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Pollution as Smokescreen: Pollution-induced Contention in Liushuwan Village of Zhejiang Province

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Abstract: China has recently witnessed a dramatic rise in rural social unrest over concerns of industrial pollution. While media and scholarly attention tends to center on contention of “victims resisting polluters”, this paper will present another type of contention prevailing in self-industrializing rural China where pollution is used as smokescreen for other rural conflicts. By investigating a more than ten year long pollution-induced contention and its recent solution in Liushuwan village of Zhejiang Province this paper will illustrate how the pollution was taken as inevitable by both villagers and government officials and how village factional politics dominated the contention and its resolution. The case of Liushuwan village will force us to reconsider the tendency to frame the discussion of contemporary Chinese protests in terms of rising rights consciousness. In the meanwhile, it also offers a new perspective to understand the implementation gap in China’s environmental laws and policies.
Introduction

Government statistics report that environmental degradation has become the second major source of complaints in rural areas. Media attention usually centers on so-called “environmental mass incidents”, in which victims fiercely protest against polluters through such measures as street demonstration, blocking the gate and disrupting the production. This Chinese euphemism is misleading, however. It fails to reflect the diversity of pollution-related popular resistance as well as overlooks the development or process of contention, not to mention that most protests and petitions often are not environmental at all.

Instead of “environmental mass incidents”, this paper will examine pollution-induced contention, which I define as “contention stimulated by industrial contamination, in which actors make claims bearing on someone else’s interest, in which different levels of government appear either as targets, initiators of claims, or third parties” based on Charles Tilly’s notion of contentious politics. (Tilly, 2008: 5) As seen in the journalism reporting, the tendency of framing pollution-induced contention as “victims versus polluters” is also strong in academic writing. From violent confrontation to helpless acquiescence, from repeated petitions to prolonged litigation, victims and polluters are often portrayed to be in opposition to each other. (Jing, 2004; Tilt, 2007, 2010; Deng, 2010; Stern, 2011; Van Rooij et.al, 2012; Wain-Wright et al, 2012) However, this straightforward and in some sense intuitive practice has led to a big neglect in the literature: how do villagers as entrepreneurs respond to industrial pollution. In this case, villagers are not only the victims of pollution, but also the perpetrators. As Tilt argues the different occupational groups perceive industrial pollution

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2 The exact origin of this term is not clear. However, it is quite obvious that it derives from the more general term “mass incident” (quntixing shijian), a Chinese euphemism for a large protest, riot, demonstration or mass petition.
3 Clearly, a collective petition signed five-to ten people differs greatly from a violent attack against officials by over 1000 people.
4 They are not meant to save an endangered environment for its own sake or to influence the environmental policies. Peasants protest because the pollution threatens the ecological base of their existence. Typical goals of protests and petitions are compensation for harm, adaptation of pollution-control technologies, and occasionally relocation of heavy polluters.
quite differently, in the vast entrepreneurial countryside where villagers are running factories by themselves, either in the form of family operation or labor hiring, villagers are supposed to have a distinct attitude towards industrial pollution, which may therefore result in a different dynamics of contention from the stereotype of "victims versus polluters".

A main aim of the paper is to remove the smokescreen. To do so, I will look at a more than ten year long pollution-induced contention and its recent solution through the building of a sewage treatment plant in Liushuwan village\(^5\) of Zhejiang Province, where I did the fieldwork in 2011. This paper attempts to answer the following questions: why has the contention persisted for such a long time; how did villagers respond to pollution; and what led to the resolution of the contention. Firstly, a summary of media reports on Liushuwan case will be presented to provide background information and the usual interpretations by the media and the local government. I will provide my reading as well to show how the pollution was taken as inevitable by both villagers and government officials. Following this, I will attempt to clear the smoke, so to speak, to see what lay behind the pollution-related claim making and how the logic of village factional politics dominated the contention and its resolution. Finally, I will conclude with a discussion of the implication of the Liushuwan case.

**Liushuwan Village in the Media**

Liushuwan village is a village specialized in tassel fringe production in Zhejiang, an eastern coastal province well known for its rural private economy. Liushuwan was always a high-profiled village. It was famous firstly for its extraordinary wealth, then for its serious pollution, and now for the sewage treatment plant. Before probing into the complex village

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5 To protect the anonymity of respondents, all the names of persons and places in this paper are pseudonyms. I visited the village and the township three times in March, May and June 2011, each time for two to three weeks.
politics, let’s take a look at how a typical media report would tell the story of pollution-induced contention.\(^6\)

The miracle of Liushuwan originated from an adventurous attempt in 1990 when Liushuwan village was still a county-level poverty-stricken village. Five villagers rounded up approximately 160,000 yuan and another 20 villagers and started the first tassel fringe factory in the village. In only one year, the output value of the factory had reached almost 200,000 yuan. Some of original five partners went independent and set up their own factories. There were six factories in 1996. These forward-looking bosses decided to develop their own designs instead of simply doing OEM (Original Equipment Manufacturer) for others. By 1998, their products were being exported to Europe and America. Their success encouraged more villagers to join the industry. Besides tassel fringe factories, supplementary industries like yarn dyeing factories and wood lathe factories also emerged and prospered in the village. The demonstration effect of Liushuwan was great. People from surrounding villages and even other townships came to get materials (threads) back and did processing at home. During the peak of 2003 to 2006, nearly three thousand people were working in the factories, while people doing household processing were more than 30,000. The tassel fringe factories in that area produced more than 40% industrial output value of the entire township.

Liushuwan’s wealth, however, came with a price. The village river became severely contaminated because the dyeing wastewater was released into water without any treatment. More than ten years of unbridled discharge had made the river full of black mud and emanate a sickening stench, causing widespread ambivalent sentiments among villagers. Things turned good in 2007 when the county government put Liushuwan village on the list of *yi jiang cu zhi* (promoting pollution treatment with rewards). A total 3,500,000 yuan including

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\(^6\) The following story is not a paraphrase of one media report, but a summary based on many media reports, including newspaper and TV reports. I don't list the sources here to protect the privacy of all villagers involved. Since the media reports were approved by the local government, they could also be seen as the government interpretation.
the central, provincial, prefectural, county – four-level financial subsidies, village self-raised funds and 1,490,000 yuan pollution discharge fee paid by the seven yarn-dyeing factories, was invested to build a sewage treatment system consisting of the principal treatment part, pipeline network and river dredging. As the pilot project for cross-sector transaction of emission rights in rural areas, this was regarded as a model of sewage treatment through the joint efforts of the village and the enterprise. While the seven yarn-dyeing factories attained the pollutant emission rights, the village got a plant with the treatment capacity of 500 tons per day, which could accommodate both industrial wastewater and domestic sewage. Rehabilitation of the river was notable: fish and shrimp reappeared and villagers could wash clothes in the river again. Owing to the sewage treatment plant, Liushuwan village became a media and government darling, receiving frequent visits from officials to learn its experience.

My Reading of The Media Story: Inevitable Pollution

Unsurprisingly, in a state that emphasized social harmony and superiority of its political system, the contentious elements of the story was downplayed since the mainstream should be positive and the difficulties would be overcome anyway. But this light description rightly reflected the sense of inevitable pollution shared by government officials and ordinary villagers. In these self-industrializing areas, industry and pollution are natural existences to villagers. Villagers themselves are producers of pollution, making money out of polluting industries. Pollution is a part of daily life rather than an alien invasion. Villagers have a tacit understanding of polluting behaviors and tend to trivialize the harm of pollution. Pollution is inevitable in the sense that people will not break their own bowls. Even those who have become rich first and can afford expensive pollution control facilities try to exploit loopholes, discharge illegally and dodge fines. It is a typical tragedy of the commons. Investing in pollution reduction will substantially increase costs and may result in a competitive disadvantage. A rational entrepreneur will choose to sacrifice the environment for the
business, especially when wealth created by the business provides him or her with alternatives like purchasing fresh water and air purifiers and even the exit strategy of moving out of the polluted area.

Local governments’ selective enforcement of pollution control further divests individual entrepreneurs of social responsibility to act on sustainable development. Intermittent campaigns mostly targeted to phase out small illegally polluting enterprises convey a message that the local government does not really exterminate the polluting industries which are essential to people’s livelihood, because the closure of small enterprises would contribute little to cuts in regional emissions. Indeed, the weak government commitment in environmental protection to some extent encourages the quick revival and sometimes even stronger rebound following each campaign. Aided by self-interest calculation and government connivance, the inevitability of industrial pollution has been well internalized and used to justify repeated violation of environmental regulations.

In the early stage of dyeing industry, namely 1998 to 2002, when pollution was not severe, it might be a blithe ignorance. Villagers were happy counting the money and cared about nothing else; government officials were obsessed with GDP and had no eyes for pollution. From 2003 to 2006, when pollution got worse, villagers did not reduce or stop production but paradoxically took more orders. The period of the heaviest pollution was exactly the time of the production’s peak. Government officials clearly were aware of the situation but either attempted to quiet by token moves or just slapped offenders on the wrist. Apparently, the ostensible dual monitoring of the villagers and the government did not work at all. In ten years, to minimize cost, none of yarn-dyeing factories took any measures to control pollution. When villagers and government officials had a congruent mindset of inevitable pollution, it was less meaningful to blame the futile efforts at pollution control than to investigate the usage of the useless villager petitions and government inspections. What
stood behind the frequent petitions and inspections? The following part will illustrate the essence of this pollution-induced contention.

**Behind the Smokescreen**

Liushuwan was a Liu surname dominant village but with two rival kinship groups. The power struggle between the two factions, more specifically, between the Village Party Sectary Liu Shunyou and the Village Head Liu Fushou was an open secret in the township. Although Liushuwan villagers tended to be reticent on the infighting in front of strangers, anecdotes could always be heard from people from other villages and the township government. Their conflict could at least be traced back to the period of partnership in the first tassel fringe factory in the village. The five founding partners actually included the Party Sectary, the Head and three other core members of the village’ power hierarchy, which might indicate that the entanglement of politics and economics was doomed from the start. After one and a half years, the Head withdrew and started his own factory for some undisclosed reason. There is no space to delve into the complexity of the accumulated conflict between the two main figures in village politics along the way, but undoubtedly, the contention around the pollution of these deeply embedded enterprise, was marked by the factional rivalry in the village. The first yarn-dyeing factory, run by the cousin of Liu Fushou, was born out of the dyeing workshop of the Head’s tassel fringe factory in 1998 when factories in the village began to take orders from Europe and America. Initially, Liu Fushou just wanted to have a bigger dyeing plant to support his independent design. But soon the dyeing business became profitable when other tassel fringe factories in the village came to buy yarns and threads so as to save transport cost. Perhaps because pollution was light for villagers at that time, when mentioning the startup of the first yarn-dyeing factory, villagers rarely criticized its pollution.

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7 This part is based on my fieldwork in the village during 2011. My major informants are the college graduate as village official TZYWQ in Liushuwan village and one official at the township where Liushuwan is located, TZYYY. Other informants included people as both civil servants of that township and villagers in surrounding villages.

8 Interview with TZWS, TZYCH,TZZH and informal chats in the village temple
but admired the Head for his business mind. Even Liu Fushou’s opponents did not take the opportunity to make a complaint against him. Instead, the Party Secretary had his nephew start a second dying factory in order to break the monopoly. As a Chinese saying “feishui buliu wairentian” (rich water should be kept in one’s fields) went, more yarn-dyeing factories were set up and managed by close relatives and friends of village cadres. As a result, the village river became more contaminated day by day and the petitions/protests against pollution also increased rapidly.

However, the simple phrase petitions/protests against pollution might lose the point. There were multiple facets of the complaints if putting them under scrutiny. The first was discontent with local people from outside the village who took raw materials back from Liushuwan and did processing at home, which meant that they could make the same money without suffering pollution. Second, diatribes were vented at the migrant workers who made a living at the expense of Liushuwan’s health, as their own homeland remained unscathed. But such blame might not be well justified, since both groups of people only earned a small fraction while the bosses in the village took the big share. Hence, the third target, although more implicit, were their fellow villagers - the factory owners. But the impact of the intra-village differentiation caused by rural industrialization was dulled by the dual position of the bosses as an employer and an insider. For the sake of belly and face, villagers usually did not fire at the bosses. Moreover, the latter tried to alleviate tensions by giving money back to the village. In fact, the costs of public goods provision in Liushuwan, including the renovation of village temple, the upgrading of the tap water system, and village celebration at festivals, were mostly covered by these private entrepreneurs since the village had almost no collective economy to support extra public activities.

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9 Interview with TZTWQ
10 In the newly decorated village temple, villagers introduced to me that the first several biggest donors are the most important enterprises in the village. My third time visit to the village coincided with the annual festival of
people with respect to pollution were largely determined by their ascriptive positions in the village. Therefore, the biggest culprits were ironically the least criticized. Economic patronage given to fellow villagers also played an important role because only remedy specifically entitled to insiders conformed to their perception of justice and equality.\textsuperscript{11}

Of course, being intimate with the polluting enterprises did not fully bind villagers’ hands and feet. Factional politics provided villagers with space to release their resentment. Petitions, protests and disruptions were unambiguously directed against the enterprises belonging to the opponent faction. Obviously, wives and mothers would not run to complain at the gate of the enterprise where their husbands and sons were working. It cost too dearly to get the wrong person hurt when venting anger. More subtly, both villagers and enterprises, whatever the faction, seemed to have a tacit agreement about the petitions/protests: villagers could pour out their discontent; enterprises would suffer no real loss; mutual attacks between factions could end in a draw.

One explanation of the failure of the strategy of involving government agencies was that enterprises of both factions “\textit{shangtou youren}” (literally, have people above in the government, have political connections) to take care of the business.\textsuperscript{12} It was one variant of the Chinese saying “\textit{lishang wanglai}” (courtesy calls for reciprocity): the tassel fringe enterprises contributed so much to the tax revenue and employment of the county and thus merited a pardon for their polluting behavior from the government. Or it could be seen as a reward for the bosses’ efforts of translating economic affluence into political influence.\textsuperscript{12} Putting the possible illegal bribery aside, getting into the political position by oneself might be more effective in obtaining the favor and circumventing the penalty. In this

\textsuperscript{11}This is a legacy of Maoist period. The demand for equality among different localities and organizations has been largely muted because it is almost accepted as a given that individuals’ welfare mostly depends on whether they live and work in a favored community and enterprise or not. Martin K. 2011

\textsuperscript{12}TZWXX offered this comment.
case, the Party Secretary was the party representative of the county, and the Head was the committee member of the county Political Consultative Conference. Besides the interdependence between industry and local government, the symbiotic relationship of politics and business was even complicated by personal entrepreneurs and officials.13

But there was still a big question mark. Why did the enterprises dare not to take any pollution reduction measures for such a long time? The complicity theory above was insufficient in consideration of vehement opposition from villagers. The enterprises were willing to donate to public infrastructure, but why were they reluctant to invest in pollution control facilities? The local government might shirk the responsibility with the excuse of “cannot be found” or “not in operation”,14 but how did these environmental officials ignore a definite entity existing for years?

The truth might be out of expectation, but still made sense. It was the township government’s interference and the county government’s acquiescence that stopped the enterprises from installing treatment facilities separately. In view of the industry’s vitality and prospects, the township government planned to build an industrial park based on tassel fringe factories in Liushuwan early in the early 2000s. The new industrial park was supposed to implement centralized sewage management with waste water from all enterprises treated together in a single plant. Ideally, if possible, the treatment system should accommodate domestic sewage as well. Needless to say, if the plan worked, it would constitute an important political achievement of the township government.15 Further embellished with swelling or magnificent words, it could become a role model in pollution control innovation

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13 For the dominance of personal network over formal legal structure, see Mayfair Mei-hui Yang (2002)
14 These are typical implementation gap problems: an insufficiently-staffed environmental protection bureau in face of a large number of practitioners and relatively rigid mode of monitoring versus flexible hours, guerrilla-style operation. Ma and Ortolano (2000)
15 This points to a well-entrenched approach to development that sets performance targets irrespective of local capacities and that rewards officials for achievement, not questioning the methods used. Whiting, S. H.(2001) Edin, M (2000)
or New Countryside Construction.\textsuperscript{16} However, such an ambitious project required a large amount of start-up money that the township government alone could not afford. Hence, township officials had to wait for an opportunity patiently to aggregate resources from both above and below. This meant they needed to compete with counterparts of other townships for a place in a larger (perhaps experimental) program led by a higher level government, the process of which might involve something scandalous. Stopping enterprises from taking their own pollution reduction measures was also part of the plan since such spending would demotivate the enterprises to participate in the township’s unified scheme. According to the township government, installing pollution treatment equipment in individual factors was a money-wasting duplicate investment and thus should be rejected. The county government gave tacit consent because the prosperous Liushuwan was the most qualified village under its jurisdiction for the pilot program of emission rights transaction in the countryside and was highly likely to get the funding from higher-level authorities.\textsuperscript{17} In fact, in the late stage, the county government took the lead of negotiation and coordination, which helped to materialize the four-level central-provincial-prefectural-county financial subsidies. Thanks to the county government, the two conflicting faction leaders could sit down and discuss all the details, from fundraising to program implementation.

Money was supposedly not a big problem for these wealthy private entrepreneurs, but fundraising as it concerned the decision-making power in the new joint venture did pose a difficult problem. All agreed that the money should come from the village collective instead of individuals to avoid future management disputes, but the village had been in debt for a long time, not to mention collective income. Just in the last year, the village owed the Head

\begin{flushleft}
\textsuperscript{16} New countryside construction, constructing a new socialist countryside against a background of rising rural unrest, the Chinese government unveiled ambitious plans to help the 800 million people living in the countryside catch up economically with people in the cities. It aims to modernize the countryside. Sustained increase in farmers’ incomes, more industrial support for agriculture and faster development of public services.
\textsuperscript{17} Not a new concept, in 2005, the eleventh Five-year plan, the fifth plenary of the fifteenth conference.
\end{flushleft}
more than 1,600,000 yuan for its tap water pipeline upgrading. Being in debt was common even for the villages with a number of rich villagers. Usually private entrepreneurs were preoccupied with their own businesses and did not have spare time to look after collective assets given that running either agricultural or industrial companies was risky.\textsuperscript{18} As such, unless the village had properties for lease – a time-saving and less risky business- developing collective economy in many villages could only be lip service. Unfortunately, Liushuwan was one of them. Finally, the village leaders decided to embezzle the subsidies for medical insurance temporarily as a stopgap and return the funds when the new plant began to make money. Whether it would be seen as survival wisdom or group crime, such flexible “rob Peter to pay Paul” practices had become a prevailing reality in villages in poor financial health.

Gathering money from the seven yarn-dyeing factories was relatively easier and less controversial. On one hand, the enterprises seemed to have been well prepared for paying past-due liabilities that they had escaped for years. On the other hand, the share each enterprise was to carry was said to be scientifically calculated based on emission amount by the county EPB. Basically, the presence of the county government preventing factional politics from boiling over since it was important to give higher-level authorities the face if they wanted to consolidate the patronage.

After the funding was secured, implementation problems remained because both factions wanted their own persons to take charge. Fractional rivals did not necessarily mean getting things undone, but would probably make the process full of twists and turns. Fortunately, in the case of Liushuwan village, Liu Dengcong was a capable third party to iron out differences. Liu Dengcong, a state-rewarded excellent crop famer, was the only grain grower of Liushuwan who contracted for all the farmland in the village. While both factions trusted Liu for his neutral position and strong abilities, a clean river motivated him since it

\textsuperscript{18} interview with TZLHH
could lower irrigation costs. This proved to be a win-win practice. Liu Dengcong successfully acted the role of the coordinator between the two factions, ensuring the completion of the river cleaning project, despite not being as authoritative as the local government. The long-term contention around river pollution finally ended with the building of a modern sewage treatment plant in 2009.

This was supposed to be a great success for Liushuwan villagers. But ironically, the role of ordinary villagers in this case was rather insignificant: the government and the bosses could ignore villagers’ incessant petitions/protests if they did want to; village leaders could make decisions as serious as embezzlement of public funds without consulting with any villagers; village economic elites (Li, 1996: 110-5) dominated the negotiation and implementation process without effective public participation. People said the support of the county and township governments was the key to the success, but it was the connivance of the same two levels of government should be responsible for the persisting pollution. It might verify the words of villagers: the government was so powerful that could do whatever it wanted. As many analysts criticized, the petitioning system had degenerated into one that could help to channel the discontent and postpone the outbreak but contribute little to conflict resolution. (Chen, 2008: 54-70) Villagers’ petitions/protests were only meaningful as a proof of the government’s resolve to follow the will of the people.

The wealth of Liushuwan villagers was seen as another important factor that made the sewage treatment plant possible. The group of rich bosses had the financial strength to support the big project. More importantly, they could attract political resources to forge the alliance between politics and business. Such an alliance could be effective in doing evil as well as doing good, in this case, pollution production and control. And the rich rewarded to

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19 Comments both Liushuwan villagers and other villagers in the township
20 Ibid.
the village in the form of public goods provision, which consoled the angry villagers. It fostered a sense of community that kept the conflict under control.

However, the sense of community might bridge the gap between the rich bosses and ordinary villagers to some degree, but could not heal the bitter division between factions. This ostensibly pollution-induced contention indeed pertained to more factional politics than to pollution itself. The homogeneity of both factions determined their similar positions in a series of pollution-related issues, from excessive discharge, village petitions/protests to government interference, which to some extent lessened the importance of pollution per se in the contention. If pollution or anti-pollution was not even a good excuse to push for the interests of respective factions, naturally it would be wantonly disregarded. Under the smokescreen of pollution, what really mattered was the wrestling between different factions. If the local government set the direction of the play, village factional politics determined which direction people in the play would move.

**Conclusion: The Implication of the Liushuwan Case**

In Liushuwan village, the industry is conceived as part of the daily life of peasants, who depend on it for a living, even if they have to bear the foul smells and smoke. The purpose behind counter pollution is often impure, mixed with hidden claims. Liushuwan villagers petitioned/protested against the enterprises to express their discontent with outsourcing workers, migrant workers and bosses. They might not intentionally exploit the problem of pollution to achieve other ends, but they did get better public goods provision. Village faction leaders also found a good outlet for their fellows to vent the anger. This suggests that in these self-industrializing villages, what matters is not pollution per se, but the pre-existing political, economic and social cleavages in the local community. Pollution-induced contention occurs when the problem of pollution is doubled with other concerns or hidden purposes.
The so-called rights consciousness favored by scholars seemed to have little place in Liushuwan case\textsuperscript{21}, but not in the terms of the rules consciousness which means savvy protesters frame their grievances in officially-approved terms in order to negotiate a better bargain with the authoritarian state as Perry argued.(Perry,2007,2008,2009) In Liushuwan village, the individual claims supposed to be made on the state were directed to village factional politics, which suggests us to consider the question of rights consciousness in a different way.

In the meanwhile, it also offers a new perspective to understand the implementation gap in China’s environmental laws and policies. In the Liushuwan case, it was not that unscrupulous enterprises continued to discharge pollution in spite of repeated government warnings or directives, but the government stopped the enterprises installing pollution control facilities. People often criticize that the state regulatory institutions are susceptible to the capture of business elites; but actually business interests are also subject to political power because of the unclear demarcation between the state and market institutions.

Liushuwan case reminds us not to rush to the “victims resisting polluters” paradigm especially for pollution-induced contentions in places where rural industrialization was self-developed by local villagers. By dispelling the mist of ignorance and prejudice, one can better grasp the nuances of these multi-faceted problems.

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