



A Look at Global Sustainability, with a Focus on China

Just Business (Interview Series)

Ma Jun, Evan O'Neil, Madeleine Lynn, Julia Taylor Kennedy

EVAN O'NEIL: Half the world now lives in cities, and they are growing. Can this evolution of human infrastructure improve our social and ecological prospects?

Urban life can be more energy efficient than suburban or rural life, but it depends on long supply chains. After all, globalization and megacities go together.

Global boomtowns generate amazing innovations, but they can also accelerate inequality. Poorer residents may never leave for a taste of country air, let alone baguettes in Paris.

Emerging economies have built entirely new cities designed for sustainability. Established powers have the historical advantage of wealth yet must retrofit aging infrastructure to remain competitive.

Urban migration also implies a shift of political power. Cities are shaped by one another almost as much as by central governments. Jurisdictional friction is inevitable.

Will the rise of megacities in Asia and the Middle East guarantee cosmopolitan tolerance and rights?

Governed by economic might alone, mass urbanization could lead to the worst of times: slums cleared for high-rise development; private armies guarding gated elite compounds; concentrated mega-populations falling victim to natural disasters.

But governed with an eye to improving health, livability, and education, global cities suggest our best, most sustainable times are ahead.

What do you think? Are we headed for the best or worst of times? Are megacities an opportunity or a threat?

(See [Global Ethics Corner: The Sustainability of Cities](#))

JULIA KENNEDY: One country grappling with managing sustainability and megacities is China, whose vast population and rapid economic development has led to a host of environmental challenges.

One of China's leading environmentalists is Ma Jun. He's director of the [Institute of Public and Environmental Affairs](#), a watchdog group in Beijing that publishes companies' reports on their own emission levels online and allows consumers and others to respond. Ma began his career as an environmentalist with the book [China's Water Crisis](#) in 1999, which has been called the Chinese equivalent to [Rachel Carson's Silent Spring](#).

Ma recently sat down with the Carnegie Council's Madeleine Lynn to give an update on his work in China.

MA JUN: The Institute of Public and Environmental Affairs was set up in 2006, with a mission to ensure environmental sustainability. The focus is on pollution control. The way to achieve that is to use transparency as a tool to promote extensive public participation. So we developed this website called [China Water Pollution Map](#) [<http://www.ipe.org.cn/En/pollution/index.aspx>] and use that as a tool to generate all the different ways for the public and also the companies to get involved.

MADELEINE LYNN: How did you become concerned about the environment in the first place, and how did you start doing environmental work?

MA JUN: In the mid-1990s, when I worked for the media, I had the privilege to travel around China, and I was struck by the environmental damage, especially the damage to water. At that time some of the major rivers in

the north, including our mother river, the Yellow, had run dry for a considerable time, a period of a year. In the south, many cities are surrounded by water, but people still don't have access to safe drinking water because the water is so contaminated. In the western part of China, all this major eco-destruction has threatened the sustainability of our resources.

So I put this into a book called *China's Water Crisis*, as you mentioned. Then, gradually, I got pulled into this field.

MADELEINE LYNN: It really is a terrible situation. In fact, it looks a lot worse than it did in 1999, when you wrote the book. Can you tell us something about the situation today? Do you have cause for hope about water in China?

MA JUN: Over the past ten years, massive efforts have been made in China, partially thanks to the vast rising awareness of the environment and pollution. In the past ten years my book is just part of the effort made to raise people's awareness, and now, thanks to this rising awareness and also thanks to the changing government policy, major efforts have been made to tackle the pollution issue.

It could be a lot worse because our economy is growing double digits every year, putting a lot more pressure on our fragile environment. Also, because of this massive development, the discharge is still increasing. Therefore, we haven't seen our rivers and lakes turning clear, and our skies in many cities have not been turned blue. It means that we just have to double our efforts.

When we looked into this issue, we found that the real barrier is not just the lack of technology or money; it is the lack of motivation. Motivation should come from the enforcement of laws and regulations, from litigation, environmental litigation. But these are still not there. Fundamentally the local government officials still put GDP growth rate ahead of the environmental protection. And that won't change overnight. So there is an increasing understanding that in China, if we try to tackle this issue, we need extensive public participation.

MADELEINE LYNN: That's encouraging, because it does seem that there is more participation. We hear about demonstrations in China about pollution, and we know that from the top down, the government is doing its best, and there are good environmental regulations on the books now. But, as you say, they are not enforced at the local level.

Do you see some way forward with that? It's still very hard to sue a Chinese company, for instance.

MA JUN: It's still very difficult, despite major, major efforts made by the lawyers, by some of the NGOs [non-governmental organizations]. I'm thinking about an alternative to this, trying to use transparency as a tool to deal with the pollution problem. I trust that we need people to get involved, but I realize that people need to be informed before they can get meaningfully involved.

Therefore, the first step we took was to boot up this China Water Pollution Map and then extend it to air and solid waste, hazardous waste. So people, with a click, can access data on water quality, air quality, the amount of discharge, and also a list of violators in all the 31 provinces and 300 cities. What we have found is that when people can access this information, the cost of violation seems to go up a little bit. All this social pressure, public pressure will be built on some of the polluters. So one by one, they started coming to the NGOs to try to find a way to solve this problem.

MADELEINE LYNN: So transparency is one of the tools that China can use to improve its environmental situation. In your book you also mentioned another possibility, which is market forces. You mentioned in your book that the cost of water, at least in 1999, was way too low, so there was no incentive for people to save water or recycle water, whether they were individuals or farmers or factories. Has that changed?

MA JUN: I should say no. Not just water, but, in general, natural resources have not been valued properly—of course, not just in China, but in many parts of the world. But in China we have such a scarcity of resources, so it just makes things a lot worse.

For example, in some southern parts of China, in the Pearl River Delta area, in some cities the industrial water use is still cheaper than just 1 RMB, yuan, per ton, which is just several cents a ton, which gives no incentive for them to try to treat the water and try to put it into reuse and recycling. It's a lot cheaper for them to simply dump the wastewater and then just keep tapping into the rivers and aquifer and even our municipal water supply system.

This has to be changed across China.

Having said that, in recent years the raising of water prices has met increasing public opposition. In China there's a new rule saying that if you try to raise the water price for domestic use, for residential use, you must have a public hearing. Then during the hearing there's all this public opposition. Of course, part of that is that we need to raise the awareness.

But the other part of that is that people want to know why. They want to know how that's going to benefit them or the environment or the future generations, whatever. But now they can't see that. They only understand that probably, throughout the industry, they got better welfare, and they probably buy some new property and this and that. So people don't trust that the money can be used properly, and therefore they oppose this.

Again, it goes back to the very theme of transparency. A market economy without information transparency is not a good one. It's sending a lot of distorted signals and messing up the market. If we want to use the market force, transparency, I think, is the precondition for that.

MADELEINE LYNN: It's ironic to me, really, because China, as a centralized economy, has the power to do things that we in the West cannot. China is way ahead in terms of trying to do things like banning plastic bags. I understand you are moving towards banning old-fashioned light bulbs. But then, on the other hand, China cannot control what happens at the local level.

The other problem, which is a double-edged sword, is that because of this centralized economy, China does these big engineering projects, which sound like they could be good, but, in fact, like the [Three Gorges Dam](#) and other projects, they often end up causing much more environmental damage.

What are your thoughts on that?

MA JUN: We are facing all these challenges. The traditional thinking is that we're going to tackle from the—for example, if we have water shortage or power shortage, then we tackle it from the supply side. The kind of conventional thinking is, let's add another coal power plant or build some more dams or try to build some reservoir or tap the deep aquifer or transfer water from the south to the north.

So these massive engineering projects have been designed. I think it's everywhere. It's not just China.

But in China there's one problem: all this decision-making process cannot be checked and balanced by the stakeholder engagement. Talking about all these major projects, every one of them needs to go through an environmental impact assessment [EIA], but so far only a summary of the EIA report is required to be disclosed. In many cases several dozen or fewer than 100 people get a questionnaire, and that's public participation, a consultation process. Obviously it's not good enough.

Therefore, all these projects could be built in such a hasty way, could be decided, and often just a tiny number of people can make decisions on this. But they often compromise for their own interest.

So I think if we want to check that, we need to get people participating. Of course, there are many who argue that this is going to slow down our growth, that we'll hurt our environmental development. Aren't we talking about hitting a balance between growth and environmental protection? I think slowing down a little bit, probably we are going to find that balance, and we will not make some major mistakes.

At the end of the day, if a kind of zero-project option is also considered, we would often find it making far more sense to actually go to the demand side or go to the retrofitting side, try to retrofit those plants or older systems, power grids, so that we can be far more efficient for all these facilities. It's time for us to shift our focus from the supply side to conservation on water, on energy—all the same.

But we have to find motivation, because at this moment, it always looks so much cheaper just to add new plants. I think that's not good for China.

MADELEINE LYNN: It's a big problem.

Just to switch the focus a little, on the one hand, China is trying to develop very hard, and this is a push-me/pull-you situation. Then we in the West, of course, are buying your goods. Is there something that Western consumers can do to hold businesses to account that are working in China? We are also indirectly responsible for some of this.

MA JUN: Absolutely. If we look at China's pollution problem, part of that is caused by our demand, which is rising. Our consumption is rising, which puts a lot of pressure. But the other part of that is coming from the Western world. We are manufacturing for the entire Western world and exporting cheap products, but we dump all the waste in our backyards, contaminating our air, water, even soil, aquifer, coastal seas.

This is not sustainable. This ongoing globalized manufacturing and sourcing so far is not sustainable. It simply externalized the cost on developing countries, like China. How do we change that? Of course, the major brands who are sourcing from China could have a lot of say to change things. But they need to hear the message from the consumers. That is very, very important.

How do we mobilize the consumers? We need to provide them information—again, back to this issue. If they don't know anything about this—across the Pacific something is going on there, but they know nothing about that. They

don't know who are polluting, who are not. Everyone is just kind of lost in this.

Therefore, we came out with 20 other NGOs in 2007 and launched a [Green Choice Initiative](#), calling for the consumers to mind the environmental behavior of the factories and also calling for major brands to bring their supply chain in our country.

Throughout the first several years, we have major brands coming from America, like GE, like Nike, Walmart, Coca-Cola, and also those European brands, like Unilever, like Siemens, Philips, Nokia, and Vodafone—all these brands started tapping into the system. They have thousands, sometimes tens of thousands of suppliers in our country, and we have some 90,000 records of violations by all these manufacturers. Many of them are their suppliers.

If they compare the two lists, they find the problem. They are known suppliers and they are known violators. Many of them choose to send a message to them to change behavior and also make a public disclosure about what went wrong and how they tried to fix their problem.

So far we have more than 500 major polluters on our list coming to the NGOs to do that. More than 100 of them have been through the independent audit to try to prove independently that they have fixed the problem.

So major efforts have been made, first in the IT industry, but now moving toward the apparel industry. So industry by industry, I think there are cleanup efforts. There's a motivation coming out of this globalized economy.

But the driving force has got to come from the people. I think if the American people, as consumers, know more about this and express their concerns and hope to the major brands, it can do a lot of helping service to our pollution control efforts.

MADELEINE LYNN: You talked a little about NGOs and Green Choice. Obviously, NGOs like yours are working broadly in line with what the government wants to do. The government has stated clearly that it needs to control pollution. But it's also clear that NGOs tread a fine line with the government. How do you manage this? Have you run into trouble with the kinds of work that you do?

MA JUN: As you said, in general, we are in line with the central government. My organization is slightly lucky. We're based in Beijing, with the central government. But still, as some of the data started to show its power to check polluters, usually their first reaction is to go to their contact within the local government. So increasingly we got visits and phone calls from the local government, "This is a major taxpayer, that's a major employer. This is important for our economy. I want you to remove that record. I urge you to do that. You used my data to put it there. Now I say it's good. Why can't you remove it?"

We are under this type of pressure, for sure. The way to deal with that, obviously, for us is to develop a path towards a solution. It's not a dead end. We show them that whatever you want to say about that company's performance, we have a space to put that, so people can see your updated statement about it. Then they could provide their own feedback and monitoring data, whatever. We are pleased to run that.

But any records you want to remove, you have to go through our protocol, our independent check. Otherwise, considering the credibility gap in China, the whole effort is going to be meaningless.

But at the end of the day, our coalition, our NGO network, helps us. Some of them just insist and pressure us. But we just have 39 NGO members, and I just tell them, "I don't have the power to remove anything. Go talk with the other 38." No one wants to do that at the end of the day. So they go back to the companies and say, "Probably it's easier for you to go through that disclosure process."

MADELEINE LYNN: So, in general, what you're saying is that the problems are at the local level rather than at the central government level? Would that be correct, that that's where governments start digging their heels in and saying, "We need this tax revenue. We need this factory here"?

MA JUN: Definitely. The local governments are the ones who are under all this pressure to grow their business, to improve their GDP growth, to ensure GDP growth and tax revenue, and all this—create jobs. The central government has a more hands-off sort of position. Therefore, it's easy for it to make all these mega-statements about sustainable development. That's the situation.

What we are doing, I hope, through this kind of work—we're not destroying local business. It's actually just helping it to get better. Along with those major brands, it's to provide a helping hand for them. At the end of the day, we're building a level playing field. This level playing field is not a level playing field where everyone has freedom to race down to the bottom, but if you are below certain standards, you are out of the game. If you can ensure compliance, above that is free capitalism. You just compete.

So I think, increasingly, this idea of creating this level playing field and using open-source information to enhance supply chain management and environmental management efficiency is kind of welcomed by many.

MADELEINE LYNN: That's good news.

Ma Jun, thank you for joining us on Just Business, and thank you for all the good work that you are doing in China.

MA JUN: Thank you, Madeleine.

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[Evan O'Neil](#), [Ma Jun](#), [Madeleine Lynn](#), [Julia Taylor Kennedy](#)

Carnegie Council's Evan O'Neil ponders the future of mega-cities, and Madeleine Lynn interviews leading Chinese environmentalist Ma Jun, who discusses China's air and water crisis and the work of his watchdog group, the Institute of Public and Environmental Affairs, which names and shames the worst polluters.

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