NEW POLLUTION IN RURAL AREAS: THE “HOME APPLIANCES TO THE COUNTRYSIDE” PROGRAM

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In response to the powerful impact of the international financial crisis, China adopted a variety of economic stimulus programs. The “Home Appliances to the Countryside” scheme encouraged farmers to buy government-subsidized home appliances to help electrical appliance manufacturers expand into the rural market and to relieve them of overproduction. At the same time, the program enabled more of the rural population to enjoy the fruits of China’s modernization. However, the program’s impact on the rural environment received little attention. During the process of modernizing and building the new countryside, it is important to recognize and address environmental pollution in rural areas brought on by bringing “Home Appliances to the Countryside.”

I. The “Home Appliances to the Countryside” Program: An Important Measure to Address the Economic Downturn and Stimulate Domestic Demand

As a government policy, the “Home Appliances to the Countryside” (家电下乡) program was formulated well before it became a hot topic in 2008, when China was hit by the global financial crisis. In August 1999, an article by economist Lin Yifu (林毅夫) suggested a new countryside campaign that included massive upgrades in the electrical infrastructure—including an upgrade of rural power grids and a reduction in electricity charges—to prepare for the “Home Appliances to the Countryside” scheme. This suggestion was written into the Tenth Five-Year Plan, making the program an important policy goal. The implementation of the Tenth Five-Year Plan and the Eleventh Five-Year Plan laid a solid foundation. In November 2007, the Ministry of Finance and the Ministry of Commerce issued the Notice on Carrying out Pilot Projects of the Home Appliances to the Countryside Scheme (关于开展家电下乡试点工作的通知) which designated Shandong, Henan, and Sichuan as pilot provinces. Farmers in these three provinces were
able to buy color TV sets, refrigerators (including deep freezers), and mobile phones at a 13% discount subsidized directly by the state.

The “Home Appliances to the Countryside” project became an important measure in the Chinese government’s economic stimulus plan after the country was hit by the global financial crisis. At the Executive Meeting of the State Council held on November 19, 2008, the State Council decided that it would expand from fourteen provinces to twenty-two provinces and last for four years. Home appliances such as TV sets, refrigerators, washing machines, and mobile phones were included. Motorcycles, computers, water heaters, air conditioners, microwave ovens, and induction cookers were later added to the subsidized home appliance list. Moreover, each family in rural China could buy two things in the same category instead of one thing as originally stipulated. According to an official with the Ministry of Commerce, China’s budget for the program in 2009 was as much as 20 billion RMB (3 billion USD). At the Executive Meeting of the State Council on May 19, 2009, it was decided that the government would encourage farmers to replace their old automobiles and home appliances with new ones by granting subsidies. The Central Economic Work Conference held on December 6, 2009 pointed out that more effort should be made to carry out the program and implement the old-for-new policy. The “Home Appliances to the Countryside” scheme was expected to reach its climax in 2010. According to statistics by the Ministry of Commerce, 27.88 million subsidized home appliances were sold from January to October in 2009 with a turnover of 50.82 billion RMB (7.44 billion USD). As of October 13, 2009, 1.08 million old home appliances had been recycled and 768 thousand home appliances were sold with a turnover of 3.03 billion RMB (444 million USD).

According to the Operating Regulations of the Home Appliances to the Countryside Scheme (家电下乡操作细则) issued by the Ministry of Finance and another ten central government departments in April 2009, the program is an important measure to address the current international financial crisis, benefit farmers, stimulate industrial production, and boost domestic demand.

II. “Household Appliances to the Countryside” and New Rural Pollution

Although the “Home Appliances to the Countryside” program has promoted economic and social development in rural areas, it has also