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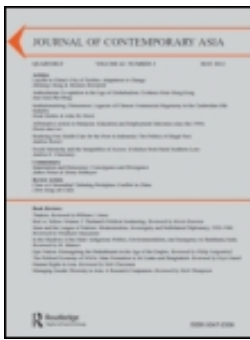
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Global Capital, National Development and Transnational Environmental Activism: Conflict and the Three Gorges Dam

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ABSTRACT *This article uses the controversy over China's Three Gorges Dam to examine the interaction between the Chinese state and transnational civil society that has unfolded in the global arena. It uses the human rights disputes and the emergent Chinese "hydropower discourse" to explore the global politics of the dam. The conflict flared up in the late 1990s and the early 2000s. The increasing interconnectedness of the world enabled the Three Gorges technocrats to solicit global capital for the project. Transnational activists, however, mobilised opposition to the dam through public opinion forums, including the Internet, and cross-border networking to seek to constrain the Chinese government's agenda. They also championed principles of environmental protection and human rights as a challenge to the investment policies of multinational corporations. But the Chinese developmentalists insisted on a particularist interpretation of people's rights. Furthermore, dam advocates turned the tables on the opponents by appropriating the environmental principle of sustainability and forming a new "hydropower discourse." The struggle illuminates the complex interplay of socio-political forces embedded in the global-national-local nexus of exchange. The paper addresses the tension between developmentalism and environmentalism, particular interests and universal values, and national sovereignty and global activism.*

KEY WORDS: China, dam, development, environment, globalisation, transnational activism

China embarked on its economic reforms at a time when the world economy was beginning to move in a neo-liberal direction. Since the last two decades of the twentieth century, as the world has become increasingly connected and the accelerating flow of people, information and capital has testified to the argument that national borders are becoming increasingly permeable, many observers have believed that the concept of a national boundary will no longer be valid and that the delineation between "inside" and "outside" will be rendered obsolete (Walker 1993; Held 1996). But China insists on its national sovereignty, trying hard to fight off foreign intervention into its domestic affairs and holding firm to its power to define its own socio-political agenda. However, as China has joined the world economy and

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become a major player in the global arena, outside forces of intervention have become increasingly difficult to fend off. This article examines the Three Gorges Dam project on the Yangtze River as an example of the tension between China's need to participate in the global economy in order to continue the development of its national economy and the opportunities such participation opens up for external forces to penetrate into the country's socio-political affairs.

The Three Gorges Dam project is located on the middle reaches of the Yangtze and is by far the biggest dam in the world. It has a height of 185 m, with a water level of 175 m, and its width of 2,316 m is equivalent to the span of the Golden Gate Bridge. The dam promised to generate 84.7 billion kwh per year, which is the capacity of 18 nuclear power plants, to hold back floods from the upper and middle reaches of the river, and to facilitate the passage of 10,000-tonne ships to the inland regions (Yang 1992, 44–49). Besides these functions, the project came to assume the new task, as the discourse on the dam evolved through the 1990s, of helping to fulfil the urbanisation of central and western China, which is a strategic part of the Chinese hinterland that lags behind the industrialised seaboard. The dam, conceived as part of the nation-wide marketisation drive, is supposed to pull resources, such as capital and production know-how, from the coastal area to form regional hubs of economic exchange inland. The project cost US\$25 billion. It took 16 years to complete and relocated 1.2 million people from 20 cities and counties, 116 townships, and 1,711 villages to make way for the construction and the reservoir. Numerous cultural relics, ranging from a few hundred to thousands of years old, were removed or submerged under water.

Proponents consider the costs and disruptions justifiable given the “comprehensive benefits” that the dam brings. But the project has been controversial. Some of the ecological defects opponents predicted are indeed challenges that the dam faces today. Drought, for example, on the lower reaches of the Yangtze delayed the dam's completion from the planned 2009 to the end of 2010. Problems, such as siltation, landslides and species extinction, have been subjected to criticism by environmentalists through the years, as have human rights abuses in the resettlement process. Since dissent within China was closely scrutinised by the government, the environmental campaign against the Three Gorges included only a very small number of Chinese participants. For the most part, it was conducted by activist groups in Europe and North America in a transnational setting. In the 1990s and early years of the twenty-first century, the anti-Three Gorges lobby adopted strategies including full-page advertisements in the *New York Times*, Internet campaigns and negotiations with the multinational banks that financed the dam. Their protests did not lead to the cancellation of the project, but the high-pitched opposition enabled them to share the spotlight with the resistance to the Narmada Dam in India and drew world-wide attention to problems of the Chinese hydro-engineering scheme.

This tension between transnational environmentalism and national development arises from the interweaving relationship among the global, national and local structures of social relations. Constituting those structures are not only circulating material objects, such as people and construction machinery, but also circuits of exchange of information, knowledge and – in an abstract and yet real form – capital. The increasing interconnectedness of the various structures, which makes their

boundaries ever blurrier, enables a project as local as the Three Gorges to gain world-wide attention and assume world-wide significance. Considered an issue of general concern in the human community, the dam became a part of the competing global discourses of development and environmentalism as it was made into a topic of exchange among scientists around the world and the target of a campaign by transnational environmental activists alike. These were in addition to the flow of images and ideas in the Western media, and the transfer of capital for the dam's construction by supranational financial corporations (under the orchestration of Chinese technocrats). The Three Gorges project, loaded with nationalist meanings and import, thus became a global issue that traversed the delineated terrains of the inside and outside, the domestic and international.

Studies on the Three Gorges Dam have investigated subjects ranging from the change in the resettlement policy in 2000 from relocating people within the reservoir area to moving them to distant provinces (Heggelund 2004) to the impacts of resettlement on villagers' livelihoods, including the insufficient provision of cultivated land in the inundated area and the difficulty of transferring rural migrants to secondary and tertiary industries (Tan 2008). While some scholars pinpoint problems arising out of the resettlement scheme, such as the limited environmental capacity of the reservoir area (Duan and Steil 2003) and faulty estimates by government officials of the population to be relocated (Jing 1997), others address the policy's success in raising the income and social satisfaction of displaced people in certain counties (McDonald, Webber, and Duan 2008). This article aims to add a global dimension to the processes of dam construction, policy implementation and population relocation. As important as it is to examine the effects of a state-led endeavour to transform people's way of life, it is also significant to situate a locally or nationally conceived social engineering project in the context of our interconnected world to examine the socio-political implications of how a state's manifested power interacts with transnational social forces. The desired path of development, the normative quest for human rights, and the perceived meaning of environmental protection all call for an analytical perspective that goes beyond the geographical confines of China to the global domain of economic and ideological exchange. The case under study is a local project within China, but the issues it elucidates have broad significance for the socio-economic aspirations of developing countries, human pursuits in relation to the natural and social worlds, and the political dynamics of globalisation.

An examination of the official discourse on the Three Gorges project indicates that starting from the second half of the 1990s, the dam was increasingly made to express a vision of China as a nation looking beyond its borders to embrace the world (see *China Three Gorges Project News [CTGPN]*, March 17, 1998). The "globe," the "world," or the "international" was always at the centre of discussion on the Three Gorges – "Create a first-rate dam in the world," and "Embark on the international stage" are only two examples. The idea became more prominent early in the new century, when Chinese President Hu Jintao propounded his "scientific outlook of development" (*Xinhua*, April 5, 2004). His new "human-oriented, all-round, coordinated, and sustainable" idea of development was a major strategy on the part of the Communist Party to reconcile the socio-economic contradictions that had emerged from more than two decades of reform – the drastically increased disparity

between rural and urban residents (Li and Yue 2004), the deteriorating environment, and intervention from the global community as a result of the open economy.¹ According to the official line, this policy direction signalled “a new stage of development” that shifted national priorities from rapid economic growth aimed at providing food and clothing for 1.3 billion people to a “comprehensive” and “balanced” form of development. The new ideology claimed that by “putting people first,” it would achieve “coordinated” growth in both the rural and urban areas through a transfer of rural populations to non-rural ones by means of industrialisation and urbanisation. It also claimed that it would create “harmony” between humans and nature by protecting the environment and natural resources with the goal of sustainability and would maintain a “balance” between domestic and foreign markets by honouring China’s commitment to opening up upon its entry to the World Trade Organization (WTO) (*China Daily*, March 31, 2004; *People’s Daily*, March 23, 2004).

It was in the context of this “new stage of development” that the project embarked on a new threshold of global involvement. China’s new membership in the WTO would lead the country, one of the largest markets in the world, to the core of the globalised economy. While some people in China were cautious about the challenges it would pose to their society, some considered it a golden opportunity for the country to develop economically. A State Council economic expert, for example, projected that the surplus capital of developed countries would be made readily accessible in the global financial market for capital-deficient developing countries (*CTGPN*, November 23, 2000). His views echoed the Three Gorges officials’ plans at the time to solicit cross-border funds for the dam’s construction. However, the opportunity brought about by China’s participation in the global arena also came with a reverse current of possibilities that conflicted with the state’s developmental agenda. The aforementioned transnational activist groups used the environment – a core issue of President Hu’s “scientific development concept” – as a focus for lobbying against the dam. In every possible way the campaign targeted the project’s global financing bids and tried to block the stream of funding. Its charges and criticisms exposed the project’s contradictions, which caused investors’ confidence in the scheme’s social integrity and its financial prospects to be undermined. Many chose to stay away, while some joined the campaign to oppose the dam.

The conflict illuminated the complex interplay of forces at work in the global arena. In contrast with views that globalisation is a homogenising, all-encompassing megatrend, the Three Gorges environment-development struggle involved a multiplicity of voices, interpretations, and ideas that interacted, clashed, and negotiated in a heterogeneous scenario. The variegated socio-political standpoints, put forward by different people and institutions, might at times overlap, with one appropriating the other, or all confronting one another in interconnected global-national-local processes. The Three Gorges story of globalisation was one about ideologies, global capital, and transnational civil society. By becoming a protagonist on the stage of the global economy, the Chinese government, in particular the technocrats, gained access to resources, such as development rhetoric, technological knowledge, market share and capital. But at the same time it brought upon itself constraints by opening up opportunities for transnational groups to connect with Chinese society and intervene in the government’s policies. In what follows I will examine two issues – the

human rights dispute between the Chinese developmentalists and international environmentalists, and the emergent “hydropower discourse” built upon the idea of “sustainable development” – to elucidate the project’s global politics. This paper will employ discourse analysis to examine the political meanings of oral and written texts expressed in different institutional settings and, importantly, practices as manifestations of those meanings. It takes discourses of development, environment and hydropower as patterned articulations that maintain both particular ways of knowing the world and a network of power relations among those who know. The methodology will entail an interpretative reading of transnational activists’ arguments and Chinese official utterances in the forms of speech and publication, with the support of news sources and scholarly materials.

“The World” at the Three Gorges

Approaching the end of the 1990s, the construction of the dam entered a more critical phase. The phrase “the world” and its semantic variations, which were featured prominently in the discourse on the dam in this period, essentially represented the enabling possibilities in global financial, scientific and engineering domains. After the initial blockage of the Yangtze in 1997, technological know-how circulated more intensively, and international bidders were brought in to compete for contracts for component parts. In the newspaper article “Belonging to China, [the Dam] also Belongs to the World,” the author celebrated the international attention the project received in terms of, among others, media coverage, visits of political leaders from interested countries, and participation of multinational machinery and hydropower equipment corporations. Exchange and co-operation projects with foreign institutions took place on technical issues ranging from large-scale concrete pouring for the dam wall to wildlife preservation. Delegations were also sent to Japan, the USA and Hong Kong in preparation for the effort to raise capital for the dam in the global financial market. “The international interchanges,” the article stated, “enable the Three Gorges scheme to tackle many challenging issues. Building on the achievements of our contemporary world, the dam will further propel international technological development by adding to it a new experience.” (CTGPN, March 17, 1998)

For years the Yangtze River Three Gorges Project Development Corporation (hereafter, Three Gorges Corporation) had envisioned the accomplishment of the project with international support through capital raising. The plan was highlighted in March 1999, when a cash flow crisis arising out of the second phase of construction (1998–2003) prompted the dam authorities to seek funding for the estimated US\$3 billion shortfall (*BBC News*, March 16, 1999). China had already raised more than US\$12 billion from a tax on domestic household electricity. But it was insufficient for the \$25 billion project. A quarter of that budget, it was estimated, would have to be secured from overseas funders. The Three Gorges Corporation tried to issue bonds in its name on the international market, but the several attempts it made since 1994 had been cancelled owing to a lack of investor interest. In 2003, upon the founding of the China Yangtze Electric Corporation, of which the Three Gorges Corporation was the major shareholder, dam officials sought to raise funds by listing the project on domestic and overseas stock markets. The goal was to gather

sufficient capital for the dam's 26 electric generators through a series of public offerings to be made in six years, up until the end of the construction in 2009. With a listing on Shanghai's A-share index that was expected to bring about US\$500 million, the Three Gorges Corporation initiated negotiations with the American energy firm Mirant and Hong Kong-based CLP Power to take part of a 10% block of shares offered to strategic private investors for the domestic offering. Moreover, plans were underway to list the project in Hong Kong and London with the aim of attracting European creditors. Participating in the endeavour were Merrill Lynch, Morgan Stanley, Nomura, and Goldman Sachs, all of which had drawn up plans to contend for positions as lead underwriters. The state's ambitions to float some of the Three Gorges' shares in the market, however, proved to be futile. The delegation led by Li Yongan, then vice president of the Three Gorges Corporation, to Hong Kong in 2002 for talks with Mirant and CLP Power did not succeed in attracting private foreign investors' interest. The dam company withdrew all the plans to list the project on the Hong Kong and London stock exchanges (*BBC [Business]*, March 12, September 30, 2002; January 20, 2003; *CFO Asia*, May 9, 2003).

The Three Gorges Corporation's debacle in the financial market coincided with a noticeable subsiding of the celebration of the dam's world significance in official discourse. The initial excitement about international interest and the assertion of the construction's exemplary role in global technology were no longer discernible. Since the dam first began producing electricity in 2003, the focus has become almost *introverted*, with accounts of, *inter alia*, what "one-to-one" aid had achieved, how the reformulated tourist industry would prosper, and how China would be able to produce its own turbines. There were reports about the offering in the Shanghai stock exchange, but no mention was made about the planned overseas listings.

Given that the Three Gorges Dam was a state-sponsored project, which implied a low-risk investment, and that the issuing company promised that half of net profits would go to dividends, it was puzzling that the bond and stock offerings attracted little investor interest. Some analysts in the financial sector attributed the failure to the dam's costs (*BBC [Business]*, March 12, 2002; *CFO Asia*, May 9, 2003). A large part of those costs had been the result of the resettlement of 1.2 million people and, most of all, official embezzlement. Bribery was considered associated with substandard workmanship, which led to investors' doubts about the dam's safety and durability. Another source of worry on the part of investors was the environmental impact of the dam, which was perceived as potentially imposing tremendous expenses on the company. Besides, part of the capital to be raised was planned to finance other dam projects on the upper reaches of the Yangtze, which offered no specific date of return on the investment. This uncertainty was in addition to the general tendency of hydropower projects to take longer than coal power stations to reap results. But if costs and risks were investors' main concerns, why did the listing succeed in the domestic market while the attempted overseas flotation failed?

This article argues that a large part of this international reluctance was related to the lobbying of the transnational environmental campaigns, which targeted potential foreign investors. Starting with conventional loan providers, such as the World Bank, non-governmental organisations (NGOs) shifted their intended audience in the course of the campaign to Wall Street financiers and investment bank

shareholders as the dam sought to raise capital globally. With different means of promotion, some of them quite innovative as far as environmental politics is concerned, these opponents managed to bring attention to the problems and defects of the dam. The sowing of doubts among the investors, about issues from corruption to environmental impact and resettlement abuses, would not have been possible were it not for the lobby's ardent appeals to the public outside China, together with reports in the Western media. Their campaign represented one of the social forces that exploited an authoritarian state's political fissures; forces and fissures whose emergence was made possible in the globalising context of circulating capital and information. The opposition had the limitation of operating within the confines of a beyond-China terrain. But its activities and moral claims reached across geographical domains as a transnational socio-political activism that influenced the implementation of a local project. The lobby did not succeed in defeating the dam project, but it effectively restrained it by uncovering faulty operations in the construction, thereby bringing the scheme under the world's scrutiny and dissuading potential investors from participating while restricting the dam company to costly loans.

Developmentalism and Environmentalism

On November 20, 1997, a full-page advertisement commissioned by International Rivers Network (IRN) and Friends of the Earth appeared in the *New York Times*. It stated: "An Exclusive Bond Offering: Here's your chance to invest in a Grand Monument to China's Authoritarian Regime." It continued: "We urge you to call your fund managers . . . and insist that your money does not get funnelled into Three Gorges Dam." Their plea was consistent with what Chinese dissidents had maintained since the 1980s. The dam, they claimed, would be ineffective in controlling the Yangtze floods, and it would not produce sufficient electricity to remedy China's power shortage. The reservoir, moreover, would lose its function within 50 years because of siltation, which made it unreasonable to commit US\$75 billion – almost seven times the US\$11 billion official projection made in 1992 and three times the updated estimation of US\$25 billion – to build the dam. In short, according to the campaigners, the scheme would be an "economic and ecological catastrophe."

The Three Gorges Dam was in itself a local project. In the 1980s, much of the debate was confined within China to dissenting intellectuals and the government together with its technocrat supporters. After the 1989 Tiananmen crackdown, all opposing voices were suppressed. Conflict re-emerged around 1992 but subsided after the National People's Congress approved the scheme that year. In 1994, however, a book edited by Dai Qing, one of the Chinese opponents who continued to campaign and eventually brought the case to the international environmentalists, was published in English (Dai 1994). The book, which collected essays and interviews with Chinese intellectuals and experts who opposed the project, had originally been published in China but was banned after Tiananmen. The translation was sponsored by Probe International, a Canadian environmental group that became one of the most active opponents in the transnational anti-Three Gorges lobby. A local project thus erupted into a global issue, with a wider audience in the

English-speaking world (with added contributions from the media) becoming informed of the pitfalls of a dam that was to be built on a river site in a central Chinese province.

A transnational discourse of anti-Three Gorges environmentalism coalesced. This discourse was rooted in a broader globalised discourse that centred on the idea that the natural environment was fundamental to human well-being and on the insistence that environmental goals be considered in the development process (World Commission on Dams 2000, 201). These notions, which were part of international agreements, such as the Declaration of the United Nations Conference on the Human Environment (1972) and the Rio Declaration on Environment and Development (1992), were well publicised, giving environmental groups world-wide a strong argument. The goals of protection of the environment and sustainable development gave much moral strength to the anti-Three Gorges campaign. Frequently the lobby used the phrase “environmentally and socially destructive project” to describe the Three Gorges Dam in its press releases and appeals until 2000. This notion was further amplified when it was connected with a relatively new idea in the environmental discourse – the anti-big-dam concept. The latter was based on an extensive database gathered by the World Commission on Dams (WCD) after more than two years of consultations with stakeholders, reviews of experts, and surveys of dams world-wide. Its report, released in November 2000, concluded that large dams had led to, among other things, the loss of species populations, emissions of greenhouse gases, and disruption of the livelihoods of the displaced, which were rarely restored (World Commission on Dams 2000, 73–133). The WCD’s argument drew in part on the Impoverishment, Risks and Reconstruction (IRR) model advanced by Michael Cernea, who breaks down the socio-economic content of the displacement process into the principal risks of landlessness, joblessness, homelessness, marginalisation of relocated people, food insecurity, increased morbidity and mortality, loss of access to common property resources, and community disarticulation. “[A]rguably the most influential contribution to contemporary resettlement studies,” the IRR approach was used by the WCD to connect the impacts of involuntary dislocation with human rights (McDonald-Wilmsen and Webber 2010). In its report, the WCD made an innovative proposal that “an approach based on ‘recognition of rights’ and ‘assessment of risks’ (particularly rights at risk) be developed as a tool for guiding future planning and decision making” (World Commission on Dams 2000, 206). It called for the inclusion of all stakeholders in the decision on dams. The emphasis on human rights was picked up by transnational environmentalists and became a focal point, as will be shown later, of the anti-Three Gorges campaign in the new century.

Individual member groups of the Three Gorges opposition, which mainly came from the USA, Canada, Sweden and Switzerland, carried out separate or joint activities countering the primary discourse of developmentalism. This discourse is deeply rooted. From the Hoover Dam in the USA to the Aswan in Egypt and the Itaipu in Brazil, water engineering mega-projects are embodiments of a modernist worldview that espouses the exploitation of nature for social progress. This worldview is particularly connected with national development, in that large dams, with their purported benefits of power supply, irrigation and flood control, were and still are considered important engines of economic growth and modernisation in

certain developing countries (Heggelund 2004, 60–61; Klingensmith 2007). The WCD report was rejected by China and India, and it never received official acceptance by the World Bank and Asian Development Bank. Significantly, after a decade-long suspension of big dam financing, the World Bank signalled in a 2003 water strategy paper its plans to resume large dam constructions (McDonald-Wilmsen and Webber 2010).

In the case of the Three Gorges, the developmentalist discourse employed by international financial institutions and national governments was countered by a discourse of environmental protection espoused by NGO activists. As noted above, finance was always the target of the environmentalists in stopping the Three Gorges project. Intensive efforts were made towards that end, with a hope that some success could be achieved before 2003, when the dam would start generating electricity, which was considered a point of no return. They started with official and semi-official organisations that were considered conventional supporters of development, some of which had expressed interest in the project. The US government, for example, had a long involvement with hydropower projects in China. In 1979 it offered a US\$2 billion loan in a five-year technical assistance agreement on hydropower construction. In 1980, China and the USA drew up a co-operation pact to develop the Three Gorges' natural resources. The Canadian government also conducted a feasibility study in 1986, concluding that the dam was feasible and beneficial. Its findings were basically the same as the Chinese government's own feasibility study, except that Canada recommended a lower reservoir level (Barber and Ryder 1994, chap. 1). Both the US and Canadian governments came under intense opposition from environmental groups, and both withdrew. In 1993, seven American NGOs filed a lawsuit against the US Bureau of Reclamation and the Army Corps of Engineers, which had offered advice on the project since the 1940s,² on the grounds that "such assistance would violate US law because the reservoir will flood the habitats of a dozen endangered species" (*Far Eastern Economic Review*, October 20, 1994, 70–72). The Bureau of Reclamation withdrew in late 1993, with the explanation that "Reclamation's current priorities are water-resource management and environmental restoration, not large dam projects" (*Far Eastern Economic Review*, October 20, 1994, 71).

These actions caused other potential funders to also back down. In May 1996, the US Export-Import Bank announced that it would not lend to the project, which greatly restricted American companies' ability to bid for contracts related to the dam. The reason given was that "[t]he information received . . . fails to establish the project's consistency with the Bank's environmental guidelines" (Export-Import Bank 1996). The bank maintained that it had made the decision according to its congressional charter and after consultation with the National Security Council, exporters and Chinese officials. But the timing of its deliberations coincided with a meeting it had with Dai Qing and representatives of IRN, Probe International and Friends of the Earth. A similar meeting was held between dam opponents and the World Bank (author's interviews, August 1998). In the end, China did not submit any application to the World Bank.

The withdrawal of the agencies and institutions signalled a retreat of developmentalist discourse: the World Bank had become stricter about the environmental standards of borrower countries, and some governments, including the USA, started to decommission dams to restore ecosystem function and native

fish populations. The anti-Three Gorges lobby could not completely seal off the funding stream for the dam – the Canadian Export Credit Agency gave support, and the German and Swedish governments issued export risk guarantees despite opposition from groups, such as the Swedish Society for Nature Conservation and the Swiss NGO the Berne Declaration. But the campaign significantly restrained major sources of financing and posed clear questions about the project. The Three Gorges scheme turned to an alternative way of funding its construction, but, in so doing, it encountered another round of struggle that was embroiled in global capital exchange.

Global Capital vs. the Transnational Environmental Lobby

Unable to launch bond offerings in its name, the Three Gorges Corporation embarked on an indirect path. The China Development Bank, formed in 1994 as the State Development Bank of China to finance state-owned enterprises and infrastructural projects, became the largest funder of the dam. Its loan made up 65% of the Three Gorges budget, and the project was the bank's biggest creditor. In 1996, the bank introduced its first international bonds, of Rmb30 billion (US\$3.5 billion), underwritten by Nomura Securities in Japan (IRN 1997).³ In the following year, the Bank turned to Wall Street financiers and issued US\$330 million global bonds. Lehman Brothers and J. P. Morgan were the lead managers. Together with Credit Suisse First Boston and Morgan Stanley, each contributed US\$66 million, while Smith Barney committed US\$46.2 million, and Bank of America another US\$19.8 million (*Village Voice*, March 28, 2000). A similar move took place in 1999, when the China Development Bank launched a US\$500 million bond issue and Merrill Lynch and Salomon Smith Barney each invested US\$225 million. In total, 40% of the bonds were bought by Asian-based investors, while 30% went to European financiers, with the remainder taken up by American buyers (*Bloomberg*, May 12, 1999). Two years later, in 2001, another US\$1.75 billion bond offering was made, this time in Hong Kong and Luxembourg, although sales were intended for the USA. It was said that the Bank's decision to avoid the American market was due to pressure from the environmental activists as well as more stringent US disclosure requirements, including more reporting of human rights-related issues. The bond offerings continued and, in 2004, the China Development Bank issued another US\$1.1 billion worth of global bonds and invited six investment banks to manage the sale. This time about half of the offering was taken up by Goldman Sachs, Merrill Lynch and Morgan Stanley for US dollar investors, while the remainder was sold by BNP Paribas, HSBC and UBS to euro financiers.

As proponents of the dam turned to investment banks, the locus of conflict shifted. Environmentalists targeted individual funders that had underwritten bonds for the China Development Bank. Under pressure, Bank of America agreed at the end of 1997 that it would not undertake any direct lending to the Three Gorges Dam and would carefully examine any deals that might indirectly benefit the project (*Village Voice*, March 28, 2000). The activists moved away from the traditional meeting table to the corporations' multinational operations and customers. They campaigned against credit cards issued by the banks, such as Discover and CitiCard. More than 40 groups, whose combined mailing lists totalled millions of people,

joined a boycott of Discover, an affiliate of Morgan Stanley, which was initiated by the IRN. The NGOs also tackled the ownership of the banks at its source and challenged the corporations from within, through shareholder actions. Shareholder resolutions were forwarded to Merrill Lynch and Citigroup and at one point managed to bring the two companies to the table to discuss their policies toward the Three Gorges Dam (*Wall Street Journal*, April 20, 1999). Morgan Stanley Dean Witter was a particular target of the environmental lobby. The firm managed and owned 35% of a Chinese joint-venture investment bank, China International Capital Corporation (CICC), which provided expert advice to the Three Gorges on overseas capital raising. In 1999, CICC co-underwrote a domestic bond of about US\$250 million that funnelled part of the proceeds to the dam (*Wall Street Journal*, April 20, 1999). Starting from 1998, Trillium Asset Management, a Boston investment company concentrating on socially and environmentally acceptable projects, led a shareholder campaign to press Morgan Stanley for a review of its underwriting, investing, and lending criteria, “with the view to incorporating and fully disclosing” any transaction’s impacts on the environment and human rights (*Village Voice*, March 28, 2000). The resolution was defeated but for three years it marshalled enough support to be reintroduced, enabling the campaigners to question executives at the annual meetings and refreshing shareholders’ memory of the Three Gorges dispute with the mailed papers. In 1999, the resolutions drew the attention of Morgan Stanley’s leadership, who agreed to meet the activists. The meeting did not result in any concrete commitment on the part of Morgan Stanley, whose representatives said they “want[ed] to enter China’s emerging markets, with good favour from the government” (*Village Voice*, March 28, 2000). But continued pressure from the environmentalists in the USA induced the company to move its 2002 shareholders’ meeting from New York to London.

The Three Gorges polemics illuminated a new kind of global development politics. Deviating from conventional funding sources, such as the World Bank, China’s developmentalists looked to multinational corporations for finances and lined up with global capitalists in their vision to realise a highly centralised national modernisation project. Environmental groups, in response, adopted a new strategy aimed at the supranational financiers behind the scheme and, for the first time, challenged their investment policies as endangering universal principles of environmental protection and human rights. Making use of the interconnectedness of the contemporary world and its circulating knowledge and information, the activists launched a full-scale media and Internet campaign to persuade the public to boycott the banks’ credit cards and sign petitions demanding that the companies establish environmental and human rights guidelines for their business practices. The campaign was supported by a gradually coalescing network of environmental NGOs, human rights advocates, consumer groups, and investment companies that promoted socially responsible investments in line with the petitioners’ cause. The Three Gorges dispute revealed the power, and the limitations, of a transnational civil society that linked up uncountable grassroots individuals in an increasingly interconnected world. Under what Harvey (1990) calls the “time-space compression,” the lobby mobilised small actions in local settings, such as cutting up one’s credit card, and pulled on the infinite intangible strings that were linked

simultaneously to the global circuits of ideological, information, and capital exchange.

But what was at work here was not simply a clash between developmentalism and environmentalism, with global finance as the medium as well as field of conflict. The two sets of discourses were not integrated wholes with clear-cut boundaries. Trillium Asset Management, the aforementioned Boston investment company, and Domini Social Investments, which filed another resolution with Merrill Lynch, were participants in the global market that generally adopted the developmentalist line of project financing. But they stood by environmental principles and played an important role in challenging the financial giants by mobilising their knowledge and information about the world of capital. Their examples illustrated the connection among different forces in the global scenario: although in rivalry, developmentalism and environmentalism also communicated and came into negotiation at points where definitions and categories could interpenetrate and amalgamate.

Around the turn of the century, as the dam's construction progressed, the focus of the activists' argument changed from environmental and social destruction to human rights violation. From that point on, the anti-Three Gorges lobby came to lean predominantly on the human rights issue in its appeals to investors, with environment playing a supportive role. The shift in the opposition argument came with more frequent news about official oppression in the resettlement sites. Long-standing tension arising out of reported corruption, inadequate compensation, and migrants' protests culminated in March 2001, when news of the first unlawful arrest broke in Yunyang County. Five villagers who planned on travelling to Beijing to lodge a petition were intercepted on their way and detained. They had complained that local officials had inflated the number of residents and amount of land to collect more compensation money from the central government. The funds did not go to the peasants but were pocketed by the officials or spent on new buildings for the government and police or used to build luxury hotels for profits. The arrested villagers were later charged with "disturbing public order," "leaking state secrets" and "maintaining illicit relations with a foreign country," which referred to their liaisons with the international press in Hong Kong (*Financial Times*, April 5, 2001; *Cox*, May 6, 2001; IRN and Friends of the Earth 2001). He Kechang, considered the leading organiser, was sentenced to three years of imprisonment. According to a report compiled by an anonymous Chinese researcher who interviewed people in the reservoir area, protesters were beaten by riot police or accused of belonging to the outlawed Falun Gong religious sect. By January 2003, at least seven peasants in Yunyang County had been jailed (Yi 2003).

The environmental lobby built its argument upon human right abuses and appealed to the corporations and various governments providing export credits to withdraw their support for the Three Gorges Dam. Their claim, however, derived moral strength from universal principles that collided with and were challenged by the particularist interests and interpretations of Chinese developmentalists.

National Government vs. Transnational Civil Society

Tension between global capital and cross-border environmental forces and conflict between the national government and transnational civil society culminated in

polemics over political and civil rights violation in the reservoir area. According to eyewitness reports distributed by the activists, the Chinese government was abusing human rights in three ways. First, the land and jobs promised to migrants were often unavailable. The land which was offered – in the resettlement sites uphill or in distant places outside of the Yangtze Valley – was, in most cases, infertile or uncultivable. Research by Duan Yuefang and Shawn Steil (2003) confirmed this, noting that the availability of virgin lands for the displaced was insufficient. According to the central government's policy, new cultivated upland was to have a gradient of less than 25°. But the mountainous reservoir area meant such land with good topsoil and a water source was very limited. As a result, displaced villagers cultivated land of up to 40° or 50°, on poor and stony soil. Duan and Steil (2003) also showed that, in the early phase of the resettlement plan, the government tried to transfer rural migrants to secondary industries by offering jobs in township and village enterprises (TVEs). But given their poor management, outdated equipment and, in some of them, production of severe pollution, the TVEs eventually either went bankrupt or were closed down by the government. With the unemployment rate standing at 12% in the gorge area, many of those resettled could not find jobs (Duan and Steil 2003).

Second, embezzlement of resettlement funds by local officials led to inadequate compensation.⁴ In Hongmiao Village in Yunyang County, out of the officially stipulated Rmb29,000 (US\$3,625), villagers who organised their own resettlement received Rmb20,000. Those who went through government-sponsored relocation received only Rmb6,773 (Yi 2003). In January 2000, the National Audit Office announced that Rmb500 million (US\$62.5 million) had been embezzled in 1999 by 14 officials. Thereafter, despite reports that part of the amount had been retrieved, Rmb350 million was eventually reported as having been embezzled (Heggelund 2004, 110–111).

The third point put forward by environmental opponents was the lack of an independent redress system to handle complaints and penalise responsible officials. According to an investigative report, the resettlement programme was conducted “in an atmosphere of officially orchestrated secrecy and intimidation” (*Next Weekly*, September 20, 2001: 104–108; Yi 2003). Villagers were asked not to speak to journalists; when they protested to the local government, the riot police suppressed them by force; when they tried to petition Beijing, they were intercepted, beaten up, and/or detained by local officials. Rules and laws were used to punish the victims instead of redressing injustice and protecting their rights. Petitioners from Yunyang County, for example, were imprisoned under the charge of “disturbing the Three Gorges resettlement” (Yi 2003). A county leader soon issued a mandate of “resettlement with legal means,” which authorised local officials to use police force to relocate people. This rule was made upon his interpretation of Beijing's regulations released in early 2001, which stipulated that no one was allowed to resist moving. Jing (1997, 77) argued that intensified policing had begun in the early 1990s. In May 1992, he noted, 179 people were arrested in Kaixian County. The police claimed that these people belonged to a so-called Democratic Youth Party, an “allegedly dissident group accused of ‘counter-revolutionary activities aimed at sabotaging the policy of opening and reform and at disrupting the smooth progress of the Three Gorges project.’” These arrests, Jing argued, indicated that the police had been put on guard against local resistance to relocation.

In addition, Yan Tan (2008, 145–159) also found that women encountered discrimination in the resettlement process. In the gender-segregated labour market, Tan pointed out, women did not have as big an advantage as men did in the transferral from agricultural to industrial sectors. This was particularly the case in construction and transportation, where jobs were more readily available for men. Moreover, the economic restructuring in the gorge area led to a reduction in factory jobs, which often eluded women because of their low educational level and lack of skills. As a result, displaced women were confined to working in farms tending livestock and crops. What Tan called “increasing feminisation of agriculture” put women in an unfavourable position, as most of the income – 60% – of households was constituted by non-agricultural employment, while 35% came from farming. The situation was further aggravated by the low quality of cultivated land uphill in the reservoir area, which yielded a limited income for the family.

The environmental activists’ argument, which largely derived its rhetorical force from a universalised understanding of human rights rooted in Euro-American traditions, was counteracted by the Chinese state with a particularistic interpretation. In a statement responding to the campaigners’ charge of human rights violations in the reservoir area, Gan Yu-ping (2003), the vice-chairman of the State Council’s Three Gorges Project Committee, which oversaw the scheme’s overall implementation, asserted that

[a]ll countries have their own ways to protect and perceive human rights because of the differences in historical background, social systems, status of economic development and cultural traditions. The human rights problems in their countries are mainly solved by their own governments and people.

Large-scale construction projects and resettlements, such as the Three Gorges’, Gan argued, were necessary for economic growth and the eventual realisation of human rights for all Chinese people. He said:

China combines the universal principles of human rights with the realities and realization of modernization, and thus puts the rights of subsistence and development at the top. Under the circumstances for reform, development and stability, China gears up to promote human rights, which not only realizes the historical transfer from subsistence to sufficiency levels so as to realize the people’s rights of subsistence and development as well as economic, social and cultural rights, but also forms a more complete political and legal system to protect the people’s democratic rights, and to attain great achievements in human rights under the legal system. (Gan 2003)

Gan’s position was consonant with what the government’s White Paper on Human Rights in 1991 put forth: that the provision of food and clothing was the guarantee of the right to subsistence, which is the most basic human right. Gan’s statement indicates the logic that modernisation, development and reform were prerequisites for all human rights. In this projected process, the elevation of the Chinese economy from subsistence to sufficiency would unfold along with the country’s human rights “advancement” – from the rights of subsistence and

development to economic, social and cultural rights, and eventually to the fulfilment of political, civil and judiciary rights under a democratic system. China's teleological way of conceiving the progression of human rights, which allowed the establishment of civil and political rights *after* society attained a certain level of economic growth, was in tension with the environmentalists' insistence that such rights had to be respected as an integral part of development.

In the argument for its economic, historical and cultural particularity, the Chinese state also linked the relevance of human rights with a country's national condition. According to this line of reasoning, sovereignty is a fundamental condition for a developing state to safeguard the lives of its people and in turn realise their human rights. Han Peide, the chief writer of "Human Rights: Theory and Practice," a 1,158-page report sponsored by the government and co-written by more than 50 researchers, argued that the "Marxist human rights theory" that China adopted was different from the "capitalist human rights theory." The former, he said, emphasised the protection of individual as well as collective rights, with the rights to subsistence and development being the most important and most basic human rights (cited in Wu and Wang 2002). This assertion of particularity is not simply a criticism of the universality of rights purportedly applicable to all human beings "as such." It is linked with an implicit critique of the disparity of power in the international hierarchy dominated by Western states, which in this case is manifested, from the Chinese government's point of view, in the moral discourse of human rights.

But the anti-Three Gorges activists' argument did not rely simply on the universalism of "natural rights." It is rather centred upon what Beitz (2009, 8) refers to as "a set of norms for the regulation of the behaviour of states together with a set of modes or strategies of action for which violations of norms may count as reasons." This set of norms, Beitz explains, stems from the Universal Declaration of Human Rights after World War II and subsequent covenants that put its provisions into legal force. Rather than appealing to the philosophical conception of rights as a divine gift or an independent moral order, the global politics of human rights emphasises the "inherent dignity" of human beings as a fundamental value that transcends ethnic, religious and cultural differences. The "normative practice of human rights," in the words of Beitz, resides in a global discursive community that encompasses a diversity of agents including national governments, international organisations, business corporations, NGOs, and individual domestic and transnational members of social networks. The norms in defence of human dignity, which act as sources of reasons and principles of action in the global practice, are employed by a particular group of agents to seek to regulate the behaviour of other agents, which in the Three Gorges case were the transnational environmental activists *vis-à-vis* the Chinese state and supranational investment banks.

In the anti-Three Gorges lobby, environmentalists expressed the idea that the world community is morally entitled to intervene in a state's actions if it is violating its own people's human dignity as defined by globally-endorsed norms. In a response to Gan's argument about China's particularistic interpretation of human rights, the IRN (2003c) asserted: "International human rights advocates have a right and responsibility to investigate and report the social impacts of decisions made by international governments and their fiscal sponsors." Backing up "right and responsibility" in this argument were "international norms" to which IRN and

Friends of the Earth International appealed when they reported to the UN Commission on Human Rights in Geneva in April 2003 (IRN 2003b).⁵ The global practice of human rights did not seek to constrain only the behaviour of the Chinese government, but also that of the Western governments that indirectly participated in the project through export credits. In January 2003, more than 100 NGOs from 34 countries called on the governments of Germany, Sweden, Switzerland, Brazil and Canada, which together had provided more than US\$1.4 billion export credits, to demand that China suspend the submergence of the Yangtze until human rights disputes in the reservoir area had been resolved. Their press release stated: "The export credit agencies that finance the dam and the governments that back them share in the responsibility for the impacts of the Three Gorges Dam, including the resettlement problems and human rights violations" (IRN 2003a). Villagers, asserted the NGOs, "must be resettled, compensated and rehabilitated in line with acknowledged international standards such as World Bank operational policies and the UN Guiding Principles on Internal Displacement." Normative constraints exercised by transnational civil society were not legally binding, but the moral claim of human rights gave the activists leverage in holding Western governments accountable and eliciting compliant responses from some of them. The Swiss foreign minister, for example, agreed to "'gathering additional information from a variety of sources' on the problems of the Three Gorges Project" (IRN 2003b).

In the polemics over global capital and human rights we may discern a largely dichotomous opposition between developmentalism and environmentalism. Whereas one side sought to mobilise resources to assert its particularistic position and maintain its autonomy in defining the socio-political agenda for national progress, the other attempted to impose constraints with supra-national protest strategies backed up by universal values established in relation to the human and natural worlds. But as will be shown in the following section, Chinese dam officials broke down the boundary between environmentalism and developmentalism with a new "hydropower discourse" and appropriated some of the environmentalists' concepts to use in their own interests.

"Sustainable Development" and the New Hydropower Discourse

In June 2003, the Three Gorges Corporation successfully installed world-grade hydropower generators with the help of Western companies. The river was completely blocked and the dam entered its first phase of electricity production. Two years later, the company developed its own generators with the knowledge they had obtained through technological transfer. With initial electricity generation having begun in 2003, China claimed success in conquering the world's third largest river and building the biggest dam ever. A "hydropower discourse" began to form.

This "hydropower discourse" was primarily subordinated to the global development discourse, but it also crossed over to the environmental field to incorporate some of its concepts for rhetorical use. For its ideological authority it appropriated "sustainable development," first proposed by the United Nations in 1987 and later entrenched by the 1992 Earth Summit with the endorsement of Agenda 21, which is a blueprint for achieving sustainable development. The agenda was backed up by the establishment of the Commission on Sustainable Development by the UN to oversee

its implementation. Moreover, the “hydropower discourse” operated in a set of institutions and practices that presumed economic growth as a *natural* pursuit of the human world. In 2004 alone, various world-level meetings ranging from the International Conference of Hydropower and the International Symposium on River Sedimentation to the World Conference of Engineers were held at the Three Gorges and in Shanghai, celebrating the “exemplary” role of the dam and trumpeting the significance of harnessing hydropower as a way to alleviate the global energy crisis (*CTGPN*, May 28, 2004; October 22, 2004; November 5, 2004). Among these meetings, the most influential in precipitating China’s emerging discourse was the UN’s Symposium on Hydropower and Sustainable Development, held in Beijing in December 2004. In the Beijing Declaration on Hydropower and Sustainable Development, the more than 500 participants from more than 40 countries concluded that:

access to energy is essential to achieving sustainable development ... Noting with concern that two billion people do not have access to electricity, we call upon all stakeholders to work in concert to deliver energy services to all in a reliable, affordable and economically viable, socially acceptable and environmentally sound manner. (United Nations 2006, 1)

Hydroelectricity, under this premise, was highlighted as a valuable renewable energy source that could “contribute to sustainable development ... to mitigating greenhouse gas emissions ... [and] to poverty reduction and economic growth through regional development and expansion of industry” in developing countries (United Nations 2006, 1–2).

It was in this context that hydropower was brought to the top of the energy agenda in China – as a “clean, renewable, and environmentally sound” resource compatible with the principles of “sustainable development.” At the UN conference in 2004, the deputy director of China’s State Development and Reform Commission, Zhang Guobao, announced that hydroelectricity would be given priority in his country’s energy policy. It was planned that by 2020, China would double its hydropower generating capacity. Pinpointing existing opposition to any form of hydropower development, Zhang said an over-emphasis on protection rather than exploitation was a “violation of the human community’s fundamental well-being” (*CTGPN*, October 30, 2004). Thereafter, the call for increased hydroelectricity production became louder in the Chinese media. The next 15 to 20 years, it was noted in one article published in 2005, would be a golden period for hydropower development (*CTGPN*, June 24, 2005). The success of the Three Gorges Dam, said one official, had pushed China’s capability for hydraulic exploitation to the forefront of the world. “Right now,” he asserted, “is the best time for China to embark upon hydroelectricity development and construction” (*CTGPN*, October 30, 2004).

These appeals came at a time when there was an urgent need for alternatives to fossil fuels. It was a time when the world was wrestling with possible ways of curbing the climatic change caused by excessive greenhouse gas emissions. Moreover, China was faced with the problem of an energy shortage in powering its expanding industries and sustaining economic growth. These problems coincided with a worldwide shortfall in the supply of oil. With “environmental protection” as a supporting

postulate, hydropower advocates in China sidestepped assertions of social disruption and human rights violations typically used in the anti-Three Gorges campaign and turned the tables on dam opponents with the proposition of environmental sustainability.

Under the premises of cutting carbon emissions and exploring clean energy, the hydropower sector consolidated under the lead of the Three Gorges Corporation. In August 2002, the company collaborated with five other state-owned energy corporations and established the China Yangtze Power Company (hereafter, Yangtze Power). The Three Gorges Corporation was the biggest shareholder, controlling 89.5%. Three other enterprises – Huaneng International Power, China Nuclear Industry Group, and China Petroleum and Natural Gas Group – each held 3%, while China Gezhouba Water Resources and Hydropower Project Group took 1%, and the Yangtze Surveying and Design Institute had 0.5% (*Hong Kong Wen Wei Po*, August 25, 2002). Later in 2003, Yangtze Power was listed on mainland stock markets as a blue-chip company with a high profile – it was later selected as one of the “ten best” listed enterprises in China, and Li Yongan, the president of Yangtze Power and general manager of the Three Gorges Corporation, was selected as one of the “ten best” enterprise leaders. With its collective capital and knowledge, Yangtze Power made plans to build a cascade of four dams on the Jinsha River, a part of the Yangtze river system upstream from the Three Gorges, which, nicknamed Double Three Gorges, would combine to generate twice as much power as the predecessor project. Construction on the first of the four projects, the Xiluodu Dam, began in 2005. Its scale would be second to the Three Gorges Dam: it would be 610 m high, more than three times that of the earlier dam, though at 700 m it was less than one-third as wide. The planned capacity was 12,600 MW – compared to Three Gorges’ 18,200 MW. It would produce 57.1 to 64 billion kwh per annum – compared to 84.7 billion at the Three Gorges. Xiluodu, with its upper stream position, claimed to be able to supply water for Three Gorges’ power generation in the dry season, reduce water flow in the rainy period, and seal off a substantial amount of silt (*CTGPN Special: Jinshajiang Baodao*, December 25, 2005). Construction of the dam is scheduled to be completed and production of electricity to begin in 2013.

Water itself is undoubtedly a renewable source of energy with minimal environmental impacts. But when it comes to damming the river, especially on a mega scale, the results go beyond what simple flowing water brings to the human world. As the river is blocked, the velocity of water becomes substantially reduced, causing human and natural waste to accumulate behind the dam. At the Three Gorges, floating garbage amounts to 100,000 to 200,000 m³ per year and has been posing a problem particularly in the rainy season. It was recorded during a Yangtze flood in 2004 that the waste accumulated to a height of 4 m behind the dam, exceeding the capacity of any garbage-clearing barge available at the time (*CTGPN*, October 16, 2004). Besides water pollution, people in the reservoir area are also confronted with geological hazards, such as landslides, stone desertification and riverbank slumps. In a report entitled “Three Gorges Follow-Up Project,” the government revealed plans to relocate another 300,000 people – on top of the 1.2 million villagers already displaced – to make way for an “eco-screen” or “buffer belt” along the reservoir (*Guardian*, January 22, 2010; *China Daily*, March 6, 2010).

According to a government official, since the project was filled to its maximum 175 m water level in October 2010, an increasing number of geological disasters have occurred in the reservoir area. Seventy per cent of the landslides and bank collapses, he said, were “sudden incidents” posing unpredictable threats to people and ships nearby. Apart from the 335 sites being monitored, the government has also identified 5,386 places as potentially dangerous (Probe International 2012). Relocating people has been considered an urgent measure to address the hazards. Moreover, the government has committed US\$28 billion in the next ten years to address the post-completion problems confronting the dam, including pollution and geological threats (*South China Morning Post*, June 20, 2012).

The neutrality of water as a clean, renewable resource also masks a complex web of social transactions in the politico-economic realm. Behind the championing of sustainability there lie the political interests of decision makers, commercial striving of power companies, and the developmentalist vision of a state that is emerging as a world power. The four-dam cascade on the Jinsha is a part of the grander scheme of the “Great Western Development” (*xibu da kaifa*), which China is actively pursuing as part of its modernisation drive. The campaign covers mainly Sichuan and Yunnan Provinces in the southwest, which are among the most impoverished. It promises to achieve resource exploitation, energy production, and poverty alleviation. But its goal of development is not confined to the west: it also aims to generate electricity for the power-deficient east coast, in particular Guangdong, to sustain its industrialisation and enriched urban population (Magee 2006).

The western hinterland carries the richest unharnessed hydropower resources in China. It represents a good opportunity for exploitation, but it is also a potential focus of controversy because of its rich natural diversity and minority cultures. In the region there lies an area known as the Three Parallel Rivers, where the Jinsha (the upper Yangtze), Lancang (Mekong), and Nu (Salween) run almost parallel with one another before the latter two flow into Southeast Asia. It has been designated by the United Nations Educational, Scientific and Cultural Organization as a World Heritage Site for being one of the richest temperate regions in the world: it is believed that over 6,000 plant species and more than 50% of China’s animal species are found there. Chinese environmentalists fought to prevent developmentalists from encroaching upon the ecological system and ethnic minorities. But many local officials support the damming of rivers in the belief that hydropower generation will bring economic development, a supply of electricity and capital investment.

Their interests overlap with those of power companies, which see the rivers as renewable sources of profit. In a process of what Magee (2006, 35) calls “corporatising the electric power industry,” in 2002 the state’s energy sector was divided into five big power companies. Each went about claiming “hydro-territories” under the banner of sustainable development. Rivers in the southwest became a major target of competition between the companies. Among the competitors were China Huaneng Group and China Huadian Corporation, which together generate about a fifth of China’s electricity. The former established a base on the Lancang/Mekong River, while the latter gained development rights on the Nu/Salween River. In 2003, Huadian came to an agreement with the Yunnan provincial government on proposals to build 13 dams along the Nu near the World Heritage Site. The projects were suspended by Premier Wen Jiabao in 2004 upon vigorous opposition from

Chinese environmental groups and were scaled back to four dams (Mertha 2008, 110–149). But Huaneng and Huadian also carved out hydraulic territories on the Yangtze. In 2009 the two companies planned a US\$30 billion project to cascade eight dams on the middle reaches of the Jinsha, which together, it was claimed, would generate as much hydroelectricity as the Three Gorges Dam.

With the advance of hydropower discourse, the energy companies have become what Yu Xiaogang, a leading Chinese environmentalist, calls “special interest groups” (cited in Hilton 2012). Corporations like Yangtze Power, Huaneng, and Huadian are state-owned enterprises having considerable influence on government policies and access to official assets. But they operate as commercial companies, which have access to resources available in the market economy, including funds from banks and stock exchanges. On the Jinsha River, a total of 25 dams are under construction or being planned, an average of 100 km apart. All the projects but one are borne by five big hydropower corporations – China Three Gorges, China Resources, China Datang, Huaneng, and Huadian (Li 2012). With power and capital, the energy companies exercise dominance over nature and local people under the ideological shield of sustainable development for their economic gain.

The commercial interests of the energy companies are entangled in power relations that interpenetrate China’s political structure. Huaneng, for example, has been controlled by the family of former Premier Li Peng, a water conservancy engineer who took an interest in hydropower generation. He was a steadfast supporter of the Three Gorges project throughout his political career. His son, Li Xiaopeng, also a trained engineer, headed Huaneng until June 2008, when he was appointed deputy governor of Shanxi Province. Li Peng’s daughter, Li Xiaolin, is the Chief Executive Officer of Huaneng’s most important subsidiary, China Power International Development, in Hong Kong (Pomeranz 2009). Huaneng is a multinational corporation producing different kinds of energy. Its subsidiaries are listed on the Hong Kong, Shanghai and New York stock exchanges. The other most powerful energy company, Huadian, which attempted to build the 13-dam cascade along the Nu, was established in 2002 as part of the power sector reform. Its first general manager, He Gong, was formerly a top leader of the Three Gorges Corporation. He had worked in Yunnan for 14 years and had been the deputy chief of the province’s Electric Power Bureau. Under him, the Manwan Dam on the Lancang River was built (Cao and Zhang 2004). It was one of the major water projects in the province, but the resettlement was poorly managed and left displaced villagers scavenging to this day. Almost immediately after He took office in Huadian, he approached the leading cadres of Yunnan with the proposal of exploiting the Nu. The thirteen-dam blueprint, conceived to generate 21,320 MW of electricity, surpassing the Three Gorges, emerged from those negotiations (Cao and Zhang 2004).

The emergent hydropower discourse suffered an apparent setback in mid-2009 when the Ministry of Environmental Protection suspended the construction of two dams on the Jinsha (by Huaneng and Huadian) and another project on the Nu (by Huadian) on the grounds that they lacked prior environmental protection designs (*Telegraph*, June 12, 2009). But the discourse resumed its stride within a year, as the government announced its determination to pursue a green energy policy. It entailed an increase in the proportion of non-fossil fuels in overall energy consumption to

15% by 2020 and a simultaneous reduction of carbon intensity – the amount of carbon dioxide per unit of gross domestic product – by 40–45% (Reuters, November 16, 2010). Hydropower, now prized for its lower costs compared to wind and solar energy because of technological innovation and the scale of production, was trumpeted as a prioritised green power in the 12th Five Year Plan (2011–15) (*Caing*, December 10, 2010). The current 200 gigawatts (GW) of national installed hydropower capacity, it was projected, would be raised to 380 GW by 2020. This means that for the Yangtze alone, the existing 36% exploitation rate of the river's hydraulic resources (including the Three Gorges) would have to increase to 60% by 2030. The policy initiative came at a time when dam builders had already been invigorated by the government's US\$586 billion economic stimulus package in late 2008, which allowed many localities, including Yunnan and Sichuan, to speed up their hydraulic projects.

The renewed momentum of dam building entailed a series of accelerated official endorsements from the middle of 2010. From July to November that year the National Development and Reform Commission approved six large hydropower works. They included the 2.4 GW Jinanqiao Dam, which had been shelved by the environmental protection authority the year before. Other endorsed proposals were the 8.7 GW Wudongde and 14 GW Baihetan projects, to be developed by the Three Gorges Corporation on the Jinsha, and the 2.6 GW Changheba, 2.4 GW Guandi, and 600 MW Tongzilin hydropower stations, all located in Sichuan Province (Reuters, November 16, 2010; November 29, 2010). More dams were being planned or constructed on the upper reaches of the Yangtze's tributaries, including the Yalong, Dadu, and Wujiang (Breakbulk, January 27, 2011). The Ministry of Environmental Protection, moreover, reversed its suspension of the water projects undertaken by Huaneng and Huadian on the Jinsha. The momentum of river exploitation gathered strength as China entered the 12th Five Year Plan. In the second quarter of 2012, the National Development and Reform Commission approved another four large dam proposals, including the three million kw Guanyinyan dam undertaken by China Datang. It is expected that more hydropower schemes will be endorsed in the second half of 2012, as the Chinese economy is facing a downturn (*Xinhua*, May 24, 2012).

In tandem with the overarching development discourse, China's hydropower discourse reached out to the other parts of the world, enabling the dam-constructing sector to establish a dominant position as a global builder and financier (see Biba 2012). In 2007, the Chinese government signed an agreement with the Burmese government to construct a dam at Hutgyi on the Salween (Nu). The project would be partly financed by Chinese funds and was to be built by Sinohydro, a major Chinese hydropower company, to provide electricity for Thailand (90%) and Burma (10%) (Osborne 2007). Chinese dam builders were also involved in another 11 dams proposed for the mainstream Mekong (Lancang) – seven in Laos, two between Laos and Thailand, and two in Cambodia (Osborne 2010). It was estimated that Chinese investment would make up to 40% of upcoming projects on the Mekong and its tributaries. These included four of the eleven proposed works – Pak Beng, Pak Lay, and Xanakham in Laos, and Sambor in Cambodia (Hirsch 2011). The Southeast Asian countries had been critical of China's efforts to dam the Chinese side of the Mekong (Lancang) for fear of impacts on the river's ecology and fisheries.

Substantial concerns of this type lingered, but the co-operation deals indicated a more receptive attitude towards river exploitation.

Outside Asia, the Chinese hydropower discourse extended to the developing countries of other continents: in June 2004, the Three Gorges Corporation struck a pact with Brazil's Itaipu Dam, the largest river development scheme in the world before the Three Gorges. The two sides agreed to exchange experiences in personnel training, operations management, and reservoir tourism (*CTGPN*, June 4, 2004). In Africa, as of May 2007, China was supporting at least ten dam projects in countries such as Sudan, Ethiopia, Zambia, Ghana, Nigeria, the Republic of the Congo, and Mozambique. Almost all of these schemes were financed through the China Exim Bank as part of bigger agreements in areas such as energy production and minerals extraction (*IPS News Agency*, May 23, 2007; Brautigam 2009, 299–303). At the end of 2010, Yangtze Power concluded an agreement with the Russian electricity firm EuroSibEnergó to establish a joint venture to develop hydropower in the latter country. With the deal, Yangtze Power would become EuroSibEnergó's "strategic partner" by buying US\$168 million worth of the Russian firm's shares to be offered on the Hong Kong Stock Exchange in early 2011. The joint venture aimed to construct six hydro and thermal stations in Siberia and the Russian Far East, with a plan for Yangtze Power to secure funding within China and to import part of the energy produced to northern and northeastern China (*Ria Novosti*, November 29, 2010).

Conclusion

The developmentalist-environmentalist struggle over the generation of hydroelectric power illustrates an open-ended chain of action and reaction, strategy and counter-strategy. In the case of the Three Gorges Dam, when the Chinese bureaucrats in charge of the dam appealed to Western governments and semi-official institutions, such as the World Bank, for technical and financial support, transnational activists responded with a campaign of opposition upholding the principles of environmental protection and sustainable development. Chinese technocrats turned to funding sources in the global capital market. Their action, however, was met with a counter-tactic from international environmental groups, which first targeted stock exchanges and then individual supranational investment banks as Chinese dam advocates resorted to indirect funding through the China Development Bank. In the course of the campaign, the focus of the activists' charge shifted from environmental disruption to human rights violations. But the universal notion of rights clashed with the particularist interpretation of human rights by Chinese developmentalists, who insisted on the national autonomy of a developing country in defining its specific path of development. Their views, however, met with the NGOs' assertions of globally endorsed norms in defence of human dignity. The argument of human rights was then sidestepped by Chinese hydraulic officials, who incorporated the postulate of environmental protection, a moral claim that had given the anti-Three Gorges lobby a strong argument, into the new hydropower discourse as a powerful rhetorical tool.

As the chain of events unfolds, we discern conflicts and exchanges not only in the interlacing global-national-local social structures but also between the competing as

well as interacting and, at points, overlapping discourses of developmentalism and environmentalism. Interpenetrating these spatial structures and discourses, moreover, are sub-discourses of development, such as the one on the Three Gorges, and of environmental protection, which is against big dams. In the contestation, agents ranging from local villagers and national governments to multinational corporations and transnational NGOs are involved. Each puts forward its worldviews – in word and in practice – from different institutional and ideological positions, expressing multiple forms of assertions and protestations, negotiations and dissension.

The Three Gorges polemics elucidate a new kind of development politics in which conflicts are played out in the global setting. In the struggle among the Chinese authorities, supranational corporations and transnational environmental campaigners, there were new institutional and ideological alignments, such as those between the Chinese developmentalists and Wall Street investment banks, and those among the transnational NGOs, consumer groups and financial companies that promoted socially responsible investments in line with the petitioners' cause. Both sides employed resources available in the globalisation process to form their methods and strategies in pursuit of their goals but were at times constrained by those resources that enabled their actions in the first place. Capital and knowledge circulating in the global scenario contributed to the Chinese state's capacity to realise the Three Gorges project, but paradoxically this enabling effect of globalisation limited the Chinese developmentalists' pursuits, as the flow of knowledge and information, together with the circuits of cross-border networking, was also utilised by the environmental activists in their boycott strategies.

In the contemporary world, where small actions in local settings, such as buying bonds at a bank in the neighbourhood or cutting up one's credit card in an apartment, have significant reverberations in the transnational context by pulling on infinite intangible strings of ideological, information, and capital exchange, political contestations transcend the boundary of inside and outside and find venues of action on the global stage. The implications are particularly far reaching for an authoritarian society in which political dissent is subject to domestic systemic constraints. The story of opposition to the Three Gorges project manifests the political dynamics of globalisation, in which the struggle between developmentalism and environmentalism, particularistic interests and universal values, and national sovereignty and global activism is played out in the interaction between an authoritarian state and transnational civil society, with global capital as the purpose as well as field of conflict.

Notes

¹ According to a survey on the disparity between rural and urban incomes in China conducted by the Chinese Academy of Social Sciences, the per capita income of urban residents in 2002 was 3.1 times that of people from rural areas, up from the ratio of 2.8: 1 in 1995 and 1.8: 1 in the mid-1980s. If non-currency factors were considered, the report added, China's urban rural income gap was the widest in the world.

² The first Sino-American collaboration on a Three Gorges dam took place under the Nationalist government in 1944, when the chief designing engineer of the Bureau of Reclamation, John Savage, surveyed the Three Gorges and came up with the *Preliminary Report on Yangtze Gorge Project*. He proposed that a dam be built with co-operative assistance from the Bureau of Reclamation and the

Tennessee Valley Authority, which would prepare the designs, supervise the construction work, and train Chinese technical personnel in both the USA and China (see Savage 1944; Rhodes 1989).

³ The offering was criticised by Professor Kazuo Sumi, a leading Japanese critic of the project, who complained to the Japanese Ministry of Finance that Nomura had violated Japanese securities law by not disclosing the connection between the State Development Bank of China and the Three Gorges Dam. The controversy led Nomura to drop the plan of making a second bond offering of another Rmb30 billion in 1997.

⁴ The central government sought to mitigate corruption in the resettlement programme through auditing (see Yang 2004, chap. 8, esp. pp. 285–287). But the efforts could not completely eliminate abuses at the local level.

⁵ In a media advisory, the IRN stated:

At the annual session of the UN Commission on Human Rights in Geneva this week, International Rivers Network and Friends of the Earth International have called on China to suspend submergence until the project's human rights problems have been resolved. They have also called on Western governments that fund the dam to ensure that the project comply with international norms.

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