

Impact of China's Market Capitalism System on its Environment

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Abstract:

China with its spectacular economic growth over the last quarter of century had made it second largest economy and 'global manufacturing center' in the 21st century, after its accession to WTO in 2002. Today's modern China is mainly characterized by market economy based on private property ownership, one of the main examples of 'State Capitalism'. Its entry into development stage characterized by the growth of the heavy industry and the chemical industry and rapid urbanization, has overall tension on resources, energy and environment. Currently China is the largest emitter of carbon dioxide and the largest contributor in greenhouse gases emission that has a huge impact on climate change. Therefore, this paper will analysis the challenges of the market capitalism system in China and the adoption of feasible solution for the comprehensive, harmonies and sustainable environmental policies by the Chinese government in transiting China from 'high cost' growth model to 'green development pathway' will help in decoupling of resources and energy consumption from economic growth.

Keywords: State Capitalism, market capitalism system, coal, green investment.

Introduction:

Since the economic reform in 1978, the economy of China expanded annually at the rate of 9.4 percent until 2004. This occurred because of market oriented economic reform under one party rule. Under this reform farmland were privatized from agriculture collectivization, creation of Special Economic Zone (SEZ) for the foreign investors, restructuring of the inefficient State-Owned Enterprises (SOE). Today's modern China is mainly characterized by market economy based on private property ownership, one of the main examples of 'State Capitalism' (Bramall p.325 2009). Along with this reform Chinese leadership also accepted economic globalization and liberalization in 1990's. This had led to the privatization of most of the small and medium size state owned enterprise and

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