State of the Planet 2010 – Beijing Discussion Transcript*

Topic: Climate Change

Participants:

Co-Moderators:
Xiao Geng – Director, Brookings-Tsinghua Center for Public Policy; Senior Fellow, Brookings Institution
James Miles – China Correspondent, The Economist

Expert Panelists:

Jiang Kejun, Research Professor and Director, Energy Systems Analysis and Market Analysis Division, Energy Research Institute, National Development and Reform Commission
Qi Ye, Professor of Environmental Policy and Management and Director of the Climate Policy Institute, Tsinghua University
Xu Jintao, Professor of Natural Resource Economics and Head of the Environmental Economics Program in China, Peking University
Zha Daojiong, Professor, School of International Relations, Peking University

Transcipt:

Xiao: Welcome, this is the Beijing venue of the [State of the Planet 2010] event. Sitting next to me is James Miles from the Economist. James will help me moderate this section. We have with us four experts from different disciplines. Professor Qi Ye is a professor at Tsinghua University working on climate change policy. Professor Jiang Kejun is a government researcher working with the National Development and Reform Commission. We also have Professor Xu Jintao, a natural resource economist. And we also have Professor Zha Daojiong, who is a professor from Beijing University working on international relations.

And what we have been doing in the past few weeks is actually forming a small working group trying to put forward a few recommendations from the perspective of developing countries on how to deal with the climate change issue. You should be able to see the five recommendations we put forward. I don't think I need to go into the details, but I will just say a few words about the background. We felt very strongly that there is too much talk, and too little action and we think that what we really need is action, commitment and innovation. And the best way to look at this issue is that if we all go to the moon and then look at the issue on the earth, so forget about the short-term costs and benefits and look at the long-term perspective and the future, we think climate change is not a big deal from the point of view of human society. 200 years

ago we had no carbon emission problem. In the agricultural civilization, for example, China basically had a green and sustainable agricultural economy with population as the most important input. But once we invented steam engine, we had carbon emission. And the key problem is that when the developed economy has only 20 percent of the population creates emission, that's ok. But now we have 80 percent of the world's population soon to be entering industrialization, living modern lifestyle, and that's going to cause a huge increase in emissions. So that's going to be a problem. But we believe there are lots of ways to solve the problem. We can invent industrialization of course to solve the problem in the future. We can solve the problem in the future. The key is to do something in research, to do something in change the structure of the economy. I will stop here actually and invite James to ask a few questions to our experts on some of the recommendations we have put forward.

Miles: Thank you very much, Dr. Xiao. There was a huge amount of attention focused on Copenhagen and on China's role in that, and a lot of criticism in Western capitals on the way China's diplomacy unfolded at Copenhagen. Do you think that there is a lesson that should be learned from this, going ahead and looking ahead at the next few months leading up to Mexico? What lessons should be learned on how China should approach these negotations? Is the UN the right forum to get an agreement to begin with?

Xiao: Professor Qi?

Qi: Well, first of all, allow me to take this opportunity to congratulate our friends on the other side of the Pacific for making history earlier this week in passing the healthcare bill. Just like the climate change issue, universal coverage of healthcare is a typical public good issue. The difference between the two is that the healthcare problem is a century long problem of the past, while the climate change problem is going to go on for more than a century. So we do understand that history is not made every week, but certainly history is made through great efforts, week by week, day by day. If the United States can succeed on this tough issue, there is no reason to doubt that the United States can take on a leadership role in the world for this very difficult issue of global climate change. So far, if you look at the most ambitious plan submitted to the Copenhagen Accord from the United States is the domestic emission is not going to peak in the next two decades, then that is not going to work if we really want to achieve this two degree or 450 ppm carbon dioxide concentration.

Miles: Do you think it's time for China to say when its emissions will peak? Would that help negotiations move forward?

Qi: Well, with China's per capita emissions less than one quarter of that the United States, China is certainly not going to peak before the United States. I think that is very simple arithmetic that we can all understand.

Miles: Perhaps I can ask Dr. Jiang, who works in a government-run think tank and who I also believe was in Copenhagen during these discussions. Just before Copenhagen, a target was announced by China of a reduction in its carbon intensity, in other words, the amount of carbon it emits per unit of its GDP, of 40% by the year 2020, compared with 2005. Do you think that is now set in stone? This will have to be written into China's next year five plan. Is there much more debate that needs to be done? Will we actually see those numbers appear and will they be achievable?

Jiang: Yes, China announced a 40-45% carbon intensity target. Now the question is how to make this target happen. I think you mentioned the 12th Five Year Plan. I think for sure, certainly, in the 12th Five Year Plan, China will have a similar way to give a different period of the target. In the 11th Five Year Plan, how much we did, in the 12th Five Year Plan, how far we want to go, and then the 13th Five Year Plan. We already have the appearance of a 20% energy intensity target during the 11th Five Year Plan. I think that is a very good basis for us to continue such kinds of efforts for a carbon intensity target. And just like you also mentioned about.. But for me, the most important thing is, yes, I believe China will go ahead, even though the target itself is sometimes not so serious/important, we want to check carefully what concrete action or policy will happen year by year for the next five or ten years. This may be the crucial thing for us.

Miles: Do you think, do any of you think that it is time for China to set more specific targets, a year when it will reach a peak in its emission, when it will begin to actually reduce emissions overall?

Jiang: Yes, I think based on the appearance from the 11th Five Year Plan maybe this is [unclear] annual target. It's better to take a five year target or a long-term target because sometimes annual change is different. But the good thing is that what we hope we can check carefully for what happens at each time, not with the policy or action, just like China did with energy efficiency in the 11th Five Year Plan.

Miles: Perhaps I could ask Professor Zha about the question concerning the forum for discussing this issue. You're a professor of international relations and I wonder if I could ask you if the UN is actually the right place to be achieving this? After all, we saw in Copenhagen, not just the differences between the developing and the developed world, but also huge differences within the developing world over how to approach this.

Zha: Well, I think the UN will continue to be a very important venue. Some may argue that it's not the only venue. If you don't have a legally binding agreement that's endorsed by this UN exercise, it's very difficult to get collective action going. This after all is a global public good agenda. But, on the other hand, possibly we can think about either the G20 or what's called the major energy consuming countries--other formulas. Somebody else suggested WTO formula of negotiations. But nonetheless, having an

agreement is just part of this. More importantly we need to be able to deal with the cynicism when we try something that's very ambitious, but not achievable.

Miles: Perhaps I could put a question to Professor Xu. You were also there in Copenhagen, I believe, as an observer, as a non-governmental observer of the proceedings. What role do you think civil society has to play in China? We see a lot of debate now obviously in America over how to proceed. Legislation in Congress is being fiercely debated. Is there a role for democracy in all this, in the way this develops in China?

Xu: Sure, from what I observed in Copenhagen, civil society has been very active in getting the importance of climate change into the public opinion. I think civil society is not playing a very great role in China, but it's growing, and civil society certainly can help bridge public opinion and public policymaking. And it can play an important role in educating the public. But it also can help get the message of the public into policymaking process. I think civil society can play a very important role, especially, so far, the international NGOs have been playing very important roles in educating society, as well as the government.

Qi: The role of democracy. Some of my friends from the United States told me, they said, "The difficulty to get a law passed on climate change and clean energy issues in the United States is partly due to the broken democracy over there." This particular form of democracy is not working. We need to invent a better process, a better democratic process for global public good issues. This one certainly is not working very effectively.

Miles: Before we began this segment of the broadcast we were having a discussion here in Tsinghua University about your policy proposals and it sounds to me that you're all committed believers in the causes and effects of climate change. But is there a climate skeptic community here in China and does that matter going ahead and trying to get things implemented?

Zha: Obviously, just like in many countries, there is a climate skeptic community here and people are getting more vocal. One thing I noticed recently is what the government seems to be doing to try to salvage whatever positive momentum there was. If you look at the government documents talking about climate change policies, the government of China is changing this to ozone friendly policies, ozone friendly technologies, in order to bypass this debate over science. But as we know greenhouse gas is just another way of saying climate change. And for that, I commend the government for actually staying focused on the job, rather than getting bogged down by the debate.

Qi: When your house is on fire, it's not important to find out the causes of the fire. You'd better just take action, just put out the fire.

Xiao: Yeah, I think from what I have seen, the Chinese government and also the public, especially in the past one or two years, is really realizing the importance of climate change issues. So I think on the whole, the government and the public are very strongly committed to what they are trying to do. I think it's time to go back to New York, maybe there are some questions there?

Khan: Mr. Xiao, thank you very much. It was fantastic to have that participation from Beijing as well. And we're very glad we were able to put that in so effectively. I'd like to get a question to you on your panel and get a brief response to this, sir. We had a question from Richard O'Sullivan who says, "The development of China's wind energy farms is widely discussed and admired. What's being done to ensure the necessary infrastructure to deliver electricity from wind farms to where it's needed and is being developed?"

Jiang: Ok, recently everybody noticed the very fast growth rate for wind farm here in China. We do face some problems recently. But I think China has made very big plans for wind farms and also renewable energy. Anyway, there's a lot of discussion on smart grid. They have also designed some long-distance transfer of this electricity from the wind farm to the consumer center. So this is how they are planning.

Khan: …otherwise we'll get another question to you. Ok, let's get another question up to you, we've got one from the web, and it's from Nina Valentine, it says, "China recently agreed to join the international climate change agreement reached in Copenhagen last December and has set targets to reduce its carbon emissions. How does China plan to track and measure progress?"

Qi: Well, first of all, let me make a correction. China from the very beginning, 1994, agreed to join the international committee for the UNFCCC Kyoto Protocol and this one, the Copenhagen Accord. And in 2007, China itself, within its own country, passed three different methods for tracking the performance of climate reduction. These methods are: data collection methods, monitoring, and performance evaluation. So these methods have been applied top-down from the central government all the way to local government and business. These methods may not be the same as the measurable, reportable, verifiable that we talked about. So certainly there has been a way to do that [track and measure progress].

Xiao: Actually, I want to follow up on this. This is a very important topic because I think there's a lot of misunderstanding because of the cultural and institutional differences. In the US, if something is not put into the law, with, you know, very rigorous monitoring system, then it's not going to work. But in China, when the government comes out to say, we have a target, we are going to do this, because the culture, the institutions are different, they are going to do it. Look at the last 30 years. So I think it's very important to

recognize the different culture and institutions, which leads to many misunderstandings. I think Professor Zha wants to say something.

Zha: Well, if I may, the issue is not so much verification per say, the issue is what happens after verification. Over the years, there have been a lot of designs, especially in the financial markets, about a carbon tax, especially something called the border carbon adjustment tax. And, let's face it, China is very big, it's getting richer. But it's not so much a matter of sovereignty, it's a matter of many of us think you may have the capacity to come to check to come to check in China, but I don't have the capacity to go over to your country and double-check. So we need to work on confidence building in that regard.

Xiao: Thank you Professor Zha. I think our time is finishing. Anyone have a few final words?

Jiang: The first question is what we learned from the Copenhagen process. I think the first point is this: we should try to understand each other better to avoid the mistake we had of losing control in the last minutes in Copenhagen. So before that, each country we should show our own interesting, our own way to do the reductions. The second point is, we should also carefully check what is the profit of pursuing a low carbon future. We have to think about this. I think I like what Obama recently announced in the United States about working to promote renewable energy and new technology. This is the leading of the United States again. I think China also will think about the same thing.

Xiao: Thank you very much. I think it's time to go back to New York?

Khan: Thank you very much, Dr. Xiao. And thank you to your panel as well.

- End of Beijing broadcast

*Note: Portions of the transcript have been edited for readability.