

Can U.S., China Cooperate on Climate Change?

By Mike Revzin

Can the fight against climate change become an area of cooperation between the U.S. and China? A panel of experts discussed that topic during a webinar hosted by the United States Heartland China Association (USHCA).

The discussion, titled “Big Power Responsibility,” took place in October. It is among many webinars posted on the website of the USCHA, a nonprofit, bipartisan organization committed to stronger ties between the U.S. and China. (An article about the USCHA appeared in the Winter 2021 *USCR*).

The introduction to the webinar says, “As the world’s dominant powers, the U.S. and China have a tremendous influence and impact on a global response for climate change. In this discussion we will hear...how the U.S. and China can collaborate on climate change for the benefit of our world.”

The panelists were Barbara Finamore, Senior Strategic Director for Asia at the Natural Resources Defense Council; Fritz Mayer, Dean of the Josef Korbel School of International Studies at the University of Denver; Beth Keck, Volkswagen Sustainability Chair and Schwarzman Scholar at Tsinghua University; and Professor Sui-sheng (Sam) Zhao, Director of the Center for China-US Cooperation.

Former Missouri Governor Bob Holden, who is chairman and CEO of the USCHA, began the climate change event by saying, “There’s probably no more important issue in the world. China and the United States, if we can figure out how to work together, can be real problem solvers.”

Zhao, who served as moderator, added, that “This is particularly important at a time when communications between the two governments has not been very good.” People-to-people nongovernment communications will take a particularly important role, he added.

Finamore has worked on environmental law and energy policy for decades, with a long-term focus on China. Her book on the topic, *Will China Save the Planet?* was published in 2018.

She began the discussion with details about President Xi Jinping’s pledge, made



Barbara Finamore



Fritz Mayer



Beth Keck



Sam Zhao

in September, for China to peak emissions by 2030 and obtain carbon neutrality by 2060. She recalled that, about 12 years earlier, China had said that developing countries should not be required to commit to environmental goals at the same level as developed countries. The 2060 pledge would require China to reduce its greenhouse gas emissions by up to 90 percent.

Describing China’s pledge, Finamore said, “It’s extremely important because China is the world’s leading emitter of greenhouse gases. It’s responsible for about 28 percent of global CO₂ emissions, which is more than the United States and the EU combined.”

Achieving carbon neutrality in China will require enormous and unprecedented transitions.

If China is successful in achieving carbon neutrality that will shave about 0.2 to 0.3 of a degree Celsius off global warming projections, which is very important, she said, adding, “It would make Xi Jinping’s commitment the largest climate commitment to date.”

Is the Pledge Feasible?

“But how feasible it is, economically, technologically, politically?” she asked. “One thing is clear: achieving carbon neutrality is going to be a colossal undertaking for a country that is still so heavily dependent on fossil fuel. China burns half the world’s coal and it continues to build new coal-fired power plants even though they are increasingly uneconomical and unnecessary. And China also burns mas-

sive amounts of coal directly in factories that produce half of the world’s steel and cement.”

China is the largest global auto market, the largest importer of crude oil and the largest financier of coal-fired power plants overseas as part of its Belt and Road initiative, and those overseas plants are not part of China’s pledge, she added.

“Achieving carbon neutrality in China will require enormous and unprecedented transitions in China’s energy system, its transportation system, its industry, its urban infrastructure and its land,” Finamore said.

“In order to achieve those transitions, it will require massive amounts of investments, very difficult political reform and strong political will,” she said. “At every step of the way, China to date has met stiff resistance from local government and powerful fossil fuel interests whose cooperation is most needed.”

Clean Energy Leader

“But here’s the paradox. China is also the world leader in the very clean energy technology that will help to make this pledge feasible,” Finamore said. “China is by far the largest investor and producer and consumer of renewable energy. One out of three solar panels and one of three wind turbines in the world are in China. China is also home to half of the world’s electric cars, 98 percent of its electric buses and 99 percent of its electric two-wheelers.”

China also dwarfs the rest of the world in the current and planned amount of capacity to produce electric batteries that will power electric vehicles and store electricity on the grid, she added. China’s clean energy drive and its scale have brought down the cost of clean energy technology

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dramatically enough that it can compete with fossil fuel technology everywhere.

“But to achieve carbon neutrality, China is going to have to accelerate everything that it has done so far,” Finamore said. It’s going to have to increase its wind and solar power and its energy storage capacity by tenfold—and it’s already, by far, the largest in the world. “Many new clean energy technologies need to be developed and brought down in price, especially for heavy industry,” she said.

“Some people estimate that achieving carbon neutrality in China will cost at least 15 trillion dollars, but it will transform the global climate fight by helping to make the next generation energy technology available and affordable for everybody in the world,” Finamore said.

Finamore said that the timing of China’s pledge, “was clearly designed to take advantage of the lack of U.S. climate leadership at the national and international level” during the Trump administration and possibly to preempt pressure to act on climate change from a new U.S. administration and the European Union.

Under-promising, Over-performing

On an optimistic note, Finamore said, “China has a track record of under-promising and over-performing on its climate pledges. The fact that this pledge was made by President Xi Jinping himself sends a strong signal to everybody in China that climate is a top priority, and to the rest of the world. But the devil is in the details.”

A week before the webinar, Chinese scientists proposed details of how their country could achieve its goal.

“Will China save the planet, or will it at least do its part? The jury is still very much out,” she said. “But two things are clear to me. One is that moving to a path of deep decarbonization is very much in China’s own self-interest: to avoid the worst impact of climate change, to benefit from the green energy economy and to protect the health of its people. The second thing that’s clear to me is that cooperation on climate between the world’s two largest emitters will benefit both countries,” she concluded.

A Different Tone

Mayer commented on the U.S. situation, saying, “We’ve not been doing very well” as a country, although work on climate

change is being done by states, cities and the private sector.

Commenting on the Chinese system of government, he said “There are things we don’t like about that government, to be sure, but its capacity to do things is significantly different from our own capacity.”

As for the U.S., he said, “If we can’t get our act together at home, our credibility in the international arena and our ability to lead is going to be much diminished.”

Speaking less than two weeks before the November election, Mayer predicted that a Biden presidency, “would set a completely different tone on the U.S. context. He has pledged to make the U.S. carbon neutral by 2050. Whether the U.S. can get there is another question.”

Mayer said, “There has been growing

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support in the United States for action on climate change,” but there is still a big partisan divide on many aspects. “There is support for certain things. The support is much more in the arena of supporting renewable energy, planting trees, fuel efficiency for cars,” he said, adding that there is not bipartisan support on other issues, such as a carbon tax.

Mayer accurately predicted that a Biden administration would rejoin the Paris climate agreement, which the U.S. withdrew from during the Trump administration. But Mayer said

U.S.-China relations on this issue will not return to the status quo, and overall bilateral relations are “tenuous at best.” He said there are still flashpoints on human rights, security in the South China Sea and other issues.

Competition and Cooperation

“In the green energy arena we’re going to be competitors, assuming we seek to invest,” he said. “So our interests are not that fully aligned.” Despite that, “I expect to see much greater cooperation,” he said.

“Why? Because there’s no other way. We have to do this. It is in the interest of China, it is in the interests of the U.S.,” as well as other countries.

“The slow shift in public opinion in the United States and the salience of this issue make the moment right for a significantly greater cooperation. China has pledged to be carbon neutral by 2060. Biden says 2050. Maybe we’ll have a race to the top before this is all over,” he concluded.

Keck began by talking about the business angle. “China and the U.S., we are the two largest economies in the world. We are also the two largest global emitters of greenhouse gases,” she noted. “So we have a lot in common here.”

Economies Linked

“One thing else that I think is salient to point out is that, despite all the economic and political tension for the last four years, our economies are still very much linked and the trade in goods between the two countries was 500 billion (dollars) last year.” China is the largest importer of goods into the U.S. and “for all of those goods that go between our two countries we have embedded in them carbon and environmental degradation, and so we have very much a linkage in terms of the future of our planet, the health of our planet,” she said.

“I think there’s a couple of interesting things to look at as we think about collaboration instead of competition, and one is just understanding how each of the business communities in our two countries responds to government policy,” she said.

“In China I have always been struck by how Chinese companies follow the Chinese government. They always look to the government for guidance and, once they know which way the government wants to go, the companies often will fall right behind and support those goals and policy objectives.”

“One of the most interesting concrete examples of that in recent times has been poverty alleviation,” Keck said. After Xi set a goal of eliminating poverty by 2020, companies made that goal a main corporate social responsibility activity, Keck said.

“And so I am very optimistic about Chinese firms and Chinese industry getting behind this very big statement of policy of carbon neutrality put out by China’s president last month.”

"Now I'd like to contrast that with what's happened in our country in the last four years," she said. Although the U.S. withdrew from the Paris agreement, many American companies continued their environmental efforts. "All of a sudden we had this new organization called "We Are Still In," in which about 4,000 businesses, universities and organizations vowed to continue working for carbon neutrality. Together, those groups represent almost half of the U.S. GDP.

"I think that, because of the business response, it sets us up for a very interesting great opportunity for business-to-business collaboration," she said, but added that other changes must take place.

Environmental Regulations

Keck noted that China began to revive its economy 30 to 40 years ago using a successful export strategy. This led to U.S. companies making their products in Chinese factories.

At first, this involved U.S. companies only telling the Chinese factories the specifications and quality requirements for those products, she said.

"But things happen and we've had a lot more transparency in society and by the 1990s what was going on was that we would have NGOs looking at what was going on in the factories and finding that the working conditions were not up to the standards that they should be, and rightfully bringing that to the attention of us as consumers and to the companies to take action." That led to an interesting business-to-business dynamic "because the environmental regulation was very poor in China. They had great regulations on the books but the implementation of them was really poor," she said.

"As a result, companies started their own standards for suppliers, so if you wanted my purchase order you had to meet my standards for worker safety," Keck explained. In the past 10 years that has expanded to include requirements for environmental sustainability and efficiency.

Keck said that, when she worked for Walmart in China, "We had a great collaboration on trying to bring energy efficiency into the factories because it was a great business case and it was great for the environment. All of a sudden these retailers and brands were using the power of the purchase order" to bring about environmental change.

"What if we reset the business-to-business engagement?" she asked, to find a way to accelerate voluntary compliance. On environmental issues, the U.S. companies and NGOs have had a stronger presence in the planning stages than the Chinese manufacturers, she said.

"I think there's a fundamental human reaction that if you're included you have a stake in it and you have an emotional stake and you'll want to make things happen, rather than it coming down as a hierarchical power relationship," she said.

"The other side of this would be what needs to happen on the China side. And that means that the Chinese companies need to step up. I've been in forums where Chinese companies have shown up. They'll send a low-level person" with no authority, she said. When Chinese or U.S. companies give importance to their sustainability teams, it creates momentum, she added.

Multilateral Cooperation

Zhao, the webinar's moderator, asked the panelists about a recent proposal to set up a multilateral international organization for climate change.

Finamore said there was "very intense bilateral cooperation between the U.S. and China" on climate change during the Obama administration, but that multilateral cooperation would be a good choice now.

There will be competition between countries in developing their green energy technology and businesses, Finamore said, "But, aside from the technologies themselves, there's tremendous opportunity for experts... to work together on shared challenges, such as how do you make your grids more flexible so they can integrate all the renewable energy that's becoming cheaper and more available?"

"We've got a situation now where California has declared that by 2035 there's going to be no more sales of gasoline or diesel vehicles. And Hainan province in China has said the same thing."

If the U.S., EU and China together announced such a ban, "Just think about what signal that would send to the vehicle manufacturing community," she said. That would allow manufacturers "to make the necessary investment in training so they can make that switch, knowing there'll be a market out there."

"I'm not saying that you come up with one standard for everybody. But, if the... jurisdictions were to come up with related domestic commitments like this, it would totally transform the transportation industry. So I agree this is the time to find areas of collaboration even though there is going to be lots of competition."

Mayer said, "The idea of China and the EU and the U.S. taking the lead makes a ton of sense. I think when you start talking about multilateral governments though, how do we actually structure this?" He said it would also have to include India, Brazil and other countries around the world.

"In the beginning, the WTO was organized and controlled by a relatively small number of players. As it expanded its membership, including China, it became much more unwieldy," he said.

International Standards

Keck said that climate cooperation among business in different countries would be easier if international standards were set.

"Business hates having different standards around the world. It's very cost inefficient" when a company wants to sell a product globally.

Mayer described the range of issues in U.S.-China relations, saying that in "many of them we are competitors, many of them are points of contention on security issues, on human rights, even on some of the economic issues." But the climate change issue "is an area where we actually have common interests. So if I was thinking about how to reset the relationship between the U.S. and China, and I'm looking for an issue where we can make progress and change the tenor of things, there's a lot to be said for really making this a centerpiece of U.S.-China relations."

Common Interests

He added, "This is an area where, by and large, we share interests. We're both better off if we collaborate. And I think there will be a will to do that. Climate has never been a centerpiece of foreign policy," he said. "Those of us who worked in it have always been frustrated at how marginalized it tends to be. But here's a moment because it's such a salient issue, or a more salient issue, globally, and I

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suspect both countries will be looking for ways to lower the temperature in our relationship. I can see this as being an important element of an evolving U.S.-China relationship," he said.

"I'm a real believer in having multi-dimensional relationships with countries," Keck said, "and right now of course it's really troubling because there's such a black and white view of China that it's all bad... And that puts us on a very dangerous pathway."

If you have good rapport in several aspects of the relationship, you won't get derailed over one area of disagreement, she said.

"Right now we're just focusing on the tough stuff and we're not putting any effort into the areas where we can have cooperation across the myriad complexities of our two governmental systems. And, to me, that's a high risk."

China is trying to corner the market in raw materials used in clean energy technologies, Finamore said, but continuing to mine these minerals is not sustainable. Recycling is an alternative, she said, adding that China "is already a leader in recycling electric vehicle batteries, not out of the goodness of its heart but because it realizes there is economic value in doing so."

Another alternative is to develop the next generation technologies. "Developing alternatives to batteries, that don't rely so much on these questionable minerals," she said.

Tesla is already doing research and development on cobalt-free batteries, Finamore said, adding that this is the kind of innovation that the U.S. has always excelled at, given adequate funding. She called for ramping up spending on research and development for clean energy technologies in order to harness the innovation for which the U.S. has a competitive advantage.

Mayer said that even areas without cooperation can be beneficial. "The competition can be healthy to the extent that the countries are racing to develop these technologies and investing and competing in some sense on the subsidy side of things," he said.

"Eighty percent of Chinese citizens are regularly exposed to pollution levels higher than those considered safe by the

EPA," Keck said. "People in China are more adversely affected by environmental degradation than those in almost any other country. And if you're talking 80 percent, that's all economic levels. If you look at it from that perspective, it is a social justice issue and it is a public health crisis for China."

Keck noted that environmental issues and social justice issues are often linked

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in the U.S., such as the movement against pollution-causing industrial activities in poor minority areas. "We need to clean up our act here at home and bring it into our global conversation," she said.

Finamore said that pollution exposure is a social justice issue. "Many of the people with the highest levels of exposure in China are workers at these factories," she said. A related social issue for both the U.S. and China, she said, is "how do you ensure as you go through this transition away from these fossil fuels" that you have a just transition for workers in those industries?

Zhao asked if there were domestic political factors that motivated Xi to make his 2060 pledge. Keck replied, "One thing that's very clear is that there's a huge understanding of the environmental degradation now."

Finamore added, "Air pollution in particular has really driven so much of China's action on climate change because coal is the major factor causing the air pollution as well as the carbon emissions. One more domestic reason is that China understands that clean energy is the largest market opportunity of the 21st Century and they're determined to lead the way."

"China recognizes that this is good for their economic bottom line as well as the long-term sustainability of their economic system, which is under stress lately. They have to move away from the export-driven, heavy industry-focused economic model if they're going to survive," she said. 友

Chapter News

South Bay Holds Virtual Spring Festival

The South Bay chapter held a Spring Festival celebration on Zoom on February 11, Chinese New Year's Eve. President John Marienthal organized it, Billy Lee gave a talk about his friendship blog, Winny Lin presented a report about her Chinese New Year celebration online with her students all over the world on Outschool and Shirley Lin Kinoshita presented her sumi-e style watercolor painting on the Year of the Ox. National President Diana Greer also participated.

—Winny Lin

Richmond Supports ChinaFest

The 16th annual ChinaFest, based in Richmond, was held virtually this year, starting in February. The University of Richmond and the Virginia Museum of Fine Arts partner for this event with Rose Chen, founder of the Rose Group for Cross Cultural Understanding, who initiated ChinaFest, which has grown quite successful.

The opening lecture and panel featured Yue-Sai Kan, co-chair of the China Institute in Manhattan, and was about her "Journey Through a Changing China, The China I Know."

As a journalist, author and pioneer, she was a mainstay of the television program *Looking East*, which reached 400 million viewers. She gave a fascinating commentary on the diverse, resilient Chinese people moving up in the world.

Three movies were offered for screening: *Beijing Bicycle*, *Finding Kukan* and *Girls Always Happy*. That last one was about two writers, a mother and daughter, who share a love-hate relationship while living in a Beijing flat under stressful economic conditions.

Chinese students shared the Home-towns Project, featuring information on where they grew up and how they lived.

Ongoing parts of the festival will be available online for the rest of the year. USCPFA Richmond is proud to support ChinaFest, which promotes better understanding between the people of China and the U.S., as is the aspiration of USCPFA.

—Diana Greer