

Government v Environment? Reciprocal Lessons from China and the United States

As the leaders of the United States (US) and China have pledged together to make commitments to reduce carbon emissions, this proposed discussion session will elaborate the environmental opportunities and challenges in China and the US by focusing on the interface between government and environment. *We hope to in this session develop a workable strategic roadmap to carbon reduction based on insights drawn from both US and Chinese public policies and implementation.* Our goal is to elucidate how the differences in cross-national administration and policy impact short-term and long-term solutions to a global issue

Looking back at China's journey carbon emission reduction journey, it is easy to recall struggles with ravaging haze in major cities, the threat of poisoned soil, and the seemingly-never-ceasing dependence on coal-fired power plants. However, we are also enlightened by the significant reduction of coal consumption since 2014. China's carbon emission is mainly from its coal consumption, which accounts for 50% of the world's demand. Experts projected that China's coal peak coal consumption would appear between 2020 and 2040. Statistics in the past three years show that China may have already reached its peak coal consumption in 2014—much sooner than expected. Some researchers claim that this is a historic event for the global climate control and that China has entered “post-coal” growth period. What has helped China to achieve this important milestone? What was the role of China's central administration and public policies?

A review of China's 12th and most recent 5-year-plan (FYP) highlights the following elements: limiting energy and coal consumption; capping greenhouse gas (GHG) growth to regional (provincial and municipal) levels; and implementing a national carbon emission trading system (Song and Ye 2015). In addition, local government were authorized not to tie performance evaluation to GDP, and incorporate natural resources into performance audits (Ma 2017). The renewable energy feed-in tariff, energy-saving target disaggregation, the Passenger Car Fuel Economy Standard, and the Emissions Trading Scheme (ETS) pilots have been identified as key policy components of China's overall mitigation efforts (Song et al. 2015).

As most now know the story has been quite different on the US side. Following decades of national level environmental protection policy, most recently the US has been withdrawn from the Paris Climate Agreement. In addition, it has become apparent that with a change in leadership at the US Environmental Protection Agency (EPA) decades of climate change progress are likely to be stalled if not reversed altogether. Buried within the pending tax cut are provisions that would allow for oil drilling in pristine—and currently protected—lands on the northern shores of the country. The network of National Parks and other land under control of the US government through the Bureau of Land Management is under threat of renewed logging and mining activities as protective regulations are relaxed. And yet in all this there are responses at the state and local level, including public, not-for-profit, and business, that would render many of these federal changes moot—begging the question of whether China's more nationalistic approach or the US's more regional and local approach will ultimately contribute the most to sustainable environmental protection.

All have a stake in the answer, as do the businesses that occupy what has to this point proven to be a world replete with ‘natural resources’ that have (quite literally) fueled economic development. The ultimate goal of this session is to identify transferable ‘best practices’ that can cut across the boundaries of highly divergent political and economic systems, and imagine how these might be effectively institutionalized in business praxis—and in the economic development of what has routinely been referenced as the ‘third world.’

References:

Dechezlepretre, A and Sato, M. 2017, "The Impacts of Environmental Regulations on Competitiveness," Review of Environmental Economics and Policy 2(1)183-206, <https://academic.oup.com/reep/article/11/2/183/4049468>

Ma, T. 2017, "2016: The changing narratives of China's environmental story," www.eco-business.com/opinion/2016-the-changing-narratives-of-chinas-environmental-story/

Meyer, R. 2017, "How the U.S. Protects the Environment, from Nixon to Trump," The Atlantic, <https://www.theatlantic.com/science/archive/2017/03/how-the-epa-and-us-environmental-law-works-a-civics-guide-pruitt-trump/521001/>

Song, R. and Ye, Q., 2015, "China's Climate Policies: How Have They Performed, and Where Do They Need to Go?" World Resources Institute, <http://www.wri.org/blog/2015/09/china%E2%80%99s-climate-policies-how-have-they-performed-and-where-do-they-need-go>

Song, R., Zhu, J., Dong, W., Zhao, X., and Wang, Y. 2015, "Assessing Implementation of China's Climate Policies in the 12th 5-Year Period," World Resources Institute, <http://www.wri.org/publication/assessing-implementation-chinas-climate-policies-12th-5-year-period>