

# ENVIRONMENTAL GOVERNANCE IN THE GREATER MEKONG SUB-REGION

John Dore<sup>1</sup>

## *Abstract*

This paper takes a political ecology perspective to explore regional environmental governance. It is a background paper for the Mekong Regional Environmental Governance (MREG) project of the Resource Policy Support Initiative (REPSI). It assumes that ideal environmental governance processes would enable actors to understand different sustainability orientations, and would provide more equitable and informed debating, negotiating, decision-making, and implementation. “Desirable and possible” features of such an environmental governance regime are proposed. Eight Greater Mekong case studies illustrate contemporary processes and the role of various actors operating within the overall institutional framework. It is argued that unless existing institutions become more flexible and adaptive, the desirable governance features will remain theoretically possible, but unattained.

## 1. Introduction

*In the wake of the 1992 Rio Earth Summit, how have political leaders sought to reconcile the quest for economic development with the new world-wide concern about environmental conservation? Do policy changes denote real political change or mere rhetoric designed to placate Western aid donors? How have non-State groups reacted to environmental change and government policies in a post-Rio world?*

Bryant and Parnwell, 1996: 4

This paper is motivated by a belief in the importance of these political questions in the context of the Greater Mekong Sub-region (GMS). The GMS is the political and geographic area bounded by the nation-states of Thailand, Laos, Vietnam, Cambodia, and Myanmar, plus Yunnan Province in China. Within the GMS there are many environment and development challenges. Decisions are made daily which, directly or indirectly, impact upon natural resource “use,” “the environment,” and “development.” Who has influence, via what processes?

Some issues may be transborder, others region-wide, and still others may involve many regional actors. This paper uses the term “*regional*” to encompass any issue involving at least one of these characteristics.

Research in the Mekong Regional Environmental Governance (MREG)<sup>2</sup> project attempts to understand how GMS actors deal with regional environmental matters such as water use, flooding, pollution, land use, forest use, timber trade, non-timber forest products trade, fisheries, biodiversity conservation, ecosystem health, infrastructure development, impact assessment, access to natural resources, and access to information.<sup>3</sup> These all fall within the realm of *environmental governance*. This term refers to the manner in which debate is held, decisions are made and authority exercised over an area’s environment and natural resources (Ribot, 1999; Seymour and Faraday, 2000), whether effectual/ineffectual, formal/informal, or intentional/unintentional. As in other parts of the world, in the GMS this is politically-charged, as there are many intertwined and contested topics associated with issues such as rights, gender, culture and ethnicity.

---

<sup>1</sup> John Dore is a research fellow at the World Resources Institute.

<sup>2</sup> REPSI has an uplands focus to its activities; however, to encourage the participation of a wider range of institutional actors in a dialogue about regional environmental governance it was necessary to broaden the geographic scope of the MREG project—a component of REPSI—to encompass the Greater Mekong Sub-region.

<sup>3</sup> It is also acknowledged that there are other regional environmental issues such as climate change, and other specific regional issues such as labor migration, trafficking of women and children, drugs, health etc... that are very important. However these are not a focus of the MREG project or this paper.

## 2. Governance

Everybody, it seems, is now interested in governance. In the English language the word has been around since the 14<sup>th</sup> century. After a lengthy period of being rather unfashionable, it experienced a renaissance in the latter part of the 20<sup>th</sup> century. However, it is now used in several different ways. A reasonable view is that governance “*has become something of a catch-all to describe the ways in which the activities of a multitude of actors, including governments, non-government organisations (NGOs) and international organisations, increasingly overlap. It describes a complex tapestry of competing authority claims*” (Mehta, Leach et al., 1999: 18). People often distinguish between local/national/regional/global politics and governance, but this does not match the reality of the tapestry. Domains are not always clear-cut and may regularly overlap and/or be contested (Rosenau, 1992). This is certainly true of environmental governance in the GMS where many issues seem to be somewhere in the “*messy middle*” (Mehta, Leach et al., 1999: 18).

Beneath this catch-all view there are various other concepts, focusing on administrative, government, or systemic governance. For example, a minimalist interpretation of governance refers to efficient administrative systems that are open and accountable to constituents, members, supporters, business partners, and/or shareholders. In this sense, governance is a direct concern of all groups/organisations, whether they be government, public service, private sector, NGOs, other civil society groups, etc... all of whom can seek high administrative standards.

Governance is defined by the Asian Development Bank (ADB) as “*the manner in which power is exercised in the management of a country’s economic and social resources for development*”<sup>4</sup> (ADB, 1998: 16; ADB, 1999: 3). For the ADB, governance is primarily focused on the government activity of its Developing Member Countries (DMCs). ADB’s documentation (ADB, 1998: 17; ADB, 1999: 7-12) promotes pillars of “good” governance, increasingly used in the governance discourse:

- ❑ *accountability*, the extent public officials are answerable for government behaviour;
- ❑ *participation*, the extent people are involved in policy-making/development process;
- ❑ *predictability*, the extent a rule-based decision-making system operates; and
- ❑ *transparency*, the extent information on public sector decision-making, policies, actions and performance is available to people.

However, many see governance as broader than just government authority, the latter usually defined along the lines of “*formal institutional structure and location of authoritative decision-making in the modern State*” (Leftwich, 1995: 428). This broader definition includes the wider field of internal, external, civil, political and economic power. At the regional/global levels this can be thought of as follows:

*...government in international politics may be defined as explicit and binding collective decision at the system level. Treaties, international courts, organisations such as the World Trade Organisation with the capacity to impose penalties on States for non-compliance, and the Security Council of the United Nations are all examples of government. Governance, in contrast, may be defined as the creation and maintenance of order and the resolution of joint problems in the absence of such binding decision structures.*

Dryzek, 2000: 120

My interest is in this broader conception, as it currently or could apply to environmental governance. Many actors are now claiming a specific interest or expertise in governance policies and processes.<sup>5</sup> For example, the United Nations Development Program (UNDP) has a government-oriented governance

---

<sup>4</sup> Such a definition is of course challenged by those who (i) would like to see the environment/natural resources/ecosystems included in the purview, (ii) don’t agree with everything being classified as a resource, (iii) don’t agree that the sole purpose of government is to pursue development.

<sup>5</sup> The actors calling for others to adopt good governance are also quite reasonably the subject of scrutiny. Do they exemplify high standards of accountability and transparency? Do their own processes live up to the high standards they expect of others? This has been a particularly poignant aspect of GMS environmental governance debates. Some powerful actors, most notably public multilateral financial institutions (World Bank and ADB), regional inter-government organisations and national governments, have been severely criticised for being unaccountable, non-transparent and non-participatory.

program; ADB has a DMC government-oriented governance policy and associated GMS activities; and some international NGOs also have explicit programs, such as the World Resources Institute's (WRI) Institutions and Governance Program. Moreover, the so-called pillars are embedded wholly or in part in some constitutions (e.g., Thailand's new 1997 constitution), policy statements and international declarations, and—long before any of the previously-mentioned—in the norms of numerous local communities.

Civil society actors, from all parts of the world including the GMS, have been calling on authorities to adhere to particular norms of “good” governance in their institutional operation. In Europe this momentum has most notably led to the development of the Aarhus Convention, hailed by United Nations leader Kofi Annan in 2001 as the most advanced regional environmental governance instrument in the international community of nations (UNECE, 2001).

The next section outlines the approach to this paper. A subsequent section on the analytical framework elaborates features of a desirable environmental governance regime.

### 3. Approach

In this paper I assume that the main purpose of environmental governance should be to aid the pursuit of ecologically sustainable development (ESD), here defined broadly as:

- ❑ enhancing individual and collective well-being and welfare by following a path of economic development that safeguards the welfare of future generations
- ❑ providing for equity within and between generations
- ❑ protecting biological diversity and maintaining essential ecological processes and life-support systems (NSES, 1992)

I argue that very different *sustainability beliefs and orientations* exist. Yet governance processes need to function despite these differences. I also acknowledge that actors (see Box) are constrained or enabled by their associated *politics and powers*—usefully examined from a political ecology perspective. An understanding of ideologies, sustainability attitudes and political factors makes actors' positions in governance forums far more comprehensible.

**Theoretical underpinnings:** This paper talks about “actors” and “institutional frameworks.” Actors are the people and organisations operating within the overall institutional framework, constrained and enabled by *institutions*—defined broadly as “*persistent, reasonably predictable, arrangements, laws, processes, customs or organisations structuring aspects of the political, social, cultural, or economic transactions and relationships in a society; although by definition persistent, institutions constantly evolve*” (Dovers, 2001). When analysing regional environmental governance we examine the interplay between actors/agents and the institutional framework/structure, the latter being simply the sum of all institutions. Structuration theory (Giddens, 1979; Giddens, 1984; Baaz, 1999) concept of reflexivity hold that actors, whether knowingly or not, are influenced by the institutional framework. They may be constrained, daunted and presented with opportunities; however, they also force the institutional framework itself to evolve. This evolution includes possibilities for enhancing environmental governance.

I maintain that an ideal environmental governance process would enable all involved to understand the different sustainability orientations, and would provide more equitable and informed debating, negotiating, decision-making and implementation. To achieve this, I list *desirable and possible features of environmental governance*. But I recognise that whilst an ideal process is one thing, existing institutional frameworks are another, and these will largely shape the nature of the governance process. Unless institutions demonstrate *adaptive attributes*, the desirable features may remain theoretically possible, but unattained.

Relevant global and regional context is summarised and presented in this paper. A number of *case studies* illustrate how regional environmental governance issues are being tackled in the GMS. Each of the following are explored:

1. *Regional NGO formation*
2. *Asia-Pacific preparation for World Summit on Sustainable Development*
3. *World Commission on Dams, including the South-East Asia element*
4. *Mekong river basin water utilisation negotiations*
5. *Regional environment and governance initiatives of Asian Development Bank*
6. *Cambodian Tonle Sap-Great Lake (TS-GL) sustainable multiple use.* A national example focused on the institutional responses to Cambodian-driven pressures on TS-GL; indicative of the type of issues faced in the region.
7. *Cambodian Governance Action Plan (GAP).* Another national example showing how regional governance reform agendas, promoted by powerful actors, can play out at the national level, and become involved in environment and natural resources issues.
8. *Lancang Jiang dam building.* This final example concerns dam building in China's Yunnan Province. It serves as a reminder that the regional/transborder nature of ecosystems requires regional/transborder political co-operation.

Some challenges and opportunities for further debate are presented, and a brief conclusion completes the paper<sup>6</sup>.

#### **4. Analytical framework**

An analytical framework guides the case study analysis (Figure 1). It is based on the following questions: What are the sustainability orientations of the main actors and how do these explain their positions in key debates? What insights does a political ecology, power analysis perspective provide? Does the example contain any of the “desirable and possible” features of a regional environmental governance regime? Is there enough institutional flexibility to allow actors to embrace these desirable and possible features?

---

<sup>6</sup> Limitations to this paper include that each case study has its own complex story and the analysis of each is far from comprehensive. Also, over-generalisations are unavoidable when experiences are based only on certain processes, individuals, and parts of organisations.

Figure 1

Analytical framework

Themes	Analytical reference points
<i>Sustainability orientation</i>	<p><i>Different beliefs regarding:</i></p> <ul style="list-style-type: none"> <li>Threats to ecosystems</li> <li>Substitutability of natural capital</li> <li>Primacy of economic growth</li> <li>Faith in ecological modernisation</li> <li>Relationship between wealth, well-being, ecosystem impacts</li> <li>Equity</li> <li>Inter-generational equity</li> <li>Intrinsic rights of nature</li> <li>Aesthetics</li> <li>Validity of entrenched cultural practices</li> </ul> <p><i>Approaches displayed by various actors:</i></p> <ul style="list-style-type: none"> <li>Zero sustainability</li> <li>Weak sustainability</li> <li>Trade-offs accepted</li> <li>Ecosystems priority</li> </ul>
<i>Politics and powers</i>	<ul style="list-style-type: none"> <li>Political ecology perspective</li> </ul> <p><i>Forms of power:</i></p> <ul style="list-style-type: none"> <li>Resources-related power</li> <li>Strategic (location-related) power</li> <li>Innate power of individuals</li> <li>Dominant discourse power</li> </ul>
<i>Regional environmental governance</i>	<p><i>Desirable and possible features:</i></p> <ul style="list-style-type: none"> <li>Access to information, transparency</li> <li>Accountability and political responsibility</li> <li>Application of the subsidiarity principle</li> <li>Acceptance of pluralism</li> <li>Deliberative, discursive forums</li> <li>Regional agreements and/or rules</li> </ul>
<i>Adaptiveness of institutions</i>	<p><i>Adaptive attributes:</i></p> <ul style="list-style-type: none"> <li>Purposeful</li> <li>Persistent</li> <li>Information-rich</li> <li>Inclusive</li> <li>Flexible</li> <li>Independent</li> <li>Co-ordinated</li> </ul>

#### 4.1 Sustainability Beliefs and Orientation

Understanding the different views on sustainability is critical to understanding the motivations of many GMS actors in highly political regional processes. It is first worth recalling that *sustainable development*, as popularised by the Brundtland Report (WCED, 1987), called for the *integration* of economic development with better care of the environment. This relatively vague definition made the environmental cause far more acceptable to the majority of governments and the business sector. This popularity has been well expressed as follows:

*In so far as environmental change has become an important preoccupation of our times, “sustainable development” has become the leitmotif of the environment and development literature. With its promise to set all environmental problems right (thereby averting a feared ecological Armageddon), it is*

*not surprising that this concept has been embraced by policy-makers, business leaders, grassroots activists and scholars alike with, at times, almost religious fervour.*

Bryant and Parnwell, 1996: 1<sup>7</sup>

The internationally negotiated response to the concerns of the Brundtland Report were encapsulated in the Rio Declaration signed at the 1992 Earth Summit and the subsequently elaborated “blue print for sustainable development” articulated in Agenda 21 (UN, 1993). However, a range of more diverse—and to some, extreme—responses have been suggested as necessary (Dodds, 1995; Dobson, 1996; Dryzek, 1997). For example, a more radical perspective presumes that:

*If sustainable development is to be achieved, then the necessary fundamental changes in and modifications of agriculture, energy, forestry and other physical and industrial systems cannot stand alone. Alongside these changes must be a corresponding shift in attitudes and values—in the social, economic, political and moral aspects of human life. Development for a sustainable future must be as much about shifting values as it is about shifting practices.*

Cooper and Palmer, 1992: 185

Scrutiny of the different meanings ascribed to terms such as sustainability has been intense, leading to greater clarification of the vast array of perspectives. A summary of discourse diversity (Woodhill, 1999: 141-142) pointed out fundamental differences of opinion. Building on Woodhill’s work—and highly relevant to the GMS—it would seem the major areas where differences become apparent include:

- ❑ **Threats to ecosystems** Is human environmental impact leading to changes of such magnitude that ecosystems will collapse? If you believe so, applying the uncertainty principle<sup>8</sup> becomes particularly important. There are often disputes about the extent of ecosystem damage by human intervention, and the extent of ecosystem resilience.
- ❑ **Substitutability of natural capital** Should natural capital be valued in financial/economic terms, and if so, how? To what extent is natural capital currently being consumed, wasted or converted? To what extent should we allow natural capital to be converted to financial capital for wealth creation?
- ❑ **Primacy of economic growth** To what extent should countries focus on economic growth? How valid is the “grow now, clean up later” philosophy? What is *not* taken into account in economic growth measurement (i.e., externalised)? Can ever-expanding economies be sustained in a world with clearly finite natural resources and absorptive capacity? (Arrow, Bolin et al., 1995).
- ❑ **Faith in ecological modernisation** What policy priority is given to the concept of ecological modernisation (Janicke, 1985; Christoff, 1996)? This involves restructuring capitalist political economies through environment policies, which encourage businesses to adapt to cleaner, more energy-efficient, less wasteful, recycling-oriented production.
- ❑ **Relationship between wealth, well-being and ecosystem impacts** To what extent are human well-being and happiness functions of material wealth, and to what extent is a preoccupation with material wealth accumulation socially and environmentally destructive? What are the implications for natural resource use on different conceptions of well-being? The answer to a question of “how much is enough?” can relate directly to demand for natural resources.
- ❑ **Equity** What are the relationships between poverty and environmental degradation and the pursuit of market-orientated economic opportunity? Which groups in society are most responsible for environmental degradation—directly and indirectly? Which countries and groups are the main consumers? What are the imbalances in gross and per capita resource use between and within societies? What are the impacts on different members of societies of various sustainable development approaches?
- ❑ **Inter-generational equity** What should be bequeathed to future generations, in terms of natural resources and environmental quality?

---

<sup>7</sup> Many national efforts were driven by the international momentum that followed the Brundtland Report. The core goals of ESD outlined in the Approach section of this paper, and the associated strategy from which it was drawn, are just one example.

<sup>8</sup> The uncertainty principle refers to Principle 15 of the 1992 Rio Declaration, which argues that, in order to protect the environment “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.”

- *Intrinsic rights of nature* What moral obligations do humans have to protect other species whilst ensuring human survival? What about whilst pursuing human wealth?
- *Aesthetics* In a world which has many people pursuing increased access to natural resources, can aesthetic values be prioritised ahead of human needs?
- *Validity of entrenched cultural practices* How have philosophical and religious beliefs shaped environmentally degrading cultural practices, and who has the right to challenge those assumptions?

Among GMS actors a wide range of sustainability orientations seem evident. The following simplified categorisation is intended to complement the broad and deep array of beliefs listed above:

- *Zero sustainability*: where short-term financial reward is paramount in decision-making.
- *Weak sustainability*: where economic concerns still dominate, but social and environmental issues are acknowledged, with some priority given to ameliorating social and environmental impacts.
- *Trade-offs accepted*: where high priority is given to each of economic, social and environmental issues. There is an attempt at a balanced approach where trade-offs are accepted as inevitable, valid and necessary. Economy, society and environment are still largely conceptualised as separate spheres.
- *Ecosystems priority*: where a more sophisticated, integrated ecosystems (humans and the environment) approach. It is recognised that the economy is only a subset of society as there are many important aspects of society that do not involve economic activity. Moreover, as human society is completely controlled by global-local ecology it is recognised as essential to integrate ecological considerations into all social and economic planning. Other key features of this “strong sustainability” approach may—but not always—include attaching more weight to: equity considerations, respecting biodiversity values, respecting human rights, explicitly acknowledging cultural and spiritual values, use of the precautionary principle, etc.

#### 4.2 Political Ecology and Forms of Power

A political ecology perspective aims to “*think in terms of the role of various actors in relation to a politicised environment characterised by unequal power relations*” (Bryant and Bailey, 1997: 188). This type of analysis is relevant to this paper as the political nature of environmental governance is unquestioned. Politics and power are critical forces in environmental change and natural resource exploitation. There is widespread recognition of complex power inequalities in the politics of environment, whether globally (Mehta, Leach et al., 1999), throughout the Third World (Bryant and Bailey, 1997), or within South-East Asia (Hirsch, 1995; Parnwell and Bryant, 1996; Rigg, 1997; Hirsch and Warren, 1998). As power is an elusive concept, breaking it down into four forms may aid our understanding of how it relates to environmental governance<sup>9</sup>:

- *Resources-related power*: the extent of resources available to further a particular cause, including: human, intellectual, financial, and physical force. For example, the ADB is quite powerful in this sense because of the financial resources that it commands.
- *Strategic (location-related) power*: being high up in the hierarchy, or holding a strategic position gives an actor particular leverage or opportunity. The Mekong governments and the Association of South-East Asian Nations (ASEAN) are examples of institutions that have this type of power.
- *Innate power of individuals*: exceptional qualities that permit an actor to influence many others. Examples are prominent individual leaders who engender trust, inspire commitment, and have wide credibility.
- *Dominant discourse power*: this is where actors or institutions align themselves with popular concepts, those which tend to have the moral high-ground such as “good governance” and sustainable development. Once captured, the alignment is maintained by “*disallowing or marginalising alternatives*” (Shore and Wright, 1997). Discourse dominance is highly sought after and particularly relevant in the GMS.

---

<sup>9</sup> The first three are drawn directly from Galtung (1980). All seem particularly relevant in the GMS context.

### 4.3 Desirable and Possible Features of an Environmental Governance Regime

Earlier in the paper I expressed interest in the broad conception of environmental governance. At a regional level, in the absence of “*binding decision structures*” (Dryzek, 2000), the pillars may be “good,” but are they good enough? Do they miss anything significant? The following paragraphs make a case for desirable and possible features of a just regional environmental governance regime. This includes support for the pillars, but adds some extra features.

- ❑ *Access to information* and *transparency* are widely held as being essential features of any “good” environmental governance regime. Similarly, openness and *accountability* to constituents is always put forward as important. To these points can be added *political responsibility*. Many actors do not formally represent a constituency; that is, they have no formal mandate. However, they may have defined a constituency to whom they feel responsible. Representing is quite different to feeling politically responsible to a constituency—an important distinction, and particularly relevant to the GMS.
- ❑ *Subsidiarity* refers to the devolving of authority to the most *appropriate* level or jurisdiction. This is important in regional environmental governance. It may involve devolution “up” to national or regional scale decision-making forums, “down” via decentralisation to sub-national authorities, councils, etc., or “across” to new authorities within the same sphere of government. Determining the most appropriate level can be controversial, especially if it is being suggested that authority should be transferred. Such concerns can be over-stated as in many cases of devolution “concurrency” applies, meaning that authority and responsibility remain shared.
- ❑ Given the diversity of people and beliefs in the GMS, a rights-based case is also made for ensuring this *pluralism* is reflected in regional environmental governance. If it is, different “*systems of thought and action*” (Lohmann, 1995: 212) need to be acknowledged. The range of “stakeholders” would be enabled and welcomed in order to have genuine “public involvement.”
- ❑ If there is agreement that there are many different stakeholders and forms of knowledge, and vast uncertainty about ecosystem and social processes, then a case for more *deliberative forums* is able to be argued. By this is meant giving actors an equal opportunity to participate in effective debate and learn about matters of common interest. Citizens’ rights to be heard have been long enshrined in Article 19 of the United Nations International Covenant on Civil and Political Rights (UN, 1966). Deliberative forums provide an opportunity for this right to be exercised and for pluralism to be respected and embraced. In ideal-type deliberative processes, participants are open to changing their opinions through persuasion; rather than as a result of straight interest-based bargaining, coercion, manipulation, manufactured consent, or deception. Such processes are also characterised by respect, sharing of information and allowing all actors to freely able to participate and capably communicate their views (Dryzek, 2000: 1). This is not a new concept; deliberation was a foundation of ancient Greek politics, and has featured in history through the writings of people such as John Stuart Mill, and many others (much) more recently (Rawls, 1993; Habermas, 1996; Elster, 1998). Deliberative processes can and should include critical discourse analysis. If characterised by a more critical edge, in particular if there is freedom to criticise established power structures, these may be referred to as *discursive* democracy (Dryzek, 2000). An element of critical thinking should be central to deliberative processes, which in turn are an integral feature of any system of governance claiming intellectually humility.
- ❑ And yes, embedding these desirable and possible features in various regional governance arrangements may require new *regional agreements and/or rules*.

#### *Attributes of adaptive institutions*

Sustainability policy requires reflection involving variability, large areas, long timeframes, ecological limits, irreversibility, complexity, risk, uncertainty, non-market values, cumulative impacts, new moral dimensions, and systemic causes (Dovers, 2001). Dovers argues that sustainability policy-making encounters these features “*more often and more often in combination,*” which is problematically unique. To deal with these challenges he suggests institutions must be:

- ❑ *Purposeful*: where there is clarity about roles and responsibilities, and periodic reassessment of mandates and the prioritisation of activities.

- ❑ **Persistent:** where an institution is maintained—albeit in some evolving form—over time, which is unlikely unless there is a degree of political support. Persistence of public institutions is more likely if there is some statutory underpinning. There are three separate and important dimensions to this: existence of enabling legislation or an Agreement (with a capital A); the extent to which this provides powers; a separate issue is the extent to which these powers are able or chosen to be used. Obviously, persistence is also likely to be enhanced if an institution is seen as credible and communicative.
- ❑ **Inclusive:** where an institution encourages diverse stakeholder representation and involvement via participatory processes that are clear, genuine, predictable and maintained over time, but recognising that “participation” is a highly complex matter.
- ❑ **Information-rich:** where an institution uses and/or generates and widely shares the best possible information.
- ❑ **Flexible:** where institutions are willing and able to try new ideas, approaches and adjust to new circumstances. This is a characteristic of an institution committed to learning and adapting.

For our purposes, we can add another two highly desirable attributes:

- ❑ **Independent:** whilst not pretending any institution should necessarily be completely independent (and hence potentially unaccountable), an institution does need independence from day-to-day political pressures on its mandate or resources.
- ❑ **Co-ordinated:** where an institution maintains effective linkages with organisations and processes in relevant policy and management areas. This is important because no single institution can deal with all issues and therefore there is a need to work collaboratively.

## 5. Global context

Having clarified the general approach and the analytical framework, the next task is to consider the global context.

GMS regional environmental governance does not happen in total isolation from the rest of the world. This section discusses globalisation and neo-liberalism, growth of civil society, and new forms of regional/transborder interactions, which provide a backdrop to contemporary GMS events. A synopsis of international agreements is also presented to set the scene for the discussion of GMS environmental governance processes.

### 5.1 Pervasive Globalisation and Dominant Neo-liberalism

Globalisation (see Box) has been described as “*the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events many miles away and vice versa*” (Giddens, 1992: 64). It has become a pervasive feature of the modern world order and of the GMS.

#### Globalisation

- ❑ new tools, meaning increased interconnection of people via improved communication, such as World Wide Web
- ❑ new markets, meaning increased interconnection of people via global markets and 24 hour market mechanisms
- ❑ new rules, such as multilateral agreements, on subjects like Trade-Related aspects of Intellectual Property rights (TRIPS)
- ❑ new actors, such as the World Trade Organisation (WTO), developing and enforcing “global” rules (or, more correctly, rules which apply to members, which includes most States).

The significance of globalisation is that individuals, communities, and nations are more interconnected than ever before. However, to focus solely on the economic aspects of globalisation diminishes the importance of other aspects of global interconnectedness such as communications, non-economic international law, etc.. Nevertheless, it is true that the most influential aspects of globalisation are economic. Indeed, some observers define globalisation as “the globalised economy.” For example,

*“globalisation appears to be understood as a continuous process of increasing crossborder economic flows, both financial and real, leading, according to some, to greater economic interdependence among formerly distinct national economies.”*

Reinicke, 1998: 6

There has been a huge increase in Direct Foreign Investment (DFI) *stock* and *flows*, which far outstrip corresponding increases in economic output and trade. Between 1985 and 1990 world-wide DFI flows rose at an average of 31 percent per annum, almost triple global trade and output (Reinicke, 1998: 18-19). For example, DFI in Thailand for 1995-97 (before the Asian financial crisis) was 10 times greater than 1985-87 (UNDP, UNEP et al., 2000: 304). Even more stunning has been the growth in international financial flows, specifically portfolio flows (cross-border buying and selling of shares and bonds), which have resulted in spectacular increases in the traffic through foreign exchange markets. In the 15 years up to the mid-1990s, cross-border equity trading increased from less than 5 percent to 20 to 25 percent of all transactions (Reinicke, 1998: 31).<sup>10</sup> Interdependence between many countries has increased; however, GMS countries, particularly Thailand and Vietnam, demonstrated in the 1997 financial crisis that the flipside of economic interdependence can be extreme vulnerability to external shocks when mobile capital is withdrawn.

Largely driven by economic globalisation, most nation-states are developing more outward-looking, market-driven economies. Domestic investment is so cherished that *“the main fear of any State is disinvestment and capital flight”* (Dryzek, 2000: 139). Related to this, social and economic life is increasingly determined by the functioning of markets rather than by the decisions of government (Beck, 1992; Korten, 1995; Dryzek, 1996; Beck, 1997). Also tangled up in the globalisation phenomenon is the significant shift in power from some States to other major economic players, including other States, multinational or transnational corporations (TNCs), and new rule-makers, such as the WTO. A recent report prepared for the Copenhagen +5 review of the 1995 UN World Summit for Social Development summarised 1998/1999 UNDP data, and expressed its amazement and concern at the extent of concentration of corporate power (WCC, 2000). The report claimed that *“just 100 TNCs, based in the highly industrialised countries are the driving force behind economic globalisation”* with 70 percent of all trade now taking place within and among TNCs, who also generate 80 percent of DFI, whilst employing only 3 percent of the global workforce.

Policies that promote the dominant role of market mechanisms in shaping social and economic life are referred to as “neo-liberal” or “economic rationalist” (Pusey, 1991; Teeple, 1995). Neo-liberalism is dominant, however an over-focus on “marketisation” is being increasingly challenged by a wide range of critics (UN, 1998; UN, 1999). There are legitimate concerns about increasing concentration of incomes, resources and wealth in particular people, countries and corporations. Moreover, many local communities see more costs than benefits as traditional lifestyles and enterprises that are already changing are sometimes being rapidly obliterated. There are significant instances, most blatantly at the WTO, where decision-making has been elitist and non-transparent. Moreover, the aforementioned power-shifts away from many States are understandably resented and resisted as they seem to threaten often hard and recently won sovereignty. This last point is of particular relevance to the GMS, as relatively young States like Laos, Vietnam, and Cambodia, are extremely reticent about any moves that may weaken national capacity for self-determination.

An early example of the backlash to economic globalisation in the 1990s was the forced shelving of the Multilateral Agreement on Investment (MAI). Opponents, including many governments and civil society groups, feared the MAI would further erode national sovereignty and have disastrous impacts on the world’s poorest peoples and the global environment<sup>11</sup>. Subsequently, there have been many high-profile protests at various forums<sup>12</sup>. Observers differ in their views of these protests (see Box), ranging from a

---

<sup>10</sup> It should be noted that there is a sharp North-South divide in much of this activity.

<sup>11</sup> Ironically in one way, the defeat of the MAI was largely due to the globalisation of communications (albeit via the still somewhat elitist World Wide Web technology).

<sup>12</sup> It is important to note that the protests have also been “internal” as well as external civil society action. The WTO Seattle meeting was a failure, in the words of UN Secretary-General Kofi Annan, not because of the “popular myth” of violent protests, but rather because governments—particularly those of the world’s leading economic powers—could not agree on their priorities.

relatively mild acknowledgement that “*criticism of the (World) Bank and the (International Monetary) Fund (IMF) have been legitimised as never before*” (Vayrynen, 2000) through to a view that they have caused a serious legitimacy crisis among the main institutions of “*corporate-led globalisation*” (Bello, 2000).

#### Economic globalisation protests

- ❑ Seattle USA, November 1999 at the 3<sup>rd</sup> Ministerial Meeting of the WTO: protesters rejecting the non-democratic and non-transparency of WTO operations, and also the negative impacts flowing from the implementation of its free-market agenda
- ❑ Bangkok Thailand, February 2000 at the United Nations Conference on Trade and Development: protestors taking the opportunity to remind delegates and the global media of increasing inequalities in wealth distribution, worsening poverty etc...
- ❑ Washington DC USA, April 2000 and Prague Czechoslovakia, September 2000, at joint meetings of the International Monetary Fund and the World Bank: protestors challenging the agendas and approaches of these most powerful economic institutions
- ❑ Chiang Mai Thailand, May 2000, at the Annual Board of Governors’ Meeting of the Asian Development Bank: protesting against a range of issues including the adequacy of project impact assessments, and the legitimacy of ADB imposing credit conditions on loans to governments etc..
- ❑ Melbourne Australia, September 2000, at the Asia-Pacific Summit of the World Economic Forum: protesting against the power of economic elites
- ❑ Göteborg, Sweden; Genoa, Italy...

There is now much talk of reforming the “global financial architecture.” However, amongst reformers there is a fundamental divide between those who believe the principal icons of economic globalisation such as the IMF, WTO, World Bank, etc. should be dismantled, versus those who believe some disempowerment and adjustment of these organisations—including enhanced accountability to a broader constituency—would suffice. Alternative approaches put forward by anti-globalisation actors include considering how markets can be more controlled (i.e., to an extent re-regulated). Ironically, however, this would require collective action by governments—leading to further globalisation of politics (Willetts, 1997).

By definition, globalisation has had a significant impact on all GMS countries in a myriad of ways. GMS countries want to take advantage of perceived opportunities (e.g., China’s long-running negotiations for full WTO membership) whilst reducing their vulnerability (e.g., to currency fluctuations causing capital to “flee”). There is consequently increasing recognition of the interdependencies among GMS countries that could deepen the links. The rise of the ASEAN+3 initiative (Association of South-East Asian Nations, plus South Korea, China, and Japan) is one consequence of this recognition, as is resurgent interest in various other forms of bi-, tri-, quadri-lateral etc. and GMS co-operation. All of these flow-on effects of globalisation and the neo-liberalism dominance/backlash have implications for regional environmental governance.

## 5.2 Growth in Civil Society

The role of civil society in regional environmental governance is often stated as being particularly important, but again, there are different perspectives. A Cambodian view is that the “*role of civil society is to advocate and influence (the wider) society and government to ensure that the progress of the country is serving the interests of the people*” (Boua, 1999). Another approach sees societies as composed of civic, government and market sectors in which—to avoid dysfunctionality—government should be accountable to the civic sector, and the market forced to comply with government-established rules (Korten, 1995). At least partly due to disillusionment with the performance of governments in managing communities’ affairs, there has been a remarkable growth in many parts of the world of multi-faceted civil society movements. However, freedom of expression and political space varies dramatically within different States. Others make the point that it is important to understand civil society as a modern aspect of new political landscapes, and not simply as a re-emergence of older communal systems of organising, governing, and expression (Giddens, 1994: 124-127; Woodhill, 1999). This makes particular sense at the regional scale

because: (i) in the absence of initial government action to curb negative impacts of market-led globalisation, civil society filled the vacuum; and (ii) globalisation and interconnectedness have provided increased opportunity for civil society actors, often constrained in national political arenas, to take advantage of the “new” political space in regional and international arenas.

The previous point is more in keeping with a narrower definition (Dryzek, 1996: 47), which sees civil society as active outside formal State political institutions, and usually in opposition to them. In this vein, a recent Thai critique argues that with the “*declining faith in ‘democracy’ as the route to better political future, and in parliamentary institutions as a mechanism for change, the idea of ‘civil society’ has been seized upon to play the same role—as the repository of hope*” the key features of which (again in a Thai context) are “*the vital role of the media, the catalytic role of NGOs, the increasing importance of both people’s movements and umbrella organisations like the Assembly for the Poor...and the importance of the concept of rights*” (Phongpaichit, 1999: 12-13).

There are also people’s movements in the GMS which are closely connected to the State, and which have, to a greater or lesser extent, a centrist ideology. Although there is inevitably an element of reflexivity between the State and the grassroots members of these “mass organisations,” these groups do not fit with the civil society definitions of either Dryzek, nor that of Phongpaichit.

The political space for civil society actors who do meet the Dryzek definition varies enormously between the GMS countries. Thailand’s civil society has the most political freedom, which has developed significantly since the student uprisings of the mid 1970s. Cambodia also has a fledgling civil society, seemingly tolerated by the State since the 1993 UN-sponsored elections. Each has relatively unconstrained media actors. Political space for expression of views counter to government is much more constricted in Vietnam, Myanmar, Laos and China. This has significant implications for governance and the practical expression of deliberative ideals. Partly in response to this “lack of space” the agents of GMS civil society in regional and global forums are often regional and international NGOs, and as such their role in the GMS warrants exploration.

### ***5.3 New Regionalisms***

Whilst there have been previous waves of regional integration—in the GMS and elsewhere—new forms are evolving in a new world order. Given this, it is important to consider the phenomenon of “new regionalisms” which simply refers to the multi-dimensional phenomenon of the 1980s-1990s of action at the regional scale. It has been motivated by a number of factors, including wealth seeking, State security, State development; sometimes proactive and sometimes reactive to globalisation; sometimes led by the State, other times by the market, or by civil society; sometimes open, embracing the perceived opportunities of globalisation; other times closed, more concerned with defensive protectionism; sometimes formal, other times informal (Hettne and Soderbaum, 1998).

This paper begins to explore new “environmental” regionalisms in the GMS, which include formal top-down regionalisms involving inter-governmental organisations, but also the sometimes less formal bottom-up or “from-all-sides” initiatives involving many actors. The research into global regionalism (Hettne, Inotai et al., 1998-2001) provides useful source material for better understanding—with a view to enhancing—environmental governance in the GMS.

### ***5.4 International Declarations, Agreements, Conventions***

Further global context of relevance to GMS countries includes the series of international declarations, agreements or conventions that collectively comprise a part of an evolving international environmental governance. Figure 2 shows that transborder environmental governance is not restricted to the GMS—Espoo and Aarhus are a long way from the Mekong. Moreover, it shows a progressive merging of human rights and environmental agendas leading to clearer expression of the environmental rights of citizens for access to information, meaningful input to decision-making, and recourse to justice when it is perceived that rights have been violated.

**Figure 2**      **Chronology of international declarations, agreements, conventions**

1948	<i>UN Universal Declaration of Human Rights</i>
1972	<i>Stockholm Declaration</i> from the UN Conference on the Human Environment
1976	Entry into force of the UN <i>International Covenant on Civil and Political Rights</i> ; and the UN <i>International Covenant on Economic, Social and Cultural Rights</i>
1986	<i>UN Declaration on the Right to Development</i>
1991-2003	<i>Espoo Convention on Environmental Impact Assessment in a Transboundary Context</i> , emanating from UNECE, negotiated in 1991, ratified in 1997 when signed by 16 countries. The Convention states that for specified activities that are likely to cause significant transboundary environmental impacts in other countries, the party of origin shall notify the affected parties (affected countries) as early as possible, hold public hearings, make an environmental impact assessment of the proposed activity, and discuss what can be done to reduce or mitigate the negative impacts. Applying the Convention (obviously) requires extensive co-operation between involved countries. A working group of the “Espoo members” is now developing a protocol for Strategic Environment Assessment, aiming for its adoption at a Ministerial conference scheduled for Ukraine in 2003
1992	<i>Rio Declaration on Environment and Development</i> , emanating from the UN conference in Rio de Janeiro, which has a series of principles of direct relevance to environmental governance in the GMS regional context. Extracts include: <ul style="list-style-type: none"> <li>❑ Principle 1, States must not cause damage to the environment of other States</li> <li>❑ Principle 10, States shall facilitate and encourage public access to information, awareness of environment and development issues, and participation in decision-making by making information widely available. Access to judicial redress and remedy shall also be provided.</li> <li>❑ Principle 13, States shall co-operate to develop further international law to deal with transborder liability for environmental damages.</li> <li>❑ Principle 17, environmental impact assessment shall be undertaken as appropriate (no specific mention of transborder EIA).</li> <li>❑ Principle 19, States shall provide information to and consult with other States on activities that may have significant adverse transboundary environmental effects.</li> </ul>
1998-2001	<i>Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters</i> which links sustainability principles, environmental rights and human rights. Entry into force, upon full endorsement by 16 parties, is expected in 2001. The Convention notably links government accountability with environmental protection. UN Secretary-General Kofi Annan claims “ <i>Although regional in scope, the significance of the Aarhus Convention is global. It is by far the most impressive elaboration of principle 10 of the Rio Declaration...as such it is the most ambitious venture in the area of “environmental democracy” so far undertaken under the auspices of the United Nations.</i> ”
May 2000	<i>Malmo Declaration</i> , from Global Ministerial Environment Forum, noteworthy for the blunt way it acknowledges that the environment and natural resource base of the globe is continuing to deteriorate at an “ <i>alarming rate</i> ” and that there is also “ <i>an alarming discrepancy between commitments and action</i> ”. Sets the stage for the 2000 Rio+10 in South Africa, the Ministers calling for a review of Agenda 21 implementation, aiming to “ <i>inject a new spirit of co-operation and urgency based on agreed actions in the common quest for sustainable development.</i> ”
September 2000	<i>Dublin Declaration on Access to Information</i> from a UNEP meeting welcomed the Aarhus Convention, but also the Inter-American Strategy for the Promotion of Public Participation in Decision-making for Sustainable Development by member States of the Organisation of American States. It also encouraged the ongoing African effort between

Kenya-Tanzania-Uganda developing an MoU for co-operation on environment management, and the development of a binding environment protocol by the Southern Africa development community.

## 6. Regional Context

Having provided some brief global context, the next task is to do the same for the GMS.

What are the different circumstances of GMS countries? Who are the actors involved in debates about regional environmental issues in the Mekong, or in debates and decision-making which directly or indirectly influence these issues? Can this complexity be made more coherent? To answer these questions, this section provides basic GMS country data and differences, identifies GMS actors and actor types, and describes regional organisations and initiatives.

### 6.1 GMS Basic Differences

Specific challenges associated with governance obviously need to be considered within the context of the politics within and between GMS countries—of which environment issues are just one part. GMS countries are diverse—within and among—and whilst aggregated statistics do not adequately reflect the cultural and political diversity of the region, nor the gender and environmental complexity, they do highlight some obvious similarities and differences.

Figure 3 provides indicators of social, economic, natural resource and environmental issues. Numerous points are evident. For example, the population of all GMS countries is expected to rise substantially between now and 2025. Obviously, this will further test the social fabric of each country, creating increased pressure for new employment and putting further strains on natural resources and the environment.

Human health and education need significant improvement. For example, death rates amongst young children remain high, with Cambodia the most extreme. Cambodian society is also worse off in terms of malnourished children and HIV/AIDS infected adults—although the politics of HIV/AIDS seems to have encouraged some countries, such as Myanmar, to significantly under-state the size of the problem. Literacy rates vary significantly between countries and between men and women—women in Laos and Cambodia have less education opportunity.

Whilst there is significant variation in the national GDP figures, with Thailand clearly way “in front,” income distribution (as measured by the Gini coefficient) is also most extreme in Thailand. Whilst not shown, it is also recognised that Yunnan is one of the poorer Chinese provinces and therefore its GDP will be lower per capita than China overall. Extreme “poverty” (whilst a contested and subjective term) as derived from (albeit simplistic) GDP data, is most widespread in Vietnam and Laos. Cambodia, Laos, and Myanmar have significant trade deficits; Vietnam and Thailand are almost in balance; China has a significant trading surplus.

With the exception of Vietnam, official development assistance (ODA) and official aid (OA) increased significantly in nominal terms for GMS countries between 1985-87 and 1995-97—even in “ostracised” Myanmar. Cambodian reliance on ODA and OA is particularly extreme. ODA and OA to Cambodia in 1995-97 was 3.5 percent of GDP. In 1998, external assistance to Cambodia was US\$404 million, of which technical assistance was US\$231 million. This equated to 70 percent of the total value of domestic exports, mainly garments, for which 1998 was a good year. This was much more than services sector earnings, mainly tourism, for which 1998 was a very poor year (Godfrey, Sophal et al., 2000). In 2000 foreign aid accounted for more than 75 percent of the Cambodian government’s US\$620 million budget. ODA and OA is highest per capita in Laos (US\$68) and Cambodia (US\$45).

DFI is a critical feature of the new world order in the way it supports or weakens States, economies, and societies. Whilst there is no standard method of analysis, it can be seen that Cambodia and Vietnam (both 7 percent) had the highest DFI relative to GDP. Relative to national exports, DFI in Cambodia

(24 percent) was almost twice that in Vietnam (14 percent). Total external debt is another key factor; for the data period Myanmar and Thailand had the highest debt servicing commitments relative to exports (both 13 percent). But again, each line of data contains whole stories that a simple table cannot reveal. For example, the 1996 Thailand national debt of US\$89 billion was composed of 80 percent private sector debt; moreover 50 percent was short-term debt. These factors, coupled with a huge increase in the current account deficit, were bleak preconditions for the subsequent crash (Bello, Cunningham et al., 1998).

The natural resource and environmental indicators also provide a glimpse of some other significant differences. The relative land scarcity in Vietnam and Laos<sup>13</sup> is apparent; as is the relative freshwater scarcity, energy consumption, and CO<sub>2</sub> emissions of Thailand and China.<sup>14</sup>

Thus, there are new social, economic and environmental interdependencies and vulnerabilities in a new era, and the nature of these varies between GMS countries. This has implications for environmental governance as State and other actors are wrestling with quite different national and cultural circumstances.

## **6.2 GMS Actors**

In the GMS there is a plethora of actors jostling for space in the policy-making arena (Figure 4). They have very different interests and powers, diverse approaches, and varying degrees of influence. An understanding of them and the overall governance framework within which they operate is essential. Identifying and classifying helps to understand the range involved. However, the multi-faceted nature of particular groups defy simple designations. Nevertheless, an attempt has been made here to “order” the GMS actors into eight types.

### *States*

State actors are of obvious importance in environmental governance. Many aspects of State action and influence are important, for instance constitutions, legislation, formal policies (such as, foreign relations, energy, employment, security, water, food, decentralisation), informal policies, cabinet/party/council decisions, individual decisions, etc. Many ministries, departments and the military can be influential actors (Brunner, Talbott et al., 1998; Brunner, Seymour et al., 1999; Anonymous, 2000).

---

<sup>13</sup> Land scarcity in gross area terms is a crude indicator, nevertheless widely used. It tells nothing of land fertility/productivity.

<sup>14</sup> Whilst there are pockets and periods of freshwater shortage in the south of China, the principal root of the problem is in the northern part of the country, hence the current propensity for engineering schemes proposing to re-route southern river flows to the north.

























































































