Introduction
The observant viewer is unlikely to miss the numerous references to the environment when watching the Central government broadcast daily news or when flipping through the People’s Daily. Clearly, the Chinese Central government is fully aware of its environmental problems. In the past decade, impressive environmental laws and regulations have been adopted and agencies dedicated to environmental protection formed. However, “much of the environmental energy generated at the national level dissipates as it diffuses through the multi-layered state structure, producing outcomes that have little concrete effect” (Lierberthal, 1998). How does this bureaucratic black hole of Chinese governance transform a good intention into an empty promise? While this paper does not attempt to address this mammoth topic it does attempt to provide a general overview of the decision-making bodies behind water policy in China. More specifically, this paper examines this issue with specific reference to water pricing policy.

Chinese government structure
China’s governance structure is a multi-layered hierarchy, which stems from the National People’s Congress downward. However, the various organs within this structure are divided by territory, function, and rank making any policy initiative the project of many separate organizations.

 Territory
China is divided into territorial governments as follows (with arrows leading from order-giving body to order-receiving body):

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| Centre | Province | Municipality | County | Township | Village |
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**Figure 1: Hierarchy of territorial rank**

In the case of Beijing (and other provincial- municipalities), the province level is omitted and the municipal government reports directly to the central government.
Function
Special agencies (or xitong) exist to concern themselves with particular matters. In the case of water resources, relevant functional agencies include the State Environmental Protection Agency (SEPA) and the Ministry of Water Resources (MOWR), to name a couple. These functional agencies are headed by a ministry and have corresponding bureaus at provincial, county, municipal and village levels.

Rank
Every ministry, agency, bureau, and body within this organization hierarchy is given a rank. The highest rank is vested in the central authorities (National People’s Congress, State Council). These top leaders are appointed by leaders one level up in the hierarchy. The Centre then in turn appoints all provincial governors, vice governors, and party secretaries. Provincial leaders make comparable appointments at the next level and so on.

Units within the same rank cannot issue binding orders to each other. For example, a ministry at the Centre (such as the Ministry of Water Resources) has the same ranking as a provincial governor and therefore can not hold authority over the province. However, higher-ranking officials and agencies can issue direct authoritative orders (for example, the premier, vice premier and commissions at the Centre, which all out-rank the provincial governor, can issue authoritative commands). Communications flow up and down this hierarchy level by level – bypassing levels is rare. For example, it is unlikely that the provincial government would ever communicate directly with the county level, skipping the municipal level. This ensures that governments typically only have jurisdiction over the agency directly beneath them.

Relevant Water Resources Agencies and their Hierarchical Ordering
Figure 2 shows the organizational structures of bureaucratic organs involved in water policies affecting Beijing. Each territorial level of government contains within it several bureaucratic ranks. For example, at the central level the State Council (China’s cabinet) is at the top, commissions (such as the State Planning Development Commission) are a step down, ministries are another step down, bureaus within ministries are another step down and so forth.

At the top are the National People’s Congress and the State Council. The National People’s Congress is the highest organ of state power in the People’s Republic of China. It exercises the state power of legislation; makes decisions on important national issues; elects and chooses the leading personnel of the highest state organs of the People's Republic of China (Consulate General of the People's Republic of China in New York, 1999). The State Council is the chief executive organ of the Chinese government. It drafts and implements policies and/or laws and regulations adopted by the NPC.

The next level down from the NPC and the SC, are the commissions. The three main bodies at this level that are involved with water resources are:

Environmental and Resources Protection Committee of the National People’s Congress (ERPC of the NPC)
This committee organizes members of the NPC from various fields to discuss draft laws, coordinate positive and negative opinions on the articles of the laws, and submit bills to the Standing Committee of NPC for examination and approval. It is the prime authority responsible for generating legislation on the environment and resources, and supervising the implementation of these laws.

State Environmental Protection Commission (SEPC)
This non-standing institute under the State Council is the chief interagency coordinating body for setting broad guidelines on environmental policy in view of other national priorities (such as economic growth). Its membership is composed of 48 ministries and commissions, including SEPA and water-related ministries.
Figure 2: Organization of water-related governance in the People's Republic of China
State Development and Planning Commission (SDPC)
This commission which reports to the State Council is responsible for all infrastructure project approvals. It also oversees the Price Bureau; without the SDPC’s support “water price reform can not take place, however, the SDPC is probably the least nimble in terms of acting on initiatives and most fearful of social unrest as a result of reforms” (Yan and Stover, 1999).

One rank beneath commissions are the ministries (and ministry-level organizations). These are typically functionally-defined departments with local counterparts. With relation to water resources, the most relevant organizations at this level are:

Ministry of Water Resources (MOWR)
Also sometimes known as the Ministry for Water Conservancy, this functional department is responsible for unified national water resources management (improvement and development of major rivers, planning water resources for urban water supplies, constructing basic rural irrigation facilities, implementing soil and water conservation programs, supplying rural hydropower, and building and managing medium-sized and large reservoirs for flood control, irrigation, water supply and rural hydropower etc.). The MOWR also oversees seven river basin commissions (which coordinate regional water resource management activities) and the National Coordination Group on Water Resources (which unifies the management of water resources, enhances information exchange, and facilitates coordination among agencies). Other duties of the Ministry of Water Resources include:

- Administering and monitoring the Water Law of PRC and Soil and the Water Conservation Law of PRC
- Developing principles, policies, and regulations for waterworks
- Formulating long-term development strategies of major water bodies in China
- Coordinating with other relevant departments to develop national of inter-provincial water supply or allocation plans
- Directing development of water sources from urban surface water and protecting urban water environments
- Constructing and manage hydropower stations
- Collaborating with other economic management agencies to formulate water-related financial policies, pricing system, taxation and other economic measures

The MOWR is divided into several departments that take on specific tasks. Of greatest relevance to water pricing is the Department of Finance (EVS, 1997):

- Department of Water Policy and Water Resources: formulate and enforce water laws, regulations and policies, water resources management and protection
- Department of Rural Water: rural irrigation
- Department of Soil and Water Conservation: Water-land conservancy
- Department of Planning: Water planning and management of water conservancy plans
- Department of Water Works Administration: Administration of rivers, water bodies, and water projects
- Department of Hydropower: Rural hydropower construction and management
- Department of Construction: Professional management of water project construction
- Department of Hydrology: Investigation and assessment of water resources and hydrological works
- Department of Sciences, Technology and Education: Sciences, technology and education of water conservancy
- Department of International Cooperation: Inter-country rivers and International exchange and cooperation
- Department of Finance: Water price, operation and management system

Ministry of Construction (MOC)
This functional department is responsible for the overall administration of the construction sector. Its’ involvement in water issues stems from control and construction of municipal water supply, as well as construction of municipal wastewater treatment facilities. Additionally, the MOC administrates and controls (but do not fund) the Municipal Public Utilities Companies (water supply enterprises). The
Ministry of Construction is also highly involved in water pricing issues. Recently, it issued in collaboration with the SDPC a Management Regulation for Urban supplied Water Price. It also controls water prices less directly, through the Beijing Public Utilities Company.

State Environmental Protection Agency (SEPA)
This organization, formerly known as the National Environmental Protection Agency (NEPA) reports directly to the State Council and serves as the centralized supervision and administration authority for environmental protection according to laws and regulations throughout the country. Its goal is the “protection and improvement of the nation’s living environment and ecological system to achieve a sustainable, integrated and sound development of the economy and society” (McElroy et al, 1998). SEPA’s primary task is to administer and supervise the enforcement of environmental laws and regulations issued by NPC and State Council (including Environmental Protection Law of the PRC). The enforcement itself is carried out primarily by local level EPBs (Environmental Protection Bureaus). Additionally, it establishes environmental protection standards, administrative regulations, strategies and policies, and drafts national laws and regulations on environmental protection. This agency has risen from a mere office in the mid-1970s to its current ministry rank in 1998. Like other ministries, it includes under its umbrella a multilevel policymaking system of environmental agencies nationwide, with units at the national, provincial, city, county and village level.

In addition to these three ministries, which serve as the main overseers of water resources, there are a slew of other ministries that are nominally involved in water issues from time to time. Box 1 provides a description of the relevance of just some of them.

Beijing Municipal Government (BMG)
At the same level as ministries is the Beijing Municipal Government (BMG). The Beijing Municipal Government is responsible for provincial duties such as planning, surveying, designing, constructing, operating, and managing irrigation, drainage, flood control works, and rural hydropower. It is also responsible for county and municipal tasks such as constructing and maintaining canals, related irrigation and flood control structures, medium-sized reservoirs. Within the are several water-related bodies:

Municipal Water Conservation Bureau (WCB)
This a functional department of the BMG is responsible for water resources management and water saving. Its major roles and responsibilities include:
- Providing comprehensive management for water resources
- Drawing up long term water supply plans and integrating them into the Municipal Economic and Social Development Plan
- Monitoring, evaluating and managing water resources within the municipality

Beijing Price Bureau
This agency monitors prices in Beijing and is in charge of final approval to any water pricing changes.

Beijing Municipal Administration Committee
The responsibility of this committee is primarily to guide, coordinate, supervise and inspect land, environmental protection, water supply and other infrastructure within the city. More importantly, it oversees the Beijing Public Utility Bureau.
The Beijing Municipal Public Utility Bureau (PUB)
This bureau is the primary body responsible for water supply in the city. It oversees the municipal water supply system, the district/county water supply system, and the private water supply system (Beijing Public Utilities Bureau, 1993). It is also in charge of collecting water fees and supervising the Beijing Municipal Waterworks Co. (BWWC) and Beijing Municipal Water Saving Office (WSO). It is not, however, responsible for the planning of natural water bodies (this is the duty of the MOWR and its municipal counter-part).

The Beijing Waterworks Co. (BWWC)
This tap water company provides the city’s water supply. Its duties are to “safely supply water to the city construction, industrial and domestic customers; to provide good service; and to manage water conservation tasks” (Beijing Public Utilities Bureau, 1993).

Beijing Municipal Water Saving Office (WSO)
The department of the Beijing PUB is in charge of water conservation. More specifically, duties include (EVS, 1997):
• Implementing national laws, principles and policies on water conservation and the Regulations of Urban Water Conservation in Beijing
• Reviewing and approving water use plans and allocating water quotas to users
• Collecting progressive rate surcharges of over-use of water above allocated levels
• Supervising and managing development and metering of self-dug wells
• Inspecting water leakage
• Organizing, researching, promoting and developing new water saving technologies
• Educating the public on water conservation

Beijing Environmental Protection Bureau (EPB)
This functional department under the BMG is in charge of environmental protection. Its water-related responsibilities include (EVS, 1997):
• Formulating long/medium-term and annual plans for water pollution prevention in Beijing
• Monitoring and implementing national standards and formulating local standards for water quality
• Conducting environmental protection activities
• Organizing the registration of water pollution discharge permits
• Collecting, managing and allocating water pollutant discharge fees
• Educating public of water pollution prevent and control

Policy-Making Process?
With such a complex system of ministries, agencies and bureaus, one wonders how policies are ever made or implemented. The answer is unclear. Finding out how policies are made in China is much like tracing the movement of a single blood cell through the entire human body; the journey is time consuming and long, involves a network of organs, and the specific route depends on the situation. Part of the reason for difficulty in tracing the policy-making process is that in spite of this rigid bureaucratic structure, there is poor organization between agencies. Additionally, decisions are often made outside of this structure through a series of negotiations between stakeholders. This occurs because each territorial level grants the level subservient to it some flexibility in determining its own governance. This flexibility is not codified in law or in the constitution, the result is ongoing, bargaining over the extent and limits of this level-by-level flexibility” (ESCP, 1997a). Thus policies are more the result of bargains between various groups than an algorithm that can be followed from steps a to z. Clearly, a more extensive investigation of the interaction between the organizations described in this paper is needed to understand how policy is made.
Conclusion

While this briefing paper has only provided a glimpse into the complex bureaucratic structure in China it (hopefully) serves as a reminder of the importance of understanding the structures of governance. In order to propose any environmental policy in a politically-charged state such as China, it is crucial to “map” these lines of authority. Without familiarizing oneself to the empowered officials in the specific context, policies will inevitably be shelved. As one analyst notes, "it is easy, for example, to end up speaking to a vice mayor of a municipality who in fact has no authority over the specific issues that are on the agenda of the foreign visitor" (Lieberthal, 1998).
Bibliography


