China Promises Cap-And-Trade … After Obama Leaves Office

Michael Bastasch

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China has announced it will eventually implement a cap-and-trade program for carbon dioxide emissions by 2017, well after countries are expected to hash out an international deal to cut emissions and about a year after President Barack Obama leaves office.

Chinese President Xi Jinping and Obama are expected to announce more efforts both countries will take to address global warming, including cap-and-trade for China. The announcement is meant to increase support for a global climate treaty ahead of the United Nations summit set to take place in Paris later this year.

"Our work together — to increase our trade, boost the global economy, fight climate change and prevent Iran from obtaining a nuclear weapon — shows that when the United States and China work together, it makes our nations and the world more prosperous and more secure," Obama told the press during his meeting with Xi.

About a year ago, China and the U.S. first announced their plans to drastically cut carbon dioxide emissions to demonstrate they are serious about tackling global warming. Obama promised to cut U.S. emissions 26 to 28 percent by 2025 and China said it would peak emissions by 2030 and use more green energy.

"You see both countries outlining the steps they intend to take and doing it in a transparent way," a senior administration official told The Wall Street Journal.

China is now promising for the first time to impose cap-and-trade on its heavily coal-dependent economy. The Wall Street Journal notes that "Chinese government figures show carbon emissions per unit of gross domestic product… was about one-third lower last year than it was in 2005."

Yet even with China's promise to fight global warming, it will still be getting 62 percent of its electricity from coal in 2020. Republicans and critics of the deal are skeptical China will hold to its promises after Obama leaves office and a U.N. deal is signed.

"As with all international pronouncements on climate change, we must wait until we see the fine print," said Patrick Michaels, a Cato Institute climatologist and energy policy expert. "The road to global warming has traditionally been paved with good intentions."

There are also worries that economic troubles brewing in China could derail its efforts to cut emissions.

"I think low growth make it more difficult to achieve their target," said Shoichi Itoh with Institute of Energy Economics, Japan (IEEJ).

"They want to reduce energy consumption and emissions for their own purposes," Itoh said. "If Chinese economy slows down, they can't expect people to pay more for energy. So people might lose their appetite for reducing emissions."

China's centralized, communist government is also mired by rampant corruption and corporatism that could pose huge problems for carbon dioxide financial markets. The European Union's cap-and-trade system has been considered a massive failure in recent years because of the governing body's inability to properly manage it.

"It can work perfectly if we have all the pieces of the puzzle ready, but if we don't have the rest of them, this one alone will not generate much benefit," said Wang Tao, a scholar with the Energy and Climate Program in Beijing, told The New York Times. "There's also risks if we don't manage this well. The collapse of the carbon price may actually shut down the market."

"There's been a debate in Western countries about whether or not China is a market system," echoed Qi Ye, the director of the Climate Policy Institute. "Europe certainly is a market system, so if Europe cannot do an emissions trading system well, how would you expect China to have a successful carbon market?"