

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

It is evident that there is a global trend in shifting towards a more sustainable economic growth through renewable energy. The case article emphasises on the widely criticised Lower Sesan 2 dam project on Mekong River Basin, a cooperation between China's Belt and Road Initiative(BRI) and the Cambodian government. The causes of numerous economic, environmental and social issues arose could be explored through the key economic insights.

The absence of the prices of indigenous communities and natural resources encouraged economic agents, in this case the Cambodian government, to put forward the project as these prices were not considered as opportunity cost. From destroying the routes of migratory fish to flooding the forest, the market failure resulted in the destruction of freshwater ecosystems and woodland. While the project may have benefited the relationships between the countries, it greatly diminished the income of local fishery and forest products industries (Schwarz & Sifton, para.2). By not taking these losses into account, the government could have overestimated the net benefit of constructing the dam.

Several environmental issues emerged from the government intervention with the local natural resources. Despite claiming to transition into the more sustainable hydroelectric energy, such areas with dense vegetation produce a considerable amount of harmful gases once the decomposition occurs, which contributes to the greenhouse effect (Schwarz & Sifton, para.13). Additionally, this led to the contamination in water sources. Besides worsening the environmental concerns, electricity generated by the dam does not seem to be a dependable source.

The lack of global institutional arrangements could also play a role in creating these problems. Without international pressure, there is insufficient incentive regarding the protection of human rights. Local communities were forced to resettle to infertile areas with inadequate compensation. Not to mention that the government made no effort to support the people with skills that would provide them alternative income sources (Schwarz & Sifton, para.8). These individuals that were once self-sufficient are now being exploited by the mismanagement of natural resources.

Although some may view this as an internal issue within a country, the environmental problem is one of the major global crises that requires international commitment to tackle. These problems could be mitigated through the disclosure of the dispute in order to positively influence the Cambodian government's future actions and decisions.