



China has been making unexpected large strides away from fossil fuels and has become the largest investor in wind and solar technology.

The U.S. left a hole in leadership on climate. China is filling it.

POLITICO's Global Translations podcast examines the fallout from Washington's withdrawal from the Paris climate agreement.

Call it the China climate paradox.

Often considered the bogeyman of global climate diplomacy, China is making greater and faster strides than expected away from fossil fuels — becoming the world's largest investor in solar and wind technology and boasting more jobs in solar energy than in coal-mining. It's all part of a long-term economic strategy to dominate in critical technologies.

The torrid pace and unprecedented scale of China's investments in clean energy are driven in part by local concerns about toxic air quality.

China remains the world's leading emitter of greenhouse gases, accounting for roughly 30 percent of global carbon dioxide pollution.

But the moves are giving China a growing leadership role on the world stage — precisely at a time when Washington's voice is becoming less relevant thanks to President Donald Trump's announced plan to withdraw the U.S. from the Paris climate agreement, according to interviews with [POLITICO's Global Translations podcast](#).

POLITICO

“China wants to be the leader in the clean energy economy,” said Barbara Finamore, Asia director for the Natural Resources Defense Council. “Some people say that China was slow to catch up with the Industrial Revolution and kind of lagged behind, perhaps until recently, in the dot-com revolution, but it saw the potential to lead the clean energy revolution from the start — and it's determined to lead.”

Critics of the Paris agreement in the Trump administration have complained that China's pledges would still allow the country to increase emissions for more than a decade, while they contend that cuts in U.S. emissions promised by the Obama administration would hurt economic growth. And they point out that the U.S., which accounts for the second-largest share of world emissions — 15 percent — has already cut its CO2 emissions over the past decade, although that decline was largely the result of power producers switching to cheaper natural gas from coal rather than being driven by U.S. climate policy.

But for Chinese President Xi Jinping, clean energy investments are not just about fighting climate change and cleaning up some of the world's dirtiest air — but about economic competitiveness. Beijing has used hardball tactics in its quest to [dominate cutting-edge technology](#) that are among the drivers of the [current Washington-Beijing trade war](#). They have ranged from forced intellectual property transfers and requirements that foreign companies enter into local joint ventures to heavy state subsidies for solar panels that have made it the world's leading global supplier, undercutting prices of non-subsidized competitors.

China is responsible for a third of wind turbines and solar panels in the world — and its investments have had the side effect of driving down the global price of solar and wind technologies by nearly three-quarters in the last decade, Finamore said.

These efforts have allowed [China to reduce the share of coal](#) in its overall energy mix from 80 percent to 60 percent, she said, after having

grown coal use by double digits for a decade. (By contrast, coal accounts for less than 30 percent of the U.S. energy mix, [according to the Energy Information Administration](#).) And the NRDC [published a report in January](#) suggesting that if China continues to fully implement the policies that it already has in place to cut coal consumption — and ramps up its energy efficiency efforts — the nation could cap its coal consumption by as early as next year.

China has also pursued electrification at an eye-popping pace. It now has almost half the world's electric vehicles, half the world's charging infrastructure, and 99 percent of the world's electric buses, according to Finamore. “It has brought the cost of electric vehicle batteries down by two-thirds in just five years, to the point where electric vehicles can become cost-competitive with your gas-guzzling car,” Finamore added.

“China has installed more renewable capacity than any other country in the world,” said Jonathan Pershing, who was a special envoy for climate change under the Obama administration. America's failure to tackle renewable energy on a national scale has longterm economic implications, said Pershing, now a program director at the Hewlett Foundation.

“We are not choosing to do very many of these things at scale, and others are,” he said. “Those kinds of questions are going to be what will dictate the future in terms of economic competitiveness. And it will not just be because of climate change. It will be because that's where the world is going. That's where technology is moving. And if you're not playing in that space, you're not going to be a winner.”

Alongside aggressive green investments, China has also retooled its climate diplomacy. While the U.S. pulls back, China is taking its seat at the leadership table. When the Paris climate agreement was negotiated in 2015, China was criticized for its demand to be treated like a developing country — and to be allowed to continue to increase its emissions before beginning to decrease them by 2030.

POLITICO

Now it appears emissions will peak sooner than that — and China is a participant in the so-called Major Economic Forum, in which ministers from leading countries work together to maintain momentum and common understanding in climate talks. The Forum had been run by the U.S., but Canada stepped in once the U.S. pulled out.



A man works on a solar panel project on the roof of a 47-story building in a new development on May 15, 2017 in Wuhan, China. | Kevin Frayer/Getty Images

“China has come a long way in moving from a climate resister to a strong supporter of the Paris agreement and global climate governance,” Finamore said. “And what people don’t realize is how fast things have changed.”

Canada’s minister of environment and climate, Catherine McKenna, described stepping up to fill the vacuum after the U.S. pulled out and holding a meeting of top ministers from the EU and China last June.

“That was tough because it was right after the U.S. had announced their position — but we brought folks together and it’s important that we

keep China very engaged at the table. I think they certainly believe in climate action and they see the opportunity, and we need them at the table and the European Union,” she said. “I think that’s a very positive thing that even without the leadership of the United States —which was extraordinary under the Obama administration — internationally we’re all moving forward including working with the E.U. and China,” she said.

China’s climate diplomacy includes working with individual U.S. states.

“When the U.S. walked away from the table you saw the EU, Canada and China get together and essentially say that they wanted to be the leaders and so they were the ones convening all the major economies to talk about what a path forward looked like. They would invite the U.S. to be at the table but they weren’t going to wait for them,” recalled Julie Cerqueira, executive director of the U.S. Climate Alliance, launched by a group of U.S. governors in 2017 in response to Trump’s announcement of pulling the U.S. out of the Paris agreement. The group now includes 24 states and Puerto Rico, representing 40 percent of U.S. emissions, and is engaged in negotiating agreements with countries, including China, while Washington steps back.

During an energy conference in Beijing in 2017, Jinping met with California Gov. Jerry Brown in Beijing to discuss cooperation on climate action. He did not meet with Energy Secretary Rick Perry, who was also in town.

The United States is being “essentially marginalized,” Cerqueira told the podcast. “The rest of the world realizes that we have to take action.”

Sign up for [POLITICO Playbook](#) and get top news and scoops, every morning — in your inbox.