

EE375: Applied Economics for Natural Resources and Environment

Assignment 1

“How a China-Built Dam Destroyed an Ecosystem and Livelihoods”

The dam “Lower Sesan 2” which was inaugurated in December 2018 by China Huaneng Group officials and Cambodian Prime Minister Hun Sen. The construction of the dam has resulted in violations of economic, social and cultural rights, forcing nearly 5,000 people who have settled in the area for generations to migrate. Furthermore, Human Rights Watch also pointed out that Cambodian officials and China Huaneng Group, the builder and operator of the dam, have not sufficiently listened to the concerns of the affected communities before deciding to build the dam.

The Mekong River is the world's largest freshwater ecosystem for fishery accounting for 20% of the world's freshwater fish catch, dependent on tens of millions of people in Southeast Asia for their daily protein intake. Because the dam prevents fish from moving and interferes with their feeding, it disrupts the fish's reproductive cycle and forces some species to face death. So, the fishery economy has declined all over the Mekong River which is the result of building the dam.

Furthermore, local communities who lived close to the river that did not support the government's decision to build the dam were forced to leave their homes as the area flooded. Not only the local communities that were submerged by the dam but indigenous communities also. Before the government decided to build the dam, their food, work and income used to come from fish, agriculture and forest products. Today, everything is already dammed-up and local communities' behavior have changed forever, everything that they used to have is gone.

The local communities that were compelled to build new homes received approximately \$6,000 in compensation. However, the compensation they received was inadequate to compensate them for the value they lost as a result of the dam. One of the reasons why the Chinese government supports the construction of the dam is because the dam is a component of the extensive "Belt and Road Initiative" of the Chinese government. The project aimed to promote global development and Chinese foreign policy objectives.

In conclusion, a road, an energy line, or a power plant are all examples of infrastructure projects in Cambodia that require impact assessments to be conducted. The authorities must establish programs that teach people new skills, provide fair compensation, and cooperate with the locals regarding other mitigating measures like aquaculture or reservoir fish stocking chances. And last, hydropower cannot continue to be the mainstay of Cambodia's energy strategy. Alternative energy sources will need to be investigated by the government.

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