

Networked Governance: China's Changing Approach to Transboundary Environmental Management

by

Erik Nielsen

BSc (Env) University of Guelph (1996)
MS Cornell University (1998)

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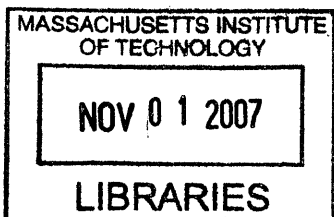
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Signature of Author: _____
Department of Urban Studies and Planning
10 September 2007

Certified by: _____
Professor Lawrence E. Susskind
Thesis Supervisor
Ford Professor of Urban and Environmental Planning

Accepted by: _____
Associate Professor Eran Ben-Joseph
Chair, Ph.D Committee
Department of Urban Studies and Planning



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Abstract

Not long ago, China's environmental problems would have barely mattered beyond its borders. Now, while Chinese policy-makers have begun to tackle a wide range of domestic environmental challenges, the transboundary impact of China's domestic environmental difficulties deserves greater attention.

Although China has historically neglected the transboundary impacts of its environmental problems, state actors are increasingly focusing on transboundary environmental relations. Based upon extensive field research in the Mekong Region, I have identified a number of situations in which China has sought to engage in transboundary environmental management. However, at the same time, in the same region, I have identified other situations where it has not been willing to take its transboundary environmental management responsibilities seriously. This dissertation seeks to explain this pattern of behavior. In particular, my assumption is that under certain circumstances, non-state actors, including civil society organizations and multilaterals, operating both inside China and in the world-at-large, through a process I call networked governance, are able to influence China's willingness to take its transboundary environmental responsibilities seriously. This research suggests it is increasingly important for these external non-state actors to better understand the mechanisms they can utilize to engage China's decision-makers in collaboratively managing transboundary natural resources.

The Chinese central government is slowly relinquishing its role of supreme decision-maker. The Mekong Region is a complex web of inter-organizational networks that reach out, formally and informally, to China's environmental policy and decision-makers, at both the provincial and national levels. Based on an analysis of four detailed case studies, I conclude that these networks exert 'extra-bureaucratic' influence over China's policy and decision-making, generating a specific form of environmental governance in the region. China appears to be slowly shifting its approach to the management of transboundary natural resources.

Thesis Supervisor: Lawrence E. Susskind
Title: Ford Professor of Urban and Environmental Planning

Thesis Committee

Lawrence E. Susskind, Ford Professor of Urban and Environmental Planning
Department of Urban Studies and Planning, MIT

JoAnn Carmin, Associate Professor of Environmental Policy and Planning
Department of Urban Studies and Planning, MIT

Anthony Saich, Daewoo Professor of International Affairs
John F. Kennedy School of Government, Harvard University

Biographical Sketch

Erik Nielsen was born in Richmond Hill, Ontario, Canada. He completed his baccalaureate studies at the University of Guelph in Environmental Science, where he majored in Natural Resource Management and minored in International Development Studies. Erik graduated in 1996 with honors and then pursued a Masters of Science in International Development Communication in the College of Agriculture and Life Sciences at Cornell University, with a double minor in Latin American Studies and Community Development Education.

Following completion of his studies at Cornell in 1998, Erik worked for the Food and Agriculture Organization of the United Nations (FAO) in Rome Italy, from 1998 to 2003. While at FAO, Erik was the coordinator of the Community Forestry Unit's global conflict management program and subsequently he was the team leader of a FAO-wide sustainable livelihoods program on forestry, fisheries and land tenure conflict management for Ghana.

Erik began his doctoral studies at MIT in 2003 in the Environmental Policy and Planning Group within the Department of Urban Studies and Planning. From 2005 to 2007 he was a Research Fellow in the Sustainability Science Program at Harvard University's Center for International Development. He completed his doctorate in September 2007.

Erik married Charlotte MacAlister in April 2007 and they now reside in Vientiane, Lao PDR with Suli and Twinkle. They are expecting their first child later this year.

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I spent 14 months conducting field research in Asia and this was only possible due to the backing from a large number of colleagues and organizations. Without their support, my research would not have been possible. My thanks go to: IUCN Asia, IUCN Lao PDR, the Mekong River Commission, ActionAid China, The Center for Community Development Studies in Kunming, Hans Guttman, Kate Lazarus, Urooj Malik, Javed Mir, Paul Turner, Lothar Linde, Andrew Ingles, Margaret Ingles, Siriporn Kunlapatanasuwan, Kadi Warner, Sergio Feld, Olivier Cogels, Susanne Kempel, Pianporn Deetes, Zheng Baohua, Zhao Yaqiao, Yu Xiaogang, Lu Xing, Zhang Lanying, Qian Jie, Xu Jianchu, Wang Yongchen, Chen Xiaoqian, and Zuo Ting.

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The events which are now taking place in China possess so world-wide and interest, and are so pregnant with stupendous changes affecting every people upon the face of the earth, that neither the distance of the theatre nor the nearer pressure of the great Eastern question, can divert the public mind from intense curiosity as to the origin, the progress, the present position, and the future prospects of this extraordinary struggle.

The Illustrated London News
January 7, 1854

Chapter One: Introduction

The rose has thorns only for those who would gather it.

Chinese Proverb

Part I: Introduction

Study Overview

In February 2007, the Secretary General of the United Nations, Ban Ki-moon, argued that environmental change is increasing in pace and intensity, and the contemporary assault against the global environment could risk undermining international peace and security. Most importantly, he asserted that “protecting the global environment is largely beyond the capacity of individual countries¹.” Whether the challenge was climate change, land degradation, water shortage or loss of biodiversity, Ban argued that sovereign approaches to transboundary environmental management and governance are ineffective; and therefore, only an international networked response could be successful.

As China continues to open towards the world as a rising global superpower, her ability to influence global environmental politics is taking on an important new role. Therefore the Secretary General’s recent call to fundamentally alter how the international community addresses global environmental threats, although not aimed at any one state, is a de facto invitation to better engage China. China faces serious environmental challenges and increasingly has begun to export these problems to other nations. Unfortunately, China, like most other economically powerful countries, while

¹ For additional information refer to: <http://www.un.org/News/Press/docs/2007/sgsm10865.doc.htm>

increasingly integrated into global networks, maintains a largely sovereign approach to environmental governance. This approach, if not adjusted, will likely result in dire consequences for the entire planet. A broadening array of sinologists and environmental scientists argue that the struggle to preserve planet Earth will be fought in China.

The overall aim of this dissertation is to examine how large, often powerful, countries such as China – responsible for significant and growing levels of global environmental harm – can be better engaged via non-sovereign modes of governance to improve environmental management capacities. While numerous large and powerful countries around the world today are responsible for environmental harm, including the United States, Brazil, Russia, and India, China is potentially the greatest threat to global environmental stability. Without a new way of engaging China’s decision-makers, the global environment is in peril.

Not long ago, China’s environmental problems would barely have mattered to those beyond its borders. Given its rapid economic and industrial development over the past few years, combined with weak environmental management capabilities, particularly at lower administrative levels, China’s problems are now the world’s problems. While Chinese policy-makers have historically neglected the transboundary impacts of their environmental management efforts, state actors are increasingly pressed to take transboundary environmental relations seriously. Based upon my field research in the Mekong Region², I have identified situations in which China has tried to engage in transboundary environmental management. At the same time, in the same region, I have identified other situations in which it has been unwilling to take its transboundary

² The Mekong Region, situated in Southeast Asia, is composed of Burma, Cambodia, Laos PDR, Southwestern China, including Yunnan Province and Guangxi Zhuang Autonomous Region, Thailand, and Viet Nam.

environmental management responsibilities seriously. Despite complex drivers of both domestic and transboundary environmental harm, and significant barriers to reform, a gradual shift in Chinese governmental behavior appears to be taking place. My goal is to understand why and how these changes occur. In particular, my assumption is that under certain circumstances, non-state actors (including civil society organizations and multilaterals) operating both inside China and in the world-at-large, through a process I call *networked governance*, are able to influence China's willingness to take its transboundary environmental responsibilities seriously. My research suggests that it is increasingly important for these external non-state actors to better understand the mechanisms and strategies they can utilize to engage China's decision-makers in collaboratively managing shared natural resources.

An Analytical Puzzle

As the Mekong Region undergoes tremendous economic development, its rich natural resource base faces certain threats (Asian Development Bank, 2004; Dore, 2003). Environmental challenges, such as the management of water resources and protection of areas high in biodiversity are key domestic issues that ignore national political boundaries. The countries comprising the region collectively make the area one of the “wealthiest” in the world environmentally³; however, this also means they ought to share responsibility for managing their transboundary ecosystems (Badenoch, 2002; L. E. Susskind, 1994; Woods, 2003; O. R. Young, 2000). Given the inter-connectedness of the region's ecosystems, management approaches undertaken in one country will ultimately have limited effectiveness.

³ Refer to <http://www.biodiversityhotspots.org/xp/Hotspots/china/> for additional information.

The environmental threats to the downstream Mekong Region posed by China are serious – driven by a combination of domestic resource scarcity, energy security concerns, rapid economic and industrial expansion, lack of control over private sector activities, and complex disjointed internal policy-making⁴. Chinese leaders have referred to the Region as a common thread joining all riparian nations. They maintain that in order to promote and encourage regional economic expansion, surrounding nations must work together and foster good political relationships. Yet China does not appear to be interested in working with other countries to manage its environmental externalities when that collaboration stands to jeopardize implementation of national development projects.

However, based on 14 months of field research, I identified specific instances in which China has positively and sometimes even proactively engaged in transboundary environmental management. Nevertheless, I simultaneously identified situations in which it has not. In the face of both criticism and constructive engagement (particularly from non-governmental organizations operating in the downstream Mekong countries; regional and global transnational civil society networks; as well as from multilateral agencies), China appears to be slowly and cautiously shifting its approach towards the management of shared natural resources in the Mekong Region (refer to Table I below regarding the difference among natural resource jurisdictional arrangements).

Unfortunately, this engagement appears to occur only when specific conditions are met accordingly, my doctoral research seeks to identify those factors which determine China's willingness to participate in the management of shared environmental resources.

⁴ Refer to Appendix I for additional information on the driver's of China's international environmental footprint.

Table I: Types of Natural Resource Jurisdictional Arrangements

Jurisdiction	Examples	Description
<i>International Commons</i>	Global climate system Outer space High seas fisheries	Physical or biological systems that lie wholly or largely outside the jurisdiction of any individual member of international society
<i>Shared Natural Resources</i>	Shared river or lake basin Migratory wild animals	Physical or biological systems that extend into or across the jurisdictions of two or more members of international society
<i>Transboundary Externalities</i>	Acid rain affecting a lake in one country due to transboundary air pollutants from another country	Consequences of activities occurring wholly within the jurisdiction of one state which affect the welfare of others located in another jurisdiction

Developed from: *Global Governance: Drawing Insights from the Environmental Experience*. Edited by Oran R. Young. The MIT Press. Cambridge, MA. 2000.

All too often, external observers simplistically argue that the overriding concern dictating China's interactions with other countries is exclusively economic. While I acknowledge the importance of economic ties, trade agreements and infrastructure development in shaping China's dealings with foreign partners, I contend that additional factors now guide China's interactions. For example, while China's energy shortage and serious concerns regarding domestic energy security have led it to pursue an aggressive national hydroelectric development strategy, I am not convinced that this is the primary reason China refuses to join the Mekong River Commission. Additional factors inhibiting China's participation include its historical relationship with downstream countries, or China's consideration of the Commission, under previous leadership, as overly aligned with civil society. Moreover, not only China did not participate in the

development of the existing inter-governmental agreement governing the Commission, but downstream countries may not have welcomed China's participation given her likelihood of dominating the Commission's basin-wide agenda.

I geared my initial inquiry toward understanding inter-organizational regional networks involving civil society and the strategies utilized to influence China's behaviour toward the governance of shared natural resources. However, during my preliminary field research, I realized that networked configurations of civil society organizations were not the only important (albeit understudied) consideration. It became clear that additional factors also contribute to why China participates, or does not participate, in transboundary environmental management processes in the Mekong Region.

For example, although civil society environmental networks are plentiful, and by some accounts even proliferating, within the Mekong Region, only certain network configurations have established collaboration with non-state Chinese organizations situated inside China. While transnational advocacy networks⁵ focusing on the management of shared water resources have been more successful in influencing Chinese state and non-state attitudes toward proposed dam construction on the Nu River (located in Yunnan Province in Southwest China), other network configurations addressing China's massive importation of timber from neighbouring countries have had, at least historically, no effect on Chinese national policy. Thus, it appears that successful transnational civil society influence on Chinese policy is dependent on the presence of other factors such as issue linkage (with domestic Chinese non-state actors), a non-

⁵ Transnational civil society refers to self-organized advocacy groups that undertake voluntary collection action across state borders in pursuit of what they deem the wider public interest. A transnational advocacy network are border-less interactions among civil society actors that seek to not only influence policy, but also transform the nature of political debate. This is discussed in detail later in this chapter.

antagonistic approach to advocacy, and an ability to mobilize foreign state and non-state actors in engaging the China. Moreover, while civil society organizations do collaborate with the Mekong River Commission and the Asian Development Bank's Greater Mekong Sub-Region (GMS) Program, civil society itself cannot be considered a driving force within these organizations because their primary clients are not citizens but states. I concluded that my inquiry needed to expand beyond the role of civil society in order to explain China's engagement in multilateral networked arrangements operating within the Mekong Region.

Research on the relationship between international environmental politics and China's domestic policies has traditionally emphasized bureaucratic behavior: specifically, internal bureaucratic obstacles that tend to sidetrack negotiations on international environmental treaties (Oksenberg & Economy, 2000). While important, this research only highlights the failures of diplomatic negotiations. These studies do not address the fact that other forms of international cooperation have helped to identify mutual interests which, once recognized, facilitate various forms of collaboration.

China actively participates in international environmental treaties and regimes⁶, and is rapidly developing domestic policy-making bodies to formulate positions and implement strategies within such regimes⁷ (Ross, 1999). However, China remains recalcitrant whenever a regime appears to infringe on its sovereignty or tries to restrict its economic development. Of course, international organizations are not solely responsible for China's recent progress in environmental policy. Chinese decision-makers appear, in

⁶ A comprehensive list of international environmental treaties signed by China can be found at: <http://www.zhb.gov.cn/english/treaty.php3>

⁷ For example, in May 2004, the State Environmental Protection Agency (SEPA) created a new bureau called the Regional Environmental Cooperation Division, responsible for coordinating China's actions and linkages within a growing array of regional regimes.

some regards, to be more receptive to multilateral encouragement of policy change (as opposed to internal public pressure applied by NGOs). This may be in part because external agencies are not subject to the same structural constraints which domestic agencies face (Zusman & Turner, 2005).

My initial inquiry was therefore modified to address these other forms of engagement with China, particularly multilateral interactions, including both *hard* and *soft law* mechanisms. *Soft law*⁸ is any guideline or recommendation that is not considered to be legally binding and depends entirely on voluntary compliance. Legal scholars often describe it as a type of political or moral obligation (Wirth 2003). Examples of legally binding mechanisms, or *hard law*, include treaties, binding acts of international organizations, or judgments of courts or tribunals.

Thus while China has maintained a ‘dialogue’ relationship with the Mekong River Commission since 1996, meeting annually for a few days to share technical information such as water flow data, it has never demonstrated any intention of moving beyond this involvement for the reasons outlined earlier, including the binding or hard law orientation of the Commission. This relationship entails no real responsibility for China, who appears to be satisfied with the status quo. China’s relationship with other regional multilateral organizations, including APEC and ASEAN, are improving, but remain focused on social, political and economic matters rather than on environmental concerns. One regional instrument, however, that appears to have been able to engage China on environmental matters is the Asian Development Banks GMS Program. Although the Program has come under heavy condemnation by regional civil society organizations for being overly focused on economic integration and infrastructure development, it has been

⁸ Refer to Appendix II for detailed information on soft law processes.

quite successful in establishing and strengthening environmental linkages with China. This is partially because the program is a non-binding, soft law initiative facilitated by a multilateral organization that does not entail specific compliance requirements – all attractive features to the Chinese state.

In sum, it was apparent that a variety of non-state actors, including domestic Chinese non-state environmental groups, international non-governmental organizations, transnational advocacy networks, and multilateral organizations, were all responsible for exerting increasing influence involving China's environmental footprint.

Key Assumptions and Research Question

China is increasingly integrated and influential in the Mekong Region. Networks of political, social and economic interactions composed of and facilitated by both state and non-state actors are increasing in both number and intensity, while the government, even in a one-party state such as China, has become more horizontally integrated with regional processes. In these settings, the government seems to be slowly relinquishing its role of supreme decision maker. The region is composed of a complex web of inter-organizational networks that are reaching out, formally and informally, to China's environmental decision-makers at both the provincial and central levels. I assume that these networks are exerting increasing 'extra-bureaucratic' influence over China's policy and decision-making processes and thereby contributing to the changing nature of environmental governance in the region. For instance, the unitary power of the nation-state system is slowly disaggregating, while simultaneously, the influence of non-state actors inside and outside of China is growing. This is responsible for shifting the

traditional decision and policy-making processes. While vertical governance arrangements remain dominant in the region, horizontal configurations appear to be taking hold, including civil society networks and multilateral programmes such as the Asian Development Bank's Greater Mekong Sub-Region Program. These extra-bureaucratic influences have begun to impact China's engagement in the region; however, it appears that specific arrangements or configurations of network processes and actors are more likely to attract China's attention regarding the management of shared natural resources. Nonetheless, it remains necessary to highlight that while these extra-bureaucratic configurations influence China's regional horizontal engagement, they are still emergent.

Based on this assumption, my dissertation will attempt to answer the following research question: How do extra-bureaucratic non-state network governance configurations, such as multilateral regional programs and transnational civil society advocacy networks, influence Chinese government policy-making regarding the management of transboundary natural resources?

The next section provides an overview of China's domestic environmental situation, and then specifically reviews its international environmental footprint.

Part II: China and the Environment

China's Environmental Crisis

China is experiencing an environmental crisis of unprecedented magnitude. Although China's current environmental difficulties can be clearly attributed to present-day industrialization, it has been argued that, during Mao Zedong's rule, China and its

citizenry developed an unsustainable relationship with nature (Shapiro, 2001). Mao's zeal to 'conquer nature' had particularly devastating effects for the natural environment; for example, efforts to increase China's steel production resulted in the loss of millions of hectares of forest area throughout the country.

While China's economic boom has been staggering, lifting hundreds of millions of people out of poverty, China's environment paid a steep price and the challenges facing its natural environment today are grave. Though statistics may vary, almost 40 percent of the nation suffers from soil erosion, with about 67,000 hectares of farmland lost each year; its cities are some of the most polluted in the world; its coal consumption ranks highest worldwide; the number of cars in Beijing doubled to 2.6 million between 2000 and 2005; national forest resources have dwindled to only 18 percent of total land area covered; and over 70 percent of the water in five of China's seven major river systems is unsuitable for human contact (Economy, 2004b; Liu & Diamond, 2005; Morton, 2006; Pei, 2006; The World Bank, 2001). These figures are simply overwhelming.

Commentators warn of how China's growing environmental challenges could lead to rising social conflicts, large-scale health impacts, and a reversal of the miracle itself: possible eventual economic collapse. China's domestic environmental degradation is now responsible for massive direct economic losses: the World Bank estimated in the mid-1990s that pollution was costing China 7.7 percent of its gross domestic product (World Bank, 1998) and more recently the World Watch Institute estimated that environmental degradation is costing the country nearly nine percent of its annual GDP (World Watch Institute, 2006). According to China's own notoriously

underreported government statistics, environmental pollution was responsible for a loss of 3.05 percent of the nation's economy in 2004⁹ (China Daily, January 18, 2007).

It would be naïve to argue that China's leadership is willfully unaware or inactive regarding her domestic environmental situation. Chinese top decision-makers have become reflexive about the overall consequences of environmental damage to society 'at large' and no longer pursue a simple modernization trajectory. China's domestic environmental challenges are well documented (Day, 2005; Dollar, 2005; Economy, 2004b; Edmonds, 1998, 1999; Saich, 2001a; The World Bank, 2001) and better understood than ever before, while the central government has clearly awoken to the threat environmental degradation poses to domestic economic growth, a vital ingredient to maintaining the social stability necessary for the survival of the Chinese Communist Party (Goldman & MacFarquhar, 1999; Saich, 2001b). Despite serious governance challenges (particularly in relation to centralized policy development combined with decentralized implementation, enforcement processes, and the lack of a coherent local government incentive structure to tackle environmental clean-up), China's leadership has nonetheless embarked on an aggressive mission to clean up the country.

While environmental concerns generally remained low on the agenda of Chinese leaders prior to the early 1990s, safeguarding the environment was elevated to a key state policy in 1993 (Morton, 2006). This shift opened the way for a wide array of new Chinese environmental policies, laws and regulations, with China arguably becoming one of the developing world's leaders in environmental policy promulgation. Over the past decade, the Chinese government has expanded regulatory and legal frameworks focusing

⁹ Officially referred to as the Environmentally-Adjusted Gross Domestic Product, the Green GDP is calculated by deducting the cost of environmental degradation from traditional GDP in order to reflect more realistic economic growth rates. China is the first and only country to pioneer such a measurement.

on ecological protection and pollution control. Environmental priorities have been more coherently and aggressively integrated into State Five Year Development Plans (X. Ma & Ortolano, 2000; Morton, 2006). To demonstrate just how far the state has progressed, the Chinese government has more recently begun experimenting with legal provisions for the general public to participate in environmental decision-making processes. Although the government historically sought informal non-binding input from the public, the development of the legal framework for public participation as a civil *right* is new (Moore & Warren, 2006). This reflects the shift toward binding obligations grounded in citizen rights. Although saddled with significant hurdles, such as a weak governance system and its subsequent impact on environment policy implementation and enforcement, China's government is nonetheless actively pursuing an agenda designed to reform environmental processes and modernize environmental governance structures.

However, the key question is not whether China faces an environmental emergency, but how the catastrophe will affect China's future development strategy and – more importantly given the sheer scale of environmental problems in China – how the crisis will impact the progress of other nations. Previous scholarship analyzing China's environmental context examined domestic factors contributing to or inhibiting improved environmental governance mechanisms; only recently have China's environmental externalities become a source of serious interest for sinologists and environmental scholars alike. The next section discusses China's environmental impacts on other countries.

Exporting Harm: China's International Environmental Footprint

While China's domestic environmental crisis presents serious challenges, the international environmental consequences of China's development patterns present an even more worrisome scenario (Liu & Diamond, 2005; World Wide Fund for Nature & Global Footprint Network, 2005; Zweig & Bi, 2005) given that China's environmental emergency is not contained within its own political borders. Recent scholarship and reporting demonstrate that China's environmental problems are indeed the world's environment problems (Economy, 2004a; Foster & Wise, 2000; Friedman, 2005, 2006; Harris, 2005; Liu & Diamond, 2005; McGregor & Harvey, 2006; Yardley, 2005; Yusuf & Nabeshima, 2006; Zweig & Bi, 2005). China now ranks as the largest contributor of sulphur oxides and chlorofluorocarbons to the global atmosphere; it is the world's leading importer of tropical rainforest timber, is the second largest global emitter of carbon dioxide after the United States, and the world's largest consumer of coal, which fuels approximately 70 percent of China's energy needs (Economy, 2004b; Liu & Diamond, 2005; Morton, 2006; The World Bank, 2001). Research confirms that China's environmental footprint, defined as the ecological deficit created when domestic demand exceeds supply and a country creates unacceptable impacts outside its own boundaries, is rapidly growing (Chen, Cheng, Xu, & Zhang, 2004; Global Footprint Network, 2004).

Of additional concern is China's transboundary¹⁰ footprint in neighboring countries. For instance, in 1998, China implemented a nationwide logging ban designed to halt large-scale flooding and unsustainable harvesting practices. However, due to the growing domestic appetite for timber products and the expansion of western furniture

¹⁰ A transboundary environmental area is defined as an area of land and/or sea that straddles one or more borders between states, sub-national units such as provinces and regions, autonomous areas and/or areas beyond the limit of national sovereignty or jurisdiction. Refer to Table 1 in this chapter.

export markets, the result has led to the massive importation of timber resources not only from neighbouring Asian countries, particularly Burma, but also from as far afield as Africa and Latin America (Global Witness, 2003, 2005). China essentially exported the problem of deforestation to other countries and has now become the world's largest consumer of timber (Lawson, 2005). An additional example involves the cascade of hydroelectric dams being constructed or planned on the Nu and Mekong Rivers, two transboundary waterways flowing from Tibet through Yunnan Province in Southwestern China, via multiple downstream Mekong countries. Critics assert these dams have the potential to cause serious downstream ecological disturbances by altering normal hydrological flow patterns¹¹ (Richardson, 2005b).

While China's leadership now recognizes the need to ameliorate domestic environmental degradation, critics argue it appears less concerned about the harmful impacts on its neighbors, despite state calls for pursuing a "peaceful rise" of development (Carter & Mol, 2006; Zheng, 2005)¹². Moreover, while China has become increasingly active in international environmental affairs since 1978, signing more than five dozen international environmental agreements (Pan, 2006)¹³, this engagement has been predominantly focused on domestic enforcement of global agreements (Oksenberg & Economy, 2000). While a recent study¹⁴ by the *Worldwatch Institute* acknowledges that China is often blamed for global environmental problems, the authors argue China is positioned to become a world leader in sustainable energy within a decade (World Watch

¹¹ All of these cases are discussed in detail in later chapters.

¹² China released a new White Paper entitled "China's Peaceful Development Road" on 22 December 2005 emphasizing it will maintain collaborative relations with other states and prioritizes mutual benefit and 'win-win' cooperation.

¹³ Pan Yue is currently the vice-minister of the State Environmental Protection Administration (SEPA).

¹⁴ The report can be accessed at: <http://www.worldwatch.org/pubs/sow/2006/toc/>

Institute, 2006). The report asserts that China is quickly mastering energy efficient technologies, implementing cheap and environmentally responsible transportation systems, and adopting new water harvesting techniques as global models for a sustainable economy. However, these new practices do not mitigate many of China's current transboundary environmental impacts such as that of hydroelectric dam construction on international rivers or of massive importation of timber from neighbouring countries.

Part III: Networked Governance and China's Environmental Footprint

This section reviews governance in relation to non-state actors and examines how they influence governance processes, particularly through networked arrangements. The implications of a new globalized and networked world are then discussed in relation to China and its environmental footprint.

Governance

Governance, as I employ it for the purpose of this research, is a flexible term that embodies the interaction between both state and non-state entities including a multiplicity of actors, activities *and* networks. Through my analysis and discussion in this dissertation I do not ignore the value and importance of government and governmental actors; however, I place a stronger emphasis on the growing power of non-traditional, less formalized non-state actors and, in particular, their expanding influence via horizontal non-hierarchical networks and linkages. Governance here is a set of arrangements, including norms and rules, guiding not only the actions and activities of specific actors, but also guiding interactions during the process of rule establishment to

implementation. It is important to note that governance does not incorporate only formal systems or arrangements, but encompasses and embraces informal structures and includes both state and non-state actors.

Environmental Governance

The governance of the environment mirrors the changes that have taken place within the larger system of global governance. Given the notion that governance is multifaceted and comprehensive beyond the singular state, it is a well suited concept for analyzing and understanding ‘ecological interdependence’. Whether this interdependence is defined or rationalized as the physical and biological interconnections of the environment (Young, 1994), the human activities that interrelate between the natural ‘physical’ and social world (Lipschutz & Conca, 1993), the relationship between the ‘local’ and the ‘global’ nature of environmental issues (Gerlach, 1991; Rayner, 1995), or even as a social construct rather than simply a physical feature of ecosystems (Lifton, 1999), the common component is interrelation and inter-dependence among webs of multiple processes and actors.

In the context of environmental governance, *how* decisions are made, and *which* stakeholders decide often determine *what* is decided. These questions determine whether the outcome of a decision will improve or harm the environment, becoming more critical and complex in a transboundary context. Regional and international systems of environmental governance are thus essential to secure and implement agreements over transboundary concerns. In the environmental realm, nation-states were historically the most powerful among multiple stakeholders, where contention over access to and use of

natural resources is usually charged with concerns over national interests and sovereignty. However, as a widening array of non-state actors participates in international environmental governance processes, *who* decides rapidly changes, and this affects governance. Civil society actors, including NGOs, INGOs, and transnational civil society actors, can impact environmental negotiations and decision-making in a variety of ways. These actors can take on a number of important roles including the provision of expert advice, mobilization of public opinion, representation of the weak or voiceless, or the monitoring or legitimization of global decision-making processes. These roles are fully applicable in both democratic and non-democratic contexts. Gemmill and Bamidele-Izu (2002) argue civil society actors, and NGOs in particular, play five important roles that have significant influence over environmental governance: 1) collecting, disseminating, and analyzing information in different ways and from different perspectives than state actors; 2) providing input into agenda-setting and policy development processes; 3) performing operational functions; 4) assessing environmental conditions and monitoring compliance with environmental agreements; and 5) advocating for environmental justice (Gemmill & Bamidele-Izu, 2002). The central lesson amidst the myriad roles, functions and responsibilities provided by non-state actors is that within a socially and physically, and ecologically interdependent world – one in which transboundary and transnational environmental challenges are unfortunately common – they affect change and influence policy and decisions whether states want or ‘allow’ them to or not, even in one-party China.

Networked Governance

Networked arrangements are a key element of the governance process. Formal and informal, private and public, alliances and coalitions have become commonplace, and recently these inter-linked arrangements have mushroomed. These initiatives are networks: they embrace connectivity and partnerships, lobbying and advocacy, and the political and social alliances of a growing assortment of actors within a governance framework. Thus, today's picture of governance, and of environmental governance in particular, is a highly complex mosaic of interactions where governments no longer interact only with each other to address and manage global environmental problems, but also with a multiplicity of national and international actors representing a wide array of interests and stakeholders. Different networks have been created: networks between and among states, between governmental agencies, and between governments and private actors, with each network serving and fulfilling a different role. Networks and networked arrangements are an important new development that holds important promise for making governance processes more equitable and accountable.

However, network arrangements, despite their growing numbers, should not be seen as panacea for positive development since a number of serious concerns exist in regard to their operation. For instance, skeptics argue they can represent and incorporate unaccountable elements or groups: members who are either not elected or who merely misrepresent who they supposedly stand for. In addition, network arrangements may be substituted for binding or legal processes which, over time, may serve to undermine the legitimacy of established international processes. Whatever the challenges regarding the

efficacy of network structures, their growth presents an important new governance mechanism deserving of greater attention and analysis.

In regard to environmental governance in China, networked governance arrangements can provide a new approach to help address complex transboundary or transnational environmental challenges such as forest ecosystem management or air pollution.

The Nation-State and Shifting Governance Structures

A gradual yet noticeable shift toward a new emergent governance framework has emerged, even in China and the downstream countries in the Mekong Region. The historical claim that the reign of states was exclusive over political, economic and social relations within the realm of its territory is now questionable¹⁵. The world today has become far more inter-connected and inter-dependent, a process commonly referred to as globalization (Keohane & Nye, 2000). It is in this context that the concept of governance has emerged; in particular, the concept of global governance has gained widespread currency (Rosenau & Czempiel, 1992; O. Young, 2000). This premise is based on the assumption that key components of a governance framework are rooted in a new ‘globalized’ society that incorporates not only a changed and reformed state, but also a new understanding of sovereignty models (or at least more conditional forms of sovereignty), the influence of private interests, markets and international economic

¹⁵ The nation state and its associated sovereign models of power have dominated inter-state relations since the creation of Westphalia¹⁵ in 1648 (Mathews, 1997). The origin of the traditional system of governmental arrangement is rooted in the Westphalian system which recognized the nation-state as the ultimate or sovereign power within its boundaries. Some of the key principles that embody the origin of the nation-state system include States’ mutual respect for each others territorial and political sovereignty, non-intervention in each other’s internal affairs, and consent as the basis for compliance with international law (Zacher, 1992).

forces, and particularly the growing importance of civil society and networked non-state arrangements.

Globalization and the associated reform model of governance represent a new world constructed of inter-connected political, economic, social and environmental linkages or networks. This lattice of networks can be linked through its flows ideas, knowledge, capital, people, and even environmental and biological substances such as acid rain or pathogens. The political borders that delineated the world for centuries are beginning to erode in both meaning and dominance, all leaving ‘the’ state in question.

As globalization makes states more inter-dependent, the locus of decision-making has been slowly shifting away from sovereign nations and their associated powers (Eckersley, 2004; Keohane & Nye, 2000; Sassen, 1998; Slaughter, 2004). The state is not disappearing but disaggregating. It is these disaggregated pieces of the state that are reaching beyond national borders and becoming internationalized, creating new networks “govern[ing] relations, instituting regular meetings, and even creating their own trans-governmental organizations” (Slaughter, 2004). These networks require a new understanding of sovereignty, the influence of private interests, and the growing importance of civil society.

The emergence of the Greater Mekong Sub-Region (GMS) demonstrates that nation-states are becoming increasingly disaggregated and forming new regional networks across political boundaries. These networks share information, promote mutual interests, and encourage policy convergence. With a growing awareness of how environmental issues cross political boundaries, the debate over the relative power of the ‘nation-state’ versus ‘regional networks’ has quickly amplified.

The Role and Function of Non-State Actors in Governance

Given the evolution of the traditional international system of government and the nation-state toward a multiplicity of diverse actors, it is important to review the new components of a system that does not include states, but rather emphasizes the roles of non-state civil society actors, including international organizations, non-governmental organizations (NGOs), and, perhaps most importantly in today's globalized world, the role of transnational civil society actors.

International Organizations

An international organization (IO), or more formally an inter-governmental organization (IGO), is an entity with sovereign states or other IGOs as members. IOs are created by member states for specialized purposes such as with the Food and Agriculture (FAO) or the World Health Organizations (WHO); or for regional purposes as in the Asian Development Bank (ADB), the Mekong River Commission (MRC) or the Organization of American States (OAS). IOs, given that their primary members are nation-states, are governed in some manner by nations. For example, the FAO, while having internal flexibility for project or programme design and implementation, ultimately answers to its governing council, which is composed of government representatives. So while IOs have proliferated in recent years, and the subsequent scope of their activities has further enlarged in a globalized world, states in general want assurances that IOs or IGOs will not undermine their sovereign interests. Simply put, states want the fewest possible constraints imposed upon them. International regimes are not sub-national or non-governmental actors; they are international actors, and when

formally organized, many may be considered as international or inter-governmental organizations¹⁶.

However, despite the partial state-centricity that IOs and IGOs possess, they nonetheless are not state bodies and therefore still represent a shift away from the traditional model of sovereignty. While the previous definition of international regimes highlighted the importance of norm creation, rule-making and decision-making procedures, another conceptualization, which is perhaps more relevant to environmental governance, is a system of norms and rules specified by multilateral agreements among states regulating national action on specific issues.

So, for instance, international regimes exist to manage and regulate different global environmental resources such as whaling, the ozone layer or climate change. While states remain key actors within these regimes, it is the regime, as a separate, 'supra' entity that shapes and molds national and international norms and rules via multilateral processes and agreements. In this situation, international organizations, such as the MRC, act as 'hubs' or clearing-houses of information, promoting communication and dialogue among members, and, in theory, remaining neutral regarding the specific cause at hand. While these organizations maintain a physical office or secretariat, international organizations frequently devise their own forms of organization to facilitate

¹⁶ Insight from international relations theory (IR) and regime analysis is instructive to understand international regimes and IOs. In the 1980's academic discourse centered on the concept of international regimes; where scholars sought to make sense of what they are, how they function, and to explain different structural patterns of emergence (Ruggie, 2004). International regimes can be defined as formal or informal modes of institutionalized cooperation among nation-states, that define the "principles, norms, rules and decision-making procedures around which actor expectations converge in a given issue-area" (Krasner, 1983). The (neo-) realist and (liberal-) institutionalist paradigms have historically dominated the study and analysis of IR, and until quite recently, it focused almost exclusively on the primacy of the state as a unitary actor in relation to world political structures (Keohane, 1983; Krasner, 1983). Regime-based accounts of international cooperation (particularly in the field of environmental cooperation) have dominated academic and policy analysis, and it has been criticized as being overly state-centric in character, with a bias toward maintenance of order (Khagram, Riker, & Sikkink, 2002).

the development and eventual execution of (in some cases) binding agreements, such as the 1995 Mekong Agreement facilitated by the Mekong River Commission. While many international treaties oblige signatory states to take specified action, some such as regional forestry agreements like the Forest Law Enforcement and Governance (FLEG) processes or the ADB's Greater Mekong Sub-regional Cooperation Program are non-binding. This means they do not demand or require specific goals or measures to be met; they are considered 'soft' or non-binding arrangements (refer to Appendix II for detailed information on soft law in relation to non-state actors).

Non-Governmental Organizations

Despite ongoing erosion and disaggregation, nation-states remain key actors in international governance because of their long-term political, legal and administrative status. While international organizations or regimes, as just highlighted, are important components of a global governance system (because they can act as sources, promoters, or implementers of different hard or soft law requirements), non-governmental organizations (NGOs) are yet another component of a disaggregated governance system. NGOs occupy a unique position within this governance framework. States are sovereign actors, while international organizations, although independent entities, remain to some extent extensions of the arm of state sovereignty. NGOs, as a 'third' player, are truly independent from nation-state orientations and sovereign arrangements. In relation to environmental governance processes, this distinction is important given that ecological interdependence and interaction rarely, if ever, respect political borders. Hence, a non-sovereign approach to governance can, in many regards, be understood as more

appropriate and ultimately effective in a fluid political context. These ‘third’ players do not occupy the same position or level of importance as nation-states or inter-governmental organizations.

NGOs and INGOs have multiple roles to play in influencing governance processes including: 1) developing and disseminating new information and knowledge and 2) creating new governance agendas. First, it is now widely recognized and accepted that NGOs and INGOs have the capacity to gather and disseminate new information and knowledge relevant for environmental management and governance purposes. They can promote communication between and among other NGOs, state agencies or international organizations in order to form support or opposition to a particular policy or action (Princen & Finger, 1994). And, as Porter *et al* argue, these non-state actors often politicize key information in order to strategically influence the environmental agenda (Porter, Brown, & Chasek, 2000). In addition, NGOs can also provide scientific information via either their own research or their partnerships with other research bodies, including non-traditional sources of research such as community-based research¹⁷. The sharing, promotion and provision of new information and knowledge is one of the manifest strengths and abilities of NGOs in influencing others, whether this involves the states (or their constituent agencies) directly or the domestic or international members of the public in order to subsequently pressure their governmental leaders and authorities. The primary significance is that these non-state actors contribute, via the sharing and

¹⁷ For example, one Thai NGO, Southeast Asia Rivers Network (SEARIN), based in Chiang Mai readily uses this approach to influence government and international organization behaviour and action. Additional information on this community-based research approach can be found at: http://www.searin.org/Th/thaiban_research_en.htm

exchange of new information and knowledge, to the basis of new norms that consequently provide reformed and revised governance structures.

Second, NGOs play important roles in creating new governance agendas. States and their diplomatic representatives, and in many circumstances international organizations, are bound by cumbersome procedures and protocols (self-imposed or otherwise) that frequently inhibit the promotion of new ideas or agendas. Non-state actors, operating through a non-sovereign lens, are frequently able to initiate new agendas at the initial stages of international processes. Their agenda-setting roles are not limited merely to the formation of initial processes, but shape decision and policy-making processes on an ongoing basis to improve governance effectiveness over the longer-term (Birnie, 1992). In part, their ability to create new governance agendas is because NGOs are now, in many cases, officially recognized within inter-governmental processes and conferences, particularly in the environmental field (Wapner, 2000). Since international conferences and treaties are the primary elements for setting an environmental governance agenda, NGO participation in these processes helps to create these new agendas (Princen, 1994).

Growing demands for increased public participation in China have pressured the government, both centrally and, to a lesser extent, at lower administrative levels, to alter the way it tackles its domestic and international environmental obligations (Brettell, 2003; Economy, 2005; G. Yang, 2004a, 2005). Even in a one-party state that does not tolerate dissent, the central government recognizes that the failure to protect natural resources can incur significant social and economic costs in the long term (The World Bank & The Government of the People's Republic of China, 2007). Chinese leadership is

increasingly aware that it cannot solve China's massive environmental challenges alone (Economy, 2004b). The severity of its situation explains in part why the state has opened political space for environmental non-state organizations to become increasingly visible players in China's environmental politics (Edele, 2005; G. Yang, 2005).

In China, non-state environmental actors generally assist the government in four ways: they 1) promote public environmental education; 2) act as 'watch-dogs' for local and central government environmental bureaus; 3) conduct environmental policy research; and 4) undertake local-level conservation projects. While the Chinese central state is progressively more willing to engage with these organizations, this has historically been restricted to areas perceived to be non-threatening¹⁸.

Transnational Civil Society and Advocacy Networks

Until this point, despite the growing appearance that a multitude of actors influence global governance, my focus has remained on entities that operate largely within the bounds of the existing international system. This is a system of nation-states, international organizations, non-governmental organizations and even international non-governmental organizations, which all interact and cooperate, calling on international or multilateral relationships that focus on state actions.

¹⁸ The current context for non-state organizations in China is extraordinarily complex, and the sector continues to face significant state imposed controls (Ru & Ortolano, 2004; Saich, 2000b, 2001b). Recognizing that non-state organizations may begin to make policy demands on the state, the government has sought to control their operation and sphere of influence, from how they are officially registered to where they can work. The attitude of the state limits the 'political space' in which non-state organizations can exist and operate, while the 'economic space' has opened wide for these same groups to flourish (Saich, 1994, 2000b). The rapidly expanding market economy has diminished the capacity of the state to regulate the social activities of the Chinese people, while at the same time the state has intentionally abandoned its historic commitment to provide all the basic needs for society (Economy 2004). Thus, the state now increasingly relies on non-state actors to provide the services it traditionally allocated.

However, *transnationalism* is a concept that encompasses cooperation among people and organizations and transcends national boundaries. Transnationalism is a dynamic process that does not have a readily identifiable architecture; it embodies a vision of universalism reinforced by pluralism. Transnationalism implies the act of transcending but not abandoning national identity, recognition of the world beyond state political borders. Scholarship dedicated to the study of transnationalism at the beginning of the twenty-first century examines how transnational civil society non-state actors interact with and shape the governance frameworks of states and international organizations (Khagram & Levitt, 2004; Tarrow, 2005a; Wapner, 1997, 2002). Transnationalism incorporates both civil society actors and networks.

Transnational civil society matters. Transnational civil society (TCS) refers to self-organized advocacy groups that undertake voluntary collective action *across* state borders in pursuit of what they deem as the wider public interest (Florini, 2000). Domestic and international NGOs are the key actors that constitute transnational collective action. While it may be argued that transnational civil society has existed for years¹⁹, it has really been at the end of the twentieth century that we have witnessed the rise of TCS; in many ways the evolution of TCS mirrors the earlier rise of the nation-state. Whether operating at a local, national, regional or international level, these different civil society configurations focus on a vast array of issues and problems, including environmental governance, the promotion of human rights, or international trade²⁰. Numerous examples provide empirical evidence that TCS has an impact on

¹⁹ For example, the international anti-slavery movement or campaigns for woman's suffrage.

²⁰ Examples of civil society actors focused on these issues include Greenpeace, Amnesty International or Jubileo 2000.

changing state behaviour and influencing policy development²¹. These cases challenge the centrality of the nation-state and the structural power of capitalism in the age of rapid globalization. Theoretically, TCS actors seek to change not only the interests and practices of other actors (states, corporations, etc.), but also the environments within which those actors operate – specifically the power structures. Based upon a review of Florini (Florini, 2000); Keck & Sikkink (Keck & Sikkink, 1998); Khagram, Riker, & Sikkink (Khagram et al., 2002); Higgott, Underhill, & Bieler (Higgott, Underhill, & Bieler, 2000), , it is possible to sketch a *framework or typology* of how civil society, specifically TSC, seeks to affect policy change despite the difficulty of distilling a single model. Such a framework has four primary components including: 1) agenda setting – identifying a problem of concern and relevance and producing the appropriate information to promote an agenda; 2) developing solutions – in particular, recommendations for policy change; 3) building networks of allies to move forward – the *sum is greater than the parts* philosophy (Keck and Sikkink stress that networks are more likely to wield influence when they include numerous actors with strong connections and regular flow of information among them); and 4) implementing solutions – employing specific tactics to push for change in existing practices and/or to encourage compliance with existing norms.

In addition to comparative study of transnational civil society, *transnational advocacy networks* are also a prominent research topic (Clark, 2003b; Florini, 2000; Khagram et al., 2002; Mason, 2005; Mathews, 1997; Rodrigues, 2004; Rowlands, 2001).

²¹ For specific examples refer to chapters 3 (Human Rights Advocacy), chapter 4 (Environmental Advocacy Networks) or chapter 5 (Transnational Networks on Violence against Women) in *Activists Beyond Borders* by Keck and Sikkink (1998); or chapter 10 (The Case of India's Narmada Valley Dams), or chapter 13 (Networks in Transnational Labor Organizing) in *Restructuring World Politics: Transnational Social Movements, Networks and Norms* edited by Khagram, Riker and Sikkink (2002)

Scholars including Brown, Clark, Florini, Khagram, Keck and Sikkink argue that transnational ‘borderless’ interactions among civil society actors have become an important feature in contemporary world politics. In particular, the study of transnationalism examines how “these interactions are structured in networks, which are increasingly visible in international politics” (Keck & Sikkink, 1999). According to Keck & Sikkink (1999) a transnational advocacy network can include domestic and international INGOs, local social movements, and parts of the executive and/or parliamentary branches of government. Theoretically the study of transnational networks draws upon sociological traditions rooted in social movements, including ‘frames of meaning’ and the negotiation of identity, while simultaneously incorporating international relations theory by examining theories of comparative politics. Drawing on both constructivist and social movement theory, Keck and Sikkink (1998) argue that these transnational networks often seek not only to influence policy change, but also to move beyond instigating change at the governmental level, focusing on other ‘layers’ by instigating “changes in the institutional and principled basis of international interactions”. These activist networks attempt to influence official policy deliberation, but also to “transform the terms and nature of the debate” (Keck & Sikkink, 1998). In relation to environmental management, Keck and Sikkink argue transnational advocacy networks, as opposed to epistemic communities, seek to locate multiple leverage points beyond the state. Environmental advocacy networks help to “broaden the definition of which information and whose knowledge should shape the agenda”.

Transnational networks, the ‘new social morphology’ according to Castells, are fluid, flexible and connect INGOs, social movements, local groups, as well as

individuals, from around the globe on all topics and campaigns (Castells, 1996).

Networks connect the voiceless to the decision-makers, promote and form new routes for information and communication exchange, link the South with the North, and provide access to and shape global institutions. According to Tarrow, the term 'network' has both a structural and functional meaning. He states that "at one extreme, networks consist of simple nodes whose occupants may be entirely unaware of one another" (for example, those who use the same website) while at "the opposite end of the scale of purposiveness, networks are the structure within which groups and individuals join together for specific purposes" (Tarrow, 2005b).

Transnational advocacy networks appear to emerge when three conditions are present: 1) when avenues between national non-state organizations and their respective governmental authority is somehow blocked, resulting in either no action or a dispute causing the same non-state actors to seek redress outside of their own state [this is the boomerang pattern first coined by Keck and Sikkink²²]; 2) when non-state actors, whether NGOs or INGOs, believe that a networking process will ultimately support or further their goal; and 3) when international interaction opportunities exist, such as conferences or workshops, to form or fortify networks. This is important when domestic opportunities for interaction or networking are limited or non-existent (Keck & Sikkink, 1998).

From an environmental perspective, the idea of transnational networks is critically important since environmental challenges frequently transcend national borders. In fact, within the environmental realm, transnational civil society actors and networks have, by

²² For more detailed information on the boomerang pattern or model of transnational advocacy refer to *Activists beyond Borders* by Margaret E. Keck and Kathryn Sikkink.

all accounts, proliferated in recent years (Khagram et al., 2002). Ecological degradation crosses political borders either because of the nature of the problem (e.g. ozone depletion) or because the problem simply exists on all sides of a border (e.g. sand storms between China and Mongolia). Thus the characteristics of transnationalism and transnational networks and networking processes are necessary to more effectively address transnational environmental problems. International awareness by governments and citizens alike regarding environmental issues has increased substantially over the past few years. According to Wapner, Khagram, Torrance and Torrance, this reflects the globalism practiced by transnational networks and NGOs such as Greenpeace, World Wide Fund for Nature (WWF) or Friends of the Earth (FOE) (Khagram, 2004; Torrance & Torrance, 2006; Wapner, 1996, 1997); their advocacy efforts have helped push environmental issues to the top of leaders' agendas. These networks have formed around and against ozone depletion [networks of scientists were able to share and provide critical information regarding the ozone layer (Benedick, 1991)], climate change [the Intergovernmental Panel on Climate Change (IPCC) was prompted by a transnational coalition of scientists and government representatives (Torrance & Torrance, 2006)], and hydropower dams [domestic opponents supported by international groups opposing the development of a large hydropower projects leading to the creation of the World Commission for Dams (Khagram, 2004)], for example. Moreover, transnational civil society networks have served to put unified pressure on national governments, industry and international organizations to change their practices – in effect, to shape new norms and rules.

While domestic non-state actors are increasingly mobilizing to address China's environmental challenges, transnational civil society organizations and advocacy networks of various kinds have begun to play a growing role in pressuring components of the Chinese state to reform its environmental management and governance practices. Today, numerous environmental INGOs operate extensive programs within China, including ActionAid, Greenpeace International, The Nature Conservancy, Conservation International, The World Wide Fund for Nature, and The World Conservation Union, while many other organizations based outside of China, such as International Rivers Network, River Watch East and Southeast Asia, Global Witness, and the Southeast Asia Rivers Network, transnationally collaborate with local Chinese NGOs. Many of these organizations are attempting to address China's transboundary environmental impacts such as regional deforestation and the impact of downstream hydroelectric dams.

The emergence of domestic civil society and transnational civil society is no longer surprising. What is new is the ability of these groups to help formulate and implement policy processes – particularly in a country such as China²³. The growth of NGOs, operating with greater political latitude and supported by a freer media, are providing a local-level 'linkage platform' for extra-bureaucratic alignment that was nonexistent only a few years ago. Transnational civil society actors, networking with local constituencies, are ever more able to exert pressure on a variety of traditional sources of decision-making authority in China. These developments all combine to

²³ Most theories of Chinese policy and decision-making focus on inter-bureaucratic obstacles (Lieberthal & Oksenberg 1998; Lieberthal 1997; Lampton 1992; Ma & Ortolano 2000), in contrast, particularly given China's increased participation in global environmental affairs (Economy & Oksenberg, 1999; Oksenberg & Economy, 1998), recent international engagement by bilateral, multilateral, NGOs and INGOs has increasingly influenced policy innovation within China. Zusman and Turner assert the activities of these organizations have "enhanced communication and coordination among China's bureaucracies and empowered [domestic] non-state actors in the environmental policy-sphere" (Zusman & Turner, 2005).

promote greater public awareness of environmental issues, which in turn place additional pressure on China's leadership to tackle transboundary ecological challenges.

Implications for China

A new globalized world, changed and reformed notions of the nation-state and sovereignty, and a plurality of actors in an increasingly networked world have profound and considerable implications for China. It will become difficult, if it has not already, for Chinese leaders and authorities to remain outside of this evolving process. China has historically affirmed (and in many regards still does today) that domestic affairs, whether in the management of the environment, human rights or economic policy, are solely an internal matter and exclusively the jurisdiction of the Chinese government. However, China today cannot maintain total and exclusive control within its own borders. Whether through transnational civil society, international organizations or the Internet, its borders are now highly porous, and a state-centric world of Foreign Office cooperation and interaction is, even for a state such as China, no longer relevant. Of course, this process is multi-directional and China therefore also affects others through its direct and indirect actions, including its growing soft power. Ultimately, the way in which the world responds to China is crucially dependent on the way in which China responds to the world.

Crafting an effective and coherent governance framework is perhaps the greatest single challenge facing China today: how to tackle corruption, budget transparency, the qualification of local level officials, and an array of issues related to upward and downward accountability. However, in addition to domestic governance challenges,

Chinese leadership must better adapt to managing and governing in a globalized world. While China faces domestic pressure, from its own pluralistic society placing increased demands on the state to provide it with effective public services, particularly over environmental management, China must now manage regional and global bureaucratic structures that are evolving into a set of arrangements over which it has decreasing control.

China, like other countries in the Mekong Region, faces a challenge regarding the expansion and reallocation of the power ‘above’ the nation-state (via international organizations and multilateral agencies) and ‘below’ the sovereign state (through increased growth of domestic, regional and international civil society actors). If China’s transboundary and transnational environmental problems are to be effectively tackled, China and other countries must quickly recognize that potential solutions are most likely beyond the ability of the single state in the sense that no any one country has the ability or authority to manage or govern the entire region. Moreover, China, as horizontal networked arrangements of non-state actors continue to gather strength and influence by interacting with the constituent parts of China’s own bureaucracy and non-state sector, must recognize that regional environmental governance is dependent on more than just the state. At the same time, these external ‘extra-bureaucratic’ actors need to recognize and better appreciate the complexity of China’s bureaucracy, which controls how it can address and manage environmental challenges²⁴. The Chinese will not always be a willing partner in this disaggregation process, but as this dissertation demonstrates, in sometimes it has no choice.

²⁴ Refer to chapter six for detailed information on the challenges associated with China’s internal bureaucratic structure and how it can interfere with environmental policy implementation and enforcement, both domestically and internationally.

Part IV: Contribution and Organization of the Study

Intellectual Merit and Broader Impacts of the Study

First, this dissertation offers a more refined understanding of environmental governance in relation to the growing role and influence of non-state actors. Historically, the word “governance” was used synonymously with the word “government.” Today, the notion of governance encapsulates coordinated activities of both state and non-state actors; within the environmental realm, it includes specific arrangements that address ecological interdependence. The concept of governance is important because it allows us to move beyond historic boundaries of the formalized state-centric apparatus toward a more integrated, comprehensive and diverse set of actors that cooperate, formally or informally, with state actors.

Since governance incorporates an array of actors, it allows us to conceptualize the scope of cooperation and the diverse forms of networked arrangements within the Mekong Region, particularly in explaining China’s growing involvement in the region. Crafting an effective and coherent governance framework is perhaps the greatest single challenge facing China today. The Chinese leadership must better adapt to managing a modern market economy that fully recognizes a pluralistic society that places increased demands on the state to provide it with effective public services, including environmental management.

Second, this dissertation dissects traditional models of organizational and bureaucratic behavior to highlight how inter-organizational horizontal networking increasingly contributes to, and can improve the policy-making process. This contribution is important given that non-state actors, including transnational civil society

and multilateral agencies, increasingly engage and collaborate in networked configurations across nation-state boundaries.

In the twentieth century, hierarchical government bureaucracy was the predominant organizational model used to deliver public services, craft and implement policy goals (Goldsmith & Eggers, 2004; Perrow, 1986). However, increasingly complex societies today are forcing a shift in how the general public is governed – in particular, through non-state configurations that question the authority and unitary dominance of the state. The management of the public sector is changing, ultimately requiring governments to achieve policy goals that are increasingly dependent on how government agencies engage and manage external partners.

The changing character of traditional bureaucratic forms is highly relevant to the policy-making process in an international system, where nation-states were historically key players that are undergoing a period of dramatic transformation. A key component of this new disaggregating governance structure relates to how organizations collaborate in the form of networks. Organizational arrangements that resemble networks more than hierarchies or markets are becoming more visible (Slaughter, 2004; Williamson, 1991). Thus an examination of inter-organizational networks is necessary to better understand the implications of the increased presence of networks in the policy-making process.

Specifically, this study analyzes how transnational civil society advocacy organizations and networks along with multilaterals, working in collaboration with Chinese non-governmental and governmental actors, can impact Chinese environmental policy processes, and how these networks contribute to regional environmental governance in circumstances that have historically been dominated by overriding

concerns about state sovereignty. Practically, this study identifies mechanisms by which an array of non-state actors can contribute toward making environmental policy more effective and ultimately adaptive.

Third, since China borders on more nations than any other country in the world²⁵, and is an established and growing threat to global environmental sustainability, this research should be applicable to a variety of agencies and institutions seeking to ameliorate China's environmental impact. As China continues to integrate into the global economy and polity, international efforts to influence domestic environmental reforms in China will increase. However, the reverse is also true: as China becomes more integrated, it will in turn seek to influence international environmental negotiations and exercise its growing power over these negotiations. Therefore, as a growing collection of multilateral development agencies, regional governance institutions, and local and international NGOs seek to engage with China's policy and decision-making apparatus to address regional and global environmental challenges, this dissertation will provide tangible mechanisms to enhance such engagement.

Finally, this research provides four well documented cases, drawn specifically from the Mekong Region that will add to the growing store of information and knowledge on transboundary environmental governance.

²⁵ China, although the world's third largest country in terms of land mass, borders on 14 other nations including: Afghanistan, Bhutan, India, Kazakhstan, Kyrgyzstan, Lao PDR, Mongolia, Burma, Nepal, North Korea, Pakistan, Russia, Tajikistan, and Viet Nam. Russia is second, bordering on 12 other nations, and Brazil is third, bordering on nine other countries.

Epistemological and Methodological Approach

This qualitative study employed a case study research design utilizing an interpretivist epistemological approach. Unlike the positivist paradigm that embraces the classic ideas of experimental logic, cause-and-effect, and the scientific method (Jacobson, 1993), the interpretivist paradigm attempts to understand how people make interpretation the basis of meaning. Interpretivism not only acknowledges but respects multiple perspectives and the inevitable complex interactions of social constructs. The interpretivist enterprise engages the researcher to interpret their life experiences and their meaning from an emic perspective in order to understand them.

Methodologically, this dissertation employs a cross-case comparative research design. Case study research design is an established form of methodological inquiry and analysis (Allison, 1971; Brady & Collier, 2004; King, Keohane, & Verba, 2004; Merriam, 1997; Patton, 1990; L. E. Susskind, Jain, Ravi K., Martyniuk, Andrew O., 2001; Yin, 2003). Like any other research strategy, it is a way of understanding a problem utilizing a set of specified procedures. Case study research is not merely a data collection tactic or a design feature; rather, it is a comprehensive research strategy. While trade-offs exist, including the loss of statistical generalizability and theory testing ability, case studies are nevertheless useful when a researcher seeks to understand a particular situation or problem in great depth. In this situation, case study analysis can provide great insight into particular phenomena.

All primary data gathered for this study was purely qualitative. While quantitative data were utilized, they were obtained from secondary sources. The research was conducted in four inter-related phases, comprising a total of fourteen months of

primary data collection in China and the Mekong Region. The four phases included: 1) pre-dissertation field research and familiarization; 2) additional follow-up field research with case study selection; 3) final field research and data collection; and 4) cross-case comparison and analysis. Appendix III provides detail on my case study selection process.

Organization of the Dissertation

Chapters two through five present four empirical cases from the Mekong Region. Each case specifically examines the socio-political interaction between China and its neighbors with regard to the management of shared natural resources. The four cases presented provide a new and improved understanding of how China and its constituent components interact with non-state actors, formally and informally, through non-traditional horizontal aligned arrangements. While this dissertation focuses specifically on environmental management and governance, it is nonetheless instructive for how China may respond to other transnational challenges such as the drugs trade or the AIDS epidemic. China is being drawn into this emerging system of governance, which has profound implications not only for domestic policy and decision-making purposes, but for the Mekong Region, Asia and the world as a whole, given that much of what China does affects the rest of us.

Chapter two examines how China's environmental non-state sector collaborated with transnational civil society to oppose the proposed hydroelectric dams on the Nu River. Chapter three analyzes transnational civil society's opposition to China's timber trade with Burma and how they sought to influence central level decision-making

processes. Chapter four examines how and why China independently proposed the creation of a transboundary biodiversity management scheme under the auspices of the Asian Development Bank when it was under no obligation to do so. Chapter five reviews China's shifting participation in and engagement with the Mekong River Commission. Chapter six then examines the collective findings from all four cases and connects them to a general theory of networked governance for the management of shared natural resources. Finally, chapter seven provides prescriptive policy recommendations, targeted at non-state actors to strengthen engagement with China, and reviews areas for possible future research to advance the study of networked governance.

Chapter Two: Proposed Hydroelectric Dam Cascade on the Nu River

To get rich is glorious.

Deng Xiaoping

The State Environmental Protection Administration says the Nujiang is a free river... ... so they say we should leave one full free river to the next generation! I feel this is very sad this argument – to leave one free river! In other words – all other Chinese rivers are not free! That’s true – all rivers are blocked by dams or reservoirs (Interview 70, 2006).

University Professor Interview in Beijing
20 June 2006

Part I: Background

Introduction

The first case focuses on the proposed construction of a proposed hydroelectric cascade on the Nu River, Southeast Asia’s last free-flowing international waterway, and the subsequent effort of Chinese non-state actors and transnational civil society to halt the project. Overall, the case is emblematic of China’s ongoing challenge to balance economic growth with environmental protection, the blurring of roles in public-private partnerships, the state’s oftentimes inadequate decision-making, approvals and compliance processes; and ultimately how China must develop a modern system for environmental governance.

This case demonstrates that the Chinese non-state environmental sector, supported by transnational civil society organizations, was able to place the environmental consequences of unbridled development and associated opaque decision-making squarely

onto the central Chinese government's policy-making agenda. The combined actions of domestic and international non-state actors resulted in a temporary halt to the proposed Nu River hydropower dams. Furthermore, the case helps to demonstrate that domestic and transnational non-state actors can mobilize across the borders of even quasi-authoritarian states such as China to influence domestic decision-making.

This case satisfies the first criterion of ecological interdependence; it involves a transboundary natural resource, originating within China's territory and flowing across the political boundaries of downstream Thailand and Burma. It also satisfies the second criterion of socio-political interdependence, given the wide array of domestic non-state actors and organizational networks that got involved, connecting and collaborating with transnational civil society organizations and networks operating outside of China.

Among the four cases presented in this dissertation, the Nu River case presents the most complex latticework of horizontal networks aiming to influence Chinese governmental decision and policy-making.

The data collected for this case are used to measure two things. First, whether domestic Chinese environmental non-state actors and transnational civil society actors are able to influence Chinese decision-makers, and if so how. Second, which barriers, if any, were present in this case that highlight why China may not want to engage in the management of shared natural resources. Primary and secondary data for this case came from 38 informant and key informant interviews, plus five triangulation interviews. In addition, data were obtained from domestic and foreign media reports from 2003 to 2007.

Four major themes were identified that help to explain how the Chinese state manages shared natural resources. These include the changing role of domestic Chinese

environmental non-state actors and their role in promoting and improving environmental governance; the emergent role of transnational civil society actors in internal Chinese governmental decision-making processes; how ‘regionalization’ via horizontal networking has grown in importance and how this is contributing to the erosion of absolute sovereignty in China’s decision and policy-making; and fourth, the disjointed bureaucratic system that makes coherent and effective implementation of environmental policies extremely difficult.

Key Stakeholders

China Huaneng Group and Huadian Corporation

The proposed Nu River dams would be constructed by the Huadian Corporation²⁶, which is a subsidiary of China Huaneng Group, China’s large independent energy producer. Huadian is considered a wholly state-owned enterprise (SOE) approved by the State Council, which was formally owned by the State Power Corporation of China (Dore & Yu, 2004). One of the greatest challenges in China is the often unclear or blurred boundaries between what is ‘public’ and ‘private’. For example, the China Huaneng Group is managed by Li Xiaopeng, the son of former Prime Minister Li Peng, who oversaw the massacre at Tiananmen Square and was the driving force behind the development of the Three Gorges Dam (InterPress Service, October 12, 2004). This is highly problematic given the nepotism involved and the subsequent potential for

²⁶ Additional information can be found on: <http://eng.chd.com.cn/channel.do?cmd=show&id=475>

corruption²⁷; the linkage of government officials and ‘private’ sector interests to earn large sums of money may outweigh the environmental or social concerns of a project.

Transnational Civil Society Organizations

Some of the transnational civil society organizations involved in the campaign to stop the dam project were International Rivers Network (based in Berkeley California), Three Gorges Probe (based in Toronto Ontario), Southeast Asia Rivers Network (Chiang Mai, Thailand), and Rivers Watch East and Southeast Asia (virtual network platform). As described later in this case, these organizations actively networked with local Chinese non-state environmental groups to influence the decision-making process over the Nu River dams.

Chinese Non-State Actors

The environmental sector in China has witnessed a significant boost in its relevance and importance over the past decade (Ho, 2001; Shapiro, 2001; G. Yang, 2005) where some of the most visible non-state organizations today specialize in environmental issues. Environmental non-state actors have become increasingly visible players in China’s environmental politics (G. Yang, 2005). Environmental non-state interests in China are seen by the state to provide a valuable role in educating the Chinese populace about environmental issues. However, while the Chinese state is increasingly agreeable to engage the environmental non-state sector, this has historically been restricted to areas perceived to be non-threatening. The central government has encouraged the growth in

²⁷ Additional information on China’s energy reforms and business competition can be found at *Yunnan Hydropower Expansion: Working Paper*, written by John Dore and Yu Xiaogang, and *Powershed Politics: Yunnan Hydropower under Great Western Development* by Darrin Magee, *The China Quarterly*, 2006.

environmental organizations to help the state enforce pollution control and conservation policy goals, but these actions rarely challenge or even question official government environmental management and policy decisions²⁸.

The key challenge is related to ‘non-traditional’ non-state environmental actors, those groups that focus on policy development and reform. The Nu River hydroelectric project is one such example. Numerous Chinese non-state groups, based primarily in Yunnan Province and Beijing, questioned the central, provincial and prefecture governmental level planning and decision-making process and subsequently played a critical role in raising public awareness (see media section below) and getting the dams suspended.

Although the dynamics of change and interaction between state and non-state actors continue to improve, China is far from creating real space for civil society to flourish. China often insists the rise in the non-state sector represents an important change in the state’s evolution (Qiusha, 2002). However, recognizing that these non-state organizations may begin to make policy demands on the state, the government has sought to control their operation and sphere of influence, from how they are officially registered to where they can work (Qiusha, 2002).

International and Chinese Media

Both international and domestic media played an important role in this case. Internationally organizations such as *The New York Times* and the *British Broadcasting Corporation* raised the profile of this case from the outset and helped alert local citizens,

²⁸ For additional background on opportunities for citizen participation in China refer to *Managed Participation in China* by Yongshun Cai, *Political Science Quarterly*, Vol. 119, No. 3, 2004, pp. 425-451.

non-state organizations and transnational civil society groups about the development plans.

The growing role of China's media is another important factor influencing public opinion. The state has encouraged the media to develop programs and publish articles focused on the environment (Turner, 2003); the result of which has been not only greater public awareness of environmental issues, but also increased monitoring of private sector activities. While the media is generally free to report local level environmental problems and criticize local government authorities, they tend to avoid overt condemnation of nation-level agencies and policies.

An intriguing cross-fertilization between the environmental non-state sector and journalists is taking place; in some cases, journalists have even gone on to create their own environmental organizations²⁹. The combined efforts of the grassroots environmental sector and media reporting on ecological issues can jointly promote increased public environmental awareness, which can subsequently pressure China's decision-making apparatus (at all levels) to better balance economic growth with sustainable development (G. Yang, 2004a, 2004b).

UNESCO

The United Nations Education and Scientific and Cultural Organization (UNESCO) became an important stakeholder in this case when, in 2003, it designated the geographic region where the Nu River flows as a World Heritage Site. However, given the dam cascade proposal along with its opaque planning process, in 2005 UNESCO was

²⁹ Ms. Wang Yongchen is perhaps the best known example of this. She is a senior report for China National Radio and in 1994 co-founded China Green Earth Volunteers, which now has an estimated voluntary membership of 50,000 people.

forced to issue a formal warning to central government authorities that any dam construction within the World Heritage area would place the site on the list of World Heritage sites in danger.

Government Stakeholders

Some of the key government stakeholders in this case include Beijing based SEPA, the Yunnan Provincial Government, and the local Nujiang Prefecture Government where the dams would be constructed. SEPA, from the outset, as the government agency responsible for China's environmental oversight and the enforcement of environmental impact assessments (EIAs), has expressed reservations regarding the planning of the proposed cascade since 2003. However, SEPA is generally considered a weak agency within the Chinese bureaucracy, and is of equal rank to Yunnan Province, therefore could not impose or enforce its decisions on the province. Provincial and prefecture leaders openly supported the construction project as this would bring a valuable source of income generation to one of China's poorest provinces.

China's Dam Building Agenda

Millions of people worldwide are facing serious threats to their livelihoods and cultures from the construction of large dams. Intended to boost economic and social development, these projects have led instead to impoverishment, degraded environments and human rights violations. An estimated 40-80 million people have been forcibly evicted from their lands to make way for dams. Evidence shows that these people have

often been left economically, culturally and psychologically devastated (Dore & Yu, 2004; International Rivers Network, 2004a; World Commission on Dams, 2000).

In November 2000, the World Commission on Dams (WCD) released a highly critical report showing that dams have generated less power, irrigated less land and supplied less drinking water than projected (World Commission on Dams, 2000). Significant social and cultural impacts overlap the resettlement planning and environment impact assessment activities that are part of dam development. For example, the communities that must be resettled are seriously disrupted; communities which must host those being resettled are strained; and competition for land and natural resources is heightened in resettlement areas. Furthermore, resettled communities often must change their means of livelihood and resettled communities suffer material hardship particularly if they are poor (Fuggle & Smith, 2000).

China is a case where dam construction has been pursued with particular vigor. The key drivers for dam construction are China's increasing thirst for energy, political and diplomatic concerns related to energy security, China's 'Go West' strategy designed to modernize its poorer Western regions, and the breakup of the state monopoly that once dominated electricity production in China.

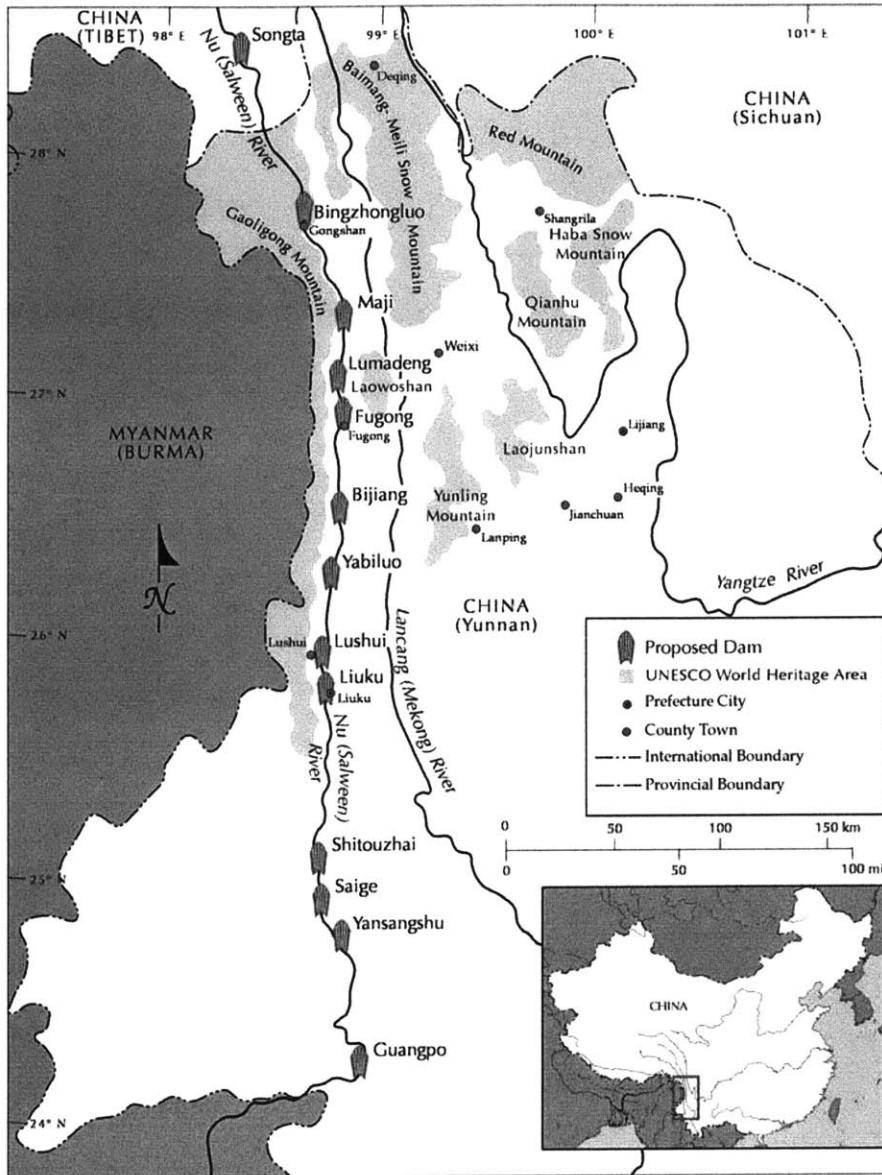
Today there are more than 20,000 large dams (higher than 15 meters) in China, more than in any other country in the world. In most cases the dams have had destructive social consequences including the forced resettlement of over 10 million people (International Rivers Network, 2004a). The Three Gorges Dam is perhaps the most infamous of dam construction projects in the world, the subject of intense and bitter international debate. Upon completion it will be the world's largest hydroelectric project

with its main walls reaching 185 meters high and stretching almost two kilometers across, creating a 600 kilometer long reservoir (Qing, 1998).

The Nu River Dams

One of the most recent and contentious cases of dam building in China is on the Nu River located in a remote part of Yunnan Province. In 2003 the Chinese government and private sector interests released plans to construct a cascade of 13 hydroelectric dams on the Nu River to harness the river's power to satisfy China's growing energy demands. The Huadian Corporation, in collaboration with the Nu Jiang Prefecture government, submitted and received initial approval to construct a cascade of 13 dams throughout the Nu (Dore & Yu, 2004). The entire project, which could take more than a decade to construct, will generate more power than the colossal Three Gorges Dam and displace tens of thousands of local residents (Buckley, 2005).

Figure I: Location of the Proposed Nu River Dams



Source: International Rivers Network. <http://www.irn.org/>

The Nu River, known as the Nujiang in China and the Salween in downstream Burma and Thailand, is one of the last free-flowing transboundary rivers in Asia. The Nu is located in an area known to be one of the richest temperate regions of the world, containing over 6000 different plant species and believed to support over 50 percent of China's animal species. The river flows from glaciers in Tibet down a 300 kilometer

gorge in China. Critics argue that damming the Nu will spoil one of China's few pristine natural environments, and threaten communities, wildlife and biodiversity located downstream in Southeast Asia. The Nu is known as China's 'Lost Eden' because of the pristine environmental conditions found in one of the world's deepest canyons. Given the region's unique ecological and biological qualities, the site was declared a Natural World Heritage Site by UNESCO in July 2003 (UNESCO, 2003). In the Nu's mid and lower reaches, the total drop is 1,578 meters over a distance of 742 kilometers, which makes the river an ideal location for hydropower plant development (China Daily, April 29, 2004; www.nujiang.ngo.cn, 2004).

Although the Nu project is well known to different constituents in Yunnan and China, it gained international attention when *The New York Times* published a front page article highlighting how the proposed dams will threaten one of China's most sensitive environmental areas, protected as a UNESCO World Heritage Site, and displace as many as 80,000 people, mostly ethnic minorities (Yardley, 2004b). Until publication of this article the situation of the Nu River had barely been noticed outside of China's borders. Following extensive debate among multiple stakeholders, including numerous domestic and regional non-governmental environmental organizations, on April 1, 2004, China's Premier, Wen Jiabao, ordered a temporary halt to the proposed Nu River dam project (Yardley, 2004a). Wen demanded an environmental impact assessment of the hydropower project be undertaken before any construction could begin. The Premier stated that environmental considerations and objections must be reviewed and fully assessed before the project can commence (Yardley, 2004b). Wen's order was

considered highly unusually given China's preference for placing economic growth above environmental protection.

Multiple stakeholder groups with substantially different interests over how the Nu River should be managed are present in this case. Some of the key stakeholders include the private company that will construct the hydropower dams; local ethnic communities who would be subjected to resettlement; the Nu Jiang Prefecture and Yunnan Provincial Governments that argue the project should move ahead because the tax revenue will provide jobs and raise incomes in one of China's poorest regions; SEPA, the national government authority responsible for environmental oversight in China; UNESCO, the United Nations agency that declared the area a World Heritage Site in 2003; and local Yunnan research agencies and universities.

The underlying premise of this case is that in order to effectively develop local or national environmental policies, Chinese decision-makers must include a larger set of stakeholders more meaningfully in decision-making. Each stakeholder group has social, cultural, economic and/or political interests related to its use of the Nu River. To a great extent, these interests are incompatible. The proposed construction of the Nu hydropower dams did not consider the diverse interests of the stakeholders involved, and it was the intense public debate among these groups that contributed to the temporary construction halt ordered by Premier Wen that is still in effect today. The most important factor affecting the Premier's decision-making process to temporarily halt the proposed dams was the extensive role domestic and international environmental civil society played.

The focus of this case is not about how to best protect the natural environment, the social welfare of marginalized groups, or whether hydropower development should be abandoned for alternative forms of energy generation. Through an analysis of the Nu River case, this case specifically examines the role and influence of domestic, regional and even international civil society actors over Chinese government decision and policy-makers. This case analyzes a unique, but increasingly common, situation in which national policy-makers must recognize that the ‘public’ is no longer defined solely by domestic interests, priorities and political boundaries.

This case is particularly unusual given the highly public debates taking place on websites and other forms of media throughout China, as well as the access non-state groups are now afforded to interact with transnational civil society organizations. Furthermore, the Nu River controversy has now emerged as a test of Chinese government’s openness and environmental planning priorities, further stressed after the release of the state’s latest draft five year development plan that urges a halt to environmental destruction, while still pushing for rapid economic growth. The government is now squarely caught between balancing development and conservation concerns, while seeking to preserve social stability.

Part II: Stakeholders Engage

Given the complexity of this case due to the large number of stakeholders in different countries, this section chronologically describes how they engaged in the Nu River project. It highlights the role Chinese environmental non-state actors and

transnational civil society organizations played influencing decision-making processes within China.

Phase I: Hydroelectric Dams Proposed

Energy demands of China's rapidly industrializing economy have soared in recent years, outstripping available supply making China's leaders nervous about how to satisfy future energy needs (Dore & Yu, 2004; Three Gorges Probe, 2004). The *China Daily* quoted Zhang Guobao, vice-minister of the National Development and Reform Commission, stating that "China will require a power supply of 11,000 billion kilowatt hours by 2020, needing generating units with a total capacity of 2,400,000 megawatts (China Daily, October 19, 2004). As China, and Yunnan in particular, further integrates into the economic and social 'corridor' of the GMS, and beyond into Southeast Asia, there will be increasing pressure to develop and exploit the natural resource base in Yunnan to provide impetus to the regional economy. Aggressive hydropower expansion is a part of China's national development plan and energy strategy (Dore & Yu, 2004).

The Huadian Corporation, in collaboration with the Nu Jiang Prefecture government, submitted and received initial approval in mid 2003³⁰ to construct 13 hydroelectric dams throughout the Nu (Dore & Yu, 2004). The primary goal of the project is to generate additional electricity to satisfy China's rapidly growing energy demand. The proposed dams would have a total generating capacity of 21 million kilowatts according to state media reports (China Daily, April 29, 2004; International Rivers Network, 2004b; Shanghai Daily, 2004). This figure represents 30 percent more

³⁰ The exact date when approval was granted is not known. Reports in various newspapers indicate it was sometime in mid 2003.

generating capacity than the massive Three Gorges Dam (InterPress Service, October 12, 2004). The dams would be a joint venture between the Yunnan Provincial government and the Huadian Corporation, a subsidiary of the power giant China Huaneng Group, the country's largest independent power producer (InterPress Service, October 12, 2004).

The Nujiang prefecture government is eager to build the dams, believing it is the only way to lead the region to economic prosperity. Over 10 million people from at least 13 different ethnic groups including the Nu, Lisu, Shan, Wa, Kayah and Arakan rely on the Nu River to support their livelihoods (SEARIN, 2004b). The region, with high mountains covering almost the entire area, is one of China's poorest regions, with the majority of the people in the prefecture area eking out subsistence lives³¹. In the Nujiang prefecture, 92 percent of the population is composed of ethnic minorities.

The director of the Nu River Power Bureau, Li Yunfei, was quoted in Hong Kong's *Ta Kung Pao* newspaper on April 9, 2004 stating "Our government, together with the 490,000 Lisu minority people living in the canyon, are looking forward to a chance to becoming well-off, just like the rest of the country" (International Rivers Network, 2004b). However, in order to construct the proposed cascade of 13 hydroelectric dams, estimates range that approximately 50,000 (Shanghai Daily, 2004; Yardley, 2004b) to 80,000 (InterPress Service, October 12, 2004; Interview 05, 2006) local ethnic minority inhabitants will have to be relocated.

³¹ The annual per capita income averages only 925 yuan (USD \$113), far below the 2002 national average of 2,253 yuan (USD \$ 272) for rural inhabitants (Shanghai Daily, 2004), compared to 14 864 yuan for Kunming residents (Statistical Bureau of Yunnan Province, 2003).

Phase II: Chinese Environmental Non-State Actors Engage

As the Nu hydropower project proposal became clearer in the early months of 2004, the development planning process entered into the public domain – beyond the narrow collection of officials and business operatives that had been initially engaged. Given the growth in the environmental non-state sector in Yunnan Province³² over the last decade, particularly the increased visibility of ‘activists’ employing more assertive engagement tactics in the Nu River hydroelectric controversy. Yunnan’s environmental non-state sector quickly acted to raise awareness not only throughout Yunnan, but across China, to inform the general public of the proposed hydroelectric dams and the potential environmental and social consequences the construction project might have on the region and its residents.

Environmental organizations based in Yunnan and Sichuan Provinces, as well as in Beijing, were instrumental in campaigning against the Nu River dam project by convening public seminars, speaking on radio and TV talk shows and petitioning Chinese government leaders and the National People's Congress, the country's top legislature. These groups, including Green Earth Volunteers and Friends of Nature based in Beijing; Green Watershed in Yunnan, and Green Kangba and Green Rivers Environment Promotion Society in Sichuan; engaged the Chinese public to educate people about what they charged would be the negative consequences of the proposed hydroelectric development.

³² Although considered to be one of best developed regions in China for non-state actors to operate, it is critical to highlight that the non-state sector in Yunnan is still in the process of maturing. The sector has been the recipient of significant international donor attention that led to its robust development through the introduction of new methodologies such as participatory rural assessment, ongoing institutional capacity building, and foreign educational training. Despite this engagement, it has taken more than a decade for the fruits of donor’s interventions to take root. Nonetheless, this has created a climate for growth and is responsible for the vibrant action of the numerous non-state organizations working in the province today.

These environmental organizations were particularly effective in mobilizing Chinese media to take up and promote their cause. In recent years the media has been able to publicly discuss environmental degradation and pollution issues and even criticize the government with increasing freedom (Economy, 2004b; Nielsen, 2004b; G. Yang, 2005). Ms. Wang Yongchen, a leading senior environmental reporter with China National Radio, with over 500 million listeners, argued that although the legal system may not be able to effectively address environmental problems, the media is now in a position to create public awareness to mobilize action (Nielsen, 2004b). In the case of the Nu River project, Wang reported widely on the issue including the specific actions that Chinese environmental organizations were taking. Furthermore, in early March 2004, Central China Television (CCTV) prepared a 45 minute television documentary that highlighted the Nu debate; the program was shown nationally three times during prime time (Dore & Yu, 2004).

Green Watershed, a local environmental non-state organization based in Kunming, the capital of Yunnan Province, was instrumental in raising public awareness of the Nu project. In November 2003 Green Watershed used its regular environmental networking forum to share information about the Nu project, raise public awareness, and stimulate debate (Dore & Yu, 2004; Nielsen, 2004a). The forum engages local citizens and provides a forum for public participation. In particular, the activism of Green Watershed was specifically featured in the nationally televised CCTV documentary program.

In addition, on May 24, 2004, Green Watershed facilitated a unique exchange between residents from the Nu valley area and residents from the area where the Manwan

dam was constructed on the Lancang River. Construction began on the Manwan dam in 1986 with the promise of improving the livelihoods of local residents. Although it brought significant economic benefit to the Yunnan power company and government coffers at the central, provincial and local level, none of these gains were realized by local residents. The purpose of the meeting was for local Nu valley residents to hear personal accounts by other dam-affected people in China of how they were negatively impacted. Residents from the Manwan dam area offered personal accounts of how they were displaced after the dam was built, left with no land to farm and how their per capita income dropped significantly. After spending two days listening to the Manwan migrants, the Nu valley residents had a clearer appreciation of how the Nu dams could negatively impact them and their future. The forum was an opportunity for ‘horizontal’ learning, sharing and exchanging.

On June 30, 2004 a group of 43 representatives from 23 environmental non-state organizations and research organizations from across China participated in a symposium on dam development and biodiversity conservation. Afterwards, the participants drafted a letter³³ to the 28th Session of the World Heritage Committee³⁴, which was being held the same weekend in Suzhou city located in Jiangsu Province, to call on the Committee to act in response to the proposed dam developments on the Nu River. The signatories argued that dams will destroy the authenticity of the World Heritage Site and called upon UNESCO to take decisive action. In addition, the letter included lessons learned from the

³³ Refer to

<http://www.mekonginformationcenter.org/yinwenxiaoye/egmainpage/egjingqihuodong/aletter.htm> for a more detailed description of the letter.

³⁴ Refer to http://www.china.org.cn/english/features/woeld_heritage/98948.htm for additional background information on the 28th World Heritage Committee.

construction of the dams on the Mekong and Jinsha Rivers, emphasizing that the large dam projects on these rivers created serious environmental and social impacts.

In August 2005 a broad coalition of Chinese non-state organizations sent an open letter - signed by 61 organizations and 99 individuals³⁵ - to the Chinese Government calling for public disclosure of the Nu environmental impact assessment report, arguing that this is required under China's EIA laws.

At this stage the issues had been prioritized, a policy agenda had been set, support had been secured from key government agencies, and the decision had been made to build 13 dams on the Nu River. However, as the project progressed cracks began to emerge in the policy-making process.

Phase III: Transnational Civil Society

In the proposed Nu River hydroelectric project, numerous NGOs and international organizations based outside of China became actively engaged. All of the external non-Chinese organizations and networks engaged in the case can easily be described as members of transnational civil society. Some of the transnational organizations involved include the International Rivers Network (IRN), Oxfam America, Greenpeace International, Conservation International, River Watch East and Southeast Asia (RWESA), and the Southeast Asia Rivers Network (SEARIN). Each of these organizations directly supported domestic Chinese non-state actors, networking with other China or GMS-based organizations, coordinating international petitions or raising international awareness via the media in different countries. It is unrealistic to assume

³⁵ The original appeal was signed by 61 groups and 99 individuals, but according to a news release by Three Gorges Probe (refer to: <http://www.threegorgesprobe.org/tgp/index.cfm>) it has now been endorsed by 87 Chinese organizations and 380 scientific experts, environmentalists, journalists and other individuals.

civil society in authoritarian states, at least in the short-term, can instigate change on their own. However, transnational advocacy organizations, working with local Chinese non-state constituents, were able to impact the Nu River process. The following accounts provide evidence of this.

On December 16, 2003, the Southeast Asia Rivers Network (SEARIN), an environmental NGO based in Chiang Mai Thailand, sent a petition³⁶ signed by 83 organizations from Thailand and Burma to China's ambassador to Thailand, copied to Thailand's Minister of Natural Resources and Environment. The petition specifically requested that the Chinese government suspend the project immediately and "before making decisions on the dam projects, there should be consensus among the riparian countries on the terms of environmental and social impact assessments, ... and reparation or compensation for negative downstream impacts. Environmental and social impact assessments should be comprehensive, including meaningful public participation, and should be carried out according to international standards³⁷."

On January 28, 2004, the International Rivers Network (IRN), a California based nonprofit organization of activists that supports communities working to protect rivers and watersheds, sent a letter to Francesco Bandarin, Director of UNESCO's World Heritage Centre, expressing serious concern over the proposed Nu hydroelectric project, noting that nine of the 13 proposed dams fall within the World Heritage Site. On 17 February, 2004, Bandarin responded to IRN, with copies sent to the Chinese Permanent

³⁶ Refer to <http://www.searin.org/Th/SWD/SWDletE2.htm> for a copy of the petition.

³⁷ Letter written by Mr. Chainarong Sretthachau, Southeast Asia Rivers Network, Chiang Mai, Thailand on 16 December 2003 to China's Ambassador to Thailand entitled "Petition to China for 83 Organizations from Thailand/Myanmar on Upper Salween Dam".

Delegation to UNESCO and the Chinese National Commission for UNESCO, stating they would take the matter up directly with the Chinese authorities³⁸.

On March 4, 2004, IRN sent a petition to the President of China, Mr. Hu Jintao, to express their serious concerns about the development of hydroelectric dams on the Nu River³⁹. IRN requested that the Chinese government suspend the project immediately in the UNESCO World Heritage area. In addition, IRN indicated that if the “Chinese government wants to construct dams on the Nu River outside of the World Heritage Area, that comprehensive environmental and social impact studies be completed before construction and implementation, to determine if the projects are economically, socially and environmentally acceptable” (International Rivers Network, 2004c). The unique aspect of this letter was not only did it originate from a non-Asian based NGO; it included signatures from 76 organizations representing 33 different countries on six continents. The Nu River hydroelectric development project was clearly no longer a domestic policy issue for China. The petition specifically stated the signatories were deeply concerned that the decision to proceed “is being made without consultation with downstream riparian residents” (International Rivers Network, 2004c).

In October 2005 another open letter, this one coordinated by Salween Watch, a Thai NGO based in Chiang Mai – signed by 30 Burmese and 50 Thai organizations – was sent to the Chinese authorities urging them to fully disclose the Nu River EIA to the public, including the downstream publics located in Burma and Thailand.

³⁸ Refer to <http://www.nujiang.ngo.cn/Chinese/Docs/Cat08/017.doc> for a copy of the letter sent by Director Bandarin to IRN.

³⁹ Refer to http://www.irn.org/programs/nujiang/nu_hujintao_letter.pdf for a copy of the letter sent from IRN to President Hu Jintao.

In July 2, 2003 UNESCO inscribed the Three Parallel Rivers, of which the Nu River is one, as a World Heritage Site, due to its biological importance to the global community. Based on the concerns raised by domestic and transnational civil society actors, UNESCO sent a team to the Nu River area in April 2006 to investigate the status of the dam construction plans, reported mining activities in the area, and general threats to the World Heritage Site. Following the visit, the investigation team was ultimately not satisfied with China's protection measures for the World Heritage Site and in October 2006, UNESCO threatened to remove the Three Parallel Rivers from the World Heritage listing if the Chinese government continued with dam development plans (Toy, 2006). A Chinese Ministry of Foreign Affairs spokesman, Liu Jianchao, in response to a question from a journalist at a press conference held⁴⁰ on April 6, 2006 regarding the joint UNESCO IUCN investigation to inspect the ongoing project work at the Nu River World Heritage site, stated:

China insists on 'science-based' development... we should also consider the possible impacts of relevant construction on the environment during the process of economic development. We should minimize the impacts on the environment. ... For transboundary rivers, we will also consider the interest of the people in downstream countries. We will not do anything harmful for the downstream countries.

Summary Outcome:

Based on the active engagement of domestic environmental non-state organizations based in China, NGOs in Thailand, civil society and international groups from around the world, as well as international media coverage particularly from the

⁴⁰ This information was provided by Mr. Kevin Li on the Nu-Salween google group on April 07, 2006. He noted the official English version <http://www.fmprc.gov.cn/eng/xwfw/s2510/t244864.htm> omits this quote. For the original Chinese version refer to: <http://www.fmprc.gov.cn/chn/xwfw/fyrth/t244637.htm>.

influential *The New York Times* and the *British Broadcasting Corporation*, on April 1, 2004 Wen Jiabao, China's Premier, ordered a temporary suspension to the 13 proposed Nu River hydroelectric dams. The Premier's action signaled a rare response from a non-democratic government that historically had little interest in the environmental impacts of large infrastructure projects or the actions of non-state organizations. Wen ordered a major review of the proposed hydropower project. He was widely quoted calling for balanced development that minimizes environmental and social damage, and that the large dam plan should be reviewed and decided scientifically (Watts, 2004; Yardley, 2004a). The Premier stated that hydroelectric projects such as the proposed Nu River dams have aroused a high level of concern in society (Yardley, 2004a).

Environmental groups from around China and throughout the world quickly praised the Premier's decision stating that his action demonstrated a positive shift in how China can balance economic development with environmental and social concerns. For example, Greenpeace International submitted a letter⁴¹ to Mr. Wen expressing gratitude for the suspension of the controversial project and argued that a more integrated approach to development must be pursued in order to benefit local communities. The letter was also intended to let the Chinese leadership know that Greenpeace was aware of the dam proposal and would be willing to further address the matter if necessary.

Despite long-held government assurances that preparatory work had not begun on the dam project, it was not entirely clear this was true. In early February 2006 I personally visited the Nu River Valley travelling with a group of Chinese journalists and non-state organizations. While the visit was officially promoted as an opportunity to see

⁴¹ Refer to http://www.greenpeace.org.hk/eng/document/Gerdletter_Wen_Nujiang_04_04_15.pdf for a copy of the letter written by Dr. Gerd Leipold, Executive Director, Greenpeace International.

one of China's last unspoiled natural areas, the real reason was to clarify the current status of the hydroelectric project. During this trip⁴², based on visual observations and informal conversations with foremen and workmen representing Beijing National Power Corporation, China Hydropower Exploration Institute and Beijing Design Institute, I determined that feasibility and exploration studies were indeed proceeding⁴³ (Interview 02, 2006; Interview 04, 2006; Interview 05, 2006). Throughout my journey along the Nu River I observed numerous pontoon boats that were used to drill holes into the river bottom up to 200 meters in depth to conduct stress tests on the bedrock. In addition, I sighted numerous large drill holes along the canyon walls that were part of geological stress tests. Both tests were designed to determine whether the canyons rock walls could support the proposed dam walls. Three informants informally interviewed all indicated that at least three of the dams had been formally approved by the central government. At the same time, one very well placed Chinese non-state informant who has high level contacts within the Chinese central bureaucracy in Beijing, indicated that as of January 2006, SEPA had not yet given approval (Interview 08, 2006).

In March 2007 the Minister of Water Resources, Wang Shucheng, formally denied any construction had already begun and stated that Beijing would put the hydroelectric project on hold until after the government reshuffle scheduled for the following year (J. Ma & Jiangtao, 2007). Moreover, Wang stated that the original plan to build the cascade was initiated exclusively by electricity authorities and had never been approved by the central government. The Minister was clear that the project had not been

⁴² Photos from the proposed dam sites can be observed at: <http://www.threegorgesprobe.org/TgP/NuRiverGallery2/index.html> Note that although I did not take these photos, I observed identical scenes during my own trip to the Nu River in February 2006.

⁴³ The workmen informed me that the exploration studies began in March 2005.

cancelled, merely delayed. His comments, as reported in the South China Morning Post, indicate that the central government remains tacitly committed to the dam project since the plan was not completely rejected.

However, despite the Premier's direct order to halt construction, the Ministry of Water Resources announcement that the project had been suspended, and the threat from UNESCO to remove the Nu River from World Heritage Site status, it remains far from certain how long this delay will last and ultimately, whether the project will go forward given the diversity of views held by various stakeholders within China.

Part II: Themes

Four primary themes were identified following an analysis of the primary and secondary data I was able to collect. These frame China's level of commitment to the management of shared natural resources: 1) China's environmental non-state sector is not only maturing, but also evolving, becoming more assertive and focused on decision-making transparency, and ultimately contributing to China's domestic and international modes of environmental governance; 2) transnational civil society organizations have a role to play in supporting Chinese environmental non-state actors, and subsequently influencing policy-making processes; 3) networked processes that are neither market-driven nor hierarchical are important; and finally 4) addressing cross-border environmental problems will remain a challenge due to the lack of clarity within the Chinese bureaucracy in allocating spheres of responsibility.

Theme 1: Evolution of Chinese Environmental Non-State Sector

Chinese environmental non-state actors have become more assertive in their demands and their interest appears to be slowly shifting from a preoccupation with specific environmental management improvements toward a more general questioning of how environmental decisions are made.

Governments and businesses no longer hold a monopoly on environmental decision-making. Civil society has emerged as a ‘third force.’ The growing role of non-governmental groups is one of the most changes in environmental governance today (Tamiotti & Finger, 2001; UNDP, UNEP, The World Bank, & WRI, 2003; Wapner, 1995, 1996). This sector has the ability to shape public opinion, provide new information, and mobilize political action.

In China, the current context for non-state organizations is extraordinarily complex (Qiusha, 2002; Ru & Ortolano, 2004). The attitude of the state in many ways determines the ‘political space’ in which non-state organizations exist and operate and is still limited, while the ‘economic space’ (based on the need to reallocate resources) has opened sufficiently for these same groups to flourish. Even though the growth of the non-state sector has surged in the last few years (China Development Brief, 2001; Economy, 2004b; Ho, 2001; G. Yang, 2005), the state remains the most important and decisive factor in the development of the non-state sector. The state has so far appeared unwilling to release fully independent, bottom-up social forces. However, this is likely to evolve further as China continues to open its economic, social and political borders.

The environmental sector has witnessed a significant increase in its relevance and importance over the past decade (Adams, 2005; Ho, 2001; Shapiro, 2001). Some of the

most visible non-state organizations today specialize in environmental issues. This respondent, who works for a foreign relations think tank in the United States, suggests:

I think that the environment has been by far...it's been at the forefront of civil society development. And I think the level of interaction with the international community is probably greater than on any other area. I mean I know that there's been some on public health. But I think the number of public health NGO's is fewer, the issue has always been considered more sensitive, the environment has been sort of the golden...the golden child, I think (Interview 03, 2005).
pg. 3

Some scholars argue that these groups have emerged in response to current environmental conditions and increased levels of 'environmentalism' in China (G. Yang, 2004a, 2004b). Others argue they have arisen due to China's environmental history and the lack of respect Chinese people have toward the environment (Shapiro, 2001), and still others argue the environmental non-state sector has evolved, even flourished by some accounts, because the state does not view their activities as socially threatening and the government appears fully aware of the need to educate the 'masses' (China Development Brief, 2001; Ho, 2001). The fact remains that they exist. And, they are striving to improve environmental conditions in China. However, in the case of China, civil society remains under the watchful eye of the state, and its actions can quickly be curtailed, even repressed.

The Chinese leadership has become increasingly aware that it cannot solve China's massive environmental challenges alone (Economy, 2004b). This, in part, explains why the state has opened the political space for non-state actors to become increasingly involved in China's environmental politics (G. Yang, 2005). These

organizations assist the government in four primary ways. They 1) promote public environmental education; 2) act as ‘watch-dogs’ for local and central government environmental bureaus; 3) conduct environmental policy research; and 4) undertake local-level conservation projects. While the non-state sector continues to face significant state imposed controls⁴⁴ (Saich, 2000b, 2001b), its continued growth nonetheless “represents an important new development in state-society relations” (pg. 97) (X. Zhang & Baum, 2004). While the central government has encouraged the growth of non-state environmental organizations to assist in enforcing pollution control and conservation policy goals, historically these actions rarely challenge official government management and policy decisions⁴⁵.

In the Nu case, while different government bureaucracies remain locked in a policy bargaining process⁴⁶, a new factor responsible for influencing state decision-making is the increasingly assertive behavior of a growing array of grassroots non-state organizations. Supported by state media, the environmental non-state sector mobilized to raise awareness within the Chinese public and encouraged discussion of the potential environmental impacts of the hydroelectric dams. This represents a significant change in the level of China’s internal political tolerance when only fifteen years earlier journalist

⁴⁴ While economic and political reforms have altered China’s mode of interaction with the public at large, and provided greater ‘space’, and subsequently legitimization, for societal interests, the state continues to largely define how non-state interest can operate. For example, all non-state organizations must become legally registered with a state agency that agrees to ‘supervise’ their activities. In liberal democracies, civil society is relatively independent of the state and enjoys more or less complete freedom to act and promotes its interests where state intervention is limited. One key example of why scholars argue China did not have a fully functioning and independent civil society or public sphere was in the aftermath of the 1989 Tiananmen uprising non-state groups were unable to “regroup and reassert themselves”; this then helped to explain why China had more of a corporatist model of state-society relations. However, I argue that given the recent rapid growth in ‘grassroots’ organizations, the corporatist model has less currency.

⁴⁵ For additional background on opportunities for citizen participation in China refer to *Managed Participation in China* by Yongshun Cai, Political Science Quarterly, Vol. 119, No. 3, 2004, pp. 425-451.

⁴⁶ Refer to theme four later in this case study for additional information on the challenges associated with China’s internal policy-making process.

Dai Qing was imprisoned for raising concerns about the Three Gorges Dam.

Nonetheless, it is the more ‘activist’ oriented organizations that concern China’s leadership since they are pushing the boundaries of advocacy within China (Ho, 2001). While the state is willing to promote public environmental education and ‘watch-dog’ functions (over private firms), it is less accommodating to efforts to question its own decision-making.

One key change in how the environmental non-state sector, often working in collaboration with Chinese media, is becoming increasingly assertive and less concerned about causing offence to the government. While the actions of the environmental non-state sector initially focused on stopping the proposed hydroelectric project on the Nu River, as the advocacy campaign progressed an interesting shift took place. Many organizations became less concerned with the actual environmental outcome and began to focus their efforts on transparency in environmental governance. For example this key informant from a Chinese activist oriented non-state organization stated:

There are many NGOs in Beijing and we want public hearings (Interview 02, 2005). pg. 5

Just a few years ago, the idea of public hearings on environmental matters would have been deemed ludicrous; the political risk would have been too great and the repercussions too severe. However, as the Nu River project progressed into 2004 and 2005 the journalists and non-state actors involved began engaging directly with the Chinese public to build support. They argued that decision-making processes should no longer take place exclusively behind closed doors, with management plans simply presented after decisions were made (or in many cases not at all). The non-state sector

began calling for the engagement and involvement of affected stakeholders as well as the public in general. While this is common place in some developing countries, it represents a watershed in China.

Along with the calls for greater transparency and inclusive decision-making, came a gradual shift in how many of the individuals and organizations involved in the Nu controversy actually conceived of the environmental problems and challenges facing China. Rather than focusing on specific management or abatement concerns regarding pollution or water quality (although these still remain important), constituents began to place environmental issues within a more political framework. The environment became politicized. Components of China's environmental non-state sector now view the environment as a "social construction," that is, as a cause, something that, in addition to requiring public hearings and consultation and participation, ought to be an arena for debate. The following respondent, who works at a US-based foreign affairs think-tank, raised the following point:

...all of the discussion of social justice surrounding dams. That is a very new argument that's being made. ...this kind of language, discourse, in quotation marks, is new to China. And so what I find interesting is... I mean that kind of interaction is quite striking to me because that's clearly taken from the rhetoric of say International Rivers Network, right, very directly. And that you never saw going back into the 1990's, when we were doing this kind of work, in the late 1990's. This is very new (Interview 03, 2005). pg. 2

The environmental non-state sector, in part, was using the Nu River project as a way to promote social welfare within China. The proposed project was becoming less about dam construction, environmental degradation or China's energy strategy, and

shifting, albeit slowly, toward the politics of the environment. These new activists were now speaking publicly about local people's rights, resettlement plans, decision-making processes, transparency of government policy, and open public dialogue – for China this was a radical transformation.

The same respondent cautions that the non-state sector is now pushing boundaries of advocacy that may not necessarily be welcomed by the State. It is perfectly acceptable to promote environmental education or recycling, and the investigative actions of the non-state sector in rooting out environmental corruption in the private sector or lower level administrative units is even tolerated. However, when the decision-making apparatus of the government is brought into question, this may result in unwelcome scrutiny.

I think the greater danger rests in, you know, whether or not the central government, whether Beijing perceives these NGO's ever to be pushing the boundaries in ways that it doesn't like. Right, so that if they ever feel as though, you know, these NGO's are linking up with other NGO's, whether there's a movement that they feel could somehow push the boundaries in terms of broader political reform threatens in those senses (Interview 03, 2005). pg. 3

The largest challenge facing the environmental non-state section in China is to maintain a careful balance between pushing the state toward greater reform, improved transparency and associated open decision-making processes, and not over-stepping the bounds of acceptable advocacy efforts. No matter how vocal or concerted the campaign against the Nu River plans, it remains a single case. However, the actions of the environmental non-state sector do appear to indicate a positive change both in how the

non-state sector is maturing and how the state has demonstrated a greater willingness to accept their input into environmental policy and decision-making.

Theme 2: Role of Transnational Civil Society

The second theme this case highlights is the growing role and importance of transnational civil society organizations and advocacy networks in China. The world has become more ‘global’ and inter-connected in recent years. Networking among different actors has become increasingly common (Brown, 2002; Kaldor, 2003; Mathews, 1997). Domestic and international non-governmental actors are critical components of this dynamic. Transnational advocacy networks are the most influential configuration of non-state actors (Khagram, 2004; Khagram et al., 2002). Networks are sets of actors linked across country boundaries, bound by shared values, dense exchanges of information, and common discourses (Keck & Sikkink, 1998). International and domestic NGOs play a prominent role in these networks (Kaldor, 2003; Keck & Sikkink, 1998). Keck and Sikkink argue it is international and domestic NGOs that “play a central role in all advocacy networks, usually initiating actions and pressuring more powerful actors to take local positions. NGOs introduce new ideas, provide information, and lobby for policy changes” (Keck & Sikkink, 1998).

In the case of the Nu River hydroelectric project, numerous NGOs and international organizations based outside of China became actively engaged. ‘Public’ was enlarged to not only incorporate the Chinese domestic public, but downstream ‘publics’ in Thailand and Burma, and the even larger ‘public’ that is composed of the readers of *The New York Times* and the international advocacy partners of International

Rivers Network, Greenpeace and Oxfam America. The key stakeholders of the hydroelectric project increased to include all of the stakeholders active in phase I and II, UNESCO, various downstream NGOs, the general public in Thailand, international non-governmental organizations outside of Asia and their respective audiences.

The expanding role of non-state actors, including NGOs and international NGOs, have become highly influential over state policy-making processes (Florini, 2000; Keck & Sikkink, 1998; Wapner, 1996, 1997). Chinese government agenda-setters and policy-makers did not anticipate and subsequently address the domestic opposition to the Nu River hydroelectric project led by non-state organizations, nor did they recognize the importance of external non-governmental and other international groups and their ability to influence a domestic policy agenda. The additional external opposition and advocacy groups that emerged were able to exert additional influence of the domestic policy-making process and were, in collaboration with domestic non-state actors, able to force the Chinese government to rethink its position, at least in the short-term, on hydropower development in the Nu River valley. Given the intense public and media pressure exerted on the Chinese government, the bureaucratic system was not able to sustain their initial decision and implementation was pushed off the political agenda altogether⁴⁷.

In the Nu River case transnational civil society organizations and advocacy networks provided a number of important roles. First, they were instrumental in raising international awareness about the proposed dams and the associated potential environmental impacts. This respondent, who works for a transnational civil society

⁴⁷ Although beyond the scope of this case study, transnational advocacy and linkage can be seen as a potential force to promote democracy, or at least more participatory decision-making in China. Transnational advocacy is still a new process to China and its effects remain to be fully understood.

organization actively involved in this case, specifically highlights the role that International Rivers Network, a California based NGO, played in terms of bring the Nu River case to the eyes and ears of a wider public beyond China's own borders:

... IRN took a lead in like securing international signatures... This is over the Nujiang, and the letter requesting the dams be stopped. So, and the Chinese groups I've spoken to say actually that was the letter that led to the premier saying "Stop until the EIAs have been done." So, I mean, that was an example of a *successful* action, even if it's only intermittent. It's not something which is permanent. And it also shows how international pressure can be brought to bear on the Chinese government, for what it's worth. I mean, in that case, if the Chinese groups' understanding of the dynamics which led to the dams being prevented, at least for the time being, is correct, then it shows that the government considers itself part of an international community, and is susceptible to these sort of influences (Interview 114, 2006). pg. 8

A second important role that transnational civil society played in the case of the Nu River was to help link or connect the 'local' with the 'international' and visa versa. In many instances, international groups, via their own networks of members or partners are able to quickly and easily share or distribute the grassroots or local problem to a larger more global oriented audience. This helps not only raise awareness, but more importantly to push, for example, external donors or governments to advocate for change. In addition, the experience of international groups or networks from other locations can be transferred to the local context in another country, which may provide valuable new examples, information or experience that was lacking. The following two quotes illustrate this, the first from a Western informant working for a transnational civil society

organization based in Thailand, and the second from a Thai informant working for a Thai NGO based in Bangkok:

But, I think, in this sense, the role of the regional organizations like [name of organization] would be to frame and contextualize national-level efforts. So, but, again, I don't want to separate this from working with local campaigns. ... That's so that then the experience and information that's generated can be fed back down into local groups, and then vice versa local groups feeding information into those regional-level issues. So, we – it's synergistic (Interview 114, 2006). pg 16

I think we have to work on every level. I think this is very important to make a linkage between the local groups, regional and international, you know. The strategy is around that, and I think we have to gain...be able to gain the analysis of the different levels. We are not...nobody knows more than others, but for the problems that happen in the Mekong region, I always think that you cannot solve it alone (Interview 01, 2005).

A third important function of transnational civil society is to provide support to local actors, organizations or networks. This support can come in the form of financial assistance, training, technical backstopping or information. This following respondent, who works for a transnational civil society organization, provides an account of how they provided advice to local non-state environmental groups in China on how to engage with the government and promote their cause. This organization had similar experience on fighting against dam construction in other countries and was able to provide rich examples and strategies that were successful (or not) that the Chinese groups could utilize:

In terms of legitimacy at the *national* level, as I was discussing before, it's very much a question of supporting local movements, and what they want. In whatever way we can support them, whether it's technical expertise, or we provide grants and funding... We can provide advice where it's appropriate ... So, I mean, that would be our role, and our legitimizing role is to provide that sort of contact to local groups when we're thinking at the national level. And then to enable those groups to find support from other groups that have – have experience in these things, where there's not experience (Interview 114, 2006). pg. 7

A respondent representing a Chinese environmental non-state organization was clear on the contributions transnational civil society can bring to China in terms of capacity building, but cautioned that transnational exposure is very new to China and their plan of work needs to be approached realistically:

...but through this activity [regional civil society engagement with Chinese non-state actors], the community can be mobilized and more, you know, people participating and NGO participation. So from a civil society, capacity building, advocacy perspective there are many progress, many, you know, good impact. But to finally stop dam may not successful, may not successful to stop the dam. So how to stop dam still need...stop the bad dam, still need kind of more work. (Interview 02, 2005). pg. 4

An additional factor important to note is that while transnational civil society organizations are increasingly engaging with China and Chinese non-state actors, the reverse is also true. More and more local actors and organizations are taking the first steps to reach outside of China's borders to either seek assistance or support. As this respondent, who works for a US think tank, highlights many international foreign

organizations arrive in China and set their own agenda; however, this approach appears to be evolving:

And the Chinese sought out help. They sought out help. I mean, which I think is interesting and important too. Cause you know, in many cases of international non-governmental activity in China is...you know, the international community coming in and trying to bring...like the case of Environmental Defense right, or National Resources Defense Council, the kind of work that they do with energy efficiency, they're pulling the Chinese along with them. That's not to say that there aren't interested parties, but by and large they're doing about 95% of the effort. They're the ones reaching out and trying to bring about change. I think in this case [the Nu River], to my understanding, it really was, you know, the Chinese going out and seeking help as much as it was the international community coming in and saying this is an issue (Interview 03, 2005). pg. 7

Transnational civil society organizations and networks brought a variety of important resources and benefits to Chinese non-state organizations working on the Nu River case and all respondents indicated that the transnational civil society organizations have a role to play in China. However, a number of key challenges were also stressed. First, the actual association between Chinese non-state actors and foreign civil society organizations can be fraught with risk. In the following example, a respondent representing a Chinese environmental non-state organization in Beijing, highlights that the opponents, such as hydroelectric companies, to Chinese non-state collaboration and even interaction with external civil society was based on the belief that these 'outside' influences were attempting to stop China from developing, trying to hurt the Chinese economy, and damage the interests of Chinese citizens. The barbed criticisms of private

sector interests have, in some situations, particularly over political and/or socially sensitive arenas such as water governance, led Chinese non-state organizations to approach any cross-border association with foreign civil society in a cautious manner.

...this is about strategy, basically, you easily got attacked for collaborating foreigners... it's basically those pro-dam scholars or dam builders, the NGOs are all very vulnerable to this. ... So in my view, we should try to limit this sort of very obvious collaboration because the conditions are not right for that (Interview 84, 2006).

Another challenge highlighted by respondents, although this did not appear to be the case in the Nu River case specifically, was the issue of 'agenda' (Morton, 2004). Is the agenda of the transnational organization congruent with that of local organizations and networks? Is the transnational civil society organization or advocacy network pushing or imposing a particular external view or agenda on a local situation that is not valuable, correct or relevant? Often when international groups enter into China (or any other developing country) bringing financial resources and the opportunity for foreign travel, local organizations may be more readily willing to adopt an agenda that was not their own. In this situation the local reality can become skewed in favour of an external groups own interests or agenda. However, in the Nu River controversy, in my view, this was not as serious as some Chinese respondents indicated. The respondents that highlighted this issue, in my assessment, appeared to be more concerned with how the authorities might view their association with external civil society groups, rather than what the foreign groups were actually advocating.

One of the things that we have been talking about as well is the role of China as a international actor, and its claim that it will be a responsible actor. So, this is something else that we'd like to pursue. But, then there's – there's a difficulty between international campaigns and whether they would be congruent with local campaigns, because, in some ways, or some Chinese groups feel that it's negative to put across the image of an NGO as a radical organization, because that undermines *their* position within China, on the one hand. On the other hand, those sort of campaign tools work very well in the West, in terms of highlighting some of the negative aspects of China's external relations, and trying to like name and shame it into taking better, more responsible policies. So, that's another possible route (Interview 114, 2006). pg. 5

A final worrisome challenge is that association with transnational civil society can lead to the curtailment of local non-state operations. In general, the scale of international linkage and networking among Chinese and international organizations continues to grow, and in most circumstance attracts limited attention by the state, but in some cases, particularly over politically sensitive issues such as water governance, this association has led to negative outcomes. This respondent, a representative of a US think tank organization, provides this account:

The incredible engagement by international non-governmental organizations in China. I mean everybody wants to be there. People feel they have to be there either for what's happening in China on the ground or for what China's doing to the environment globally, the impact China's going to have. So I think this kind of back and forth has just been extraordinary. So that's what I...and in many respects it's been fairly, you know, open. I mean I guess we have the case of Yu Xiaogang, right. Which is not a very happy case now. He can't travel abroad and all these kinds of things and that again I think shows the sort of

fearfulness of the state, still, right (Interview 03, 2005). pg. 2

In general the majority of transnational civil society organizations operating in China, with field offices on the mainland⁴⁸, tend to be cautious in their approach to addressing controversial issues. For instance, the July 2007 closure of the China Development Brief confirmed that while China's central government has tolerated such organizations, limits clearly exist. The China Development Brief produces an English and Chinese language newsletter that monitors and reports on a wide range of issues in China including environmental protection. While INGOs can and do provide crucial information and help in detecting and addressing important issues such as consumer rights, corruption and combating environmental degradation, China's senior leaders have expressed concern that foreign organizations, in collaboration with local non-state actors, could lead to the emergence of 'color revolution'⁴⁹, within China's own borders. This recent decision to shut down the China Development Brief, which is foreign managed, but domestically staffed, could reflect the central governments concern regarding the role and influence of foreign organizations operating in China. This respondent, who is the leader of a Chinese environmental non-state organization, provides this account:

I mean, most of the time we see that the INGOs are very cautious, very cautious. For example, those INGOs operating in Yunnan, most of them don't say a word about the dam issues... or they are being used as tools by the local governments saying that look they

⁴⁸ This is an important distinction. Organizations, for instance such as Greenpeace, while generally known as an assertive advocacy organization have modified their engagement strategy for China, in part, because they have a physical presence on mainland China. This is true for World Wide Fund for Nature, ActionAid, World Conservation Union, and The Nature Conservancy who also have offices on the mainland.

⁴⁹ This refers to Western-backed social movements that have contributed to political upheaval and regime change in locations such as the Ukraine, Georgia, Kyrgyzstan and Lebanon.

are major international NGOs, they support us
(Interview 84, 2006). pg. 12

Within the INGO and transnational civil society communities respondents indicated a gradual shift has taken place, whereby individual organizations utilize a less confrontation or aggressive modus operandi and now opt for a dialogue process. This key informant, a representative of a transnational NGO with offices around the world, including Southeast Asia, stated the following:

So, in the past, it's been more of a direct action group. And it seems to be moving now more towards engagement like in the dialogue process, which, I think, it –that parallels the Civil Society movement as a whole. I mean, you've still got direct action groups, but there's a lot more engagement in dialogue processes... (Interview 114, 2006). pg. 1

While transnational civil society has made bold strides in furthering various causes around the world, including many developing nations, work remains to be done to effectively engage with decision and policy-makers in a one party quasi-authoritarian state such as China. Transnational organizations such as Greenpeace or International Rivers Network, historically confrontational in nature, have modified their advocacy approach within China in order to be more effective. In this situation, transnational organizations still have important roles to play, but in a more 'behind the scenes' manner. One respondent (Interview 114) stated that one of the key ways in which transnational organizations operating in China has been via providing financial, logistical, intellectual, and in some cases even emotional support to local Chinese non-state organizations. In

addition, transnational organizations often provide information and knowledge that may not be readily available to Chinese groups.

Overall, what emerged from this specific theme is that transnational civil society and their associated advocacy networks matter, even in places such as China. Domestic groups did receive support from transnational groups, in particular through international awareness raising efforts, although perhaps less so in terms of financial contributions or capacity building. However, what is perhaps most important, beyond the specific campaign outcomes, although tentative, over the Nu River, is how the interaction between transnational and local affects political opportunity in China and the region. Local organizations, although geographically dependent, are usually under political constraints. In the Nu river case, the collaboration and interaction with transnational actors, whether informal or not, assisted many of these groups to operate and find their ‘voice’ within China’s political context. I view this process, although emergent, as one such mechanism that can provide and even increase opportunities for China’s citizenry to act.

Theme 3: Role of Networking and Regionalization

The third theme that emerged from an analysis of this case was the growing value and importance of non-state networks and networking in the Mekong Region and China’s increased linkage to the region via these non-state networks (refer to chapter two for additional background on networks and non-state advocacy efforts). This theme is closely inter-related with the second theme identified.

Growing networking configurations are composed of non-state, non-governmental entities including, but not limited to, NGOs, INGOs, foundations, donors, bilateral and multilateral organizations. Traditional government and public administration is built upon top-down hierarchal systems that stress vertical arrangements, in which the organization is based upon the ‘top’ directing the ‘bottom’ to accomplish its desired goal and objectives. However, the Nu River case demonstrates the growing role and influence of ‘networked’ governance arrangements that do not follow this typical vertical stepped or ladder arrangement. Instead, we uncover a ‘messy’ network of non-state actors built along horizontal pathways.

The importance of domestic network configurations among non-state actors was highlighted as an important feature toward improving environment governance systems within China, primarily to stimulate open dialogue and encourage public participation over environmental decision-making. As highlighted in chapter two, my definition of governance embodies a multiplicity of actors, including the non-state sector. I asserted that governance is more than formal arrangements, including rules and norms, but how the interactions among different state and non-state actors guide the *process* of developing those same rules and norms.

So, for example, Wang Yongchen, a prominent Chinese environmental journalist based in Beijing, created the China Rivers Network after the controversy erupted over the proposed Nu River hydroelectric project. The network is a ‘platform’ for organizations and individuals across China to work together on river protection issues. The network focuses on sharing information, as well as improving collaboration and coordination among different groups. Some organizations have information, some have capacity,

while still others have human resources – the overall goal is to take advantage of these varied strengths in order to make the ‘whole that is greater than the sum of the parts’.

While the network is considered an informal coalition of actors, it nonetheless represents an example of how networking is becoming a growing force within Chinese civil society. Moreover, while not formalized or any way part of the formal state policy-making apparatus, the network was able to informally influence formal government arrangements.

In addition to domestic Chinese non-state networking arrangements, regional environmental civil society network configurations were also growing in stature on both informal and formal scales. One key platform utilized repeatedly by respondents to illustrate regional civil society networking was the Rivers Watch East and Southeast Asia Network (RWESA)⁵⁰. RWESA mobilized its regional networks of civil society constituents to raise awareness, marshal resources and stimulate action against the Chinese government development plans that would negatively affect not only its own citizens, but those living downstream. In addition to RWESA, numerous other regional networks operate in the Mekong Region including those facilitated by TERRA and SEARIN. This respondent, a representative of a transnational civil society organization, specifically reviews RWESA:

Perhaps a better example of regionalization is the RWESA Network. I mean, that also its own challenges, but it’s an example where these groups have come together and formalized some form of

⁵⁰ RWESA is a network of NGOs and peoples' organizations from East and Southeast Asia that works in close collaboration with environmental civil society organizations from around the world. The network goal is to stop destructive river development projects in East and Southeast Asia and to restore rivers to the communities who depend on them. The network currently consists of approximately 35 civil society organizations throughout Asia.

regional networking, and the potential for regional level campaigns (Interview 114, 2006). pg 18

In general, a growing recognition exists within China that the Mekong Region is increasingly inter-connected. The evidence from this case demonstrates that horizontal linkages have indeed become increasingly common and important with China. However, this next respondent, a former leader of an Asia-wide water governance program with an INGO, asserts the Chinese State is threatened by the increasing levels of horizontal network linkage. Clearly the States' concern indicates that these linkages are consequential:

I think everything is controllable to a certain extent and I think there's been efforts to control the horizontal connections... I think the state still wants to be the decision maker in the extent to which these linkages take place. Whether or not there is in the long run an unstoppable momentum, that's too difficult a question for me at this time of the night. But I think there's been visible interventions or you know, interventions by the state in the last few years where they've ... where even if people haven't received a formal ... warning, the people know that there are limits to what they can do⁵¹ (Interview 39, 2006). pg. 15

Although China has become increasingly engaged in regional and global processes such as multilateral environmental agreements, the state apparatus still remains hesitant and even somewhat uncomfortable with horizontal linkages and arrangements that are not entirely State oriented. This is likely a reflection of China's ongoing concern over social stability and its inability to exert control over society. Thus, the presence and exchange between domestic non-state actors, environmental or otherwise, with foreign

⁵¹ This respondent is referring to the case of Dr. Yu Xiaogang and his passport confiscation.

civil society actors in particular, is an obvious concern for conservative elements within government leadership circles. The same respondent states:

...when the Chinese state acts, I think its conception of regionalism is certainly a bit different and its sort of looking to engage with the states, that's quite a different, you know, that the state-framed regionalism vis-à-vis a regional community regionalism that sort of might be driven other non-state actors (Interview 39, 2006). pg. 14

This respondent, a former high ranking official at the Asian Development Bank in Manila, argues the increased levels of networking in the Mekong Region involving Chinese constituents is a positive development. This linkage, in parts, helps to address the environmental footprint China is having on the region by stimulating debate and dialogue outside of traditional government policy circles:

I think that in the Mekong region we've seen already that there's been a regionalization of the local groups as governments started to work together. And so that's – as the governments become more regional, civil society groups – as well as national civil society groups, is that of working more at the regional level as well. ... And I think that that trend will be extended with Chinese civil society groups reaching out to get synergy with international groups. And in the case of like the Mekong or the Nujiang/Salween, doing some of those sorts of campaigns together, and that's something that's a positive movement, because it makes it more regional, and it recognizes the transboundary impacts of China (Interview 112, 2006). pg. 9

However, external organizations and networks must recognize that the non-state sector in China is still in a process of maturation. While many non-state organizations

may be keen to link with transnational organizations and advocacy networks, others may be less willing given the challenges already highlighted in the second theme. The former leader of an Asia-wide water governance program states:

Chinese civil society actors that may be favorably disposed to linkages with other colleagues in the region, or the networks they are involved in, but that's fine, but you don't push. You can't push people too much. I mean they, you know you're hoping to foster good will and whatever else but you can't presume to know another person's context too much or you should be rather careful about presuming you fully understand another person's context and the pressures they may or may not feel and the way or may not impact on the space of the organization, their career opportunities, their whatever else... (Interview 39, 2006). pg. 16

Theme 4: Disjointed Internal Chinese Decision Making Processes

The final theme identified in this case study is the lack of internal bureaucratic clarity regarding decision and policy-making over national and international environmental management issues. This serious barrier directly impinges on the state's ability to address environmental degradation both domestically, but also cooperatively with other countries. In the case of the Nu River, divergent planning positions and interests between central and provincial level government agencies were responsible for the disjointed planning of the hydroelectric project.

This respondent, a professor at a Beijing based university, highlights the severe challenge facing China's policy-makers given the often very unclear decision-making process within China's bureaucratic system:

I think right now, in general, the Chinese government still in the pretty initial stage to understand environmental governance at different levels. ... I have several evidence to justify my observation, why both local and central government in China don't know quite well what should be their administration power. For example, what kind of environment should be managed or controlled by local, or what should be cared by the central government? That is number one. Number two is there is no very clear division about the environmental management; that is the environmental capital or finance. Both central and local government, you know, they don't know how to make efficient use of financial resources in dealing with environmental management (Interview 70, 2006). pg. 1

The next respondent, who works for a United Nations agency based in Bangkok, offers a similar view:

First and foremost, as you very clearly know, the Chinese bureaucracy is not homogenous. SEPA has objectives, priorities, desires, that are probably quite different from a lot of other institutions down there (Interview 25, 2006). pg. 13

While this respondent, who was the former leader of a regional water program for an INGO, provides the following assessment:

Clearly, there is, at least in my mind, some uncertainty as to the actual versus theoretical roles of Ministry of Water Resources, vis-à-vis SEPA vis-à-vis Ministry of Construction vis-à-vis [inaudible] vis-à-vis Yunnan government vis-à-vis parts of Yunnan government vis-à-vis Yunnan-SEPA or YEPB vis-à-vis Beijing SEPA ... and its not surprising that I don't necessarily understand it, but what I am surprised at is the extent to which maybe Chinese colleagues right in the middle of it aren't sure about it and don't have necessarily or

don't feel necessarily empowered to unpack it and get to the bottom of it (Interview 39, 2006). pg. 1

When China's leaders and decision-makers, at any administrative level, are confronted with an environmental challenge, in the majority of cases they do not understand how to manage the situation given the unclear division of responsibility, which frequently then leads to delays and subsequent accusations over which individual, office or agency should have been responsible from the outset. This respondent, a professor who works for a Beijing based university, summarizes the situation with the following statement:

At different levels – provincial, municipal and county – so that makes a lot of conflicts and misunderstanding about responsibilities. The central government is always saying the local government should take the main responsibility for pollution control – but who is local? When this policy going down to the provincial government, the provincial government says it should be local, and then going down to municipal, and then municipal says it should be county government... then county government says ok – it is the responsibility of the company!!! (laughing)... Then the company says we have no money, we have no capacity (Interview 70, 2006)!!! pg. 2

This respondent, a former leader of an Asian-wide INGO environmental governance programme, supported the former triangulation respondent by highlighting the lack of clarity regarding the division of bureaucratic responsibility over environmental management:

I'm often surprised at the lack of clarity between different actors in China as to who is actually leading and there is the formal and the informal. So regardless

of the formal way in which decisions might be made, there are also the informal, or there appears to be, very informal situations just as in any family or any society where people know that even though formally they may have a role, informally they are not to become involved or try to take a lead in a particular situation (Interview 39, 2006). pg. 1

He continues by stating the Nu River controversy is emblematic of China's disjointed decision-making structure:

Nujiang is one such example where the formal impact assessment process is ... might indicate that certain actors should have a role to play in the Nujiang decision making, but those actors are ... and different, when I say an actor we can say an organization or we can say an individual within an organization, you know. Certainly some individuals are unclear as to what agency they do or don't have. Some organizations are unclear as to what agency they do or don't have. Some sections within organizations are unclear as to what agency they do or don't have (Interview 39, 2006). pg. 1

According to respondents interviewed a variety of reasons explicate why China's bureaucracy is unable to address domestic, and subsequently, international environmental management challenges. Common constraints identified include a lack of financing for environmental management at all administrative levels, particularly at lower levels; weak human resource capacity to manage environmental challenges; and an overly simplistic understanding of the 'polluter pays principle' whereby higher level authorities simply argue that the local level government authority and/or private enterprise was responsible for the pollution, therefore they should pay to clean it up.

However, two more complex and salient challenges were identified. First, as reviewed, the central Chinese government itself is not very clear regarding its own responsibility over environmental management and governance, therefore compounding China's ability to effectively and coherently manage its international environmental footprint. So, for example, China has a poor record of managing transboundary rivers flowing solely between provinces inside of China, such as the Yellow or Yangtze Rivers; therefore it becomes even more complicated when a transboundary river such as the Nu is involved. With China's poor record of being able to coordinate inter-provincial river management regimes, its ability to participate in the management of a shared river basin becomes questionable. Second, China prizes economic development and growth above all other considerations, including the protection of the natural environment. Essentially China's natural resources have been severely degraded at the expense of economic growth with the view that the environment can simply be recovered following industrialization. In terms of the bureaucratic management within the Chinese system of evaluation and promotion, environmental management and protection was not considered, thus leaders and administrators were held solely accountable for promotion based exclusively on economic indicators, which frequently led to further environmental degradation.

Conclusion

In sum, the unique feature about this case is that domestic Chinese non-state actors in collaboration with transnational civil society organizations engaged over a transboundary natural resource and elicited a positive response from China's leadership.

The response is considered positive given the Chinese state i) reacted publicly; ii) reacted at the highest level of authority; and iii) ordered a temporary halt to the proposed dams given the concerns put forth by domestic and international non-state actors. Even though the issue was highly controversial and politically sensitive, domestic and transnational non-state environmental actors mobilized against China's traditional decision-making dominance. This is an example of how a non-formalized, non-regime based 'networked' arrangement engaged the Chinese state and garnered a positive response by policy-makers. Although the case remains in flux, it is nonetheless emblematic of the role and influence of domestic and transnational civil society forces to shape environmental governance processes within China and in relation to its neighbors.

China must recognize that as it strives to modernize it needs to provide an opportunity for all of its constituents to participate in its development. This means all stakeholders should be afforded the opportunity to share their concerns and participate in debate over decision-making that impacts the natural environment. Informed and meaningful public participation, facilitated in part by the burgeoning non-state environmental sector, can result in outcomes that are more effective and environmentally sustainable than those that do not. Ultimately through a less centralized and formalized single state management system, one reflective and responsive to the needs of a broad citizenry, specifically supporting the disadvantaged, will offer greater access to transparent decision-making and yield benefits for all parts of society – both inside and outside of the state.

Moreover, given the environmental permeability of political borders, this also case demonstrates a need to alter sovereign policy and decision-making models to

incorporate the more robust and integrated definition of 'public' is emerging. This reformed future planning model may not be something China, or any other country in the region, will necessarily be able to control. In the Nu River project, the local 'public', initially ignored by Chinese policy-makers, now extends to include the citizenry throughout Yunnan Province and the broader Chinese public at large, but also incorporates the downstream 'publics' of Burma and Thailand. The present outcomes of this case point toward the growing importance, value and power of 'networked' non-state arrangements operating across political borders to affect national decision or policy-making processes. The Chinese state is no longer a unity actor within its own borders; subjected to the pressures of an evolving, globalizing world, China's bureaucracy is now involuntarily relinquishing its absolute vertically controlled power. The cross-border interaction, information sharing, knowledge generation and norm shaping of transnational civil society are real. While this process is emergent, this case has nonetheless shown it affects China.

Chapter Three: China's Timber Trade with Burma

The mountains are high and the emperor is far.

Chinese Proverb

Part I: Background

Introduction

The second case study focuses on China's logging ban implemented in 1998 and the subsequent environmental impact this policy has had on other countries. Although the original intent of the central government policy was to halt environmental degradation taking place within China's borders, the unintended consequence of the logging ban was to cause significant, and in some circumstances profound, impacts on forested areas in other countries, particularly within the Asia-Pacific region. More specifically, this case examines the role and ability of transnational civil society environmental organizations, operating from both inside and outside of China, to exert pressure on the Chinese State apparatus to arrest unsustainable timber trade with Burma. Unlike the proposed hydroelectric dams on the Nu River (chapter two), this case is not prospective, but is causing destructive transboundary externalities today.

This case is important because the primary group attempting to address China's environmental footprint on forests abroad was transnational civil society. Although a few domestic Chinese non-state actors were involved, their focus has remained solidly on examining local level livelihood impacts caused by a domestic logging ban, so no linkages developed between Chinese non-state actors and transnational civil society

organizations⁵². In this case, research and advocacy efforts were led exclusively by transnational constituencies. While China's state apparatus has begun to respond by, for instance, making political announcements that the border trade will no longer continue, it has not yet altered its national logging ban policy, and it has not taken any meaningful action to halt China's timber footprint abroad. Moreover, the central state, while aware of its impacts on forests in other countries, has been slow to act in large part because trade in forest products, particularly in Yunnan Province, is conducted by local level governments and private entrepreneurs, entities that are frequently beyond the central state's control⁵³.

This case study demonstrates how transnational civil society actors can influence decision-making in a non-democratic state. It also presents an interesting example of how transnational actors have actively and, in some cases, successfully engaged the State on China's timber footprint, but how very few domestic non-state actors have become involved. While the logging ban has caused serious consequences for forest ecosystems abroad, particularly in Burma, it has also hurt local forest dependent communities in China. Yet local non-state groups have not taken up this cause the way groups did in response to the proposed hydroelectric dams on the Nu River (refer to chapter two).

The second case was chosen because it satisfies both selection criteria. Because it involves the flow of timber resources across political borders in Asia-Pacific countries from China, it involves ecological interdependence. It also meets the second criterion, socio-political interdependence, since it involves numerous transnational civil society

⁵² One key Chinese non-state organization involved in addressing the domestic impacts of the national logging ban is The Center for Community Development Studies based in Kunming.

⁵³ For additional information on China's policy-making and implementation challenges refer to chapter six.

organizations based both inside and outside mainland China employing a variety of techniques in an effort to influence Chinese government decision-making.

My goal is to measure the effectiveness of different strategies that transnational civil society organizations can use to influence the formulation and implementation of environmental policy. I have not concerned myself with the definition of what constituent's legal or illegal logging or trade, even though that is important, or with the quantitative aspects of how much timber is being traded, the human rights abuses that may be involved, or the extent of the environmental damage being caused to other countries' ecosystems.

All the transnational civil society organizations involved in this case are trying to address China's logging impacts on foreign countries in the Asia-Pacific region. None of the organizations interviewed are Chinese; however, the majority do maintain offices in mainland China, and most of their staff are Chinese nationals. The advocacy approach utilized to halt or mitigate China's international impact appears to differ depending on the geographic location of the organization, the nature of their linkages to Chinese governmental agencies, and the understanding of how China's internal bureaucracy operates.

Primary data for this case were collected using informant and key informant interviews conducted with 25 respondents and four triangulation respondents. However, the bulk of the data was gathered from nine key informants who represented or worked for the main transnational civil society organizations involved in this case.

China's Forest Policy and the Logging Ban

In October 1998 to help address increasing environmental degradation in China, the central government banned logging of all forests to halt deforestation (Yuexian, 2001). The logging ban was extended from nine provinces in 1998 to 17 provinces in 2000 (Lang, 2002). In 2000 the Natural Forests Protection Program (NFPP) was enacted to replace the logging ban and extend its coverage to include existing logging ban areas, logging controlled areas, and commercial forest management areas. The program seeks to protect natural forests, to restructure state-owned logging companies and wood processing manufactures, and to provide compensation to county authorities for lost revenue from implementation of the logging ban. The ban currently covers over 61 million hectares of natural forest area in China (Lang, 2002).

Contemporary debate regarding China's environmental challenges frequently centers on modern development patterns. Although China's current environmental difficulties can be attributed to present-day industrialization, it can be argued that during Mao Zedong's rule, China and its citizenry developed an unsustainable relationship with nature (Edmonds, 1998, 1999; Saich, 2001b; Shapiro, 2001). For example, forest policy was based on the idea that uniform environmental policies should be implemented across the entire nation despite its varied geography. Mao's environmental policies were applied in a 'one knife cuts all' approach in which the diversity and plurality of China's natural landscape was ignored, including the need for variation in local management practices. China's historical focus on timber production for economic development lead to overexploitation (P. Zhang et al., 2000).

Although the environmental sector in China has witnessed a significant boost in its relevance and importance over the past decade (Shapiro, 2001), the logging ban policy in China is an outcome of the state's failure to develop and/or implement effective natural resource management strategies⁵⁴. Logging bans, according to a recent comprehensive study conducted by the Asia-Pacific Forestry Commission in six Asia-Pacific countries, are evidence of management and policy failures. They "have become an expedient mechanism to prevent further damage and to allow for forest restoration" (Waggener, 2001).

The logging ban was implemented in 1998 and the subsequent Natural Forest Protection Program began two years later⁵⁵. Two primary environmental events motivated these actions – a 200 day drought in the lower reaches of the Yellow River in 1997 and major downstream flooding of the Yellow and Yangtze Rivers in the Northeast in 1998 (J. Xu & Schmitt, 2002). Over 3,600 people died as a result of the flooding (Lang, 2002). Although experts do not necessarily agree that upstream deforestation was the primary cause of the flooding (Hyde, Belcher, & Xu, 2003), there is general agreement that the practices of many state forest enterprises, including logging on steep slopes, were environmentally destructive.

⁵⁴ The exact reasons for the failure of state policy fall beyond the scope of this case study; however, specific details can be found 'Forests and Forestry in China' by S.D. Richardson, 1990.

⁵⁵ Although the ban was originally intended by the central state to control unsustainable practices in state forest areas, the ban has been overzealously, perhaps even arbitrarily extended by lower level government authorities, including Yunnan, into collective forest areas. This may have been encouraged by the subsidies of the former logging companies; allowing local government authorities to qualify for additional state financial support. This is particularly problematic in Southwestern China where the vast majority of forest areas are collective. Approximately 70 percent of forest areas in the Southwestern part of China are collective, whereas more than 60 percent of forest areas located in Northeastern China are state forest (Nielsen, 2003).

The primary focus of the logging ban and the subsequent NFPP was to halt commercial logging in all locations, including natural forests, and improve the management of forests on state forest land. The main target of the program is state-owned forest enterprises and the management of state forest land and an important component of the program is the use of subsidies to reorient these enterprises from forest exploitation to forest protection agencies. A temporary subsidy of the equivalent of US\$9/ha is available to former state forest enterprises for shifting to a protection/conservation mode of forest management (Lang, 2002). The high level of importance the central government placed on this environmental initiative is reflected in its investment of 17 billion RMB [over USD\$ 2 billion] between 1998 and 2000 for the NFPP. Timber harvests were reduced from 32 million m³ in 1997 to 23 million m³ in 1999 (P. Zhang et al., 2000). In 1998 Premier Zhu Rongji and President Jiang Zemin personally visited the flooded sites, highlighting the government's concern and prompting intense media coverage (Lang, 2002).

Primary Government Stakeholders

The Ministry of Commerce, the General Administration of Customs, and the State Forestry Administration are the primary government agencies theoretically responsible for regulating the timber trade⁵⁶.

Ministry of Commerce

The Ministry of Commerce⁵⁷ is the primary decision-maker in China regarding international trade policy and strategy related to domestic and international trade and

⁵⁶ The key transnational civil society stakeholders involved in this case are described later in this chapter.

international cooperation. Within the Chinese central bureaucracy, the Ministry is situated directly under the National State Council, China's supreme decision-making body and chief administrative authority of China, chaired by the Premier.

The Ministry has multiple responsibilities, some of which include: formulating strategies, guidelines and policies of domestic and foreign trade and international economic cooperation, draft laws and regulations governing domestic and foreign trade, economic cooperation and foreign investment, devise implementation rules and regulations. In relation to trade, the Ministry is specifically responsible for such things as regulating the import and export of commodities (including timber and timber products), issuing import licenses, formulating import and export planning and development strategies, as well as import and export controls. In sum, the Ministry of Commerce is responsible for all aspects of international trade; any other ministry in China that issues regulations related to trade must do so in cooperation with the Ministry of Commerce.

General Administration of Customs

The customs agency is the executive department responsible for monitoring and managing the import and export of commodities under China's customs laws. Key roles of the agency include, but are not limited to: monitoring and managing the import and export of cargo; the collection of tariffs and other taxes or duties; and combating smuggling.

⁵⁷ Additional information on the mission of the Chinese Ministry of Commerce can be found at: <http://english.mofcom.gov.cn/mission.shtml>

State Forestry Administration (SFA)

The SFA is also situated under the State Council within the Chinese bureaucracy. It is composed of 11 different departments with the overall mandate to sustainably manage China's forest resources. More specifically, the SFA develops guiding principles and policy for the development and conservation of forest resources, develops relevant laws and regulations, and is subsequently responsible for their nation-wide implementation.

These three Chinese government departments are theoretically responsible for regulating China's timber trade with foreign countries. While China has relatively comprehensive institutional arrangements to manage international trade, the challenge is that each agency on an individual basis has little incentive to combat the import of illegally produced wood. For instance, while the Ministry of Commerce is technically responsible for the supervision of all international trade, timber imports, particularly from Burma, compose a relatively small fraction of China's total imports⁵⁸ and therefore garner minimal attention. The customs agency is on the frontline of enforcement over the importation of goods into China; however, this agency does not view the monitoring of wood imports as a priority given competing demands. And finally, while the State Forestry Administration is clearly responsible for the management of forestry issues within China, the agency argues it is not responsible for forest activities taking place outside of China's borders. These agencies need to better collaborate in order to address China's international timber footprint, however, the incentive structure for them to do so remains weak.

⁵⁸ Information on China's forestry import statistics can be found at: <http://www.forest-trends.org/>

Transboundary Environmental Concerns

Large-scale illegal logging and forest extraction pose a significant threat to the integrity of ecosystems throughout the world and can undermine ongoing efforts to promote more sustainable development. Illegal logging has global social, ecological, and economic implications at all levels, from local communities that are directly dependent on trees and forests for their livelihoods, to national governments who utilize forest areas for economic purposes. According to interviews with staff members at the Food and Agriculture Organization's (FAO) Forestry Department the root causes of illegal logging are deep, complex, and extremely varied (Interview 21, 2006; Interview 46, 2006). Without active concerted effort on the part of the international community, national governments, non-governmental organizations, and local communities, sustainable forest management will not be achieved.

The domestic environmental benefits of China's logging ban, although not yet fully evaluated, appear to have been positive, dramatically reducing timber harvests in large tracts of natural forests (J. Xu & White, 2001). By halting logging, environmental conditions have improved through a reduction in soil erosion, enhanced watershed management, and biodiversity protection⁵⁹. Unfortunately profound unintended negative impact on neighboring countries have taken place⁶⁰ (Currey, Doherty, Lawson, Newman,

⁵⁹ According to the FAO, China now is rapidly regenerating its own forests through reforestation and afforestation programs, most of this is done through plantations that contribute almost nothing toward biological diversity. So globally, it can sometimes appear that the rate of deforestation is slowly, however, careful analysis reveals that much of this has to do with China's monoculture plantations (Revkin, 2005).

⁶⁰ Although outside the focus of this case study, it is important to note that there has been a negative impact on rural forest dependent communities in China as well, primarily in Yunnan Province. A comprehensive study by China Council for International Cooperation on Environment and Development Task Force on Forests and Grasslands in 2001 confirmed that that the "negative socio-economic impacts" of the logging ban and NFPP policies were extensive (J. Xu & White, 2001). Since its implementation, rural communities have not been able to access forest products for either household domestic needs or income. The central and provincial governments are currently only providing compensation for lost

& Runwindrijarto, 2001; Stark & Cheung, 2006). These consequences are now even felt as far a field as Africa⁶¹ and South America as Chinese companies continue to scour the globe for replacement timber resources (Carter & Mol, 2006).

China's voracious appetite for timber is due, however, not only to its campaign to protect its own forests, but also due to demand for cheap furniture products in the West (Interview 44, 2006; Stark & Cheung, 2006). In the years since China imposed its logging ban, it became the world's largest importer of tropical logs, according to FAO (FAO, 2001). According to Forest Trends, China's imports of wood and subsequent exports of finished wood products are expected to double again over the next decade (Sun, Katsigris, & White, 2004).

In terms of current rates of deforestation the spotlight is squarely on Southeast Asia. Although only five percent of the world's forests are located there, almost 25 percent of the global forests lost in the last decade were in this region (FAO, 2001). Burma is one country in Southeast Asia particularly negatively affected by China's logging ban (Goodman & Finn, 2007; Stark & Cheung, 2006). Chinese logging companies are colluding with Burmese military commanders and ethnic leaders to illegally strip and export some of the world's most ecologically important forests, according to a two year investigation by London-based watchdog group Global Witness (Global Witness, 2005). The illegal cross-border trade between Kachin state in northern Burma and Yunnan Province in China alone is said to be worth up to USD \$400 million a year (Global Witness, 2005).

revenue to state-owned companies which mean that local communities are being increasingly politically and economically isolated. In some circumstances, local authorities have taken advantage of the NFPP to levy fees on fuelwood or collect forest conservation fees from farmers (J. Xu & White, 2001).

⁶¹ Additional information on China's forest footprint on other continents can be found at: http://www.illegal-logging.info/item_single.php?item=news&item_id=2168&approach_id=1

According to a recent report released by Forest Trends “over 70 percent of China’s timber product imports are supplied by countries in the Asia-Pacific region. China is the dominant forest product market for many of these countries” (Katsigris et al., 2005). China’s forest product imports are massive and make the country as a world leader in forest trade. The following quote from a senior staff member of China’s State Forestry Administration (SFA) clearly demonstrates that the leadership is well aware of China’s external footprint and the negative effects it is causing:

I would like to say that in recent years that international communities especially some NGOs, some governments already expressed their concern about the illegal logging trade. Of course, China is – of course, it’s one of the countries they import a lot of wood from other countries. They expressed concern that China’s import of logs and especially the logging ban includes the Chinese government on natural forest to increase the volume of the wood imported from other countries. And some people express that logging ban in China, to some extent, is a driver to cause illegal logging in other countries, especially in neighboring countries – such as Indonesia and Russia and Papua New Guinea... So, of course, at this moment, foreigners have paid a lot of attention to this issue (Interview 80, 2006). pg. 1

Part II: Emergent Themes

Analysis of the primary and secondary data for this case highlights two principal themes. The first focuses concerns the role and influence of transnational civil society organizations trying to engage China over its timber footprint, particularly in Burma. The second is the immense challenge involved in addressing domestic, and subsequently transboundary, environmental degradation given the poor communication and interaction

among central level agencies, but also incoherent linkage between central level government authorities and lower administrative provincial or township levels.

Theme I: Transnational Civil Society Engagement

In many developing countries, the forces opposed to reform, such as increased state accountability and transparency over decision-making processes, remain strong. If policy changes are to take place, reformers need to mobilize constituencies and influence key stakeholders, to build and sustain momentum. With global trends toward democratization (Diamond & Plattner, 1996; UNDP et al., 2003) and the associated rise in civil society (Clark, 2003a, 2003b; Florini, 2000; Howell & Pearce, 2001), governments in many countries are more open and accepting of policy input from citizens, and citizens tend to be increasingly organized to provide such input. One method of influencing policy development and reform is advocacy, also often referred to as lobbying (Brinkerhoff & Crosby, 2002). Policy advocacy can be defined as “the effort of individuals or groups to influence policy-makers and have an impact on public policy decisions and the action of government” (Brinkerhoff & Crosby, 2002).

In order to influence policy-makers, advocacy entails identifying and championing issues to get them on policy agendas, by educating officials and citizens, mobilizing support and even creating networks or coalitions to take concerted action. In pluralistic democracies this notion is reasonably well accepted, however, in non-democratic countries such as China, external non-governmental actors seeking to participate in or influence domestic policy-making may not be greeted with a supportive state response.

Two different, yet complementary sets of transnational civil society strategic⁶² arrangements are identified within this case that have influenced Chinese state policy and decision-making processes over the timber trade. Although transnational civil society organizations utilize two distinct strategies, the overall goal of the two strategies was similar: the promotion of policy reform to halt illegal and unsustainable forest trade. The first strategy employed is an assertive advocacy approach that generally entailed a greater degree of confrontation over the second strategy, which is a research oriented approach that exhibited a more collaborative stance with the government.

The first approach includes transnational civil society *advocacy* oriented organizations; including Global Witness, Environmental Investigation Agency, and Greenpeace, which have been assertive in criticizing China over its transboundary forestry impacts and demanded immediate action. The transnational civil society members of the assertive grouping, while seeking connections to governmental partners, do not appear to prioritize collaboration with State actors, and tend to prefer more public-oriented media displays. The second approach includes transnational civil society *research* oriented organizations, such as Forest Trends, The Nature Conservancy, and The World Wide Fund for Nature, which have been actively involved in quantifying the impacts of timber trade flows into China and proposing specific policy reforms.

⁶² For this particular case a strategy is defined as systematic plan of action. A strategy is a move that applies tactics to achieve a desired outcome. A strategy is not a single decision, but rather a confluence of decisions, for example the selection of key objectives, identification of a target audience and the decision of which tactics to use and when to achieve the overall strategy. A tactic is defined as a specific activity applied within a strategy to achieve an outcome. A tactic may be an activity, a system or even an institution in one situation and a technique in another context. Tactics can also shape the chosen strategy. If a strategy defines ‘what to do’, then tactics embody ‘how to do it’.

A. Assertive Approach

The first strategy is an assertive advocacy strategy. Unlike the research-oriented strategy (see next section), it involves a somewhat more aggressive stance that targets the public, including both domestic and international actors, to raise awareness and promote transparency through information dissemination. Although numerous examples were mentioned by respondents, the essence seems to be a ‘boomerang’⁶³ pattern of advocacy, whereby transnational civil society organizations target the Chinese state by building international alliances with western consumers or governments to subsequently pressure the Chinese state from outside.

One respondent, a representative of a transnational civil society organization, argues that they, in addition to direct action, have been increasingly applying pressure on Western governments to subsequently apply pressure on the Chinese central government. The respondent also asserted that if it had better linkages with affected Asia-Pacific governments it would endeavor to apply pressure on them as well. While Western decision and policy-makers may be willing to respond to their demands, it remains unlikely that many Asian countries would, given the tremendous political and economic influence China yields in the region. Nonetheless, this organization has been reasonably successful in lobbying European governments:

So another thing we do, and which I think will yield more results than us having direct meetings, is getting other governments to raise the issue with the Chinese government. So that is the main strategy... Western governments, but that’s because so far those are the ones we have the closest contact with. If we had a good working relationship with the Philippino government or the

⁶³ For additional information on the boomerang strategy refer to *Activists Beyond Borders* written by Keck and Sikkink, 1998.

Indonesian we would try to do it via them, but so far European governments are the ones that we have the best working relationship with, so getting them to raise it even on country to country basis or as the European commission I think that might yield at least better results in some ways. It will in terms of that we managed to get this Burma-China illegal logging trade issue raised at an EU China summit in 2005 by European governments (Interview 01, 2006). pg. 8

The same respondent continues:

...but if this becomes a big enough problem for the Chinese central government, if we keep exposing what is happening and that becomes an embarrassment and even more important if foreign governments keep saying look you know guys you have got a problem down there this is not good we find it is problematic and it shows China in a unfair negative light, we are hoping that by getting foreign governments to bring it high up their list of priorities it will go up the list of priorities of the central government and become an embarrassment so that they will address it. We are very aware that the central government is only going to do something about this if it is of enough importance to them and in our experience it is not of enough importance or enough embarrassment enough of a problem yet for them to do anything (Interview 01, 2006). pg. 10

An additional element of the transnational boomerang strategy has been to target affluent consumers based in North America, Europe and Japan. This targeting takes place via transnational networks that are well established in western countries. This strategy recognizes that while Chinese companies, and to a certain degree some government agencies (via procurement policies for instance), are implicated in illegal timber harvesting in other countries, it is the consumer, particular Northern consumers, who are responsible for driving the unsustainable practice. This respondent, a representative of a transnational civil society organization based in Beijing, stated:

I suppose one of the things that Greenpeace does that the other groups don't do in the same way, with the exception, really of EIA, is that we make the links to – with our colleagues, to market countries. And then work to mobilize the markets in key European, North American, and Japanese markets, and in this particular case, Europe, to try to get action that puts pressure back on both the producer country itself, but also the Chinese manufacturing sector (Interview 86, 2006). pg. 5

Assertive Approach Outcomes

I identified two primary outcomes of the assertive transnational civil society approach. Overall, via its global networks and linkages, it has raised awareness of China's international timber trade with a wide audience including the Chinese bureaucracy and Northern stakeholders such as consumers and bilateral aid agencies. However, it also raised a number of concerns including politicizing the environment and placing local non-state environmental organizations at risk.

Positive Outcomes of the Assertive Approach

The first positive outcome of this approach was that these transnational organizations provided a 'voice' to local communities and individuals who were not in a position to criticize the state. For instance, Global Witness, in their ongoing documentation and reporting, highlight the direct negative impacts of Chinese logging on local Burmese villagers (Global Witness, 2005). While the environment sector has become increasingly open in recent years in China, nonetheless, boundaries exist on the type of questioning or advocacy that can take place by Chinese non-state groups. Given that the majority of the timber trade, particular with Burma, is considered illegal, local

Chinese non-state organizations are not in position to question, let alone advocate for policy reform. If these groups were in a position to press for reform, according to this key informant who is one of the leaders of a Kunming based non-state group, they would encourage the Yunnan Provincial government, in association with relevant central level ministries such as the SFA, to halt cross-border logging operations. This would be done in order to reduce the eventual cross-border biological impacts on Yunnan's biodiversity (Interview 11, 2006).

The following informant, a foreign national working at a Thai NGO working on regional Mekong issues, provided an assessment of transnational civil society organizations working in China:

Another way of looking at the international community working on these issues, is that they provide a voice that the local people can't have due to the political situation, which is certainly true (Interview 54, 2006). pg. 14

The same informant later goes on to state:

Certainly, I don't think local groups who have been working on this for a few years, could have achieved that at all (Interview 54, 2006). pg. 17

Another key informant, representing one of the most active transnational NGOs advocating for the halt of China's illegal timber trade, reported that local non-state organizations based in Kunming, the capital of Yunnan Province, in fact welcomed the external advocacy and pressure their organization placed on the Chinese government.

... the local environmental NGOs in Kunming who all said foreign pressure, negative exposure and foreign media does

make a difference, maybe not immediately but it forces the Chinese central government to take issues seriously, so please go out and expose what's happening (Interview 01, 2006). pg. 2

During my own meetings with various local environmental non-state representatives in 2005 and 2006 in Kunming this was confirmed, although local groups were not directly involved in the work of the foreign transnational organizations. This would impair their ability to continue working without increased interference from local authorities. The same respondent continues:

...we do try to work with NGOs, environmental NGOs inside China who are less confrontational than we are and who have regular meetings with the State Forest Administration or trainings with customs so that they, I mean we don't want to be the bad cop, but it's we probably still ended up in that role and then they can be the good cop who also works for more pragmatic solutions given that we don't have a person in Beijing it's also a resource issue and I am quite happy for us to create some international tension... (Interview 01, 2006). pg. 16

This next key informant, employed for a research-oriented transnational civil society organization, argued that the assertive nature of organizations such as Greenpeace or Global Witness is effective because they can embarrass the Chinese government, forcing them to take immediate action. Often the more assertive groups argue that their confrontational approach is necessary given the severity of current environmental threats. Immediate action is needed. While policy reform is important, over the long-term, assertive organizations argue that the international community does not have the luxury of debate since the world's tropical forests are disappearing:

You know, for Greenpeace or Global Witness, they give a big push to the government, embarrass them, and let them to respond to [inaudible], but I think for the Forest Trends or WWF approach is also needed. And we need to tell some practical ways to let the things change. It's not just give them a bump, and then things can change immediately. I don't think that will happen. For Global Witness or Greenpeace, the approach they make gets the immediate reaction from the government, but the *real* work, the real action, still needs to be taken over time. That's my impression (Interview 94, 2006). pg. 11

Perhaps one of the best examples of how the assertive transnational strategy can encourage was the way Global Witness was able to halt China's forest trade with Burma, at least temporarily. Global Witness launched a major report entitled *A Choice for China* on October 01, 2005. In the same month, in direct response to this report, the governments of both Burma and China publicly denied that any illegal timber trade took place between the two countries⁶⁴ (Interview 01, 2006; Interview 45, 2006). However, in November 2005, the governments of Burma and China announced increased cooperation on forestry issues including efforts to curb the illegal timber trade, and signed a Memorandum of Understanding⁶⁵. In addition to information reported by two Global Witness respondents, the following informant, working for a Thai NGO, also agreed that the Global Witness report was directly responsible for nudging China toward taking action:

Oh, yeah, that I think, I really do think that they [Global Witness] were directly responsible for that. They were doing press releases and pressuring Chinese government officials, as far as I understand, and shortly after *that*, the

⁶⁴ Sources: 'Logging Cos Said Fleecing Myanmar Forests', Associated Press; 19 October 2005 and 'Press Release', London Embassy of the Government of Myanmar; 19 October 2005.

⁶⁵ Sources: 'Minister for Forestry back from China', New Light of Myanmar; 27 November 2005 and Yunnan Daily; 25 November 2005.

Burmese ministry of forestry and the Chinese Ministry of Forestry [respondent is referring to the State Forestry Administration] had a meeting to discuss this issue, and shortly after that the Chinese enacted a ban (Interview 54, 2006). pg. 15

Greenpeace China released a similar reported a few months later entitled *Sharing the Blame: Global Consumption and China's Role in Ancient Forest Destruction* on March 28, 2006. This report, much like the Global Witness report was directly critical of China for its inaction in addressing unsustainable practices abroad. This transnational civil society respondent vehemently asserted that it was the Greenpeace report, in fact, that led to China's halt in the trade⁶⁶:

You *don't* know absolutely that everything is about a Greenpeace report. But, it happened on the same day that we released the report. Like their [Ministry of Foreign Affairs] press conference⁶⁷ was right after our press conference. It was the same reporter that had been at *our* press conference. Of course, we did a domestic press conference, and then went to the foreign correspondents. And then the foreign affairs press conference happened to be right after that. It was when the reporters in the foreign press corps who went to the press conference, and raised the issue, and raised the report (Interview 86, 2006). pg. 8

When other key informants and triangulation respondents were interviewed about the two reports and their probable impact, no one was willing or able to directly connect either the Global Witness or the Greenpeace report to the Chinese government's decision to halt, at least temporarily, the timber trade. In my view, it is unlikely that one or both

⁶⁶ Although the exact date is not clear, it appears the Yunnan Provincial Government ordered the timber trade with Burma closed on 27 March 2006. For additional information refer to: http://www.illegal-logging.info/item_single.php?item=news&item_id=1477&approach_id=1

⁶⁷ For additional information on the Chinese Ministry of Foreign Affairs press conference mentioned, refer to: <http://www.mfa.gov.cn/eng/xwfw/s2510/t243018.htm#>.

reports was directly responsible for the governments' actions, but it is quite reasonable to assume that both reports had some influence on the governments' decision-making. Both reports were distributed to numerous government offices in Beijing and Chinese embassies abroad, so the government was well aware of how China was being negatively portrayed.

A final outcome of the assertive transnational civil society strategic approach was that the reports of the different transnational civil society organizations informed the Burmese central authorities about the negative impacts Chinese companies were having on Burma's natural environment, the infringement on their sovereignty, and the loss of tax revenue. This suggests a potentially unique version of Keck and Sikkink's boomerang model. In this situation, however, rather than civil society actors pushing Northern governments to in turn push China to alter its behaviour, they in fact catalyzed the authoritarian Burmese regime to take action – demanding that China curtail the activities of its private companies and renegade provincial authorities. This respondent, who works for a transnational civil society organization, provided the following account:

That said, a month after this report came out the Burmese Minister of Forestry went to Beijing, met with the head of the SFA... Yeah and he also met with the Yunnan provincial authorities and this was reported in the Burmese regime controlled press and in the Yunnan daily and it was reported that they signed a memorandum of understanding on the forestry cooperation and that they among other things discussed the illegal border trade. So even though you go this complete denial in public even a month later you have indications that they do know there is at least a problem. Funnily enough the Burmese government have actually been more outspoken in this. Just recently, on the fifth of January [2006] the Burmese Ministry of Forestry came out publicly saying there was a large illegal trade in timber especially teak, and that there were ongoing

negotiations with the Chinese government to solve this problem. So that came from complete denial to we are talking about it, to there is a large trade. Publicly the Chinese government has not come out with any statements admitting to it but that might just be because you know there has not been an occasion necessarily (Interview 01, 2006). pg. 22

Negative Aspects of the Assertive Approach

Few strategic choices are made without tradeoffs, usually leading to decisions regarding the costs and benefits for the stakeholders involved. In the context of assertive transnational civil society organizations operating in China, particularly those without a physical base on the mainland, such as Global Witness and Environmental Investigation Agency, concerns abound regarding the overall utility of their particular strategic approach and associated tactics. While these organizations generally were credited by the majority of respondents of being able to quickly raise awareness or simply force the timber trade issue onto the government's agenda, a number of reservations associated with this approach were also highlighted.

One concern associated with the assertive advocacy efforts of the transnational civil society organizations has been the *policitization* of the environment. Some may regard this development as positive since it could, over the longer-term, lead to regime change. However, as the general public becomes increasingly sensitized to their rights via increased public participation and transparent decision-making process, promoted by many environmental non-state organizations, in this situation, particularly given the central Chinese governments ongoing concerns regarding the impact that foreign civil

society organizations had in Central Asia's 'colored revolutions'⁶⁸, the assertive actions of transnational civil society organizations over the timber trade could result in a crack down not only on foreign groups operating in China, but also on local non-state groups.

The following respondent, who works for a Thai NGO, provides this account:

...what I'm saying is by *doing* that, then the illegal logging issue now becomes – has been politicized, right. So the indirect effect of these reports has been a politicalization, of the issue. Whereas *before*, working on environment issues was perceived as more benign and apolitical... But they actually use it as political activism, because it's a safer political space to maneuver in. But, I find that a lot of the *international* reports, because they're rather damaging, and very high profile, international press releases and such, it actually, it makes working on that issue now much more difficult. It's like when I was working on the logging issue in 2002 and 2003 on the border, I never had any problems being on that border, and no one found me suspicious. But I've been told by many people now that just being a foreigner on that border now, you are immediately suspected of bad things (Interview 54, 2006). pg. 14

Building upon the previous point, the actions of foreigners, depending on how they operate inside China, can directly or indirectly damage the ability of local non-state groups and individuals to advocate for change. For instance, it was reported to me that various local Chinese nationals who worked at non-state organizations in Yunnan Province, contracted by Global Witness to conduct field-based research, were later questioned and harassed by the Chinese State Public Security Bureau. While transnational civil society groups can often bring significant resources – experience, information, financial resources, and experience – they can also bring unwanted attention. The technique of employing aggressive criticism or showmanship, can lead to a retraction

⁶⁸ This refers to Western-backed social movements that have contributed to political upheaval and regime change in locations such as the Ukraine, Georgia and Kyrgyzstan.

of political space for local non-state organizations⁶⁹. The informant who works for a Thai NGO states the following:

...with Burma, or China, or other countries, where the political space is quite narrow – that by using this usually more Western style kind of confrontational technique, of trying to *expose*, and then bad publicity, and this type of method ... is counterproductive, and actually what it does is that it hampers the work of people working on the ground, and inside (Interview 54, 2006). pg. 11

The same informant continues:

And I find that most international organizations that are based abroad use this more aggressive exposing kind of tactic, petitions, petition letters, boycotts, writing reports that are damaging to the people involved, and things like this – all of those tactics, I find to be maybe not always so helpful. It certainly depends on the context. But if people on the ground are working on these issues then ... this international strategy I just alluded to, I think, makes their work much more difficult, and actually, more unsafe (Interview 54, 2006). pg 11

In political contexts in which the opportunity for domestic expression is limited, as in China, perhaps foreign organizations should support local groups by providing capacity building and training (in a culturally appropriate manner).

Linked to the previous concern, in response to an inquiry regarding whether transnational civil society organizations may be better able to influence state policy if

⁶⁹ Recent examples include the passport confiscation of Yu Xiaogang, Director a Green Watershed, an environmental non-state organization based in Kunming, who was publicly critical of the Yunnan Provincial government over the proposed construction of the Nu River hydroelectric dams (refer to Case I); and the closure of The China Development Brief, a Beijing based NGO, dedicated to the dissemination of transparent information related to a wide variety of policy topics.

local Chinese non-state organizations were more involved, this respondent acknowledged that their campaign could have had more impact if local agents had been better engaged:

...if we spent more time working with local NGOs and Chinese academics who have direct links into the Chinese administration, who might have a high standing within the Chinese administration, if we had more resources internally to link up with them and work with them, network with them, then it would sort of be working on different levels. There would be the international pressure media coverage, international governments bringing it to the attention of the Chinese administration. But you would also have environmentalists, academics, experts inside China, who with their good working relationship, at least some of their good working relationship with the Chinese administration were able to influence things from the inside. I feel at the moment that's where the weakest link in our campaign (Interview 01, 2006). pg. 17

This has led some organizations to back off their assertive approach. This respondent, representing a transnational civil society organization, using the example of Greenpeace, argues that there is now a trade-off between how high profile and assertive Greenpeace can be versus continuing daily operations within China⁷⁰.

And that was sort of the traditional Greenpeace way with big banners and jumping out from airplanes and they quickly found out that that in China almost sort of looked, I don't think that was the words Greenpeace used, but neo-colonialist was like foreigners telling the Chinese what to do and you just sort of bang your head against a wall and they have admitted that even though they are still highlighting the problems in China, they've had to adopt their strategy to be less confrontational and to work more with the authorities rather than just campaign their usual way... (Interview 01, 2006). pg. 18

⁷⁰ It is important to note that international non-governmental organizations such as Greenpeace, under existing legislation, currently are not required to be officially registered in China.

This next example is from an organization that presented a copy of one of its major advocacy reports to Chinese officials at an Embassy in the Mekong Region⁷¹:

...we presented this report to Chinese officials a week before it was released publicly and they strongly urged us not to publish... (Interview 01, 2006). pg. 5

The same respondent later goes on to state:

...it was the Chinese Embassy in [capital city location] that we met with and ... they strongly advised us not to publish and we asked them why and were given different reasons why. One was that they felt it would make it difficult because of the tone in the report it would make it difficult for us to meet with other government officials in China (Interview 01, 2006). pg. 5

This direct encounter with Chinese government officials led to serious concerns on the part of the Chinese toward this particular foreign NGO. Of course, this particular organization did not maintain an office in Asia, and therefore was not subject to any form of restriction or closure. One government official at the embassy expressed concern that confrontational publicity would undercut the organizations ability to work in China or meet with Chinese government representatives in the future, but more importantly, damage China's diplomatic relationship with the Burmese central government⁷².

In sum, whether positive or negative, more assertive transnational civil society organizations, even with a base of operation inside China, were having an impact on

⁷¹ The informant did not want the exact location of the Chinese Embassy disclosed.

⁷² Following the encounter at the Chinese embassy the subsequent interactions with the foreign NGO, the NGO acknowledged that it would have been more appropriate to review and discuss the report contents before it had been printed.

Chinese policy-making, and in a more general sense, helping to bring China into the regional and global community.

B. Research-Oriented Approach

The second approach relies on a non-confrontational, evidence-based, research-oriented strategy that seeks to engage Chinese government officials and agencies either as partners or by sharing research results through targeted events such as workshops and meetings. The proponents of this strategy believe that civil society can influence government decision-making by offering evidence on behalf of specific solutions to environmental problems. For instance, this key informant, a representative of a transnational civil society organization based in Beijing, provides an example of how her transnational organization conducted field research to obtain important baseline data on the import and export flows of timber into and out of China:

We use a different approach to address this issue. First of all, we have done some significant research as a baseline for our work. That included the summary of the Chinese timber product import and export situation and also the economic impact caused by reduced suspicious timber imports in China. So that means we will look at if the Chinese government stopped or reduced import of the illegal logging, what kind of economic impacts will occur (Interview 75, 2006). pg. 1

The proponents of the research oriented advocacy strategy argued that since the State will continue to be the dominant force in the near future, transnational civil society, in order to have any meaningful influence, must develop a collaborative rather than

antagonistic relationship with the government. The same key informant summed up the research oriented approach as follows:

...we're unconfrontational. We do not choose the confrontational way (Interview 75, 2006). pg 16

While representatives from Greenpeace or Global Witness argue that they can work with these non-confrontational groups, their collaboration can be described as limited. Whereas organizations such as Forest Trends or The Nature Conservancy seem to prize a strong working relationship with government agencies, particularly those based in Beijing such as the State Forest Administration, in order to promote their agenda from 'inside' the political apparatus.

The non-state sector describes their ongoing linkage to academic research institutions as an important and even necessary channel to influence government behaviour and decision-making. Through their association with such institutions the sector gained additional access to government officials in order to shape the direction of official government research agendas. The association was highlighted by respondents as a vehicle for the non-state sector to officially influence the government given that academic research institutions are supported by the state. The following statements stress the importance of both governmental and private sector partnerships:

...we have some collaborators or partners in China, those with the government like SFA or some research body like Chinese Academy of Forestry, and also Beijing Forestry University, and also some maybe organization or research body within SFA called FEDRC – Forestry Economic Development Research Center (Interview 94, 2006). pg. 1

The most important agency is SFA. So we have a very close relationship with SFA on this issue. ... Of course, WWF China and Forest Trend are also the organizations concerned with this issue, and we also have some connection, in terms of this issue. This is the first part of the partners. The second part of partners is business (Interview 75, 2006). pg 2

And we also help them [private Chinese companies] to participate in some international forums, one is Hong Kong meeting in March 2005. This is very important meeting, because that is the first time the business, the private sectors, the business, the government agencies, and also the civil society can sit down together to talk about the illegal logging trade issue. For this meeting, TNC is a very important sponsor. So, we organized the China delegation, which include two high SFA officials, and five businessmen – CEO or something, president, like that, and also two from the domestic timber association (Interview 94, 2006). pg. 2

The non-state sector recognizes the importance of influencing not only government actors since they are responsible for crafting and implementing policy, but also targeting the actions of those directly conducting the logging – the private sector. China's private sector is almost exclusively responsible for the illegal and unsustainable logging taking place abroad (Goodman & Finn, 2007; Stark & Cheung, 2006; Sun et al., 2004). As mentioned by a respondent above, one important step taken was to hold an international meeting of business leaders and government representatives in Hong Kong in 2005 to combat illegal logging.⁷³ Representatives of Chinese companies were brought to this meeting by The Nature Conservancy office in Beijing.

⁷³ More about this meeting can be found at: <http://www.nature.org/pressroom/press/press1823.html>

Outcomes of the Research-Oriented Approach

Respondents highlighted two positive outcomes of the research oriented approach that placed them in a much more favorable light with state actors, particularly those based in Beijing. The first outcome was that transnational research oriented groups were keenly interested in providing tangible solutions to the Chinese government to address China's timber footprint. The challenge of illegal logging is extremely complex, particularly for countries in Southeast Asia that have weak governance systems, therefore any constructive assistance provided was welcomed by Chinese authorities.

The overall focus was on policy analysis and reform. While providing specific examples, suggestions and solutions, the primary goal of the research-oriented transnational civil society groups was to inform and support change in forestry policy; as summarized by this respondent, a representative of a transnational civil society organization based in Beijing:

...for [name of organization] strategy, you know [name of organization] is focused on the policy analysis, and also try to target the Chinese policy makers. So, I think it's better to put this way – we try to have some solid research analysis that's the basis we can present to the government to give them more policy recommendations based on our solid research, otherwise, they will not be convinced. But, our ultimate goal is to – to influence the government policies (Interview 94, 2006). pg. 3

One 'solution' oriented example was helping the Chinese central government learn more about UK and Japanese 'green' public procurement procedures. This system was developed to help ensure that paper and wood products purchased by these

governments did not promote unsustainable environmental management or logging practices abroad, as described by this transnational civil society respondent:

Yeah, besides the significant research, we also worked with our partners on trying to find some solutions. Now, we are also trying to save the green wood public procurement. You might know the public procurement policy.for the illegal logging trade issue, the UK and also Japan, they have drafted the Green Wood Public Procurement Policy, which they think can be used to stop the illegal logging import. So far in China, we do have the Public Procurement Law, but they didn't mention anything related to combating illegal logging trade. But, now is a good opportunity, because, I mean, the Chinese government, they think about revising this law. ... Like making them understanding that, for the other countries, they do use kind of tool to stop this illegal logging trade issue (Interview 75, 2006). pg. 4

An additional example was assisting the State Forestry Administration to develop, distribute and implement new forestry management and harvesting guidelines for Chinese forestry enterprises operating outside of China. These guidelines are intended to provide assistance to Chinese companies trying to establish sustainable forest plantations, including banning the clearing of natural forests. The guidelines have now been released and will be implemented on a trial basis.⁷⁴

And also now we're trying to help the SFA to develop a national guideline. This guideline is to limit or regulate the Chinese business behavior which is the harvest of wood overseas (Interview 75, 2006). pg. 5

A second key outcome was that the research-oriented transnational civil society sector played a direct role in bridging or linking different 'stove-piped' Chinese

⁷⁴ For additional information refer to: <http://news.mongabay.com/2007/0425-china.html>

government agencies. This respondent, a representative of a transnational civil society organization based in Beijing, provides an example of the growing and shifting role that foreign non-governmental organizations are now able to play in China. Not only do these organizations conduct research and offer tangible solutions to Chinese government actors, they also act as a conduit among different state bureaucracies that are unable or unwilling to interact. Foreign transnational civil society organizations, such as Forest Trends or WWF, are able to promote dialogue among government agencies such as the State Forestry Administration, the Ministry of Commerce and the Ministry of Foreign Affairs. The example below demonstrates how a transnational civil society organization prepped a variety of Beijing Ministry's and agencies for an upcoming international meeting on forest law and governance in Russia. These foreign groups utilized their experience in other countries, contacts with other international organizations, including bilateral and multilateral agencies, and knowledge gained from working on the issue, and applied it to the Chinese context.

In Beijing, and the purpose for that meeting [a meeting that one of the transnational civil society groups organized] is to get the Chinese government agencies like SFA and Ministry of Commerce, Ministry of Foreign Affairs, and Customs to get all those agencies related to this issue, to get some officials trained on this issue, to get them better prepared for that conference [on FLEG] (Interview 94, 2006). pg. 4

The same respondent continues:

And for some agencies like Ministry of Foreign Affairs and Ministry of Commerce, this FLEG process is supposed, they are supposed to be part of that, but you know, in China, sometimes government agencies are not quite good

at talking to each other. So, for this issue, neither Ministry of Commerce nor the Ministry of Foreign Affairs wanted to take lead on that. So during that workshop, we present our work on trade and also we wanted the chief negotiators, FLEG persons, to present them the declaration of ministerial conference, and also went through line by line each article to let them know what's in there, and what China should be prepared for that conference. And so that's the kind of work we tried to do specifically on increasing awareness of illegal logging and the FLEG process (Interview 94, 2006). pg. 4

In fact, the same respondent indicated that foreign non-governmental organizations are often willing to push a particular agenda even if the Chinese government is not initially open to it or aware of the situation. In the case of the illegal timber trade, environmental transnational civil society organizations used their international background and expertise to gradually push elements of the Chinese bureaucracy toward recognizing a problem existed and subsequently begin tackling the issue, albeit slowly, internally within the State environmental decision-making apparatus.

The respondent stated:

...because the Chinese government has not really paid much attention to that. So Forest Trends want to make a push, and also since this issue is not so familiar, and how do you say, it's not on the top of priority for the Chinese government. So, if we want to raise awareness of this issue, we have to use our advantage to give them a push (Interview 94, 2006). pg. 7

When I questioned this respondent further on why the Chinese government would be willing to accept the inputs of a foreign non-governmental organization, she stated:

Chinese local NGOs are not that active for now, particularly on this illegal logging issue. Some NGOs are

very active, but they're on other issues like recycle, and how to encourage people to recycle, and something like that. But on illegal logging there are not many Chinese NGOs are really involved, or as familiar as Forest Trends to this issue (Interview 94, 2006). pg. 6

In addition, as China continues to integrate itself into global and regional communities and is impacted and affected by the international community, the Chinese government, of course within limits, is increasingly open to external inputs and suggestions. The same respondent stated:

I think that there's a shift of attitude, because, you know, they are now in the international society, I think the Chinese government now feels more and more pressure from international society, so that lets them think they need to take some actions, otherwise they will lose their reputation in the international community (Interview 94, 2006). pg. 7

However, it is important to remember that the government is more willing and open to inputs from research-oriented transnational civil society organizations that offer more tangible solutions than assertive-oriented organizations that just criticize.

Theme 2: Internal Chinese Bureaucratic Division and Competition

The internal division and frequent competition within China's State bureaucracy, while perhaps not wholly unique when compared to other developing countries, is nonetheless unprecedented in terms of its scale and complexity. The second theme represents a fundamental challenge to Chinese authorities, urging them to address environmental challenges, not only domestically (whether on an inter-provincial or national scale), but also in a transboundary or transnational context

In the case of the international timber trade and China's large and growing footprint on Burma, Southeast Asia, as well as many other parts of the world, including Africa and South America, the allocation of responsibility and control among different agencies and levels is hampering China's overall ability to address, let alone halt, the problem. While corruption exists within the Chinese government apparatus⁷⁵ and various unscrupulous elements may gain financially from the timber trade (Goodman & Finn, 2007), overall, it is important to note unsustainable or illegal forest trade does not appear to be directly or consciously promoted or encouraged by China's central government based on interviews conducted for this research.

Two concerns were identified that help explain why China faces serious ongoing challenges to managing its transboundary forestry footprint. The first is the competition and sometimes even confusion that exists among central level agencies over who is responsible for what aspects, if any, of the international timber trade; and second, central level authorities in Beijing are frequently unable to exert or enforce control over lower level authorities (Kenneth Lieberthal, 1997; K. Lieberthal & Oksenberg, 1988).

Division among Government Agencies and Cross-Sectoral Responsibility

Different components of the Chinese bureaucracy frequently do not communicate or collaborate; often constituents have differing views of how to proceed, and in some circumstances even disagree as to whether a problem exists. In terms of international

⁷⁵ For instance, according to reporting by the Washington Post, in 2005 the Chinese Communist Party disciplined more than 115,000 of its own members for corruption and related violations and turned more than 15,000 of them over to the courts for prosecution. Source: <http://www.nature.org/pressroom/press/press1823.html>

timber trade, the primary government agencies responsible include the State Forestry Administration, the Ministry of Commerce and the Customs Control Agency, and to a lesser extent, the Ministry of Foreign Affairs. Each maintains that they are not the lead agency responsible for regulating or managing the trade and trafficking in timber. Each asserts that other agencies should be spearheading the effort, or simply are not willing to take a commanding role. In all likelihood, they do not want to be seen as failing, given the complexity of the problem.

This transnational civil society key informant expands on the nature of the problem: international forest trade, particularly the illegal aspects, is a highly complex cross-sectoral issue, thus demanding a multi-agency, multi-level response. However, this is the crux of the problem:

But the situation is, in China, I think, because we have many years planning economy, you can assume how the power can strong, in the central level. So, I do think that if they have some regulation directly in charge of the illegal logging and trade issue, I do think that this regulation can be effectively implemented on the ground. This is my opinion. But, the problem is this issue is a cross-sector issue. So far, the State Forest Administration, the Minister of the Commerce, the China Customs, they play the different role in this issue. And so far, there are not leading agencies who can stand out and talk about this issue as a chairman or something like that (Interview 75, 2006). pg. 7

The same respondent later simply sums up the situation as follows:

...these three ministries cannot work very well together...
(Interview 75, 2006). pg. 12

Another transnational civil society key informant also provides a similar general assessment of the problem, specifically referring to the lack of communication between the Ministry's of Foreign Affairs and Commerce:

And for some agencies like Ministry of Foreign Affairs and Ministry of Commerce, this FLEG process, they are supposed to be part of that, but in China sometimes government agencies are not quite good at talking to each other. So, for this issue, neither Ministry of Commerce nor Ministry of Foreign Affairs wanted to take lead on that (Interview 94, 2006). pg. 4

This respondent, also a representative of a civil society organization, highlights that in addition to a lack of communication among agencies at the central level, a challenge also exists regarding internal authority among agencies in Beijing. So, for example, while the timber trade clearly has significant international dimensions, the State Forestry Administration is considered a weaker agency within the government hierarchy. So while this agency has an important role to play in addressing China's timber footprint, it is hampered given its lower ranked position:

Because it is very obvious that they [the SFA] have been tasked with this illegal trade logging issue, first of all they are not a ministry; secondly they don't have the authority to implement any regulations on the borders that falls under the Ministry of Foreign Affairs or the Ministry of Commerce. So they are in a quite weak position. So they might have and they seem to have a lot of good intentions in terms of regulating this illegal trade coming also from Indonesia, Russia and from Burma, but they even if it manage even if they want to regulate it then they have to convince these more powerful ministries that it's a high priority (Interview 01, 2006). pg. 8

For example, the Ministry of Commerce was a key agency repeatedly identified by respondents as being of central importance given its responsibility for regulating trade. However, the ministry did not give high priority to international forestry trade issues for three reasons: it did not consider the value of trade, particularly with Burma significant; it did not consider the trade illegal (the definition of legal versus illegal forest trade was technically unclear to many agencies); and finally, any illegal behavior outside of China's borders, if and when it does occur, is not the responsibility of the ministry. The following transnational civil society respondent provides this comment:

This agency [Ministry of Commerce] is in charge of any domestic and international trade issues. So that's why we highlight this ministry. But, in terms of the timber trade issue, first this ministry is not too much concerned on this issue because forestry and forest products trade make up only a very small amount, proportion of the whole Chinese international trade. So, this is not their priority. This is not their big concern (Interview 75, 2006). pg. 9

The State Forestry Administration is another key agency; however, it, too, was reluctant to take a lead role in addressing the situation as it viewed its responsibility as being exclusively domestic. Therefore any logging, unsustainable or otherwise, taking place in other countries, was clearly not its responsibility:

SFA, we think, is most important agency, but its ability also limited because SFA is in charge of all the forest issues in China. So, of course, for the illegal logging trade issues, the people – at the beginning, people were thinking this is a forestry issue. So, that's why, the professors, the civil society peoples, they think that SFA will be the key – leading agency in this issue. But, I have to mention to you their ability on this issue is limited, because they – anything related to the trade will be beyond their ability. But,

they're also important, because they're in charge of the forestry issue (Interview 75, 2006). pg. 10

The SFA even argued, as described by the following informant representing that agency, although the trade is exclusively in timber and timber products, because these goods are traded, it falls under the responsibility of the Ministry of Commerce:

But, to me, although that illegal logging or trade is really closely related to logs, to wood, but the nature of the illegal logging is related to trade. It's trade. The nature is trade. It's not forest (Interview 80, 2006). pg. 2

Another agency involved was the Chinese Ministry of Foreign Affairs. While this ministry is wholly responsible for China's external relations, it did not prioritize environmental, and most certainly not forestry issues. When the ministry did officially acknowledge the situation, according to this transnational civil society respondent, it was unwilling to take direct responsibility stating that the problem was a shared challenge that could only be addressed via multiple departments:

The other ministry that's likely to be more open, or, at least, thus far has been, is the Ministry of Foreign Affairs. So, when we released this report [name of report], for example, the initial comment from their spokespeople were from SFA, who just said "It's not a problem. There is no, illegal logging isn't an issue." And then the Ministry of Foreign Affairs, and I think it's because of the way we framed the report, said, "Yes, it *is* an issue for us, and China *is* willing – is absolutely committed to tackling, but it's not a problem just for us alone. It's a problem that we all have to work together to resolve" (Interview 86, 2006). pg. 7

Thus, a lack of leadership, agency competition, as well as poor inter-agency communication, has left a responsibility vacuum. No government department seems able or willing to tackle the timber trade challenge, and no agency wants to place itself in a position where it could, or be seen to, fail. This informant, representing a transnational civil society organization based in Beijing, discusses how the State Forestry Administration is unwilling to take the lead in managing China's international forestry footprint:

SFA is actively negotiating with the Ministry of Commerce to talk about *who* will be the leading agency to deal with this issue. I think you can understand, not only in China, but also in other countries, when these kinds of situation occurred, every agency is – they are trying to save their self. You can understand. Yeah, not only in China, but also in U.S., and others... ... They are all trying to save their self. So now the SFA is trying to bargain with the Ministry of Commerce who should be the proper ministry to solve this issue, or are the leading agency (Interview 75, 2006). pg. 13

This transnational civil society respondent also provides an account of how different central level agencies and ministries do not want to assume leadership:

The primary problem is that no single department wants to take ownership over it, in part, because of the scale of the problem. If you're the state forestry authority, which is mainly meant to oversee domestic logging issues, then they say it's not their issue, it's not their problem, they shouldn't have to deal with it, it's the Ministry of Commerce. And the Ministry of Commerce doesn't deny that there's some role for Ministry of Commerce to play, that says it has to be a shared jurisdictional with them, with Customs, and with Import/Export Trade departments. And, as a result, no one owns it (Interview 86, 2006). pg. 4

The same respondent goes on:

And, as I say, in a large part that's because no one believes that they're going to be able to do anything meaningful about it in the near future, and so no one's really wanting to champion it and then be seen to fail (Interview 86, 2006).
pg. 4

Increasingly, NGOs and transnational civil society organizations appreciate the complexity of the situation described above and no longer focus their advocacy efforts exclusively on a single agency or a single administrative level. These groups now recognize China faces internal bureaucratic implementation challenges. Solutions to domestic and transnational environmental problems may have less to do with financial arrangements, technical obstacles, or even political will, but rather with overcoming internal bureaucratic “stove-piping”. This key informant, representing a transnational research-oriented civil society organization, specifically highlights the role that international NGOs can play in encouraging and facilitating cross-agency communication and problem recognition:

I think that we are adding value to encourage their communication. SFA, when we talk to SFA, for example, for this FLEG... They say, “Oh, that's Commerce responsible for trade, and we are SFA, in charge of forest management *inside* China. So, Commerce should take lead on this issue.” And then we go to talk to Commerce, and they say, “Well, yeah, that's trade issue, but what we can do with other logs? They come into China with legal documents, and we cannot tell whether it's illegal logs or not.” So I think that your judgment is right, timber is a very small commodity in terms of trade. ... So, that's why this issue is not up to their top priority. But, with some international NGOs involvement, we are trying to raise awareness of this issue... So, we are trying to educate

them, to let them be aware that not only SFA should be involved in this with us, and not only Commerce should be involved... so it involves different agencies or organizations; it's not only the producing country's problem. It needs efforts from consuming countries, from importing countries, and all the countries along the trade, along this chain. So, I think from *this* point of view, the international NGOs, or even Chinese NGOs, will play an important role... (Interview 94, 2006) pg. 9

Division between central and lower administrative units

This division also extends beyond central level players to lower level administrative layers, such as the provincial or county units. While many important environmental laws and regulations have been enacted nationally, such as the 1998 logging ban and the 2003 environmental impact assessment policy, the central levels ability to enforce these laws or regulations at lower levels remains undeveloped. A well known Chinese proverb states “the mountains are high and the emperor is far” sums up this situation well, as does this informant, representing a transnational civil society organization:

And of course, Yunnan is far away and how much control do they have over a province such as Yunnan... (Interview 01, 2006). pg. 10

Another respondent, representing the SFA, provides a concise overview of the situation described above:

...even though in China we have a lot of laws and regulations, the government pays a lot of attention to the strengths in the implementation of the laws. But, in the *local* levels, especially the county levels, some government officials still neglect these regulations and laws. Sometimes they have, for their own purpose, for the

county's own purpose, they do something illegally, such as give you an example in Yunnan Province. They cut the trees illegally (Interview 80, 2006). pg. 2

Just as NGOs and transnational civil society organizations increasingly understand how horizontal central level divisions are hampering China's ability to halt domestic and international environmental degradation, vertical challenges also exist within the bureaucratic system. This situation, in some ways is much harder to address. The central government has few incentives to offer to lower levels to comply, moreover regulations are weak. In this situation, while non-governmental actors are slowly recognizing the problem, appropriate responses have been hard to identify. This informant, representing a transnational civil society organization based in Beijing, highlights how foreign non-governmental groups recognize more must be done with local level authorities in order to address the cross-border timber trade:

I think, [name of research oriented transnational civil society organization], does realize the local government or provincial government or some local regions, like bordering to Burma or Russia, they need more efforts to be targeted. Now, for the past several years, we have been in – targeting on the high level government, like SFA and Commerce and that. But, now we're realizing the *local* governments, they also need to be involved. So, for Burma, we don't have a clear plan there. But, for China/Russian timber trade, we are developing a program to look at the business model along China/Russian border. Now, you know, I think that's the same case in China/Yunnan/Burma timber trade, as well (Interview 94, 2006). pg. 13

One example, however, of how foreign civil society organizations are able to continue their program of work in China is by criticizing lower level governments for

insubordination of higher level rules and regulations, thereby indirectly supporting central level authority. In this situation, the central government apparatus is generally content to have foreign non-state organizations, as this transnational civil organization informant reports below, conduct investigations examining lower level (environmental) corruption. This helps to demonstrate that a large part of China's environmental woes are because of implementation and enforcement at lower government levels rather than due to poor planning at the central level:

But, in many cases, it's more a case that while the state government, the central government, does actually have decent policies; they're not reflected at the provincial level at all! And one of the ways in which it actually makes it more palatable to the *Chinese* government to have us [a non-state organization] be critical is if we're actually saying "It's X province that's not willing to actually close the loopholes that are allowing this trade" (Interview 86, 2006). pg. 15

Conclusions

This case yields four main findings. First, transnational civil society organizations, whether based in mainland China or abroad, have been able to interact with and influence Chinese government agencies involved in the timber trade. This interaction primarily takes place with central level agencies in Beijing such as the State Forestry Administration or the Ministry of Commerce. Whether transnational civil society actors utilize a collaborative research approach or a more confrontation strategy, both have been able to operate in China without apparent restrictions, at least, to date.

The second finding is that there is an apparent network failure between transnational civil society organizations and Chinese non-state organizations. Although

the research-oriented transnational civil society organizations have been more successful in developing linkages with Chinese research agencies (such as the Chinese Academy of Forestry), none of the transnational organizations, research or assertive oriented, has been unable to partner with domestic environmental non-state organizations to ground their advocacy efforts. This represents a marked contrast to the advocacy efforts undertaken by civil society organizations engaged in the Nu River controversy (Case I). The transnational organizations were generally able to build close relationships with local Chinese non-state actors. This failure appears to have less to do with ideological conflict or risk aversion, and more to do with local groups have not having attached high priority to the domestic logging ban.

Third, this case highlights the serious barriers that exist for Chinese central level authorities trying to address China's international forestry footprint. The lack of communication and interaction among agencies at the central level is a serious problem. Moreover, lower administrative authorities and private entrepreneurs have few incentives to follow higher level directives. This has important implications for China's leaders in terms of being able to implement and enforce policy; they will have to find a way to respond to these obstacles if they are going to mitigate China's environmental externalities.

Finally, transnational civil society organizations were able to facilitate communication among agencies such as the State Forestry Administration, Ministry of Commerce and the Customs Department. Each has a critical role to play in fighting the illegal timber trade between China and other countries, including Burma. Until recently these agencies were unwilling to accept responsibility or acknowledge they had a role to

play. Via workshops, information and advocacy reports; and research disseminated at workshops in China, transnational civil society organizations, particularly the more research-oriented groups, were able to help bridge the gaps among these different governmental players. While transnational civil society appears to know how to play this role at the central level, it has had less success building relationships with private entrepreneurs or lower administrative units at the provincial level.

Chapter Four: Biodiversity Conservation Corridor Initiative

All GMS countries are close neighbors of China. Nourished by the same river, our peoples have fostered long-standing friendship. As we Chinese often say, 'A close neighbor is more helpful than a distant relative'. We are resolved to work together with other countries to further consolidate and develop our traditional friendship and constantly expand our equal-footed and mutually beneficial cooperation so as to jointly foster a secure and stable regional environment, thus paving the way for regional economic and social development.

Premier Wen Jiabao⁷⁶

Part I: Background

Introduction

The third case study focuses on the Greater Mekong Sub-Region (GMS) Regional Cooperation Strategy facilitated by the Asian Development Bank (ADB). Specifically this case examines a new ADB GMS flagship program called the *Biodiversity Conservation Corridors Initiative* (BCI), which is housed under the auspices of the recently launched GMS Program's Core Environment Programme (CEP). The BCI is designed to enlarge and conserve the Mekong Region's forest resource and biodiversity coverage by increasing the connectivity of existing national protected area sites and ultimately improving the livelihoods of poor people dependent on the natural resource base.

Although most respondents interviewed for this case argued the BCI suffers from a variety of serious technical design flaws, the focus of this case centers on China's engagement process, under the umbrella framework of the ADB GMS Program, to

⁷⁶ Chinese Premier Wen Jiabao delivered this speech at the opening ceremony of the Second Summit of the Greater Mekong Subregion (GSM) in Kunming, the capital of Yunnan Province on July 5, 2005.

manage shared biodiversity within the Mekong Region. The primary interest in this case lies with China's apparent positive motivations for taking action and responsibility for managing shared natural resources. Therefore, I do not dwell on technical faults or management deficiencies that may or may not exist within the BCI.

Analysis of data collected for this case examines four areas of concern. First, what were China's motivations to propose and promote a transboundary environmental protection scheme given China often disregards international environmental matters? Second, what were the specific avenues or mechanisms utilized by China's governmental apparatus to initiate and subsequently promote the BCI? Third, what benefits, if any, accrued to any Chinese agency by proposing or promoting the BCI? Fourth, were there any reasons why China might not engage in the BCI? Primary and secondary data for this case study were gathered from 35 informant interviews⁷⁷ and four triangulation interviews, as well as various technical reports and other documents, mainly produced by the ADB.

In sum, this case demonstrates that the Chinese government, led by the State Environmental Protection Agency (SEPA) in Beijing, can be responsive to pressures to address the management of shared natural resources. However, my analysis suggests that engagement occurs when conditions or arrangements are amenable to China.

Key Stakeholders

The ADB's Greater Mekong Sub-Region Program

The Greater Mekong Sub-Region Economic Cooperation Program was initiated in 1992 by six countries: Burma, Cambodia, China, Lao PDR, Thailand and Viet Nam. The

⁷⁷ A single respondent was often interviewed regarding multiple cases.

GMS Program structure is guided by a set of non-binding “soft law” principles and institutional arrangements aimed at assisting the member countries to execute projects and programs for the region’s mutual benefit, such as enhancing regional telecommunication linkages, improving highway infrastructure for increased trading capacity, and connecting fragmented natural landscapes to protect plant and animal species.

Essentially the ADB is promoting a multi-billion dollar ‘master plan’ for regional development, catalyzing regional economic integration by enhancing the physical connectivity among the countries in the Mekong Region (Asian Development Bank, 2004). Under the rubric of ‘connectivity’, ‘competitiveness’ and ‘community’ the GMS Program is actively promoting subregional cooperation designed to foster economic growth, poverty reduction and increased prosperity for the region (Asian Development Bank, 2005a); often utilizing the language of ‘connecting nations – linking people’ to embody the Banks’ networked approach to development. The ADB leadership frequently argues that regional cooperation is a prerequisite to accelerate economic growth and integration. Within the Mekong Region, ‘connectivity’, at least how the ADB appears to envision it refers to a regionalization of globalization. In a sense, the concept of connectivity the ADB is promoting refers to the harmonization and some may even say, the homogenization, of the region. While the different countries in the GMS remain culturally and linguistically intact, the standards, policies and rules are rapidly being standardized – a common feature, of course, of globalized governance.

The GMS Program is composed of 11 flagship programs designed to “knit the sub-region together by building vital infrastructure links; developing policies to

overcome market constraints and promote trade, tourism, and investment” (Asian Development Bank, 2005a). Of the flagship programs, the most visible are the economic corridors inter-connecting the region, which have been planned around major transport and infrastructure designed and implemented by the GMS Program. The CEP and the BCI were designed to respond to environmental damage caused by these large economic development programs. Essentially the overarching concept promulgated was to ensure whatever is done in the name of economic development is conducted in a manner that contributes to the Region’s sustainable development. However, in this situation, the Bank tends to over-emphasize the importance and value of physical infrastructure connectivity in order to facilitate regional interaction.

Working Group for the Environment

Each program area in the ADB GMS Program has a dedicated Working Group to coordinate thematic matters specific to each program area. The different working groups represent examples of the networked ‘inter-connectivity’ promoted by the ADB via the GMS Program and provide an example of the horizontal networked governance processes increasingly unfolding within the Mekong Region.

The Working Group on Environment (WGE) serves as an advisory body to regional governments on environmental and natural resources management issues in the Mekong Region. It provides a forum to promote and facilitate cooperation in the environment and natural resource management sector among the GMS countries, and acts as a vehicle for dissemination and exchange of information on environmental matters among regional governments and international organizations. The WGE facilitates the

implementation of priority subregional environmental projects and ensures that environmental issues are properly addressed in subregional projects in other sectors. It also addresses issues regarding national environmental legislation and regulation within the sub-region, and provides a venue for addressing environmental issues associated with subregional development projects in other sectors. Each GMS country, including China, is represented by two persons in the WGE core group. The WGE reports to the Ministerial Conference as well as to the respective national governments.

Respondents interviewed directly involved with the WGE admitted that while it was sometimes cumbersome and slow due to internal bureaucratic barriers, the WGE has been an important mechanism to engage China (Interview 20, 2006b). For instance, China has been a member of the WGE for almost fifteen years and during that period of time has been slowly, but constantly exposed to international and regional environmental issues, and this has served to not only sensitize China, but encourage it to participate and engage in regional environmental management (Interview 33, 2006); the BCI is a prime example.

The State Environmental Protection Administration (SEPA)

The unit within the Chinese bureaucracy charged with environmental protection and ecological conservation is the State Environmental Protection Administration⁷⁸ (SEPA); it is the primary agency responsible for addressing and managing China's environmental problems. The unit falls under the direct leadership of the State Council, from which it receives the vast majority of its overall budget (Jahiel, 1998). SEPA, like

⁷⁸ Additional general information on SEPA can be found on its main English language website at: <http://english.sepa.gov.cn/>

many other central level agencies, is replicated as Environmental Protection Bureaus (EPBs) at lower administrative hierarchy at the provincial, city, district, county and in some locations, township levels (Jahiel, 1998). In general, SEPA promulgates different laws and polices in Beijing and these lower level EPBs are subsequently responsible for their implementation and enforcement throughout the country⁷⁹.

SEPA independently proposed the creation of the BCI, for motivations highlighted in greater detail in the second section of this case study, but some of which included improved international public image given China's abysmal environmental record, China's own strong interest in protecting biodiversity, and SEPAs self-promotion to become more visible within the bureaucratic hierarchy. SEPA has become an increasingly important constituent in China given the worsening environmental situation and the growing impacts on health and economic growth (The World Bank & The Government of the People's Republic of China, 2007). However, the agency nonetheless remains subordinate to more powerful ministries such as the Ministry of Water Resources or the Ministry of Construction since these ministries are direct members of the State Council (Interview 70, 2006).

The Biodiversity Conservation Corridors Initiative

Origin

In May 2005 China hosted the first ever meeting of the GMS environmental ministers focusing on the management of shared natural resources with the GMS. The

⁷⁹ However, as discussed in Chapter six implementation and enforcement is often a complex and difficult process.

purpose of the event⁸⁰ was to formally launch the Core Environment Program (CEP), a major new initiative within the ADB GMS Program, designed as an overarching strategic framework to protect and conserve the natural ecosystems within the Mekong Region.

In light of the rapid economic growth taking place within the region, and the impact the natural environment will likely sustain, the environment minister's jointly endorsed the creation of the CEP. A primary objective of the CEP is to conserve natural ecosystems and maintain environmental quality throughout the region⁸¹. The Mekong Region is a global biodiversity 'hotspot'⁸², containing many important plant and animal species threatened with extinction due to rapid economic development; therefore, in order to address one of the CEP's key objectives, the first CEP initiative was the implementation of the Biodiversity Conservation Corridors Initiative (BCI).

Based on interviews conducted with ADB staff, it was determined that China took the lead role to initiate and promote the BCI. In fact, the Deputy-Director of SEPA's Department of International Cooperation, who had been on secondment to the GMS Program, personally pushed for the establishment of the BCI. On behalf of SEPA the Deputy-Director argued that one of the key focal areas of China's leadership was the preservation of national biodiversity, particularly within the resource rich Southwestern region of the country, and therefore China wanted to create a program that would preserve the region's threatened biodiversity (refer to discussion below about biodiversity). According to ADB respondents, SEPA actively worked "behind the

⁸⁰ Additional information about the Ministerial Meeting can be found at:

<http://www.adb.org/Documents/Events/2005/GMS-Environment-Ministers-Meeting/default.asp>

⁸¹ The Core Environment Program (CEP) is focused on building capacity for assessment and analysis at specific sites and also at the national and subregional level. Since biodiversity values are an integral part of the program's benchmarking and impact analysis, plugging gaps in biodiversity information is critical to its successful implementation.

⁸² Refer to Conservation International's Biodiversity Hotspot website for additional information <http://www.biodiversityhotspots.org/xp/Hotspots>

scenes” lobbying the WGE to ensure the BCI was accepted by the ADB and national governments as a new major program within the GMS Program.

In addition, while the majority of financial assistance is provided by the Governments of Sweden, The Netherlands, the United Kingdom, and the ADB, China also provides financial resources to the BCI in the form of counterpart funds. Usually counterpart funds are in-kind contributions, but in this situation, China has made a direct budgetary allocation of \$20 million. Even though this fund is designed to be utilized for the portion of the BCI exclusively within China, it nonetheless represents further evidence of China’s commitment to protecting regional biodiversity stocks. Moreover, according to ADB respondents interviewed in Manila and Bangkok, China has supported providing additional funds in the future to poorer downstream countries, such as Lao PDR and Cambodia, to better integrate environmental management and biodiversity protection with poverty reduction.

The BCI was officially approved by the ADB Board on 16 December 2005 and practical implementation began in January 2006.

BCI Goal and Objectives

The official goal of the BCI is to support GMS countries to restore fragmented landscapes and enhance the equitable sharing of development benefits in the region. The strategic objectives of the BCI are to: reduce poverty; harmonize ecosystem governance and management regimes; reduce ecosystem fragmentation and restore connectivity;

build local, national and regional capacity for effective ecosystem management; and secure sustainable financing⁸³.

The BCI targets areas of suitable habitat that provide functional linkages between fragmented protected areas. They have three main functions: 1) conserving habitat for species movement and for the maintenance of viable populations; 2) conserving and enhancing ecosystem services; and 3) promoting and enhancing local community welfare through the conservation and sustainable use of natural resources. Biodiversity corridors are analogous to economic corridors in their function and objectives since both attempt to increase system connectivity, economies of scale, integration, and efficiency. Biodiversity corridors do so by enlarging the functional boundaries of conservation areas. They help the movements of species and safeguard the contributions of natural systems more widely across development landscapes. For example, in the China pilot site a serve decline of primary forests took place from the 1950s to start of the 1990's, leading to a forest cover reduction from approximately 60 to 27 percent; subsequently leading to wildlife habitat loss (Asian Development Bank, 2005d). Therefore one of the objectives of the Yunnan BCI is to address the forest ecosystem fragmentation in order to improve overall forest coverage, but also redress habitat loss, via corridor linkage of protected areas. In Cambodia, for instance, illegal logging remains a serious challenge, increasing agricultural production and land speculation throughout the country. So one manner in which the BCI will attempt to address this situation is to promote community-based natural resource management and protected area co-management (Asian Development Bank, 2005d).

⁸³ While the official goal is laudable, many respondents indicated that the unspoken, yet equally important, goal was to mitigate or buffer development impacts taking place in the economic corridors within the GMS.

In the absence of such corridors, ecological and environmental services of importance to the GMS development agenda will continue to decline. Biodiversity corridors are intended to consolidate and expand the development and economic benefits derived from natural systems in protected areas and across the landscapes linking them. They do so through rehabilitation, conservation, and sustainable use and by internalizing biodiversity products and services in the development planning process (Asian Development Bank, 2005b).

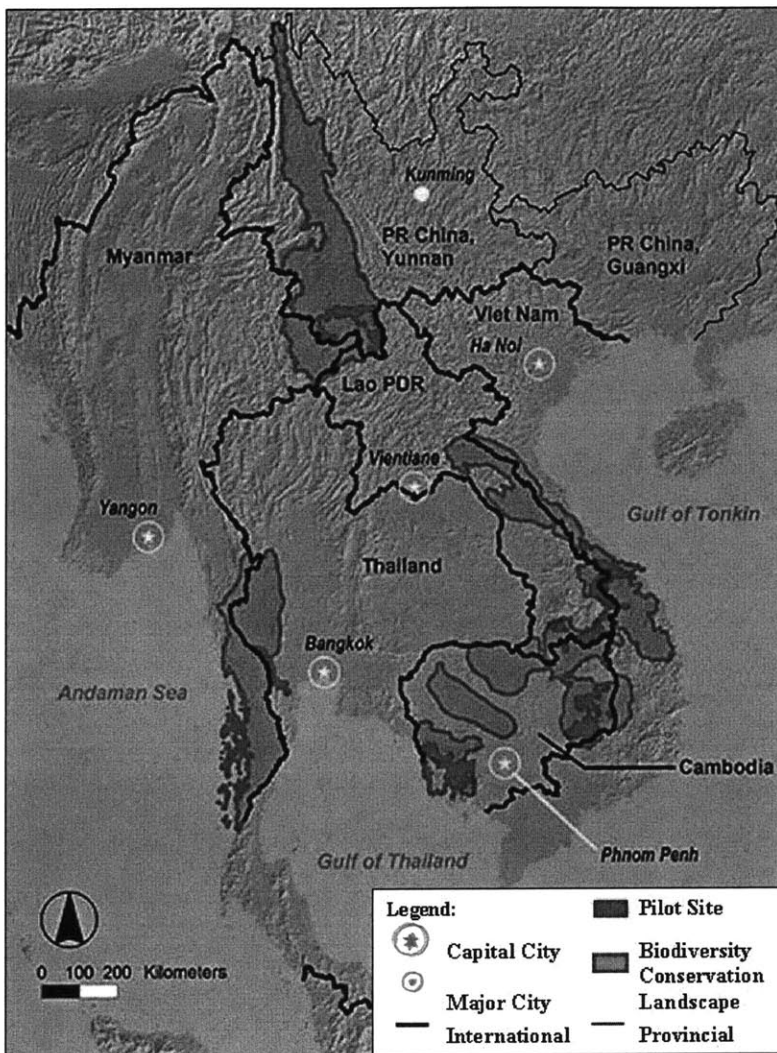
BCI in Yunnan Province

The BCI will be implemented in three phases, the first of which will include the implementation of five pilot projects from 2005 to 2008. The BCI pilot in China will connect six existing reserves of the Xishuangbanna conservation complex, a unique formation of tropical and subtropical forests in southern Yunnan Province stretching down to the border with Lao PDR⁸⁴. Although Xishuangbanna only covers 0.2 percent of China's land mass, it maintains nearly 16 percent of the plant species in the entire country (Asian Development Bank, 2005d). The BCI pilot site in Xishuangbanna will eventually expand to include a much larger land area within Yunnan Province and parts of western Burma and northern Lao PDR⁸⁵. The second (2009-2011) and third (2012-2014) implementation phases will focus on the consolidation of longer-term financing arrangements and benefits from the sustainable use of natural resources.

⁸⁴ Additional more detailed information on the Xishuangbanna BCI pilot can be found at: <http://www.adb.org/Projects/core-environment-program/xishuangbanna.pdf>

⁸⁵ At this stage in the BCI's implementation, the pilot site is not transboundary since it is only located within China's political borders, however, this pilot site will become transboundary as the BCI implementation progresses.

Figure II: Biodiversity Conservation Landscapes and Pilot Sites



Source: Asian Development Bank

In most BCI pilot sites, the key implementation partners include a consortium of state and civil society actors, such as the World Conservation Union (IUCN) or the World Wide Fund for Nature (WWF), but in the case of the Chinese pilot site, the implementation partners are exclusively governmental, with the Xishuangbanna Tropical Botanical Garden having primary responsibility for local-level operationalization in the pilot site. It was not obvious why the ADB or SEPA made the decision not to have any

foreign or domestic non-state actors involved with the management of the pilot site. Possible reasons may, however, include that the Chinese government did not want foreign groups involved in what China viewed as something it could manage itself; it wanted to channel more ADB funding toward governmental groups, or the ADB itself did not want to offer or propose civil society involvement as it may have been concerned about the government's adverse reaction. The Tropical Botanical Garden (and the non-state actors in other pilot sites) is responsible for the specific project operations, such as developing a detailed, multi-year plan of operation, budgeting, monitoring and evaluation systems. Pilot sites are managed by local site level organizations, in this case the Botanical Garden, but oversight is provided by a national BCI coordination unit.

Chinese and Regional Biodiversity Context

While the ADB has actively promoted trade and increased connectivity throughout the Mekong Region since 1992, with the overarching premise that trade and investment will ultimately eradicate poverty, the supreme challenge confronting the region today is environmental, in particular, the increasing loss of biodiversity. Threats to the region's biodiversity are due to a combination of over-exploitation of the natural resource base, habitat loss, wildlife trade, the construction of transnational roadways, and weak management capacity to manage regional biodiversity. Therefore, given the risks to biodiversity in China and the Mekong Region as a whole, the countries, in cooperation with the ADB, embarked on a process to address these threats and improve the sustainable use and management of natural systems in the region.

China is one of the most bio-diverse countries in the world. Its various climatic and eco-regions have developed complex habits that host a rich diversity of species. It has more than 10 percent of the world's vascular plant and terrestrial vertebrate species, with perhaps half of these species found nowhere else on earth (Liu et al., 2003; H. Xu, Wang, & Xue, 1999). Besides abundant flora, China is also considered one "of the main centers of origin and diversification for seed plants on Earth" (Lopez-Pujol, Zhang, & Ge, 2006). Within China, Yunnan Province is considered one of the most bio-diverse 'hotspot' regions. Although Yunnan only covers approximately four percent of China's total landmass, it holds more than 18,000 plant species (51.6 percent of China's total) and 1836 vertebrate species (54.8 percent of China's total) (Y. Yang, Tian, Hao, & Pei, 2004). Moreover, out of China's 335 priority protected wild animals, Yunnan has 243 species, of which 15 percent are endemic (Y. Yang et al., 2004). Therefore the successful protection of China's and Yunnan Province's biodiversity and unique habits will obviously contribute to not only the conservation and preservation of 'borderless' biodiversity in the Mekong Region, but also on a global scale.

Unfortunately a significant portion of China's biodiversity is under serious threat. As China's economic growth continues to climb rapidly, the natural environment is under constant pressure. According to the World Bank "almost all of China's unique and globally significant biodiversity resources are under stress. Many species in China are seriously threatened" (The World Bank, 2001). According to one recent study, it is believed up to 5000 flora species are currently endangered in China, with some having already become extinct (Lopez-Pujol et al., 2006). Therefore, in order to address this threat, a substantial national system of nature reserves and protected areas has been

established by the Chinese government (Liu et al., 2003; The World Bank, 2001), with 1757 established by 2003, and the majority created in the last 20 years (Liu & Diamond, 2005). The government plans to increase the total number of reserves to 1800 by 2010, and 2500 by 2050⁸⁶.

In addition, significant evidence suggests that ecosystems, species of all types, and genetic resources, are being lost at increasing and unprecedented rates (Liu et al., 2003). The ADB therefore argued that if no action is taken, “it is probable that the GMS will lose more than 50 percent of its remaining land and water habits over the next century (a third over the next few decades alone), leading to impoverished and unstable natural, social, and economic systems” (Asian Development Bank, 2005d).

Part II: Key Emergent Themes

China Engages

The most salient point that emerges from this case study is that China will engage in the management of a shared natural resource, however, this appears to take place under specific circumstances. China has been extremely politically and economically involved with all aspects of the GMS Program, and through SEPA, independently proposed the creation of the BCI. This case is important because it demonstrates direct, collaborative, and most importantly, proactive engagement by Chinese governmental stakeholders in the management of shared biodiversity stocks in the Mekong Region.

⁸⁶ However, although beyond the scope of this case study, the vast majority of these protected areas in China are poorly managed and largely ineffective to halt, or even slow, biodiversity loss (Liu et al., 2003). Although the reasons are complex, they can largely be attributed to a poorly funded system, limited human resources, and lacks systematic planning. The end result has been an under-funded, over-extended patchwork of badly managed reserves, often situated in areas that do not face biodiversity loss.

Four dominant themes were identified that help to explain China's level of engagement in co-management of shared natural resources: 1) China's interest in promoting a positive international image of how it manages the natural environment; 2) competition among different agencies within China's bureaucracy for power and authority; 3) China increased tendency or interest in collaborating if the resource in question is of direct concern to China; and 4) China's is active participation in regional environmental management arrangements if a truly neutral forum can be created, or at least one not threatening to China's position. In addition, two other minor considerations were identified: 1) issues of low controversy or ones that are non-threatening to China's sovereignty appear to promote, or at least do not inhibit, increased collaboration; and 2) if the financial burden imposed on China to facilitate engagement is low, China is more likely to engage.

These themes should not be viewed as totally separate from each other, since some of the information in one area often inter-relates to others. Additionally, given this particular case has the shortest history of the four studied in this dissertation (the BCI was only approved on 16 December 2005), there were limited data available. Thus, the analysis presented below can only be considered emergent. The themes are not presented in order of importance.

Theme 1: International Public Image

As China continues to politically and economically engage with the global community, it has become increasingly important for Beijing's leaders, as well as the general Chinese public, to put forward a positive, responsible, even caring image of

China on the world stage. Perhaps the best environmental example of China's public relation interest is how Beijing is promoting the upcoming 2008 Olympics as 'the green Olympics'⁸⁷.

China is taking careful measures to improve local environmental standards, halt dust storms, significantly reduce smog levels, and ensure that the construction materials are sustainably sourced⁸⁸. While a critic would assert China will never be able to meet 2008 Olympic green goals, the fact remains that any Olympic host city is a showcase for an entire nation, and China has elected to market the 2008 Olympics as 'green'. China wants a global public to witness China's newfound environmentalism, and the risks are obviously great if it publicly makes this statement, but not able to back-up its claims with action. Therefore it is not surprising that the theme of *international public image* surfaced repeatedly during interviews conducted with informants familiar with this case (Interview 18, 2006b; Interview 20, 2006b; Interview 112, 2006).

One key informant, a senior ADB official based at the headquarters in Manila with a long history of personal involvement with the GMS Programme, offered the following assessment of why China was keen to propose and subsequently promote the BCI:

Well China now sees itself coming into an international arena, engaging, wanting to engage in the international community, and whilst it's doing well in many fronts it has also been criticized on other fronts. And one of the things when people talk about growth in China they talk about environmental implications or consequences of this fast economic growth and for that reason and for better

⁸⁷ For additional information, refer to China's official Olympic website where is specifically reviews 'Green Olympic' plan: <http://en.beijing2008.cn/12/12/greenolympics.shtml>

⁸⁸ Refer to China Olympic website for details: <http://en.beijing2008.cn/48/91/article211929148.shtml>

engagement to the community particularly in its own area in Asia, China felt that, I think they could use this [the BCI] as one of the platforms to build a better image and hence came the BCI, and they have earned kudos so to speak from that (Interview 20, 2006a). pg 1

Other respondents echoed the statement made by this ADB management official. Due to criticism leveled against China regarding its poor environmental record, Chinese government officials, particularly those based at the SEPA, are keen to promote the BCI as a clear example of China's new commitment to address not only domestic, but regional environmental degradation. This respondent, a university professor familiar with the Mekong Region, stated:

“It's very good PR...” (Interview 14, 2006) pg. 10

The same respondent then goes on to state:

PR in the sense that it's a good regional neighbor and we [China] want to do things that not just destructive. China's becoming increasingly sensitive of constantly being hounded over the dams on the Mekong, I think. No country likes to be the evil upstream guy... (Interview 14, 2006). pg. 10

While China's domestic public increasingly vocalizes its frustration over environmental damage, it is unlikely the BCI was promoted as a mechanism to ease internal strife⁸⁹. If SEPA, or other relevant agencies, were interested in improving the governments' domestic environmental track-record, there would be more obvious choices

⁸⁹ As Elizabeth Perry and Mark Seldon point out, China's impressive economic record has had a tremendous impact, but has simultaneously not gone uncontested. In their edited volume *Chinese Society: Change, Conflict and Resistance*, New York: Routledge, 2000, Jun Jing states in Chapter 7, *Environmental Protests in Rural China* there has been an upsurge in environmentally related social protest throughout China, reflecting, in part, a growing public awareness of a deepening environmental crisis.

efforts, such as better promoting or ensuring real public participation⁹⁰. Therefore in terms of raising China's eco-profile, it appears more likely the public relations aspect of the BCI is targeted for regional and international audiences. Moreover, this initiative presented itself as a good opportunity to raise China's 'good neighbor' profile and increase regional cooperation.

However, not all respondents were willing to praise China's positive regional environmental stance; these informants criticized China as being overly eager to promote and support the BCI and questioned China's underlying motives. While they recognize that China faces significant domestic biodiversity preservation challenges, these informants simultaneously asserted that China only proposed the BCI as a public relations mechanism to help deflect condemnation of its domestic dam building agenda (and the associated potential downstream impacts) or the environmental consequences of the economic development taking place in the GMS, which China wholeheartedly embraces. One respondent, a staff member at the Mekong River Commission, stated "it is just China's green paint on the economic corridors in the GMS" (Interview 29, 2006). Another respondent, an ADB officer based in Bangkok stated:

Many will say, even some people in the countries, that maybe they're [China] trying to cover their negative footprint or bad footprint or whatever you call it (Interview 18, 2006a). pg. 10

⁹⁰ Although it is important to note SEPA has, in fact, been at the forefront of promoting national public participation over environmental decision-making. SEPA action as recent as June 2007 calling for improved public participation can be found at: <http://www.china.org.cn/english/environment/214738.htm>

So while these informants did not dispute the notion that China may be using the BCI to improve its internationally blemished environmental record, they argued that it was primarily to sidetrack attention from China's less attractive environmental activities.

Theme 2: Internal Bureaucratic Competition

When I probed further regarding China's support for the BCI, informants stated that in addition to China's environmental 'face-saving' motives, internal bureaucratic competition among government ministries was also partly involved in promoting the BCI. One key informant, a senior ADB management official, provided the following assessment:

I think China is first of all a very large country with a lot of dynamics happening within the country among provinces between the centre and the state, the provinces and between the central and provincial authorities if you wish. There are also very powerful ministries: The Ministry of Water Resources and Ministry of Construction are some of the most powerful ministries in China. Certainly finance and foreign affairs are also very powerful but in their own right and their own way in the ways of the areas that they engage in. So I think on the one hand there is sort of internal dynamics at work within ministries in the power place that take place (Interview 20, 2006a). pg. 5

Numerous other respondents made similar statements supporting this key informant's remarks. Internal organizational division and competition exists within the Chinese bureaucracy, leading weaker agencies, such as SEPA, to compete for attention. As noted earlier, China's participation in the Working Group on the Environment is spearheaded and coordinated via SEPA, but respondents argued the BCI had the

opportunity to provide additional attention and respect for SEPA since the program included a significant international focus. The ADB officer based in Bangkok stated:

Part of the reason maybe for SEPA to flag the regional dimension of it, make it a regional issue, bring it on a platform of GMS, is to strengthen themselves internally. Well, there are other dimensions to this ... sometimes it's for domestic consumption as much as international consumption. I think it's a bit of both, obviously. So, I won't be surprised if they are saying, that biodiversity conservation corridors, it gives them [SEPA] leverage to influence their domestic position and strengthen their domestic position (Interview 18, 2006b). pg 14/15

In fact, another respondent, a retired high ranking ADB official, argued that the primary rationale for China's promotion of the BCI has to do with SEPA's interest in amplifying its stature within the Chinese bureaucracy. However, he qualified his statements by saying while their motivations may have been bureaucratically selfish, their intentions were altruistic:

SEPA with sort of its own institutional building desires, wanted to move much more into biodiversity related activities. They had recently brought across one of the vice ministers from the forestry department as one of their deputy direct generals. They had been engaged in an ongoing battle with the Forest Administration on who had responsibility for national parks, and biodiversity conservation generally. So, I see it much more in terms of the internal struggles within the Chinese bureaucracy, for SEPA to have much great control and power over biodiversity, with its long-term goal of becoming a ministry of national resources that would eventually absorb the State Forest Administration under its umbrella. And so, in that sense, you know, if there *was* a conspiracy, or sort of an underlying motive that was much more a sort of a – an institutional turf battle, rather than trying to deflect attention from what other ministries might have been doing

in the name of economic growth or whatever (Interview 112, 2006). pg. 2

One key informant based at the Mekong River Commission Secretariat in Vientiane, who is familiar with the ADB GMS Program, submitted that China's active participation and promotion of the WGE, while environmentally responsible, also has to do with SEPA's effort to strengthen itself internally:

Now, China's interest in, to develop and engaging in the strengthening of the Working Group of Environment, I think, is partly driven because environmental issues are very topical in China, for the moment. The Prime Minister refer to it many times, and SEPA, although not a very strong agency, certainly one that is raising its profile and is insisting on that environmental commitments and regulations within China should be followed, should be, that there is reasons for it, so I think, that explains Chinese government's interest (Interview 33, 2006). pg. 8

In sum, while this second theme is not linked to China's external public image, it is tied with internal image, although from an entirely governmental perspective. The Chinese bureaucracy is fragmented and by competing for the ownership and management of internationally visibly projects or programs, an agency may be able to improve its bureaucratic ranking. The promotion of environmental projects and programs does not necessarily contradict the agency's environmental mission or motivations, but it certainly appears to be done, in part, to enhance its profile and stature within the bureaucratic hierarchy.

Issue 3: Importance of Biodiversity Protection to China

China recognizes that the Mekong Region is rich in natural assets, but the resource base is ecologically fragile and under threat. During the opening ceremonies at the Second GMS Leaders Summit in July 2005 in Kunming, Wen Jiabao, China's Premier specifically highlighted the importance of addressing mounting environmental pressure within the GMS. So it was not surprising that the third theme highlighted by respondents helping to explain China's new-found willingness to engage in the management of shared natural resources is the importance of biodiversity and environmental protection to China and her leadership.

One respondent, a retired senior ADB official, offered the following assessment, asserting that since biodiversity protection was critical in the Southwestern Yunnan Province, the government implicitly supported the creation of the BCI in order to protect China's natural resource base:

Ding Ding Tang, who was formerly at ADB, and had gone back to SEPA⁹¹, and was acting as the Chinese representative on the Working Group on Environment, suggested that because biodiversity was of such importance in the Yunnan Province, that a major focus of this core environment program should be on biodiversity and conservation (Interview 112, 2006). pg. 1

The overall goal of the BCI fits well with China's own biodiversity protection agenda, particularly since the central government declared Yunnan as a priority area of important biological and cultural diversity. Thus, the location of the BCI was an obvious choice for China's environmental planners.

⁹¹ He returned to SEPA as the Deputy-Director General, Department of International Cooperation.

The ADB officer based in Bangkok provides a more detailed analysis of what drives China's interest in the management of shared regional natural resources. This key informant specifically argues that since China's national environmental interests are increasingly aligned with regional resource protection interests, this convergence of interests supports mutual cooperation and management:

Their national policy is for international cooperation with biodiversity, from an environment point. These are their national stated policies, which is consistent with that, that biodiversity, whether it is global or regional, and they see GMS and this program as one of the vehicles to service that national priority, and this is both a regional and global priority for biodiversity conservation (Interview 18, 2006b). pg. 12

The same respondent also states:

That's what is driving their cooperation. In any cooperation, first you have to have a national stake, a national interest. People will start cooperating when national or self interest becomes common interests and common interests here is they know that ... if we don't help countries like Lao, that's their [China's] idea, if we don't cooperate, we don't pull in countries like Lao or Cambodia in some framework where we can coordinate, cooperate on, at least maintaining the potential, productive potential capacity of natural resource base, it will in the long run threaten our own performance... (Interview 18, 2006a). pg. 11

However, it is also apparent that in addition to protecting biodiversity, China recognizes that key sectors in the GMS such as agriculture, energy and fisheries, which China is dependent upon for food security, in turn depend upon the maintenance and

contribution of healthy regional natural systems, of which biodiversity protection plays an important part.

So while the respondent below, a senior ADB management official, makes it clear that as China further economically and politically integrates into the wider global community, international image has indeed become important for China's leadership. The respondent further highlights China's concerns about damage to its own domestic natural environment given its phenomenal economic growth rate and associated concerns regarding food security:

So I don't think it is just rhetoric and I don't think it is only image building. I think they are serious because they know that it is the sustainable management of natural resources and the environment that will be one of the key determining factors among losers and winners in the whole process of economic development in socio-economic progress in the region. And I don't need to get into that, you probably know well the proximity between resource management, environmental degradation, land use and of course, poverty alleviation. If your land use is not managed well, if your pesticides and insecticides are spoiling the fertility of the land and if your watersheds are not managed impacting on your biodiversity, clearly you will have, you will deal with many risks including that of food security (Interview 20, 2006a). pg 2.

Issue 4: Engagement in Regional Multilateral Processes

As highlighted in the introductory chapter, China's leaders are well aware of the daunting environmental challenges facing their country. My research indicates that the Chinese leadership, particularly those leaders housed within the SEPA bureaucracy in Beijing, is aware of China's dramatic environmental externalities. In fact, China's leaders now even publicly recognize their country's environmental footprint on other parts of the

world. Respondents with extensive experience interacting with Chinese government departments and line agencies confirm that China is fully aware of its regional environmental externalities. What it lacks, however, are appropriate forums in which to address them. One attractive arena that China considers non-threatening to its interests is the ADB GMS Program.

One senior ADB respondent's statement encapsulates this viewpoint:

China's growth, its resources, its reserves, its manpower, has given itself the confidence and a degree of maturity in the type and form of engagement, where we are discussing these things [transboundary environmental issues]. And I think steady progress is being made in the level of engagement and I believe a steady progress is being made in the openness by China and its true commitment, as we deepen our dialogue through the GMS core environment programme and of course the environment operation centre which is now being established in our Thailand resident mission in Bangkok (Interview 20, 2006a). pg 9/10

Moreover, in relation to the management of shared natural resources, during the environment ministers meeting that took place in May 2005, Mr. Zhu Guangyao, First Vice Minister of SEPA, took the unusual step of stressing the positive role that China could play in addressing the region's environmental challenges (Asian Development Bank, 2005c). This statement was important given that China historically has paid very limited attention to regional environmental matters. His comments publicly opened the door for China to play a stronger role in managing regional environmental matters. In addition, during the second GMS Leaders Summit held in Kunming in July 2005⁹², China's official country report on GMS Cooperation, asserted that China will pay greater

⁹² For additional information on the summit refer to: <http://www.adb.org/Documents/Events/2005/2nd-GMS-Summit/default.asp>

attention to region cross-border environmental issues and will contribute to regional environmental protection mechanisms (Government of China, 2005).

In fact, since 2001, China's central leadership has become so convinced of the GMS Program's benefits that it removed Yunnan Province as the primary focal negotiation point with the ADB and transferred authority directly to Beijing given the central government felt the GMS Program was so important and therefore could not be trusted to the direct oversight of a province. As another sign of China's growing faith and interest in the Program, in 2005 it added Guangxi Zhuang Autonomous Region as a second Chinese territory to participate in the GMS.

In relation to an inquiry as to whether or not China's increased attention to domestic environmental issues extends to transboundary issues, the retired ADB management official states that China's involvement in the multilateral program has played an important role in its engagement with and understanding of regional environmental issues, particularly China's impact on Mekong countries:

China's involvement in the GMS, I think it's been very significant... They're looking at doing something similar on the Central Asian front as well. I can remember officials in SEPA saying, "You know, we really like the way ADB has brought environmental issues into the GMS program. We think they can do more on Northeast Asia and on Central Asia. And if ADB *doesn't* respond to that, then, you know, we'd like to bring in the World Bank or others to focus on helping us in those border issues." So, I think they *do* have a broad strategy for that, and, at least, at the SEPA level, an intention to sort of carry out those programs (Interview 112, 2006). pg. 8

Another ADB key informant asserted that it was the Bank's 'suite' of activities that entice China to engage. The ADB latticework of program areas provides an agreeable platform for China to strengthen its participation:

There is a huge economic cooperation potentially, we're talking of a 3 billion portfolio right now, it could go to 10, 12 billion down the road... So, they see this is an appropriate forum, or vehicle to discuss, I mean they're already cooperating on roads, and telecommunication and all, and this is another part of it [environmental cooperation], and this process provides a good platform, a good means, a good vehicle to further strengthen the cooperation in this area of self-interest, of their interest. ...we facilitate that cooperation program but with the caveat that ADB plays an honest broker role, that it informs other partners, empowers them with the relevant information and what are the pros and cons of these things... decision is obviously with countries, they're sovereign countries, we're not there to make decisions for them (Interview 18, 2006b). pg. 13

Two specific considerations dictate China's positive engagement with the ADB GMS Program, both of which were repeatedly highlighted by respondents: 1) the overall economic incentive to China that assumes a strong link between the development of the economic corridors and the promotion of trade; and 2) the Program is non-binding.

1) Economic and Trade Linkage Incentives

China has crafted a strong relationship with the ADB and the GMS Program, and one of the key reasons for this is that China's poorer western region stands to benefit from increased trade via improved and upgraded infrastructure. One ADB respondent highlighted the heavy emphasis on economic matters, particularly from the Program's outset, and how this served as an important platform to engage China (and other GMS

countries). Over time, but perhaps too late, the economic linkages led to improved dialogue over regional environmental matters:

Well the GMS programme started in 1992 and a heavy focus was indeed on infrastructure and at the time when we started there was a different paradigm very pronounced on economic growth, which largely meant larger infrastructure roads, energy, but also other types of infrastructure like irrigation infrastructure and so on... But it wasn't too long after in 1995, the GMS programme actually came up with a Working Group on the Environment.... Well, environment, the working group on environment was started as early as 1995, so yes whilst you are right that many of the countries looked towards an institution like the ADB to mobilize resources, to galvanize the donors around infrastructure developments and large investments needed for it, by the same token ADB took recognition of the environment dimension as early as 1995 and began this group. Now having said that, I think our initial level of engagement with China was not as deep on environment and to some extent one could say that some countries were just maybe sort of it was basically lip service on their part on environment... But as we went along from 1995 to where we are today, the level and the depth and the breadth of engagement on environmental issues have certainly I mean reached another level altogether (Interview 20, 2006a). pg 2/3

Critics, predominantly non-governmental organizations, argue the overall regional GMS initiative of the ADB has, to date, been more effective at enhancing economic cooperation than managing shared natural resources. The economic incentives to China and other Mekong countries are obviously important. However, this respondent, a university professor familiar with the Mekong Region, cautions that while the ADB may provide an overall 'platform' to engage China and other countries, this in no way guarantees that China will take environmental responsibility, as one ADB respondent insists:

But, I think as one of the early critics, the situation has changed and there is definitely a commitment among certain aspects of leadership in every country in the region because the GMS is seen as such an important means of securing the capital for infrastructure development. And China sees this as the primary mechanism now to have influence in a way that's appreciated at least by the economic and political elite within the region. So, it also meshes with China's other interests whether it's investing in water infrastructure in Cambodia or building dams or getting construction contracts for its road building companies, there's a lot that China can benefit from. And, it doubles good neighborliness in the sense that there are interests within each country, but they're also very keen on this rapid infrastructure-based agenda within the region. You know, in all countries, whether it's dams in Laos or irrigation structures in Cambodia or roads and railways everywhere or integrated energy grid, is ... enthusiasm among elites and environment is sort of seen as a secondary thing to be dealt with down the track (Interview 14, 2006).
pg. 16

II) Non-Binding Arrangement

The second sub-theme that was echoed repeatedly by informants interviewed for this case was that the ADB GMS Program is non-binding and therefore has no legal authority or enforcement capacity over the participating nation-states. In this situation, unlike the Mekong River Commission, China is not required to comply with any formal rules, regulations or treaties, thus it does not face any form of retribution if it does not comply. Under these circumstances the various constituents of the Chinese government involved with the GMS Programme have elected to actively participate in the ADB GMS Program, agreeing to environmental cooperation. China is not threatened by the GMS Program. Since nothing is required, it is easy for China to become increasingly engaged. The following informant, a senior ADB management official, states:

The GMS provides that forum because all partners come together. It's not a formal membership. The GMS programme is not a binding programme, you must remember that, and that in itself goes to show for the success of the programme. It's not any formal agreement of people signing on to become members. It started with an informal programme, as it will remain as such (Interview 20, 2006a). pg. 7

This respondent even argued that China's participation in the Mekong River Commission was inhibited by the formal, binding structure of the Agreement governing the Commission:

First, at MRC there is a legal agreement, there is a Secretariat for implementing a legal agreement. Now there must be some reason why there are only four countries, the upper countries China and Myanmar have not joined. So, that's the first, that in itself tells you why they would prefer or they think that the GMS program is much more to their benefit than MRC. The second aspect related to that is that the GMS is not a legal obligation, it's informal. It doesn't bind countries, it's a consensual process, it is an informal process. So it allows them flexibility where they need to have that and they can get it (Interview 18, 2006b).

In fact, the importance of the non-binding structure has not gone unnoticed at the Mekong River Commission Secretariat in Vientiane, which employs a binding agreement to govern the Mekong River Basin. One high ranking management official employed at the Secretariat indicated the Commission has developed a non-binding program called the *Mekong Programme*⁹³ modeled, in part, after the ADB GMS Program, in order to entice China's engagement with the Commission (Interview 37, 2006).

⁹³ Additional detailed information about the MRC Mekong Programme can be located at: http://www.mrcmekong.org/mekong_program_ceo.htm

In essence, China is able to enjoy the specific benefits it chooses and ignore other obligations that might infringe on or restrict its behaviour (Interview 16, 2006). For example, the ADB does not have a GMS Program Working Group on water or water-related activities. Officially ADB staff repeatedly informed me that this was unnecessary since the Mekong River Commission is the primary agency in the Mekong Region charged with managing water resources (or at least Mekong River water resources). However, when pressed further, many of the same staff acknowledge that the actual reason that the GMS Program does not have a Working Group on water is that it does not want to antagonize China given its extreme sensitivities associated with water and hydroelectric dams (Interview 19, 2006).

In sum, the ADB GMS Program has been effective at building trust and creating a framework for regional collaboration among GMS nation states. The Program has encouraged and enabled China to become more outward looking with regard to environmental issues. If China's environmental footprint is to be minimized, the ADB GMS Program appears to be one instrument that may be able to produce a positive result.

Other Themes:

Two other sub-themes that help to explain China's relatively recent engagement in the management of shared natural resources were also identified. Both themes can not be considered significant as they were highlighted by only a minority of respondents. Nonetheless, both seem worth mentioning.

The first relates to cost considerations for China. While China did volunteer to provide financial support to the BCI in the form of counter-part funds, and it also agreed

in principle to provide assistance to GMS states unable to finance the national costs of the BCI, overall the amount of funds China is providing is nominal (in comparison to the total BCI and EOC budget). In general, according to the statements made by respondents, China appears to be more inclined to engage in regional natural resource activities if the financial burden for China is minimized or non-existent.

The second sub-theme relates to whether China's leadership views the natural resource in question as important to the nation's economic development and whether it is tied to the State's sovereign right to undertake action it deems appropriate on its own territory. For example, the management of international rivers is highly contentious within the Mekong Region, particularly given China's upstream location and its dam building activities. In this situation, multiple stakeholders with entrenched positions are usually unable to find common ground and the level of controversy frequently continues to rise. In this situation, Chinese governmental actors can become recalcitrant while their positions harden.

In the case of biodiversity management, few, if any stakeholders – state and non-state alike – disagree that these resources should be regionally protected; moreover, few private sector interests appear to be involved. While management strategies differ or, in some cases, may be ineffective, China has generally been willing to support the conservation of regional biodiversity stocks, and does not view this as a hindrance to the State's development or an infringement on its sovereignty. The protection of biodiversity is not mutually exclusive to economic development, thus China does not see conservation as a barrier to economic growth. Furthermore, the BCI does not threaten China's economic interests: it is not located in aquatic zones, so it does not threaten hydropower

companies and it is not located in forestry concessions, so it does not threaten logging interests. Thus the BCI does not create any challenge to China's commercial interests.

Conclusions

This case demonstrated that elements of the Chinese government, under specific conditions, are willing and able to positively engage in the management of shared natural resources on a transboundary basis. China, represented in this case by SEPA in Beijing, proactively and independently proposed the creation of the BCI.

Several contextual factors; however, may explain China's engagement with these particular regional environmental issues. First, its international public image increasingly matters to China's leaders. China does not want to appear to be an upstream bully, uninterested in downstream country concerns. As China continues to rapidly integrate into global and regional governance structures and processes, China is pushed, frequently involuntarily, onto the public stage and becomes subjected to foreign public and government scrutiny. China is increasingly aware that it is being judged and repercussions can follow from foreign governments or consumers alike. Thus, China has begun to slowly recognize that by altering its behaviour, in this case over the management of shared regional biodiversity, it can improve its public image.

Second, SEPA, in order to gain greater visibility and respect within China's bureaucracy, pushed the BCI forward to enhance its own stature. A marginalized agency within China's massive governmental apparatus used, in part, the promotion of regional biodiversity protection in order to fortify its own position. One may argue SEPA's

motivations were skewed; however, the result nonetheless was a more positive environmental outcome.

Third, China, and Yunnan Province in particular, is a global biodiversity hotspot. China's own biodiversity stocks are under threat and China's leadership has recognized the importance of halting further threats to the extent possible. The goal and objectives of the BCI are directly compatible with China's own domestic conservation goals. This demonstrates the importance for extra-bureaucratic actors, whether multilateral agencies or non-governmental organizations, to align their programme of work with China's needs and interests. By making a direct issue linkage with Chinese actors, government or private sector, there appears to be a greater incentive for those actors to respond in a more collaborative and conciliatory manner.

Fourth, China has had a positive experience collaborating with the ADB GMS Program and given its non-binding orientation China felt comfortable proposing the BCI. The soft law approach of the ADB was a fundamental element in China's collaborative initiation. The majority of respondents stressed that a non-binding approach, which did not include specific rules or requirements, in part, enticed China to propose the BCI. While many external observers may believe that the economic components of the ADB GMS Program are the primary lubricants for Chinese engagement, this case has demonstrated, that, at least from the environmental perspective, the soft law nature of the Program was key.

In sum, this case appears provides an example of how China is willing and able to participate over the management of shared natural resources. However, given that the BCI is relatively new, further study will be required.

Chapter Five: The Mekong River Commission

A close neighbor is more helpful than a distant relative.

Chinese Proverb

Part I: Background

Introduction

The fourth case focuses on China's⁹⁴ evolving stance toward the Mekong River Commission (MRC), and specifically examines China's recent increased attention to MRC membership and strengthened interest in the management of the Mekong River⁹⁵. This case provides additional evidence of China's changing behavior toward the management of shared natural resources in the Mekong Region and highlights the mechanisms and arrangements that have encouraged Chinese decision-makers to promote collaboration in cross-border environmental matters.

The MRC is an inter-governmental regime predicated on the execution of the 1995 Mekong Agreement, negotiated and signed by the four downstream riparians, namely Cambodia, Lao PDR, Thailand and Viet Nam. The 1995 Agreement established equitable use and cooperation principles for the sustainable development and utilization of water and related resources in the Mekong River Basin. China is not a signatory to the 1995 Agreement and therefore not a member of the MRC. However, China became an official dialogue partner in 1996 and now participates in annual meetings to promote the exchange of hydrological data. Among the reasons China historically cites for remaining no more than a dialogue partner is its perception that membership would impose a

⁹⁴ When referring to 'China' in this case study, unless otherwise stated, I mean the central level leadership.

⁹⁵ Key stakeholders involved in this case are reviewed later in this chapter.

constraint on its hydroelectric dam building activities, which are an important component of the country's energy security strategy, and create opportunities for political interference by other countries in China's internal affairs.

However, while China remains resistant, this case study demonstrates that China is beginning to cautiously shift its attitude toward increased engagement with the MRC, at least at the central level. This shift, albeit slow and gradual, provides additional evidence of China's new stance toward the management of natural resources that it shares with other countries. Historically, China played an almost non-existent role in the MRC. Even recently, its involvement could best be described as limited. However, due to factors such as China's growing interest in playing a larger role in diplomatic affairs in the region, a growing political appreciation for how engagement with regional institutions can indeed strengthen China's geopolitical influence, and internal MRC organizational modifications, China has increased its engagement with the MRC over the past four years.

Although many respondents interviewed for this case argue that the MRC is an ineffective organization – due to weak management, a cumbersome inter-governmental structure, or because it is constructed almost entirely of nation states pursuing their sovereign interests – my primary interest is in analyzing China's engagement with the Commission and the various strategies and tactics employed by the Commission to enlarge the opportunities for China's involvement. Therefore, my interviews and the subsequent analysis do not target internal management arrangements, unless directly related to China's engagement with the MRC. Moreover, this case study does not assess the harm that China's upstream dam building, rapids blasting, or any other upstream

infrastructure development may have had. My focus remains solely on tracing China's changing political engagement with the MRC.

This case satisfied two main selection criteria. First, it illustrates ecological interdependence: the Mekong River is a transboundary natural resource originating within China's political territory and flowing across multiple national boundaries in the Mekong Region. Second, it satisfied the criterion of socio-political interdependence, given the MRC involves an institutional framework comprising a complex vertical and horizontal latticework of political, social and economic network interactions, involving both state and non-state actors.

My analysis of the data in this case study hinges on two types of measurement. First, I am interested in the factors that seem to explain the changes in China's level of engagement with the MRC over the past few years, and second, I am interested in the potential barriers to further collaborative activity. Primary and secondary data for this case were collected from 32 informant and key informant interviews, four triangulation interviews, as well as a variety of technical documents and scientific reports, mainly produced by the MRC.

The Mekong River

The Mekong River⁹⁶ is one of the largest river systems in the world and is an important shared natural resource for China and five Southeast Asian countries including Myanmar, Lao PDR, Thailand, Cambodia and Viet Nam. The river ranks twenty first in the world in terms of its drainage area (approximately 800,000 km²), twelfth in terms of

⁹⁶ Information was gathered from the Mekong River Commission's website at http://www.mrcmekong.org/about_mekong/about_mekong.htm as well as interviews conducted with MRC staff members.

its length, and eighth in terms of its average discharge (15,000 m³/s). The Mekong originates thousands of meters above sea level in the Tibetan Plateau and travels approximately 4900 km through six diverse geographic regions before discharging into the South China Sea.

Approximately 80 million people, including over 100 different ethnic groups in the Basin area, depend on the river for important resources ranging from drinking water, fish, transport, irrigation water and forest products. The Mekong River is considered vital for the subsistence livelihoods of millions of poor people directly dependent on the river and its resources. For example, its annual flood-drought cycles are essential for the production of rice and vegetables in the floodplains and along the riverbanks during the dry season. In addition, the Lower Mekong Basin hosts the most productive freshwater fishery in the world, and this contributes substantial benefits to national economies, food security and rural livelihoods (Baran & Ratner, 2007).

The most significant challenge facing the Mekong River and the livelihoods of the poor people living in the Basin is maintaining a balance between rapid economic growth and long-term environmental protection. In recent years this challenge has become increasingly problematic as the countries in the region have pursued infrastructure development, including irrigation schemes and hydropower development, throughout the Basin. The ongoing upstream hydroelectric scheme promoted by China (see below) is particularly worrisome. Transnational together with Mekong country civil society groups argue China's dams will have widespread impacts on the livelihoods of local communities and on river system ecology.

A Brief History of the MRC and the 1995 Agreement

In order to promote and coordinate the sustainable management of the Mekong River and its natural resources, the Mekong River Commission (MRC) was formally established under agreement in 1995 by the four countries sharing the lower Mekong Basin. The MRC is an international river basin organization built on nearly a half century of regional experience ‘governing’ the Mekong River⁹⁷ and of the 261 transboundary river basins in the world today. The MRC represents one the oldest institutional arrangements for transboundary environmental governance (Hirsch, 2007). Member countries co-operate in the fields of sustainable development, utilization, management and conservation of the water and related resources of the Mekong River Basin, such as navigation, flood control, fisheries, agriculture, hydropower and environmental protection.

The MRC consists of three permanent bodies: The Council, the Joint Committee (JC) and the Secretariat. The MRC is governed by the four member states via the JC, which functions as a management board. The Secretariat, situated in Vientiane, Lao PDR, serves as the focal point for technical and administrative support. The MRC is funded through member country contributions, as well as additional significant financial resources from a variety of bilateral and multilateral organizations.

⁹⁷ The history of regional collaboration dates back to 1957, when under the auspices of the United Nations, the Mekong Committee was established. The approach of the Mekong Committee (1957 to 1975) and the subsequent Interim Mekong Committee (1978 to 1993) was largely oriented toward investment planning and development. However, the traditional engineering focus of the Committee gave way to a more holistic and process-oriented management approach.

The Mekong Agreement⁹⁸, signed in 1995, endorsed the principle of fair and equitable utilization of the Mekong River’s waters, moving the MRC’s focus away from its 1960s’ mission of dam building to a focus on sustainable development with an explicit mandate to address poverty alleviation and improve “sustainable livelihoods.” The Agreement is based on the principle of sovereign equality and reasonable and equitable utilization of the river (refer to Table II below), and the Agreement represents a type of ‘hard’ law that, in some form, is considered binding and has the status of a treaty in international law⁹⁹.

Table II: Percentage Contribution to Flow and Catchment Area of Six Mekong River Basin (MRB) Countries

	China	Burma	Lao PDR	Thailand	Cambodia	Viet Nam	Total MRB
Catchment Area (km²)	165,000	24,000	202,000	184,000	155,000	65,000	795,000
% Area of Catchment	21	3	25	23	20	8	100
% of Flow Contribution¹⁰⁰	16	2	35	18	18	11	100

Source: Mekong River Commission 2005. *Overview of the Hydrology of the Mekong Basin*. Mekong River Commission, Vientiane, November 2005.

⁹⁸ The complete agreement can be downloaded from the MRC website at: http://www.mrcmekong.org/download/agreement95/agreement_procedure.pdf

⁹⁹ Examples of legally binding mechanisms, or hard law, would include treaties, binding acts of international organizations, or judgments of courts or tribunals. These are components of international law that consist of rules that oblige States and members of the international community in their relations. This can be contrasted to ‘soft’ law approaches that are any guideline or recommendation that is not considered to be legally binding and depends entirely on voluntary compliance. Legal scholars often describe soft law as a type of political or moral obligation. Soft law can stand alone or act to support binding obligations.

¹⁰⁰ These percentages represent the flow contribution at the mouth of the Mekong River in the Viet Nam Delta therefore these rates can be deceptive. For instance, at the border between China and Lao PDR the flow rate from China is 100%.

The MRC provides the institutional framework needed to implement the 1995 Agreement and represents an institutional arrangement designed, at least in theory, to promote cooperation over shared resources within the Mekong Basin. In many ways the 1995 Agreement represents a landmark in international water resources management due to the strong emphasis on collaborative processes over regional ecological protection and management.

China's Relationship with the MRC

Given the stringent regulations articulated in the 1995 Mekong Agreement, not surprisingly, the Agreement failed to attract the participation of China. Without China's meaningful involvement in the MRC, the Agreement remains incomplete and therefore weak; particularly since approximately half of the Mekong's roughly 5000 kilometer length is under Chinese control. China's reluctance to join is a grave impediment for the MRC to achieve its overall goal to promote sustainable development in the Mekong Basin.

However, China became an official MRC dialogue partner in 1996 and this arrangement continues today. The MRC Joint Committee hosts a two day annual official 'dialogue' meeting with Chinese delegates, headed by China's Representative to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The official delegation includes representatives from the Ministry of Foreign Affairs and the Ministry of Water Resources from Beijing and Kunming. The primary focus of the annual dialogue meeting is to update each side on recent developments and events, as

well as to explore new opportunities for technical cooperation. During the dialogue meetings China provides the MRC with information regarding the construction of dams on the upstream portion of the Mekong, and the MRC keeps China informed about its ongoing programs. During the 2004 dialogue meeting, Mr. Zhang Wanhai, China's chief delegate to the MRC, stated "China attached much importance to its cooperation with the MRC and to the annual Dialogue Meeting. Each Dialogue Meeting has been a step forward towards mutual understanding. Regional cooperation had a significant potential to exploit; at the same time it covered diverging interests. Therefore a step by step approach would be the most appropriate way forward for cooperation in the Mekong context" (Mekong River Commission, 2004).

While the dialogue meetings could be described as more courtesy than substance, MRC Secretariat staff cautioned that the dialogue meetings should be evaluated for what they are – a mechanism to share information and improve technical cooperation. The dialogue meetings are not designed or intended to craft regional policy. Therefore, they can only be judged as encounters to encourage *dialogue*. Nonetheless MRC Secretariat staff members interviewed in 2005 and 2006 stated they generally considered the dialogue meetings an important means of achieving a more constructive and collaborative relationship with China (Interview 31, 2006; Interview 32, 2006; Interview 33, 2006; Interview 34, 2006; Interview 37, 2006).

However, beginning in 2003, in addition to the ongoing annual dialogue meetings, a series of actions took place that led to a more tangible, albeit measured, shift in China's engagement with the MRC. First, in 2003 China strengthened its cooperation with the MRC by signing an agreement to share upstream hydrological data in order to improve

downstream flood forecasting modeling. The MRC assisted Chinese authorities in Yunnan in installing two hydrological stations on the upstream portion of the Mekong and real-time data is now sent to the MRC through satellite links.

In August 2004 a new Chief Executive Officer (CEO) took over at the MRC and this change was greeted by Chinese leadership as a welcome development. China considered the previous CEO as too aligned with civil society groups rather than serving the interests of member states. Moreover, China viewed the MRC under the former CEO's leadership as being overly focused on environmental protection and not sufficiently investment oriented. Following what the Chinese perceived as a positive regime change at the MRC, in April 2005 Beijing extended a formal invitation to the CEO to visit China and hold direct technical talks. The CEO, along with the four riparian MRC directors, visited the Ministries of Water Resources and Foreign Affairs in June of the same year¹⁰¹. This was the first time that China formally invited a MRC official to hold such high level consultations in China. The outcome included the identification of new areas for enhanced cooperation under the Navigation Programme, strengthened interaction during the annual dialogue meetings, and strengthened collaboration with the Flood Management and Mitigation Programme.

The most recent and tangible example of China's changed and improved relationship with the Commission is China's proposal to conduct a *joint* research assessment to examine the impacts of all hydropower dams throughout the Mekong Region, including China's upstream hydroelectric scheme on downstream countries (Interview 37, 2006). The assessment will be conducted by the MRC in collaboration

¹⁰¹ The current CEO's contract extension was opposed by the Government of Thailand and as of August 2007 he is no longer employed by the MRC. Depending on his replacement, this may have implications for the organizations existing enthusiasm for China to join the MRC.

with the China Institute of Water Resources and Hydropower Research¹⁰². In many respects this proposal represents a watershed change in the stance of China's leaders toward regional environmental management. While various other research projects examining the impacts of hydroelectric dams in the Mekong Basin, including those located within China's borders¹⁰³ have been previously initiated by China, none were undertaken jointly. This new approach is important because it will lend greater credibility and legitimacy to the research, whereas prior research conducted exclusively by Chinese stakeholders, whether academic, government or industry representatives, was generally seen as biased by external non-Chinese groups¹⁰⁴.

So while China remains outside of the MRC's formal membership structure and maintains its status as a 'dialogue partner,' gradual changes are taking place that seem to indicate a reorientation in China's official stance toward the MRC as well as toward shared management of the Mekong Basin.

¹⁰² Additional information on the institute can be found at: <http://www.iwhr.com/english.asp>

¹⁰³ This information presented here was obtained from a confidential report provided by a MRC staff member. This document was prepared by Hydrolancang, officially known as Yunnan Huaneng Lancang River Hydropower Company. According to Probe International (www.probeinternational.org) this company is building two of the world's tallest dams on the Mekong River, Xiaowan and Nuozhadu, and already operates the two existing Lancang dams Manwan and Dachaoshan.

¹⁰⁴ Some of the previous research conducted by China includes: a study commissioned in 2002 by the State Environmental Protection Administration via China Hydropower Engineering Consulting Group Co to undertake an environmental impact assessment (EIA) for the hydroelectric cascade in the middle and lower Lancang (completed in 2006); in 2004 the Asian International Rivers Center in Kunming was commissioned to study the cross-border impacts of all the hydropower dams in China (study is ongoing); and in 2005 the National Development and Reform Commission (NDRC) ordered the China Hydropower Engineering Consulting Group Co. and the China Institute of Water Resources and Hydropower Research (IWHR) to conduct an impact analysis of all of the hydropower dams located on the Lancang. None of these studies were conducted in collaboration with the MRC.

China's Dam Building Agenda on the Upper Mekong

China's upstream¹⁰⁵ dam building activities on the Mekong River have been visible for several years, but they have grown more worrisome to downstream stakeholders as additional dams will soon become operational. China plans to build a cascade of eight hydroelectric dams on the upper reaches of the Mekong (Adamson, 2001; Chapman & He, 1996). Manwan and Dachaoshan dams are completed, construction of Xiaowan began in 2002, construction of Jinghong began in 2003, and the remaining four, Nuozhadu, Mengsong, Ganlanba and Gonguoqiao, are expected to be constructed sometime after 2010 (Chapman & He, 1996). Xiaowan will have approximately 20 times the active storage capacity of Manwan and Dachaoshan combined (Plinston & He, 2000). Given these upstream developments, the critical importance of China's participation in the MRC becomes clear. Table III below summarizes the existing and planned hydroelectric dams along China's portion of the Mekong River.

¹⁰⁵ The greatest source of hydropower potential is located in the large river basins located western and southwestern China, including the Lancang (Wu, 2007). According to Wu, approximately 50% of the hydro-potential has been exploited in the northeast, north, east and center of China, but in the southwest and western parts of China only 7% and 18% respectively have been exploited.

Table III: Existing and Proposed Reservoir Storage on the Upper Mekong Mainstream¹⁰⁶

Scheme	Status	Active Storage km ³
Manwan	completed 1993	0.26
Dachaoshan	completed 2003	0.24
Jinghong	started 2003 (1)	0.23
Xiaowan	started 2002 (1)	9.80
Nuozhadu	planned (2)	12.40
Ganlanba	planned (2)	unknown
Mengsong	planned (2)	0
Gongguoqiao	planned (2)	0.12
TOTAL		>23

(1) before 2010; (2) after 2010

Key Stakeholders

As with most development activities, different stakeholders often hold widely opposing views. Dams bring major economic benefits to particular sectors; however, in doing so they often can bring substantial costs to other sectors. The following is a summary of the divergent stakeholder perspectives held on the impacts of China's upstream hydropower construction. It should be noted that this represents a synopsis and within each stakeholder group, additional diverse may viewpoints exist.

Chinese Perspective

Non-Chinese respondents generally agreed that China's primary interest is to complete construction of the hydroelectric cascade on the upstream portion of the

¹⁰⁶ Source Adamson 2001, Wu 2007.

Mekong¹⁰⁷. However, several of these respondents quickly noted that China does not want to appear disrespectful to the interests or concerns of downstream constituents, particularly downstream riparian governments; many respondents indicated that China's leadership increasingly wants to be seen as a 'responsible' neighbor.

China¹⁰⁸ has consistently asserted that its dam building activities do not inflict any harm to downstream communities or ecological systems. Chinese government and dam construction officials generally defend China's dam building agenda by arguing that only 16 to 20 percent¹⁰⁹ of the Mekong River's water flows downstream from Chinese territory, therefore insufficient quantities of water flow out of China to cause downstream damage when solely exploited for hydropower purposes¹¹⁰ (Adamson, 2001; Interview 57, 2006a; Interview 119, 2006; Stoett, 2005). In fact, Chinese officials have argued that their dams will actually be *beneficial* to downstream stakeholders by better regulating seasonal water flow patterns (Mekong River Commission, 2004). During the wet season, the upstream hydropower dams will reduce the total volume of water flowing

¹⁰⁷ Although respondents were not specific, the key drivers for hydropower expansion in Yunnan Province include the ongoing focus on economic development and growth as Yunnan is widely considered one of China's poorest provinces; China's *Western Region Development Strategy* that seeks to modernize China's less affluent Western region; a political context in which energy 'entrepreneurs' have strong economic and political incentives to expand; and overall energy security concerns in China as global demand for energy continues to raise and traditional sources of energy such as oil are from politically unstable regions.

¹⁰⁸ Although not the focus of this case study, a fundamental feature of China and Yunnan's dam building agenda is the blurred and often confusing role and responsibility among central level government agencies, provincial level agencies, and 'private' sector entities that construct the dams. For a useful and detailed analysis of Yunnan's hydropower decision-making framework refer to *Powershed Politics: Yunnan Hydropower under Great Western Development* by Darrin Magee, *The China Quarterly*, 2006.

¹⁰⁹ While China asserts no more than 20 percent of the water flowing into the Mekong River originates from within China, civil society representatives argue it represents only a percentage of total volume and only takes into account *existing* dams on the river (only two dams are fully operational today); moreover, this figure represents an *average percentage* between the Lao border and the South China Sea, and perhaps most importantly, the total 'Yunnan' contribution to the hydrology of the Mekong varies seasonally (Interview 51, 2006; Interview 119, 2006).

¹¹⁰ Numerous respondents, including Chinese officials in Kunming and Beijing, have pointed out that all of China's water resource related projects are hydropower stations and note water *diversion* irrigation projects. Hydropower stations only exploit the hydropower for energy generation purposes, and do not divert water to other locations.

downstream in order to mitigate the effects of widespread flooding. And during the dry season, the upstream dams will provide increased water flow to alleviate the effects of drought and simultaneously improve downstream navigation¹¹¹.

China also argues their hydropower developments will eventually supply a reliable and secure source of energy to downstream countries such as Thailand¹¹². In fact, one high ranking Chinese government official with the Ministry of Foreign Affairs indicated that while China recognizes the importance of protecting the Mekong Basin's natural environment, China, along with her neighbors, must economically develop the region in order to reduce poverty. This respondent argued that China's upstream hydropower cascade will provide enormous economic benefits not just to China, but to the entire region, and this will eradicate poverty (Interview 57, 2006a). The respondent stated that by better regulating Mekong water flows, downstream riparians will suffer less economically because of reduced damaged caused by flooding; and conversely, those same countries would gain economically because, for instance, of increased flows during the dry season and therefore be able to harvest additional fish catches. I was unable to triangulate this respondents' assertion; moreover, this respondent represented the Chinese government, therefore was likely to promote China's position in a positive manner.

¹¹¹ However, this assertion does not remain unchallenged. For instance, downstream civil society representatives have serious concerns regarding how altered seasonal flow patterns may have detrimental impacts on the rivers natural aquatic balance, and subsequently negatively impact downstream fisheries. In addition, large amounts of sediment will likely be trapped by China's upstream dam cascade and deprive the lower Mekong of its normal load distribution (Dore & Yu, 2004).

¹¹² The power output of the Jinghong power station was originally schedule to supply all of its energy output to Thailand (Mekong River Commission, 2004); however, this appears to no longer be the case and the power generated from Jinghong will be sold to Guangdong, but now Thai authorities have committed to jointly developing Nuozhadu (Magee, 2006).

However, Chinese officials recognize that possible fluctuations in river water levels may be problematic for downstream communities and the environment. One MRC key informant stated:

So they [Chinese Ministry of Water Resources] confirmed they do not want any harmful effects on the lower Mekong countries, so they want, they listen, is there anything you are not happy with, tell me and we will act, but they also defend their position that they don't see any negative impact now, the only negative impact they recognize from their own side is fluctuations (Interview 37, 2006). pg. 5

Moreover, Chinese environment officials do acknowledge that China must be careful how it manages its relations with other stakeholders, particularly other countries, given China's upstream position and the very sensitive nature of its agenda (Interview 103, 2006).

MRC Leadership Perspective

During the last three years the MRC has taken an extremely cautious approach toward China and has subsequently received barbed criticism from various donors and civil society groups for not being an independent, impartial organization that plays a neutral research role (Interview 15, 2006; Interview 48, 2006). In general, very few MRC respondents were willing to provide any analysis on the impacts of China's dams; expressing concern over how their comments would be interpreted by the MRC's senior management. Based on the formal interviews I conducted with MRC staff and scientific reports published by the Commission, the official viewpoint of the MRC on China's dam building agenda did not deviate significantly from that of China as previously described.

For instance, the following statement from a senior MRC manager is nearly identical to the viewpoint offered by Chinese government officials:

I conveyed that the message look this was the past, we have a new basis for cooperation in a more constructive way where we also recognize the positive, the benefits of Chinese developments. What are the benefits? Well, the benefits are that Chinese dams, they provide, they regulate the river and they provide more water in the dry season. This is an important... look at the river today... [we look out window together]... you can almost cross it. Whatever is built in China now on the Lancang are dams which do not consume water, they do not consume water, they produce electricity. That means that they store more water in the wet season and they release more water in the dry season, which on average, provides more flow in the dry season which is good to compensate for increased extractions downstream (Interview 37, 2006). pg. 4

Downstream Countries Central Government Perspective

Respondents generally agreed the four existing MRC member states would openly welcome the membership of China as soon as possible. This MRC staff member simply stated:

I think they are very, very keen to have China as a member (Interview 33, 2006) pg. 7

While civil society critics (see below) seriously question the downstream impacts of China's hydropower activities, national downstream governments have not done so. This bilateral donor argued that downstream riparian governments were generally supportive of hydropower construction, therefore were not, at least publicly, objecting to China's upstream development plans:

I think they're [Chinese government planning authorities] going ahead because there's no considerable reaction, I think there's no considerable protest, not from any *national government*, for sure, downstream... (Interview 15, 2006).
pg. 13

Downstream nations tend to have technocratic decision-makers that often view the natural world as something to be conquered and controlled. This attitude is therefore compatible with China's strategy of harnessing nature for the purpose of promoting national economic growth and regional development. The following donor respondent highlights the engineering bias of the four downstream governments and argues China's upstream plans are in no way incompatible with their own:

I think the engineering bias of the government departments in the four downstream countries is very strong. They all love dams and they see, sort of, why wouldn't they want dams, everyone wants dams. So in that sense they understand China's interest. And, they are also to a large extent, I think, on this bandwagon ... saying, well, the more damming upstream, then the more regulation, the better for the downstream, for a stable downstream flow, is, of course a view with modifications, but, that view very much is prevalent in the water engineering departments in the four countries (Interview 15, 2006). pg. 16/17

All six riparian countries are pressing ahead with dam building or water diversion schemes, often without adequate public consultation or proper environmental impact assessment (Richardson, 2005a). Cambodia, Lao PDR, Myanmar and Viet Nam all have their own projects or plans that will impact water quality and flow in the Mekong Basin. For instance, Viet Nam began construction in June 2003 on a second large dam on the Sesan River, which runs through its territory and northeastern Cambodia into the Mekong River. Since the Sesan is a major tributary of the Mekong, Viet Nam is required under

the 1995 Mekong Agreement to notify and consult with Cambodia on the dam (Richardson, 2005a).

Another example focuses on the recent proposal to construct the Don Sahong hydroelectric power project on the Hou Sahong branch of the Mekong River in Champassak Province in Lao PDR. If constructed, it would be the first dam on the mainstream of the Lower Mekong River, and in direct violation of the 1995 Mekong Agreement (Baran & Ratner, 2007). The Don Sahong dam will be situated approximately one kilometer from the Cambodian border at Khone Falls, an aquatic environment particularly important for fish migration. According to a recent WorldFish Center report “obstructing fish migration at Khone Falls therefore would have social, ecological and economic implications basin-wide” (Baran & Ratner, 2007). In addition, one respondent suggested that downstream countries such as Thailand did not want to build additional dams on its own territory given the fierce opposition from its domestic civil society. As Thailand’s economy continues to grow, it is fast becoming a major buyer of Chinese energy, therefore welcoming China’s upstream dam construction. As stated earlier, the Jinghong power station in China was designed primarily for energy export to Thailand.

Furthermore, while China upholds the principle of non-interference in other countries’ domestic affairs, it nonetheless maintains significant ‘soft’ influence over countries in the Mekong Region. On 01 July 2005 in *The Cambodia Daily*, Cambodian Prime Minister Hun Sen stated he “was not concerned about any possible ill affects on Cambodia China’s upstream dam building” and asserted that “China would not ignore the interests of downstream nations” (Lor, 2005). But then, on 13 July 2005, following Hun

Sen's visit to China, *The Cambodia Daily* reported that Beijing announced an aid package to Cambodia worth approximately USD \$400 million, including loans, grants and promised investment (Kurlantzick, 2007; Shaw & Pin, 2005). Therefore it becomes clear that, while no firm evidence demonstrates Chinese hydropower dams will have negative consequences on downstream countries, it remains unlikely they will criticize China's plans given the extent of China's influence in the region.

Civil Society Perspective

The greatest opposition to China's dam building agenda comes unsurprisingly from civil society organizations. In particular, Thai civil society organizations such as Southeast Asia Rivers Network (SEARIN) and Towards Ecological Recovery and Regional Alliance (TERRA) argue China's hydropower ambitions are responsible for causing serious environmental damage to downstream ecosystems and poor people's livelihoods. For example, in a 2004 report on the downstream impacts of Chinese hydropower SEARIN made the following claims "Hydropower and development of the Lancang-Mekong River have caused adverse impact on hydrology of the river, especially decreased minimum discharge" and "On the Thai-Lao border, it is found that the fish catch has declined for 50 percent as a result of water fluctuation [due to dam operation]" and "The impacts of the Upper Mekong development do not exist only at the project sites, but across the boundary far downstream" (SEARIN, 2004a). These statements were based on participatory action research conducted by SEARIN and local villagers¹¹³.

¹¹³ Additional information on SEARINs research can be located at:
http://www.searin.org/Th/thaiban_research_en.htm

Moreover, a key informant interviewed from SEARIN argued that the MRC and its current leadership should be more assertive against China's upstream development plans. Respondents suggest that the MRC is willing to say and do anything to gain increased cooperation with the upstream riparian in order to gain greater regional and international prestige (Interview 51, 2006).

China's official response, at any political level, is resoundingly dismissive of all such statements made by any civil society group questioning its upstream development activities.

Stakeholder Summary

In sum, divergent stakeholder viewpoints exist regarding China's upstream dam building agenda. These views range from the Chinese government official and construction company statements that upstream dam construction does not cause downstream harm, to Thai civil society organizations arguing that China's dams are directly responsible for damaging downstream local community livelihoods and destroying valuable fishery resources. Thus, China's increased participation and engagement with the MRC might be able to alleviate, at least in part, some of miscommunication and mistrust that have become commonplace among stakeholders in the region.

Part II: Themes

Governance in a Regionalizing World

Based on my analysis of the interviews conducted for this case study, two key themes emerged that further explicate China's changing behavior toward the management of transboundary natural resources. These are presented below highlighting the ways in which they seem to account for China's increased level of interest in and engagement with the MRC.

First, China is increasingly highly enmeshed in regional geopolitical affairs and the MRC is one institutional conduit that China is increasingly exploring to expand its "soft power"¹¹⁴ (Interview 13, 2006; Interview 25, 2006; Interview 118, 2006). While the MRC remains small in comparison to other regional organizations such as the ADB or ASEAN, both in terms of organizational capacity and financial prowess, China nonetheless views the MRC as an important additional venue to advance regional cooperation and extend its influence. Second, China appears to have a preference for certain types of organizational structures, for instance, those that do not prioritize civil society over governments.

Despite China's shift toward more open and constructive regional engagement, this case study also identifies two key barriers that may prevent China's unhindered participation in the MRC and the 1995 Agreement. The first challenge is China's long-standing sovereign orientation toward development; despite its increased involvement

¹¹⁴ Soft power, according to Joseph Nye, who first coined the phrase in 1990, is something that simply "rests on the ability to shape the preferences of others" (Nye, 2004). It is a term used in international relations theory to describe the ability of a political body, such as a state, to indirectly influence the behavior or interests of other political bodies through cultural or ideological means. Soft power is not, according to Nye, synonymous with influence, since influence can also be undertaken via the hard power of threats, for example. Soft power is the "ability to attract, and attraction often leads to acquiescence" (Nye, 2004). Persuasion is a central theme of soft power, whereby the goal is to influence and affect the behavior of others.

and interest in regional affairs, China remains committed to the principle of non-interference. Second, is China's aversion to binding or hard law processes. Participation in the MRC and the 1995 Mekong Agreement would restrict China's upstream development activities and, to date, that remains unpalatable. These two conditions pose complex obstacles for the MRC, its members, and Chinese domestic constituents who would like to see China become a full-fledged member of the MRC.

Theme 1: Engagement as a Form of Networked Regional Cooperation

China is quickly integrating into the political fabric of the Mekong Region and continues to expand the scope of its diplomatic influence. And one consequence of China's expanding regional soft power is a more positive, or at least conciliatory, stance toward the MRC. In fact, multiple interviews with respondents for this case indicate China's official position may even have shifted in favor of membership. Evidence of this was supported by a recent study on transboundary water governance in the Mekong undertaken by the University of Sydney and the Danish Ministry of Foreign Affairs (Hirsch & Morck Jensen, 2006). While all respondents indicated that China would not seek membership in the near future given the existing barriers (see below), the majority nevertheless argued China appears to be gradually shifting its official position.

China's changing relationship with the MRC is largely a function of the evolution and maturation of China's foreign policy. When China obtained official status as a MRC dialogue member, over ten years ago, China's policy toward regionalism and multilateralism more broadly, was limited. Until the mid-1990's, Beijing's stance toward the region, and the world-at-large, was predominantly bilateral in orientation. However,

today that is no longer the case, with China actively pursuing membership in a range of international and regional bodies, from the ADB's Greater Mekong Subregional Program to the Shanghai Cooperation Organization.

One key informant working at the MRC Secretariat in Vientiane summed up China's changed approach toward regional collaboration as follows:

Well, China has, as reflected by many statements in the last few years, really changed to value regional [Mekong] cooperation. In the past, it tended to be much more bilateral... (Interview 33, 2006) pg. 3

A key informant representing the donor community supported this statement. He affirms that historically, China had a strong preference for direct bilateral relations with countries in the Mekong Region, but more recently Beijing has increasingly recognized the value and importance of utilizing a more multilateral approach to interacting with downstream states. While China continues to maintain and respect relations with individual countries, the key informant argues the overall tone of China's approach is now more refined:

...they [China's leaders] have moved to saying, well, you know, their foreign relations were previously much based on their only, dealt with bilateralism. There was China and one country, and China and another country, etcetera. Now, they're much more concerned about their, their position as part of a region ... so, they, it's more, they're more open to multilateral, its multilateral image, and its multilateral ... well, its, I think they will take a more diverse and complex view. Now, if we become a member of MRC, what would it mean for our relation to Thailand and then they'll look at that. What does it mean for our relations with Viet Nam. What will it mean for our total relations, I think they have a much more ... sophisticated, analytical or holistic view (Interview 15, 2006). pg. 12

Today, China prioritizes positive and stable socio-economic relations with its neighbors, particularly as the region becomes increasingly important economically for China's domestic growth, especially for the landlocked southwestern portions of the country. The following respondent, a university professor familiar with the Mekong Region, highlights how China is more engaged with southeast regional bodies and implicitly asserts that China is more sensitive to transboundary issues than ever before:

Obviously China wants to engage more and more as a good neighbor with Southeast Asia, with ASEAN, with the countries that are riparian members of the MRC. There is also the boost that was given by holding the GMS meeting last July which seems to have been quite a fundamental reorientation in Yunnan province because China seeing itself as a, sort of a full member of this wider Mekong development area... (Interview 14, 2006). pg. 5

China now respects what southeast countries say and want. As this donor respondent mentioned "China does not want to be labeled as some rude upstream bully that does what it likes" (Interview 15, 2006). The following official at the MRC Secretariat states that the Chinese Minister of Water Resources informed him that if it was proven that China's upstream hydropower scheme was harmful to downstream countries, China would halt construction. When the upstream dam cascade was initiated over ten years ago, such a statement over a shared natural resource, particularly by a Chinese minister, would never have been possible.

...they [the Chinese government] don't want any harmful effects on the lower Mekong basin... ...there's other important challenges in cooperation with the region here, trade, and whatever, promoting their image probably in

the region. It's important for them, so, I think they are able to listen and if there is too big of concern for something, they will act and I'm personally convinced they will because of the role of political interest for them and their international relations with their neighbours. This is very broad political agenda, top, top level. They have a policy to have more friendly relationship with all their neighbours; that's part of the government decision. And, therefore, they can sacrifice their own interest, I think, on a number of things. So, I'm sure, and the Minister [of Water Resources] told me himself, if there is really too much of a problem with the building of the dam, they would stop it (Interview 37, 2006). pg. 14/15

A reformed regional political and diplomatic environment provides a new backdrop for China's relations with the MRC, and further explicates why China's interest in the organization has begun to expand. China now sees the MRC as an organization in which it can participate, albeit indirectly over the short-term, to not only exert increased 'soft' influence on the region, but also to increase its overall cooperation with a diversity of organizations, including the MRC. While China continues to have serious concerns regarding external stakeholders exerting influence within its sovereign territory, it appears as if China may be willing to work on a more collaborative footing with its downstream neighbors over the management of the Mekong River.

Another important consideration, in addition to China's increased geopolitical linkages throughout the region, is that China wants to maintain close and controlled relations with its neighbors, particular as regards trade arrangements¹¹⁵. China has played a leading role in promoting investment and facilitating trade within the Mekong Region, with imports and exports surging in recent years (Asian Development Bank,

¹¹⁵ Additional information on China's economic role in the Mekong Region can be found at: <http://www.focusweb.org/an-investor-s-paradise-trade-in-the-mekong-region.html> and <http://www.adb.org/gms/sector-activities/trade.asp>.

2005a). The Chinese government and private commercial interests have strong and growing commercial interests throughout Southeast Asia and therefore need to maintain stable political relations with its trading partners. The following MRC management respondent neatly sums up this perspective:

Well, there's certainly politics behind it and I think its very much regional politics. But, it's perhaps not the only thing that drives it. I think also there is a genuine interest on China's part to have good relationships with all of its neighbours because it's moved into be an enormously powerful trading partner now and you can't have strained relations with the countries that you are trading with because that's not going ... you're talking markets, Vietnam and Thailand particularly in this region, and maybe not the most important but they are certainly important part of markets for China (Interview 33, 2006).
pg. 4

In addition, recent controversies, first over a proposed hydroelectric scheme on the transboundary Nu River¹¹⁶, flowing from Yunnan Province into the Mekong Region, and then a large benzene spill in the Songhua River, flowing from China's northeast into Russia, provided additional impetus for China's leaders to rethink the management of shared natural resources. In both cases, high ranking leaders were forced to intercede and deal with the situations directly. In the Nu River case, local Chinese NGOs working with transnational civil society organizations, forced the Premier of China to take action and order a halt to dam construction, while in the Songhua River case, Russia's anger over Chinese pollution flowing onto Russian 'sovereign' territory forced the resignation of China's environment minister.

¹¹⁶ Refer to Case 1 in this chapter for additional information on the Nu River.

Theme 2: MRC Organizational Form and Structure

The second chief theme that emerged concerned organizational form and structure. During the tenure of the former MRC CEO, Chinese central level decision-makers viewed the MRC as being overly donor-driven, not serving the direct interests of member nations, too aligned with civil society, excessively concerned with environmental protection rather than investment, and generally having an overstretched mandate. One civil society respondent plainly stated “the organization died a long time ago” (Interview 48, 2006), and while China may have agreed with this assessment at one time, this appears to be no longer the case according to a high ranking Chinese Ministry of Foreign Affairs official responsible for China’s relations with the MRC (Interview 57, 2006a). The MRC has undergone a number of organizational changes over the past few years welcomed by Chinese leaders. During the 10th MRC-China Dialogue Meeting in 2005¹¹⁷, the head of China’s official delegation, Mr. Zhang Wanhai, stated during his opening statement “recently, we have noticed some changes for the MRC.” Although Zhang was not explicit about which changes, based on interviews conducted with MRC staff, he was referring to three general themes: environmental protection, ownership, and the strategic orientation of the MRC.

In terms of China’s concern regarding the environmental protection orientation of the MRC, it was less to do with the promotion of sustainable development and more with whether the organization was moving in the direction of becoming an ‘EPA’ style enforcement agency. While most components of the Chinese government now publicly recognize that unmitigated economic development leads to serious environmental

¹¹⁷ His full statement can be read at: <http://www.chinaembassy.or.th/eng/xwdt/t211092.htm>

consequences, most remain concerned about a non-Chinese entity having enforcement capacity that would potentially supersede China's own rules and regulations.

China's concerns seemed to have arisen during the tenure of the previous MRC CEO. The former leader believed that sustainable development and environmental protection should be the paramount concerns of the organization. Accordingly, he put them at the top of his priority list. Chinese leaders, while not opposed to the principle of environmental protection, were not keen to have the MRC enforce standards or policies that might inhibit China's pro-growth development agenda. Following the appointment of the current CEO, the orientation of the MRC began to shift. This alleviated Chinese concerns. A senior MRC respondent made the following statement:

I've even, at least an investment in a direction, we are not just only a watchdog or safeguard, we cannot. Otherwise, countries would just not use us. It's very simple. It's simply pragmatic. Some people in the donor community, it's a limited number, still think that it would be better that MRC would be only a kind of safeguard, for development proposed by countries, what would that mean? That would mean that national projects would be screened by us, they [the Chinese] will never come here. It doesn't make sense. It makes sense in the States where you have a clear mandate for EPA, its in the law. You have an obligation to have approval of EPA on a number of things (Interview 37, 2006). pg. 11

The same respondent further states:

...we don't want to be only an EPA. That's not, that's not what was in the '95 agreement. (Interview 37, 2006). pg. 3

The following donor respondent highlights the lengths the current administration will venture to attract China's attention, including refusing to release any technical information that might be critical of China:

Yeah, the [name of MRC's senior management], because he also wants China to be more involved. It's his personal ambition. ...he keeps on saying, and without being embarrassed about it, he keeps smearing his predecessor by saying that he [the predecessor CEO] turned the MRC into an EPA-style agency which caused countries to think that it was something outside their interest sphere, something working against their development interests, and particularly working against China's interests. Now he wants to change that trend -- that it has an EPA style image -- and one of the ways to change that trend is to impose strategic censorship on the Secretariat in the sense that information not in the interest of opening a relationship to China would not be released. And, the argument used, well you can't release such independent critical, I mean, any impact assessment would have some criticism (Interview 15, 2006). pg. 6

The second area of Chinese concern was country "ownership" of the MRC. The following account from a senior MRC official indicates China's decision-makers were seriously concerned about developing closer relations with the MRC under the leadership of the previous CEO given his ties to civil society. This assertion was supported when I interviewed a senior Chinese official at the Ministry of Foreign Affairs who is directly responsible for all negotiations between China and the MRC (Interview 57, 2006a). The Chinese government, at the central and Yunnan administrative levels in particular, perceived the previous MRC organizational structure as lacking member country ownership and catering too much to the concerns of non-members, including non-state actors such as NGOs and donor agencies. This MRC respondent emphasizes that the

post-2003 MRC orientation would now only prioritize nation-state interests, and furthermore implicitly asserts that the Chinese (and the member states themselves) would no longer have to be concerned about non-state interests:

...they [the Chinese leadership] were not very reassured about the ownership of the organization by the governments here. They want to work government to government, and they have a lot of bilateral communication also now. They invite each government to visit their dams, they have a lot of good relations bilaterally, with Thailand, with Vietnam, with Lao, with Cambodia. Just for MRC, they wanted to make sure that they understand the MRC is working for the governments here (Interview 37, 2006). pg. 10

The same respondent also states:

And, so we [MRC] are very careful in selecting who are the people we are talking to. I work at government level, we are a government organization, we work at government level, that's our job. That's our job, that's my policy, very clearly. Some people outside, some don't like it, would like us to be a kind of NGO, but that's not the mandate of MRC. ... You see, it's written here, it's the institutional framework of the Mekong Agreement, it's a government organization, so we work at government level... (Interview 37, 2006). pg. 7.

In a region where a large proportion of the population still relies directly on natural resources for its livelihood, the future well-being not only of the environment and communities, but also of national economies depends on the degree to which these citizens have a voice in shaping policies that support the environment. The challenge in the Basin is to nurture and engage a multitude of stakeholders, including civil society, as

partners in crafting mechanisms for improved environmental governance¹¹⁸. However, this perspective is no longer valued; indeed some may even say respected, at the MRC. While this MRC respondent is more receptive to the concept of more inclusive participation, he nonetheless ultimately remains complacent:

I think public participation in governance is something that is growing very rapidly [in the Mekong Region], but it's probably not growing as fast as some people would like to see it and it may not be growing in the direction that some people would like to see it. It's difficult ... there's a lot of limitations for an organization like MRC as being an intergovernmental agency, doesn't really have a remit to go out and deal directly with non-state actors. It can be done within the framework that is sort of agreed to by the Council, the Joint Committee, but it's not an international, not an independent agency, it's an intergovernmental organization. ADB has the same constraints. And they have a lot of good safeguard policies, but calling a meeting with NGOs and some civil society representatives, it's not an easy task (Interview 33, 2006). pg. 16

Overall, the MRC is moving in a new strategic direction that will appease China. While this shift is not incongruent with the downstream member's interest, it represents a change in how the organization has historically addressed environmental protection and development. This donor respondent simply stated:

...the current CEO works very hard to change MRC's image into being more friendly to China and more friendly to investment facilitation and investment development (Interview 15, 2006). pg. 7

¹¹⁸ Over the past seven years the MRC has been in the process of developing a public participation strategy to better incorporate local voices into its planning processes. The crafting of a public participation strategy, despite ongoing delays, is an important feature in strengthening the MRC's ability to address and manage environmental conflicts in the region. Unfortunately the majority of MRC staff interviewed indicated that they did not know the current stage of development of the strategy, whether it had been 'launched', how different programme areas were suppose to use or apply it; and some respondents were not even aware that the MRC had developed a strategy for public participation.

When data collected for this case was triangulated, it became clear a shift from environmental protection articulated by the former management to an investment orientation endorsed by the current management had taken place. This former Asian Development Bank staff member provided this assessment:

I think one of the big shifts has been this notion of the basin development plan moving more into sort of an investment plan, and the possibility that the MRC would become much more involved in investments. And I think that frightens the bejeezus out of everyone (Interview 112, 2006). pg. 10

This new investment orientation, while perhaps not exclusively designed to further engagement with China, will nonetheless provide increased impetus for China's leaders to reconsider their alignment with the organization. This MRC management official respondent states:

Now, there's obviously, since then, been a lot of discussion between the donors, between the countries, and the senior staff of the secretariat, trying to find a way that reflects the wishes, I mean, in the end it's MRC's agreement between the countries and the strategic plan is, should and is a document that should reflect how the countries would like to see the implementation of the Agreement. That's where it's the strategic plan for the implementation of the 1995 Agreement. And, now the shift, if you see it as a shift, would certainly, in part, be a reflection of what the countries would like to see, and there is an appetite in all of the four countries for more investment, for more development (Interview 33, 2006). pg. 12

Barriers to Further Chinese Engagement:

Although China is now moving in a more positive and conciliatory direction in terms of joining the MRC and ultimately managing the shared resources of the Mekong

River, three barriers still exist that could jeopardize these trends: China's reluctance to have another country or institution dictate what it can and cannot do on its own territory; the binding nature of the 1995 Mekong Agreement that China did not originally negotiate or sign; and internal divisions within China's own bureaucracy that lead to competing perspectives on MRC membership.

Theme 1: Greening of Sovereignty

China feels constrained by the national political arrangements that dominate the internal workings of the MRC (Interview 57, 2006b). As highlighted earlier, while China is more amenable to dealing with an organization that is responsive to its member states and not civil society, China does not want to become merely a single voice out of five or six, and potentially have other countries dictate what can and cannot be done on Chinese territory. This university professor highlights the critical importance of national sovereignty in the Mekong Region:

...the whole discussion around the MRC and around transboundary issues in the Mekong region is still couched within preserving national sovereignty. It's very difficult to get beyond that and all countries will revert back to that ultimately, if they are asked to be giving something [inaudible]. Look at the MRC and one of the dysfunctional things of the MRC is that none of their countries are really interested anything that limits their sovereignty (Interview 14, 2006). pg. 8

The following two sets of quotes further substantiate China's (as well as other member states) concerns regarding national interests; the first by a retired ADB official, and the second by a bilateral donor official:

Well, essentially, I think it's a question of sovereignty, more than just economics, so they regard the right to develop these dams on the mainstream of the Lancang as a sovereignty issue. And they don't want to be told by downstream countries that they can't do it. And so, you know, while they're prepared to share information, and provide both quality and quantity data on the river, they're not about to give up the right to develop their dams. And – and so, you can argue that it's economic, but I think it's more a question of sovereignty (Interview 112, 2006). pg. 11

Now, back to the interest that China would have here of course, is not one that they would be, they're real not interested in these four other countries having views on whether they should build these dams or not (Interview 15, 2006). pg. 11

The vast majority of environmental problems today cross political borders, and obviously the protection of the Mekong Basin resources will require a concerted effort and integrated management by all riparians, most certainly including China. Without global or regional institutions and rules designed to support the “larger” environmental good, sovereign national interests will dominate and may well lead to serious negative consequences for everyone.

It is well recognized that the establishment of international environmental organizations and associated treaties, as well as the activities of transnational actors, are creating new forms of governance (L. E. Susskind, 1994; Tamiotti & Finger, 2001; Wapner, 2000; Young, 1994). And China increasingly participates in a variety of these arrangements with honest intentions and respectful behavior, such as The Convention for Biological Diversity (CBD) (Feinerman, 1995; Ross, 1998). However, this case demonstrated that China still maintains clear reservations regarding its participation in

international organizations that might question its development plans and impose on its sovereignty, which it guards closely. Although, as highlighted, China is more open to engaging and participating in regional institutions, such as ASEAN or the ADB, these organizations either adhere to the principle of non-interference or do not involve the implementation of cross-border *rules*. The MRC, although incoherent in terms of its priorities and internal management arrangements, is the only regional organization that specifically focuses on the management of transboundary environmental resources; hence China's trepidation regarding how it might be required to subordinate to an external regime if it gets more involved.

Theme 2: Soft versus Hard Law

While China has increasingly pursued a 'hard' law approach domestically, adopting a wide array of national environmental legal tools, China appears to favor a 'soft' law approach when addressing international environmental management. China does not want to be bound by external non-Chinese rules that may infringe on its ability to develop.

The primary barrier to China formally joining the MRC is the 1995 Mekong Agreement. If China is to eventually join, a renegotiation of the 1995 Agreement will be necessary. This would require a move on China's part to a more 'hard' law orientation. This donor respondent summed up China's viewpoint as follows:

They see it as restrictive and they've been quite open that
(Interview 14, 2006). pg. 4

One respondent with significant professional experience in the Asia-Pacific region argued the 1995 Agreement was too narrow from China's standpoint and ultimately would preclude complete engagement with the MRC. Furthermore, he stated that China would not consider full MRC membership until its dam building goals have been achieved:

I think, basically, they recognize that they would have been severely constrained in terms of what they could do on the main stem of the river. And they will not join the MRC as a full member until such time as they've completed their cascade development on the Lancang (Interview 112, 2006). pg. 9

Although I did not examine the details of the 1995 Agreement in depth, it is likely that China has reservations regarding several articles in the Agreement. For instance, Article 5, which refers to the principle of reasonable and equitable water use (China's probable objection would be over China not being able to use water resources on its own territory as it sees fit); Article 7, which refers to avoidance of any harm to the environment or ecological balance due to development and or use of the Basin (China's would likely argue that the long-term benefit of dams would outweigh any possible damage); Article 26, which refers to the rules on prior consultation (China's probable objection would be sovereignty and having to consult other countries for permission to conduct activities on its own territory). The following MRC management respondent highlights some of China's concerns about the Agreement:

Yes, it is well known that China is a bit reluctant with some articles of the agreement because, well it's mainly that it is written in the agreement that for any development on the mainstream there should be agreement with all member

countries on the Mekong. So, for them, that agreement is okay for them, the only aspect that, if they signed such an agreement, they should, for every new dam they should get full agreement of the downstream countries and they don't agree with that. They say, it's our waters, we do the things, we notify, we inform, we are pleased to discuss it, but we do not accept that we need the full consensus of all Mekong countries before we can build anything in our own country (Interview 37, 2006). pg. 6

However, China is not completely closed to negotiating (or rather renegotiating) the existing Agreement. In fact, this respondent stated that some of the existing members may themselves want to renegotiate the 1995 Agreement which they, too, see as too restrictive. No matter how this proceeds, it will most likely be a slow, gradual process that will require gathering a lot more information from the downstream members. Although China has become more integrated into global and regional affairs, this has occurred over a substantial period of time. This respondent provides this assessment:

... they're [China] certainly now much more open to joining, but very clearly on the condition that there is some renegotiation of the agreement, which is something that Thailand is keen to have anyway and Thailand would like to see China coming in as a pretext for the agreement to be renegotiated (Interview 14, 2006). pg. 4

However, one key informant working at the MRC argued that the 1995 Agreement does not directly prohibit China from constructing dams on the mainstream of the Mekong. This MRC informant highlighted that under the prior notification scheme of the Agreement, China could proceed with the constructions of dams, but only with the agreement of all downstream riparian countries:

...the '95 agreement stipulates a framework for cooperation. It doesn't stipulate anything that you can't do, not in itself. It's a framework for development cooperation. Now, of course, one can interpret it, because there are certain clauses in there which talks about maintaining the ecological balance and things like that, that could obviously be interpreted that there are some things you can't do, but in principle if the countries agree on this can be done, then that's the socio-political choice that they can do. It's just that on some of the larger... the, basically the agreement states that they have agreed to not unilaterally go ahead with developments that are on the mainstream, of major structures on the mainstream. But, if they have agreement, they can do what they want (Interview 33, 2006). pg. 5

Theme 3: Internal Bureaucratic Division

Although the issue was not explicitly discussed by respondents in this case, the internal inter-play of power and interests among different Chinese government agencies is often disjointed and can sometimes even be contradictory. Internal divisions and fragmentation within China's bureaucracy obviously have implications for figuring out a single Chinese position on MRC membership. Even though 'singular' China appears to be moving toward improved and expanded linkages with the MRC, it is likely that divergent internal views exist as to whether China should increase or decrease future cooperation.

For example, governmental constituents in Yunnan are more likely to be proponents of promoting the existing hydropower cascades on the upper Mekong River, as well as encouraging future schemes given the province's high level of poverty and limited opportunities for economic growth (Magee, 2006). In addition, a senior Chinese staff member at SEPA highlighted that over nine government departments are currently responsible for water issues in China; for instance, the Ministry of Water Resources is

responsible for water *quantity*, SEPA is responsible for water *quality*, and the Ministry of Construction is responsible for *waste water treatment* (Interview 103, 2006).

Implications of Chinese MRC Membership:

Ultimately China's membership in the MRC would strengthen the organization.

This MRC respondent simply stated:

Obviously strengthening [the MRC] in terms of being a framework for cooperation and development in the Mekong (Interview 33, 2006) pg. 6

Although it remains highly unlikely that China will formally join the MRC in the next few years, China's membership, or at least closer organizational ties, would lead to numerous tangible as well as intangible benefits for China, downstream countries and the MRC, while simultaneously improving the management of the Mekong Basin.

Some of the potential benefits to China if it increased cooperation with the MRC could include more direct influence over the management and strategic direction of the MRC, improved information sharing and dissemination regarding its dam building strategy in order to address downstream concerns, a strengthened Chinese diplomatic position with riparian states by having a better understanding of Mekong-related issues from a downstream perspective, and increased access to scientific and technical MRC river management expertise. For example, this MRC respondent argues that through increased information sharing and cooperation, China may be able to counter incorrect information regarding its upstream development plans:

...you can see how the press, in particularly in Thailand, reports unusual events in the Mekong they tend to blame it on China, it's obviously an interest for them [Chinese leaders] to have a better understanding of what is and what isn't impacts from China. I mean the dams, China has on the river for the moment, are not big enough to do some of the claims, in terms of water withdrawal (Interview 33, 2006). pg. 5

Benefits accruing to the MRC itself could include increased international prestige with Chinese membership, financial contributions to the operating budget from China, and an improved ability to manage the Mekong Basin with increased access to Chinese upstream technical data. The benefits for downstream member countries would be similar.

Certainly any benefits that may accrue to downstream countries and the MRC are valuable, but arguably the key advantage gained from Chinese membership would be the improved management of the Mekong Basin. China's upstream rapid blasting for navigational purposes and its dam building activities are almost completed and it appears extremely unlikely that China will reverse its current development agenda given how far it has proceeded. Nonetheless, China's membership, including increased information sharing or other forms of technical cooperation, would still be beneficial. The following donor respondent offered this statement on the value of having China as member given its upstream development actions:

But, of course, joining would still be, I mean, there's more than, I mean, reality is also that joining because managing these dams after construction is also a huge transboundary issue, how much water to release and when to release and you know, what kind of pollution would occur from the developments on or around these dams and the consequences for downstream. So, there's the downstream

consequences both in terms of quantity of water being made available at certain times over the year and also the pollution factor (Interview 15, 2006). pg. 11

China's membership would also entail potential disadvantages. Some respondents argue that China, given its comparative economic, political and diplomatic strength, over time would come to dominate the MRC. For example, via direct Chinese financial and staffing contributions to the Secretariat, policies and rules might eventually shift in favor of Chinese interests. An additional concern is that some downstream member countries may welcome China's membership in the MRC solely because they are interested in building dams in their own territory. If one member has dams in its territory, this may open the opportunity for others to do the same. However, despite these possible negative consequences of Chinese membership, the benefits appear to outweigh the costs and may ultimately lead to a more transparent, knowledge-based river basin organization. In general, the pillars of good water governance are based on inclusiveness rather than exclusiveness, thus the MRC and the region's natural environment will be better served if China became more involved.

Conclusion:

In sum, this case suggests that due to a shift in China's foreign policy, given the growing importance of globalization and regionalization, coupled with organizational changes that have taken place at the MRC, China is increasingly engaged with the Commission and now appears to be progressing in the direction of eventual membership. Although China intends to complete its upstream hydroelectric cascade, these two developments point to an evolving climate in which Chinese decision-makers continue to

take the management of shared natural resources more seriously. This case also suggests that China, at the central level, is a (more) ready participant in international environmental affairs and negotiations. While the leadership and authorities still maintain concerns regarding the erosion of China's nation-state sovereignty and hamper its domestic development agenda, in general this belief is slowly eroding.

Chapter Six: Toward a Theory of Networked Governance for Shared Natural Resources Management

Overview

The purpose of this chapter is two-fold: to analyze and utilize the findings from the case studies presented in chapters two through five and to contribute toward a theory of networked governance for managing shared natural resources. This chapter is separated into three sections. First, I revisit what the dissertation initially set out to accomplish and why this research is both practically and theoretically important. Second, I present the central lessons learned from a comparison and analysis of the four case studies, and answer the central research question. Third, this chapter discusses how my findings contribute to and augment what is known about environmental governance theory, China's willingness to participate in (or be influenced by) environmental governance processes, and the operation of horizontal non-state networked arrangements. The next chapter provides prescriptive recommendations and discusses future areas of research to advance this effort.

Introduction

Due to its sheer size, present development pattern, and increasing inter-connectedness with the world, China's attitude, behavior, and actions regarding environmental governance matters more than ever before. In fact, this challenge may be one of the most defining features of the twenty-first century. As highlighted in the introductory chapter, China's environmental problems are the world's environmental problems. The international consequences of China's rapid and extreme economic

development now pose severe challenges on other countries, not only for neighboring countries in Asia, but around the globe. Despite various recent domestic policy and technical improvements, China still presents a serious threat to international sustainable development.

Internally, China faces repercussions from its own environmental degradation so severe that they could lead to rising social conflict and potentially even the reversal of the country's economic miracle. The ability of both China's decision makers and the global international development community to address this situation is compounded by the confluence of domestic factors including a large population, rapid and sustained industrial growth, resource scarcity, and historical lack of respect for the natural world, all combined with weak governance structures.

Following an iterative review of governance literature combined with preliminary field research in East and Southeast Asia, I began to recognize that as China becomes increasingly integrated and influential in the Mekong Region, horizontal networks, composed of and facilitated by both state and non-state actors such as NGOs, INGOs and multilateral agencies, are increasing in number, influence, and importance. Examples of the networks highlighted in the four case studies included the ADB GMS Program or transnational civil society linkage over the Nu River dams. China's central government is slowly relinquishing its traditional role of sole decision maker, often on an involuntary basis, as its integration into a changing globalized world continues.

The world today, including the Mekong Region, is composed of a latticework of inter-organizational networks that reach out, formally and informally, to China's constituent environmental policy and decision makers. Based upon preliminary research

I hypothesized that horizontal network configurations, frequently composed of non-state actors, are increasingly exerting “extra-bureaucratic” influence over China’s policy and decision-making processes and subsequently changing the nature of environmental governance in China and the region.

In this study, I argue that these extra-bureaucratic influences have begun to increasingly affect China’s engagement in international environmental affairs via what I have termed “networked governance”. While vertical governance arrangements remain common and dominant, particularly as many of the nation-states in the Mekong Region historically employed command-and-control government structures, the influence of both formal and informal horizontal configurations are rapidly growing in stature. While China or other nation-states in the Mekong Region are not disappearing or becoming irrelevant, the historical dominance of the nation states is eroding.

Based upon this hypothesis I subsequently developed a set of pre-conditions to explain China’s willingness to take greater responsibility for its transboundary environmental impacts, which included: 1) the ability of transnational civil society to effectively network with domestic non-state Chinese environmental actors; 2) the promotion of a non-binding approach by multilateral agencies that does not legally require China to comply; 3) the existence of undisputable scientific data, accepted by Chinese leaders, demonstrating China’s transboundary environmental impacts; and 4) the limited financial costs facing China if they do take their transboundary responsibilities seriously.

The central research question in this dissertation is: How do extra-bureaucratic, non-state network governance configurations – such as multilateral regional programs

and transnational civil society advocacy networks – influence Chinese government policy regarding the management of transboundary natural resources?

Through a systematic process described in Appendix III, I selected four inter-related case studies in the Mekong Region in order to answer this research question. Two of these – the Asian Development Bank’s Biodiversity Corridor Initiative and civil society’s opposition to the proposed hydroelectric dams on the Nu River in Southwestern China - show that China altered its behavior, moving toward more regionally responsible management of shared biodiversity and an international river. In the third case, China’s limited participation in the Mekong River Commission does not demonstrate constructive engagement; however, as China further integrates into the global community, its position here also appears to be shifting in a positive direction. The fourth case demonstrates that while China’s timber trade with Burma has been little affected by transnational civil opposition to, these actors have more recently been able to improve interaction and role definition among government agencies, which has the potential to enabling China to more effectively address its transboundary footprint. These four cases not only highlight China’s increased engagement in regional environmental affairs, but also reveal how different components of China’s bureaucracy have become involved in multiple non-state networked arrangements in the Mekong Region.

Theoretical research by scholars such as Wapner, Mason, Kaldor and Tarrow have demonstrated that non-state actors including NGOs, INGOs, international organizations, and transnational civil society are increasingly influential in global affairs, particularly in the field of environmental governance (O. R. Young, 2000). My research confirms this and specifically contributes to learning more about how these non-state

actors are engaged and collaborate in *networked* configurations across nation-state boundaries. This research demonstrates that these new configurations are not vertically aligned as are state bureaucratic arrangements, but horizontally and often informally arranged. Most significantly, in these relationships the nation-state is not the center-piece of diplomacy.

The global order of nations or “international society” is bound by a set of rules and norms. In this system, civil society actors can help initiate a “norm shift”. The role and influence of civil society, as differentiated from the state, have important implications in three key arenas: First, through the concerted engagement of non-state actors, particularly transnational advocacy networks, a restructuring of world politics can be achieved by “altering the norm structure of global governance” (Sikkink, 2002). Second, civil society has indeed begun to shape domestic and international policy-making processes by providing new information, expertise, and analysis. Third, civil society can influence patterns of individual behaviour, particularly over lifestyle, consumer habits, and public orientation toward issues such as human rights or environmental conservation.

Although states remain the principal and dominant actors in the international system, this study confirms that globalization is driving a redistribution of power in which a growing array of actors are exerting power in the global arena.

Cross Case Study Findings: Central Lessons Learned

In this section, I first present the central findings of the four case studies, stressing the most salient cross-cutting features. The outcomes highlight the non-state networked connectivity and configurations that have become increasingly common and intense in

the Mekong Region. The findings should not be considered discrete; that is, while the research outcomes may highlight specific actions or processes attractive to the Chinese State regarding environmental management, the overall portrait that emerges is an amalgamation of all the findings. I then explain how this research contributes toward building a theory of networked governance for the management of shared natural resources.

The research findings presented in chapters two through five reveal that my original hypothesis is accurate. However, while this research demonstrates Chinese government authorities and leaders, along with domestic non-state actors, participate in and are indeed influenced by a variety of horizontal non-state networked configurations operating in the Mekong Region, not all of the original four hypothesized pre-conditions for this shift were proven.

Role of Transnational Civil Society Organizations and Networks

The first finding of this research is that transnational civil society organizations and networks are able to affect Chinese government behavior regarding the management of shared natural resources. This was accomplished either by research targeted Chinese authorities at the central level in Beijing, or operating in cross-border arrangements with domestic Chinese non-state environmental actors. Evidence from the Nu River and the Timber Trade case studies demonstrate that transnational civil society matters, even in a one-party state such as China. Extrapolating from the Chinese experience, this study contributes to our understanding of the role and function of transnational civil society and of how transnational actors network across borders.

Evidence from the timber trade case with Burma (Case II) suggests that transnational civil society organizations were the dominant factor in improving communication, interaction, and coordination among different Beijing-based government agencies addressing China's timber footprint. These government agencies included the State Forest Administration, the Ministry of Commerce and the State Bureau of Customs. Transnational organizations¹¹⁹ included Forest Trends, The Nature Conservancy, Greenpeace China, Environmental Investigation Agency, and Global Witness, directly or indirectly. Through a process of exchange, information sharing, and inter-agency networking these groups helped overcome the "stove-piping" of information and control so common within the Chinese bureaucracy¹²⁰ by assisting the individual different agencies to better understand the complexities of China's forest footprint on other countries, including Burma. While the transnational organizations involved have not, to date, been able to substantially reduce China's international timber footprint, they have been successful in raising awareness of the problem by addressing the communication deficiencies that hamper agencies within China's bureaucratic system.

I began field research assuming that a cross-border linkage or a boomerang pattern of interaction between local Chinese non-state environmental actors and external civil society organizations was responsible for raising awareness and subsequently shifting Chinese leader's attitudes and action toward specific transboundary environmental activities. This initial belief was based on an analysis of cross-border non-state interactions and networking over the proposed Nu River hydropower dams (Case I,

¹¹⁹ Other international organizations involved, but not included in this research, were the Center for International Forestry Research (CIFOR) and the World Agroforestry Center (ICRAF).

¹²⁰ Division and competition among different ministries and agencies is common within China's bureaucratic apparatus. This was identified as a major barrier to addressing China's international environmental footprint and is discussed in detail later in this chapter.

see below). However, the timber trade case demonstrated a lack of interaction between domestic and external non-state actors since very few Chinese non-state organizations focused on the timber trade issue. Further investigation revealed that cross-border linkage, although important and growing, was not necessary in order for transnationalism to affect the Chinese bureaucracy.

The transnational civil society organizations involved in the timber case employed two different approaches: one was assertive and the other was primarily conciliatory and research-oriented. While the advantages and disadvantages of each are highlighted in Case II, the commonality among all of the transnational organizations was their communication and linkage to the Chinese bureaucracy. Although some groups, such as Global Witness, tended to prioritize a “naming and shaming” approach, the majority of the organizations advocating for change focused on facilitating communication, information exchange, and coordination among the relevant agencies within China’s bureaucratic system.

As detailed in Case II, none of the three agencies primarily responsible for addressing China’s international timber footprint problem believed that it was their responsibility (for instance, the State Forest Administration argued its role was purely domestic) or prioritized its role (for example the Ministry of Commerce, while officially responsible for trade, had other more pressing trade issues than timber). Due to various internal challenges inside China’s bureaucracy (described in more detail in a later section), these different government constituents were unable or unwilling to interact, let alone collaborate, to address and manage China’s timber footprint. Through ongoing and coordinated report dissemination, private meetings, workshops, and other forms of

communication and interaction, the transnational actors involved were able to assist these three agencies recognize their potentially relevant roles.

Despite China's inter-bureaucratic challenges, domestic policy change may be initiated by external actors. In this case, transnational civil society organizations were able to influence disparate components of the state bureaucracy. In many ways, in reference to such a powerful state as China, this outcome is a watershed. These advocacy efforts of the transnational civil society actors in this case can have important and lasting impacts not just for Burma's forests, but for China's timber footprint on other countries throughout the world. Moreover, the finding is not sector-specific; it can be extrapolated to any other sector with a transboundary or transnational footprint, such as health care (HIV/AIDS).

The second finding related to transnationalism is based on the evidence uncovered from the proposed Nu River hydroelectric dams (Case I). In this instance, cross-border linkage and exchange between Chinese non-state actors and transnational civil society organizations does occur and this research shows they are important and effective. The Nu River case demonstrates how the agenda-setting event of the proposed 13 hydroelectric dams by a private corporation and the Yunnan Provincial government triggered the creation of a transnational advocacy network. These non-state actors demanded accountability for the actions of the bureaucracy. When the state was unable to coherently respond it found itself subjected to significantly increased scrutiny not only domestically, but also internationally.

The emergence of domestic civil society and transnational civil society is a familiar phenomenon. What is new is the ability of these groups to help formulate and

implement domestic policy processes – particularly in a one-party, authoritarian country such as China. NGOs and INGOs are increasingly able to exert pressure on a variety of traditional sources of decision-making authority such as government agencies or ministries. In the case of the Nu River project, these non-state actors demanded accountability for the actions of the bureaucracy, and when the state was unable to coherently respond it found itself subjected to significantly increased scrutiny domestically, but also internationally.

Transnational civil society and networking across China's border played a pivotal role in the Nu River case. Linkages between "local" non-state actors within China and transnational networks originating outside the political boundaries of the state were able to derail, at least temporarily, a domestic decision-making agenda. This finding underscores recent research suggesting that international NGOs or NGO alliances are helping to formulate, restructure, and implement many international decisions and policies (Keck & Sikkink, 1998; Khagram et al., 2002).

How the Chinese state will ultimately adapt to the presence and influence of transnational actors remains to be seen. As non-state organizations and networks, operating in various configurations across nation-state borders, increase in number and intensity, and build stronger alliances, particularly with members of oppressed or marginalized groups, countries such as China will have less and less choice over whether this process is something they can manage. In the case of the Nu River, transnational civil society was responsible, in part, for emboldening local non-state groups, and therefore indirectly, the Chinese public, to question the government's decision-making process. Optimistically this cross-border linkage and support will yield greater advances

toward some form of democratization in China. However, it is not yet clear how this behavior will be tolerated by different levels of the state.

The unanswered question is how China will respond to governance arrangements that do not respect the sovereignty of the nation-state. Ultimately China's decision and policy makers have not recognized the complexity of the policy-making process – perhaps because they have not relinquished the sovereignty model, or perhaps because they do not have an appropriate policy-making model. While the Chinese leadership has adapted well to economic change, it has not displayed equal skill in addressing its social and political consequences (Saich, 2000a). To compete effectively in a globalized networked world the Chinese state will be forced to cede some authority sovereignty on certain issues to transnational institutions; relinquish business decisions to external transnational corporations; and be more accountable to an increasingly powerful civil sector, both domestically and internationally. Simultaneously, the centralized state will be forced to cede sovereignty not only downward, to local administrations, but also outward to new social actors that are crucial to national success in a global world (Saich, 2000a).

Soft Law versus Hard Law Non-State Approaches

A second central finding of this research is that soft law or non-binding arrangements over the management of shared natural resources are more attractive to China than binding processes that infringe on its sovereignty. This finding was demonstrated in the Biodiversity Corridor Initiative case (Case III) and the Mekong River Commission case (Case IV). In both cases international organizations were the

protagonists; however, each non-state entity employed significantly different approaches. This finding is important since domestically China has increasingly favored a hard law approach domestically, where the central state has adopted an array of legal tools to address environmental degradation, yet it appears to prefer non-binding arrangements when dealing with the management of shared natural resources.

China independently proposed the creation of the entire BCI program under the auspices of the Asian Development Bank; it was under no obligation, at any time, to conform or comply with any regulations or policies. At no point was China concerned that if it did not meet specific criteria or benchmarks it would suffer any consequences or retribution of any kind from the ADB or any other Mekong nation-state. China proposed the BCI because the Greater Mekong Sub-program is a forum in which China feels comfortable and considers non-threatening to its interests. As respondents indicated in Case III, the engagement and ongoing involvement in the regional ADB GMS Program appears to have encouraged China appears to shift its behaviour over the management of shared natural resources. The ADB offers a suite of activities including telecommunications, education, transportation and trade that offer China an agreeable platform for engagement in cross-border affairs, including transboundary environmental arrangements.

While the trade incentives to China are apparent, external observers are often too quick to argue that China's level of interest or engagement with other countries in the Mekong Region are exclusively economic. This research demonstrates that China was enticed to participate in the creation and management of the BCI on a non-binding basis because decision makers did not want to face any repercussions for non-compliance,

including negative public scrutiny. A formalized treaty regulating forest trade, for instance, would be difficult for China to sign because it knows it would likely not be able to comply. Since nothing is required from China to engage in the ADB GMS Program, China is willing to participate.

Although several advantages are associated with environmental soft law practices, it does raise some challenges. Most importantly, soft law does not require formal compliance because it is not legally binding. It can be “enforced” through moral suasion, including the threat of political consequences for “non-delivery” or even the fear of being shamed by other nations or non-state actors, as highlighted in the second chapter. In some circumstances there might even be coercion, such as the blocking of future loans, by international actors. In these cases, China decided these concerns were manageable. The key lesson appears to be that, much like the United States or other politically powerful states, an international environmental agreement that utilizes a non-binding approach is attractive to China.

A sign and product of multilateral, international, and non-state cooperation, soft law compels the international community to think about how such mechanisms can enhance environmental outcomes. As Shelton argues, “the growing complexity of the international legal system is reflected in the increasing variety of forms of commitment adopted to regulate state and non-state behavior with regard to an ever-growing number of transnational problems” (Shelton, 2003). Although non-binding forms of agreement may, in the short term, reduce options for enforcement, this does not mean that parties will fail to respect agreed-upon expectations or norms.

Soft law can be extraordinarily influential in building clustered alliances, expanding the role of non-state actors in the negotiating process; engaging states that might not have participated at all due to actual or perceived risk of non-compliance; and, eventually, encouraging nation states to move toward more formal environmental agreements if necessary.

Contrasted with soft law is hard or binding law. So while China appears open to soft law processes, this research demonstrates it to be less interested in processes specifying enforceable targets or actions. The Mekong River Commission is governed by the 1995 Mekong Agreement, which is considered a form of binding or hard law. The Agreement is based on the principle of sovereign equality and reasonable and equitable utilization of the Mekong River. Although China is increasingly aware of its environmental footprint on other countries, and engaged in multiple international environmental negotiations and treaties, it nonetheless guards its sovereignty closely. China does not want its ability to develop to be bound in any way by external non-Chinese rules. Thus, the major barrier preventing China from joining the MRC is the 1995 Agreement; at present, China sees the Agreement to be too restrictive on the nation's internal activities.

The advantages of hard law include the potential reduction of transaction costs or a strengthened credibility on the part of the signatories based on their binding commitment. Yet hard laws or binding processes can also entail a number of limitations, particularly when promulgated in treaty format. There are no mechanisms to bind the patchwork of multilateral environmental treaties, ranging from biological diversity to Antarctica, together in any formal sense or to develop common approaches (UNDP et al.,

2003). Most international environmental treaties have not arisen from holistic views of the environment nor have they attempted to coordinate their efforts to address the relationships among inter-related environmental issues.

International negotiating processes must accommodate the differing views of as many as 190 governments. As a result, they are often excruciatingly slow, often with a decade passing between the time the international community begins to mobilize and the time a final treaty is signed. Even then, the treaty does not immediately enter into force because it can take years to be ratified by some minimum number of countries (UNDP et al., 2003).

Treaties are forged by consensus, so some compromises are to be expected. However, there is often a pronounced tendency toward lowest-common-denominator bargaining and the removal or dilution of ambitious goals, mandated targets, and firm timelines. Consensus bargaining gives nations who want to preserve the status quo great leverage in treaty negotiations and later in conferences of the parties, particularly if their cooperation is crucial to achieving the goals of the agreement. Such strategies weaken treaties to achieve greater participation, but risk forging an agreement that cannot meet its environmental objectives.

Internal Chinese Bureaucratic Division and Competition

The third important finding of this research is that division and competition within China's own bureaucracy directly interferes with the state's ability to address its international environmental footprint. Deng Xiaoping initiated a program of reform in 1978 that sought to combine a market economy with the centralized Leninist party-state

(Goldman & MacFarquhar, 1999). Deng believed that for the communist party to maintain its grasp on power it must improve the standard of living for the majority of China's citizens.

Although his reforms resulted in rapid economic growth, the process also “led to increasing political and economic decentralization as local governments made economic decisions, used tax revenue for local projects, and received less financial support from higher levels” (Goldman & MacFarquhar, 1999). While Deng recognized the necessity to have a certain degree of decentralization, he did not “foresee the extent to which the economic and political decentralization that accompanied the move to the market would diminish the reach of the party-state's authority” (Goldman & MacFarquhar, 1999). Thus the paradox of the post-Mao reform era is that an expanding, dynamic economy has undermined the political authority of the very leaders who made it possible.

In the context of environmental management, while central leadership recognizes the challenges of environmental degradation and has crafted extensive policy instruments to rectify the situation, it has been unable to arrest the crisis because the laws and policies produce weak outcomes as they permeate through the multilayered state political structure. Thus, China's internal policy and decision-making system faces significant hurdles in order to implement environmental policies.

The research from all four case studies underscores the findings of scholars such as Lieberthal, Lampton and Oksenberg that China faces numerous internal barriers to effectively tackle its own environmental problems. This study extends that observation, demonstrating how internal division and competition within the Chinese bureaucracy also

interferes with the management of shared natural resources and ultimately, therefore, how China is able to tackle its international environmental footprint.

This major barrier was identified in all four case studies, but was most evident in situations in which China was less willing or able to collaboratively interact over the management of shared natural resources. For instance, in the Nu River case, the Premier of China had to personally intervene to halt the hydroelectric project after domestic non-state environmental actors and transnational organizations raised the international and domestic profile of the river. It is obviously extremely inefficient to have one of China's top leaders intercede; however, this became necessary due to competition and division among the bureaucracy's apparatus over whether the dam project should proceed. SEPA, for example, believed the project should be halted altogether or at least studied in greater detail given the potentially grave environmental and social concerns involved, but the Yunnan and Nujiang Prefecture governments were pushing for the project to continue so that they could gain additional tax revenue.

Another example is the Mekong River Commission (MRC) case. Keen to include 'unitary' China in support of its mandate to ensure basin-wide sustainable development, the MRC generally seeks dialogue with agencies such as the Ministry of Water Resources based in Beijing and maintains limited contact with governmental and private sector agencies situated in Yunnan Province with the dams are being constructed. The interests of these lower level actors are significantly different from agencies in Beijing. This is important because, as will be discussed, lower level authorities often do not adhere to higher level orders.

Bureaucratic division took place at the central level in Beijing, among different state ministries or agencies, and lower administrative levels, between, for instance, the central and provincial levels of authority. Overall, this division and competition, that is, different agencies either vied for attention, or alternatively, rejected responsibility for a particular issue, resulted in two outcomes. First, it hampered domestic environmental decision and policy-making processes as policies either became diluted or impossible to implement. Second, this division and competition hampers China's transboundary and transnational environmental management practices. It is the second outcome, in relation to China's internal bureaucratic structure, which is new. Many theories on policy making in China emphasize inter-bureaucratic obstacles to policy reform. In contrast, this research is focused on the extra-bureaucratic *influences* that transnational civil society and multilateral agencies have on policy and decision-making processes, specifically in relation to transboundary environmental governance.

Before further exploring how China's internal bureaucratic division and competition impacts its ability to address its international environmental footprint, it will be important to first review how policy is made within the Chinese context. Lieberthal and Oksenberg (1988) argue that bureaucratic politics and bargaining are central to Chinese politics¹²¹. Perhaps their most significant insight is that formal institutional

¹²¹ They oppose the view of what they term the 'rational' and 'power-oriented' models of Chinese politics and policy-making. The rational model asserts policy decision-making is based on China's leadership matching national resources to national objectives on some sort of national 'means' to national 'ends' continuum. Decision makers have all relevant information available, they have logically ordered priorities, have time to define and evaluate their choices, and finally they offer their preferred choice. Whereas the 'power' model argues that policy outcomes result from struggles among top leaders and final decisions are not made based on merit to promote the national interest, but are made solely in terms of personal consequences. While the authors acknowledge that both approaches recognize that bureaucratic structure can complicate political decision-making, neither model explicitly recognizes that the bureaucratic structure is a "necessary ingredient for understanding typical policy outcomes" (pg. 17) (K. Lieberthal & Oksenberg, 1988). Lieberthal and Oksenberg argue that a juxtaposition between the two models is not

structures shape policy processes and outcomes even in a communist authoritarian system. They observe that in this bureaucracy, authority is fragmented among the various central ministries and provinces; fragmentation is overcome by bargaining; decisions are made by consensus; and the policy process is protracted and incremental. (K. Lieberthal & Oksenberg, 1988).

Fragmented authority includes four key tiers of authority that must interact and at times even compete: 1) a core group of 25 to 30 key leaders who craft national policies; 2) the layer of research centers, institutes, and key bureaucratic staff that link (as well as isolate) the top leadership to the bureaucratic structure; 3) State Council commissions and key ministries that coordinate activities of line ministries and provinces; and 4) line ministries responsible for policy implementation.

Different pressures and influences shape decision-making at and among each level – consensus building has therefore become central to the policy making process in China. While top leaders do possess tremendous influence, any policy-making process can easily become bogged down in China's multitude of national and provincial level bureaucracies. For this reason, the senior leadership recognizes the importance of collaborating and negotiating with the various layers of the bureaucratic system.

Consensus has become increasingly important due to the decentralization process that has taken place within China's bureaucracy in the post-Mao era of reform. Provinces have greater leverage over financial and other resources; these can be utilized for their own benefit rather than for state-mandated activities (Goldman & MacFarquhar, 1999). Therefore central bureaucracies and leadership must negotiate and build consensus with

particularly helpful, since either a rational policy process or a policy process that maximizes the pursuit of power makes important simplifying assumptions about key variables.

the different layers in order for policy to move forward. The fragmentation, segmentation, bargaining, and consensus building processes within the Chinese policy-making apparatus can render policy processes very diffuse¹²². This has been especially important in relation to large energy projects.

According to Ma and Ortolano “contrary to popular opinion in the West, the Chinese government has not been insensitive to relationships between the country’s rapid economic growth and its increasingly serious environmental problems” (X. Ma & Ortolano, 2000). However, despite an array of laws and polices promulgated at the central level, environmental disputes and degradation continues throughout the country. Jahiel asserts that the political reforms of the Deng reform era have not facilitated or enabled the implementation capacity of the central state to keep pace with environmental degradation (Jahiel, 1994). Lieberthal and Lampton argue the distribution of authority is a key factor that constrains the states ability to coherently implement environmental policies (Lampton, 1992; Kenneth Lieberthal, 1997).

Like almost anything associated with China, its bureaucracy is massive¹²³. Each bureau at each administrative level has a rank assigned to it and “a unit of the same rank cannot issue binding orders to each other” (Kenneth Lieberthal, 1997). For example, this means no state ministry can issue an order to a province (it has the same rank), thus it becomes necessary to build consensus among the different constituents (Lampton, 1992).

¹²² For example, policy development usually takes place over an extended period of time; key decisions are made via a number of different bureaus and only loosely coordinated; and incremental since policy usually changes slowly over time.

¹²³ The multilevel system includes the ‘center’; 31 provinces; hundreds of cities; perhaps a hundred thousand townships; and close to a million villages.

Given equal rank, bargaining becomes critical since one bureau cannot undertake an activity without the cooperation of the other¹²⁴.

In addition, authority is fragmented by function as well as rank. While the State Environmental Protection Administration (SEPA) is located at the top of the environmental bureaucracy in China, each province has its own environmental protection bureau (EPB). While a provincial level EPB is theoretically responsible for vertically responding to SEPA, it is simultaneously horizontally responsible to its own provincial government. Following reforms implemented in 1978, one key development was to allocate (or prioritize) horizontal authority over vertical authority.

To ease policy implementation within the Chinese bureaucracy, it was implicitly agreed that each level of government would provide the level just below it sufficient flexibility and independence to grow its economy and avoid (further) social or political instability (Kenneth Lieberthal, 1997). Thus China has become an extremely “negotiated” system. This has become one of the root challenges now facing China’s leaders. Since higher level officials have the ability to interfere in lower level governmental affairs, these lower level officials often will enter into negotiations with the higher level officials in order to avoid their involvement. When budgetary allocations from higher levels of the state system are no longer transferred to subordinate levels, the incentive to create locally generated forms of income and tax become a priority over other issues, for example, the protection of the natural environment.

Moreover, the challenge of this system has now spilled over beyond China’s borders. Its internal bureaucratic division, competition, and negotiation are increasingly

¹²⁴ The Chinese system can be considered unique in this regard, not because of bureaucratic bargaining and consensus building, but because there are so many different groups and organizations that exist and must agree.

responsible for China's inability to manage its environmental externalities. For example, in the Nu River case, SEPA publicly announced its opposition to the project. However, Yunnan's provincial leadership together with the local Nujiang prefecture government demanded that the dam cascade proceed in order to provide employment and raise incomes in one of China's poorest regions. Since SEPA is of equal rank to Yunnan Province, it was independently unable to enforce a halt; not until China's Premier personally intervened was SEPA's order respected. In this situation, the central government faced tremendous barriers to curtailing this type of development given a lower level government's eagerness to develop alternative sources of income. The central leadership's overall authority and even the sympathy of individual central level ministries are frequently not enough to ensure implementation of sustainable environmental policies.

In the MRC case, while key agencies in Beijing, such as the Ministry of Foreign Affairs, may demonstrate a new political interest, lower level agencies and bureaus in Yunnan Province do not share this view. Their economic interests in dam construction trump transboundary environmental concerns. The situation is similar to the challenges described in the Nu River case, where private sector interests (those constructing the dams) or the local provincial or township authorities who will collect taxes from the generation of electricity, argue the dams should proceed. Thus, internal fragmentation within China's bureaucracy has implications for determining a single Chinese position on future MRC membership.

In the timber trade case serious challenges to halting or even mitigating China's international forest footprint emanate from central level agencies. Unable or unwilling to

understand the scope and associated complexity of the timber trade problem, no single agency was willing to take the lead as they could later on be blamed for failing. Central level agencies, such as the State Forestry Administration in Beijing, could not order Yunnan Provincial officials to deal with the problem because, as previously reviewed, fragmentation occurs within the Chinese bureaucratic system, in part, due to rank. Furthermore, the Yunnan provincial authorities, particularly county and township level authorities along the border with Burma recognized the timber trade as a lucrative source of funding.

The fragmentation and competition within the China's own internal bureaucratic apparatus makes it extremely difficult for extra-bureaucratic actors, such as NGOs, INGOs, IOs or transnational civil society organizations, to exert effective pressure for two central reasons. First, most external groups do not understand or appreciate the internal complexity of China's policy and decision-making apparatus. Second, they do not appreciate that placing pressure on one component of the apparatus will not necessarily lead to a positive environmental management outcome.

Understanding China's internal policy and decision-making processes is important, if concerned parties are to move beyond the non-productive 'finger pointing' and to craft effective dialogue and cooperation between China and other stakeholders in the region. Analysis of the four case studies demonstrated that most external actors, whether non-governmental or multilateral, exhibited a poor appreciation of China's internal policy-making constraints, and therefore also did not understand how internal challenges can restrict China's inability to address international environmental problems.

Lessons Learned Summary

Evidence from the four case studies demonstrates that, under certain circumstances, China positively collaborates in the management of shared natural resources in the Mekong Region. These conditions include: 1) the help of non-state transnational actors in facilitating communications and interaction among central level government agencies; 2) non-state transnational actors networking with Chinese non-state actors; and 3) soft law non-binding processes. Other factors that appear to positively influence China's decision to behave more responsibly include international image or reputation abroad (BCI Case, Nu River Case, Timber Case); the level of financing China is required to contribute to a particular effort (BCI Case); or undisputable scientific evidence demonstrating that China was responsible for causing international harm (MRC Case). These last three findings, although important, were not central to this study.

At the outset of my research I proposed four pre-conditions to explain China's willingness to take greater responsibility for its transboundary environmental impacts. First, I argued that it was dependent on the ability of transnational civil society to network with domestic non-state Chinese environmental actors. While the Nu River case demonstrated this was important, transnational civil society was able to affect China's bureaucratic apparatus without cross-border networking with domestic non-state actors, as demonstrated in the timber trade case. Second, I proposed that the promotion of a non-binding approach by multilateral agencies that does not legally require China to comply was another pre-condition. This was wholly proven via the BCI case study, and inversely demonstrated via the MRC case. Third, I originally proposed the importance of

undisputable scientific data, accepted by Chinese leaders, showing China's transboundary environmental impacts. This pre-condition was not directly proven via my study. Given the competing views of how China's upstream dams may affect downstream countries, my original assertion is likely true, however, I could not confirm this contention in this study. Fourth, I argued that limiting China's potential financial liability contributed to its willingness to take greater responsibility over the management of shared natural resources. This appears to be true, as exemplified by the BCI case study; however, this did not appear relevant in the other cases.

Networked Governance for the Management of Shared Natural Resources

Scholars such as Nye, Keohane, Wapner, and Rosenau have commented on a world-wide shift toward an emergent governance framework. Key characteristics of a "globalized" society include not merely a changed and *reformed* nation-state, but also an evolving appreciation of sovereignty, specifically incorporating how non-state actors influence how governance processes unfolds. Even non-democratic, one-party states such as China are reforming and disaggregating as they become increasingly drawn, willingly or not, into a globalizing world.

The governance of Mekong regional government, politics, and the economy is no longer shaped only by national governments or business interests. This research demonstrates that non-state actors now influence decision-making processes for many aspects of development. Where states once created and applied international norms through processes that lacked transparency, participation, and accountability, non-state actors are slowly becoming a growing source of persuasion alongside state control. Non-

state actors can monitor states' activities, publicize environmental monitoring, and even shame their respective governments into cooperating. The growing influence of these actors in the Mekong Region is slowly changing the dynamics of governance today, lending a growing voice to individuals, interest groups, and communities of all types, including non-state actors based within China.

Governance, as demonstrated through this research, can have multiple meanings and interpretations. Given the socio-political inter-connectedness and the latticework of different types of organizations and institutions interacting with China and operating throughout the Mekong Region, I elected to utilize the term 'governance' as a flexible framework that embodies the interactions between both state and non-state entities, including specific activities and networks. Non-state actors, including NGOs, INGOs, IOs, and transnational organizations, operating individually or together, have become increasingly significant features within the evolution of governance processes in China and the Mekong Region.

The four case studies all demonstrated different forms of evolving governance processes, including the growing role of domestic Chinese non-state actors; the influence of transnational civil society organizations over policy-making processes; the ways in which international organizations can shape international norms; and how a latticework of all these processes can shape governance processes over cross-border issues and problems.

In the context of environmental governance, whether in China, the Mekong Region or the Western world, *how* decisions are made, and *which* stakeholders decide determines *what* is decided. As demonstrated in the four case studies, regional systems

of governance are essential given the ecological inter-connectedness of biological and physical systems. If sovereign or national interests, ever present in China and the Mekong Region, are to be, not necessarily overcome, but coherently addressed, the answers to the above questions will necessarily include networked non-state actors.

Based on the evidence uncovered from the four case studies, components of China's bureaucracy is open to new information and knowledge from non-state actors, and a shift in its behaviour is taking place. This research offer four interrelated contributions toward theory building about non-state actors operating in network configurations, particularly in relation to environmental governance.

First, the concept of the singular, static nation-state, including China and all of the countries within the Mekong Region, are evolving. While the structure of each individual nation remains central to governance processes, this research demonstrated that they are all disaggregating. Individual Chinese ministries and agencies at both the central and provincial levels are interacting with non-state actors and networks on a growing basis. While China in many ways is one of the worlds remaining nation-state empires, it is slowly losing its ability to hold absolute command over society.

In terms of environmental governance, the Westphalian system was not sensitive to ecology's lack of respect for political borders; sovereignty in this case unfortunately trumped nature. However, this research demonstrates that the current global system of sovereign rights and responsibilities is slowly being eroded by an array of non-state actors that are not concerned about directly, and sometimes confrontationally, engaging an authoritarian regime such as China. This emerging and growing collection of actors, responsible, in part, for the states disaggregation, is now implicitly demanding that

sovereignty be re-examined. As the nation-state's traditional dominance and primacy erodes, we must question how the growing power of non-state actors affects our notion of sovereignty.

Sovereignty, particularly in the China context, is considered monolithic and internally consistent. Common parlance refers to "China's" singular view or stance on, for instance, foreign affairs or defense. However, in the environmental arena, the simplistic dichotomy of 'internal' and 'external' is rapidly becoming irrelevant, or at least weaker, not because of ecology's blurred boundaries, but because of the disaggregation of the state's singularity. Non-state actors, particularly NGOs, INGOs and transnational actors do not appear to be handicapped by this monolithic political lens. As previously mentioned, China is conservative regarding territorial protection and ownership, Taiwan or Tibet being the most obvious examples. However, as China continues to rapidly integrate into regional and global communities, in terms of environmental conceptualizations, it may be willing, or at least be increasingly open, to considering alternative 'have' versus 'have not' orientations to sovereignty. For example, while China remains seriously concerned over joining the Mekong River Commission due to concerns over infringement of its territorial sovereignty, it was nonetheless willing to craft a regional transboundary biodiversity arrangement under the auspices of the Asian Development Bank that did not interfere with or hamper in any way the state's development plans. However, China is showing an increased interest in the MRC given the trade-offs of being able to influence other states in the region. Thus the concept of 'greening' sovereignty deserves more attention.

Second, the role of transnational civil society and advocacy networks are able to influence the Chinese states leaders and decision-makers. Even though China is a non-democratic regime, a community of international NGOs has emerged and over the last decade and expanded operations throughout the country. Evidence from my research demonstrates that these transnational organizations and their networks, operating from within and outside of China, have not only expanded engagement with Chinese non-environmental state actors, and therefore indirectly with the Chinese public, but directly with state actors as well. In many situations, transnational non-state actors have introduced new ideas, knowledge, and practices, and perhaps most importantly, have helped influence policy-making processes.

The cases I examined explain that transnational advocacy actors form networks including elements of the state apparatus in order to communicate and persuade the Chinese government to change its decisions or policies. This was accomplished either via influencing Chinese non-state actors to mobilize and pressure the state from within or directly via engaging with various actors within the Chinese bureaucracy itself. These non-state transnational actors, frequently operating in networked configurations, are able to influence Chinese policy processes, particularly at the central level. New theories need to address this direct and indirect interaction between external non-state actors and the targeted state apparatus.

Third, international non-state organizations played a key role in influencing and shifting China's behavior over the management of shared natural resources. International organizations can act as catalysts for identifying important environmental areas to be addressed, and subsequently, facilitate the negotiation and promotion of regional or

international agreements. They can assist with information dissemination, promoting exchange and communication, and most importantly, shaping international norms and rules. International environmental governance does not automatically require the presence or use of non-state actors, such as international organizations. However, many of these organizations have become sources of sources of new agendas of international governance and subsequently facilitators of governance establishment.

Fourth, this research demonstrated that soft law processes facilitated and encouraged by international organizations, in particular the Asian Development Bank's Greater Mekong Sub-Region (GMS) Program, were effective in enticing China to engage and participate more meaningfully in the management of shared natural resources in the Mekong Region. China is ready participant in international environmental regimes and debates, and has established a large body of domestic laws and policies to coordinate linkage with such processes (Ross, 1999).

Soft law arrangements, particularly those that do not require China to contribute financially, appear to have credence with Chinese decision and policy-makers. Utilizing a soft law approach can entice recalcitrant or reluctant parties such as China to the negotiation or even just collaboration table. Through successful participation in a non-binding approach, China may begin to feel more confident in its ability to comply and eventually be willing to join a more formalized, binding process.

The most salient lesson from was this research is that China has the ability to engage, participate, and learn from international organizations that are guiding current and future norms, standards, and rules that will help shape China's environmental governance processes. As China develops, reduces its poverty level, and gains additional regional

and global soft power, it will become less of a recipient of international inputs, such as money or technology, and more of a ‘provider of inputs, including ideas. As recently highlighted by Carter and Mol (2006), China is now on the cusp of being able to shape international governance processes and eventually become an innovator in environmental governance institutions (Carter & Mol, 2006). Of course China has a long path ahead in terms of arresting its own environmental degradation as it continues to modernize. What we need to examine is how China will be able to, in the future, shape, perhaps not Western environmental practices, but those in other developing regions, such as the Mekong.

In sum, these findings highlight the importance of networked governance. Different non-state actors configurations are proliferating domestically in China, throughout the Mekong Region, and the world. These actors are commonly linked via horizontal networks of exchange with the conscious and unconscious goal of shaping and influencing norms, standards, and rules that historically were the exclusive domain of the nation-state. As Anne-Marie Slaughter states “networks are a key feature of world order in the twenty-first century, but they are under-appreciated, under-supported, and under-used to address the central problems of global governance” (Slaughter, 2004). In our world today, states are no longer solely responsible for environmental protection, even inside their own borders. Globally, particularly with a powerful state such as China with such a massive international environmental footprint, the international community must recast the concept of sovereignty and associated forms of responsibility in less oppositional terms.

Chapter Seven: Recommendations and Conclusions

To know the road ahead, ask those coming back.

Chinese Proverb

Introduction

China's unprecedented growth, industrialization, and urbanization over the past decade have resulted in serious harm to its natural environment and the health of its citizens. A recent joint World Bank – Government of China study is the latest in a series of research reports confirming this situation (The World Bank & The Government of the People's Republic of China, 2007). Domestic environmental damage has now spilled over China's political borders and is now negatively affecting other countries, particularly those in the Mekong Region. However, even though enormous institutional barriers to addressing environmental degradation remain in place, China is assertively crafting new strategies, policies, and laws to mitigate this crisis.

In addition, as this study demonstrates, China is progressively changing how it approaches international environmental relations. International NGOs, working alone and in concert with domestic Chinese non-state environmental actors, transnational civil society advocacy networks, or multilateral agencies, are all playing an increasingly important role in this process. Whether highlighting pollution problems, raising awareness of the impacts of planned hydropower projects, or encouraging better internal policy coordination, these different non-state actors are helping to shift China's environmental governance practices.

The focus of the final chapter is three-fold. First, I provide a summary overview of the major governance lessons learned. Second, I suggest prescriptive recommendations, particularly for transnational civil society organizations and multilateral organizations seeking to engage China in the management of shared natural resources. Finally, I highlight some potential areas of future research that can carry this enterprise forward.

Major Governance Lessons Learned

This study suggests four lessons about major governance. These address 1) the growth and influence of horizontal networks; 2) the persistence and centrality of state-centered decision making; 3) the importance of civil and non-state actors in determining the environmental behavior of states; and 4) the value of soft law practices.

Growth and Influence of Horizontal Networks

The first overall lesson learned regarding governance was the growing role of horizontal networked arrangements. Tangential to this are three specific lessons about networks themselves and networked governance.

First, an important function of networks is to collect and share information and knowledge. All of the cases included in this study demonstrated some form of formal or informal information collection and dissemination. For example, all of the transnational organizations focused on China's international timber footprint conducted extensive field or market-based research to better understand the drivers and subsequent extent of China's impact. Their research was often then disseminated within China and

internationally to other civil society or government partners through reports, websites, workshops, or training. The existence of a networked chain of organizations vastly expanded the scope of information and knowledge dissemination. If targeted effectively over time, the collection and dissemination of dependable information and knowledge can influence policy and decision-makers.

A second important function of global and regional networks is to facilitate agreement on standards. Networked groups and processes can help diverse groups or constituents negotiate mutually acceptable standards, rules, and norms. Examples in this study include the movement toward developing guidelines for private Chinese companies conducting logging operations abroad; the development of standardized cross-border policies for biodiversity protection; and the formation of ADB's working group on the environment.

Third, networks can promote more inclusive participation and decision-making. NGOs and other civil society organizations operating locally and sometimes in isolation, can usually affect change only on localized scales. Given the challenges facing the world today, particularly over environmental challenges, the creation of larger coalitions, including those that stretch across borders are becoming increasingly important. Vertical bureaucratic arrangements, commonly favored by non-democratic state actors, tend to direct information flow and maintain tight controls on decision-making processes. Networked configurations can erode the state's dominance over decision making, help strengthen inclusiveness, and improve public participation. However, it should be noted that networking does not automatically guarantee open, transparent decision making.

Persistence and Centrality of State-Centered Decision Making

A second major governance lesson is that while state dominance may be waning, the nation-states remain the essential actors in transboundary environmental decision making. This study focused on how extra-bureaucratic actors, such as multilaterals and transnational civil society actors, can influence the state. In general, while the nature of the nation-state is evolving and becoming more disaggregated, it nonetheless remains central to policy and decision making, particularly in countries where the state has ultimate political authority; markets are still in development; planning is still shifting from a centrally planned approach; democratic practices are weak; and environmental management and governance are most needed.

China is a clear example of these trends. It would be unrealistic at this point to argue that participatory processes or networked non-state arrangements alone could address serious environmental challenges such as those facing China or the region. However, this research demonstrated that non-state actors do have independent, self-defined roles to play in environmental governance processes.

Vital Role of Non-State Actors in Complex Environmental Issues

The *third* lesson is the contribution that civil society and the non-state sector can make to state-mandated governance processes. The complexities of the environmental challenges facing China and other nations around the world have essentially overwhelmed even the best prepared governments. The vast majority of developed countries now actively include civil society in decision-making processes, including the environment. Developed countries have removed the legal, financial, and political

obstacles to the full and open participation of non-governmental organizations in governance processes. However, in many developing countries this opportunity remains elusive. China remains guardedly open to a larger role for the non-state sector, particularly in the environmental realm. However, as civil protest increases in China – often in response to problems associated directly with environmental degradation – China’s leadership may retreat from providing additional political space for a civil society to flourish. Nonetheless, international experience confirms that civil society’s presence and action have effectively promoted public participation, particularly over environmental policy-making and implementation.

Value of Soft Law Practices

A fourth lesson is the importance of pursuing non-binding, soft law practices. Soft law can be extraordinarily influential within international environmental arenas and should not be discounted simply because it is not formal or binding. Soft law can be used to build clustered alliances; expand the role of and engage non-state actors in the negotiating process to improve environmental outcomes; engage states that might not have participated at all due to actual or perceived risk of non-compliance; and, eventually, help nation states move toward formal environmental agreements if necessary.

Soft law will play an increasingly important and varied role in international and regional environmental negotiations. A soft law process that does not confine or bind countries such as China can encourage them to interact and engage in the resolution of

international environmental challenges. If their experience is good, they may become open to participation in more rigorous, formal, and demanding types of agreement.

Prescriptive Policy Recommendations

The prescriptive policy recommendations presented below focus on how extra-bureaucratic actors can improve their engagement with China to help shape stronger, transparent and accountable environmental governance frameworks regarding transboundary environmental issue. These recommendations are to 1) promote awareness and information sharing; 2) increase policy engagement with China; 3) support indigenous non-state actors; 4) pursue soft law strategies; and 5) identify and exploit linkage to other issues.

Promote Awareness and Information Sharing

INGOs based both inside and outside of China should continue to facilitate awareness raising and information exchange among relevant bureaucratic agencies via informational workshops, dissemination of research reports, or capacity-building training. This capacity building should extend to lower levels of jurisdiction as well.

One key finding identified in this study was the unique role that transnational organizations such as The Nature Conservancy or Forest Trends played in facilitating communication and understanding among diverse Chinese government agencies. As highlighted in chapter six, bureaucratic division is a serious impediment not only to the resolution of China's own domestic environmental crisis, but also to the coherent management of its international footprint. Domestic infighting, competition, and division

over governmental roles and responsibilities will ultimately result in further domestic and international environmental degradation.

Moreover, I recommend that INGOs increase their focus not just on improving dialogue and coordination among central level agencies based in Beijing, but also on promoting similar interaction between central level agencies and lower level administrative components of the bureaucracy at the provincial and township level. As reviewed in chapter four, one of China's greatest policy implementation challenges is the dilution of the intended impacts of a directive as it percolated through the many layers of China's bureaucracy. Many international organizations and NGOs believe that if agreement is obtained from a central level agency, for example the State Forestry Administration or SEPA, that projects or programs implemented at lower administrative levels, or regional levels involving that particular agency, will proceed forward without challenges. As this study has demonstrated, this is currently not the case.

Increase Policy Engagement with China

International NGOs and multilateral agencies both must increase policy engagement with China over its transboundary and transnational environmental footprint via the development of cross-border programs. Many international organizations, including IUCN, ActionAid, Oxfam, Conservation International or the Food and Agriculture Organization (FAO), to name a few, operate in China *and* the Mekong Region, but do not have active cross-border projects or programs. Part of this is due to lack of financial resources for larger regional programs or sometimes even ignorance over China's environmental impacts on other countries. A more important reason is that

many of these organizations do not want to upset China by publicly promoting initiatives that could be perceived as embarrassing to or accusatory of China.

However, if approached in a constructive manner, Chinese government officials and decision makers, are in fact keen to collaborate with international organizations in order to gain new experiences from abroad. UNDP, for instance, has moved in a positive direction by initiating a small cross-border community dialogue project over the management of shared natural resources¹²⁵. Unfortunately, this initiative does not include China even though UNDP's large office in China includes an environmental governance unit.

Engage the Chinese Private Sector

International non-state actors should also target Chinese private companies, including the forestry, mining, and hydropower sectors, by crafting partnerships to influence how they operate overseas.

Extra-bureaucratic actors need to focus not just the various arms of the Chinese government apparatus, but also Chinese private sector companies. In many cases, such as international timber or mining operations, it is Chinese private corporations or entrepreneurial interests, rather than Chinese government agencies that are responsible for poor environmental practices abroad. In the timber case, based on support and guidance from The Nature Conservancy office in Beijing, the State Forestry Administration drafted sustainable harvest guidelines for Chinese companies conducting logging operations in foreign countries.

¹²⁵ Additional information on the UNDP Community Dialogue process can be located at: <http://regionalcentrebangkok.undp.or.th/practices/cap2015/reg/component2a.html>

Support Chinese Non-State Actors

Foreign organizations and institutions, including civil society organizations, transnational networks, and bilateral and multilateral agencies offer more financial and technical support to Chinese environmental non-state actors.

Overall, non-state respondents generally indicated that their organizations welcomed linkage with external groups and networks in order to improve their own organization's profile, amplify international awareness, or provide financial assistance to their local efforts. Accountability concerns were indirectly raised by Chinese respondents working for Chinese non-state organizations in China over the role and function of foreign civil society organizations. Furthermore, many respondents were keen to stress, although usually with only anecdotal evidence, that foreign groups should not operate in China only to pursue their own interests and manipulate the focus of local groups. The main task for international or transnational actors is to establish legitimacy and accountability with local constituencies.

While cross-border networks can lend strength to local voices, external non-state agencies must be careful that their voices do not dominate domestic groups. Another critical factor, accountability, is often overlooked or sidestepped by transnational organizations or networks since they may not have members, boards of directors, or tangible constituents they must answer. For any network process to succeed, disparate actors need to develop shared strategies, trust, and recognition of resources other than their own. External actors note frequently that their support is essential to strengthening domestic public participation, improve democratic values, and promote state accountability and transparency.

This study suggests that appropriate and effective action to support China's non-state sector has not yet taken place. While China's environmental non-state sector is operating at the forefront of civil society development, it is still undergoing a process of maturation. China's non-state groups require project management skills development, organizational development assistance, technical training, and additional funding support. Foreign organizations have a responsibility to promote these critical success factors.

This is important for several reasons. First, it will be difficult to develop robust and effective cross-border non-state (environmental) networks if the non-state sector in China is non-existent or weak. Furthermore, weakness in domestic organizations may spur accusations that foreign civil society groups are dictating an external "non-Chinese" development agenda. Second, many local-level Chinese non-state groups have become overwhelmed with the amount of foreign organizations wanting to collaborate with them. In some cases, these local organizations can spend more time on managing these partnerships than on undertaking actual development projects or promoting public participation. However, this recommendation must be carefully couched within the existing structure of China's political-economy, and ensure that any support or financial assistance does not endanger the future development of the non-state sector.

Utilize Soft Law Strategies

International organizations, such as the United Nations Development Programme (UNDP) or the United Nations Environment Programme (UNEP) should create and promote soft law strategies.

The development model pursued by the Asian Development Bank via its Greater Mekong Sub-Region (GMS) Program offers important lessons for other international and multilateral organizations. The GMS Program was not developed around a single issue, such as transport, education or the environment, but rather incorporated a suite of components. This integrated approach was promoted in a non-binding manner that allowed China (and the other member countries in the Mekong Region) to prioritize the program areas it preferred. This soft law platform was instrumental, over time, in marshalling China's multilateral cross-border engagement; it was, arguably, responsible for China's growing involvement in other regional multilateral processes.

Encouraged by the success of the GMS Program, the ADB expanded the initiative to Central Asia, including China's Xinjiang Uygur Autonomous Region¹²⁶. This initiative does not yet incorporate transboundary environmental management arrangements, but neither did the GMS in the beginning.

Identify and Exploit Linkage to Other Issues

INGOs should offer incentives to China and relevant lower level bureaucratic entities in non-water fields, such as preferential trade agreements, enhanced immigration policies or better cooperation over cross-border drug trafficking, in return for more collaborative management of shared water resources. Given China's dominant upstream hydrological and political position, it may become increasingly important in the near future for external organizational or institutional configurations to offer some form of counter balance to China's interest in harnessing hydropower. While China appears

¹²⁶ Additional information on the ADB's Central Asia Regional Economic Cooperation Program can be located at: <http://www.adb.org/Carec/>

increasingly willing to open negotiations with the Mekong River Commission and has temporarily halted the construction of the proposed hydroelectric dams on the Nu River, it is by no means assured that China will join the MRC or extend the moratorium on the Nu River dams. Countries that share natural resources with China, including the downstream riparians in the Mekong Region, as well as international organizations, should make cooperation an attractive option.

Recommendations for Future Research

Recommendations for further research include 1) ongoing study of emergent transboundary environmental governance in the Mekong and other areas; 2) further investigations of China's interests in transboundary natural resources; 3) Analysis of how to manage "institutional density" and; 4) analysis of China's potential as a source of environmental solutions.

Ongoing Study of Emergent Environmental Governance Phenomena

Over the past few years, networked arrangements have grown in number and intensity, particularly non-state configurations focused on regional or global governance. However, ongoing empirical research is required as this phenomenon emerges and matures. The case studies in this research focused exclusively on the Mekong Region. This geographic area was selected because the ecological and socio-political forms of inter-connectedness are many and complex.

To further substantiate my findings, it is recommended that additional transboundary areas be examined. For instance, similar cross-case research could be

undertaken among the Tumen basin or along its border with Russia where the recent benzene spill occurred in 2006 on the Songhua River, both located in China's northeast. This would provide additional empirical cases for cross examination, and also help to determine if any specific regional variance exists, such as political arrangements or unique geographic conditions, that could explicate differences in China's behavior.

Comparative Research of China's Interests in Shared Natural Resources

Future comparative research should be undertaken to examine China's interests in resources that extend into or across the jurisdiction of two or more countries; in the management and use of common resources; and in resources situated wholly or largely outside of the jurisdiction of any individual state. For example, the factors that entice China to manage a shared resource versus a common resource may differ¹²⁷. China, for example, for security or trade reasons could, be more inclined to improve its behavior over the management of a shared natural resource with a bordering state such as Russia or even Viet Nam given the geographic proximity or national security implications, rather than change its behaviour over its extraction of raw materials from Africa, which may only have international public relations implications.

Management of "Institutional Density"

A third area for future research is the challenge associated with institutional density in the field of environmental governance. The environmental problems facing the Mekong Region have spawned multiple projects, programs, organizations, and institutions focused on environmental management and governance. Superficially this

¹²⁷ Chapter two highlights the difference between shared and common resources.

should be considered a positive and welcome development; however, the increasing density of different component could lead to fragmentation of outcomes. While increased organizational and institutional density can lead to improved synergies, idea generation and networking opportunities, it may also lead to competition, division, and fragmentation over future environmental cooperation and planning. The impacts of institutional density are not clear, and require additional research, particularly as China's environmental footprint grows.

Analyze China's Potential as a Source of Environmental Solutions

A fourth focus for potential future research could examine how China may actually become an “exporter” of environmental management and governance practices in the not so distant future. China is rapidly developing a domestic arsenal of environmental policies, laws, procedures and, perhaps most importantly, first hand experience over the management of an environmental crisis based upon a modernization trajectory gone awry.

In fact, China has already begun sharing its environmental experiences and knowledge with Africa. In 2006 China initiated a new program designed to promote dialogue and exchanges between China and Africa, in part, over environmental management¹²⁸. This is somewhat counterintuitive given that China has now expanded its own environmental footprint to many parts of the African continent to satisfy its growing demand for raw materials. Nevertheless, as China economically advances, it has also gained a commensurate level of understanding over how its modernization track is overly skewed in favor of growth and the grave results that entails. Relevant

¹²⁸ For additional information refer to: http://english.focacsummit.org/2006-11/05/content_5191.htm

environmental lessons learned by China are now slowly being shared, but further research is required to understand how China can (or should) shape environmental governance systems abroad, whether regionally in Asia, or internationally in, for instance, Africa.

Concluding Remarks

Globalization has transformed the composition and structure of the international system. The traditional unitary dominance of the nation-state, while still intact today, is eroding. In particular, the role of non-state organizations and networks has become increasingly important to governance processes. Non-state groups have successfully organized themselves, utilizing various strategies and tactics to influence not only nation-state policies, but also international politics. Governance systems today include expanding representation and reallocation of power spheres. Elements of power are being devised and relocated “above” the nation-state, through international regimes and the cooperation of international and transnational organizations; and simultaneously “below” the nation-state, through non-governmental organizations and civil society actors. Moreover, non-state network configurations have blossomed and appear to be increasingly important in shaping the development of norms and rules at multiple political scales. China and its constituents have not been immune to any of these developments.

As China rapidly integrates into global political and economic arenas an important shift is taking place in how it interacts with the world community, particularly over international environmental affairs. China faces tremendous environmental

challenges, ranging from air pollution to degraded river systems. Many of these challenges have now spilled over onto other countries and have become the world's environmental problems. Chinese authorities now tackle these challenges with greater action and responsibility than ever before. In part, they are responding to the amplified visibility, position, and role of increasingly powerful non-state actors operating both inside and outside of China's political boundaries. Today, China's top leaders, decision-makers, and members of the general public have adopted a more integrated, broader view of China's global role and longer-term environmental interests.

However, much remains to be accomplished and optimism should be restrained, at least in the short-term, regarding how China's external impacts can be effectively addressed. Although China is making rapid strides to improve its domestic environmental governance system, serious barriers remain firmly in place. China guards its sovereignty closely and is slow to trust external actors, non-state or otherwise, attempting to influence its internal practices and procedures. Nevertheless, China must now be firmly placed center stage by other states, international regimes, and non-state actors addressing or analyzing any regional or global sustainability challenge.

Appendix I: Drivers of China's International Environmental Footprint

Despite recent domestic policy and technical improvements, China is nonetheless responsible for significant negative environmental externalities and is a gathering threat to international sustainable development. The challenge of 'exporting harm' is not unique to China; however, given the confluence of various factors, China, individually and when compared to other nations, has the clear capability to inflict the most significant environmental damage on other countries. The drivers of China's environmental challenges and its associated international 'footprint' are varied; but the key factors include population size; historical lack of respect for the environment; rapid and sustained growth coupled with its extensive manufacturing oriented economy; and domestic resource scarcity concerns.

At first glance, the most obvious factor regarding China's environmental footprint is its large population. Presently China has a total population of approximately 1.3 billion inhabitants, approximately 20 percent of the global total, and it has more than doubled over the past 50 years. But China's population is under control thanks to the strict enforcement of the one child policy implemented in the late 1970's under Deng Xiaoping. Although China's per capita environmental impact is still much lower than developed nations such as the United States or Australia, according to a key study by Liu and Diamond "the proportionate increase in total human impact on the world's environments will be enormous if China's per capita impacts catch up with such countries" (Liu & Diamond, 2005). While the population may be stabilizing, the number of households is increasing, and smaller households "consume more resources per person" (Liu & Diamond, 2005). Therefore China's rapid increase in households, linked

with a reduction in household size, further contributes to the environmental footprint China imposes on the planet.

In terms of China's economy and growth patterns, again clear trends have emerged. While scholars may debate the long-term stability or logic of China's present day trade or monetary policies, it is nonetheless clear that over the past two decades China has grown at a tremendous pace and improved the standard of living for literally hundreds of millions of people. China has, without a doubt, become a global economic force and in the near future will likely emerge as the world's largest economy and largest trading nation. For example, China ranks third in total GDP and has the world's highest growth rate (Liu & Diamond, 2005).

If China's leadership is able to overcome the immense fiscal and monetary challenges facing the State, the outcome, while positive in terms of avoiding national economic collapse and international economic disarray, will drive further domestic and global environmental degradation. An immense and growing population, more and smaller households, rising per capita income and rapid urbanization patterns all lead to growing consumption patterns, which inevitably entails increased levels of domestic resource scarcity. The rate at which China consumes natural resources has already become unsustainable and will only continue to rise (Dollar, 2005). Moreover, a new World Bank study cautions that "the scale of consumption and the speed with which it has increased and is increasing are matters of concern" (Yusuf & Nabeshima, 2006).

Once again, the figures paint a bleak picture, where energy consumption patterns provide only one of many disheartening examples. Energy is absolutely essential for China's continued growth; however, this has now placed China as the world's second

highest energy consumer after the United States. Although China's per capita energy consumption rates remain well below that of the United States, and its energy intensity rates have gradually improved, the rates of per capita consumption are predicted to rise, and China's energy intensity rates still remain high compared to developed nations (Liu & Diamond, 2005; Yusuf & Nabeshima, 2006). In addition, while China has the world's largest reserves of coal, with 25 percent of the total, and leads in the production and consumption of coal (Liu & Diamond, 2005) it has few domestic sources of oil or natural gas and has therefore become the second largest importer of these resources in the world (Dollar, 2005). As China's economy continues to rise and foreign direct investment continues to flow, China's overall appetite for natural resources of all types will further expand (Yusuf & Nabeshima, 2006). Thus China's growing domestic natural resource scarcity directly impacts other countries.

An additional factor contributing to China's present day ecological crisis, albeit not as grave as the preceding drivers, is its historical relationship with the natural world. Judith Shapiro argues that many of China's current difficulties in addressing environmental impacts of industrialization can be traced to the Mao years. Shapiro specifically asserts "factors that contributed to environmental degradation under Mao remain in attenuated or altered form, stifling intellectual freedom and hindering wise policy-making" (Shapiro, 2001). Under Mao, political repression, utopian urgency and state sponsored relocation led to the Chinese peoples distorted relationship with nature during his rule; contributing to a range of environmental problems from deforestation to poorly designed engineering projects that degraded major river systems. Mao's anti-nature policies ranged from shifting large portions of the population, to local farmers

prevented from using traditional sustainable farming practices, to massive portions of the nations forests cut down to fuel furnaces for steel production during the Great Leap Forward.

As previously noted, each of these factors alone might not lead to significant negative environmental externalities – it is the combination of these factors that is particularly worrisome. Not only should the confluence of these elements be of concern to the global community, serious barriers exist, both internal and external to China, which has the potential to seriously further impede solutions to halt or slow China’s environmental footprint.

Appendix II: Soft Law and Non-State Actors

International institutions, governance frameworks, and treaties have become increasingly important and commonplace to address environmental challenges. In recent years international environmental treaties have proliferated. This can be attributed to a combination of increased levels of environmental degradation, greater global political and social environmental awareness, increased information flow about and publicity surrounding environmental threats, and the growing influence of civil society processes.

Many international environmental agreements are focused on commitments that signatory countries are bound to observe and respect. Formal international treaties, whether a convention, convention protocol, or protocol, spell out the specific and necessary obligations of signatory parties. These mechanisms outline binding responsibilities and requirements that clearly outline states obligations. However, Susskind (1994) points out that international environmental agreements and processes “are also shaped, to a lesser extent, by a body of international law — mostly what is called ‘soft law’ — that reflects commonly accepted norms.” Scholars and practitioners rightly note that the non-binding mechanisms of soft law can be extraordinarily influential within international environmental arenas and should not be discounted simply because they are not considered to be “formal,” “binding,” or “legal” in the strictest sense. International organizations can influence environmental politics and associated mechanisms through soft law processes such as codes of conduct, declarations of principle, regional or global action plans, or other agreements “that create new norms and expectations without the binding status of treaties” (Porter et al., 2000). These non-binding processes can encourage and stimulate innovative approaches to manage the

natural environment in ways that might not otherwise have been possible using traditional negotiation methods. Despite this, a soft law approach can be problematic because involved parties may adopt soft law practices because they are unwilling to follow a binding process, and this can lead to poor environmental outcomes (Porter et al., 2000).

Soft law is any guideline or recommendation that is not considered to be legally binding and depends entirely on voluntary compliance. Legal scholars often describe it as a type of political or moral obligation (Wirth 2003). Examples of legally binding mechanisms, or “hard law,” would include treaties, binding acts of international organizations, or judgments of courts or tribunals. These components of international law consist of rules that oblige states and members of the international community in their relations (Sands, 1994). Soft law, however, can stand alone or act to support binding obligations¹²⁹.

There are no prescribed processes for designing and/or implementing environmental soft law; there are no set or agreed-upon strategies. Soft law can be constructed either by weakening existing legally binding procedures or by building new processes from the ground up that do not become legally binding. Soft law as a normative process has been in existence for more than 30 years (Dupuy, 1991). Most soft laws are promulgated by international institutions such as UNEP and have become more widespread since 1972. These institutions design guidelines and recommendations to promote and establish a common understanding over a particular issue. Dupuy asserts

¹²⁹ Some of the most important and historic examples of environmental soft law are the 1972 Declaration of Principles of the 1972 Stockholm Conference, the 1982 World Charter for Nature, and the 1992 Rio Declaration (Sands, 1994). The largest most recent example is the 2002 Johannesburg Summit on Sustainable Development that sought to develop a plan for the further implementation of sustainable development policies and programs worldwide after Rio.

that soft law is designed to create and delineate goals to be achieved in the future rather than actual duties, programs rather than prescriptions, guidelines rather than strict obligations. The “softness” of the instrument does not necessarily have to correspond to the “softness” of its contents. The content of an environmental soft law measure can include any aspect, but the most important aspect is that the instrument is not legally restrictive. Despite this, parties can still approach the negotiation of soft law instruments with the same care as if they were formal treaty provisions.

Juxtaposed against soft law is hard law. Hard law refers to legally binding obligations that are precise; however, the distinction between the two is not precise. By implementing hard law, parties can “reduce transaction costs, strengthen the credibility of their commitments, expand their available political strategies, and resolve problems of incomplete contracting” (Abbott & Snidal, 2000). Yet hard laws can also entail a number of limitations, particularly when they are promulgated in treaty format. There is a patchwork of global treaties ranging from biological diversity to Antarctica with little commonality. There are no mechanisms to bind multilateral environmental treaties together in any formal sense or to develop common approaches (UNDP et al., 2003). Most international environmental treaties have not arisen from holistic views of the environment nor have they attempted to coordinate their efforts to address the relationships among inter-related environmental issues.

Soft law is often utilized, particularly in the human rights and environmental sectors, because of its numerous benefits and associated flexibility. Soft law approaches are less difficult and time-consuming than formal legal treaties, and they engage non-state actors such as members of civil society. By working with these non-traditional

actors, who are not official representatives of the state, action plans can be made more creative, greater trust can be built, and ultimately consensus can be created among the different concerned parties. Soft law approaches help create awareness and over time can lead to formal treaties (UNDP et al., 2003). Moreover, and arguably most importantly, soft law can bring to the discussion table state actors and associated official constituents who might otherwise not participate because they feel threatened about losing control or rights. Soft law agreements can also be made with parties that other parties to the agreement are not willing to recognize, and agreements can be made with parties that do not have the power to conclude treaties under international law (Hillgenberg, 1999). Non-binding norms and procedures are increasingly attractive to all parties for these reasons.

Given the growth and evolution of soft law mechanisms, non-binding norms have complex and potentially large impacts in the development of international law (Shelton, 2003). Of particular salience is the issue of compliance where an increasing number of state and non-state actors are choosing non-binding soft law mechanisms over binding normative instruments and the question of what impact this is having on their behavior. International multilateral agencies, international non-governmental organizations, local communities, as well as national governments, including both developed and developing nations, have all sounded the warning that more needs to be done faster to combat environmental degradation. As environmental management challenges continue to increase in scope and complexity, whether related to global forest management regimes, scarcity over fresh water rights, or access to agricultural land, the international community must recognize that unless innovative new management approaches are

adopted, humanity and its natural environment face increasingly dire consequences. Rather than proceeding with only legally binding international treaties, environmental stakeholders, including non-state actors, have begun to give more credence to the apparent value and opportunities of soft law mechanisms to address environmental degradation. In particular, given the inherent difficulties of obtaining a binding hard-law environmental treaty (Porter et al., 2000), soft law has in many ways become a more attractive and even feasible mechanism to protect and conserve natural resources.

Appendix III: A Note on Methodology

Case Study Research

Using “purposeful sampling”¹³⁰ I strategically selected cases that would provide comparative information about the key issue under study¹³¹. A research framework employing a case study design generally focuses on a few cases analyzing them in great depth either through cross-case or within-case analysis¹³² (Brady & Collier, 2004; Yin, 2003). In this context a ‘case’ is the unit of analysis. Cases can be wide ranging including everything from an entire country to how policy implementation takes place. Despite extensive use of the case study method within the social sciences, this approach to inquiry continues to be “stereotyped as a weak sibling among social science method” (Yin, 2003). Critics assert that case study research is an inferior design choice since it sacrifices breadth for depth, generally has a small sample size, in some cases only employing a single case, and lacks the rigor of generalizability so prized in the positivist paradigm. Nonetheless, I elected to employ a case study design for my dissertation as it can provide greater understanding of the phenomenon under study and provide important contributions to theory building.

¹³⁰ Purposeful sampling can take many forms including, but not limited to, extreme cases, maximum variation, critical case or snowball sampling.

¹³¹ The utilization of purposeful sampling raises the issue of selection bias in case study research. One of the key arguments behind a random sampling procedure is the elimination of bias, thereby increasing validity and reliability. Selection bias can occur based on the researcher’s selection procedures, self-selection of individuals into the sample, or self-selection of the cases under study into categories of the independent variable (Brady & Collier, 2004). Researchers using a case study research design with purposeful sampling would likely agree that while selection bias is relevant, perhaps the more important factor is the degree to which a researcher employing purposeful sampling is open to addressing contrary findings (Yin, 2003).

¹³² Cross-sectional analysis is research that focuses on multiple cases at the same point in time, whereas longitudinal analysis focuses analysis on change taking place over time (Brady & Collier, 2004).

The selection of cases is a critical task within any research design and scholars approach this task in fundamentally different ways depending on paradigmatic orientation (Brady & Collier, 2004; Patton, 1990). Case study research, unlike quantitative scholarship, does not favor random selection. Qualitative inquiry “typically focuses in-depth on relatively small samples, even single cases, selected *purposefully*” (Patton, 1990). It is important to highlight that not only are the techniques for sampling different between qualitative and quantitative oriented design, but the logic of the approach is unique given that the purpose of each strategy is also different. In a quantitative study, sampling is based upon a random and statistically representative sample designed to elicit generalization from the sample selected to a larger population. In this situation the overriding concern is generalization and external validity. This approach is particularly relevant when a researcher wants to understand how something affects a large group. Given my study is not designed to test theory, but rather build it; my research findings will not be statistically generalizable, and therefore I did not randomly select my cases.

Moreover, one of the greatest strengths of case study research is the ability to elicit in-depth or ‘thick’ description. The debate over qualitative versus quantitative methodological approaches also centers on ‘thick’ versus ‘thin’ description and therefore how inference is constructed. In this situation ‘thick’ refers to data that are detailed and complete enough that they provide a full and revealing picture of what is going on (Maxwell, 1996). If a particular case is information rich it can “greatly strengthen descriptive and causal inference” (Brady & Collier, 2004). For example, the verbatim transcripts from unstructured or semi-structure interviews conducted in case study research can often yield a plethora of information otherwise unavailable if only closed-

end surveys were utilized. In contrast, research design with large samples is generally forced to rely on ‘thin’ analysis, since they prioritize breadth rather than depth. In this situation, inference is derived from statistical tools applied to a large-N. Although a ‘thin’ analytical approach sacrifices depth of understanding, it is able to generalize for a larger population and therefore has greater external validity. However, as previously noted, constructivist researchers are more interested in interpreting meaning from specific situations since they would argue that there is no single objective truth. Therefore, given that reality is subjective and the social world is dynamic, research should not attempt to draw generalizations.

Case Study Selection

Therefore the first task I undertook was to develop criteria to systematically identify specific case studies to form the basis of my final field research inquiry. Two aspects dominated my experience during my field research: the inter-connectedness of ecosystems within the region and the complex multitude of governmental, multilateral and non-governmental linkages and networks operating in the Mekong Region. Therefore two sets of criteria based upon different forms of interdependence were identified: 1) *ecological interdependence*, countries linked geographically in relation to the natural environment; and 2) *socio-political interdependence*, networks of political, social and economic interactions, composed and/or facilitated by both state and non-state actors.

The first criterion, ecological interdependence, encompasses the overall comparability of potential cases in terms of meeting three specific common geographic

and environmental factors. Each case selected must include: 1) physical involvement of China; 2) involve a specific natural resource such as water or forests; and 3) the natural resource must be transboundary and cross one or more political jurisdictions in the region. Therefore all cases that do not meet these three spatial requirements were automatically excluded. The second criterion, socio-political interdependence, was crafted to ensure that cases selected would be representative of different governance processes operating within the region, including state and non-state, formal and informal, binding and non-binding. State actors, generally adhering to the principle of sovereignty, control environmental governance processes in the Mekong Region. However, new and increasingly powerful, civil society and multilateral networked configurations are exerting greater influence over governance processes in the region. I needed to find multiple instances of these new arrangements.

All potential cases identified were examined in light of these criteria and in relation to the analytical puzzle I was seeking to understand¹³³. So, for example, using only the first criterion, while the Se San is a transboundary river in the Mekong Region, it does not flow across China's political borders, and was therefore disqualified. Another potential case that was excluded, based on the second criterion, was UNDP's Regional Environmental Governance Programme since it only had a very small project operating in China and was not yet linked to programme operations in the downstream countries.

¹³³ The qualitative-quantitative orientation to research is often contrasted between small-N and large-N research, focused on the total number of observations measured by the researcher to ultimately infer meaning. While most case study oriented research utilizes a small non-random sample size, which concerns quantitative researchers as this can limit external validity, interpretivist scholars are less interested with statistical generalizability. Given that case study research is employed primarily to *build* rather than *test* theory, researcher's that employ the case study method are therefore concerned more with theoretical generalizability. If the purpose of a particular evaluation or policy analysis is to be statistically generalizable, then some form of random, probabilistic sampling should become the design of choice.

I identified specific scenarios in which China has positively engaged in the management of shared natural resources, and simultaneously when it was less collaborative. Ultimately four cases were identified that juxtapose China's level of engagement in environmental management in relation to different levels of socio-political interdependence including state and non-state, formal and informal; and binding and non-binding. Thus, the four cases I selected for in-depth study and analysis were:

1. Civil society's opposition to proposed hydroelectric dams on the Nu River in Southwestern China;
2. Civil society's opposition to China's timber trade with Burma;
3. Asian Development Bank's Biodiversity Corridor Initiative; and
4. China's participation in and engagement with the Mekong River Commission.

Each case meets all the criteria related to the first set of requirements; however each case is representative of the varying degrees of socio-political interdependence. By identifying incongruent cases I hoped to be able to subsequently identify the explanatory factors within each case responsible for influencing the different outcome exhibited by China. The four cases were then compared and contrasted to facilitate explanation of the factors that drive China's engagement, or lack thereof, over the management of shared natural resources.

Two of the cases demonstrate China's lack of effective management of shared natural resources including: 1) the massive importation of timber into China from neighboring countries, particularly Burma (Case II); and 2) its continued refusal to join

the Mekong River Commission (Case IV). However, under certain circumstances, China appears more willing to engage in the collaborative management of shared natural resources. Two cases that highlight this include the 1) Chinese government's order to halt construction of hydroelectric dams on one of Asia's last pristine transboundary waterways due to the engagement of Chinese non-state and transnational civil society actors (Case I); and 2) the creation of a new transboundary biodiversity conservation corridor proposed by China (Case III).

The four cases can be compared and contrasted as follows:

Case Study Summary

Case	Criteria 1: Ecological Interdependence	Criteria 2: Socio-Political Interdependence	China State Engagement
I: Nu River Hydroelectric Dams	Nu Rivers flows through Yunnan Province into Burma and Thailand	Active domestic Chinese non-state engagement coupled with transnational civil society actors	High level of engagement from a variety of central and provincial authorities
II: Timber Trade between Burma and China	Timber trade between Yunnan Province and Burma	Almost no domestic Chinese non-state engagement, but active engagement of transnational civil society actor	Historic denial of situation by governmental authorities; recently acknowledgement that trade exists.
III: Biodiversity Corridor Initiative in Yunnan Province	Biodiversity linked across Yunnan Province throughout Mekong Region	Primarily facilitated by ADB and Chinese government actors	China proposed program creation. High level of engagement by government actors, particularly SEPA
IV: Mekong River Commission	Mekong River flows from Yunnan Province into Lao PDR, Thailand, Cambodia and Viet Nam	No Chinese non-state engagement, limited INGO or transnational civil society engagement; primarily state engagement	China refuses to join the Commission, but now gradually opening to idea of joining

Each case provides an overview of the situation under study, namely how non-state actors including NGOs, INGOs, transnational civil society and multilateral agencies, via horizontal networking processes, seek to influence China's management of shared natural resources. The aim is to generate a 'story' that captures the positions and interests of the key stakeholders in each case and subsequently explore the key themes using a combination of respondent transcripts and document analysis.

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