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China Warms Up for Battle on Global Warming

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CHINA PUBLICIZED a national action plan in response to global warming on 4 June 2007. The National Climate Change Program, which took the Chinese government two years to formulate, documents the efforts China has made in tackling climate change, analyzes the future challenges for China and also describes China's policies and positions on international cooperation.

China has both domestic and international reasons for implementing this new program. At the domestic level, as Chinese consumption of energy per unit GDP is much higher than the developed world and environmental pollution has also hit an alarming level, it is in China's self-interest to reduce while also making more efficient its energy consumption. Besides domestic reasons, the new Program is also motivated by international factors as it may be understood as a diplomatic move to fend off international criticisms of China's increasing greenhouse gas emissions and alleged indifference to global climate change. Moreover, with the new national program, China will also have a negotiating platform in the upcoming discussions on international cooperation with regard to global warming.

China: A Winner of the Kyoto Protocol

The Kyoto Protocol, a key accord in the international regime on climate change, sets mandatory targets for industrialized nations to cut greenhouse gas emissions. The Protocol also holds the developed world responsible for the provision of financial and technological assistance to developing countries with regards to reducing greenhouse gas emissions although developing countries are not required to carry out any compulsory reductions. Various incentives, however, are provided for the developing world to be more environment-friendly in tandem with developing their economies. The Clean Development Mechanism (CDM) in the Protocol, for instance, allows developing countries to sell their certified emission reductions to the developed nations if the latter cannot meet their requirements.

This clause has provided China with a good source of financial revenue by trading the emission reductions it has been able to generate in the past few years. The latest World Bank report shows that in 2006, the total UN-certified carbon credits sold by developing countries were worth US\$4.8 billion of which China received US\$3 billion, or 62.5% of the total. Some predict that China and other developing countries may more than double their sales of carbon credits to US\$12 billion in 2007 as Europe and Japan scramble to meet the emissions reduction deadline by 2012. China has also been a major recipient of technological assistance from various developed countries.

Diplomatically, in contrast to U.S.' withdrawal from the Kyoto Protocol, China's continued participation in international cooperation on global warming has so far proved to be a boon to its diplomatic profile. China has been playing a leadership role among the developing countries in

steering international climate change negotiations to uphold the principle of “common but differentiated responsibilities” and strongly opposed legally binding emission reduction targets for the developing countries.

The Challenges on the Horizon

While China may have profited from Kyoto, a few factors on the horizon may be challenging. First of all, new reports released this year by the Intergovernmental Panel on Climate Change (IPCC) – the United Nations’ leading body on global warming – described the connection between climate change and human activity with unprecedented certainty. China, expected by the International Energy Agency (IEA) to become the world’s largest emitter of greenhouse gases as early as this year, is now one of the countries under closer international scrutiny. China’s rocketing energy consumption and emissions have also generated doubt that the Kyoto Protocol has been successful in achieving its original goals.

Most other developing countries, including many very poor ones extremely vulnerable to global warming benefited from the Kyoto Protocol far less than China did. For instance, in 2006, African countries as a whole received less than US\$150 million from selling their carbon credits, or 3 percent of the total of the developing world. How their positions in future international talks will change is something that China will have to take into consideration. The next round of international talks will be kicked off at the end of 2007 to formulate a new international treaty. It will be hard for China to maintain the same benefits it has so far enjoyed under the Kyoto Protocol.

Furthermore, China’s future stance on and participation in international cooperation are now closely tied to its concern of being perceived as a “responsible major power.” The international community will keep an even closer eye on how China says and behaves in dealing with global climate change. China’s National Program not only elaborates its own initiatives to reduce emissions, but also vows to continue to support international cooperation. From China’s perspective, international cooperation on climate change can be a double-edged sword. It can potentially transfer funds and technologies to China but it can also put shackles upon China if a disadvantageous pact comes out from future negotiations.

China is particularly concerned about two possible outcomes, a legally binding emission reduction quota and a possible carbon emission tax. Chinese experts argue that if China accepts an emission quota similar to the industrialized nations in the Kyoto Protocol, it will likely have to pay much more than it currently gains from the CDM projects to buy emission permits from other countries at a higher carbon price in the post-Kyoto period. The carbon tax, if adopted in the next protocol, is expected to cost the Chinese industries billions of dollars if China’s economy and emissions continue to grow at current rates.

The chief concern for China is that any new international agreement on global warming and the commitments that China makes should not adversely affect the economic development crucial for political stability at home. This does not mean that China is not worried about global warming. It simply means that domestic concerns will prevail over international criticisms.

Diplomacy Already Launched

In this context, it is no surprise that the Program continues to advocate the principle of “common but differentiated responsibilities” and insists that the developed countries should take major responsibilities in tackling climate change. These will be the guideline positions China will bring to the next round of international talks. Unsurprisingly, the release of the national program came at a well calculated time. On the same day the program was made public, a senior foreign ministry official announced that President Hu Jintao is expected to discuss China’s views and policies on global climate change during his meeting with the G-8 leaders. Ma Kai, minister in charge of the National

Development and Reform Commission held a press conference and after citing various figures, Ma systematically refuted the so-called “China environment threat.” All these signs indicate that China has already been well prepared in the upcoming fight on international cooperation for tackling the climate change.

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