

An Overview of China's Environmental Governance Problems

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Abstract

The rapid economic growth in China has led to environmental problems, with both internal and external factors being involved. Internally, China has less strict environmental law and policy in comparison with developed countries and externally, the massive amount of foreign direct investment increasingly entering China due to the cheap labour and resources is bringing unwelcome attendant problems. To stop the poisoning of China, internally, the Chinese Government needs to change its attitude in terms of following the rule of law, public involvement and transparency within the environmental decision-making processes. In terms of the external factors, there is a need to ban exporting waste and low efficiency coal electricity generation techniques transport to developing countries. Developing renewable energy, however, is the only option which can ultimately lead to the objective of sustainable development.

Key words: Sustainable development, rule of law, public involvement, transparency, energy efficiency.

1. INTRODUCTION

The oft-quoted definition of sustainable development is that the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (WCED, 1987) The question is then ‘Is the current development in China sustainable?’ The fact is that the rapid economic development in China over the past two decades had caused serious environmental damage which will, in turn, affect the future generations in satisfying their needs. China is still a poor country, regardless of its rapid growth. The current GDP per capita in China is only the equivalent of that in Taiwan in the 1970s. The Gini Index of China in 2007 is 47, above the world average of 39, which reveals a weakened social cohesion and poorer health status (Population Reference Bureau, 2007). As the world’s most rapidly growing manufacturer, however, China’s exports have increased by 35% each year, while investment has grown by 26% (Doller, 2005). Unlike other eastern Asian countries, China’s growth depends largely on foreign direct investment. For example, China attracted \$63 billion in foreign direct investment in 2006 (Ministry of Commerce, China, 2006). During the period from 2000 to 2005, energy consumption in China increased by 70%, whilst air pollution emission has worsened, for example, SO₂ emission was 42% higher than the target set at the beginning of the Tenth 5-year plan (World Bank, 2007). The big issue in China is now how to stop damaging the environment and stop accumulating debts for the future generations, before thinking of sustainability.

2. THE CONSEQUENCES OF UNSUSTAINABLE DEVELOPMNET

Various factors have caused environmental problems in China both internally and externally. Internally, China has much lower energy prices in comparison with developed countries. Although the country suffers serious water shortages, especially in northern China, the water price is still 70% lower than in the United States. The industrial electricity price in China is 18% lower than the world average (SPIN, 2007). China has limited natural oil and gas resources but its petrol price is even lower than that in the United States, let alone the European Union and Japan. Furthermore, due to the low energy prices, sufficient attention has not been paid to building design and manufacturing production, in terms of energy efficiency. It is estimated that for every unit of gross domestic product produced, China spends two times more than the world average on energy (Bremner, 2005). China’s growth relies heavily on coal: around 70% of electricity is generated from coal (Zhong-Xiang Zhang, 2007). Low efficiency coal power plant is economically more attractive than the advanced clean coal technology, for developing

countries such as China. As a result, China has imported outdated technologies from developed countries. The unrealistically low energy and water prices and less strict environmental policy constraint hold back the development of renewable energy techniques.

Water pollution is another big concern in China because 54 percent of the seven main rivers in China have been contaminated, which is a 12% increase since the 1990s (World Bank, 2007). In March 2005, the Chinese Government, for the first time, released a warning in relation to the dire consequences of water pollution. Official statistics indicated that 90 percent of the country’s rivers and lakes had been contaminated, with 360 million people suffering a shortage of safe, drinkable water (Beijing Review, 2006). The environmental cost to China, which has been obscured by the impressive economical growth, is already a big burden. The World Bank report (2007) revealed that a conservative estimate of the air and water pollution cost in China in 2003 alone, cost is 362 billion Yuan, or nearly 3% of GDP.

As the world’s biggest manufacturing base, China craves raw materials and as a result, its imports of waste for recycling have grown dramatically in recent years. For example, in 2003, China imported 200,000 tones of plastic rubbish and 500,000 tones of paper and cardboard from the United Kingdom, such waste possibly containing environmentally hazardous and contaminated materials (The Guardian, 2004). The main reasons for China being the world’s biggest recycling waste importer are the weaker environmental laws, cheap labor and low waste production costs (Hao, 2007). China has become the second largest steel producer in the world, after Japan. Since Japan realized that the steel industry will damage its performance in terms of the 1997 Kyoto Protocol, it has started to transfer heavy steel manufacturing to China. Cheap labor and the low cost of natural resources ensure the supreme position of China as the largest manufacturing country in the world. The uncontrolled exploitation of natural resources, however, has caused enormous environmental damage to this country. The deforestation has resulted in flooding which has caused the loss of a great number of lives and resulted in significant economic losses (BBC, 1998).

Is nuclear power station the answer? While the United Kingdom, France and the United States would appear to encourage nuclear energy, this does not necessarily mean that nuclear is a suitable solution for China. It seems that nuclear energy can help to reduce carbon emissions effectively and efficiently in the short term. A closer examination of the consequences would, however, indicate that, although nuclear waste is accepted as having a very long lifespan, nuclear waste containers only have a relatively short lifespan, possibly as short as 60 years. If nuclear waste escapes from its container, the world will be facing another

threat from radiation pollution. Based on the aforesaid, China's development pattern is certainly not sustainable. Recently, renewable energy has received more attention in China. The costs of renewable energy, however, restrict the application of the technologies nation wide in the short term.

3. A CALL FOR INTERNAL CHANGES

As observed by Professor Joseph W. Dellapenna, "China is a nation in which the discordance between the law on the books and the law in action is among the greatest in the world." (Dellapenna, 2005) Although, since 1978, China has been engaged in a highly publicized program to improve and discipline of the behavior of the public authorities, the 'back door culture' still exists within current day-to-day practice. Often, the local party secretaries articulate their interests over formal laws, in turn leading to the continuing practice of judges deferring to party policy (Lubman, 1997; Upham, 2005). The picture is further complicated by the wide-spread opposition to the direction of reforms, which are continuously blocking the national government's attempts to impose a modern legal system (Burton, 1990; Ethridge 1990; Lo 1995).

There is, however, some evidence of an awakening legal awareness among individual Chinese (French, 2004; Ma, 2005; Pomfret, 2002; Yu, 2000). It remains a fact that traditional cultural patterns affect the Chinese courts and other legal processes. The net result is that despite the considerable government efforts to improve matters in terms of the standard of behavior of public authorities, China remains today essentially a non-legal culture. For example, the pollution discharge permit system only exists superficially in many places. Insufficient resources are applied to the implementation of the said permit system, which in turn means that the system is applied according to differing standards in different parts of the country (Li, 2005). The applications for permits are rarely denied or apparently, even granted with some modification (Li, 2005). As a result of the aforesaid, the permit system serves to excuse existing patterns of pollution, rather than to limit future pollution discharge (Dellapenna, 2005).

From a policy aspect, China has valued economic growth above environmental protection in the past. While this policy orientation has brought significant wealth to China, it has also led to seriously damaging environmental consequences. The government has, however, gradually begun to recognize the seriousness of environmental problems and started to "clean up." The first matter which needs to be changed is the current attitude of encouraging economic growth at the expense of the environment. Reflecting on this call, the central government now insists that environmental protection should now keep pace with economic development. Furthermore,

environmental protection should be transformed from the current reliance on command and control regulations, to a policy which is based on market-oriented policy instruments (Zhang, 2007). An example of the aforesaid being that, since 2002, China has been experimenting with SO₂ emissions trading in seven provinces and metropolitan cities.

For years, the State Environmental Protection Agency (SEPA) had been deemed to be a 'toothless tiger'. Since President Hu Jintao and Prime Minister Wen Jiabao came to power in 2003, they have elevated the SEPA from being of a low ranking vice-ministry, to that of full ministerial status. This has further strengthened the SEPA's function of implementing and monitoring environmental regulations. For example, in early 2005, the SEPA suspended 30 industrial projects because of a lack of carrying out proper environmental impact assessments. The efforts of the aforesaid can be observed from two aspects: Firstly, the tiger (the SEPA) is now has teeth; Secondly, this tiger bites and it bites hard! Since many of the aforementioned projects were considered to be so called 'national key projects' which had been accepted by the National Development and Reform Commission (China's top planning agency) the decisions were significant. Nevertheless, following the rule of law in the environmental decision making processes is still something new in China.

Based on the above discussion, some internal changes need to be considered. Firstly, China needs adequate national legislation to unify environmental standards. Secondly, it needs to make appropriate investment in legal enforcement. Thirdly, it needs public involvement in the environmental decision making processes. Finally and perhaps most difficult of all for the Chinese Government, is the requirement for 'transparency'.

4. THE CHINA ISSUE IS A WORLD ISSUE

It seems that every nation cares about environmental issues but only within its territory. So long as there is no general recognition of a common objective, the goal of sustainable development cannot be achieved globally. There needs to be a common recognition that environmental problems of one country will almost certainly eventually affect others. In the new era of globalization, no country can sustainably exist independently without interfering with other nations. Based on the aforesaid, the concept of State sovereignty under international law is now facing a new challenge. The current trend of environmental development is likely to break down the barriers between States. International law recognizes the shared responsibility of importing and exporting countries for the protection of health and the environment. This is evidenced in the 1998 Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in

International Trade.

Another piece of global convention worth noting is the 1989 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, which desires “the prohibition of transboundary movements of hazardous wastes and their disposal in other States, especially developing countries (Preamble of the 1989 Basel Convention).” China is a party to both of the aforementioned Conventions. The 1989 Basel Convention only applies to an agreed list of hazardous wastes, however, it makes no distinction between disposal of waste and recycling, nor does it distinguish between developing countries which possess adequate waste disposal or recycling facilities and those which do not (Birnie and Boyle, 2001). More importantly, from the 1989 Basel Convention, it does not follow that all trade in waste involving developing countries is prohibited. In the absence of a common consensus among importing and exporting countries, a policy of ending all trade in hazardous waste at a global level will be impossible. Based on the above discussion, it cannot be argued that all waste exports to developing countries are illegal.

Intergovernmental cooperation is now being considered because without developed countries taking part, China cannot reach the same level as the other States in terms of sustainable development. Both China and the developed countries should address the following problems and take the necessary action.

1. Ban transporting low efficiency coal electricity generation technologies to developing countries.
2. Stop developed countries transporting non-recyclable waste to China. Strengthen environmental legalization regarding recycling waste. Raise recycling industry standards to reduce environmental damage.
3. China should accept international environmental standards and transpose them into its industrial regulations regarding energy convention and environmental standards in a short-term and adopt renewable energy as a long-term plan.

5. CONCLUSION

The current development path in China is certainly unsustainable. There is, however, evidence showing that this ‘sleeping dragon’ is now awakening. To drive this gigantic dragon toward a sustainable world will require considerable effort and new initiatives from both inside and outside of China. Internally, this transformation will require the Chinese Government to open its decision-making process in order to encourage public involvement, which in turn will facilitate greater transparency. It is also important to note that environmental law must be implemented

impartially throughout the country, even although following the rule of law is something new in China. Externally, both developed and developing countries must recognize that environmental problems are not only an issue for China but a problem for all. The ‘Out of sight, out of mind’ thinking approach does not help to address and resolve the environmental problems. What is essential is that developed countries must stop transporting low efficiency coal electricity generation technologies and non-recyclable waste to China. Developing renewable energy and environmental law with ‘teeth’ will further strengthen a ‘green’ and sustainable China.

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