Land Use Policy 50 (2016) 363–370

Contents lists available at ScienceDirect

Land Use Policy

journal homepage: www.elsevier.com/locate/landusepol

The complexity of cooperative governance and optimization of institutional arrangements in the Greater Mekong Subregion

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ARTICLE INFO

Article history:
Received 16 April 2015
Received in revised form
16 September 2015
Accepted 27 September 2015
Available online 5 November 2015

Keywords:
Mekong
Cooperation
Institution
Governance
Sustainable development
Environmental protection

ABSTRACT

This study's focus is on the Greater Mekong Subregion (GMS). The study's approach is to find, analyse and solve problems, and the method used is the mixed application of theoretical and empirical analysis based on rich materials and data. The study goal is to design an optimized framework of institutional arrangements through the complexity analysis of intricate causes that have hindered cooperative governance in the GMS. Concretely, we first summarize the changes in the GMS in the past 20 years to understand the development background. Second, we classify marked issues into three aspects: (1) the contradiction between livelihood development and environmental protection, (2) the imbalance between the principle of "common but different" and the guideline of maximizing national interests and (3) the conflict between the support and opposition for hydropower development in the Mekong between upstream and downstream countries. Third, based on an in-depth analysis of the complicated causes of these issues, we design four interactive solutions to optimize institutional arrangements for future cooperative governance: (1) breaking the inner connection of poverty, drugs and crime; (2) promoting the strategic shift from blood transfusions to haematopoiesis in socioeconomic development; (3) establishing mechanisms of interest sharing; and (4) building a diverse and polycentric regional coordination system. Finally, we systematically analyse the complicated relationship among the different solutions and additional challenges for the future.

1. Introduction

The global issues of complex cooperative governance and optimization of institutional arrangement in global major river basin systems have become increasingly significant. Meanwhile, international societies and local people have paid more attention to further improvement. Currently, the Ganges River basin in South Asia, Rhine River in West Europe, Nile River in Africa and Amazon basin in Central America are systems that have learned from past mistakes, and there has been a great level of knowledge gained in regional cooperation in managing river basins (IR, 2014). As the largest international river, the Mekong plays an important role in regional development. However, intricate political, socioeconomic and ecological situations have also led to more uncertainty and complexity in the development of cooperation in the Greater Mekong Subregion (GMS) (Chheang, 2010).

From the aspect of politics, China, Laos and Vietnam are socialist countries, Thailand and Cambodia are constitutional monarchies, and Myanmar has been placed in the category of Military Regime in the past, although the country has elected Military Generals who are retired and elected by citizens. These six neighbouring countries thus have three types of political modes and social systems (Yang and Lv, 2007). Countries that have different political systems often have various cultures and habits, and in the course of international cooperation and affairs, they have different requirements for cooperative methods and actions (Liu and Jin, 2013). From the perspective of economic development, the regional economic level of the GMS is relatively backward, although there are large gaps between countries. Myanmar, Laos and Cambodia are classified by the UN as the least developed countries. Although China has become the second largest economy in the world, Yunnan and Guangxi in the GMS are labelled backward provinces of economic development, in contrast with China's overall economic level. Thailand's economic development level is relatively high; however, the huge development gap between Bangkok and other

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http://dx.doi.org/10.1016/j.landusepol.2015.09.030
0264-8377/

places cannot be avoided today (Liu and Jin, 2013; UN, 2013). For water resource development and environmental protection, the upstream region of the Mekong River has 36.56 million kWh reserves of hydropower, and the downstream region has 37.00 million kWh reserves. Theoretically, 51% of the hydropower resources is concentrated in Laos, 33% of it is in Cambodia, and the remaining 16% is distributed in Thailand and Vietnam (Zhang, 2007). Currently, most of the members are inclined to adopt the policy logic of shifting from natural resources to capital, but the rapid economic development through the large-scale exploitation of water and other resources will inevitably lead to serious challenges for environmental protection in the GMS (He and Li, 2008; Grumbine and Xu, 2011). Regarding social security, the "golden triangle" around Thailand, Laos and Myanmar is one of the largest drug production and trade areas in the world (Stone, 2010). In addition, a series of complicated social issues, such as human trafficking and transnational crime, have seriously plagued regional security and stability (Li, 2013). Therefore, a series of issues from economic, ecological and social levels have had huge impact on the regional development; meanwhile, local countries and people have also tried to find possible ways through livelihood development, participatory biodiversity conservation and collaboration in socio-economic development.

Against this complicated background, this study sought to learn what changes have taken place in the GMS in the past 20 years, including the prominent problems, their causes and their complexity. We will also look at how to solve these problems and optimize institutional arrangements. Along this logical train of thought, we analysed the changes in three aspects: (1) the cooperation mechanisms among the members of the GMS, (2) GMS internal trade and cooperation, and (3) the outside support and assistance of other countries and organizations. In analysing the complexity of the problems and their causes, we focus on three comprehensive contradictions: (1) that between livelihood development and biodiversity conservation, (2) that between the principle of "common but different" and maximizing respective national interests, and (3) that between the support for and opposition to hydropower development on the Mekong River among the upstream and downstream countries. In the phase of problem solving, we integrate three complexity analysis results and then propose pertinent solutions: (1) breaking the inner connection of poverty, drugs and crime; (2) promoting the strategic shift from blood transfusions to haematopoiesis in socioeconomic development; (3) establishing mechanisms of interest sharing; and (4) building a diverse and polycentric regional coordination system. Finally, we systematically analyse the complicated relationships among the different solutions and challenges for the future.

2. Study area and methods

The Mekong is the largest river in Southeast Asia, with a total length of 4880 km; the latitude of the river's headwaters is 5388 m. The Mekong flows from north to south through six countries: China, Myanmar, Laos, Thailand, Cambodia and Vietnam (Fig. 1). The Mekong River within the territory of China and Myanmar is called the Upper Mekong River (upstream), and it is 2395 km long. The stream segment within China is called the Lancang River, and its length is 2130 km. The other segment of the Mekong, in Laos, Thailand, Cambodia and Vietnam, is called the Lower Mekong River (downstream), and its length is 2485 km (Lee and Scurrah, 2009; Sneddon and Fox., 2007). The river has plentiful water resources and rich biodiversity that is second only to that in the Amazon basin (Zhong and Wang, 2011; Guo, 2014). Since 1992, with the initiation of the Economic Cooperation of the Greater Mekong Subregion (ECGMS), the covered region has been known as the Greater Mekong Subregion (GMS), referring to Yunnan Province and the Guangxi Zhuang Autonomous Region in China, Myanmar, Laos, Thailand, Cambodia and Vietnam. The total area is 2.57 million km^2, and the region has a population of 326 million (Dong, 2006; Liu, 2011).

The materials and data in this study come from various channels. By conducting fieldwork in Thailand and China, the study team investigated the true nature of the Mekong River's challenges, and we also interviewed related residents whose jobs or lives were closely tied to the river. For the materials related to Myanmar, Laos, Cambodia and Vietnam, we cooperated with the scholars and students at some institutes, where students and teachers come from the GMS and are familiar with what is happening in their countries. We collected materials from them and checked the creditability of other materials that they helped us acquire from other networks, and all of this contributed very valuable data. In addition, we collected and analyse many written materials, including papers, books, media and reports from academic databases and official departments. In particular, many Chinese studies related in the reference list in this study also provided much information and data resources in whichthe experiences and original studies of many scholars (Bi, 2013; Dong, 2006; Guo and Ren, 2013; Ha, 2011; He, 2006; He and Li, 2008; Kong, 2013; Li, 2013; Liu et al., 2009; Liu and Jin, 2013; Li, 2014; Liu, 2011, 2013; Lu, 2013; Mao, 2012; Ni and Wang, 2013; Peng, 2011; Shao and Liu, 2014; Shen, 2012; Yang and Lv, 2007; Zhang and Zhao, 2011; Zhang, 2007; Zhong and Wang, 2011; etc.) are the vital basis to the complexity analysis in this study. We also collected historical data, in particular socioeconomic data for the GMS from the Asian Development Bank (ADB), the Mekong River Commission (MRC), the International Water Management Institute (IWMI), the United Nations and the World Bank; all of these sources contributed rich data.

Throughout the entire study process, we used a mix of theoretical and empirical and qualitative and quantitative methods to explore the complicated causes of the issues. In particular, we used contrast studies to analyse the complexity of the cooperative governance in the GMS, including the contrasting arguments between development and protection, principles and interests, and support and opposition. Moreover, we especially emphasize the integration of points and grounds of arguments when we discuss these complicated causes and the examples of optimized institutional arrangements, such as the Xayaburi hydropower station in Laos. Furthermore, in the process of analysing institutional optimization, we utilized sufficient data to argue for the feasibility of some solutions. The four aspects of the optimized framework concentrated on the key features of the GMS: poverty, interest, development and cooperation. Meanwhile, the coordination mechanism not only suggested how to improve on previous cooperation mechanisms but also focused on optimally integrating the four optimized aspects that we identified. The study's theoretical bases lie mainly in public governance and sustainable development.

3. What changes have taken place in the GMS?

The GMS has seen great changes in the past 20 years, especially in the establishment of a number of multilateral cooperation mechanisms, the significant enhancement of economic cooperation and the on-going assistance from outside countries and organizations.

3.1. The multilateral cooperation mechanisms

In 1992, all of the GMS countries established the Economic Cooperation of Greater Mekong sub-region (ECGMS) under the coordination of the Asian Development Bank (ADB) The ECGMS has become the most important cooperation and development