# *Workshop on*
# *China, the West, and the Alternative Energy Innovation Challenge*

*Dates:* **June 26th and June 27th 2014**

*Location:* Peter G. Peterson Institute for International Economics.
1750 Massachusetts Avenue, NW, Washington, DC 2003

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The international community has endorsed the goal of reducing greenhouse gas emissions (GHG), but economic growth creates more demand for energy. Current technologies cannot accommodate this growing demand without raising global emissions to levels that pose a threat to climate stability. Nowhere is the conflict more evident than in China, the world's most rapidly growing large economy. While emissions have grown slowly or fallen in other major source countries in recent years, rapid Chinese growth continues to drive rapid increases in China's share and level of GHG emissions. The rapid run-up in fossil energy prices in the mid-to-late 2000s, renewed concerns of impending fossil fuel shortages, and public discomfort with reliance on imports of fossil fuels from unstable regions brought additional urgency to efforts to develop alternative energy technologies over the past decade in many countries. The People's Republic of China has responded by aggressively seeking to build within its borders a set of firms capable of generating new alternative energy technologies. A mix of economic and environmental objectives has motivated this policy initiative. Nations that build highly competitive alternative energy industries could realize significant gains in exports and employment.

This dual pursuit of emissions reductions and industrial development raises the possibility of international trade friction and conflict, as national governments face the temptation of intervening in international trade in environmental goods in ways that tilt the playing field in favor of domestic producers. In recent years, a number of trade conflicts have arisen, with the major producers of alternative energy hardware accusing one another of WTO-illegal subsidies, local content requirements, tariffs, export subsidies, and other trade interventions. Many of these conflicts center on China, which has rapidly emerged as a major producer and exporter of alternative energy hardware.

Some recent studies suggest that China has succeeded at incubating a technologically dynamic alternative energy industry that will make significant contributions to global emissions reduction goals. Is this really true? More generally, what can be learned from the recent policy efforts to accelerate alternative energy innovation, not just in China, but also in Western Europe, and the U.S.? How can governments maximize the benefit of these policies, while minimizing the risk of trade friction and policy conflict?

This invitation-only conference will bring together engineers and technical experts, economists and political scientists, federal government officials and industry representatives to consider what can be learned from the recent set of policy experiments in China and from recent policy experiments in the West, assess the extent to which China is emerging as a source of alternative energy innovation, discuss the implications of this for Western countries, and consider how the international community might move forward in a way that is guided by these lessons.

On June 26th and the morning of June 27,we will have a series of research presentations followed by discussions, and discussion panels. Our conference will conclude on June 27th, with a lunchtime panel addressing the major themes of the conference, to which the broader public will be invited.