

# ***The Current Status and Evaluation of Environmental Economic Policy in China*** ***(Summary)***

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The principal aim of this paper is to carry out analysis of the current status of and challenges for environmental economic policy in China and an evaluation of future development. Broadly dividing up China's environmental economic policy, it can be split into four broad classifications of environmental pricing regulations, environmental market regulations, environmental fiscal regulations, and set regulations for environmental economic policy. Then, more specifically, these environmental economic policies are grouped into types including: environmental finance; environmental tax revenue; environmental balance of payments; environmental resources price setting; green finance; emissions trading; and ecological compensation.

In this paper we analyze the direction of change and the evolution of specific environmental economic policies, such as the recent Chinese: environmental protection investment; environmental protection tax; environmental liability insurance system; discharged contaminated water collection and treatment costs; sewage treatment costs; capital cooperation model between government and social capital (a public-private partnership, abbreviated to PPP); and ecological compensation. Subsequently we carry out an evaluation of environmental economic policy.

The explicit promotion requirements for environmental economic policy were presented in, amongst others: the new "Environmental Protection Law" (January 2015); the "Opinions of the Central Committee of the Communist Party of China and the State Council on Further Promoting the Development of Ecological Civilization" (May 2015); the "Integrated Reform Plan for Promoting Ecological Progress" (September 2015); and the "13-5 Program (13th Five-Year Program: 2016–2020)" (February 2016). Against that background, the importance of China's environmental economic policy has risen a notch, the speed of reform has also been upped, and they have become key structural components in the construction of environmental

protection systems, and are forming the core of the building of ecological civilization.

However, China's environmental economic policy still has numerous problem areas. Among other examples, one is that the legal standing of environmental economic policy is low; a second is that the environmental resources price formation system is still less than robust; and a third is that environmental economic policy is primarily concentrated in the production process.

In the future, China will face medium-to-high-speed economic growth (the New Normal), and based on the ecological civilization philosophy resulting from the necessity of an environmental management model change, it can be considered as accelerating environmental economic policy reform on the principles of "the primacy of the rule of law, institutional innovation, intentional promotion, focused breakthroughs, the strengthening of evaluation, and the emphasis on quality and efficiency". Nevertheless, China's environmental policy evaluation system is still at the initial exploratory stage, and although the instituting and execution of environmental policy is proactive, policy evaluation is not seen as important, and only a small proportion of environmental policies are coming under evaluation. For that reason, scientific and normative environmental policy evaluation systems and management systems have not yet been formulated. In the future, for environmental policy evaluation, research and putting into practice are necessary for the construction of technical systems, including the necessary theoretical concepts, methods, evaluation frameworks, and evaluation indicators. In the future, it will be necessary to clearly stipulate environmental policy evaluation by statute and not by administrative regulations, and to again put in order structures for policy evaluation.

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