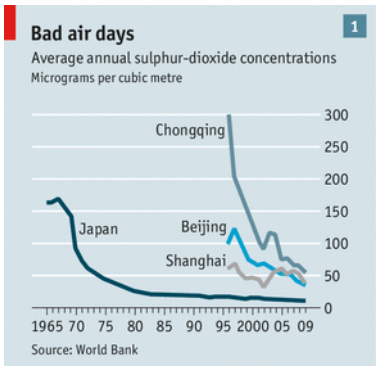
The environmental Kuznets Curve is alive and well in China [1]

Written by **Tim Worstall** [2] | Monday 19 August 2013

It's a standard trope these days that China is so alarmingly polluted that it's killing off the population in droves. And that might actually be true in part as well. But all that filth is the side effect of people not being killed off in larger droves by the absence of food, shelter or industry.

Which is where the environmental Kuznets Curve comes in. It's a fairly simple idea: when people are just struggling up out of peasant destitution (please do recall, in 1978 China had the same GDP per capita as England in 1600) they don't particularly care about air pollution, water pollution and the rest. They're too focussed on this wonderful new idea of being able to expect three squares a day. As wealth increases then Maslow's heirarchy of needs comes in: OK, so now we've enough to eat, clothes, houses, maybe we ought to do something about that choking black smoke: we'll spend a larger portion of our new wealth on matters environmental that is. The curve is simply constructed from these two points: another way of putting the same thing is to say that matters environmental are a superior good. We're willing to devote a larger portion of our incomes to them the higher our incomes become.

All of which is generally understood but there are those who insist that China's current pollution is something exceptional. Well, no, not really. It's about right for its current level of development actually [3]:



> China is broadly right about one thing: its environmental problems do have historical parallels. With the exception of Chongqing, the largest municipality, most Chinese cities are no more polluted than Japan?s were in 1960 (see chart 1). Excluding spikes like that in Beijing this year, air quality is improving at about the same rate as Japan?s did in the 1970s.

And not dissimilar from the UK in the 30 and 40s: something that makes sense given that China's GDP per capita is now about what the UK's was in 1948.

People do indeed want to have a clean environment. But as it happens they also like to eat, have the basics of a bourgeois life, more than they like a clean environment. It's only after those basics have been achieved that we're all willing to spend our still rising income on that green and pleasant land.

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