

A Summary of “PACE’s 2000: Policy Reform and the Environment in China”

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China’s efforts since the late 1970s to develop a modern regulatory system for environment and resource protection have been partially successful in face of serious pollution and resource destruction accompanying rapid technological modernization and the wrenching shift from a planned to a market-based economy. The broad dimensions and implications of this task, along with some of the specific challenges faced in developing effective policies to reduce pollution and promote natural resource conservation, were explored in a three day workshop at the World Bank in Washington, DC, August 31- September 2, 2000, organized by the Professional Association for China’s Environment (PACE), and sponsored by the Bank’s Development Research Group.

The workshop, “PACE 2000: Policy Reform and the Environment in China,” attracted over one hundred participants who gave roughly forty presentations that addressed a wide range of topics reflecting China’s current and future environment-related programs and initiatives at several administrative levels and in various contexts. Participants included World Bank and other multilateral agency personnel, Chinese and foreign academics, Chinese government researchers, individuals affiliated with US and European NGOs, US government agency employees, and private consultants interested in China’s environmental progress.

The workshop's ambitious goals were to lay out and assess the scope, content, achievements, and future directions of China's environmental policy, broadly conceived, in the context of sweeping institutional reforms in the Chinese economy and society that have been introduced in recent years. Regional, local, and national scale policy and legal questions were considered, as were bilateral and multilateral issues relating to the domestic and international consequences of China's stance in multilateral climate change negotiations and the environmental implications of China's forthcoming participation in the World Trade Organization.

A notable feature of the workshop was the impressive range, disciplinary diversity, and sophisticated technical content of topics considered, as well as the wide variety of descriptive and analytical approaches used in research and presentations. Discussions, for example, ranged from analyses of the politics of public participation, accountability, and citizens' complaints in an emerging "civil society," to studies of the economic feasibility of using performance disclosure strategies in industrial pollution control and problems encountered in using market-based instruments to reduce pollution.

Descriptive overviews of the World Bank's latest programmatic thinking on "sustainable development" and "brown" and "green" investment strategies for China were balanced by assessments of the efficacy of various economic policy strategies for designing, financing, monitoring, and enforcing national and regional air and water pollution control and resource conservation activities. Other presentations pointed up the difficulties of implementing strategies for improving the economic performance and enhancing the ecological integrity of the state forestry sector in keeping with the Natural Forest Conservation Program introduced in 1998.

Until recently, China's media-focused environmental program relied mainly on a loosely-designed, ideologically-directed, and poorly implemented command and control law-derived regulatory framework to address increasingly complex rural and urban pollution, energy, and land and resource degradation problems. With the economic and political opening underway since the early 1980s, however, Chinese environmental policymakers have been increasingly confronted with difficult choices in selecting and adapting the potentially most beneficial and relevant strategies, instruments, and investment criteria to build a strong, efficient environmental protection regime.

The PACE workshop pointed up some of the main obstacles to be faced in achieving this goal. One problem is that many foreign private and multilateral investors in China's pollution control, environmental remediation, and ecological support initiatives, as well as some NGOs, are sometimes insensitive to the special mix of cultural tradition, uncertain and fragile resource endowment, and State-dominated governing system that necessitates sophisticated integration of Chinese and foreign concepts and methods to achieve desirable ends in environmental and resource policy development. This recognition was well-illustrated, for example, in presentations on forest and water management where the importance of balancing plan and market approaches in developing new institutional arrangements for policy development and implementation was emphasized.

Wide interest in the workshop's theme and the enthusiastic participation of so many Chinese and foreign scholars and practitioners bodes well for environmental policy development in China. The workshop provided an excellent opportunity for diverse

aspects of this critical topic to be presented and discussed, and will surely stimulate further work.