

How China Made Its Climate Change Decision, and Why It Will Stick

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SYDNEY—The consensus amongst the political elite in China since the 11th Five Year Programme issued in 2006 has been that climate change is a reality, and that its fiercest impact will fall on their country unless something is done. The geopolitical issue once this decision was reached was just how much China might work with the international community to mitigate the impact of burning so many fossil fuels as it continued to get its economy to power ahead.

Chinese leaders, like the then Premier Wen Jiabao, when attending the Copenhagen Climate Change Conference in 2009, made clear that China cutting its emissions so sharply would impact its growth at a highly important moment, and was inequitable in view of how much the United States and other developed countries had already done to exacerbate the problem. In China's view, the developed countries needed to take more of the responsibility and the lion's share of the proposed cuts.

The US-China accord signed at the 2014 APEC meeting in Beijing on Nov. 12 shows how far China has since come. For the first time, it has largely set aside its haggling over who has to cut the most and put a date to the expected peaking of its emissions—2030. That China has done this, but also done it in an agreement with the US, is a huge step forward, at least symbolically.

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some important constituencies in the US, Australia and the EU. Because it agrees with the causes of emissions and the scientific reason behind these, it has been able to unify decision makers within the vast bureaucratic machine domestically. This is at least one area where the top-down, centralized structures of the People's Republic prove helpful in significantly redirecting policy.

A “GREEN GROWTH MANIFESTO” | To reach this point hasn't been easy, even in spite of this. The 2011–2015 Five Year Programme was called China's first ever “green growth manifesto.” But observers at the time it was issued noted it was high on promises and low on specific targets. The aim to produce 7.5 percent annual growth over this period was still held up as the all-important objectives of government policy and benchmark for its success. That was the one projected statistic that really mattered.

Heavy smog in Beijing and other cities since 2012, however, may well have hit the planners and decision makers where it matters—on home territory. So this highly visible and irrefutable “gift” of high use of poor quality fossil fuels has perhaps worked where more cerebral methods haven't. Even so, the stakeholders who have worked on the final US-China announcement, like those consulted for the five year programmes, would have been plentiful, and each would have had to defend their particular areas of interest.

HOW CHINA'S DECISION WAS MADE, AND BY WHOM | In terms of ministerial players, while the central Ministry of the Environment on the surface looks like the core entity, in fact the overlord is the National Development and Reform Commission, the new guise for the old state economic planning agency, which has responsibility for consulting, collating, defining and then issuing broad macro-economic, political and social policy. They are, in essence, the authors of the five year programmes. In this most recent climate decision, they would have sought input from the key ministries of Finance, Foreign Commerce, Water and Land Resources, Agriculture and Transport. They would also have had consultations with the National Energy Commission, which sits directly under them (it does not figure as a ministry in its own right).

The national picture would have been duplicated at the provincial level. China is composed of 31 provinces, autonomous regions and cities directly under the central government. Some of these are major economies in their

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own right. Their buy-in is crucial to any policy implementation plan once a course of action is agreed. And each of these entities would have had a structure shadowing the central one, with different bureau or divisions covering economic, resource, and environment issues. For each of these, too, the local Development and Reform Commissions would take the lead, feeding into the national one.

On top of this, there are other key groups. State owned enterprises, particularly in the energy and mining sector, are going to have to undertake substantial reform if the 2030 target is met, becoming less polluting and more energy efficient. Their need to produce profits for the state while observing these new compliance demands is an ongoing negotiation. And their voice, through the many state company heads that sit on the Central Committee of the Communist Party, is a powerful one.

Added to these are the expert voices—academics at the Chinese Academy of Social Sciences of the Academy of Sciences, or in universities across China, who are literate both in local and international issues connected to climate change. Their input would have been important in assessing whether final proposed commitments were feasible.

Once all the feedback is assembled, the result of many seminars, closed sessions, internal reports and consultation, the final imprimatur has to be political: the various small leading groups that decide on a day to day basis so much of China's policy, and the full and then Standing Committee of the Politburo. At this point, the proposals pass from being recommendations to being policy commitments.

Negotiating with China is a tough business, perhaps because, as this case proves, so much has already been negotiated within. A US demand for significant changes in the Chinese proposal would have kicked everything back down into the huge network of stakeholders and interest groups—for them to be consulted again. Luckily, this time the deal worked.



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