

Title: China's Environmental Policies: Can They Lead to Sustainable Development?

Host: Panle Barwick

Date: November 5, 2015, 12:00 – 1:00 pm

Abstract: After three decades of double-digit per annum economic growth, China is now the world's largest trading nation and its largest manufacturing economy. A major guiding force behind this impressive growth is China's industrial policies, ranging from direct subsidies to indirect monetary policies. In the meantime, China is paying a tremendous environmental cost for this growth record. Recent official reports and academic studies find that 20% of the country's farmland, 16% of its soil, and an estimated 60% of its groundwater are polluted, less than 1% of its 500 largest cities meet the WHO's air quality standards, and the health cost of air pollution amounts to 5% of GDP.

China has put in place several national-level environmental policies, which include control zones for acid rain and SO₂ (in place since 1998), pollution taxes (in place since 2003), and various policies enacted during the 2006-2010 Five-Year Plan (e.g., closure of dirty establishments).

The objective of this lunch meeting is to have a discussion of how effective China's environmental policies are and what kind of policies are more likely to lead to sustainable development. In particular, how are the environmental policies implemented? How do they interact with other policies, most crucially industrial policy, in shaping firm behavior and protecting the environment?