POLICY-MAKING IN CHINA, PART 2

"CROSSING A RIVER BY GROPING FOR STONES": FACTORS RESHAPING THE POLICY INNOVATION PROCESS FOR CHINESE WATER POLICIES

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ABSTRACT

Throughout the 1980s and 1990s, Chinese leaders initiated a multi-faceted process of reform through agricultural decollectivization, township and village enterprises, market liberalization, and international engagements. On the one hand, these reforms produced a stunning record of economic growth documented in per capita GDP, exports, and foreign capital investments. On the other hand, these reforms produced unforeseen social and political consequences such as tax riots, labor strikes, environmental, anti-corruption, and gender protests. These patterns of conflict are not just responses to the reforms but also redefine the power, authority, and reach of the state. Each pattern weaves a new state-society relationship that is transforming policy-making.

This research examines new patterns of entrepreneurship in the policy debates of the Three Gorges Project since 1986. The study documents innovations initiated by a configuration of actors outside the traditional Chinese organizational and leadership bases. The debates over “transparency in dam construction” and “consultation in resettlement programs” describe high risk entrepreneurship by redefining issues to build a support coalition inside and outside the Chinese political system. New forums develop from intellectual circles, societal-economic interests, international non-governmental organizations, and popular dissent for innovation. This pattern of entrepreneurship is characterized not be a single entrepreneur but by a pooling of resources and power among social actors for innovation.
INTRODUCTION

With economic reform, the relationship between state and society has altered significantly over the past two decades. Specifically, we note the emergence of a market promoting diverse economic interests and a subsequent loosening of central state control. Within intellectual circles, a new pluralism grew challenging socialist dogma and a diverse set of associations more autonomous from the state took root. In terms of state-society relations, these changes have facilitated greater political participation that is not centrally mobilized and reduced the scope of political intervention in daily life. The mobilization of these new pluralist elements from social and economic areas is a key characteristic of the policy-making process for the Three Gorges Project.

This case study examines new patterns of entrepreneurship in the policy debates of the Three Gorges Project since 1986. A different configuration of actors evolves outside the traditional organizational and leadership bases. New forms develop from intellectual circles, societal-economic interests and popular dissent for policy innovation.

CONCEPTUAL FRAMEWORK

For this study, the state-society relationships are examined through the politics of the policy-making. A key factor in the formulation of public policy is the way in which actors engage in and affect decision-making. Throughout the 1980s, the Deng political reforms marked a departure from the bureaucratic Mandarin and Stalinist legacies in policy-making to a more complex process. Non-incremental models of policy-making provide a framework
for describing this complexity. These models assume the interplay of four contrasting “streams” of policy-making elements (Cohen, March, and Olsen, 1972). These streams are: policy issues, proposed solutions, political climate or environment and opportunities for making decisions. All governments confront a diverse set of problems in which some are selected as agenda issues for political debate. Similarly, a broad range of potential solutions is available to link with any issue. The interplay between issues and solutions is marked by conflict based on the configuration of participants at any given time. The variation in participation is dependent on the political climate which sets the range of legitimate actors. Finally, governments have an on-going collection of opportunities, forums, and institutions in which actors compete. For decisions, an actor identifies a forum in which an issue is recognized, an acceptable solution is identified, and political support is mobilized.

The life cycle of the Three Gorges Project (TGP) represents a protracted political debate illustrating these contracting streams. Since the 1950s, five core issues continue to be debated. The first issue is discussion over the basic purpose of the project. Should the project be devoted to flood control or a multi-purpose facility meeting navigation-commerce, tourism, and energy concerns? The project is one component in the water management system of dikes, smaller dams on tributaries, various water storage facilities, and thermal power stations. Changes in this water management system affect the ecology of the Yangtze River and bring issues regarding species habitat and water quality into the debate. This issue involves trade-offs among nation development objectives.

The purpose of the project dictates the basic dam design. Various technical experts conflict over the viable “dam
height” which sets the upper limit on reservoir capacity affecting the power generation and flood capabilities of the project. In addition, the dam height directly affects the size and location of the population to be inundated. By 1985, the design proposal was for a mega dam at a height of 175 meters. The 1.3-mile-long, 610-foot-high dam would create a reservoir as long as Lake Superior and would twist 385 miles through the walls of the canyon all the way from the dam site near Yichang upriver to the large city of Chongqing.

At the proposed dam height, the reservoir’s 10.4 trillion gallons of water will force almost two million valley residents to abandon their ancestral homes and terraced farmlands. The third issue addresses the problem of resettlement. The people from 13 cities, hundreds of villages, 955 business enterprises, and factory towns will have to evacuate 115,000 acres of the richest land along the river basin and relocate. More than 320 villages and 140 towns will be submerged as well as fifty-four thousand plus acres of farmland and seventeen thousand forest acres. This fertile farmland and forests are one of the foundations of China’s heritage and contain many temples, shrines, and other archeological sites. There is tremendous debate over compensation funds and relocation areas.

The fourth issue is rooted in the financial costs for such a project. As China shifts from a public enterprise system with state ownership to a market economy blending public, private, and foreign enterprises, estimating the cost for this project becomes more problematic. Various Ministries propose conflicting feasibility studies and contrasting financial schemes. This issue also raises questions regarding the administration and management of funds.

The final issue recognizes the inherent technical uncertainties of the project. The potential silt problem is severe
and debates erupted over models to study the effects of dam height on siltation. Sedimentation problems are discussed in relation to three sites: the reservoir backwater, the dam structure, and downstream of the dam. Province and city officials have vested interests regarding the impact of sedimentation on their economies and communities. With changes in land tenure and population growth by the 1990s, the silt problem grew more acute from deforestation and soil erosion in Western Sichuan.

In order to understand why certain issues were recognized as significant and which solutions were accepted, we need to understand how different actors bring together these independent streams making a decision possible.

THREE GORGES PROJECT

The Three Gorges Project (TGP) represents a complex set of issues and alternative solutions debated in different stages of the policy-making process. Western scholars posit that the policy process may be described by a set of stages: policy initiative, agenda setting, choice, implementation, and institutionalization (Polsky, 1984; Kingdon, 1984; Pressman and Wildavsky, 1973).

Tanner (1995) describes Chinese policy-making as a multi-stage and multi-arena process. Policy-making moves through five different stages: agenda setting, interagency review, top leadership approval, National People’s Congress debate and passage, and the implementation or adjudication of law as policy. Three major arenas serve as the institutional settings for policy-making: the State Council, the Communist Party Central Apparatus, and the National People’s Congress (NPC). Tanner (Ibid., 49-51) identifies three patterns of entrepreneurship: dialectical, competitive persuasion, and bureaucratic outsiders. The
dialectical pattern describes elite factionalism based in ideological assumptions. Political concerns motivate leaders to select issues and define acceptable policy proposals. Changes in the power relations and leadership moods set up opportunities for innovation. Judy Polunbaum’s (1993) research on the development of Chinese press law illustrates this pattern.

The competing persuasion pattern describes bureaucratic bargaining based on technical knowledge and organizational expertise. For top leaders, policy advisers screen policy options, assess information, and identify viable solutions. Agenda setting is incremental with distinct agencies using their resources to protect or preserve their organizational missions. The Three Gorges Dam analysis by Lieberthal and Oksenberg (1988:283-287) documents debates over feasibility studies, design proposals, and technical analyses from a diverse set of bureaucratic actors. Opportunities for innovation require bureaucrats to redefine problems or co-opt solutions in order to build a consensus of interests. Buried within the “dam height and reservoir level” debates are issues dividing provinces and central bureaucratic actors so no decision could be reached.

A consensus remained elusive on this key issue until 1986. However by 1986, changes in the political climate provided an opportunity to obtain a broad consensus on constructing the dam. This opportunity represented a “political window” for the recognition of new issues coupled with old solutions for a policy decision (Kingdon, 1984:83-89). To understand this innovation we need to reference the third pattern to entrepreneurship-bureaucratic outsiders.

The bureaucratic outsider pattern provides a framework for investigating innovations identified in the policy debates of the TGP since 1986. A different configuration of
actors evolves outside the traditional organizational and leadership bases. New forums develop from intellectual circles, societal-economic interests, and popular dissent of policy innovation. When the political mood and power balance seemed ripe, these actors sold their ideas and marketed their solutions for a decision. Individuals who generate, design, and implement innovative ideas in the policy process are called “public entrepreneurs” (Roberts, 1992:59). This case study uses Roberts’ distinction between entrepreneurs and non-entrepreneurs to refine the pattern of entrepreneurship in the “bureaucratic outsider” path.

ENTREPRENEURS AND NON-ENTREPRENEURS

The entrepreneurial process is characterized by three phases: creation, design, and implementation. The creation phase identifies the period in which an innovative idea emerges. In the design phase, the innovative idea is transformed into a “prototype” of an administrative or technical (Roberts, 1992:58-59). The final phase of implementation begins testing the viability of the innovation given organizational and contextual conditions and the unanticipated consequences of the innovation.

Within each of these phases, Roberts (1992:63) further posits a set of characteristics distinguishing non-entrepreneurs from different types of entrepreneurs. Six distinct non-entrepreneurs are described: system maintainers, policy intellectuals, policy advocates, policy champions, policy administrators, and failed entrepreneurs. System maintainers are found in the creation phase working to maintain and preserve the routine operations. In the design phase, policy intellectuals engage in the design of an innovation through developing conceptual language or ruling paradigms that become the accepted assumptions for
policy proposals (Wilson, 1981). In contrast, a policy advocate’s activities are part of both the creation and design phases. Advocates not only develop innovative ideas but also translate them into some proposal or law.

Policy champions could be governors, administrators or legislators engaged in the design and implementation phases. They could initiate a proposal, set the agenda, or monitor pilot projects. “A champion typically is an individual who commands the power and resources to push an innovative idea” (Angle and Van de Ven, 1989:680). The policy administrator takes general statements of purpose and develops the details or procedures for implementation. Their activities are limited to the implementation phase. The final category is that of failed entrepreneurs which characterizes someone “whose innovative idea, for whatever reason, does not survive the implementation phase” (Roberts, 1992:61).

Entrepreneurs are actors in all three phases. Four categories of public entrepreneurs are proposed based on their political power and authority across arenas. Political entrepreneurs hold an elected leadership position in government such as the President of the NPC or delegate of the NPC. An executive entrepreneur holds a leadership position but is not an elected official such as the heads of State Council ministries and commissions. An entrepreneur who holds a formal position in government but not a leadership position is a bureaucratic entrepreneur. The last category, the policy entrepreneur, is an individual working outside the formal government system to introduce and implement innovations.

This conceptual framework of entrepreneurs permits the identification of sponsors of different types of innovation and the comparison of entrepreneurial activities in the policy-making process.
THE INNOVATION OF “TRANSPARENCY”

The history of dam-construction projects illustrates the competitive persuasion pattern of entrepreneurs which encourages restrictions on public access to information, debate, and decision-making in policy debates. In addition, the design debates and proposals remain narrow and technical with solutions based on bureaucratic expertise that reinforces political elite interests. In the Chinese case, the limitations on participant debate have resulted in fatal consequences. In August 1975, two water conservancy projects in Henan Province, the Banqiao and Shimantan dams, collapsed resulting in floods, famine, and health epidemics (Human Rights Watch/Asia, 1995:Appendix III; Dai, 1994). The fatality figures were estimated at 86,000 (government internal released figures) to 230,000 (estimate by eight senior Chinese critics of the Three Gorges Project). Information on these disasters was confined to China’s top party leadership and elite hydroelectric circles until the late 1980s.

Expert reports propose that the Banqiao and Shimantan dam collapses were to a large extent man-made disasters resulting from flawed water-control policies. The opposition to the Three Gorges Project argued that the lack of government “transparency in the dam-building process” contributed to flawed policies. The ideal of “transparency” initiates the creation phase with policy intellectuals and advocates redefining issues and participants engaged in the TGP policy. The ideal focuses on “criticism,” specifically the validity of information and viewpoints represented in feasibility studies and committee recommendations for dam policy.

For the design phase, opponents to the TGP are key policy advocates for “transparency in the dam-construction
process.” In this phase, bureaucratic interests and political patrons block opposition access to traditional forums of policy-making within the State Council. In 1986, the State Council set up the TGP studies committee with the charge of re-examining the mega dam proposal. Yao Yilin, a representative of the Ministry of Water Resources and Electric Power, was appointed chairman of the 412 membership committee. The committee was divided into fourteen special topics groups: geology, seismology, hydrology, sedimentation, population shift, ecology, project building, construction, investment evaluation, electrical machinery and equipment, water level, and evaluation of the economic value (Beijing Review, 1988 12:9).

Yao Yilin advocated the long-standing interests of the Ministry for a mega dam designed for flood control, commercial navigation and hydroelectric power production. This bureaucratic viewpoint was linked to the political interests of Li Peng who used his institutional position in the CCP, Standing Committee, and State Council to block opposition for the mega dam proposal. As a political entrepreneur, Li Peng was a political patron for bureaucratic interests of the Ministry of Water; that patronage provided an institutional channel for the Ministry to act as a system maintainer in the studies committee debates. The committee recommendation to the State Council illustrated this blocking of innovation: the project was technically feasible and economically worthwhile and was “better to build it than not to and to build it earlier is better than later” (Beijing Review, 1989 7:22).

In contrast, a collection of consultative groups and research committees provide opponents with a new forum for issue debates. The Economic Construction Group of the Chinese People’s Political Consultative Conference (CPP-CC) recommended that the TGP “not go ahead in the short
term.” The Consultant Report (a plan for comprehensive control over the Changjiang River Valley and problems connected with the TGP) was based on a two-week field trip and interviews conducted at the proposed dam site. The committee leader, Sun Yueqi, questioned the rationale for a comprehensive plan like the TGP and presented an alternative proposal addressing the issues of flooding, navigation, and energy: first tributaries, second trunk, flood prevention in the plains third.

As a policy advocate, Sun Yueqi’s opposition to the TGP is based on new proposals for old issues. In contrast to the Ministry of Water’s mega dam proposal, this proposal separates issues of flood prevention from TGP objectives. Sun Yueqi proposes that planning and harnessing of the Yangtze River should focus on “navigation” and not “flood prevention” (Beijing Review 1989 (July):31). First, construct a set of dykes and smaller dams in the upper reaches to check mud and sand erosion. Then, when conditions are suitable, begin the TGP on the trunk. The proposal would have the advantage of small scale, short-term, construction to supply electricity in the near future (Ibid., 33). A final criticism notes that the TGP, as currently designed, will affect overall national development by creating an obstacle to overcome.

Another forum in expert opposition to the dam occurred through publications. In 1987, a collection of scholarly articles titled “On Macro-decision making in the Three Gorges Project” edited by Tian Fang documented the opposition issues regarding technical and scientific flaws in the mega-dam proposal. This edition was followed in March 1989 and in 1992 by two further volumes. The government withdrew the first two from circulation by 1990 and the third was approved for publication only in “internal” form.

As a policy advocate, Tian Fang examined environ-
mental concerns, given dam height in relation to the supply of arable land in the reservoir area and population demands with resettlement. Tian (1987) linked the “carrying capacity of the land” to a projected decline in the standard of living for relocatees. Incorporating Guo’s proposals, Tian links the TGP to overall river valley development. The river is also a key access point for exports and foreign commerce in the region. In contrast to the issues of flood control and prevention, economic activities tied to the development of the river’s navigation cannot be replaced by any other means.

A second key publication critical of the TGP was *Yangtze! Yangtze!* by Dai in February 1989. This publication was a collection of scholarly anti-dam articles and coincided with the sessions of the CPCC and the National People’s Congress; the mega dam project was a key agenda item at these meetings. The principal donor for this publication was not a public organization but an individual, Liang Congjie who was both a policy intellectual, given his position as vice-president of the Academy of Chinese Culture and policy advocate for environmental issues. (In 1994, he founded the first independent environmental group, Friends of Nature, and established an environmental literary journal, *Lu Ye* (*Human Rights Watch/Asia* 1994: 7).

The financing and content of this publication illustrate a growing autonomy of intellectuals from the traditional patronage of political elite. Dai’s anti-dam thesis gained recognition on the agenda of the National People’s Congress (NPC). The publication was a critical source of information referenced by NPC delegates to pressure the State Council to postpone the TGP for a further five years. A petition by 272 NPC delegates called for the project postponement until the 21st century (*South China Morning Post*, July 7, 1993; *Human Rights Watch/Asia*. 1993, 1995).
The advocacy by opponent viewpoints is supported in the NPC arena by a collection of policy administrators—the petitioners who use their institution position to integrate the ideal of "transparency" into the formal agenda debates.

The student protests of June 4th, 1989 mark a shift in the political environment directly affecting the formulation of dam policy. In the mid-1980s, there was a policy window permitting dissent viewpoints through verbal and written channels. The new liberalism in the policy-making process expanded the range of participants engaged in issue debates and legitimization of agenda items. In the aftermath of the 1989 protests, Dai was denounced by the official media, detained by police, and jailed at Qincheng Prison. By September 1989, members of the Leading Group for the Assessment of the Three Gorges Project presented a letter to the State Planning Commission attacking the editors of the Macro-Decision-Making collection as advocates of "bourgeois liberalization" and opposing the Four Cardinal Principles (Dai, 1998:7-16). The expert opposition to the dam was linked to the chaos of the Tiananmen Square protests.

The change in the political environment shifted entrepreneurship to institutional actors within formal government and CCP organizations. Opponent expert participation was marginalized in the NPC debates as a pattern of "competitive persuasion" emerged. In 1991, Li Peng's opening speech in the NPC placed the project on the agenda and he called for discussion advocating NPC approval of the project. An investigation group of NPC, chaired by Chen Muhua, conducted a feasibility study of the TGP in Sichuan, Hunan, and Hubel Provinces from November 12th to the 24th. The group inspected the project sites, Gezhouba Dam, Jingjiang River dyke, Kingjiang flood-diversion area, and the areas of Dongting Lake in those
provinces.

NCP deputies, Shen Kechang from Hubel Province and Hu Jiayou from Jingzh Prefecture, supported the project because of their concerns for flood prevention. In contrast, Zhang Haoruo, governor of Sichuan Province, noted adverse effects in some areas from the project but said that Sichuan Province will "sacrifice much in the interests of the whole nation" (Beijing Review 12:9, 1991). As policy administrators, these officials argued that continued hesitation over the project hampered economic development of the region. For province officials, the TGP was the key for harnessing the river and promoting regional development.

In April 1991, China's National People's Congress formally approved the "Resolution on the Construction of the Yangtze River Three Gorges Project." During the NPC meeting, the Ministry of Water and Ministry of Communication jointly sponsored an exhibition modeling the TGP and lobbied deputies in the NCP for support of the project. Several policy champions representing the Three Gorges Valley Commission also participated in the NCP activities. Yang Qisheng, Secretary General of the Verification Office of the TGP, and Zhao Shihua, project consultant, discussed deputy concerns about the migration scheme, issues of navigation, and flood control. Both translated technical problems into practical solutions in order to facilitate deputy support.

While the pro-dam coalition (Li Peng's patronage of the Ministry of Water) restricted debate to members within the NPC, legislative dissent was still noted in the voting pattern of the NPC. The vote was 1,767 support, 177 against, and 664 abstentions. One-third of the deputies did not support the project (against and abstentions). The debate and vote suggested that the idea of "transparency" as an expression of dissent regarding policy issues or proposals was part of
the policy process.

INNOVATION OF “CONSULTATION”

In January 1993, the Three Gorges Construction Committee (TGPC) was set up to represent the State Council in decision-making and implementation programs for the TGP. By August that year, the State Council adopted a development-oriented resettlement policy whose key principles were the “acceleration of economic growth” and the “improvement of living standards” for those residents to be resettled (Beijing Review 1993 (August):7. The resettlement of one million inhabitants is a mammoth, systematic undertaking. The fixed assets to be submerged total RMB 1.8 billion. The project will involve the direct relocation of an estimated 570,000 people and another 800,000 with the filling of the dam (Human Rights Watch/Asia 1995, Appendix 1). This resettlement process precedes the construction of the dam and problems of resettlement affect the successful implementation of the dam policy.

Following the eight-year pilot program, the formal resettlement project began in 1995. Tang Zhangjin was appointed Chief of the Resettlement and Development Bureau (RDB) under the State Three Gorges Project Construction Committee (Beijing Review 1994 12:6). The RDB proposed an initial compensation policy of “developmental relocation” (kaifaxing yimin). Through this policy compensation funds were given to local government bodies for agricultural and industrial investment in the resettlement zones (South China Morning Post, 1993. In contrast, previous resettlement policies made cash payments directly to individuals. This change in distribution mobilized the support of local and provincial authorities to support the national leadership’s dam project.
As critical stakeholders in the political system, this policy enhanced the legal authority of local and provincial authorities in the relocation process and strengthened their political power over dissenters. Compensation figures for each village were kept secret to avoid arousing the jealousy of villages that felt shortchanged. Upon receipt of central government funds, local officials had discretion in deciding what portion was to be invested on the residents' behalf and what portion residents received personally (Human Rights Watch/Asia, 1995:15-35).

The Yangtze River Valley communities were characterized by cross-cutting social and economic interests mobilized into opposition over the resettlement policy. The opposition to the resettlement program argued that the lack of "consultation" in the resettlement process contributed to problems of official corruption and project mismanagement. The ideal of "consultation" initiates the creation phase with policy intellectuals recognizing the differences rather than the unity of interests defining socialist democracy. Consultation proposes a "positive interaction" between the state and society. In this relationship, society would play an active role in protecting societal freedom, opposing state domination and developing social pluralism.

In the design phase, consultation focuses on the articulation of various socioeconomic interests and the balance and compromise of different interests for the supervision and coordination of resettlement programs. The ideal of consultation became a new solution for issues of official corruption and mismanagement. In the implementation phase, this linkage of a new solution to an old issue requires a revision of the resettlement policy based on public engagement.

For the design phase, policy intellectuals rethink state-society relations given a new network of bureaucratic elite
and of socioeconomic interests. In the 1990s to facilitate economic reform, the CCP had to refrain from intervening in socioeconomic activities and depend on supervision and coordination through the bureaucracy. The Party’s legitimacy and survival were linked to economic performance rather than ideological correctness and mass mobilization (Zhao, 1997:12-21). Rong Jian, a young scholar from Renda, proposed a theory of state-society dualism in which the purpose of reform was to create a separate sphere of social and economic freedom or civil society. Policy intellectuals, like Cai Tuo and Wu Yue, proposed society’s self-management through shifting power back to society (Ding, 2000:116-117). In 1992, Deng Zhenglai and Jing Yiejing published an article defining civil society as a private sphere of autonomous economic and social activities based on the principle of voluntary contract and a public sphere of political participation (Yijiang Ding, 2000:126-127). This definition captured the idea of “consultation” which policy advocates would link to economic rights and social expectations of residents protesting the resettlement policy.

Different economic interests mobilized into distinct community groups competing for resettlement resources and compensation funds. Through this competition problems developed in the local administration and management that prompted resentment of the resettlement process. Policy intellectuals called attention to this resentment as an illustration of the “consultation” in the process. In the creation phase, the idea of consultation represented a “positive interaction between state and society.” Intellectuals posited that society would play an active role in protecting societal freedom and opposing state domination.

In the design phase, advocates of policy documented the forms and magnitude of protest by residents. These
expressions of community dissent, public opinion, and social disorder are new resources utilized by advocates to gain issue recognition in bureaucratic debates of Three Gorges Project Construction Committee and subsequent State Council discussions.

For example, the report by Wu Ming, a Chinese anthropologist, noted that the residents had high expectations regarding both monetary and material compensation for their losses. In Wanxian Prefecture and Kai County, the land to be submerged was fertile flood plain and river valley land used for rice production and Mandarin orange orchards. The report surveyed five counties to be partly inundated and identified a gap between the relocated hoped-for valuation and the actual compensation available. Wu referenced this “gap” to illustrate the need for consultation in the compensation process. A common opinion expressed by those interviewed was the belief that “people’s living standards and general quality of life would decline after resettlement” (Antoaneta Bezlova IPS, 1988). Wu argued that a basic objective of policy, “improvement of the living standard,” could not be achieved without public consultation.

For opponents of the resettlement, complaints and petitions document flaws in the procedures of compensation. Central and provincial authorities received hundreds of complaints regarding abuses by officials in the land claim process. Displaced peasants complained that local governments in Chongqing, Shuan province, illegally claimed land for the TGP project. For example, local officials claimed more land than required, resold claimed land, faked the number of resettled peasants, calculated land area that had paid taxes only for compensation, and embezzled public funds allocated for compensation. The residents perceived themselves as victims instead of beneficiaries of
government activities. Dai Qing, a Chinese journalist, linked this perception of "victim" to the lack of consultation in the compensation programs.

Petition grievances described a situation characterized by rampant corruption, extortion, falsification of data, and inadequate compensation levels but also the unwillingness of project managers, from the local to the central government, to address the situation. Dai Qing referenced three petition letters filed by approximately two-thirds of the 15,329 relocated from Gaoyang township in Yunyang county between November 1977 and August 1998 to summarize issues of the resettlement policy. These issues include (Human Rights Watch/Asia; Dai Qing, 1998):

1. Insufficient funds budgeted by the central government for the resettlement program;
2. Withholding of information from the relocated regarding what they were actually entitled to;
3. Inflation (falsification) of figures for the total amount of land for which compensation must be awarded and inflation of figures for the actual assessed value of said land so as to extract more funds out of the central government;
4. Extorting exorbitant and illegal fees from the relocated;
5. Accepting bribes from people outside the inundation area so that they could be registered as relocatees and therefore be entitled to receive compensation; and
6. Failure of a major land reclamation project due to corruption by officials.

Each of these issues illustrates tension in the state-society dualism noted by intellectuals. For Dai Qing, this
tension was based on a shift from an ideological base to "a rights base" in the relation. He argued that consultation became the means for articulation and coordination of the various social interests by competing groups in the formulation of resettlement programs. Publications by Dai Qing challenged the authority of the Three Gorges Construction Committee and its Resettlement Bureau and raised questions about the management of these institutions.

The "rights-base" idea identified the source of resettlement disputes and conflicting economic rights. For residents, the crucial issue was economic compensation and future income, given their relocation (Human Rights Watch/Asia, 1995: Appendix 1; World Bank, 1993 June 8: 22-23). Several Chinese scholars in different Law Departments of academic institutions challenged the legal standing of the developmental relocation policy. Their academic positions provided another forum, distinct from party and government institutions, for debate. These academics argued that the policy contradicted the Chinese Constitution's assertion that "all land belongs to the people." Since Deng's reforms, peasant household and villages secured legally binding tenancy and land-use contracts from the government. Therefore, any negotiations over land-loss compensation should be between the central government and the individual households or villages (Dai, 1994:15-35). As policy advocates, these academics proposed a process of consultation based on economic rights which would provide a legal check on the power of local officials and the central government bureaucracy.

Through the 1990s, greater intellectual and economic opportunities emerged for Chinese intellectuals which, in turn, reduced their traditional dependency on the state. This relative autonomy was balanced against state power. Dissent activities were tolerated if they were not a direct threat
to the CCP regime. Author Audrey Topping’s (1998: xxi) description of Dai, as an investigative journalist, “fighting for democracy” and member of an underground network illustrates the risk and opportunities confronting Chinese intellectuals. Noting Dai’s publications, a unique forum outside traditional Chinese arenas, is identified in the international non-government organizations (NGOs). A collection of publications by the Human Rights Watch documents popular Chinese dissent.

Probe International sponsored technical analysis and environmental assessment of the resettlement program. Similarly, the International River Network documented administrative problems with the falsification of resettlement figures, and embezzlement of relocation funds by officials. These NGOs broaden the set of issues associated with the resettlement policy to include human rights, environmental destruction, and foreign investment. Through various activities, such as the China Rights Forum, the Three Gorges Dam Campaign, and dis-investment programs, officials of these organizations represent policy champions advocating “the establishment of an institutional framework for genuine consultation between authorities and resettlement populations” (Human Rights Watch/Asia 1995:22). In the implementation phase, a policy champion commands power and resources to push an innovative ideal the critical resources mobilized by these NGOs are financial investments, media, and international public opinion.

By the late 1990s, growing international discussion of the TGP mismanagement, the corruption in the Three Gorges Commission, and the changes in political leadership, provided a political window in which a new policy champion from the CCP arena evolved. In March 1998, Li Peng retired as Prime Minister and took over the chairmanship of the Standing Committee of the NPC. There was
clearly opposition to his leadership in the NPC; the vote of 88% indicated deputy disapproval of his appointment. In contrast, Zhu Rongji was appointed Prime Minister with a 99% vote of the deputies (Economist 21(3) 1998:45.

This shift in personnel reduced Ping's influence in the State Council as a political entrepreneur for the TGP. After a visit to the dam site, Zhu's remarks about quality and management brought new issues to the government agenda: "[E]veryone working on the dam must acquire a higher sense of responsibility ... we must select high standards and qualified supervisors ... who enforce the law strictly" (Economist 21(1) 1999:37). Zhu's appointment opened debate on agenda issues related to corruption, mismanagement, and resettlement within the NPC and State Council.

As a policy champion, Zhu initiated investigations of the Resettlement and Development Bureau (RDB) under the State Three Gorges Project Construction Committee. Zhu pledged increased "openness and transparency" and a crackdown on corruption cases involving the project (People's Daily 9 (January 21) 2000). Special inspectors sponsored by the State Council purged cadres guilty of corruption after several cases of embezzlement of resettlement funds were uncovered. The Chinese media became a forum for Zhu's investigation of corruption; Xinhua reported that 140 corruption cases relating to the project had been uncovered since the project was launched in 1994. Media coverage of corrupt officials and embezzlement built coalition support for "the proposal of consultation" with Ministries and NPC deputies. While auditing the use of a special fund for water conservation projects, the National Audit Office found that the Ministry of Water Resources misused and illegally raised three billion yuan while another five billion yuan for resettlement of residents in the TGP area was embezzled (People's Daily, December 26,
2000).

This misappropriation documents the issues of "administration and management" not just for resettlement but also for dam construction. These issues enlarge the collection of interests involved in criticizing the TGP. Following the State Council debates and audits, Chongqing municipal officials acted as public policy administrators proposing public involvement for consultation. Gan Yuping, an NPC deputy and vice mayor of Chongqing explained that the city created a "transparency system" to enable project work (construction and resettlement) to be supervised by the public (Xinhua, March 13, 2001) Specifically, the Chongqing government set up special telephone lines for the public to report crimes connected with the misuse of resettlement funds and graft activities by officials of the dam project.

During these NPC debates on the resettlement policy, central party authority supporting the TGP mobilized the support of a critical stakeholder, the public security organs, through raising public security issues in the implementation phase. Security participants argued that powerful political and legal safeguards were needed to guarantee the smooth implementation of the TGP and proposed a "three gorges special administrative region" and "special organization to direct public security work in the region." In accordance with the emerging patterns of public security in the area, these new organizations would make public security part of the developmental relocation process and implement the principle "whoever is in charge should be responsible" (Human Rights Watch/Asia 1995:24-29). This principle blocks the innovation of a public sphere of political participation assumed in "consultation." These proposals complement the discretionary power given to local and provincial government authorities in the relocation policy. Through
these institutional changes, a broad-based coalition was forged of central Party and government pro-dam member with local/provincial authorities and public security organs.

In the implementation phase, several NPC deputies, representing Yangtze River Valley communities, linked environmental problems to resettlement mismanagement. As policy administrators, these deputies noted how the existing resettlement policy produced an imbalance between large population needs and limited available land for relocation. The first relocation program assumed migration into either higher regions in the same community or recovery of new land areas through terracing of land or developing wild lands.

This change in land use patterns by the first policy increased ecological and geographic disasters such as landslides, torrential floods, and debris flows within the River Valley region. These disasters directly affected the silt issues of the TGP and agricultural production of the area. These conditions did not contribute to sustainable development or a rise in the population’s living standard. Given these environmental concerns, the issues of compensation were secondary to issues of adjustment to new geographic regions and different enterprises. These issues of “adjustment” recognized the diversity of socioeconomic interests among the residents and their engagement in the process. In response, the State Council approved an “adjustment immigration policy” in 2000, giving priority to “adjustment issues” (Beijing Review 24 2000:24).

CONCLUSION

This research examined new patterns of entrepreneurship in the policy debates over the Three Gorges Project since 1986. The distinction between entrepreneurs and non-
entrepreneurs permitted the comparison of entrepreneurial activities in the policy-making process. The debates over "transparency in dam construction" and "consultation in resettlement program" describe high risk entrepreneurship through redefining issues to build a support coalition inside and outside the Chinese political system.

The study documents innovations initiated by a configuration of actors outside the traditional Chinese organizational and leadership bases. In the dam construction case, Li Peng functioned as a critical political entrepreneur using his patronage in the Ministry of Water, his authority with the State Council, and leadership in the CCP to block opposition access to traditional forums of policy-making within the State Council.

In contrast, a collection of consultative groups and research committees produced a set of policy advocates. Sun Yueqi of the Economic Construction Group of the CPPCC questioned the rationale for the comprehensive plan and presented an alternative proposal: "tributaries first, trunk second and flood prevention in the plains."

In 1987, the articles entitled "On Macro-decision Making in the Three Gorges Project," edited by Tian Fang, documented the opposition issues regarding technical and scientific flaws in the mega-dam proposal. As a policy advocate, Tian Fang examined environmental concerns given dam height in relation to the supply of arable land in the reservoir area and population demands with resettlement. Tian linked the "carrying capacity of the land" to a projected decline in the standard of living for relocatees. Finally, Dai Qing's publication, Yangtze Yangtze, provided documentation, referenced by NPC delegates, to pressure the State Council to postpone the TGP project for a further five years.

This collective advocacy describes the "bureaucratic
outsider” pattern in which intellectuals create and design innovations within new forums. The risk of this entrepreneurship is also noted. In the aftermath of the 1989 protest, Dai Qing was denounced by official media, detained by police, and jailed. The advocacy for “transparency” was now linked to “bourgeois liberalization” and opposition to the Four Cardinal Principles. A clear change in political mood shifted entrepreneurship to institutional actors within the State Council and NPC. Opponent expert participation was marginalized in the NPC debates as a pattern of “competitive persuasion” emerged.

Similar to the dam case, the initiation and design phases of the resettlement debates describe the “bureaucratic outsider” pattern. In the design phase, consultation focused on “the articulation of various socioeconomic interests” and the “balance and compromise of different interests” for the supervision and coordination of resettlement programs. The ideal of consultation became a new solution to issues of official corruption and mismanagement. In the implementation phase, the linkage of a new solution to an old issue required a revision of the resettlement policy based on public engagement.

However, the policy advocates represented a broader coalition of interests beyond intellectual and consultant groups to include international non-government organizations and popular dissent. This pattern of entrepreneurship is characterized by a pooling of resources and power among social actors for innovation. Policy intellectuals, like Deng and Jing, called attention to resident resentment as an illustration of the lack of “consultation” in the resettlement process. In the design phase, policy advocates documented the forms and magnitude of protest by residents. Wu Ming, Dai Qing, and legal scholars translated the novel ideal of “consultation” into more explicit and
tangible proposals.

Officials of several international human rights and environmental organizations (NGOs) represented policy champions advocating institutional channels for consultation. In the implementation phase, a policy champion commanded power and resources to push an innovative idea; the critical resources mobilized by these NGOs were financial investments, media exposure, and international public opinion. Another critical policy champion was Zhu Rongzi who initiated investigations of the Resettlement and Development Bureau (RDP) under the State Three Gorges Project Construction Committee. Zhu pledged increased “openness and transparency” and a crackdown on corruption cases involving the project.

These scenarios demonstrate that, by pooling resources among policy intellectuals, policy advocates, and champions, one identifies a new pattern of entrepreneurship. These cases suggest that, for the investment described in “the bureaucratic outsider” path we have “a collection of non-entrepreneurs” facilitating entrepreneurship. Each actor engages in different functions of the entrepreneurship process. In comparing the cases, we also note that successful innovations for this pattern of entrepreneurship are dependent on building support across the three major areas of policy-making: State Council, CCP, and NPC.

“Crossing a river by groping for stones”: the “river” that China must cross represents political and economic reform. While this research is limited to a single case study, this policy debate is representative of the complex public policy problems confronting Chinese policy-makers today. This pattern of entrepreneurship illustrates a “groping” among public, intellectual, bureaucratic, and political actors for “stones”—solutions.
REFERENCES


