Written Testimony of Dr. Jessica C. Teets

Associate Professor, Middlebury College

For the Congressional-Executive Commission on China

September 21, 2021

Hearing Co-Chairs Senator Merkley and Representative McGovern, distinguished Commissioners and staff, and fellow panelists, it is a pleasure to join you today. Thank you for inviting me to testify about Chinese environmental governance.

My remarks will focus on China's changing environmental governance and the role of environmental NGOs (e-NGOs), and are based on research conducted for two book projects and many articles over the last two decades. The central point I wish to emphasize today is that environmental governance has improved in China under Xi Jinping; however, this progress comes at the expense of citizen participation and local policy experimentation. Without such participation, Chinese environmental regulations and enforcement are rigid (one size fits all), subject to undiscriminating enforcement, and lack citizen support. Citizen participation creates better policies with less externalities and unintended consequences, popular support for regulations and policies, and citizen-scientist assistance in monitoring local agents such as officials and firms. Understanding these changes is important for identifying viable areas of Sino-US cooperation in the future.

Changing Environmental Regulations

During the reform era, China suffered from the paradox of having some of the best environmental regulations on the books while simultaneously having some of the worst environmental outcomes. This seeming paradox was driven by lack of local enforcement, or the environmental "policy implementation gap" (Kostka and Mol 2013).

Xi Jinping has reduced this gap by creating strengthening policy implementation (van Rooij 2006; Eaton and Kostka 2017; van Rooij et al. 2017; Zheng, Kahn, Sun, and Luo 2014). This new model of authoritarian environmental governance utilizes more central government–level authority and even criminal laws to enforce standards. Additionally, there has been a shift toward market-based approaches, such as payment for ecosystem services (PES), emission taxes, and the establishment of a national carbon market.

In addition to the political attention from Xi himself, the central government has used action plans, cadre evaluations, digital monitoring tools, and environmental inspections to incentivize local enforcement. Xi Jinping elevated environmental targets over GDP ones for cadre evaluation and promotion, and this reprioritization has encouraged local officials to focus on environmental targets. For example, Du and Yi (2021) find increased air quality (measured as PM2.5 air pollution) across

Chinese cities. This reprioritization has started to alter local leaders' political incentives away from 'growth at all costs' to balancing growth and environmental protection.

In addition to changing the targets used to promote local officials, the Chinese government has also used ongoing environmental campaigns to enforce regulations. The enforcement campaigns send central teams to different provinces and cities, and the results of these inspections are used to evaluate local officials. Although the immediate impact of the campaign is to stringently enforce environmental regulations (Jia and Chen, 2019), other scholars find that these results are short-lived because environmental enforcement requires a degree of sustained scrutiny that one-off campaigns cannot provide, and that the deterrent effect of inspections is undercut by the regime's ambivalence towards independent courts and unsupervised public participation (van der Kamp, 2021).

Another large change in environmental governance is the use of digital governance tools (Kostka, Zhang, and Shin, 2020). This shift means that local officials no longer can alter or curate the data shared with MEE (Ministry of Ecology and Environment) through local control of the EPBs (Environmental Protection Bureaus). Now environmental indicators like air and water quality are automatically measured and sent directly to MEE on a continuous basis.

This new model results in more environmental regulatory enforcement; however, this type of enforcement is a blunt-force instrument. For example, Gao Xiang and I (2021) find periods of under-enforcement followed by over-enforcement, with local officials shutting down factories regardless of unemployment impacts or factory progress toward environmental goals, and the policies adopted privilege technocratic solutions over citizen wellbeing and support (Li and Shapiro, 2020). In short, this approach is effective but not discriminating, and lacks citizen participation. Additionally, these tools mostly on punishment rather than incentivizing meaningful policy implementation and innovation, resulting in short-term enforcement at the loss of long-term innovation and citizen engagement.

Role of Environmental NGOs

Despite restrictions on civil society in the last decade, e-NGOs still play an active role in environmental governance. In fact, this is the most open policy space in China for civil society. Challenges registering groups and projects have been joined by funding obstacles since the new FNGO law restricts international projects and funding. To replace this once dominant form of funding, the government funds groups and thus channels programming in desired directions. Many e-NGOs have secured government contracts, and others have attempted hybridization through crowdfunding and becoming a 'social entrepreneur' by developing services that fund programs. These constraints result in bifurcation, with bigger groups able to play a more prominent role, and smaller groups struggling to survive. However, unlike other issue areas, there are lots of smaller groups of citizens active in this space, such as homeowner associations in NIMBY movements like

protesting waste incinerators (Bondes 2019), or campus environmental clubs. In short, e-NGOs face similar constraints as other civil society groups, but also have channels for public participation that many groups in other fields such as labor and human rights do not.

Most e-NGOs currently play a role in helping the central government (MEE) collect evidence and put pressure on local officials through several mechanisms, such as bringing public-interest lawsuits and applying public pressure. Since 2015, select e-NGOs may bring lawsuits against local officials and firms for pollution; however, only the biggest NGOs qualified, courts would only hear certain cases, and these suits were expensive and time consuming. Despite these challenges, groups like Friends of Nature have filed several lawsuits and won these cases. Last year Shenzhen adopted a new policy that broadens the types of environmental violations that can be enforced via the courts and attempts to allow a more diverse set of e-NGOs to bring these suits by allowing deferred payment of legal fees, reductions or exemption of legal fees if they lose, and covering court fees through a special fund consisting of donations and fines from previous environmental cases. As Shenzhen often serves as a pilot case for national regulations, many e-NGOs hope that this will serve as a model for future public-interest lawsuits across China (Qing 2020). Additionally, many e-NGOs use public pressure on local leaders to increase enforcement, such as the transparency initiatives undertaken by the Institute of Public & Environmental Affairs (IPE). IPE collects government and corporate environmental information, and through the 'Blue Map' website integrates environmental data to create pressure for 'green procurement', 'green finance' and government environmental policymaking. Other tactics include using humor to focus public attention, such as the 'swimmable rivers' campaign in Zhejiang province which used social media to create a competition for local officials to swim in the rivers that they certified as clean water. Not surprisingly, most local officials were not willing to take the challenge, but the public pressure captured the central government's attention, and this led to better water quality and the creation of the citizen-scientist River Guardian program (Gao and Teets 2020).

Although this more constrained role mostly seeks to help the central government better police local officials and firms, public pressure does often result in recalibration of government policies.

The Future for e-NGOs

Xi Jinping's interest in environmental protection likely means the continued bifurcation of this policy space with an emphasis on using the bigger environmental groups as transmission belts for environmental interests, and dealing with local interests as quickly and quietly as possible so they do not spread. E-NGOs still have more latitude to work internationally, and thus can be a source of policy change. Given domestic political concerns, we should expect that this issue area continues to be more open than many others, and that e-NGOs may play an important role in the policy process, but that this role will be more constrained than before and be channeled through explicit government collaboration. Thus, the policy agenda may be narrower as groups focus on government priorities, but these groups will have better access to policymakers to change regulations. In short,

certain e-NGOs might have more impact in this new model, but we should expect less diversity in terms of groups and ideas.

Policy Recommendations

US policy should focus on supporting and learning from e-NGOs, but not on directly engaging with these groups such that they become political targets in China. Support should focus as locally as possible and on the skills and information useful to these groups. Similarly, identifying common interests from e-NGO programs might be used to link together local groups and officials, rather than higher-level counterparts. Several ideas of how to do this are outlined below.

- Encourage US agencies and foundations to continue to find pragmatic ways to work with local partners and NGOs; this might not be in the form of grants but rather in skill training, international connections, and shared technical information
- Continue to advocate for the fair treatment of civil society leaders, such as Xu Zhiyong
- Pursue what USAID is calling "localization," whereby US agencies learn about potential areas of cooperation from local (not national) partners:
    - For example, many Chinese provinces and US states are facing the prospect of moving away from domestic coal production and use. Linking local officials from Shaanxi and West Virginia or Kentucky together to develop strategies for this transition might be effective in building relationships among the next generation of leaders.
    - Other potential issues for Sino-US cooperation:
        - High childcare costs that exert a drag on the working-age population
        - Developing e-health technology to serve rural populations
        - Developing effective, affordable, and comprehensive early childhood education programs to educate the next generation
        - Affordable housing in major cities

References

Bondes, Maria. 2019. Chinese Environmental Contention: Linking Up Against Waste Incineration (Amsterdam: Amsterdam University Press).

Du, J. and Yi, H., 2021. Target-setting, political incentives, and the tricky trade-off between economic development and environmental protection. Public Administration.

Eaton, S., and G. Kostka. 2017. Central protectionism in China: The central SOE problem in environmental governance. China Quarterly 231: 685–704.

Gao, X. and Teets, J., 2021. Civil society organizations in China: Navigating the local government for more inclusive environmental governance. *China Information*, *35*(1), pp.46-66.

Jia, K. and Chen, S., 2019. Could campaign-style enforcement improve environmental performance? Evidence from China's central environmental protection inspection. Journal of environmental management, 245, pp.282-290.

Karplus, V.J., Zhang, J. and Zhao, J., 2021. Navigating and evaluating the labyrinth of environmental regulation in China. *Review of Environmental Economics and Policy*, *15*(2), pp.300-322.

Kostka, G. and Mol, A.P., 2013. Implementation and participation in China's local environmental politics: challenges and innovations. *Journal of Environmental Policy & Planning*, *15*(1), pp.3-16.

Kostka, G., Zhang, X. and Shin, K., 2020. Information, technology, and digitalization in China's environmental governance.

Li, J., X. Shi, H. Wu, and L. Liu. 2020. Trade-off between economic development and environmental governance in China: An analysis based on the effect of river chief system. China Economic Review 60: 101403.

Li, Y. and Shapiro, J., 2020. *China goes Green: coercive environmentalism for a troubled planet*. John Wiley & Sons.

Qing, R.Z., 2020. Towards a breakthrough in China's climate change litigation: Environmental public-interest litigation filed by NGOs. In *Climate Change Law in China in Global Context* (Routledge): 162-187.

van der Kamp, 2021. Can Police Patrols Prevent Pollution? The Limits of Authoritarian Environmental Governance in China. Comparative Politics, 53(3), pp.403-433.

van Rooij, B. 2006. Implementation of Chinese environmental law: Regular enforcement and political campaigns. Development and Change 37 (1): 57–74.

van Rooij, B., Q. Zhu, N. Li, and Q. Wang. 2017. Centralizing trends and pollution law enforcement in China. China Quarterly 231: 583–606.

Zheng, S., M. E. Kahn, W. Sun, and D. Luo. 2014. Incentives for China's urban mayors to mitigate pollution externalities: The role of the central government and public environmentalism. Regional Science and Urban Economics 47 (1): 61–71.