

THE NEED TO REFRAME THE US-CHINA CLIMATE RELATIONSHIP

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Climate change is a global existential threat that requires rapid mitigation of climate gases. With the IPCC's 2018 1.5° Report¹ many politicians and voters recognized for the first time that long-term 2050 goals would not be enough and that there is a real need for rapid action prior to 2030. This greater urgency has translated into the popularity of a Green New Deal approach on the left in the United States and most crucially into President Joe Biden running on the most ambitious climate program of any major party candidate in U.S. history. At the same time, we also saw China's President Xi Jinping commit to a new 2060 carbon neutrality goal for China. While both the US and China have new commitments to climate action, neither are specific or immediate enough to meet the challenge, and as the world's two largest emitters their action is fundamental to achieving results that will actually have a real-world impact on mitigating the likelihood of climate catastrophe.

In years past, this is when an essay would turn to the need for greater "cooperation" between the two countries, a term that most likely would cause a certain number of readers' eyes to glaze over. And they would have good reason. While cooperation among US and Chinese climate scientists is broad and deep and leads to lots of good research, and there are worthy reasons to learn from each other's policy implementation experience, it isn't clear that this kind of small-scale cooperation ever led to or even is likely to lead to the kind of large-scale commercial adoption of cleaner technologies that is critical to averting catastrophic climate change. The mitigation actions that have thus far seen real results in both countries – increases in energy efficiency, switching energy infrastructure to non-carbon fuels, improvements in mass transportation and in land-use – have all been driven by domestic policies several steps removed from any of these more research-oriented cooperative projects. The area where bilateral cooperation has been critical is in setting the framework for global goals and for how those global goals are translated into national goals. The question, thus becomes, how to gain the type of cooperation that is truly needed – the setting of ambitious global goals with real timetables to meet them.

A ROCKY RELATIONSHIP

Expecting the US and China to cooperate too closely seems unlikely in the current context. The two countries have just completed a very testy initial meeting between top foreign affairs officials from China and the Biden administration. Most of the contentious issues from the previous Trump administration remain, including the tariffs that each side imposed on the other in a bitter trade war. There are increasing accusations of Chinese cyber espionage, as well as

¹ IPCC, 2018: *Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty* [V. Masson-Delmotte, P. Zhai, H. O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J. B. R. Matthews, Y. Chen, X. Zhou, M. I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, T. Waterfield (eds.)]. <https://www.ipcc.ch/sr15/download/>

grave concerns about human rights. In this context closeness seems unlikely. Both sides have shown signs that they are interested in working together on climate issues, most particularly in the choice of lead negotiations. Former Secretary of State John Kerry indicated immediately upon being named that he expected to work with the Chinese on climate and felt that the issue could not be held hostage to other issues in the relationship. The Chinese government appears to have reciprocated by drawing Kerry's former negotiating partner, Xie Zhenhua, back from a post-government position running an academic research institute to serve as the lead negotiator in what clearly appears to be an attempt to build on a productive relationship.

OLD-FASHIONED COOPERATION

Traditionally the climate relationship is built with a focus on cooperation. Even the Bush administration, which withdrew from the Kyoto Protocol, had dozens of cooperative projects.² The Obama administration substantially augmented that cooperation, bringing coherence through ambitious, overarching projects. The most significant of these were the Clean Energy Research Centers (CERCs) that were designed to include both researchers and companies from both countries.³ After a rocky start in the multilateral arena at Copenhagen, the two countries also negotiated with an eye to a new international agreement, producing two joint presidential announcements, one in November 2014 and the second in September 2015, that laid the groundwork for the December 2015 Paris Agreement.⁴

The cooperative projects, however, were not closely tied to the international effort, except to the extent that the umbrella agreements involved the same top climate negotiators. Cooperation was seen as a positive prelude to achieving international goals. Indeed, these types of climate projects, whether energy-related or the more purely scientific work done by agencies like NOAA and NASA, were seen as such a source of mutual goodwill that climate cooperation was often pointed to as a positive area when relations in other areas became challenging.

DOMESTIC PROGRESS

Both countries were seeing progress – substantial even if insufficient – in greenhouse gas mitigation. In the United States it was driven by changes in the private sector, as well as state and local initiatives, while in China it was driven by Five Year Plan goals and major national programs in energy efficiency and non-carbon energy.⁵ While the United States then backtracked

² Asia Society and Pew Center on Global Climate Change, "Common Challenge, Collaborative Response: A Roadmap for U.S.-China Cooperation on Energy and Climate Change," January 2009. See Appendix 1 for a list. https://asiasociety.org/files/pdf/US_China_Roadmap_on_Climate_Change.pdf

³ Lewis, Joanna I. "Toward a New Era of US Engagement with China on Climate Change." *Georgetown Journal of International Affairs* 21 (2020): 173-181.

⁴ November 2014 has a "joint announcement" and September 2015 a "joint statement," though it isn't clear who can parse the distinction. <https://obamawhitehouse.archives.gov/the-press-office/2014/11/11/us-china-joint-announcement-climate-change> <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/us-china-joint-presidential-statement-climate-change>

⁵ Hilton, Isabel, and Oliver Kerr. "The Paris Agreement: China's 'New Normal' role in international climate negotiations." *Climate Policy* 17, no. 1 (2017): 48-58.

during the Trump administration⁶ – loosening some of the spurs to private action like higher CAFE vehicle efficiency standards and the Clean Power Plan – China continued to plow ahead with national programs to reduce carbon emissions per unit GDP.

AMBITIOUS GOALS

We, thus, find ourselves at a moment where both countries have had less climate interaction than at any time in the last thirty years, and yet both have announced new domestic ambitions. China announced its carbon neutrality goal prior to the US election, thus unrelated to Biden's election. Given the structure of Chinese goal-setting, this type of long-term goal incentivizes peaking earlier than the 2030 date China had submitted under the Paris agreement and peaking at as low a level as possible. For his part President Biden is about to submit to Congress a major proposal that includes \$1 trillion in spending for green infrastructure. Both countries have a lot to do to fulfil these plans. China's 14th Five Year Plan, announced in March, did not include any mention of a peaking date or an absolute limit on climate gases. It will be interesting to see if the Chinese plan to unveil more plans prior to or during the November 2021 UN meeting where the Paris Agreement will be discussed. Perhaps even more challenging, President Biden needs to submit formal legislation and then pass it through a tightly divided Congress with Senators from fossil energy states playing the pivotal roles. Exactly how much climate mitigation either country can achieve still depends heavily on mustering more political will this year.

Garnering that political will is challenging and is unlikely to be served by attempting the type of complex interaction at the federal level that marked the Obama era. Kerry and Xie have indicated they are planning to be more cooperative, but that need not involve a complex menu of efforts. Pulling in large numbers of government agencies to work on projects will be challenging and unlikely to build support either in the US Congress or the Chinese bureaucracy. However, it isn't clear that at this point either country needs more official cooperation to make substantial climate progress. Firstly, there is plenty of cooperative activity at the subnational level and in the private sector.⁷ And more fundamentally, the work that each needs to do does not depend heavily on producing new knowledge. Rather we need to apply what we know. The technologies we need to substantially reduce greenhouse gas emissions exist today.

COMPETE TO MITIGATE

What both countries do need is a set of goals that drive their economies toward cleaner choices. If the goals are high, then both countries boast many companies that can compete with each other both domestically and globally to produce cleaner options at lower prices. Ideally, this is what the Paris Agreement can achieve. The Paris Agreement was designed for five-year reviews of commitments precisely because the negotiators expected that initial country commitments would

⁶ Jotzo, Frank, Joanna Depledge, and Harald Winkler. "US and international climate policy under President Trump." *Climate Policy* 18, no. 7 (2018): 813-817.

⁷ Hsu, Angel and Deborah Seligsohn, "Future U.S.-China Cooperation on Climate Change: Working Towards a Green New Deal," Working Paper for the Penn Project on the Future of U.S.-China Relations, July 2020. https://cpb-us-w2.wpmucdn.com/web.sas.upenn.edu/dist/b/732/files/2020/10/Angel-Hsu-Deborah-Seligsohn_Future-U.S.-China-Cooperation-on-Climate-Change_Final.pdf

be insufficient. This is also why the parties commissioned the 1.5° Report to examine what level of commitments are needed to protect the globe from catastrophic climate change. Since there was no major Conference of Parties in 2020 due to COVID19, this upcoming meeting in November will be the first opportunity to review current commitments and seek to establish higher goals. If Kerry and Xie can work together on that higher aspiration, each country can continue down its own developmental path domestically, implementing climate policies through very different political and economic structures. We can, thus, accept that the relationship overall is not going to be as close as it was a decade ago, and clear goals or targets can encourage competition. We will surely see American companies competing vigorously for the opportunities provided in Biden's Build Back Better plan. Chinese companies, too, compete in solar, wind, batteries and many other technologies.

Moving from a cooperation mindset to a competition mindset may seem like it is moving in the wrong direction. But this is not an argument for zero-sum thinking, precisely the opposite. If we take the World Trade Organization as a model for an international institution, countries agree on standards, but then companies compete freely, and free trade generates those gains from trade that make all countries better off. Similarly robust competition will actually drive climate mitigation. We just need to set high standards and then welcome the competition.