

Connectivity Initiatives in the Mekong Region: Too Many or Too Little?

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1. INTRODUCTION

So far, at least four regional connectivity initiatives have been operational in the Mekong region: the Mekong River Commission (MRC), the Greater Mekong Subregion (GMS), the Lower Mekong Initiative (LMI), and the Lancang Mekong Cooperation (LMC). These mechanisms have played an important role in enhancing the overarching efforts towards peace and development in the region through their connectivity tools.

The Mekong River Commission (MRC), whose antecedent is the Mekong Committee, is an inter-governmental organisation established in 1995. The MRC member states comprise Cambodia, Laos, Thailand and Vietnam, while China and Myanmar are dialogue partners.¹ Its main mission is to ensure mutual and efficient development of the Mekong River while mitigating the negative impacts on the peoples and environment in the Lower Mekong Basin.² The MRC also plays an important role as a regional knowledge hub on water resources management.

The Greater Mekong Subregion (GMS) was founded in 1992 with the main aim of implementing high-priority projects in the six Mekong nations under the support of the Asian Development Bank (ADB). The member countries include Cambodia, China, Laos, Myanmar, Thailand and Vietnam. The thrust of the GMS programme has been mainly concentrated on promoting and facilitating economic and infrastructure development by integrating the countries in the sub-region with a system of transport and several other economic networks and corridors, energy grids and

¹ Mekong River Commission, "About the Mekong River Commission," Mekong River Commission, <http://www.mrcmekong.org/about-mrc/>.

² Ibid.

power interconnections, and facilitating inter-state movement of goods and people as well as telecommunications link-ups.³

The Lower Mekong Initiative (LMI), officially proposed in 2009, is a multinational partnership between the US and the five Mekong countries, namely Cambodia, Laos, Myanmar, Thailand and Vietnam. The LMI predominantly serves as a platform to address transnational development and policy challenges in the Lower Mekong region. Under American sponsorship, the LMI aims to promote trade, entrepreneurship, and innovation so as to promote physical, institutional and people-to-people links.

The Lancang Mekong Cooperation (LMC) came into being after the first LMC Foreign Ministers' meeting in China in November 2015, with six participating member countries, namely China, Cambodia, Laos, Thailand, Myanmar and Vietnam. The main aims of the LMC are to enhance the well-being of peoples, to narrow development gaps between regional countries, and to build a community with a shared future. This initiative, predominantly sponsored by China, seeks to complement the existing connectivity mechanisms such as the Belt and Road Initiative (BRI) and ASEAN Master Plan of Connectivity 2025. It is worth noting that ASEAN countries, in 2010, acknowledged the significance of building a stronger ASEAN community by mainly focusing on the enhancement of physical connectivity. Later on, broader connectivity spectrums such as institutions [trade, investment, and services liberalisation] and people-to-people linkages [education, culture and tourism] have been subsequently added and become the crucial elements that need to be realised by 2025 as enshrined in the ASEAN Master Plan of Connectivity 2025.

In addition to these four regional initiatives, other related connectivity projects also need to be taken into account. China's well-known Belt and Road Initiative, sometimes referred to as One Belt One Road (OBOR), was first proposed by Chinese President Xi Jinping in 2013, aiming to economically link China with other coastal states in Southeast Asia, South Asia, Africa, and Europe through building physical infrastructures (such as ports, roads, railways, and airways), and facilitating investment and trade between China and the other coastal states. Beijing also claimed that the BRI is aimed at promoting industrial connectivity between China and other coastal countries.

The Free and Open Indo-Pacific Strategy (IPS) was first introduced by Japan in 2016 with the main aim of connecting the Asian and African continents, as well as

³ Greater Mekong Subregion, "Projects of the Greater Mekong Subregion," Greater Mekong Subregion,, <https://greatermekong.org/gms-latest-projects>.

the Indian and Pacific Oceans. This initiative is aimed at maintaining and strengthening a rules-based and open maritime in order to prevent instability and conflict in the Indo-Pacific region. To date, the US has further developed this initiative by introducing two concrete components – governance and economy.⁴

Apparently, connectivity initiatives abound in this region, covering a wide range of areas such as infrastructure, the management of the river basin, water usage, fisheries, food security, agricultural development and climate change. In other words, these mechanisms are aimed at interlinking hard infrastructure, policies and peoples within the Mekong region. Why have multiple mechanisms been promoted? Do they complement or compete with each other? This paper will, first and foremost, elucidate the rationales behind the creation of multiple connectivity mechanisms in the Mekong region, after which potential benefits and downsize risks of the mechanisms will be discussed. Lastly, the author will briefly discuss the implications of the geopolitical rivalries of the great powers on the Mekong countries.

2. WHY ARE THERE MULTIPLE CONNECTIVITY MECHANISMS IN PLACE?

Even though there are many mechanisms being implemented to promote connectivity among the Mekong countries, as well as between the Mekong region and others, there is still a significant shortage of investment in these connectivity projects. As the economies of the ASEAN region become robust, it is estimated that countries in this region need to invest between 5 to 13 per cent of their respective GDPs in infrastructure development annually.⁵ Therefore, continuous investment in connectivity infrastructure is always needed in order to ensure robust economic growth in this region, despite the existence of multiple connectivity mechanisms.

Furthermore, the Mekong countries *per se* want to maintain their autonomy in relations with the major powers involved in the region by proposing their own initiatives. The MRC, launched by Cambodia, Laos, Thailand and Vietnam, can be

⁴ Newbill Michael and Douglas Walter, “Remarks by Charge D’affaires and Deputy Assistant Secretary” (paper presented at the Future Prospects of Mekong Region, Phnom Penh, 13 June 2019).

⁵ Alicia G. Herrero and Jianwei Xu, “Why Do Asia and Europe Need More Connectivity?: Some Ideas from European and Asean Experience,” in *Asia Europe Connectivity Vision 2025: Challenges and Opportunities*, ed. Prakash Anita (Indonesia: Economic Research Institute for ASEAN and East Asia, 2016).

seen as an example of this. Maintaining autonomy in relations with major powers is a significant factor influencing the Mekong countries' decision to opt for a variety of connectivity mechanisms. The majority of the Mekong countries went through bitter colonial experiences; therefore, they highly value their independence and do not want to become ensnared in geopolitical rivalries between the great powers as has happened in the past. Cambodia, Laos and Vietnam in particular endured much sufferings arising from French colonialism in the 19th and 20th centuries, as well as from the tragic war inflicted by the great powers from the 1960s to the 1980s.

Another reason for the existence of the various connectivity initiatives mentioned above is linked to the competition of the regional powers involved and the lower Mekong countries' intention to maintain their autonomies in relations to the regional powers. Regional powers such as China, the US and Japan want to exert their respective influences through their own proposed mechanisms, and, to a certain degree, to undermine the influence of their rival powers. For example, the American-led LMI is apparently aimed at driving China's influence out of the Mekong sub-region, while the Lancang Mekong Cooperation (LMC) seeks to erode the influence of the US and its allies in the region.

To date, China has, under the LMC scheme, allocated RMB 10 billion (US\$1.58 billion) to the Mekong countries in the form of concessional loans, with the majority of the fund being devoted to infrastructure and industrial development.⁶ The US-led LMI aims to diminish Chinese influence through various means, especially the promotion of good governance. From the US perspective, once the peoples in the Mekong region are more exposed to better governance, especially democracy, they will reject the authoritarian Chinese themselves.

3. ADVANTAGES AND DISADVANTAGES OF HAVING SEVERAL MECHANISMS IN PLACE

3.1. Advantages

An advantage of having several connectivity mechanisms is that the Mekong countries have more opportunities to access various sources of funding for their infrastructure development. As a senior Cambodian official at the foreign ministry said at a regional workshop on "The Future Prospects of the Mekong River" in June

⁶ Xuequan Mu, "Lancang Mekong Cooperation Enter New Growth Phase: Chinese Envoy," *Xinhua*, 23 March 2018.

2019: “Countries in the region should seek diversified sources of funding from the Mekong frameworks, as one or a few frameworks may offer very little funds or sometimes none.”⁷

More importantly, those funds given to the Mekong countries are mainly in the form of loans, so they could entrap the Mekong countries in a bad debt situation. When the funding sources are diversified, there are possibilities that the Mekong countries may receive more grant aid rather than loans from regional stakeholders such as China, the US and Japan. In other words, the regional powers who wish to wield their influence over the Mekong region need to find more subtle ways to engage with the recipient states through the provision of grant aid rather than loans.

Moreover, the complementarity between those initiatives is another factor that encourages the blossoming of the various regional connectivity initiatives. Some regional initiatives may complement each other or other existing regional integration initiatives. For example, the MRC is apparently the best water data powerhouse, while the GMS is the best bridge linking across-the-board economic cooperation between the Mekong countries, including in the areas of trade, investment, tourism, energy and health. Furthermore, the Lancang Mekong Cooperation helps to accelerate ASEAN integration in two ways. First, it gives a boost to the ASEAN Master Plan of Connectivity through its focus on infrastructure development and institution coordination.⁸ The LMC also seeks to narrow development gaps among the Mekong countries, and is thus aligned to the primary goal of the Initiative for ASEAN Integration (IAI).⁹

Lastly, another opportunity that the Mekong countries could exploit from the existence of multiple connectivity projects in the region is the possibility of obtaining some concessions from the competing powers who wish to exert their leverages in the Mekong region. For example, in order to win the hearts and minds of the Mekong countries, China, in 2016, released more water from its Jinghong hydropower station in Yunnan province into the Mekong River three times in order

⁷ Cambodian Foreign Ministry Official, “Mapping Mekong Cooperation Complementarities and Policy Implications,” in *Future Prospects of the Mekong River* (Phnom Penh, 2019).

⁸ Chheang Vannarith, “Lancang-Mekong Cooperation: A Cambodian Perspective,” ed. Institute of Southeast Asian Studies (Singapore, 2018).

⁹ The IAI was proposed in 2000 with an aim to enable new ASEAN members such as Cambodia, Laos, Myanmar and Vietnam to integrate well into ASEAN through special preferential treatments granted by more developed ASEAN member states. In other words, those preferential treatments are aimed at narrowing the development gap between the new and old ASEAN members.

to address the extreme drought faced by the Mekong countries.¹⁰ As a result, the Mekong countries very much appreciated this Chinese deed. From the Chinese perspective, doing so reflects China's goodwill towards the region, thus demonstrating its soft power vis-à-vis Japan and the US.

3.2. Disadvantages

Notwithstanding the above advantages, the fallout of having too many initiatives can never be underestimated. There is an old Cambodian saying that "when too many people bake the same Num Ansom Chrouk (Cambodian rice cake with pork), it is likely that the cake will be burnt as a result." The same logic also applies to the current situation in the Mekong region, where many initiatives have been proposed. Apparently, there seems to be a lack of a coherent mechanism to ensure complementarities between the proposed initiatives. Consequently, the Mekong River has faced growing risks, especially drought.

The continuous emergence of various initiatives within this small region does not totally ensure the effective settlement of problems or risks faced by the Mekong countries. Some mechanisms have apparently weakened other mechanisms, as they have been designed and managed by competing donors. As a consequence, the problems have even gotten worse. In July 2019, it was reported that the downstream countries encountered a major drought that threatened fisheries and agricultural production along the river basin. The drought caused the northeastern part of Thailand to lose access to the river.¹¹ In addition, the water levels are increasingly lower than their long-term averages. According to the Mekong River Commission, the water level in Thailand's Chiang Sen was 2.10 metres, 0.92 metres lower than its long-term average (3.02 metres), in the period June-July 2019.¹²

In Vientiane, the water level was 0.70m lower than its long-term average in the same period. The water level in Kratie province was 9.31m in the same period, about 5.40m lower than its long-term average. Between 10 June and 18 July, there was a drop of about 0.38m at the Kratie station. US Secretary of State Mike Pompeo lambasted China for causing the significant reduction in the water levels, stating

¹⁰ Cambodian official, "Mekong-Lancang Cooperation," (Phnom Penh, 2019).

¹¹ Brian Eyler and Aaron Salzberg, "Mekong near Tipping Point as US-China Rivalry Grows," *Nikkei Asian Review*, 27 August 2019.

¹² Mekong River Commission, "Mekong Water Levels Reach Low Record," Mekong River Commission, <http://www.mrcmekong.org/news-and-events/news/mekong-water-levels-reach-low-record/>.

that the drought in the Mekong region was triggered by China's decision to shut off the upstream water. In response, China attributed the cause to its maintenance of its Jinghong Dam between June and July 2019.¹³ In addition, the amount of nutrient-rich sediment flowing down the river has significantly decreased, and such a reduction is, according to UNESCO, primarily attributed to China's dam construction on the upper part of the Mekong.¹⁴

The aforementioned challenges indicate a crucial weakness in the existing policy connectivity mechanisms within the Mekong region. Specifically, the existing initiatives have no clear mechanisms to influence the Mekong countries, the upper Mekong ones, to cease or even slow down their dam construction activities, which have gradually altered the ecological system of the river. It is worth noting that at least 100 hydropower dams have been built either on the mainstream or the tributaries of the river (China 10, Laos 64, Vietnam 15, Thailand 9 and Cambodia 3).¹⁵ More than 300 more dams are planned by these countries.¹⁶ Therefore, more risks to the ecological system are likely to be imminent. Economic loss for the Mekong countries is, moreover, predicted to be around US\$7.3 billion over the next 50 years.¹⁷

4. DO GEOPOLITICAL RIVALRIES OF THE GREAT POWERS AFFECT THE MEKONG COUNTRIES?

When there is moderate competition between the great powers, the Mekong countries may benefit from it. On the contrary, when the competition turns into a rivalry or when a great power seeks to totally eliminate another power's influence in the region, the regional countries would be in danger. There is an old saying: "When elephants fight, the grass will be devastated." The same logic also applies to the Mekong region. As the US-China rivalry has become intensified in almost every field, the Mekong countries have been pressed to take sides. These countries do not want to side with any particular power. Instead, they want to be friends with all great powers in order to maximise the fulfilment of their national interests.

¹³ Ibid.

¹⁴ Tom Fawthrop, "Mekong: More Dams, More Damage," *Interpreter*, 28 March 2018.

¹⁵ Eyster and Salzberg.

¹⁶ Mekong near Tipping Point as US-China Rivalry Grows." *Nikkei Asian Review*, 27 August 2019.

¹⁷ Fawthrop.

Nevertheless, as the US-China rivalry has escalated, they have, at times, been put in an awkward position. For example, Cambodia has been accused by the US of allegedly succumbing to Chinese pressure to serve its interests, particularly the hosting of China's navy, despite the lack of credible evidence proving those claims. This has damaged the kingdom's reputation within ASEAN and on the international stage. It is noteworthy that Cambodia staunchly supported China's Belt and Road Initiative and Lancang Mekong Cooperation. Such staunch support may lead to the US's resentment of Cambodia.

5. CONCLUSION

Many regional connectivity projects have flourished in the Mekong region since the early 1990s, several of which were home-grown – the MRC and the GMS. Others such as the LMI, LMC, BRI and IPS were mainly initiated and dominated by the great powers, the US and China in particular. The reasons for the existence of several connectivity initiatives are linked to ASEAN's robust economic growth, which requires continuous investment in physical infrastructure. The Mekong countries intrinsically want to maintain their independence in relations with the regional powers, which, in the past, threatened their peace and independence. The power competition between the great powers has, moreover, sparked creation of new initiatives.

The presence of several connectivity mechanisms is beneficial for the Mekong countries in the sense that it will create more opportunities for them to access different funding sources. More importantly, these countries will have more opportunities to receive more grant aid rather than loans in the future. Some initiatives, regardless of their funding sources, may complement one another, giving a boost to the economic development in the region. The Mekong countries, furthermore, may be able to extract some concessions from the regional powers who wish to wield their soft power in the Mekong region.

Despite the mentioned benefits, the drawbacks of having multiple connectivity projects in place are substantial. The risks to the ecological system in the region are considerable. Furthermore, as some connectivity mechanisms are managed by competing donors, they do not necessarily address the actual concerns of the Mekong countries themselves. As shown in this paper, the Mekong countries have been unable, on multiple occasions, to prevent activities that jeopardise the environment in this region. Last but not least, the Mekong countries are likely to suffer more if tensions between the great powers, especially the US and China, escalate.

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