

Civil Society and International Development Financing in the Mekong Region

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Thank you for giving me this opportunity to speak in this seminar on energy policy, climate change and ecological democracy in the Mekong region. At the very beginning, I have to confess that I have very little expertise on the energy policies or on the ecological problems of the region. However, what I do know, or rather convince of, is that to decide democratically on energy solutions, on ecological issues or on mitigation and adaptation measures due to climate change of the countries in the region, the existence of a strong and vibrant civil society and its capacity to participate in the national and regional discussion on these issues is an essential. So, I'll try to talk little bit about the state and role of the civil society in the Mekong region. And assess its capacity of enhancing the democratic practices of making decisions on the issues of energy solutions, ecological problems and climate change impacts in the region.

My involvement with Mekong region is relatively new. I went to the region in April of this year with an assignment of the Service Centre for Development Co-operation – KEPA, a Finnish NGO umbrella organization, to initiate KEPA's programme in the region. KEPA's primary objective in the South is to support the achievement of a more equal and just global society by eliminating the existing impoverishing structures in the societies. In KEPA it is believed that by strengthening civil societies in the South in order to enabling them to actively participate in the political decision making process concerning the vital areas of the socio-economic development, one could effectively achieve this goal of a more just and equal global society. Following this basic conviction, Keba's objective in the Mekong region is to participate in meaningful cooperation with the civil society organisations (CSO) of the region, in order to enhance their capacity to participate in the national as well as in the regional discussion on the vital issues of socio-economic development of the countries in the region. And thus enhance the democratic practices of decision making on development in the region.

In its programme in the Mekong region, KEPA focuses on two issues: international trade policies, and international development financing. Both of these two sets of issues have significant implications for development of the countries in the Mekong region. The contemporary development pattern of the countries in the region, in addition to other important factors, is largely defined by these two sets of issues. Growth oriented economies of the countries in the region are operating, on the one hand, on a multitude of international trade agreements, and on the other hand, on international development financing for building economic infrastructures that deem to be essential for economic growth of these countries.

Both of these two sets of issues: the international trade agreements, and international development financing, are important also for everyday life of the people in the region. Significance of these issues can be perceived of differently – in a positive manner and in a negative manner – depending on how they are realised in practice. While international trade agreements are essential in order to successfully avail the advantages of the global economy, the international development financing is also vital for many infrastructural building for which often the countries in the region lack in finances. However, these very factors: the international trade agreements, and international development financing, are also capable of becoming the major causes of sufferings and underdevelopment of the people of the region. For example, a wrong type of trade agreement can easily hamper the job opportunities of the peoples or an unwise infrastructure building project may ensue displacement of the peoples without giving them any viable alternative livelihood, or can destroy the ecology and the physical environment that is essential for mere economic sustainability of the people living in that area. So, a democratic process of decision making on these issues is essential in order to have the positive significance of the international trade agreements and the international development financing on the development of the countries in the region. The criticism and resistance by many civil society and advocacy organizations in the region against the present pattern of international trade agreements and international development financing is due to the fact that the present development pattern does not accommodate the needs and interests of the majority of the people - rural and urban poor, indigenous people and other minorities of the countries in the region. Such a development pattern can be called as exclusive development pattern.

In order to have a plausible explanation of the exclusive development pattern, we need to focus on the primary actors of this development pattern. These actors are, on the one hand, the state represented by the government that is involved both in formulating the international trade policies and also in agreeing upon the international development financing. On the other hand, the market, represented by the private enterprises often with international linkages, involved and interested in

the lobbying for certain type of international trade policies as well as are involved in implementation of economic infrastructure building that is financed by the international development financing institutions. Hence, the present development pattern in the region is overwhelmed by these two actors: the state and the market. While state and market are defending their interests in this economic growth oriented development pattern, the interests of the common people, rural or urban poor, economically marginalized peoples, indigenous peoples, are often left unattended. Neither the state nor the market is interested in defending the interests of the common people. The primary reason behind the lack of their interest in common peoples needs and requirements is the fact that neither the state nor the market is accountable to the common people of the countries in the region.

In the case of the state, the lack of accountability is due to the lack of democracy, both in the procedural meaning of democracy – lack of multiparty political system, regular free and fair elections – and in the substantial meaning of democracy – the absence of free press, lack of nationwide discussion on the major developmental issues. In the case of market, the strong international linkage of the private enterprises involved in the infrastructure building forbids them to be accountable to the local people. The private enterprises involved in the infrastructure building in the region are often from outside the region, and these private companies are accountable to their shareholders who are often located in the rich countries rather than to the peoples of the areas where the infrastructure building projects are implemented.

This state and market centric development paradigm in the region is susceptible of destroying the traditional way of livelihood of the local people without giving them any viable alternative. For example, when dams are built to produce electricity for the industries, displaced people is not offered any viable alternative livelihood. Or when trans-border highways are built, no safeguard is provided to the indigenous people against diseases like HIV or AIDS. Or when food production is affected by agro fuel production, no safeguard is provided to protect the poor from sudden hike in food price. These issues are attended neither by the state nor by the market.

Naturally question arises, who then will look after the interests of the common people? Here comes the role of the civil society along with its criticism of the present pattern of development and alternative idea that might protect the rights and interests of the marginalized and excluded groups in the countries of the region. Hence, when in this exclusive pattern of development the state and the market are defending their interests, the interests and fate of the people who suffer from this

existing development pattern are left with the civil society organizations of the countries in the region. So the civil society and civil society organisations as well as development NGOs in the region have an important role to play. However, not in every country in the region, the civil society organisations and development NGOs are equally capable of fulfilling this role.

The nature and organizational characteristics of CSOs generally correspond to the state of socio-economic development of a country as well as to the political nature of the state. In the Mekong region, given the diversities in the socio-economic level of development as well as in the political nature of the states, the CSOs vary from country to country. On the one hand, there are rapidly growing economies like Thailand and Vietnam, and on the other hand there are low income economies like Laos and Cambodia. Similarly, there are single-party states like Laos and Vietnam, and there are multiparty states like Thailand and Cambodia. So, challenges and prospective of the civil society organizations of the countries in the region in terms of coping with the problems of the excluding pattern of development also vary from country to country.

Diversity in the civil societies of the region can also be observed in terms of the priorities of issues that the CSOs give. While in Thailand, the issues like human rights, indigenous people's rights, impacts of international free trade agreements, biodiversity and food sovereignty, environment, climate change, AIDS and HIV, human trafficking are getting attention, in Vietnam, despite the fact that it is also a growing economy like Thailand, the issues that are getting attention by the Vietnamese NGOs differ from the Thai CSO and NGOs. In Vietnam the NGOs are giving priority to the issues like environment, women's participation, worker's rights, community mobilization, impacts of economic and political reforms etc. While these issues are, as such important, they are, however less susceptible of generating political controversies vis á vis the state. Hence, the issues that are getting priority among the Vietnamese NGOs tend to be non-conflicting with the state. However, non-confrontational issues not always can successfully defend the interests of the marginalized and excluded groups and thus less capable of transforming the exclusive development pattern into an inclusive development pattern.

In Laos and Cambodia, where the conventional data on socio-economic development of these countries define them as least developed countries, the CSOs and NGOs are giving priority to the issues like poverty reduction, rural and urban income generation, health care, education, HIV, AIDS, environmental sustainability, land rights, and host of other issues that are closely linked to the agenda of the official international development cooperation, e.g. MDG. Therefore,

international development aid and other forms of international support are easily available for the CSOs of these countries. However, it is not always easy for the local CSOs to get this support, because in the country like Laos, the flow of foreign support to the local organizations is rather strictly controlled. In addition to this, there is a widespread fear that while some of the local CSOs and NGOs of these countries are genuinely interested in solving the urgent socio-economic needs/problems of their countries, there are also a number of local NGOs that often perceive the situation merely as an opportunity to avail the financial recourses from the foreign donors. Examples are in abundant, particularly in Cambodia. Such an attitude not only corrupts the CSOs, but also distorts the role of the CSO in these countries in terms of being critical towards the state and the market in order to defend the interests of the excluded groups.

In terms of organizational nature and structure, the CSOs in the region also differ from country to country. On the one hand, there are countries like Vietnam and Laos with single-party political system that provides limited or controlled scope to the activities of the civil society organizations. Hence, the civil society organizations may take the form of semi-official organization with links to the state. On the other hand there are countries like Thailand and Cambodia, where, in principle, a multiparty political system exists that, gives relatively larger scope and space to the civil society organizations including different development NGOs. This is also reflected in the nature of the activities of the CSOs and NGOs and their linkages to other social actors. For example, in Thailand, local NGOs have a very strong link with various social movements and political opposition of the country that makes the Thai NGOs potentially more capable of defending the interests of the marginalized and bringing about changes in the society that may enhance democratic decision making practice on the vital issues of development in the country.

The role of the civil society organizations of the region in relation to the development financing should be examined from the perspective, as well known Thai economist Pasuk Phongpaichit mentioned, whether these big projects are really contributing to the wellbeing of the people by incorporating the needs of the local peoples or are merely destroying the environment and thus taking away from the people the source of their food security and means of livelihood without giving them any proper viable alternative. If we examine the impacts of the contemporary economic development programmes that are financed by international development financing institutions in the region, we could find that there is still lot to be done in order to conceive these programmes as genuinely serving the wellbeing of the general people of the region.

For example, the Greater Mekong Subregion economic development programme (GMS). In 1992 the Asian Development Bank (ADB) initiated the Greater Mekong Subregional economic development programme. The programme includes five countries of the region: Myanmar, Thailand, Laos, Cambodia, Vietnam and the Yunnan province of China. The GMS programme with the support from the ADB and other donors, implements projects in the field of transport, energy, telecommunication, environment, human resource development, tourism, trade, private sector investment, and agriculture.

Infrastructure projects worth of nearly 10 billion USD have already been completed or at the stage of implementation. Among them for example, upgrading of the Phnom Penh-Ho Chi Minh City highway and the East-West Economic Corridor that will eventually connect Myanmar to Vietnam, are important. As per end of December 2007, 34 GMS projects incurred an estimated cost of 9.9 billion USD of which the ADB has extended loans amounting to 3.4 billion USD, generated 3.5 billion USD in co-financing, and mobilized a total of 166 million USD of grant resources.

The latest GMS Summit was held in March 2008 in Vientiane, Laos. ADB, the facilitator of GMS programme praised the achievements of the GMS in the Summit. ADB claims that GMS has successfully implemented a number of infrastructure projects that would ultimately connect the whole region with all-weather roads. ADB also claims that together with improvements in power and telecommunication networks, these roads will play a key role in increasing the connectivity of the GMS countries and thereby promote closer economic cooperation. According to ADB, the increased connectivity will lead to greater economic opportunities, which will assist reduce poverty.

However, the achievements of GMS are criticised by many CSOs and advocacy organisations of the region. In their view, the infrastructure building projects of GMS tend to be detrimental for the local people. These mega projects fail to take into account the needs and interests of the local people. As a result, huge numbers of peoples are enforced to migrate from the sites of these mega projects without having any viable alternative for livelihood. Moreover these mega projects, usually based on outdated technological solution and heavily relying on the use of fossil fuel, are liable of accentuating the problem of climate change and global warming, which is one of the major hindering aspects for the development of the countries in the region. Hence, to successfully solve these problems there is an urgent need of deciding democratically on these development projects by giving the civil society a larger space for engaging itself in the national and in the regional discussion on the vital developmental issues of the region.