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The Wire China

Isabel Hilton on Fixing the Bigger Problem

Archives

The China Dialogue founder talks about China's evolution on climate issues.

BY KATRINA NORTHROP - FEBRUARY 28, 2021

Isabel Hilton is the founder of China Dialogue, a nonprofit and bilingual news organization based in London and Beijing, focusing on China's interaction with the world on environment and climate issues. Previously, she was the editor of OpenDemocracy.net, and a journalist or editor for The Independent, The Guardian, The New Yorker, and The Sunday Times. She has also written and contributed to multiple books, including The Search for the Panchen Lama (1999). In this lightly edited interview, we discussed the potential for environment collaboration between China and the rest of the world, the constrained nature of climate activism in China, and why Chinese banks are beginning to account for climate risk.



Isabel Hilton.

Illustration by Lauren Crow

Q: Let's start with China Dialogue. Why did you decide to start it, and why did you decide to focus on the nexus of climate issues and China?

I did my degree in China studies, and then I studied in China. But all of this was at a time when people thought it was a fairly crazy thing to do, because China was locked away, poor, and in the middle of the Cultural Revolution. Outside the China circles, there was very little interest in China. But I kept up my interest after I became a journalist, and then, much later, a lot of things came together. Mostly, the internet was offering an opportunity to do things like communicate across borders, boundaries, and culture. It was a relatively low cost way of establishing new dialogues, new conversations. I was involved at the time with one of the early, serious websites called Opendemocracy.net, which was discussing politics of all kinds. And I noticed that it really

only had a transatlantic conversation going — nothing from Latin America, Southeast Asia, or China. These were all areas that I had reported from in the course of my career. And so I thought, well, if you try to be a global website, you have to be more serious about this. So I began to think about having a conversation with counterparts in China — what matters to both sides? What is something that you have equal rights and standing in? That takes you quite quickly to environment and climate change, because all of us have the same interest in climate change — it's going to affect everybody. And it was a conversation you could have across these quite considerable political barriers because it's a mutual interest.

And then, if it was going to be a real dialogue, it had to be completely bilingual. We didn't want it to just be a megaphone in which we tell China what it's doing wrong, and how it

needs to improve, which tended to be the default mode at the time. And so we were very interested both in learning how people thought about the environmental crisis that China was already in, and how that could be addressed. And since many countries have had industrial revolutions, and made the same mistakes that China made, there was some use for Chinese policymakers to understand the remedies that had been applied elsewhere. So lessons from elsewhere could be of use to Chinese readers, and conversely, how people in China saw remedies might be useful for non-Chinese readers.

It started as a kind of crazy pilot idea. And it's just grown enormously over the years and has become part of the landscape of these discussions. And as China expanded into the world, most recently with the Belt and Road Initiative, China's impact on the world also grew. So we also had to expand our focus. And now we cover Latin America, we cover the global ocean, Southeast Asia, Central Asia. If anything, it gets more interesting as time goes on.

What are the most important stories that your organization covers?

Right back in the beginning, on climate change, there was a very different mindset.

China very much was holding on to the position pre-Copenhagen [where the 2009 United Nations Climate Change Conference

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was held] that rich countries caused climate change, rich countries needed to fix it, and China didn't have to have a position. However, China then became the world's biggest emitter. And so there was a process of shifting the mindset of China's leaders, and subsequently, China's public. So when we first were writing about climate change and China, the position in London or New York would be, well, there's no point in doing anything because China's building a coal-fired power station every 10 minutes and what we do makes no difference. And in China, the position was, well, we have to develop, there's no point in doing anything until the developed countries reduce their per capita emissions, which were still many times larger than China's. This was a dialogue of the deaf.

So we inserted ourselves into that conversation, and tried to shift the focus to seeing it as a question of mutual survival and mutual interest, rather than finger pointing. That was pretty important at the time, and remains so, because these decisions tend to default back.

The second website that we set up is called the <u>Third Pole</u>. It looks at the fate of the snow and ice — the cryosphere — of the Qinghai Tibetan plateau. From that plateau, every major river in the Asian landmass derives its beginning, so the Yangtze and the Yellow River, but also the Ganges, Brahmaputra and so on. The fate of that ice and snow is of critical importance to the region, not only because it's the beginning of the water source and most of the agriculture is very water dependent, but also because the cryosphere has a fantastic impact on the weather of the region and the local climate. If the ice and snow disappears, nobody really knows what's going to happen to the regional climate. When you look at how this issue is covered in the press in India or Pakistan, in a region which is riddled with national rivalries and hostilities, water is covered as a strictly national business. There was nobody looking at this as the health of the river on which everybody depended. So again, what we were doing, and what we still do, is try to shift the consciousness and the understanding towards a systemic understanding and systemic solutions. These are often local stories, but they're local stories that derive from a bigger problem. If you don't fix the bigger problem, you're always chasing the wrong solution. That's probably what I would say we've really contributed to; there was nobody in South Asia that was thinking that way until we started.

How is China's approach to environmental challenges different than, for example, the U.S. or UK?

It has shifted a fair bit. When we started in 2006, it was a different time in China. And you could see more elements that China had in common with the U.S. or the UK, in the sense that what shifted things were strong civil society movements that channeled citizens interests towards policy and the use of the law. So when people understand the impact of an environmental problem, and who is causing it, then they mobilize, look for ways of putting pressure on politicians, reach for the law, and demonstrate. Now, China is obviously a very different political system. However, from 2006 to maybe 2012, there was a lot of that. There were, for example, groups of very activist journalists who were taking a close interest in what was happening to the rivers in western China, where there was a lot of dam building. They would go on these excursions, they'd come back to Beijing, and then they would make a lot of publicity, but they would be a huge consciousness raising. At the time, China's Environmental Protection Agency wasn't even a ministry; it was extremely weak. The dominant philosophy in China was to develop first, clean up later. The theory went: the environment is not something we can afford to think about, but when we get rich, we'll think about it. There were some very enlightened officials in the EPA who were really challenging that by saying, we can't afford to do this. China will have an environmental collapse before it gets rich. And they were making alliances with civil society, emerging NGOs, and journalists who were broadcasting the message, because they had no power inside their own agency. At the time, that was a very interesting network of people, some of whom went on to much greater prominence, some of whom didn't. But a lot of the organizations that are now very important in China, for instance, the Institute of Public and Environmental Affairs (IPE), which was established by Ma Jun the same year that China Dialogue was established, is now very large, very significant, very important and has pioneered the use of data in investment and in behavior modification.

It was these alliances that really got things like "the public right to know" established in new regulations, and a much more open approach to reporting information. And this happened around things like air pollution. At the time, air pollution in China was absolutely dreadful. One of the most-read pieces we ever published was in the middle of one of these terrible smog events. And it explained the difference between the way China was reporting this, which was a kind of slightly crazy system of "blue skies" or "not so blue," whereas the U.S. Embassy had an air monitor on its roof, which was saying: don't go outside. And everyone thought, what's going on here? So we published a piece from an American analyst who was in Beijing at the time, explaining what the international standard was for reporting hazardous air. At the time, handheld monitors were coming in so people could check whether they were being lied to. And all of this conjunction resulted in a completely new approach from the authorities towards reporting environmental information. Now, you have local authorities who are reporting real-time monitoring data, and in some cases, water monitoring data. And all of that comes from that particular moment in China. It was really significant.



Isabel Hilton spoke at an annual World Economic Forum meeting in Dalian in July 2019.

Credit: Sikarin Fon Thanachaiary/World Economic Forum, Creative Commons

Then with Xi Jinping's arrival in office, the atmosphere definitely shifted away from things like independent sources of information and civil society. And it all gets a little more difficult. But at the same time, the government itself began to adopt the ideas that had been very fringe, just four or five years previously. So now we have a government which embraces the notion of ecological civilization, which has set a target date for carbon neutrality of 2060, and therefore has to work towards it, and has seen the opportunity side of climate change. In the last two five-year plans, it's invested heavily in all kinds of clean technology, renewable energy, batteries, and so on. And in doing so, has transformed the economics of all of that for China, but also for everybody else. So while China has been slow, you might argue, to reduce its own emissions, it has contributed to global public goods by enabling others to take a different path, particularly in the energy transformation.

That was rather a long answer to your question, but China's approach to environment and climate in the

15 years of China Dialogue has just gone through a lot of evolution, partly to do with a parallel evolution of its industrial economy, but also a change in consciousness and a shift in how they see the future.

How has climate activism changed in China?

The context of activism has certainly become far more difficult. In the previous period that I'm talking about, people could really push from outside the system. They could identify rogue factories, corrupt officials, they could do a lot of that kind of work. They could start independently monitoring water quality, they could make the argument to politicians about dams not being a good idea, they could highlight the inadequacies of environmental impact assessments. Almost none of that is really available today. The government has a suspicion of independent activism, so the kinds of things that the government would support now are actions in support of government policies, like consciousness raising, beach cleanups — that kind of thing. I would say that at the level of street activism, it's gotten more difficult. But in some ways, the policy dialogue has flourished. For instance, IPE, which is an NGO, has managed to integrate into those parts of the policy machine that are still moving forward.

What are you expecting China to do globally on energy projects along the Belt and Road? Will they turn towards renewable energy or continue with coal?

My sense is that it will shift, but I would like it to shift faster. I think a lot of damage has been done. Coal is critical. If you look at where the money goes in the BRI, or where it has gone, certainly in the energy field, it has gone overwhelmingly to fossil energy. However, I do think that China is beginning to feel that it's a little exposed on coal. There's been quite a lot of shift inside China on greening finance, because they understand that money needs to go into other things. And that is beginning to come into the overseas projects. They are beginning to formulate some rules, which currently are voluntary, but at some point might become compulsory.

At present, it's rather similar to the "pollute first, clean up later" idea that you used to hear 10 years ago. On the overseas front, they tend to say, "oh, it's up to the host country to make the decisions." That's not a sustainable position. If you are an actor as big as China, then you really need to be a responsible development actor. And you, yourself, need to say, "we are not offering you coal because this is going to be a stranded asset." The difficulty there is, and it's a

genuine difficulty, is that if you offer renewables to a developing country, the grid is not likely to be robust enough. Managing the grid for a majority renewable system is an art and a science in itself. So if that were to become the default mode of Chinese energy assistance, they would have to take that on. But I think that would still be doable. It would be sustainable development of the kind that China is meant to be committed to, as opposed to exporting dirty technologies and shrugging your shoulders and leaving once it's built. It's a terrible thing to do, partly because it makes it much harder for a developing country to meet its own Paris [agreement on climate change] goals. And if it is to meet its Paris goals, it's going to have to shut these things down before they have paid for themselves. So it's not development. And I do think that it'll take a little while, but there are certainly people in China who are beginning to understand that China is beginning to look like a very bad actor in that field. And, I think that will, in the end, change the focus.

What's the state of green finance and understanding climate risk in Chinese financial institutions?

We've seen a big shift because of understanding of risk, particularly climate risk. So the institutions and the businesses themselves are beginning to adapt. In China, that has had to begin with the government. Because essentially, the risk factors in China are just so different. If you're an SOE [state-owned enterprise] in China, you've pretty much got a cast-iron guarantee that the government isn't going to let you fail and you have priority access to finance over private business. And the financial institutions themselves don't have the skills or haven't needed the skills to assess risk in the way that you have to in a capitalist system, because they're also bombproof — the government's not going to let them go. So all of this has had to begin to shift. And the only thing that can make that shift is the government. Actually some people from the People's Bank of China have been very important in this, and have persuaded policymakers and politicians that if you don't shift where the money goes, you don't shift the activity. And because the risk factors are just so weak in China, that has to come from policy. So they've been drawing up new rules, and trying to make institutions respect those rules. Overseas, it's harder, because although the Asia Infrastructure Investment Bank is technically a multilateral bank and aspires to follow global best practice, it's really quite small. And the bulk of the investment overseas comes from the development banks or the policy banks, and they have been very slow to start thinking about this in terms of overseas investment, which is why we see the patterns of investments that we see. But inside China, this is changing quite quickly, and it will spill over into the overseas investment, too.

Everyone talks about how the U.S. and China should cooperate on climate change, but what does that really mean?

The world is not the world that it was four years ago. But if you look back to the Obama era, there were often difficulties in the bilateral relationship. But one thing that really did flourish was climate

BOOK REC Great State, China and the World by Timothy Brook FAVORITE MUSIC PERSONAL HERO I tend not to create hierarchies but Lu Xun would be up there

cooperation, after President Obama and Xi Jinping agreed to work together towards Paris. And at almost every level in the United States and China, you had conversations going on, you had experience being shared, you had people working together. And that was great. Much of it has just not survived Trump, but some of it could be revived. I mean city-to-city cooperation, for example, or state-to-province cooperation. There's obviously a real difficulty with the state-to-state relationship — the geostrategic tensions are real. But I do think each administration understands that climate has to be regarded as a transcendent issue.

The U.S. and China could jockey for position in a world that will be so damaged by climate change that what is their victory? Or they could work together. I would include the European Union, despite the fact that my own country [the UK] has made a grave mistake,

in my view, of leaving. But the EU, China and the United States account for a great deal of the world's emissions. And those three blocks should agree on standards. The U.S. needs to come back in and convince everybody that it's real this time, they're not going to disappear again. And if the U.S. can do that, it will put pressure on China. China has met all its targets. But that's partly because China has set its own targets, and they're very very loose. It promised in 2015 to peak emissions by 2030. It promised that again, in the autumn of last year. We have known for years that if it wanted to, it could actually peak in 2023 or 2024. That matters. So, I think that the U.S. coming in as an active participant is going to make China raise its game. And I would hope that, despite the many tensions in the relationship, climate can be a route to cooperation at a technical level, and at a policy level, because too much is at stake, honestly, for that not to be the case.

What have been your favorite China-related stories to cover as a journalist over your career?

When I first went to China as a student, the Chinese economy was smaller than that of Belgium. And just going from that to what China is today, in many ways it is the world's biggest, fastest and most extraordinary industrial revolution. And I don't think anyone who's been involved with China over the years could have imagined that. And it's just transformed the lives of people. It's transformed the politics in ways that are always intriguing. They're never quite what you expect. A lot of it hasn't gone the way many of us would have hoped. I think that a return to authoritarianism, in my view, is not sustainable. I don't think you can govern a country the size of China in a top-down manner, or at least it's not the best way to do it. But you know, again, we've seen that come and go. And also, China's never one thing. Everything you say about China is both true and not true. It's always full of "Yes, but...". And that's intriguing. It's so big. It's so complex.



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COVER STORY



Pole Position

BY EYCK FREYMANN

In public, Chinese diplomats and climate negotiators deny that they see any link between climate change and geopolitics. But there is a deeply cynical consensus within China's academic and policy communities that climate change creates geopolitical opportunities that China can exploit — and must exploit before its rivals do. Greenland was the proof of concept for this strategy. And it caught the U.S. flat-footed.

THE BIG PICTURE



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BY GARRETT O'BRIEN

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Q & A



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