

Assignment 1

The article “How a China-Built Dam Destroyed an Ecosystem and Livelihoods” is about the Lower Sesan 2 Dam that is the part of China’s Belt and Road Initiative (BRI) to make artificial reservoir which cause plenty of problem to local community who live in the reservoir area.

The construction of this dam causes many affects to the region, extinction of fish species that use river to reproduction cause following problem to dramatically declining fisheries which is the main occupation of people in villages. People who choose to receive compensation is offered only pre-fabricated houses or US\$6,000 which could not compare to the culture heritage that passed for generations that have to be drown in the reservoir. Moreover, people who choose not to relocate and settle near river to maintain their way of living was affect from decreasing of fish which is their main occupation.

To describe this problem from the economics perspective, cause of the problem is demolition of natural resources that is economics input. In this situation, this dam construction destroys the reproduction cycle of fish by cut the river path in to two which leading to the extinction of fish that use this river for reproduction. This extinction leads to another problem which is the resources of income of villager are gone and didn’t have any compensation for this.

The key insights from economics to understand these problems could be these 2 key insights which is first the opportunity costs matter as environmental resources are scare. The purpose of construction the dam is to generate the electricity which may give benefit to the private and public sector more than environmental cost than could be demolish from construct this dam. The second key insight is the government intervention, this construction is the international cooperation between China and Cambodia that give benefit for China in the Belt and Road Initiative to make China be generous to other country that led the development to developing country. However, from the report, even the dam is already construct and generate electricity to Cambodia, electricity in Cambodia is still insufficient and unstable. From this information, it could lead to discussion that this dam’s construction is give the best benefit to country or not? Comparing to natural resource and heritage that sacrifice to create this dam.