

A WEBINAR SERIES ON:

CHANGING POLITICAL ECONOMY IN LARGE RIVER BASINS: ENVIRONMENT, VALUES AND SYSTEMIC PRESSURES

WEBINAR 2 : POWER INTERPLAY (RE)SHAPING THE POLITICS OF VALUE IN MEKONG HYDROPOWER



26 MAY 2021

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CONVEYED BY KING'S WATER AND INTERNATIONAL WATER MANAGEMENT INSTITUTE, COLOMBO

SPEAKERS :

Diana Suhardiman (IWMI): is Research Group Leader Water Governance and Inclusion and Senior Researcher Policy and Institutions at the International Water Management Institute, based in Vientiane, Lao PDR. Putting power and politics central in water governance debates, her research highlights the complex and contested nature of water governance across scale, from transboundary to local. Focusing on multilevel policy and institutional analysis and working at the intersection of land, water, environment and energy in various countries in Asia (Laos, Cambodia, Vietnam, Thailand, Myanmar, China, Nepal, Indonesia), her research contests the predominantly a-political approach to economic development as means to benefit the greater common goods. She is the author of more than 50 peer reviewed publications, including the recently published edited book *Water Governance and Collective Action: Multi-scale Challenges*.

Yayoi Fujita Lagerqvist (Swedwatch): is a researcher at Swedwatch. She has two decades of university teaching and research experience and has worked in international development cooperation focusing on land use, natural resource management and global development. She has extensive field experience in the Asia Pacific Region. Yayoi has a PhD in Agricultural Economics and International Development from Kobe University, Japan.

Jonathan D. Rigg (University of Bristol): is Chair in Human Geography at the University of Bristol. He is a geographer interested in processes of human transformation in Asia. Since the early 1980s he has worked on migration and mobility, rural-urban relations, livelihoods, coping and resilience, hazards and disasters and, more broadly, rural development. This began with work in Thailand and Laos, but has since extended to Nepal, Sri Lanka and Vietnam.

ESSENTIAL TAKEAWAYS :

This webinar episode dives into the diverse yet constricting power dynamics found within hydropower decision making in the Laos region. Through a presentation and stimulating discussions, the webinar goes beyond exposing the specifics of dam development in the Mekong region but also uncovers the unquestioned assumptions about development and the contested perspectives of governance over people, land and water.

Three key takeaways from the webinar are :

1. Power relations are closely interlined with the way politics of value in the Mekong hydropower project have been/is been constructed
2. There are scalar, institutional and narrative disconnects at work regarding how farm households and local communities negotiate proper resettlement and compensation issues in relation to the Pak Beng hydropower project
3. Hydropower projects incite technological determinism that induces top-down decision making and limits institutional power that villagers have in relation to the upper level of the Laos State

SUMMARY OF WEBINAR 2: POWER INTERPLAY (RE)SHAPING THE POLITICS OF VALUE IN MEKONG HYDROPOWER

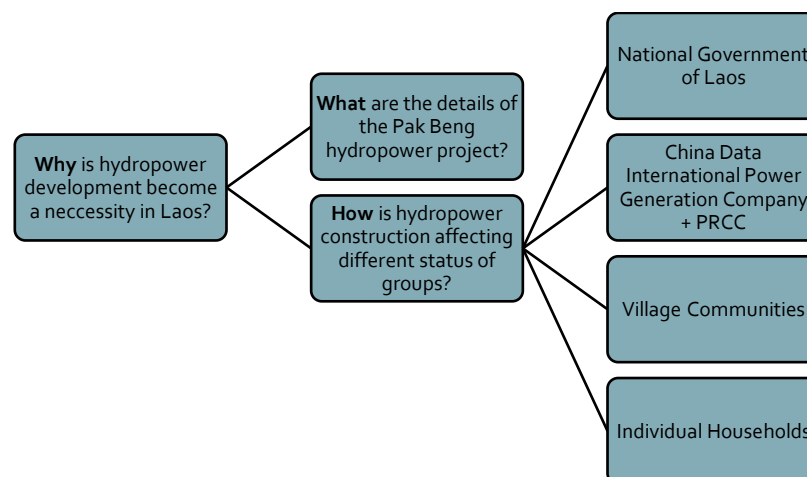
In Webinar 2 we delved right into expanding the horizon regarding river basin dynamics, unravelling the discourses, narratives, beliefs, and most importantly, ideologies that drive each system to uphold its water value depiction. Transitioning from contemplating river basins as a whole, we zoomed in to the specifics, in this case the Khamkong & Thongnam villages along the Mekong River that would/will be impacted by the construction of the Pak Beng hydropower dam, in Pak Beng district, Oudomxay province. With 132 households being affected by this megastructure, it was critical that **the core aim of this discussion was to go beyond exposing the specifics of dam development, but to also examine the unquestioned assumptions about development and the contested perspectives of governance over people, land and water.**

For decades, the Mekong region had been a complex landscape of valuing water, introduced Dr. Naho Mirumachi. The Mekong river system creates a complex landscape incorporating

multiple aspects associated with the challenges of large river basins. Dr. Alan Nicol identified the **challenge of contextualizing the economic engine of a dam within wider political, sociological, and environmental spaces** at a national and regional levels.

Dr Diana Suhardiman, IWMI's Research Group Lead on Governance and Inclusion, presented her findings on her research paper: *Aspirations undone: hydropower and the (re) shaping of livelihood pathways in Northern Laos*. Diana focused on **power relations in hydropower decision-making, unpacking top-down approaches to hydropower planning versus collective and individual approaches** that incorporated a stronger focus on establishing proper livelihood restoration. A simple conceptual framework can help in guiding understanding of Diana's research on how power relations heavily influence and construct the politics of value in Mekong hydropower stature.

Figure 1: Conceptual Framework of guiding questions to understand power relation dynamics within the Pak Beng hydropower project



STARTING WITH THE WHY QUESTION:

Like many hydropower projects around South-East Asia, the building of such a structure is inspired and foregrounded around the **dominant narrative of modernization**. With the aim of graduating from its status of being a Least Developed Country (LEDC) in 2024, Laos values hydropower development to be the key in promoting economic growth through revenue generation, supporting regional economic integration through power export for industrialization purposes, and reducing poverty. Within the national socio-economic

development strategy (2016-2022), hydropower development is placed on the same level as mining and agricultural plantations in meeting the country's modernization ambitions. However, Diana reminds us, and foreshadows the specter or illusion of change (Suhardiman & Rigg, 2021), that such **modernization scheme mirrors a socio-political construct in which a certain value system collects all the benefits and the 'positive' impacts, while other value systems are overlooked or systematically ignored.**

MOVING TO THE WHAT QUESTION:

The Pak Beng hydropower dam is projected to be one of the mainstream Mekong projects, with the intention of generating a power capacity of 912MW. While such a capacity would be beneficial to Laos itself, a MoU between the Government of Laos and the China Data International Power Generation Company (referred to as The Company from now on) dictates otherwise, with the intention of exporting 90% of the produced power to Thailand. While 26 villages across the three provinces of Oudomxay, Bokeo, and Xayabury, incorporating 923 households and 4,726 people (Suhardiman & Rigg, 2021) will be affected by the construction of this dam, only 10% will be designated to Electricite du Laos (EdL).

THE LAST PHASE OF THE QUESTIONS FOCUSED ON THE HOW:

Specifically, Diana examined 3 collective groups: the PRCC, the village communities & the individual households and how each institution took part in hydropower decision making. The PRCC alludes to be the 'privileged,' masterminds, playing the puppeteer of the top-down master scheme. Institutionally, the PRCC is responsible to lead the overall process of resettlement and compensation, including reviewing the compensation rates, rules and procedures proposed by the company, conducting asset registration and measurement, and carrying out actual resettlement and compensation payment

(Suhardiman & Rigg, 2021). It is the PRCC's moral obligation (along with the company) to visit village settlements, instruct village heads how and what to inform affected households about, and to take the respective measurements of where the dam construction will occur. However, **to move from Point A (informing about compensation & resettlement) to Point B (taking the required action), information has to be shared to the impacted households, the PRCC has to be kept accountable to their 'promises,' and most importantly, each group has to consult and assure one another that**

they're on the same page. Frequently, the opposite transpires.

According to Diana and her research on the Khamkong & Thongnam villages, systemic gaps have been established and **institutional barriers have created an institutional vacuum that presents resettlement and compensation issues from ever being discussed.** Figure 2, 3 & 4 summarizes the various pathways that the

PRCC, the village as a community, and the individual farm households have to undertake to maintain their status and to achieve their own personal 'survival' goals. **This results in the creation of an institutional set up, processes and dynamics that build, sustain and reproduce existing power relations** between the top-down, decision making, of companies and the bottom-up, lack of decision making, of local communities.

Figure 2: PRCC's pathway of top-down decision making

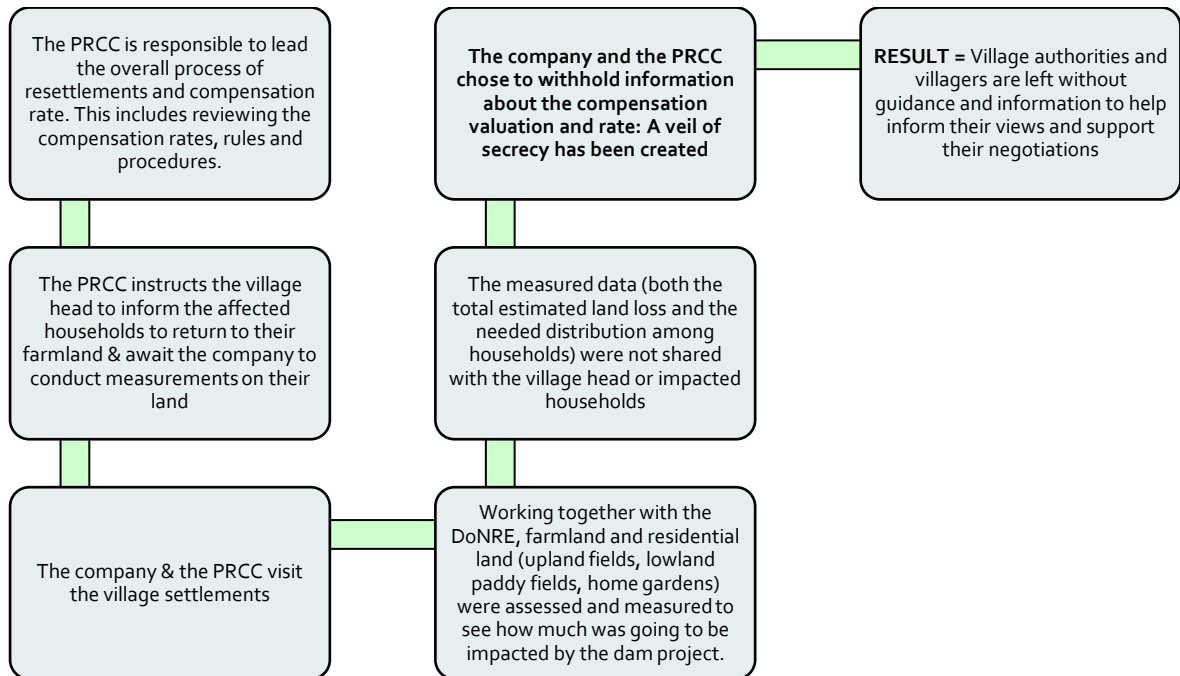


Figure 3: Village, as a community's pathway, of being the middleman

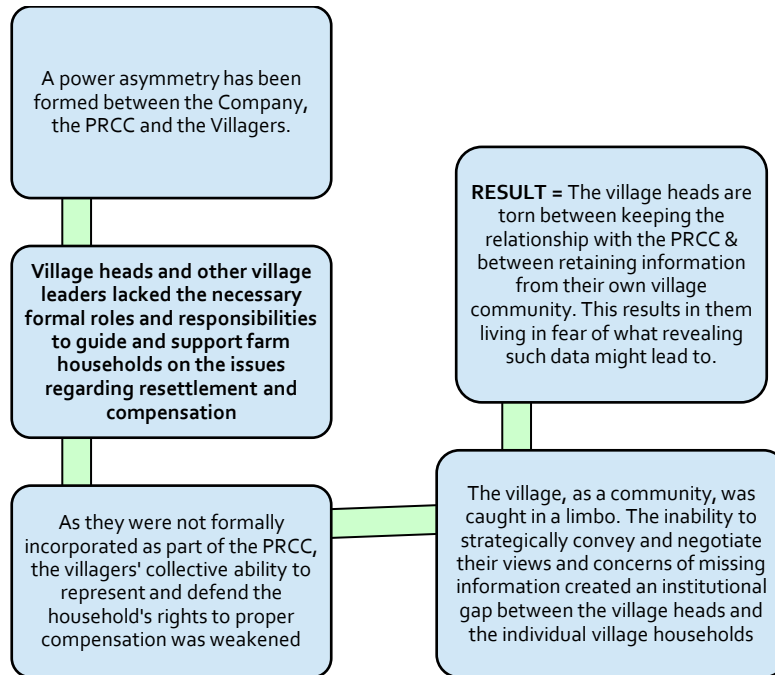
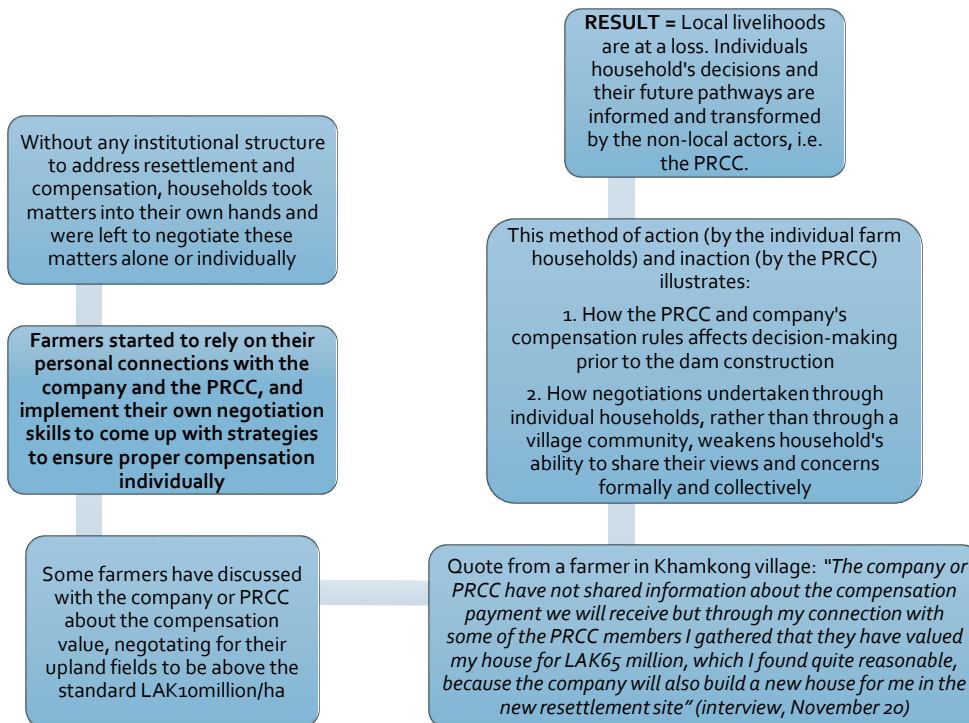


Figure 4: Individual Farm Households pathway to gain resettlement & compensation rights



It is clearly evident that the compensation rules and procedures, defined by the Government of Laos and the Company, and utilized by the PRCC, are the decisive factors in transforming the future livelihood pathways for the village households. As Diana discussed in her Discussion and Conclusion segment, the company's role as ad-hoc decision maker has compelled them to become extremely powerful, even prior to the completion of the dam. To have the ability of defining, imposing and enforcing the compensation rule and procedures to fit their interest, without accountability (Suhardiman & Rigg, 2021), and to make the farm households be obliged to follow these rules and procedures, regardless of how they're affected or what the future may hold for them, is the definition of injustice.

Diana clearly illustrates the politics at play with this quote: **"Local livelihoods were in thrall to the dam; the dam to Laos' development strategy; and the development strategy to the country's ambition to transition from Least Developed Country status (Suhardiman & Rigg, 2021)."** Diana ended her presentation with an interesting insight from her research: **Despite the injustice involved within the existing power asymmetry, farm households and local communities view the company as their most powerful and valuable ally.** In their eyes, it was more beneficial and crucial to form alliances with the mainstream actors (the PRCC & the company) rather than organize inter-village alliances or come together as a community.

In the reactions and reflections section, Jonathan Rigg started off by elegantly laying out his discussion around the question:

DOES THIS BEHAVIOR SPECIFICALLY PERTAIN TO THE PAK BENG DAM OR TO HYDROPOWER DAM DEVELOPMENT IN GENERAL?

To answer this broad question, referring firstly to Pak Beng, Jonathan organized his observations into two sections: **How Collective vs. Individual Approaches become problematic and What disconnects have been created within this specific hydropower powerplay?** Reviewing these sections makes us consider how the interests of the hydropower actors may not be accidental, but are intentionally structured in a harmful manner.

The Problems between

Collective Action vs. Individual Approaches to
Negotiation:

- Sub optimal outcomes for the affected settlements
- Reproduces asymmetries of power & challenges the power that underpinned her presentation
- Undermines trust between the affected settlements
- Compromises the role of local leaders
- Collective managed assets slip through the cracks



The Disconnects created among
Pak Beng households:

- A scalar disconnect
 - Between the national and local
- Institutional disconnect
- Narrative disconnect
 - What is said vs what is done

Tackling a more abstract part of the question: Is there something about hydropower development, in general, that incites a different form of behavior? According to Jonathan stated that this debate around the cases of dam development has been ongoing for more than 40 years, to a time where even Tony Allan was deliberating over the same argument. **What is it about hydropower features that provides it with the capacity to reproduce a harmful culture, and structure of problematic planning consultation and implementation?** Jonathan asserted that we're lacking a key element to address issues within hydropower research which instead pushes us to keep going around in circles.

Yayoi further developed the above, asking: Is this unique to Laos? Unique to hydropower? To add more to Diana's case study, her task was to un-question some of the assumptions about development, specifically on positioning hydropower beyond Laos. Yayoi initiated her input around the SDG Goal #7: The access to affordable, reliable, sustainable energy; and how transitioning to renewable energy is a good intervention to adaptation. **With hydropower being part of this 'new world' energy mix, it symbolizes cleanliness, a massive structure that empowers a transition into more modern times and therefore issues of externalities are sometimes ignored or overlooked.** By nature, hydropower requires an elaborate method and plan of organization: in terms of its design, the amount of resources it requires and the service it provides to a wide range of a society, automatically entails a top-down decision making model by experts & policy makers. Therefore issues of accountability or contested perspectives of governance are difficult to settle when by nature, **hydropower always induces top-down development.** Yayoi ended her

discussion with a challenging question: Can hydropower ever be bottom-up?

Diana responded: "You can't build it bottom up." Comparing to other sectors, such as agriculture and mining, hydropower requires a form of centralized planning. To build a structure that is 30 meters high, involves a range of technical planning, and a diverse set of expertise (from engineers to policy makers). An amusing takeaway from Diana's comment was when she stated: "We won't build the same dam 2 years from now... the plan is a blueprint. There is a lot of room and space for adaptation. It's paradoxical because the structure is not certain yet people believe and treat it as a certain, definite plan." In a way, hydropower development, and the simultaneous power relations, can mold an abstract concept into a concrete concept.

Alan opened the floor to questions and statements, inducing a discussion about the variability of narratives and landscapes within the planning environment of Laos. How much of these disconnects were by design rather than by default? Were they intentional disconnects or a result of complexities (i.e. being a mass infrastructure)? Having visited field sites in Southern Laos, Keith, alongside his PHD student Kanye, talked about a state backed EDL project and a Vietnamese backed hydropower project in Sakong, Atapu. In such an area, a large number of actors and investors are involved with hydropower projects, ranging from state owned firms to private enterprises. **Depending on which entity is in control, there is variability involved in how resettlement and compensation issues are handled.** According to Keith, in state owned cases, EDL dominates the process; whereas in other cases, **village authorities have the potential to be directly involved but can be easily manipulated to justify poor compensation and resettlement.**

To summarize his thoughts, Keith borrowed a line from Leo Tolstoy: “Happy families are all alike and every unhappy family is unhappy in their own way.” At the end, even with all the associating variabilities and disconnects, **villagers don’t receive a fair deal**. Keith reiterated that point to the fundamental **lack of institutional power that villagers have** in relation to the upper level of the Laos state.

To expand the perspective on river basins, Alan framed some ‘big picture’ questions. Why the Mekong connection? **Why a basin wide view?** There are certain protocols involved, such as those with the MRC. **Are there any scalar issues** that connect to those protocols or to some of the above-mentioned challenges? Mark referenced connectivity being an important dimension in water resources and how such **connectivity can regulate or deregulate scalar issues**. The aspects of water quantity & water quality go beyond being a discussion based on sediment and nutrients. It is the mismatch between these aspects that makes procedures, including those within the MRC, difficult to implement.

With politics becoming a more dominant narrative within the discussion, Naho wondered if there’s more to be said of politics of megaprojects. With hydropower being this massive infrastructure, with long timelines, **to what extent does politics play its role of producing knockon effects on livelihoods and the ecosystems?** Jonathan answered – “Hydropower is simple. It’s just concrete and the laws of physics. It’s everything else that is complicated.” Diana agreed. The politics in Pak Beng make it further complicated. With Pak Beng being a mainstream Mekong Dam, there already exists certain institutional set ups, procedural mechanisms, and consultation agreements through the MRC. At the same time, the company has set up the PRCC to carry on their own set of procedures; therefore two

sets of procedures from two different institutional entities are running parallel to each other. **It is difficult to ensure centralized planning, let alone include local views and perceptions, if there are two conflicting narratives involved.**

Naho added that the above institutional disconnect, that is also usually visible within other mega project of development, are intentional and systematic disconnects, stating: “There are purposeful ways in which dominant powers, those with the finance...have the influence to build specific ways in which various procedures are made to favor them.”

For the final stretch of the webinar, the focus turned to variability within the social landscape. **The issue isn’t about water or the river, but about land, about livelihoods.** What choices are people forced to make when it comes to transforming their land to make way for ‘these bigger drivers around energy.’ Keith referenced back to his field site in Southern Laos and the resettlement problems the local population was encountering. Communities were without drinking water for a month and people were being evicted due to watershed conservation zones. **Lack of access, lack of transparency and lack of visibility of these resettlement sites exuberated the problems** further. On the other hand, **people found value within these sites**. As Keith explained, there were migrants that moved into these ‘disastrous resettlement sites,’ in the hope of finding wage labor with agribusiness companies. **They were attracted to the opportunities presented by the new market economies that were happening within that area.** This could be referred to as the gradients of vulnerability: how different people react to different circumstances; how the trajectory of livelihoods endures a different form (a form that we might not understand); and how the shape of livelihood trends change over time.

Overall, it was such a gripping & insightful discussion! After an hour, everyone agreed, there's so much more to unpack and a further instalment would be necessary!

REFERENCES :

Suhardiman, D., & Rigg, J. (2021). Aspirations undone: hydropower and the (re) shaping of livelihood pathways in Northern Laos. *Agriculture and Human Values*, 1-11.