

The Evolution Logic and Driving Mechanisms of China's Green Consumption Policies: An Analysis Based on Historical Institutionalism

Yuqing Sun

School of Public Administration, Sichuan University, Chengdu, 610065, China

ABSTRACT

Guided by China's "dual carbon" goals, green consumption policies are pivotal for promoting high-quality supply and ecological progress. Using historical institutionalism, this study analyzes the evolution through four phases: initiation, exploration, transition, and integration. It examines the policy logic via macro context, critical junctures, and path dependence, highlighting external pressures and endogenous drivers . Future recommendations include strengthening policy incentives, advancing tech innovation and market integration, and optimizing consumption environments and pricing.

KEYWORDS

Green Consumption; Policy Evolution; Historical Institutionalism

1 Introduction

Green consumption is vital for ecological progress and high-quality economic growth. Since 2012, China has prioritized ecological civilization, enacting laws and policies. The "14th Five-Year Plan" period is critical for green consumption under "dual carbon" goals, though challenges persist due to policy tool limitations, immature green markets, and product scarcity (Chen, 2016). Green consumption prioritizes resource efficiency and environmental protection by minimizing waste and promoting eco-friendly products. Current Chinese policy research focuses on implementation effectiveness, developmental stages, and policy tools, employing methods like content and co-word analysis. Studies highlight a shift from command-control to incentive-based instruments and classify policy evolution into distinct phases (Cui et al.,2020; Liao and Xiang,2020; Li et al.,2022).

This study applies historical institutionalism to analyze China's green consumption policy trajectory, emphasizing path dependence and institutional drivers. By systematically examining policy stages and underlying logic, it offers fresh insights to complement existing literature and inform future development.

2 Analytical Framework: Historical Institutionalism

Emerging in the 1980s as a prominent branch of neo-institutionalism, historical institutionalism integrates political science traditions with interdisciplinary methods to analyze policy and institutional change (Ma, 2022), employing historical-structural perspectives to examine cross-temporal socio-political issues through theoretical models like path dependence and critical junctures. Peter Hall's widely accepted definition characterizes institutions as "the formal or informal rules, norms, procedures, and standardized practices that govern relationships among individuals in the political and economic spheres" (Hall, 2008), while historical institutionalism offers three analytical perspectives: the structural perspective examining institution-political variable relationships, the historical perspective emphasizing path dependence and institutional innovation (Lü, 2007), and the interactive perspective focusing on actor-institution dynamics. Distinguished by its meso-level focus (Yang and Gao, 2011), this approach bridges macro/micro studies and domestic/international research (He, 2002), synthesizing rational choice's "actors" with sociology's "structures" into a comprehensive macro-meso-micro framework (Ding and Li, 2020). Given the absence of Chinese studies applying this approach to green consumption policies, this paper constructs a historical institutionalism-based analytical framework as shown in Figure 1.

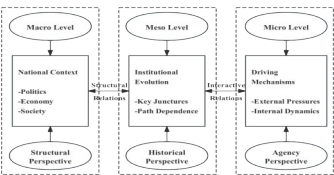


Figure 1 Analytical Framework.

3 The Historical Evolution of China's Green Consumption Policy

As the United Nations Environment Programme first provided a clear definition of green consumption in 1994, this study follows the approach of existing literature and designates 1994 as the starting year for research on China's green consumption policies. Covering the period from 1994 to 2024, the study systematically collects relevant national-level legal documents, administrative regulations, and departmental rules related to green consumption, resulting in a total of 492 policy documents. Based on key policies and significant milestones in the field of green consumption in China, the historical evolution of green consumption policies is categorized into four stages: the Policy Initiation Stage (1994–2002), the Policy Exploration Stage (2003–2011), the Policy Transition Stage (2012–2019), and the Policy Integration Stage (2020–present), as illustrated in Figure 2.

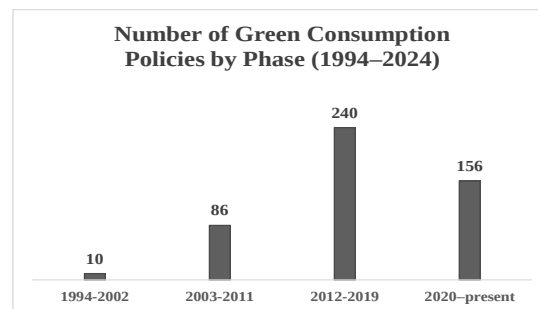


Figure 2 Statistical Distribution of Green Consumption-Related Policies Across Four Stages (1994–present).

3.1 Policy Initiation Stage (1994–2002)

China's green consumption policy framework emerged during 1994–2002, initiated by two pivotal documents: the UNEP's definition and China's sustainable development White Paper. This formative stage featured uncoordinated departmental policies addressing concurrent challenges—resource constraints, pollutive growth, and public unawareness—through production-focused measures. Policies prioritized corporate environmental governance (pollution control, clean production) over consumption-side interventions, reflecting limited public readiness. The Tenth Five-Year Plan typified this phase's educational approach to cultivating environmental values.

3.2 Policy Exploration Stage (2003–2011)

During the policy exploration phase, China's green consumption policies gained deeper contextual grounding through the Scientific Outlook on Development, which prioritized energy conservation, emission reduction, and sustainability as key drivers for lifestyle transformation. Policy output surged to 86 documents, with expanded multi-agency participation reflecting broader systemic engagement. The focus evolved from pollution control to multidimensional targets encompassing consumption quality, standard development, energy-saving technologies, and environmental education. Notable sectoral challenges addressed included underdeveloped EV infrastructure, sluggish green building material adoption, and inefficient waste management systems, countered through specific mandates for green procurement, transportation, and construction. Concurrently, institutional mechanisms like researcher training programs and public education campaigns were deployed to cultivate social receptivity, marking a strategic shift from regulatory foundations to integrated market-society engagement.

3.3 Policy Transition Stage (2012–2019)

The 2012–2019 transition phase saw China's green consumption policies accelerate under ecological civilization, comprising 48.8% of total issued policies (n=240). Policy innovation shifted from awareness-building to systemic implementation through three mechanisms: (1) Strategic elevation via the 2016 Guiding Opinions, (2) Market implementation through fiscal reforms and pilot points systems, and (3) Multi-stakeholder coordination institutionalized in 13th Five-Year energy plans. This period established the policy-market-society tripartite governance framework that characterizes contemporary approaches.

3.4 Policy Integration Stage (2020–present)

During the policy integration phase (2020–2023), China's green consumption policy system matured significantly, with 156 policies demonstrating refined institutional development. The framework evolved into a comprehensive structure integrating regulations, planning documents, and guidance across the entire production-circulation-consumption chain.

Key advancements included supply-side reforms through initiatives like the "Opinions on Accelerating Green Production and Consumption Regulatory Systems," which targeted sector-specific regulations and unified green product certification standards. Digital integration emerged as a cornerstone, leveraging big data and cloud computing for targeted green consumption promotion and industry transformation, supported by open data platforms. Concurrently, intensified public campaigns and international collaboration amplified policy impact, reflecting a systemic approach blending regulatory precision, technological enablement, and cross-border engagement.

4 Evolutionary Logic of China's Green Consumption Policy

4.1 Institutional Context and Structure: How the Macroscopic Background Shapes China's Green Consumption Policy Choices

Historical institutionalism reveals how China's green consumption policies have been shaped by evolving macro-institutional contexts across economic, political and social dimensions. The early 21st century saw rapid industrialization create environmental pressures that prompted sustainable development policies, supported politically by the Scientific Outlook on Development and growing public eco-consciousness. Post-2012 economic upgrading prioritized quality growth while ecological civilization became national strategy, enabling systematic green consumption policies as public adoption of green lifestyles increased. During the 14th Five-Year Plan period, policy integration with high-quality development has driven green technology innovation, industrial restructuring and green finance through top-level design, while deepening consumer demand creates new market opportunities - demonstrating the dynamic interplay between institutional evolution and sustainable transition.

4.2 Institutional Disruptions and Turning Points: Key Nodes Shaping the Evolution of China's Green Consumption Policy

4.2.1 The Introduction of the Scientific Outlook on Development

The early 2000s witnessed China's mounting energy crisis, driven by population growth and inefficient resource utilization against limited supplies. The 2003 Scientific Outlook on Development emerged as a transformative response, establishing a people-centered framework prioritizing sustainability through circular economy principles and resource efficiency. This paradigm shift elevated energy conservation and emission reduction to core policy objectives, fundamentally reshaping green consumption approaches. The Outlook catalyzed a dual transition in policy focus: technologically, from pollution control to energy-saving innovation; educationally, from production-side environmental awareness to balanced consumer education. By institutionalizing sustainability as a development imperative, it provided both the theoretical foundation and operational direction for China's subsequent green consumption policy evolution.

4.2.2 The Introduction of the Ecological Civilization Strategy

China's ecological civilization strategy has driven a systemic green transition across production and consumption since its incorporation into national development priorities. The government has implemented comprehensive policies strengthening regulatory frameworks, enhancing supply quality, and fostering technological innovation while balancing economic and environmental objectives. These measures integrate supply-side reforms with demand-side transformation, exemplified by the 2013 "National Low-Carbon Day" embedding sustainability values into education and the 2016 Guiding Opinions on Promoting Green Consumption establishing formal behavioral norms. Digitalization has been leveraged through "Internet Plus" initiatives to optimize resource circulation and promote sharing economy solutions like bike-sharing, addressing urban sustainability challenges. Concurrently, public awareness campaigns and international cooperation have expanded participation in green consumption. This multi-dimensional approach—combining regulatory upgrades, technological enablement, and societal engagement—has created production-consumption synergies that accelerate China's shift toward a resource-efficient development model, demonstrating how institutional strategy can align economic transformation with ecological sustainability goals.

4.2.3 The Establishment of the "Dual Carbon" Goals

Global climate warming poses a severe challenge to human society, prompting countries worldwide to incorporate carbon neutrality into their national strategies to achieve a decarbonized future. In 2020, China announced its ambitious goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, demonstrating its commitment to advancing sustainable development and building a shared future for mankind. Under the framework of these dual carbon

goals, the State Council released the Action Plan for Carbon Peaking Before 2030, which outlines ten key measures, including nationwide green and low-carbon initiatives, and positions the Blue Sky Defense Campaign as a core task in pollution prevention and control. The 14th Five-Year Plan period is a critical phase for achieving carbon peaking, with the development of a circular economy emerging as a vital means to realize the dual carbon targets. Against this backdrop, China's green consumption policy framework has been continuously refined, forming a comprehensive system of regulations, plans, and guiding opinions that cover green production, distribution, and consumption. These policies emphasize synergy and holistic integration, establishing a multi-tiered and all-encompassing green consumption policy system. This framework provides robust support for driving the green transformation of the economy and building a resource-efficient and environmentally friendly society.

4.3 Institutional Continuity and Development: Path Dependency Strengthens the Policy Construction of Green Consumption in China

4.3.1 Coordinating Effects Lock the Path of Institutional Change

Institutional systems operate interdependently, with policies mutually shaping behaviors through coordinated networks. Green consumption policies, as a core element of ecological civilization, depend not only on their design but also on synergistic linkages with circular economy, energy, innovation, and environmental policies. Their transformation requires systemic coordination, as asynchronous reforms in supply-side structures, green innovation, and energy systems may induce policy lock-in effects. Policymakers must therefore ensure institutional compatibility during design and implementation to facilitate effective policy evolution.

4.3.2 Learning Effects Enhance Institutional Development Stickiness

Institutional learning reinforces path dependence by optimizing existing systems while constraining alternative approaches. China's early green consumption policies exemplify this: limited consumer awareness and weak eco-labeling enforcement enabled counterfeit goods to erode market trust, yet policies remained focused on superficial advocacy rather than strengthening certification systems. This reflects policymakers' cognitive constraints in transcending established frameworks. The persistence of command-and-control tools throughout policy evolution demonstrates how instrumental learning perpetuates familiar mechanisms. While such path dependence signals policy maturation, overcoming it requires deliberate innovation in policy design to address evolving socio-economic conditions.

4.3.3 Value Preferences Solidify Institutional Thinking Patterns

Historical institutionalism emphasizes institutions' dual role in structuring political participation while constraining innovation (Steinmo, 2008; Zheng & Si, 2023). China's green consumption policy system exemplifies this paradox: though elevated to a national strategy, its development remains confined to traditional sectors with limited expansion into eco-tourism or environmental services. Policy instruments disproportionately emphasize energy-efficient appliances through fiscal subsidies, neglecting pollution-reduction incentives. This path-dependent pattern reflects how institutionalized frameworks restrict policymakers' cognitive boundaries, perpetuating narrow policy coverage and slowing innovation in objectives and methods despite strategic imperatives.

5 The Driving Mechanisms Behind the Evolution of China's Green Consumption Policy

Historical institutionalism, through decades of evolution, has come to recognize that the drivers of institutional change are multifaceted, emphasizing both external forces and internal endogenous factors. It not only highlights the application of a structural perspective in explaining institutional evolution within macro contexts but also underscores the interactionist perspective, which examines how macro structures constrain micro-level actors and how these actors, in turn, provide feedback to macro structures, creating a dynamic interplay between the two (Zhang and Ye, 2023). Therefore, from the interactionist perspective, this paper identifies five key variables driving the transformation of green consumption policies, categorized into the external macro-environment and internal multi-stakeholder dynamics, namely the development of socio-economic and technological advancements, the innovation of political elites' ideologies, the influence of traditional Chinese culture, the pressure of international demonstration effects, and the strategic interactions among micro-level actors.

5.1 External Pressure: Macro Environment Driving the Evolution of Green Consumption Policy

5.1.1 The Improvement of National Economic Development Level

Economic growth underpins green consumption policy development through three mechanisms: (1) fiscal capacity building enables subsidies for green technologies and products; (2) rising incomes elevate environmental awareness, fostering receptivity to sustainable consumption; (3) industrial maturation expands green supply chains from production to retail. These factors collectively enhance policy feasibility, social acceptance, and market readiness for green consumption transitions.

5.1.2 The Innovation of Political Elite Ideology

The evolution of China's green consumption policies reflects progressive conceptual refinement among political elites. Key milestones include: (1) The 2013 articulation of "lucid waters and lush mountains are invaluable assets" crystallized the green development paradigm; (2) Subsequent integration of ecological civilization into national strategy, from "Beautiful China" vision to UN advocacy, elevated policy status; (3) The 2017 delineation of six sustainability tasks formally embedded green consumption in governance frameworks. Policy maturation accelerated through the 2018-2020 consumption mechanism reforms and culminated in the 2025 societal internalization targets set by the 2022 Implementation Plan, demonstrating systematic institutionalization.

5.1.3 The Influence of Traditional Chinese Culture

Chinese traditional culture provides foundational support for green consumption policies through three core tenets: (1) The "tian ren he yi" philosophy establishes an ecological ethic promoting human-nature harmony, legitimizing policy demands for eco-friendly consumption; (2) Frugality values ("jian yi yang de") translate into anti-waste behavioral norms, aligning individual conduct with resource conservation goals; (3) Self-discipline principles facilitate voluntary policy compliance beyond regulatory requirements. These cultural elements transform green consumption from policy mandate to internalized lifestyle, creating unique implementation advantages in the Chinese context.

5.1.4 The Pressure of International Demonstration Effects

Global climate governance has reinforced China's green transition through three synergistic mechanisms: (1) International best practices (e.g., regulatory frameworks, fiscal incentives) have informed domestic policy innovation, accelerating the "dual carbon" agenda's implementation; (2) Strategic alignment with the Paris Agreement has catalyzed green industry growth, expanding consumer access to sustainable products through market-policy interplay; (3) Cross-border environmental cooperation has facilitated technology transfer and policy learning, simultaneously upgrading China's governance capacity while contributing to global low-carbon solutions. This tripartite dynamic demonstrates how global environmental regimes and national strategies mutually reinforce green consumption paradigm shifts.

5.2 Endogenous Drivers: Micro-level Actors Driving the Improvement of Green Consumption Policies

5.2.1 The Strategic Interaction of Interests Between Government and Enterprises

The government-enterprise dynamic constitutes a pivotal mechanism in advancing green consumption policies, where firms serve as dual actors in both driving and implementing sustainable market transformations. As primary innovators, enterprises develop eco-technologies to meet growing demand for sustainable products, yet face significant cost barriers that constrain investment without institutional support. Policy evolution has addressed this through multi-layered economic instruments: 1) The Carbon Peaking/Carbon Neutrality Guiding Opinions strengthened financial mechanisms for green industries, enhancing procurement standards to create stable market demand; 2) The Green Development Tax Incentives package introduced 56 targeted fiscal measures across environmental protection, circular economy and low-carbon sectors, systematically reducing innovation costs. These coordinated interventions—combining demand-side stimulation through public procurement with supply-side cost relief via tax reductions—demonstrate how calibrated policy design can align corporate profit motives with sustainability objectives, transforming market barriers into drivers of green industrial upgrading while ensuring policy effectiveness through balanced public-private interest alignment.

5.2.2 The Strategic Interaction of Interests Between Government and the Public

The government-public interest dynamic serves as a critical engine for green consumption policy evolution, with

consumers functioning as both beneficiaries and active participants whose behavioral choices determine policy effectiveness. Rising environmental consciousness has created a self-reinforcing cycle: growing consumer preference for eco-friendly products stimulates market innovation, which in turn propels policy refinement. This symbiotic relationship is exemplified by the green consumption points system introduced in the 2018-2020 Implementation Plan, which operationalizes behavioral economics through dual mechanisms - creating verifiable records of sustainable consumption while providing tangible incentives. Effective policy design thus requires balancing dual imperatives: constructing market ecosystems that reward corporate green innovation through resource allocation mechanisms, while simultaneously developing public engagement frameworks that transform environmental values into consumption patterns. The resulting interplay of corporate transformation pressures and consumer participation incentives generates an interactive reform momentum, demonstrating how policy systems can harness micro-level actor dynamics to achieve macro-level sustainability transitions.

6 Recommendations

6.1 Enhancing Policy Incentives and Regulatory Constraints to Unlock Market Potential

It is essential to optimize fiscal, tax, and financial policies to promote green consumption. It is recommended to prioritize fiscal support, tax reductions, and financial assistance for green industries and consumption sectors. Enterprises engaged in green technology research and application should be offered rewards and sustained financial aid. Additionally, consumers adopting green consumption should be provided with subsidies or tax incentives to enhance the attractiveness of green consumption.

6.2 Deepening Technological Innovation and Scientific Advancement to Align with Market Demand

In response to new global environmental governance and sustainable development requirements, the future outlook for China's green consumption policies should focus on deepening the dual integration of technological innovation and market mechanisms. Policymakers must closely monitor the dynamic changes in the international environment. Through policy incentives and fiscal support, they should stimulate enterprise enthusiasm for research and development in green technologies, driving innovation across the entire chain—from basic research to applied research. This will ensure that products meet green and health standards, thereby enhancing the market supply capacity of green products.

6.3 Optimizing Consumption Environments and Pricing Mechanisms to Guide Green Consumption

Policies should prioritize digital infrastructure, especially in areas such as green product production, logistics, and brand information. By utilizing technologies like blockchain, big data, 5G, and RFID, the collection, transmission, and processing of green product information can be strengthened, establishing a comprehensive traceability system. With convenient traceability systems, such as QR codes, consumers will be able to access comprehensive and accurate information about green products from their origin to the end point, thereby enhancing the recognition of green product quality.

About the Author

Yuqing Sun, Female, Master's Degree, Major or Research Direction: Public Administration, School of Public Administration, Sichuan University.

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