only in-plant, but also extension to the rest of life-cycle of products and by-products;

For product: to develop by eco-design and produce continuously less or no environmental impact and non-toxic containing products; as one of worldwide supplier of home care, to convey information about environmental friend guidelines through Henkel products (producing and using, and disposing) to users/consumers so as to increase public awareness of sustainability practices;

For community: to strengthen life-cycle risk management for ensuring safety of both production and products; to continuously train employees on environment friend and safe production and also contribute children and young education on sustainable development of local community;

For suppliers and competitors: to extend Corporate Social Responsibilities to suppliers/users through sharing information on Henkel's environmental friendly practices by supplier chain management, to demonstrate Henkel's technology trajectory to competitors in particular to local SMEs on continuous reducing material consumption and increasing benefits; and to diffuse knowledge of sustainable business strategies;

For global environmental issue: as a good multinational citizen, to join hands with all stakeholders and partners to combat with poverty, global warming, bio-diversity decreasing, ozone depleting, POPs, etc. by keep thinking the one world and servicing the same home;