

China's Environmental Governance Crisis

Prepared written statement submitted for the record by

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Introduction

The Chinese government has traditionally placed limited value on transparency. Neither the political values of the Communist Party nor the institutional processes of the government inherently support sharing of information between the state and society or within the state itself. Recently, for example, the government announced that the results of a soil contamination survey indicated that 10 percent of all Chinese soil was contaminated with heavy metals and other pollutants. Yet it refused to release any further information on the grounds that the survey was a “state secret.”¹ Transparency in China is unpredictable and episodic.

Nonetheless, within the past five years or so, the Chinese people have begun to demand greater transparency on issues that directly affect their well-being, such as the environment. Non-governmental organizations and the Internet increasingly bring the type of transparency that the people desire, sometimes working with, but more often working around, the country's formal political institutions.

To what extent is China forthcoming?

The Chinese government does transmit some environmental information. The Ministry of Environmental Protection publishes an annual report with nationwide statistics on a range of issues, including water and air pollution, wastewater treatment, and land degradation. There is also a 2008 law designed to ensure that citizens have access to government information on environmental data. More recently, Beijing announced an initiative requiring that local governments above the county level inform the Ministry of Water Resources about construction projects in order to prevent salt water intrusion into strategic water reserves.²

¹ Christina Larson, “Soil Pollution Is a State Secret in China,” *Bloomberg BusinessWeek*, February 25, 2013, www.businessweek.com/articles/2013-02-25/soil-pollution-is-a-state-secret-in-china.

² Elizabeth Economy, “The environment,” in *Handbook of China's Governance and Domestic Politics*, ed. Chris Ogden, (New York, NY: Routledge, 2012), 199-209.

Yet passing laws and announcing initiatives on transparency are not the same as actually implementing them. In 2005, the predecessor to the Ministry of Environmental protection, the State Environmental Protection Agency (SEPA), launched the Green GDP campaign, a project designed to calculate the costs of environmental degradation and pollution to local economies and provide a basis for evaluating the performance of local officials. Several provincial leaders balked, however, worried that the numbers would reveal the extent of the damage suffered by the environment under their leadership. SEPA's partner in the campaign, the National Bureau of Statistics (NBS), also undermined the effort by announcing that it did not possess the tools to do Green GDP accounting accurately, and that in any case it did not believe officials should be evaluated on such a basis. After releasing a partial report in September 2006, the NBS refused to release its subsequent findings. While the initiative appeared to lay dormant for a number of years, in 2013, following an air pollution crisis in Beijing and other Chinese cities, the *China Daily* published a piece calling for a renewed effort toward adopting a Green GDP, asserting, "It is generally believed that it is not technical limits but local governments that have prevented such data from being released. Such data releases might affect the promotion prospects of local officials. It is clear that if China wants to press on with the uphill task, it must first reshuffle its performance assessment methods for government officials."³ The message is unequivocal: until local cadres are held accountable for the environment by the central government, the green implementation gap will remain.

A similar problem with implementation plagues other government initiatives. The two most established formal mechanisms—public participation in the review of environmental impact assessments (EIAs) and the citizen complaint system—are only spottily implemented. With regard to public participation in EIAs, as Chinese scholars have noted, there are a number of limitations: only a small percentage of projects are subjected to compulsory public participation; the timing and duration of engaging the public is short; the method of selecting those who can participate is often biased; and the amount of information actually disclosed is often quite limited in an effort to prevent social unrest.⁴

Chinese citizens also have the right to engage the system through a formal complaint system: writing letters to local environmental protection bureaus complaining of air, water, and waste pollution. According to the 2010 Environmental Statistical Yearbook, in 2010, there were over 700,000 such complaints.⁵ During the 11th Five-Year Plan, the Ministry of Environmental Protection, itself, received 300,000 petitions on environmental matters. But resolution of these issues remains difficult. All told, there were only 980 administrative court cases about environmental impact assessments and only thirty criminal cases from 2006 to 2010. It is estimated that not even 1 percent of environmental disputes are resolved in court.⁶

How much freedom do Chinese people have to monitor and report on these issues and advocate for enforcement?

If Beijing does not rigorously implement and enforce its environmental laws and regulations, Chinese non-governmental organizations (NGOs) and the Chinese people stand ready to intervene. Chinese environmental NGOs are at the forefront of pushing for greater transparency and disclosure. The Institute for Public Environment, headed by former journalist Ma Jun, for example, is renowned for its work in exposing multinationals whose supply chains often include small-scale factories that are violating environmental regulations. Once Ma uncovers a wrongdoing, he contacts the multinational and offers to work with it to get its environmental house in order. If the firm is unresponsive, he will use the Chinese media to shame the company into compliance. Greenpeace Beijing similarly applied the threat of media exposure to elicit change from large corporations, and successfully campaigned to persuade the supermarket group Metro to stop buying and selling Asia Pulp and Paper's rainforest-destroying paper products in China.

At the same time, some of the most challenging work in terms of bringing transparency to the environmental system is pursued on the legal front. Wang Canfa's Centre for Legal Assistance to Pollution Victims (CLAPV) is one of

³ *China Daily*, "Green GDP needed," February 27, 2013, http://www.chinadaily.com.cn/cndy/2013-02/27/content_16258973.htm.

⁴ Yuhuan Zhang, Xiaowen Liu, Yunjun Yu, Guojian Bian, Yu Li, and Yingxian Long, "Challenge of Public Participation in China's EIA Practice," (paper presented at the 32nd annual meeting of the International Association for Impact Assessment, Porto, Portugal, May 27-June 1, 2012).

⁵ *Ministry of Environmental Protection*, "2010 Environmental Statistical Yearbook [2010 Nian Huanjing Tongji Nianbao]," <http://wenku.baidu.com/view/b0111e88a0116c175f0e48d5.html>.

⁶ Feng Jie and Wang Tao, "Officials struggling to respond to China's year of environmental protests," *China Dialogue*, June 12, 2012, <http://www.chinadialogue.net/article/show/single/en/5438-Officials-struggling-to-respond-to-China-s-year-of-environment-protests->.

the very few resources for Chinese citizens who want to use a legal channel to pursue an environmental case. Over the past ten years, CLAPV has handled over 200 environmental lawsuits for pollution victims. In many instances, the media are an important ally in the NGO's fight for environmental protection, helping to shame polluters, uncover environmental abuse, and highlight environmental successes. Still, merely gaining access to the data to enable a case to be brought to trial remains a significant hurdle for many environmental lawsuits.

Beginning in 2009, Ma Jun also partnered with the U.S. NGO the Natural Resources Defense Council to launch an annual transparency index, which "ranks the performance of 113 major Chinese cities in complying with environmental disclosure requirements."⁷ To accomplish this, they are using the 2008 law mandating transparency that Beijing, itself, could not effectively implement. While many cities still refuse to release the data—even though it is required by law—some Chinese officials have become fans of greater transparency as result of the NGO's work. One official from Hunan Province People's Congress uses his Weibo account to "name and shame" polluters, leading one named company to put in place new environmental clean-up technology.⁸

The advent of the Internet has further contributed to the ability of the Chinese people to apply bottom-up pressure for change, and has provided an unprecedented level of transparency in the environmental system, resulting in internet petitions, water pollution maps demarcating polluting factories, and pictures of polluted sites or protesting Chinese. Urban residents also have become skilled at using the Internet and mobile phone text messaging to organize environmental protests.

In one celebrated case, the Internet became a lightning rod for coalescing public opinion against local government regulations and resulted in a change in policy. On December 5-6, 2011, smog forced the cancellation of almost 700 flights at Beijing Capital Airport and ignited a media firestorm. The Beijing Municipal Bureau of Environmental Protection had reported the air pollution on December 5 as 'light.'⁹ However, the U.S. Embassy in Beijing, which had been Tweeting air quality numbers for several months, recorded the pollution level as 'beyond index.' There were important differences in the pollutants on which Beijing reported (PM 10) and those on which the U.S. Embassy reported (PM 2.5 and ozone), and how each rated air quality, with the United States supporting tougher standards and metrics. Under pressure from China's online citizens, or netizens, the local Beijing environmental officials agreed to revamp their system by 2016 to report on additional pollutants. Yet that did not satisfy local residents. Real estate billionaire Pan Shiyi conducted an online poll and discovered that 91 percent of the more than 40,000 respondents believed that the government should immediately match the U.S. Embassy's reporting quality. One month later Beijing started to report on its air quality with the same statistical measures as the U.S. Embassy (albeit only from one site in the city). Moreover, on March 1, 2012, Beijing announced that it would extend its air pollution monitoring network to all major cities including Shanghai, Chongqing, and Tianjin in 2012, as well as incorporating 113 additional cities in 2013.¹⁰ By 2015, China plans to have all medium-to-large cities monitoring and reporting on their PM 2.5 levels. Even China's official news agency, *Xinhua*, commented that social networking sites such as Weibo played an important role in spurring central leaders to take action on the issue.¹¹

Occasionally, even the government has begun to take advantage of the internet to garner support for particular initiatives. For example, in the highly contentious South-North Water Transfer Project, netizens on the nationalistic and popular "Strengthening the Nation" online forum generally support the project, with some even arguing that cutting of the Yarlung Tsangpo river would not only help solve China's water shortage problems but also "force India

⁷ Barabara Finamore, Wang Yan, Wu Qi, and Christine Xu, "A Step Forward for Environmental Transparency in China," *National Resources Defense Council Staff Switchboard Blog*, March 29, 2013, www.switchboard.nrdc.org/blogs/bfinamore/a_step_forward_for_environment.html.

⁸ Ibid.

⁹ Lousia Lim, "Clean Air A 'Luxury' In Beijing's Pollution Zone," *NPR.org*, December 7, 2011, <http://www.npr.org/2011/12/07/143214875/clean-air-a-luxury-in-beijings-pollution-zone>.

¹⁰ *Xinhua*, "PM2.5 in air quality standards, positive response to net campaign," March 1, 2013, http://news.xinhuanet.com/english/china/2012-03/01/c_122773759.htm.

¹¹ Elizabeth Economy, "The environment," in *Handbook of China's Governance and Domestic Politics*, ed. Chris Ogden.

to compromise over disputed territory by controlling their water flow.”¹² At the same time, the Ministry of Water Resources, which does not support the third leg of the project, used the Internet to publish a series of articles less supportive of the project. Discussion on the project on their website was largely negative, with some referring to Western sources such as Jared Diamond and a movie about the National Parks Service to support their cause for why the project should not move forward.

The Internet also serves as an organizational tool for Chinese citizens to spread information regarding protests. The lack of an effective institutional mechanism for the Chinese people to participate in the environmental policy-making process or to get redress through the legal system has translated into a vibrant environmental protest movement in China. When citizens’ concerns are not addressed satisfactorily, they turn to protest to make their voices heard, either via the Internet or on the street. The environment has now surpassed illegal land expropriation as the leading source of social unrest in the China.¹³

In some cases, protests are virtual via the Internet. In late 2010, Chinese netizens broke the story of a significant environmental disaster in Jilin province, where thousands of barrels of pollutants had been dumped into a water source by a local chemical plant. In the ten days that it took Chinese officials to admit to the disaster, thousands of citizens were informed of the cover-up via the Internet. They responded by purchasing a massive amount of bottled water and angrily denouncing the government’s inaction. It was only after the citizens refused to believe the official stories that the government finally acknowledged the disaster and handed out free bottles of water to those in the afflicted areas.¹⁴ Similarly, a year earlier in Guangzhou, online transparency caused a reversal in local government policy. Middle class-led protests over a planned incinerator were picked up by young online netizens, who then spread the news through social media websites. Even though the activists themselves were not affected by the plans, they wanted the word to get out. Once enough citizens became involved, the government agreed to halt the project until a full environmental assessment was completed.¹⁵

Even more threatening to authorities is the potential for environmental protest to spread from one city to another. In July 2012, for example, protests broke out in the southwestern province of Sichuan, where citizens of the small city of Shifang were upset by a planned molybdenum copper plant. The facility would be a \$1.64 billion project funded by the Sichuan Hongda Company,¹⁶ but residents of Shifang, led by students and joined by others from nearby towns and cities, feared that the plant would have a negative impact on the environment and their health.¹⁷ The state-supported *Global Times* estimated that several thousand protestors took part in the protests,¹⁸ which turned violent, forcing the police to use tear gas and stun grenades to disperse the crowds.¹⁹ Thirteen protestors were injured²⁰ and another twenty-seven were detained during the protests, of which six were formally charged.²¹ On the third day of demonstrations, local officials announced that the project would be halted.²²

¹² *Strengthening the Nation Blog*, “Make the Brahmaputra River Flow into the Yangtze, the Distance Will Be the Smallest and the Benefits Will Be the Largest [Yin Yalucangbujiang Zhi Shuiru Changjiang Zhi Yuan, Juli Zuidian Xiaoyi Zuigao]”, February 8, 2009, <http://bbs1.people.com.cn/postDetail.do?view=2&pageNo=1&treeView=0&id=90600434&boardId=2>.

¹³ *Bloomberg News*, “Chinese Anger Over Pollution Becomes Main Cause of Social Unrest,” March 6, 2013, <http://www.bloomberg.com/news/2013-03-06/pollution-passes-land-grievances-as-main-spark-of-china-protests.html>.

¹⁴ Elizabeth Economy and Jared Mondschein, “China: the New Virtual Political System,” *CFR.org* (April 2011), <http://www.cfr.org/china/china-new-virtual-political-system/p24805>.

¹⁵ Malcolm Moore, “China’s middle-class rise up in environmental protest,” *The Telegraph*, November 23, 2009, <http://www.telegraph.co.uk/news/worldnews/asia/china/6636631/Chinas-middle-class-rise-up-in-environmental-protest.html>.

¹⁶ Brian Spegele, “Planned China Metals Plant Scrapped,” *Wall Street Journal*, July 3, 2012, <http://online.wsj.com/article/SB10001424052702304211804577504101311079594.html>.

¹⁷ *BBC*, “China factory construction halted amid violent protests,” July 3, 2012, <http://www.bbc.co.uk/news/world-asia-china-18684895>.

¹⁸ *Ibid.*

¹⁹ Spegele, “Planned China Metals Plant Scrapped.”

²⁰ *BBC*, “China factory construction halted amid violent protests.”

²¹ *Caixin Online*, “Timeline of Shifang Protests,” July 5, 2012, <http://english.caixin.com/2012-07-05/100407585.html>.

²² *Ibid.*

Later that month, inspired by Internet reports of the Shifang protest, thousands of protesters took to the streets in Qidong, a coastal city in the province of Jiangsu, to challenge a pipeline that would discharge waste into the sea and potentially pollute a nearby fishery, as well as contaminate drinking water.²³ Worried that wastewater originating from the Japan's Oji Paper Company in Nantong city would not be cleaned properly, a thousand or more protestors (*Reuters* reported there were about 1,000,²⁴ while the *Asahi Shimbun* estimated 10,000²⁵) damaged government buildings, cars, and property on July 27.²⁶ Some demonstrators clashed with police, and at least one police car was overturned; hundreds of police arrived later in the day to protect government offices.²⁷ Fourteen people plead guilty to encouraging the riot in which dozens of police were injured; the local Communist party chief was stripped half-naked; and protestors caused more than \$20,000 of damage.²⁸

Public transparency may have reached a new high in May 2013, when Kuming, the capital city of the southwestern province of Yunnan, was rocked by protests over plans by China National Petroleum Corporation (CNPC) and the Yuntianhua Group to build a refinery in a nearby city of Anning. Kunming's mayor Li Wenrong took the unusual step of announcing that the government would cancel the project if "most of our citizens say no to it."²⁹ In essence, Li was inviting a public referendum on the project.

In virtually every instance of environmental protest in urban areas, local governments respond by acceding to the demands of the protestors. According to Ma Jun, director of the Institute of Public Environment in Beijing, "The next leadership of China is going to face a challenge on these environmental issues, which the previous leadership had not seen so strongly for thirty years. For the first time, some local officials have begun to call us to learn more about how these situations are handled in other countries—they really worry about becoming the next protest targets."³⁰

Conclusion

The Chinese government appears at a loss as to how to manage the growing push from below for greater environmental transparency. Ignoring the people's demands comes with a high price: growing societal discontent and rising numbers of mass protests. Thus far, the leadership appears willing to pay the cost. However, the long-term effects—both on the environment and the leaders' own legitimacy—will only continue to grow.

²³ Jane Perlez, "Waste Project Is Abandoned Following Protests in China," *The New York Times*, July 28, 2012, http://www.nytimes.com/2012/07/29/world/asia/after-protests-in-qidong-china-plans-for-water-discharge-plant-are-abandoned.html?_r=0.

²⁴ John Ruwitch, "China cancels waste project after protests turn violent," *Reuters*, July 28, 2012, <http://www.reuters.com/article/2012/07/28/us-china-environment-protest-idUSBRE86R02Y20120728>.

²⁵ *Bloomberg News*, "Chinese City Halts Waste Project After Thousands Protest," July 29, 2012, <http://www.bloomberg.com/news/2012-07-29/chinese-city-halts-plant-s-waste-project-after-thousands-protest.html>.

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ *Associated Press*, "Chinese protesters plead guilty after water pollution riot in Qidong," January 21, 2013, <http://www.guardian.co.uk/world/2013/jan/31/china-wastewater-pollution-riots-qidong>.

²⁹ *Xinhua*, "Public opinion decisive in Kunming's controversial chemical project: mayor," May 10, 2013, www.globaltimes.cn/content/780724.shtml#.UZOCorXU-84.

³⁰ Christina Larson, "Protests in China Get a Boost From Social Media," *Bloomberg BusinessWeek*, October 29, 2012, <http://www.businessweek.com/articles/2012-10-29/protests-in-china-get-a-boost-from-social-media>.