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Benefit sharing in Mekong Region hydropower: Whose benefits count?

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ABSTRACT

Notions of benefit sharing play an increasingly important role in shaping the debate around the merits of existing and future hydropower development in the Mekong region. In this paper we assess how the concept of benefit sharing is articulated and applied in Thailand, Cambodia, Laos, and Vietnam. We discuss the conceptual strengths and weaknesses of benefit sharing, within the broader context of land and water resources and environmental governance. We argue that while benefit sharing provides an entry point for placing the current debate on hydropower development within the perspective of social justice, better understanding of governance structures and processes is needed. Our primary message is that innovations in policies and programs should not be analyzed in isolation from the wider governance structure, processes, and outcomes. To this end, we are pleased also to introduce this Special Issue of Water Resources and Rural Development, in which several authors analyze current benefit sharing programs in the Mekong region, with a focus on governance, process, and policy implications.

1. Mekong region hydropower

The increasing demand for electricity in the Mekong River basin is driven largely by increasing population and economic growth, in conjunction with rapid industrialization, increasing production for

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export markets, and expanding domestic demands for goods and services. Much of the increasing demand for electricity will be supplied by hydropower. There are 36 hydropower dams in operation in the Lower Mekong Basin (LMB), and an additional 110 are planned, under licensing or under construction through private–public partnerships [1]. Twelve of the planned dams[1] are on the Mekong River, while the remaining dams are on tributaries.

According to the Asian Development Bank's regional power trade plan, these new dams will ensure regional energy security, increase export earnings for the poorest Mekong countries, and reduce dependency on price-volatile imported fossil fuels. More specifically, the plan foresees an increase in the revenue earned from the export of electricity from Laos, further development of Cambodia's power sector, and diversification of energy sources in Thailand and Vietnam, as those countries strive to meet their energy demands to 2025 [2]. Many of the new investments in hydropower are facilitated, in part, by the emerging importance of private sector financing [3].

Hydropower development on the Mekong River and its tributaries has been met with resistance from NGOs, environmental groups and others who are concerned about the potential negative impacts of dams on the Mekong River ecosystem and on livelihoods throughout the region [4]. The Mekong River is home to one of the world's largest freshwater fisheries and comprises a rich range of interconnected ecosystems [5,6]. Hydropower development could hinder or block (regional) fish migration[2], compound the current decline in capture fishery resources, damage riverine ecosystems, and disrupt the livelihoods of millions of people living along the river [7,8].

Hydropower development has proceeded at different speeds along other major rivers in the region. In the Chao Phraya river basin, in Thailand, major hydropower dams were built as long as 40–50 years ago. In recent decades, developers have had difficulty promoting and building new dams in the Chao Phraya river basin and on the Thai tributaries of the Mekong River, due largely to well-organized opposition from environmental and social development organizations [9,10]. In the Salween-Thanlwin-Nu River basin, plans for a cascade of 13 major hydropower dams in China were suspended in 2004, by then Premier Wen, following state agency concerns with the lack of an environmental impact assessment and public opposition. In 2013, four of the dams for which environmental impact assessments had since been prepared, were placed again on the investment agenda [11]. Six other large projects have been proposed in Myanmar or on the Thailand–Myanmar border. Preparatory work on the Liuku dam, now stalled, already resulted in some displacement of residents and raised serious concerns about local adherence to the national resettlement policy [12].

Benefit sharing programs have been implemented in the Mekong region in recent years, partly in the context of providing compensation to households directly impacted by hydropower facilities, and also in the form of payments for ecosystem services in areas upstream of hydropower watersheds. The apparent popularity of the notion of benefit sharing has led several governments and organizations to use the term for programs that do not truly involve a sharing of hydropower benefits. Motivated partly by this lack of clarity, we examine how the notion of benefit sharing is presented and applied in Thailand, Cambodia, Laos, and Vietnam. We discuss the conceptual strengths and weaknesses of benefit sharing, within the broader context of land and water resources and environmental governance. We argue that while benefit sharing provides an entry point for placing the current debate on hydropower development within the perspective of social justice, better understanding of governance structures and processes is needed. Our primary message is that innovations in policies and programs should not be analyzed in isolation from the wider governance structure, processes, and outcomes.

[1] These dams are Pak Beng, Luang Prabang, Xayabury, Pak Lay, Sanakham, Pak Chom, Ban Koum, Lat Sua, Don Sahong, Thakho (both located in Laos, above Khone falls), Stung Treng and Sambor (both located in Cambodia, below Khone falls). While none of these dams is located in Thailand or Vietnam, both countries play important roles in shaping the mainstream dam development plan. Initially, the Luang Prabang project was promoted by a Vietnamese developer for export to Vietnam, along with possible imports from Cambodian dams. Similarly, the Xayabury dam is promoted by a Thai developer for export to Thailand.

[2] Fish migration is important in the Mekong, given the seasonal variation in river flow.