

**Strategy, Authority and Path dependence: How idea of tradable water right
become policy in the authoritarian China (1999-2016)?**

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Strategy, Authority and Path dependence: How idea of tradable water right become policy in the authoritarian China (1999-2016)?

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Abstract: The significant role of idea played in the policy process has been enumerated by previous research. However how an idea become policy under the authoritarian regime of China hasn't drawn enough attention. The twenty years' participation of the policy advisory for the Ministry of Water Resource (MWR) help the authors figure out the mechanism through which idea play its role in the cycle of 'rise- down –resurge' of tradable water rights policy in China for the past two decades. The first wave of tradable water rights policy occurred from 2001 to 2006, as a result of the strategy of policy entrepreneur to plant the market-oriented idea into the engineering-oriented soil. While the second wave of tradable water rights began in 2013, as the idea of tradable water right had influenced the policy makers of CPC decision making agency. The results show the new idea has to been introduced strategically even by the minister of MWR, considering the dominant logics of engineering management of MWR. And once the idea had become policy, the acceptance of the new idea would rise due to the path dependence. When the idea has become the scheme of CPC decision making agency, the authority of agency would transfer the idea as the concrete policy implementation.

Keywords: idea, policy change, policy entrepreneur, authority

Introduction

The role of ideas in the policy process has been well enumerated (Béland & Cox, 2011; Mehta, 2011). Lots of policy scientists have proved that idea (i.e., the causal and normative beliefs of political actors) matter in the policy process. Ideas are the substantive content of discourse, which can result in institutional change (Schmidt, 2008; Schmidt, 2010). The ideational researches which emerged in the twenty years ago has illustrated the role of idea in shaping policy outcomes in various of policies, such as economic policy (Hall, 1993; Blyth, 2002), party politics (Berman, 1998), race policy (Bleich, 2003), social policy (Béland, 2005), pension policy (Jacob, 2009), governmental relocation program (Sætren, 2016), water policy (Leong & Lejano, 2016; Araral, Asquer & Wang, 2017) and global tax battles (Seabrooke & Wigan, 2016).

Recent years, the focal point of idea research has transferred from whether idea matters to how the ideas matter in policy process (Mehta, 2011). Researches reveal that there are some factors which influence how ideas matter. For example, the specific ideas should propose the solution to a critical issue in a seemly useful way (Hall, 1993). the ideas are transferred into the policies by policy entrepreneurs (Kingdon, 1995). The institutional environment can contribute to the broad acceptance of ideas, the political discourse would affect the degree to which policy ideas are communicated and

translated into practice (Campbell, 2002; Campbell, 2004). Institutional factors such as path dependence also influence the politics of ideas and policy change (Cox, 2004; Peters, Pierre & King, 2005; Béland, 2009). Power is also a crucial dimension for understanding ideas' political effect, since ideas matter mostly because of their influence on policy outcomes (Béland, 2010; Carstensen & Schmidt, 2016).

Other researches use specific cases to exhibit how a specific idea turn into a policy in western democrat countries. For example, the long struggle reform of Dutch disability insurance fund reveals how ideas play a strategic role in the framing and discourse of the policy reform (Kurzer, 2013). The case of specific idea of sustainability shows skilled policy entrepreneurs can use ideas with high valence to frame policy issues and generate support for their policy proposals (Cox & Béland, 2013). The three specific ideas, sustainability, social inclusion and solidarity are used to illustrate how ideas facilitate the construction of a political coalition (Béland & Cox, 2016). The professional networks among economists enable the Italian economic ideas play an important role in shaping European policy responses to the Great Recession (Helgadóttir, 2016). The process of relocating central governmental agencies in Oslo, Norway demonstrate how policy entrepreneur in cabinet position employed manipulation strategies to transfer a controversial policy idea to successful program implementation (Sætren, 2016).

There is some similarity among previous idea researches in western democrat countries. Since the political system in democrat countries are pluralism, political elites in executive branch and parliament, experts and media all play a vital role in the policy

process, idea always act as the magnets to construct political coalition. The policy entrepreneur has to employ strategy to achieve policy goals. The political system in authoritarian regime is elitism, the decision makers in China are a small number of polite elites which include the members of CPC political bureau, ministers and ministry-level officials in the CPC decision making agency. Traditional researches regard the political elites in China has unlimited power and the party center has authority (Lieberthal & Oksenberg,1988). How the idea become policy in authoritarian China? Do Chinese political elites also have to employ strategy to make idea into policy? Do ideas play the same role as ‘coalition magnet’ to form the political coalition, when introducing a new idea? What’s the impact of authority of CPC decision making agency on the ideational process? In this paper, we tried to address those question based on the evolvement of tradable water right policy in China from 2000 to 2016.

The tradable water right policy in China from 1999 to 2016 has experienced two waves. At the beginning of the 21 centenary, the specific idea ‘establish the tradable water right market would enhance Chinese water use efficiency’ has begun to influence the decision makers of MWR. In 2002, MWR initiated first pilot project in Zhangye City in Northwest China, which was designed to establish tradable water right system and allocate water resources through market-based instruments (Zhang & Zhang, 2008). MWR has published three documents in 2004 and 2005 about the tradable water right policy, which means the peak of first wave tradable water right policy. From 2007 the topics about tradable water rights in MWR declined every year. In 2012, the heat of

tradable water rights policy has down to the bottom. However, the decision of 18th third Plenary Session of CPC Central Committee makes a difference. The tradable water right policy has become the focal issue of the MWR again, since the tradable water right policy is mentioned in the decision. And MWR has issued two related documents in 2014 and one in 2016. For thousands of years, the dominant logics of Chinese water governance is allocating the water resources through government and addressing the water crisis through engineering projects (Hu & Wang, 2000). Tradable water right was a novel idea for MWR policy makers in the 2000s. The process of how the new idea become policy and the reason of the fluctuation of the tradable water right policy for the past two decades could contribute to our research question.

The rest of the paper is organized as follow, the second part is the literature review to show the relationship between idea and policy entrepreneur, institution and draw the hypothesis. The third part introduce the tradable water rights policy and its fluctuation for the past two decades, the research design, methodology and data collection. The empirical result is illustrated in the fourth part. While the final part is the conclusion and discussion.

Ideational process, policy entrepreneur and institutional factor

In the classic definition, ideas are the causal beliefs about economic, social and political phenomena (Be'land and Cox, 2011). Ideas are neutral, they do not need to be effective or frivolous and are simply products of thought and mental responses to uncertainty (Be'land and Cox, 2016). How idea matters in the political researches

emerged in twenty years ago. Researches have noticed the influence of idea in the economic policymaking of Britain in the 1990s (Hall, 1993; Berman, 2013). However, the researches in social policy should take the credit of why the role of idea drawn much attention in the past decades. At the beginning of the 21 century, more and more researches on social policy in European countries have found that the different idea are the key factor to explain the policy change in different countries (Béland & Hansen, 2000; Cox, 2001; Cox, 2004; Béland, 2010). Some research has integrated the idea into the analyse framework, the role of idea in the policy change should draw as much as attention with the role of institution (Lieberman, 2002; Béland,2005).

Recent years, the focal point of the research centre has shifted from ‘whether the ideas matter’ to ‘how ideas matter’. There are two kind of literature contribute to this topic. The first kind of literature decompose the specific mechanisms through which idea influence the policy process. The idea can influence policy change through various mechanisms. The policy change was categorized as displacement, drift, exhaustion, layering, and conversion by researchers (Hacker, 2004; Streeck & Thelen, 2005). Researches use the American social security policy to show how ideas influence the policy change such as conversion, layering, and policy drift (Béland, 2007). Based on the two cases from Israeli immigration policy, the researches illustrate how ideational change in policy solution and problem definition enable institutional conversion through layering (Shpaizman, 2014). Ideational processes can also impact policy process in various ways, construct the policy agenda, affect the content of reform proposals and become the discursive weapons to construct reform imperatives (Béland,

2009). Researches also find that the ideas have micro influential mechanisms. Discursive institutionalism literature conceptualizes the ideational power, which defined as the capacity of actors (whether individual or collective) to influence other actors' normative and cognitive beliefs through the use of ideational elements, as three categories, power through ideas, power over ideas and power in ideas (Carstensen & Schmidt, 2016). Four common kinds of intersections between ideas and context are further illustrated to exhibit idea power (Parsons,2016). German Pension policy are also used to elaborates the specific cognitive mechanism through which the ideas shape political elites' preferences among options (Jacob, 2009). Leong & Lejano(2016) explore how the idea of stakeholder around China's Yellow River hinder the successful implementation of IWRM. Araral et al (2017) using the Q method to investigate the how idea of public officers in China and Italy impact the development of regulations.

The second kind of literature paid attention to how the 'outside' factor, such as decision maker, policy entrepreneur and institutional factors, facilitate the transformation of ideas into policies. Our research lies with the second approach.

The classic research has exhibited, a new idea needs the policy entrepreneur to promote and marketing. The policy entrepreneurship is indispensable, especially during the stage of initial acceptance of new ideas (Kingdon, 1995). Based upon a study of UNAIDS, the joint UN programme on HIV/AIDS, research has shown how UNAIDS secretariat acting as the policy entrepreneur to spread the policy idea among international administrations in order to extended its authority within the UN system despite limited resources (Nay, 2012). A diachronic comparative case study of three

successive efforts by Norwegian governments over several decades to move central agencies was researched to show how a remarkably audacious policy entrepreneur in cabinet position employed manipulation strategies within an open policy window to transfer a controversial policy idea into successful program implementation (Sætren, 2016). Three specific ideas, sustainability, social inclusion and solidarity are employed to illustrate how idea influence the policy outcome by facilitating the construction of a political coalition among political elites (Be'land & Cox, 2016).

Researches has revealed that the policy entrepreneur also existed in China. Mertha (2009) uses the hydropower policy to show how certain actors (hitherto peripheral officials, non-governmental organizations and the media) can act as the policy entrepreneurs to contribute to policy change. Following the tradition of using the concept of policy entrepreneur to describe the role played by bureaucrats in the recent policy process researches (Meier, 2009; Mintrom & Norman, 2009; Nowlin, 2011; Teodoro, 2009), Researchers has found the Chinese bureaucrats can also act as policy entrepreneur. Hammond identify Minister of Civil Affairs Duoji Cairang as a Policy Entrepreneur and tackle the problem of how policy entrepreneurs contribute to the policy process based on the case of the urban resident Minimum Livelihood Guarantee (MLG) system between 1994 and 1997(Hammond, 2013). Chinese bureaucrats can also act as the policy entrepreneur to promotes policy innovations at the local level and their dissemination, based on the housing monetarisation reform experience in Guizhou province (Zhu, 2012)

We know the ideas can be promoted by policy entrepreneur. We also know there

are policy entrepreneur including Chinese bureaucrats, which can contribute to policy change. However, what's the role of Chinese bureaucrats acting as policy entrepreneur to make the idea into policy hasn't been explored? In the tradition view, Chinese political elites seems to have unlimited power. However, the recent research uses the fragmented authoritarian to characterize the power structure (Lieberthal & Oksenberg, 1988; Mertha, 2009). Chinese political elites seems also have to use the strategy to achieve their goals.

H1: The political elites also have to manipulate strategy to introduce a new idea into the policy system in authoritarian China.

Institutional factors are the other factor that would contribute to policy change besides the idea factor. Historical institutionalism is the tradition theory that used to explain policy change. At the end of 20 centuries, historical institutionalism is the main approach to research the policy change in the industrialized countries (Skocpol, 1992; Steinmo et al, 1992; Immergut, 1998; Béland, 2009).

Historical institutionalism assumes the institution factors (such as public policy and formal political institution) that influenced by the historical factors can also impact the behaviour of political actor in the policy process. This approach has emphasized the role of institution in shaping the behaviour and policy choice of political actors, while recognize the autonomy of political participants (Steinmo et al, 1992; Weaver and Rockman, 1993; Hall and Taylor, 1996; Immergut, 1998). However, the historical institutionalism does not incorporate the concept of idea into the analytical framework and has some shortcomings. That's why the recent research had attend this flaw by

importing the idea factor into the framework (Béland, 2009).

Broadly defined, the institutional factors include the transparent and non-formal rules that shape political behaviour (Skocpol, 1992; Campbell, 2004; Béland & Waddan, 2015). In a narrow sense, it is necessary to probe into each of the analysis cases to figure out the specific factors that affect policy change. Béland and Waddan combed the five institutional types when discussing tax changes in the United States and UK. First, the formal institutional system, which is relatively stable for a long time, such as the legislative process of parliament in western countries. Second, normative or expected actions of policy makers and legislators on the basis of strict boundaries. These norms are not absolute, but strongly influence behaviour. Third, a specific policy authority which is in charge of certain area, such as the treasury department in tax policy. Fourth, the feedback of past policy legacies and existing projects is used to shape behaviour. In each country, past or existing policy instruments always constrain the policy option of policy maker. Fifth, political parties have their formal or informal norms, and they are also regarded as a type of institution (Béland & Waddan, 2015).

What is the role of institutional factors in the process of how ideas become policy? Actually the interaction between idea factors and institution factors would influence policy outcome and we propose several hypotheses.

H2: if new idea was transferred into policy by the political elites in vital position, the policy is sustainable due to authority of institution as long as the political elites stay in his position.

H3: if the policy makers of decision making institution in China accept a new

idea, the subordinate institute has to implement the policy due to the authority of the supreme institute.

H4: considering the authority of decision making institutes in China, the decision makers would be more cautious to make a decision and be more willing to adopt those policies which had been implemented before.

Case selection, Methodology & Data collection

Case selection

In order to explore the research question, we choose the evolution of tradable water rights policy in China from 1999 to 2016 as the evidence. Tradable water rights policy in China is a natural resource policy, and its characteristics provide an excellent case for research question for the following reasons.

First, the birth of tradable water right policy in China originate from a brand new idea, which is ‘establish tradable water rights market will improve the efficiency of water resource utilization’. For thousands of years, the dominant logics of Chinese water governance is allocating the water resources through government (Wang, 2017). Depending on the market force to allocate water resource is a strange concept for all the relative policy makers in China in the beginning. The formulation of tradable water right policy is the suitable case for the research.

Second, the evolvement of tradable water rights policy in the twenty years has experienced two rounds of policy changes. Tradable water rights policy sprinted up from 2001 to 2006, the policy nearly vanished from 2007 to 2012, while the policy

came back to the stage of political system from 2013 to 2016. The fluctuation of tradable water right policy provides abundant material for the research.

Third, during research period, the political structure and environment is relatively stable. The central government has a stable structure framework, while the MWR did not split or merge. The head of MWR were also stable during this period. From 1998 to 2017, the MWR was only presided over by two ministers, Wang Shucheng and Chen Lei. The relative stability of system and political factors can eliminate the influence of fluctuation.

Fourth, the tradable water right policy could not bring large number of fiscal resource for the MWR. Actually implementing the water conservancy project require large amount of money. The construction of some major water conservancy project since PRC was founded make the MWR one of the richest ministries in China which has abundant fiscal budget. In the tradition view, most of problem encountered by the MWR can all be addressed by adopting engineering methods. The tradable water right policy is an institutional design, which do not bring much fiscal resource. If the MWR choose the tradable water right policy as the main policy instrument to address the water crisis would weaken the capacity of MWR to compete for more fiscal resource. From the view point of the ministerial interest, the MWR would not accept the idea of tradable water rights voluntarily, even if the MWR had adopted the policy, the sustainability of the policy needs to be taken care of, if there is no outside intervention, which makes the process of how this new idea become policy in MWR even more interesting.

Fifth, as a highly specialized and technical policy, water rights policy has not

attracted much attention from the public and public opinion. Therefore, when we discuss the evolution of water rights policy, we can separate the influence of public opinion and public opinion for the time being. These factors help to control the disturbance of other factors, and better explore the influence of ideas on policy change.

Methodology & Data collection

This study is based on process tracking approach to explore the research question. Process tracking, which has often been used in recent years to explain major and sparse policy changes, is considered a way of identifying causal mechanisms (Beach & Pedersen, 2013). The researches also pointed out that since the impact of policy changes is difficult to be observed, the process tracking is the suitable method to explore the causal relationship in different scenario (George and Bennett, 2005; Jacobs, 2011; Beach & Pedersen, 2013). Specifically, this paper attempts to explain two cases, the rise and down of the first round tradable water right policy and the rise of second round tradable water right policy. The analysis began in November 1998, when Wang Shucheng began to head the MWR, since the first round tradable water right policy arose during his time as minister.

The measurement of policy change is based on the government documents and academic researches, which are specific three sources, speech made by the minister of MWR on the national water resources bureau chief conference, the relevant documents issued by MWR and the related articles in the CNKI database. The measurement of ideas is mainly based on the relevant documents and various reports of the MWR, the speeches of key decision-makers the author's own interview materials. Change of ideas

is often a reconstruction of the relative importance among different policy instrument of previous stage. The change of ideas can be seen from the use of metaphor, the exposition of causation, the definition of difficulty, or the difference in the use of policy tools. Sometimes the idea is to adopt a completely different logic of action (Shpaizman, 2014).

In terms to data collection, over the past twenty years, the authors are deeply involved in policy discussion of tradable water rights policy. The first author had participated in lots of consulting conferences about tradable water right policy convened by the Minister, Vice Minister and a number of water resources departments such as planning department, finance department, policies and regulations department and water resource department of MWR. The frequent participation of the consulting conferences make the first author have the good connection with the officials in MWR and be able to conduct several in-depth interviews with the key policy makers of tradable water right policy for the past two decades (see appendix for the record of participation of conference and the interview). At the same time the authors undertook several research projects and have written many articles and research reports related to tradable water right policy. In order to ensure the stability of the information obtained from interviews, the leaders' public speeches, interviews and related documents are mutually validated. In fact, during the interview process, the author pays great attention to how the interviewee expresses his views, that is, to follow the principle of "who speaks for whom, for what purpose, under what circumstances" (George & Bennett, 2005).

Policy background: The ‘rise- down –resurge’ cycle of tradable water rights policy in China

The tradable water right policy in China include establishing a sound water rights system, cultivating the water market, encouraging the development of water rights transactions and using market mechanisms to allocate water resource (Wang, Shu and Wu, 2017). Based on the definition of the document, water rights include the ownership and use rights of water resources. Water rights trading refers to the water transfer behavior, which realize the water transfer between regions, watershed, upstream and downstream, industries, water users through market mechanism, on the basis of reasonable definition and allocation of water resources use right (MWR, 2016).

We analyses the change of tradable water right policy based on the three different perspective, the frequency of related words about tradable water right policy in the speech made by the minister of MWR on the National Water Resources Bureau Chief Conference(NWRBC), the relevant documents issued by MWR from past two decades and the number of related articles in the CNKI database. Viewing from these three different angles, the tradable water right policy from 1999 to 2016 has experienced two waves of up and down. During these periods, there are only two ministers of MWR, Wang Shucheng from November 1998 to April 2007, Chen Lei from April 2007 to present.

The national water resources bureau chief conference is the most important conference within the Chinese conservancy system each year, which always held at the beginning of every year, hosted by MWR and participated by the chief of water

resources department of each province. During the conference, the minister of MWR would make a speech stating the priority and scheme for this year's water conservancy work. This speech would provide guideline and wind vane for the MWR and provincial water resources department in the following years. January 1999, Wang Shucheng held the first national water resources bureau chief conference since he took office and we calculate the word frequency from this year. Based on the definition, water rights, water market and tradable water right are the three key words relating to tradable water rights policy. As illustrated in figure 1, the key words have exhibited two waves of up and down.

The first wave was from 2001 to 2007, while the second wave was from 2013 to 2017. The rise of water right and water market frequency began in 2001. The frequency of water right and tradable water right reached the peak at 2005, while the frequency of water market came to the peak at 2004. The frequency of water market and tradable water right decline first, they weren't mentioned any more from 2006, while the frequency of water rights decline from 2007. From 2007 to 2012, water market and tradable water right hasn't been mentioned in the speech for 6 years, while the frequency of water rights from 2008 to 2012 has come to the lowest level during this period. 2013 is the turning point and the beginning of second wave of policy, the frequency of three specific words rebounds from 2013. The frequency of water rights increased each year and reached a relative high level from 2014. The frequency of tradable water right has reached the highest level during this period, while the frequency of water market also increased to the second highest level in history.

The related document issued by MWR during this period also verified the two wave trend. The first document related to tradable water rights was issued in 2004, while the MWR issued two consecutive documents in 2005, which means the tradable water rights policy has reached the first peak. In 2014, MWR issued two related documents after 9 years, which indicate the tradable water right policy has reached second peak. The document in 2016 has made the comprehensive institutional arrangement for implementing tradable water right.

We try to calculate the number of articles which include the 'water right', 'water market' and 'tradable water right' in CNKI data base as illustrated in figure 2. Although the related article in the academic world has responded to the change with some delay, the two wave trend can still be confirmed. The number of article with water right in its title emerged in 2001, increased in the following years and reached the peak at 2006. The related article about water market and tradable water right from 2001 and 2007 also stayed in high level. The number of related research decreased from 2007 and down to the bottom in 2013. The related article rebound from 2014 and keep in high level ever since.

The data from three different source has shown the robust results about the two wave trend, which illustrate the cycle of 'rise- down –resurge' of tradable water right policy in China and leave the ample room to explain how idea become the policy during this period.

Empirical findings

The rise of tradable water right policy

If viewing from the indicator, the rise of tradable water rights policy begun in 2001. However, the idea change of decision makers can be observed from 1999. The rise of tradable water right policy can contribute to the effort of minister Wang Shucheng. He takes the advantage of Chinese Hydraulic Engineering Society to disseminate his idea, articulate his opinion through the experts and get the support from the vice prime minister.

(1) Takes the advantage of Chinese Hydraulic Engineering Society. In the 1990s China was facing a serious water crisis, for example the cutoff of the Yellow River had occurred in several years. And the shortage of water resources had become an important bottleneck for economic and social development (Hu & Wang, 2002). For a long time, the dominant management philosophy is managing the water resource based on building water conservancy projects. However, a series of water crises at the beginning of 21 centuries have brought challenges to the traditional engineering logics. November 1998, Wang Shucheng became Minister of MWR. The grim situation of water resources makes him want to adopt new strategy. However, how to carry out an idea revolution in a sector that dominating management logics is building the water conservancy project

Wang Shucheng makes the most use of Chinese Hydraulic Engineering Society(CHES) to disseminate his idea. NWRBC is the official meeting, the content of the meeting has policy implications. While the CHES is an academic organization,

which is founded in April 1932. After PRC was founded, CHES has become semi-official academic organizations under the leadership of the China Association of Science and MWR. The meeting of CHES has relatively liberal content and is often a budding place for new ideas.

Wang Shucheng had characterized the meeting of CHES as the idea market several times. *"I hope CHES will be more active in the future, because this is the best places to express different opinions, publish exploratory opinions, share the prospective views "* *Today I will take stages of CHES to express some views. At this stage, the speech is relatively liberal, and many issue are free to discuss on the academic conferences."* (Wang Shucheng, 19990330).

On the Seventh National Congress of CHES, Wang Shucheng proposed a new idea that the "realize the transformation from engineering water conservancy to resources water conservancy", showing subtle change idea.

"In the past 50 years, China has made great achievements in water conservancy construction..... The important question now is how to get there in the next 50 years. What is the picture of China's water conservancy in twenty-first Century?..... We emphasize engineering starting from the school, the Department of Water Conservancy Department of Tsinghua University is the Department of water conservancy engineering. There are more than 50 courses in the school, most of which is to teach you how to build or repair projects. After entering the MWR, I found most of the department is about project construction. Actually under the planned economy, only projects can be established. Only after the projects being examined and approved, the

state can arrange funds..... As a result, most of our attention focused on the construction of Engineering facilities, the engineering water conservancy.....resources water conservancy is the new model, which is closely linked with national economic and social development. From engineering water conservancy to resources water conservancy is a process of productivity development.” (Wang Shucheng, 19990330).

According to Wang Shucheng himself, his speech in 1999 was intended to lead an ideological emancipation, raise a big debate about whether the water conservancy should be in the future. This is actually the seed of ideas change.

“The speech cannot be regarded as pure academic theory. It is my leadership responsibilities to lead a discussion on how to shape the China’s water conservancy in twenty-first Century.” (Wang Shucheng, 20001022).

October 2000, Wang Shucheng gave another lecture entitled "water rights and water markets: an economic approach to optimal allocation of water resources" on CHES conference, elaborating the initial idea of the water rights and water market of MWR at that time. The CHES conference had become the best platform to disseminate his idea.

(2) *Articulate his opinion through the experts.* At the beginning of 21 centuries, professor Hu Angang and first author had done a series of researches related to addressing the water crisis and published a bunch of academic paper that cause great repercussions. One of the famous paper is "water resource allocation during the transition of public policy: quasi market, political and democratic consultation" published on China Soft Science in 2000. This article has a great influence on both

scholars and policy makers, and has become an important thesis to guide the concept of water rights and water market. Wang Shucheng spoke highly of the thesis on different occasions.

On this issue, professor Hu Angang and Wang Yahua wrote an article. This article talks about water rights and water markets. This paper has provided an important proposition about quasi market, political and democratic consultation. This article should be read carefully. “(Wang Shucheng, 20001022).

Under the dual appeal of policy makers and scholars, the concept of water rights market began to be widely discussed, and became a policy hot spot around 2001. In a conversation in 2001, Wang Shucheng also confirmed the situation. *The recent discussions on water rights have become a hot topic in water conservancy system. The focus of attention is on the definition and allocation of water rights and how to effectively manage water rights.” (Wang Shucheng, 20010427).*

(3) *Get the support from the vice prime minister:* From 1999 to 2000, Wang Shucheng acted as the policy entrepreneur to promote the idea of tradable water rights on the CHES conference with the help of scholars. Actually he even marketing the new ideas to local officials once he got the chance. *“A few days ago, vice premier Wen Jiabao, visited the project of diverting water from the Yellow River to Shandong province. I spoke to the head of the Shandong provincial government about water rights in 15 minutes. I talked about the water rights issue and its potential implication in Shandong province”.* (Wang Shucheng, 20010427). Through his effort, Wang Shucheng made the idea of tradable water right get the support from the vice prime minister Wen

Jiabao.

In April 27 2001, Wang Shucheng made a report entitled "water rights management and water-saving society" in the MWR, systematically expounded the basic policy framework of water rights and water market policy in his heart. On May 7, 2001, Vice Premier Wen Jiabao made the written directive on the report of Wang Shucheng.

Comrade Shucheng, I read the article before the festival once, and read it twice during the festival, I found it very inspiring. All the questions are important. Strengthening the management of water resources, improving the efficiency of water use and building water-saving society should be a basic task of water conservancy department in the following year."

Subsequently, Wang Shucheng forwarded the report with vice PM's written directive on it to all the senior officials in MWR and further stressed the necessity to change the new concept into policy in the future.

All the senior officials in the MWR should read the written directive carefully. The written directive of vice PM should be conscientiously studied by officials at all levels within water conservancy system and provide the guideline for the water conservancy work in next stages."

The idea of tradable water rights finally turned into the policy ever since from 2001. The rise of tradable water right policy had proved the H1, that the political elites also have to manipulate strategy to introduce a new idea into the policy system in authoritarian China.

The decline of tradable water right policy

As illustrated in Figure 1, the tradable water right policy has received high policy attention from 2004 to 2005, with a slight decrease in 2006 and 2007. Since 2008, the policy of tradable water rights and water market has been neglected. Between 2008 and 2011, the policy concern remained at a low level. During 2012 NWRBC, the policy hasn't been mentioned a word.

In April 2007, Chen Lei took over as the new minister of MWR, which was an important turning point. As a master of engineering, professor level senior engineer and former director of water resources planning department, the new minister advocate the concept of water-saving engineering, which is the tradition logics of MWR in previous years.

He expounded his view at the 2007 annual conference of NWRBC and the National Water Planning Working Conference in 2010.

Agricultural water saving should focus on the implementation of water-saving reconstruction project in the large and medium-sized irrigation districts. The water saving project should be arranged in the serious water shortage areas, ecological fragile areas and major grain production areas. The national effective irrigation area should increase 1.33 million~ 2 million Hm² during the 11th Five-Year period (Chen Lei, 20071030).

The priority of water-saving society construction should be focused on promoting irrigation water-saving technology It is not only the strategic measure to realize the sustainable utilization of water resources in our country, but also the important

measure to guarantee the national grain security (Chen Lei, 20100129).

Between 2008 and 2012, the idea of minister of MWR has shifted back to the idea of engineering water saving. The idea changes of key policy makers led to drastic changes in policy. When we compared the decline of tradable water right policy with the rise of policy in the previous years, H2 is proved.

If new idea was transferred into policy by the political elites in vital position, the policy was sustainable due to the authority of institution as long as the political elites stayed in his position. After the idea of tradable water right become policy in 2001, the policy is sustainable during the term of office of Wang Shucheng. When the new minister with new idea took the office, the former policy has to change.

The resurgence of tradable water right policy

(1) The dramatic change of MWR. From 2013, the attitude of MWR towards the tradable water right policy has changed dramatically. The speed of policy-making and the intensity of policy implementation of tradable water rights policy in the second round far exceed that in the first round.

In January 2014, the MWR issued guidance on deepening water reform, which made the overall guideline for implementing tradable water rights policy. In April 25 2014, the leading party group of MWR held an enlarged meeting to study the speech made by president Xi Jinping on the protection of water security, which referred to actively and steadily push forward the water resource registration, explore various forms of circulation of water rights, and actively cultivate water market. In June 19, 2014, Chen Lei convened a meeting of leading party group of MWR to discuss the

relevant issues concerning speeding up the implementation of tradable water right policy specifically. In July 2014, the Ministry of water resources issued a notice on identifying 7 pilots in different provinces to implement tradable water right policy. April 2016, the MWR issued the Interim Measures for the management of water rights trading to provide basic rules of functioning tradable water rights policy. In June 28 2016, the National Water Rights Trading Platform(NWRTP) in China opened in Beijing in order to promote the orderly development of water rights trading.

The dramatic change of MWR can also be reflected by speech made by Chen Lei. Minister Chen Lei has become a firm supporter of tradable water right policy.

“The tradable water right policy is an important approach to optimize the allocation of water resources under the market economy, and is an important component of the modern water resources management system..... the construction of water rights market has become an important and urgent task that concerns the development of sustainable utilization of water resources.” (Chen Lei, 20140619)

Based on the speech made by Chen Lei on the opening ceremony of NWRTP reveal clearly the resurgence of tradable water right policy was initiated by CPC party centre and the State Council.

“The Party Central Committee and State Council attach great importance to the construction of water rights and water markets. The important arrangements have been made from first, third and fifth plenary sessions of 18th CPC Central Committee. President Xi Jinping and Premier Li Keqiang have made clear demands. The establishment of NWRTP is implementing the decision of Party Central Committee and

State Council.” (Chen Lei, 20160630).

(2) *The authority of decision making agency.* The decision making pattern of second round tradable water right policy is different from the first round. Figure 3 is the pattern of first round policy making. The new idea is originated from the MWR. Wang Shucheng acted as the policy entrepreneur to introduce the new idea to senior officials of MWR and gain the support from the vice Prime Minister.

Figure 4 is the pattern of second round policy making. This time the idea of tradable water rights was adopted by Chinese decision making agency. H3 is proved. If the policy makers of decision making institution in China accept a new idea, the subordinate institute has to implement the policy due to the authority of the supreme institute.

(3) *The reason of adopting tradable water right policy.* The tradable water right policy was written in the official document of first, third and fifth plenary sessions of 18th CPC Central Committee. However, the real writer of those documents are the officials in the office of CPC Leading Group of Finance and Economy (CPCLGFE). CPCLGFE is a decision making agency which is responsible for enacting the economy policy on the behalf of the CPC central committee and drafting important speeches of party secretary.

According to the interview, the resurgence of tradable water right policy can be traced back to the officials in CPCLGFE choose the tradable water right policy.

The decision made by the Party Central Committee has been carefully considered.

The reason to choose the tradable water right policy after 2014 are two, First, the third plenary session of the CPC eighteenth Central Committee decided to let the market play a decisive role in the allocation of resources. Tradable water right policy is an important manifestation of allocating natural resources through market mechanism. Second, what is more importantly, the tradable water policy had proved itself already. The tradable water right policy has been implemented before at the beginning of 21 centuries and leaved many inspiring and colorful water rights trading case, such as the Beijing and Hebei emergency water supply, water right conversion in Ningxia and Inner Mongolia province, water ticket transaction in Zhangye city. The past experience can provide reference for the policy implementation in the new stage (A Vice Minister from CPCLGFE, 20160408).

The request to let the market play a decisive role in the allocation of resources and the past practice of tradable water right policy contribute to the resurgence of policy in the second round policy making. During this process, H4 is proved. Considering the authority of decision making institutes in China, the decision makers would be more cautious to make a decision and be more willing to adopt those policies which had been implemented before.

Conclusion and discussion

The significant role of idea played in the policy process has been enumerated by previous research. This paper tried to explore how an idea become policy under the authoritarian regime of China based on the evolvement of tradable water right policy

from 1999 and 2016. The twenty years' participation of the policy advisory for the MWR help the authors figure out the reason of 'rise- down –resurge' cycle of tradable water rights policy. There are some interesting findings.

In the previous researches, the role of policy entrepreneur in promoting idea in democrat countries was observed. However, the policy entrepreneur is still needed if the political elites in China aims to introduce a brand new idea into the policy system in authoritarian China. However, the first wave of tradable water rights policy occurred from 2001 to 2006, the strategy of policy entrepreneur was conducted from 1999 to 2001 by Wang Shucheng to plant the market-oriented idea into the engineering-oriented soil, through taking the advantage of CHES, articulating his opinion through the experts and getting the support from the vice prime minister. The policy entrepreneur is vital for introducing the new idea first.

The decline of tradable water right policy from 2008 to 2012 can prove the hypothesis from the adverse perspective that if new idea was transferred into policy by the political elites in vital position, the policy is sustainable due to authority of institution as long as the political elites stay in his position. The tradable water right policy is different from the tradition logics of engineering conservancy. After the idea of tradable water right become policy in 2001, the policy is sustainable during the term of office of Wang Shucheng. However, when the new minister with new idea took the office, the former policy has to change.

While the second wave of tradable water rights began in 2013, as the idea of tradable water right had influenced the policy makers of CPC decision making agency.

The decision making pattern of second round tradable water right policy is different from the first round. The new idea is originated from the MWR in the first round. In the second round, the idea of tradable water rights was adopted by Chinese decision making agency. When the idea has become the scheme of party decision making agency, the authority of agency would transfer the idea as the concrete policy implementation.

Due to the authority of the decision agency, the decision makers would be more cautious to choose which policies to be implemented. The request to let the market play a decisive role in the allocation of resources and the past practice of tradable water right policy contribute to the resurgence of policy in the second round policy making. Obviously once the idea had become policy, the acceptance of the new idea would rise due to the path dependence. If viewing from the whole picture, the first step made by Wang Shucheng to make a brand new idea into concrete action through policy entrepreneurship is the most important to achieve the transformation from idea to policy.

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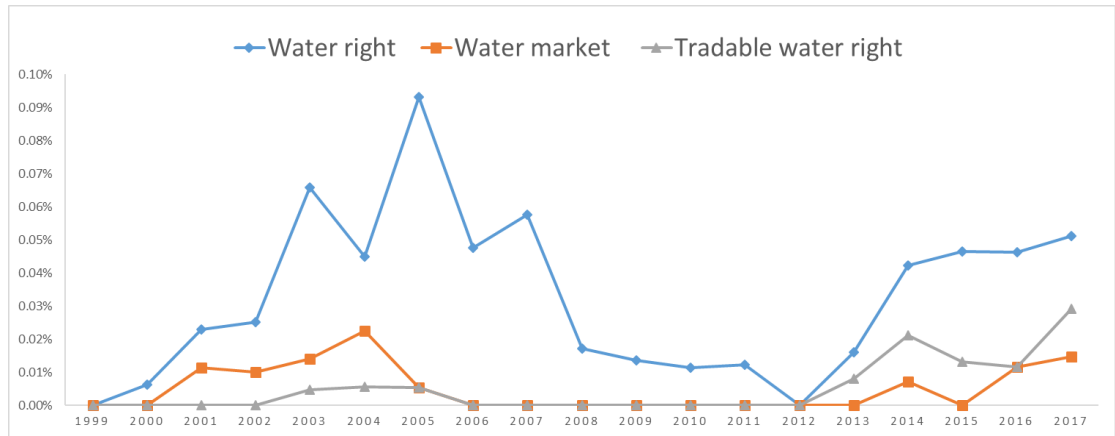


Figure 1. Frequency of related words in the speech on the National Water Resources Bureau Chief Conference(NWRBC)

Table 1. The relevant documents issued by MWR

The first wave policy

Guidance on the pilot project of water rights conversion in the main stream of Yellow River in Inner Mongolia province and Ningxia province. MWR [2004] No. 159.

Some suggestion on the water rights transfer. MWR [2005] No. 11.

Notice on the construction of water rights system framework. MWR [2005] No. 12.

The second wave policy

Guidance on deepening water reform. MWR [2014] No. 48.

Notice on carrying out the pilot work on water rights. MWR [2014] No. 222.

Notice on Issuing the Interim Measures for the management of water rights trading. MWR [2016] No. 156.

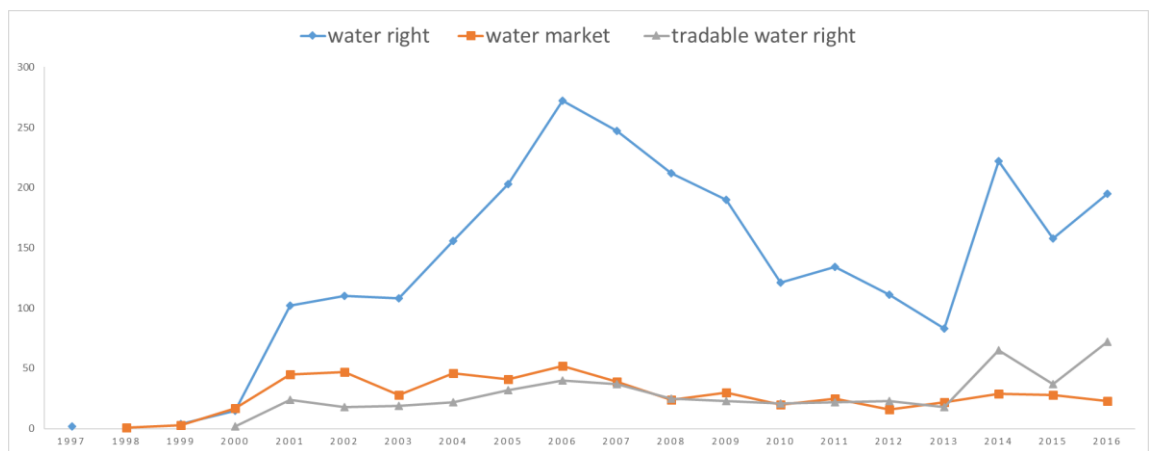


Figure 2. The number of related articles in the CNKI database

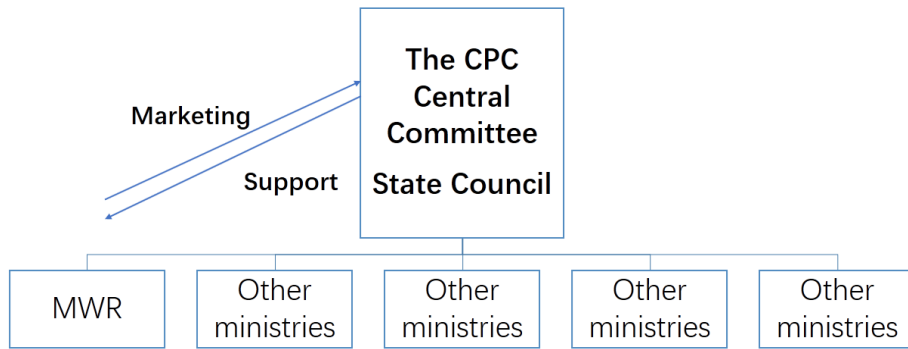


Figure 3. The pattern of first round policy making

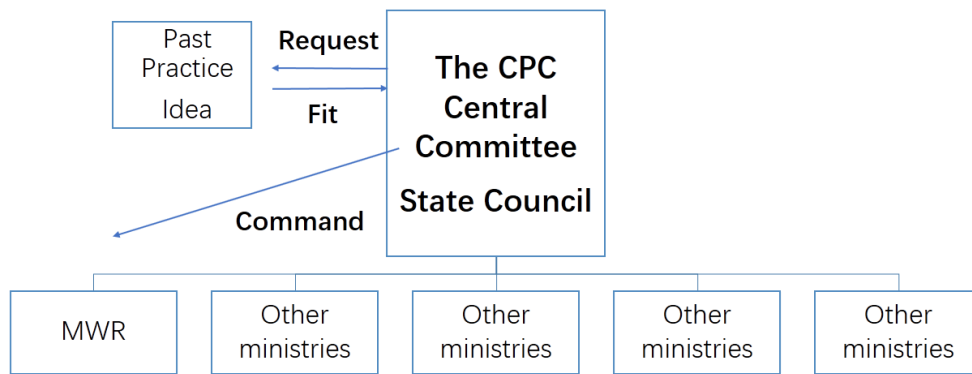


Figure 4. The pattern of second round policy making