

Eco civilisation



65% – China's target CO2 reductions by 2030

1000GW – China's target for solar energy



Eco-civilisation

Over the past 40 years China has grown apace, mostly without concern for long-term environmental impacts. However, now faced with major challenges, a bright light of sustainable development is emerging.

If you ask the man in the street which countries have some of the most ambitious targets for protection of natural resources and improving the environments, few, if any, would name China. And if you look at the academic rankings such as Yale's Environmental Performance Index then you would find it way down at number 118 out of 178 in the overall rankings - and even lower when you look at specifics around issues such as air quality and agriculture.

But in Shantou, Shenzhen, Taijin or Chengdu, or any of the other fast growing Chinese mega-cities, people have a different perspective. They will talk about how China wants its local officials to stop ignoring the environment in favour of the economy. They will talk about an Ecological Civilization, how the Chinese Communist Party is driving a huge shift in direction and, in order to do this, is making major changes to the whole government system. More than pretty much any other nation, China is taking the sustainability imperative to heart and literally rewriting the rulebook. Whereas many other countries debate, publish reports, develop frameworks and guidelines and lobby for potential changes 20, 30 or 50 years out, China has set in process real changes that will take place by 2020. It has to.

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At the Paris COP 21, many commentators were inspired by China's recent change of tone and tack on climate change, and its pledge, at a preceding UN Summit in September 2015, to be a carbon neutral state by 2030. Experts such as Dr. Jackson Ewing, of the Asia Society commented, "China's position has seen the greatest evolution on environmental and climate policy in the past years." However if you look at what is underway this should come as no surprise. Not only does China face some of the greatest environmental challenges, but given its scale and industrial capacity, it also has the wherewithal to do something about them.

To address these and other challenges going forward, the Central Committee of the Communist Party of China (CCCPC) is driving the concept of the Ecological Civilization. The Central Committee, the highest authority in the system, is where significant change starts. It was at the third plenum of the 11th Party Congress in 1978 that the historic 'Reform and Opening-Up' policy launched the recent economic growth. Since then China's GDP has increased from US\$59 billion to over US\$10 trillion, and more than 470 million people were lifted out of poverty between 1990 and 2005.

With the economic growth now slowing, attention has shifted to a more sustainable view of future direction – linking growth with the environment and not focused purely on GDP. At the third plenum of the 18th Party Congress in November 2014 the Ecological Civilization blueprint was officially launched. The former Chinese leader, Hu Jintao, sees that "the essence of the construction of the ecological civilization is building a resource-saving

Power and influence



and environment-friendly society based on the environmental carrying capacity of resources, the laws of nature and sustainable development.” Eco-civilization, the Chinese interpretation of the notion of sustainable development, is also fast becoming a new path for China’s innovation focus. By 2015 the UN saw that “China’s commitment to ecological civilization as a national strategy and the new post-2015 development framework are of huge significance to the world.”

Some Chinese thinkers see the Eco-civilization term as the next stage in the chain of human civilization. What started out as the original hunter/gather civilization evolved into the agricultural civilization and then onto the third stage of industrial civilization. So the shift to eco-civilization is a fundamental turning point – a phase of transition for society away from the destructive consequences of human activity towards ecological mindfulness.

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Specific actions now on the table and coming into play cut across the economy, politics, culture, and society. They include: establishing property rights instructions for the first time and using regulatory systems to manage natural resources; establishing a system for paid use of resources that better reflects the true costs rather than the previously heavily subsidised price; establishing a system for developing and protecting China’s geography including more zoning of key areas and monitoring natural resource depletion; drawing ecological red-lines around sensitive terrestrial and maritime resources; and implementing eco-compensation mechanisms in accordance with the ‘polluter pays’ philosophy now gaining ground internationally. That said, eco-civilization as discussed in China is also very much a China-focused strategy, but in its use the term is also seen as a critique of western-style industrialization.

Amongst a host of targets and edicts, perhaps one of the most significant top-down shifts is the rebuilding of the government's performance indicator system. Whereas GDP has been the primary focus for China for the past few decades, the Central Committee has proposed a performance evaluation system that moves away from this. New indicators will include resource consumption, environmental change, and eco-efficiency - all underpinned by international COP commitments. HSBC, for one, sees that the shift towards a low-carbon economy will be a challenge, but will also provide multiple new opportunities, especially around mandatory environmental pollution liability insurance.

Although few report it, the change is underway: China has doubled its solar production to 20GW in the past 12 months and is targeting 1000GW. By 2030 China will cut its CO2 emissions per unit of GDP by 60-65 per cent from the 2005 levels. The country sees that the battle against climate change is a major opportunity to accelerate its economic restructuring and so achieve more sustainable future development.

Although off-radar for many, it is clear that China's leadership means business. The nation is still very much driven by the CCCPC; its edicts set direction and have power to change the status quo. Whether or not China will be able to balance a possible economic slowdown with the move to the next stage in the chain of human civilization is clearly up for debate. But against a background of global imperatives around climate change, the national dependency on coal-powered energy having significant detrimental impacts on public health, and the opportunity to take a world-leading position on green technologies in the mix, few would bet against China's Eco-civilization having impact in the long term.

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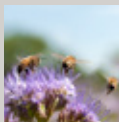
Related insights

Air quality



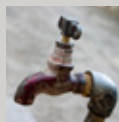
Rising air pollution in many cities is killing people and becomes a visible catalyst for changing mind-sets and policies across health, energy, transportation and urban design.

Full Cost



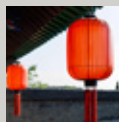
Increasing transparency of society's reliance on nature, intensify requirements for business to pay the true cost of the resources provided by 'natural capital' and so compensate for their negative impact on society.

Key resource constraints



Economic, physical and political shortages of key resources increase and drive increasing tension between and within countries. As we exceed the Earth's natural thresholds, food and water receive as much focus as oil and gas.

Rise of the cult of China



As China's economic influence on the world increases there is a rise in the cult of China in popular imaginations elsewhere. Myths of both hope and fear will proliferate as China's cultural influence increases.