

*The Research on the
Countermeasures of Developing
the Circular Economy in China*

Hou Yinxia

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FOREWORD

In 2010, China sustained a relatively rapid growth of its national economy while overcoming the adverse impacts of the natural disasters and the global financial crisis. Its GDP grew by 10.3% compared with the last year to 39798 billion RMB yuan, with the primary, secondary and tertiary industries increasing 4.3%, 12.2% and 9.5% respectively. However, with a vast population and a low level of economic development, China still faces a rather arduous task of development. By the end of 2010, the total population in the mainland was 1.339 billion. The per capita GDP still ranked among low to mid-income countries. Furthermore, the nature resources and the energy sources are becoming less and less. The development pattern of the circular economy is just the right approach to solve this contradiction.

The circular economy is based on the theory of ecological economics, sustainable development theory, system theory and obeys the principle of reduction (reduce), reuse (re-use), recycling (recycle). Since 1990s, China started to develop the circular economy. In general, the development of circular economy has had some experiences and kept a good development momentum. It is expected to serve as one of the important ways to implement the scientific view of development and realize sustainable socio-economic development. Practical implementation of a circular economy has many aspects. Vertically it involves enterprises, industrial parks, cities, and regions; horizontally it involves industries, urban infrastructures, the cultural environment, and the social consumption system. But it also exists some

problems: such as lacking the ecological awareness in the public, lacking the common and key technologies to support the development of circular economy, legal system is incomplete and lacking an effective incentive system. The reasons for them are: there exists the difference in energy and environmental management and weak monitoring, the sound operation mechanism of government's promoting and market driving doesn't form and the extensive growth mode leads to the negative effects of ecology.

So the countermeasures should be adopted, such as supporting the ecological culture construction, proposing the circular economy ethics, constructing the technological system of circular economy development, constructing the technological support system of circular economy development, perfecting the legislation of circular economy, encouraging enterprises to engage in circular economy through preferential policies and making the investment and financing support to circular economy.

I sincerely hope that this book would serve as the practical policy guidance for China's sustainable development. I would like to express my gratitude for all who contributed to the development of this study and look forward to their continued commitment to achieving sustainable development at all levels.

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