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To cite this article: Jichuan Sheng, Michael Webber & Xiao Han (2020): Authoritarian neoliberalization of water governance: the case of China’s South–North Water Transfer Project, Territory, Politics, Governance, DOI: 10.1080/21622671.2020.1755891

To link to this article: https://doi.org/10.1080/21622671.2020.1755891

Published online: 04 May 2020.
Authoritarian neoliberalization of water governance: the case of China’s South–North Water Transfer Project

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ABSTRACT

China’s water governance not only involves highly technical interventions from the government but also reflects selected features of neoliberalization. Market and government interventions coexist, making the notion of ‘authoritarian neoliberalization’ a useful vantage point from which to understand water governance in China. The paper assesses the practices of water governance from the perspective of authoritarian neoliberalization by using the case of China’s South–North Water Transfer Project (SNWTP). First, China’s water governance practices contain elements of neoliberalization, including marketization, commodification and privatization. Second, its water governance also has authoritarian features that, combined with neoliberal elements, form an authoritarian neoliberalization that is a selective and adaptable expression of neoliberalism. Third, the Communist Party of China’s (CPC) claims that effective water governance is a manifestation of its care for people’s well-being and is, therefore, a source of the political legitimacy of the CPC. Nonetheless, authoritarian neoliberalization is officially regarded as merely a useful, practical instrument rather than an ideology to be pursued. The interpretation of authoritarian neoliberalization in this paper’s case study of water governance in China’s SNWTP expands existing understandings of variegated neoliberalization.

KEYWORDS

South–North Water Transfer Project (SNWTP); authoritarian neoliberalization; legitimacy; benevolent governance; water governance

INTRODUCTION

The mismatch between northern China’s rapid economic development and the region’s relatively limited (and polluted) water resources has become a critical factor restricting China’s economic development. In response, the Chinese government constructs the South–North Water Transfer Project (SNWTP) to divert water from the Yangtze River to the drier northern and north-western regions. The SNWTP appears to be a classic example of authoritarian, top-down, centralized and technocratic water infrastructure. At the same time, however, the central government is actively engaged at creating market-like institutions for the water delivered by the SNWTP (Jiang

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et al., 2020) and is designing systems of incentive payments for watershed services provided by upstream governments to lower stream governments along the SNWTP (Sheng & Webber, 2017, 2018).

The coexistence of state-led and market-oriented practices within the one project prompts important questions:

- How do neoliberal practices and authoritarian interventions coexist in China’s water governance?
- Why do China’s rulers seek to achieve political goals through technical practices such as water conservancy projects?
- How is authoritarian neoliberalization in China’s water governance linked to political legitimacy?

Critical geographers and political ecologists have rarely addressed these questions about the complicated entanglement of authoritarian interventions and neoliberal practices in China’s water governance. Some studies have examined China’s water governance, including Crow-Miller (2015), Lin (2017), Moore (2014), Pohlner (2016), Rogers et al. (2016), Sheng et al. (2018) and Webber et al. (2017). These studies found that new governance arrangements have emerged, which are neither purely authoritarian nor neoliberal. For example, Rogers et al. (2016) argue that the new arrangements include some elements of neoliberalization, notably marketization, commodification and privatization of water; however, they are not purely neoliberal as they contain highly technical interventions by the state. Similarly, Sheng et al. (2018) argue that the coexistence of state intervention and market-oriented incentives constitutes hybrid neoliberal environmentalism in China’s water governance, which combines both market norms and national water development strategies for water resources. However, the coexistence of seemingly contradictory authoritarian interventions and neoliberal practices in China’s water governance remains poorly understood and is rarely theorized. Yet, such complex coexistence reflects the techno-politics of China’s water governance, revealing the Communist Party of China’s (CPC) strategic practice of constructing, embodying or formulating political goals by designing or using technology (Hecht, 2001).

In response to this gap, this paper reviews the practices and political-economic logic of authoritarian neoliberalization in China’s water governance, using the example of the SNWTP. The paper argues, first, that the practices of water governance in China contain some elements of neoliberalization, notably marketization, commodification and privatization; second, that water governance in China also displays features of authoritarianization, forming an authoritarian neoliberalization, in which authoritarian centralization and neoliberal decentralization are linked; and third, that authoritarian neoliberalization is officially regarded as merely a useful, practical instrument rather than an ideological goal, so does not offer political legitimacy through its own ideological power but by enabling effective governance of water.

The paper begins by describing the development and emerging arrangements of the SNWTP. Subsequently, we examine neoliberal elements in the SNWTP’s water governance, notably marketization, commodification and privatization. There follows an analysis of authoritarian features in the SNWTP’s water governance, observing the coexistence of authoritarian centralization and neoliberal decentralization in water pricing policy, water pollution control, resettlement and increasing centralization of water governance. The paper then explores the relationship between authoritarian neoliberalization in the SNWTP and the political legitimacy of the CPC. It concludes by demonstrating how this analysis of authoritarian neoliberalization in China’s water governance expands existing understandings of variegated neoliberalization.
AUTHORITARIAN NEOLIBERALIZATION IN CHINA

Neoliberalism is a universal though variegated social project pursued in the name of individualism and a free market (Peck, 2010). Authoritarianism is a specific form of state that emerges in countries where the bourgeoisie is weak and capitalist development needs centralized state intervention (Harrison, 2018). The notion of authoritarian neoliberalism connects these two: bureaucracy and coercion create a society characterized by faith in self-responsibility and markets. The close ties between the two are revealed in practices around the world (Peck & Theodore, 2019), in such countries as Chile and Peru in Latin America (Budds, 2013; Ioris, 2013), Turkey and Egypt in the Middle East (Acara, 2019; Ismail, 2011), and Laos and Cambodia in Southeast Asia (Kenney-Lazar, 2019; Springer, 2010). In authoritarian neoliberalism, dominant social groups no longer use concessions and compromises to maintain their hegemony and eliminate resistance or dissent, but explicitly exclude and marginalize subordinate social groups (Bruff, 2014, p. 116).

According to Bruff (2012), ‘the rise of authoritarian neoliberalism’ implies that Western countries have experienced different degrees of government intervention since the 2007 crisis. However, China’s trajectory is different from that of Western countries. Authoritarian neoliberalization in China first established some general principles and then gradually selected particular practices through trial-and-error learning (Foot & Walter, 2013). In this process, government intervention became the core, legalizing the authoritarian system. Yet, China’s authoritarianism, though hierarchical, is fragmented (Lieberthal & Oksenberg, 1988) into multiple and competing bureaucracies, which share decentralized decision-making (Clarke-Sather, 2019). Thus, the neoliberalization of environmental governance can coexist with continuing authoritarian governance in China.

This ‘Beijing Consensus’ was distinguished from the Washington Consensus (Kennedy, 2010; Williamson, 2014). However, simply labelling this a Chinese model ignores the varied nature of neoliberalization itself (Lim, 2014; Peck & Zhang, 2013): the practices of neoliberalization are spatially diversified (Sheppard, 2016). Authoritarian neoliberalization in China can be regarded as a form of neoliberalization rather than an alternative (Peck & Zhang, 2013). Furthermore, as China has adopted and adapted the neoliberal initiative centred in the West (Harvey, 2005), it has, in turn, influenced international norms and the neoliberal order (Dellios & Ferguson, 2013). Neoliberalism has been and is being copied, reflecting characteristics of both liberalism and authoritarianism, as well as the hybrid forms (Peck, 2004).

Neoliberalism, as a political strategy, focuses on market ideology, but its actual practices are subject to social and political restrictions (Lind, 2002). The processes of neoliberalization differ in response to specific histories and institutional backgrounds (Harris, 2009), producing variegated neoliberalization processes across space and time (Brenner et al., 2010b). Authoritarian neoliberalization in China is a selective and adaptable manifestation of neoliberalism in the context of an uneven state spatiality (Lim, 2014, p. 221).

Authoritarian neoliberalization is widely found in many phenomena related to China. The reform of China’s household registration system (hukou) is typical. The transformation of the mobility regime through household registration reform reflects both continuing authoritarian control and the marketization of registration (Zhang, 2018); good jobs and housing purchases have become indicators of success in changing registration. Similarly, state actors have shifted from direct intervention in nature (providing irrigation water to agriculture) to indirect regulation through market mechanisms (Clarke-Sather, 2019). In these practices of authoritarian neoliberalization, the power of the state and the market are reconfigured, giving China both a market-oriented governance system with neoliberal characteristics and an authoritarian command-and-control system.
METHODS

Case background
The SNWTP plans to divert water from the Yangtze River to north and north-west China by constructing three routes in the east, middle and west. The Eastern (ER) and Middle (MR) routes were operating by December 2014. The Western Route (WR) is still being planned (Ma et al., 2016). The SNWTP connects the Yangtze, Huaihe, Yellow and Haihe river basins (Figure 1), and eventually form a water grid (Ministry of Water Resources, 2002). The ER and MR can supply 27.8 billion cubic metres of water each year from the Yangtze River Basin to the drier North China Plain, over a total distance of nearly 2900 km (Ministry of Water Resources, 2002). The project is the largest inter-basin water-transfer project in history (Pohlner, 2016). Its total official investment exceeds RMB240 billion yuan (People’s Daily, 2014).

Since construction started in 2002, market-based practices have emerged in the SNWTP (Sheng & Webber, 2017), such as a horizontal eco-compensation mechanism based on payments for ecosystem services (PES) (Dong et al., 2011; General Office of the State Council, 2016; Pohlner, 2016), emissions trading to reduce water pollution (General Office of the State Council, 2014), and public–private partnerships that encourage the private sector to invest in water supply and water pollution control (CPC Central Committee and State Council, 2016). At the same time, state-owned enterprises (SOEs) have been established to operate the SNWTP (Construction Committee Office of the SNWTP, 2008). However, marketization practices in the SNWTP are different from the neoliberalization of water governance in the traditional sense described by Harris (2009), for technical interventions from the government are everywhere, but primarily reflected in water pricing, the governance of water pollution and resettlement (Rogers et al., 2016). Ultimately, market instruments and highly specific technical interventions coexist in the SNWTP, reflecting the SNWTP's principle: ‘governmental macro regulation and control, the

Figure 1. Eastern and middle routes of the South–North Water Transfer Project (SNWTP). Source: Authors. For a colour version, see the supplemental data online.
operation of a quasi-market mechanism, management of modern enterprises and participation of water users’ (Ministry of Water Resources, 2002). The power of state and market is being reconfigured in this project. The coexistence of market and government intervention is a typical ‘neoliberalism with Chinese characteristics’ (Harvey, 2007, p. 120), which Bruff (2014) called authoritarian neoliberalism.

Data collection
This paper uses content analysis to review academic literature, media and government documents. We mainly focused on government documents about the SNWTP. These principal government documents that we reviewed include Construction Committee Office of the SNWTP (2008, 2010, 2011), General Office of the CPC Central Committee (2016), General Office of the State Council (2013, 2014), National Development and Reform Commission (2013, 2014a, 2014b), State Council Construction Committee of the SNWTP (2003, 2004a, 2004b, 2004c, 2004d), and State Council (2003, 2014). In addition, we analysed Chinese academic and media documents to identify the CPC’s discourse about authoritarian neoliberalization, such as the People’s Daily (mouthpiece of the CPC), as well as the theoretical journals Qiushi and Hongqi Wengao.

NEOLIBERAL ELEMENTS IN THE SNWTP’S WATER GOVERNANCE

Harris (2009) argues that the neoliberalization of water governance may include marketization, commodification and privatization. Marketization entails the use of market structures to replace public institutions with the market provision of (erstwhile) public goods and services (Özgün et al., 2017). Privatization means a change in ownership or the transfer of management from the public to the private sector (Bakker, 2005). Commodification means creating an economic good by standardizing a class of goods or services so that they can be sold on a market (Bakker, 2005). These elements are different and not necessarily concurrent processes. Privatization may occur without full marketization, and marketization can be initiated while the public sector retains ownership (Bakker, 2005). Commodification is related to marketization, but there are significant differences between the two: marketization changes the resource management system by introducing market-based principles (such as efficiency), methods (such as cost–benefit analysis) and goals (such as profit maximization) (Leys, 2003); these are necessary but not sufficient conditions for commodification.

Although these elements are often regarded as manifestations of neoliberalization, none is necessarily associated with neoliberal ideology (Bakker, 2007). In other words, these elements can be regarded as features of neoliberalization, but they do not necessarily represent the acceptance of neoliberalism, which is conceptualized as a complex and varied combination of ideology, institutions, discourse, actors and related practices that attempts to expand and deepen financialization, privatization, marketization and/or commodification (Brenner et al., 2010a; Peck, 2010). As Higgins et al. (2012, p. 384) argued, ‘attempts to neoliberalize nature are contingent on the existing values and practices of those who are the ultimate targets of governing’. The SNWTP allows one to understand how the various elements of neoliberalization are selectively reworked and adjusted, eventually becoming a ‘neoliberalism with Chinese characteristics’ (Harvey, 2007).

There is a marketization of water governance in the SNWTP. A ‘quasi-market mechanism’ has been incorporated into SNWTP’s master plan as a fundamental principle (Ministry of Water Resources, 2002). According to the master plan, a series of market-oriented SOEs were established to conduct water trading. On the ER, two regional SOEs – Jiangsu Water Source Corporation (established in March 2005) and Shandong Main Canal Corporation (established in December 2004) – are responsible for constructing and operating the SNWTP-ER (State Council Construction Committee of the SNWTP, 2004b, 2004d). After the completion of the
first phase of the SNWTP-ER in December 2013, another SOE – SNWTP-ER Corporation – was established to operate and manage the SNWTP-ER (State Council Construction Committee of the SNWTP, 2003, 2004c). On the MR, the Water Source Corporation and Construction & Management Bureau is responsible for constructing and operating the SNWTP-MR. The establishment of these water companies transforms the SNWTP water industry from a public service to a commercial operation. These water companies are required to operate as market-oriented enterprises to optimize water distribution, control water-transfer costs and generate profits while transferring water. For example, for many years, the income of Jiangsu Water Source Corporation has grown by more than 10% annually. In 2017, it achieved a revenue of 1.03 billion yuan and a profit of 90 million yuan, up 21% and 101%, respectively, over the previous year (Beijing News, 2018). Marketization is well underway in the SNWTP.

Commodification is also a significant feature of the SNWTP’s water governance. Water governance has always been one of the most prominent manifestations of neoliberalization (Harris, 2009). Water has become a tradable commodity in the SNWTP. For example, the Water Source Corporation and Construction & Management Bureau sign annual water supply contracts with provincial water SOEs in the MR, and similar contracts exist between Jiangsu Water Source Corporation and Shandong Main Canal Corporation in the ER (State Council Construction Committee of the SNWTP, 2004a). In this step, the government reconceptualized water as a tradable commodity and began to employ market mechanisms for distributing water (Boelens et al., 2015), enabling water to become a way of capital accumulation (Swyngedouw, 2005) in the SNWTP. These water supply contracts indicate that the SNWTP intends to turn water into a commodity; nevertheless, water has biophysical, spatial and sociocultural characteristics that make it resistant to commodification (Bakker, 2005). The next section will show that the state had to intervene in water markets, rendering commodification only partial.

The commodification of water governance is also reflected in water pollution control. To improve water quality, China’s eco-compensation system combines PES with the principle of ‘polluter pays’ (Pohlner, 2016) in a PES-like mechanism. In the current system, the central government buys environmental services directly from local governments (Wang et al., 2016; Yu et al., 2020). This is a vertical compensation rather than PES with a market mechanism (Xie et al., 2015). However, the central authority has proposed a horizontal eco-compensation model based on PES (National Development and Reform Commission, 2013), in which payments will occur among local governments (horizontal eco-compensation). This will transform the SNWTP’s water pollution governance from a central–local to a local–local pattern. For example, Beijing, as a water-receiving city, has invested 2.7 billion yuan since 2014 to purchase ecosystem services that protect water quality from 16 counties or cities in the water source area (Beijing Daily, 2019). In other words, a market for ecosystem service transactions is gradually forming (General Office of the State Council, 2014), making ecosystem conservation also a commodity (McAfee, 1999). Even so, ecosystem services are not traded at market prices in the SNWTP because of state intervention in pollution control (see the next section), so commodification of ecosystem services is also only partial.

The SNWTP also involves the privatization of water governance. Private capital has become involved through public–private partnerships in the SNWTP’s regional water supply and wastewater treatment projects, such as the supporting water supply project in Zhuozhou, Hebei (Hebei Daily, 2016). The SNWTP’s main project also introduced public–private partnerships: the SNWTP used a bond investment plan in three phases to raise 55 billion yuan from more than 20 joint-stock banks and insurance companies since 2009 (China Securities Journal, 2014). Through such public–private partnerships in the SNWTP, the state is gradually being transformed into a form of governance facilitator, while non-state actors (private organizations) have become water governance agents. State and private companies cooperate to coordinate activities to increase capital accumulation (Harvey, 2005). In short, outward corporatism that enables
private companies to pursue profits also exists in the neoliberalization of the SNWTP’s water governance (Su, 2012).

**AUTHORITARIAN FEATURES IN SNWTP’s WATER GOVERNANCE**

The SNWTP also reflects authoritarian forms of water governance. China’s water governance is achieved through highly technical interventions from the state within a seemingly neoliberal strategy. As Harvey (2007) argues, China is building a market economy to combine neoliberal components with authoritarian centralized control. The SNWTP enables one to observe the authoritarian features of neoliberal water governance.

The formulation of water pricing policy illustrates the authoritarian face of neoliberal water governance. In the past, China’s water conservancy projects were mainly funded by the government, which also subsidized water. However, the SNWTP proposed a quasi-market mechanism in which government and market-oriented operations are equally important, balancing public welfare and market-based pricing (Ministry of Water Resources, 2002). In the end, a scheme called ‘two-part water pricing’, including a basic water price and a metered water price, was used. Basic water prices correspond to fixed costs, while metered water prices correspond to variable costs and profits (Figure 2). The basic water price is determined by the state according to an agreed share of the total volume of water available, while the metered water price is charged according to the actual volume bought (State Council, 2014). However, the SNWTP’s basic water price is determined by the state rather than the market (National Development and Reform Commission, 2014a, 2014b). Technical intervention from the government replaced market supply and demand to set prices, a Polanyian kind of market (Polanyi, 2011).

In the ‘two-part water pricing’ system, the basic water price is determined by the state, while the metered water price is partly determined by the market (State Council, 2014). State intervention and spontaneous market regulation simultaneously affect water prices, indicating that power is continuously being redistributed between market and state in the SNWTP. With the redistribution of power, the SNWTP becomes an ‘assemblage’, which is built by the processes of neoliberalization and authoritarianization, with capacities created by the interactions of its parts (Webber & Han, 2017). In such an assemblage, neoliberalization and authoritarianization are linked and occur together, forming ‘authoritarian neoliberalism’ (Bruff, 2014).

Authoritarian neoliberalization of water governance is also reflected in the SNWTP’s water pollution governance. The Construction Committee Office specially assesses the pollution control performance of local officials to ensure the SNWTP’s water quality and to control pollution. These assessments are submitted to the CPC’s organizational department, which then decides the promotion of local officials (Construction Committee Office of the SNWTP, 2010, 2011). This system eventually evolved into a promotion tournament, in which a higher level government designs a promotion contest for the chief executives of lower level government departments. The winner is promoted (Zhou, 2002).

The SNWTP’s promotion tournament is designed as follows. First, the State Council sets the goals for the water quality, which became the standard for assessing officials of the Construction Committee Office. Second, the Construction Committee Office sets goals for provincial officials that are easy to quantify and measurable. These standards are a critical factor for officials’ promotion. Third, provincial officials set specific goals for county officials by the regulations of the Ministry of Environmental Protection (2016). Fourth, the goals set for senior officials are broken down into the goals for each division within any ministry or bureau (Sheng et al., 2018). In sum, officials’ careers at all levels are finally decided through top-down promotion tournaments. In the context of China’s hydro-politics, the state regards promotion tournaments as a planned government act to make the SNWTP’s water pollution administrable and manageable (Dean, 2002, p. 158) – a top-down, authoritarian approach that responds to environmental change (Moore,
However, this system of promotion tournaments also reflects the organic combination of authoritarian centralization and neoliberal decentralization. Promotion tournaments aimed at the SNWTP’s water pollution governance combine a centralized personnel control system with decentralized local administrative power (Sheng et al., 2018). In this system, the central authority has absolute control over personnel, but local officials have administrative and discretionary power, reflecting the coexistence of authoritarian centralization and neoliberal decentralization.

Resettlement is another arena of authoritarian neoliberalization in the SNWTP. In the Danjiangkou Reservoir area, officially 345,000 people were resettled to facilitate the SNWTP’s construction (CISPDR, 2006). The state formulated messaging strategies to persuade the public to believe that the SNWTP offers local and national economic benefits (Moore, 2014). People in the water source area were told that their sacrifice was for the national good and that it was their duty to make personal sacrifices for the benefit of their country (Crow-Miller & Webber, 2017). For example, Shushan Wang, former director of the Henan Provincial Construction Office for the

![Figure 2. Two-part water pricing system of the South–North Water Transfer Project (SNWTP) eastern route (ER) and middle route (MR).](image-url)
SNWTP-MR, argued that the SNWTP would realize national interests, to which personal interests have inevitably to be sacrificed. Although local people in the Danjiangkou Reservoir area have to make these sacrifices, they are officially deemed necessary for the well-being of the state (Henan Provincial Construction Office for the SNWTP-MR, 2009). Resettlement placed a heavy burden on local officials, who were asked to build new houses, redistribute land, offer compensation for immigrant families and provide training for immigrants (Rogers et al., 2016). Local officials responsible for resettlement were under tremendous pressure because of the large-scale resettlement in the SNWTP: in Nanyang, Henan, 12 local officials responsible for resettlement died because of overwork (Beijing News, 2011). In resettlement, neoliberal decentralization and authoritarian centralization occur in parallel. Although the SNWTP’s resettlement caused social tension, the primary strategy adopted by the state was to convince rather than oblige order, while focusing on coordinating resettlement and the overall interest by allowing limited forms of public participation in decision-making (Moore, 2014). For example, each resettlement village established a housing construction council composed of village representatives, who were allowed to discuss the choice of resettlement site and the design of new housing (Li et al., 2012). The SNWTP involves both public participation and technical government interventions in the form of authoritarian neoliberalization that allows the market and highly specific types of technical intervention to coexist in people’s daily life. Thus, authoritarian centralization and neoliberal decentralization are again linked in the SNWTP’s resettlement.

**AUTHORITARIAN NEOLIBERALIZATION AND POLITICAL LEGITIMACY IN THE SNWTP**

The purpose of the CPC’s governance policy is to persuade people that the CPC is doing good and therefore has the right to govern in this fashion (Zhu, 2011). This reflects an unwritten contract between state and society, under which government officials consider themselves responsible to the people, and the people think that the government should be accountable to them (Tong, 2011).

Megaprojects manifest the CPC’s vision of benevolent governance, the latest in a long-standing historical connection between the control of water and political legitimacy (Mukerji, 2003). China’s rulers have always been fond of water conservancy projects as a means of demonstrating their dedication to easing the suffering of drought and flooding. For example, the Three Gorges Project was deployed as a stage to harness the vision of technological progress to achieve national identity, economic development and political legitimacy (Crow-Miller et al., 2017). Similarly, the SNWTP provides a window into the complex links between political legitimacy and benevolent governance. By the end of 2017, the water transferred by the SNWTP was claimed to have benefited over 100 million people (Liu, 2017). Since the construction of the SNWTP, most people in the water-receiving areas have witnessed sustained rapid economic growth and rising living standards (Crow-Miller, 2015). Accordingly, the SNWTP is said to embody Confucius’s ideology of benevolent governance, namely, ‘showing compassionate care for the people’, providing political legitimacy to the CPC. Thus, the SNWTP itself is a symbol of political legitimacy and the authority of the country (Webber et al., 2017) – a component of the ‘Chinese Dream’ (Li et al., 2016) to build a common belief structure and attain global recognition (Zhu, 2011). These water conservancy projects have become an essential application of techno-politics in China.

With the increasingly close connection between China and the world, the traditional ideology of benevolent governance has been challenged (Tong, 2011). In response, neoliberalization has become subject to criticism in official discourse, especially in the CPC’s official mouthpieces and think tanks, such as the Chinese Academy of Social Sciences (2016), Hongqi Wengao (2014) and Qiushi (2014, 2016). Xi Jinping’s speeches explicitly oppose
the implementation of neoliberalism (Xi, 2016). These official discourse also argues that neoliberal doctrine does not apply to China and that the practices of marketization, commodification and privatization in the Chinese market economy are not neoliberal (People’s Daily, 2016).

Yet, China’s rulers are adopting selected neoliberal politics even while officially opposing neoliberalism. Although the term ‘neoliberalism’ is avoided in official discourse, authoritarian neoliberalization in the SNWTP is still used as a practical instrument through which the CPC hopes to retain political legitimacy (Ma, 2009). Recognizing that the state is a dynamic space of power arrangements that continuously need to be actualized, rulers use hydraulic infrastructure to demonstrate or extend power over that space (Menga & Swyngedouw, 2018). In other words, authoritarian neoliberalization in the SNWTP is a means through which the state exercises power over its territory. The devolution of water management in the SNWTP exemplifies this process. The government designed a decentralized water governance system at the beginning of construction. The State Council established two new agencies: the Construction Committee of the SNWTP of the State Council and its Office in 2013, to coordinate and make decisions related to project construction and management (State Council, 2003). The Construction Committee includes senior officials such as the deputy prime ministers, ministers, and governors or mayors (General Office of the State Council, 2013). Thus, local governments are increasingly important decision-makers, especially through their membership in the Construction Committee. However, membership in the Construction Committee also enrols these same local governments in the project; they become engaged in the project and so also responsible for the SNWTP (and through that, people’s well-being).

Authoritarianism is reflected in the decision-making and government interventions for the actual operation of the SNWTP. For example, the SNWTP’s decisions and water governance policies were made by senior leaders and implemented in relevant provinces and cities. Neoliberal policies were actively introduced, including marketization, commodification and privatization of water governance, to ensure the efficient allocation of water. If successful, people along the routes can obtain water resources, and their well-being can be improved. The SNWTP as a hydraulic infrastructure is both a means and an effect of state construction: the SNWTP can consolidate the state’s ability to control people and resources, but it also expresses and manifests such power (Fantini et al., 2018). In other words, authoritarian neoliberalization has become a useful instrument of the CPC’s political legitimacy through the marketization, commodification and privatization of water governance.

The disavowal of neoliberalism and the concurrent practice of authoritarian neoliberalization suggests that neoliberal logic has selective adaptability in the SNWTP (Horesh & Lim, 2017). Since any policy must adapt to the evolving needs of the current situation, the CPC attaches importance to Deng Xiaoping’s espousal of pragmatism, which, in practice, leaves room for flexibility. Moreover, the concrete achievements of government can be viewed as legitimate within the scope of public philosophy (Huntington, 2006, p. 27), that is, the ‘Chinese Dream’. Thus, the socialist market economy with Chinese characteristics based on authoritarian neoliberalization is a neatly designed term. Its ambiguity gives the state a flexible ideological shield, making various neoliberal reforms ideologically justifiable (Ma, 2009).

The selective adaptability of authoritarian neoliberalization in China also allows technical interventions from the government to continue in the SNWTP. To realize the Chinese Dream, the CPC reorganized the government, seeking to strengthen its national capabilities. The Construction Committee was merged into the Ministry of Water Resources in the institutional reform of 2018 (CPC Central Committee, 2018), and the principle of the CPC’s leadership in all work is also written into the amended constitution (National People’s Representative Meeting, 2018). Such changes indicate that technical interventions from the CPC will be strengthened in the SNWTP’s future construction and operation, and the fragmented
Authoritarian system of water governance will become more centralized. It also shows that authoritarian neoliberalization as a form of capitalism in the SNWTP is regarded as the CPC’s pragmatic means rather than an ideal goal to be achieved in future (Ma, 2009). To obtain lasting political legitimacy, people in society must believe that the CPC’s actions in the SNWTP are legitimate. The action of authorizing power in the SNWTP can promote the justification of power: what the CPC does is correct and deserves support.

CONCLUSIONS

The SNWTP is one of the most critical megaprojects in China, and its construction plan is in line with the development of China’s water policy and hydro-politics (Moore, 2014). Thus, the SNWTP needs to be understood within the framework of China’s water governance (Crow-Miller & Webber, 2017). Compared with existing political-economic studies on water governance, this paper explains the authoritarian neoliberalization of China’s water governance by revisiting the practices of the SNWTP’s water governance.

Through the case study of the SNWTP’s water governance, the interpretation of authoritarian neoliberalization in this paper helps to expand existing understandings of variegated neoliberalization. The contradictions and selective adaptability of authoritarian neoliberalization in China’s water governance demonstrate that governance in this sphere is ‘a complex and heterogeneous one and one that is maybe better appreciated by way of its paradoxes and contradictions than by reference to some singular logic or form of institutionalized equilibrium’ (Peck & Zhang, 2013, p. 386).

Our findings demonstrate that China’s water governance includes some essential elements of neoliberalization, notably marketization, commodification and privatization of water. These include the formation of central and local SOEs that operate in quasi-markets; the transformation of water and ecosystem conservation into tradable commodities in this quasi-market; and the introduction of public–private partnerships that make private organizations into water governance agents.

China’s water governance also displays authoritarian features. Authoritarian neoliberalization simultaneously combines neoliberal elements with authoritarian control in a selective and adaptable manner. First, authoritarianization is reflected in the state formulation of water price policy to achieve national control in water governance. Second, the SNWTP has established a promotion tournament that couples a centralized personnel system with decentralized local administrative power to combat water pollution. Third, the SNWTP both raised the personal sacrifice of resettled people as a national obligation, on the one hand, and provided limited ability to modify the resettlement process, on the other: the market and governmental interventions coexisted.

China’s water governance, as a form of benevolent governance that apparently cares for people’s well-being, has become a source of the CPC’s political legitimacy. Authoritarian neoliberalization is adopted as a practical instrument for achieving political legitimacy rather than an ideology. Benevolent governance – the idea that the CPC is responsible for people’s well-being – becomes the basis for the political legitimacy of the regime. The SNWTP’s construction is argued to have improved the well-being of most people in project-affected areas: a form of benevolent governance. In this way, authoritarian neoliberalization has become an instrument of the CPC’s political legitimacy through marketization, commodification and privatization of water governance. However, these practices coexist with a disavowal of neoliberalism in China’s water governance. The application of neoliberal logic is selective and adaptable, a pragmatic way to achieve ‘socialism with Chinese characteristics’.

DISCLOSURE STATEMENT

No potential conflict of interest was reported by the authors.
FUNDING

The study was supported by the National Natural Science Foundation of China [grant number 71774088]; the Australian Research Council [grant number DP170104138]; the National Office for Philosophy and Social Sciences [grant number 18ZDA052]; the Six Talent Peaks Project in Jiangsu Province [grant number 2017-JNHB-058]; the Qing Lan Project; and the Outstanding Youth Project of Social Sciences in Jiangsu Province.

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