

Civil Society Networks, Localised Resistance and Chinese Investment in Mainland Southeast Asia's Extractive Industries

Pichamon Yeophantong

*Niehaus Center for Globalization and Governance,
Princeton University*

Abstract This paper examines the environmental and social repercussions of Chinese investment in mainland Southeast Asia's extractive industries, focusing on the responses Chinese resource development schemes have elicited from host countries. In particular, it assesses the conditions under which localised resistance has emerged against Chinese-backed resource schemes in four Mekong countries—Cambodia, Laos, Myanmar, and Vietnam—and the extent to which the Chinese government and its national resource companies have responded to expectations of responsible business conduct and sustainable development as a result. Here, capable civil society networks are seen playing an increasingly pivotal role. Through informal processes of civil regulation, they contribute to filling governance gaps and remedying accountability deficits on the part of Chinese companies operating in this developing region.

Introduction

As China's demand for energy and mineral resources grows,¹ mainland Southeast Asia has witnessed a surge in Chinese investment aimed at developing its resource sectors. Given the region's favourable investment climate and abundance in natural resources—ranging from oil, natural gas, minerals, timber, and water—not to mention geographical proximity to China, this is by no means a surprising development. In fact, recent years have seen Beijing's regional soft-power offensive coalescing with assertive resource diplomacy, as the country seeks to strengthen ties with its immediate neighbours through large investment, loan and aid packages.²

The expansion of China's corporate presence has, however, given rise to a host of social and environmental problems, as forests are felled in Laos to fuel the region's illegal timber trade, purportedly destined for China's thriving construction industry; bauxite, crucial for aluminium production, is mined in Vietnam's Central Highlands to be exported to China;

¹ In 2012, China reportedly purchased 42.5 billion cubic metres of gas overseas – a 30 percent increase from the previous year. China is also the world's largest producer of aluminium, of which a key ingredient is bauxite ore. See 'China to invest 80 billion yuan in oil and gas exploration this year', *Reuters* (15 September 2013), available at <<http://www.reuters.com/article/2013/09/15/us-china-energy-idUSBRE98E03S20130915>>, accessed 18 September 2013.

² See Charles Wolf, Jr., Xiao Wong and Eric Warner, 'China's Foreign Aid and Government-Sponsored Investment Activities' (RAND Corporation: 2013); and Kate Hodal, 'China invests in south-east Asia for trade, food, energy and resources', *The Guardian* (22 March 2012), available at <<http://www.theguardian.com/world/2012/mar/22/china-south-east-asia-influence>>, accessed 18 September 2013.

and oil and gas pipelines constructed in Myanmar, cutting across ethnically fragile areas much to the chagrin of local villagers. Especially with China seeking to transport the raw materials extracted from its neighbours back home, this has further spurred infrastructure development across the region, with such schemes as the planned US\$7-billion railway to connect Vientiane to Yunnan Province attracting considerable controversy in view of its (disputed) cost-effectiveness.³ Here, major Chinese state-owned enterprises (SOEs), supported by the political and economic clout of the Chinese state and driven by increasing domestic demand, are accused of enabling the lax enforcement of social and environmental safeguards in host countries, as well as perpetuating unsustainable resource management practices within the region—albeit with the connivance of ‘corrupt’ Mekong governments.

The purpose of this paper is to examine the environmental and social repercussions of Chinese resource investment in mainland Southeast Asia. Looking at the case of the region’s extractive industries, it focuses in particular on the responses that Chinese-backed, resource-development schemes have elicited from host countries. In so doing, the paper further seeks to uncover the conditions under which localised resistance has (or has not) emerged against Chinese-backed resource schemes in four Mekong countries—Cambodia, Lao PDR, Myanmar, and Vietnam—as well as the extent to which the Chinese government and its national resource companies have responded to changing expectations of responsible business conduct⁴ and sustainable development as a result.

Here, I argue that civil society networks, comprised of a diverse cast of non-state actors and their supporters (e.g. local activist groups, transnational non-governmental organisations (NGOs), think tanks, and journalists), are playing an increasingly pivotal role in this regard. Activism by these network actors often prove crucial not only to enhancing public awareness on otherwise neglected issues of collective concern and to empowering communities, but also to sensitising ‘target’ actors (i.e. the Chinese government, its SOEs and even Mekong governments) to their environmental and social responsibilities. Through what can be described as informal processes of civil regulation, they contribute to filling governance gaps in the region and remedying accountability deficits on the part of Chinese resource companies. This, in turn, promises to open up the regional public sphere, whereupon traditional development paradigms that prioritise economic growth through unbridled resource exploitation are progressively challenged.

Chinese investment in the Mekong region’s resource sectors (e.g. extractives, hydropower and forestry) is, of course, known for being shrouded in secrecy with information rarely made available to the public, let alone to affected communities. However, not only can the ‘by-products’ of large-scale, resource-development projects in these sectors prove detrimental to the environment—water pollution and deforestation, for example, are a frequent cause for concern—but the social ramifications of these schemes on local communities and livelihoods can be equally severe and long-term. As a consequence, the lack

³ The debt burden of this project on the Lao government has raised fears that the government will have to repay Chinese loans through the provision of additional mining concessions. Banyan, ‘Infrastructure in Laos: One night to Bangkok’, *The Economist* (19 September 2013), available at <<http://www.economist.com/blogs/banyan/2013/09/infrastructure-laos>>, accessed 22 September 2013.

⁴ The terms ‘responsible business conduct’ and ‘corporate social responsibility’ (CSR) are used interchangeably in this paper. See Organization for Economic Co-operation and Development (OECD), ‘Promoting Responsible Business Conduct’, in *Policy Framework for Investment User’s Toolkit* (2011), p. 2.

of transparency notwithstanding, these past few years have witnessed a rise in the regional public's awareness of the manifold threats potentially posed by unchecked resource investment.

Unresolved problems associated with arbitrary land concessions granted by host governments to Chinese firms constitute a case-in-point, having served as an especially prominent source of social and political tension in recent years. In Myanmar, ongoing protests led by subsistence farmers against the Chinese-backed Letpadaung copper mine (currently developed by the military-owned Union of Myanmar Economic Holdings and the Chinese Wanbao Company in Myanmar's northwestern township of Monywa⁵) in Sagaing Region have centred on how their farmlands were forcibly confiscated by the Myanmar government for the project.⁶ This was soon accompanied by accusations of poor environmental safeguards. The issue caught international attention in November 2012 when more than a hundred protesters—many of whom were Buddhist monks—were injured in a police crackdown against a peaceful demonstration in Yangon. An investigative commission headed by Aung San Suu Kyi was subsequently set up by the Thein Sein administration to look into the claims made by aggrieved communities.⁷ Sustained resistance to the mine has since escalated, however, into the much-publicised abduction of two Chinese contract workers and one Burmese worker, who had been conducting surveying work for Wanbao near to the Letpadaung mine site.⁸ Similarly, land disputes have come to characterise Tianjin Union Development Group's plans for tourism development in Botum Sakor and Kiri Sakor, as the project seeks to transform this ecologically diverse area in Cambodia's Koh Kong province into a 45,000-hectare resort and airport.⁹ Protests by villagers who stand to be

⁵ Wanbao Company is a subsidiary of China North Industries Corporation (Norinco), an SOE specialising in arms manufacturing and high-technology defense products.

⁶ Controversy over the mining project, currently developed by the first surfaced in light of the displacement of farming families in 26 villages through forcible land eviction, with over 7,800 acres confiscated by the Myanmar government in 2010. See Nyein Nyein, 'Minister's Visit Fails to Ease Letpadaung Tensions', *The Irrawaddy* (18 October 2013), available at <<http://www.irrawaddy.org/burma/ministers-visit-fails-ease-letpadaung-tensions.html>>, accessed 18 October 2013.

⁷ Although the commission ultimately sanctioned the project's continuance, with Suu Kyi asking protesters to cease demonstrations for the sake of the country's international reputation, the government's decision to establish it in the first place is noteworthy. Of equal interest, moreover, was the Chinese Ambassador to Myanmar's announcement, prior to the release of the commission's findings, that China would accept any decision so long as it was arrived at through balanced and accurate information. See Ei Ei Toe Lwin, 'China vows to respect findings of mine probe', *Myanmar Times* (10 December 2012); Lawi Weng and Thet Swe Aye, 'Stop Protests against Copper Mine, Suu Kyi Tells Communities', *The Irrawaddy* (13 March 2013), available at: <http://www.irrawaddy.org/archives/29274>, accessed 1 April 2013; and Lawi Weng, 'Put Us in Prison, Letpadaung Protesters Say', *The Irrawaddy* (30 April 2013), available at: <http://www.irrawaddy.org/archives/33375>, accessed 10 May 2013.

⁸ See Zarni Mann, 'Burmese Protesters Kidnap Chinese Workers at Letpadaung Mine', *The Irrawaddy* (19 May 2014), available at <<http://www.irrawaddy.org/burma/burmese-protesters-kidnap-three-workers-letpadaung-mine.html>>, accessed 20 May 2014; Tim McLaughlin and Ei Ei Toe Lwin, 'Seven charged in mine kidnapping case', *Myanmar Times* (26 May 2014), available at <<http://www.mmtimes.com/index.php/national-news/10435-chinese-contractors-released.html>>, accessed 28 May 2014; and 'Mining in Myanmar: Kidnapped', *The Economist* (24 May 2014), available at <<http://www.economist.com/news/business/21602719-chinese-miner-tries-be-nice-kidnapped>>, accessed 28 May 2014.

⁹ Andrew R.C. Marshall and Prak Chan Thul, 'Insight: China gambles on Cambodia's shrinking forests', *Reuters* (7 March 2012), available at <<http://www.reuters.com/article/2012/03/07/us-cambodia-forests-idUSTRE82607N20120307>>, accessed 20 October 2013.

adversely affected by forced relocation have persisted from 2008 until early 2014, recently culminating in the blockade of a road leading to the company's headquarters.¹⁰

Still, owing to the dearth of information on the nature and scope of Chinese resource-related ventures, knowledge of the extent of what Chinese companies are doing and of what they might be doing wrong remains limited. Moreover, it is not always the case that public awareness will give rise to localised resistance; nor are acts of resistance always met with 'successful' outcomes, in the sense of generating the desired changes in target actors' policy behaviour and discourse. As demonstrated in my earlier study on Chinese hydropower investment within the region, while the Cambodian, Lao and Myanmar cases examined display how transnational activism orchestrated by an emerging regional network of dam opponents has managed to put pressure on Chinese dam developers to become more receptive to their corporate social and environmental obligations, such instances have so far remained more of an exception than the current norm.¹¹

What this raises, in effect, are the corollary questions of under what conditions does localised resistance actually occur and with what implications for the projects in question? As discussed later in this paper, although opposition has surfaced against certain Chinese-backed resource projects at the local and national levels in Vietnam and Myanmar, there would appear to be tempered opposition—if not conspicuous silence—in the Cambodian and Lao cases examined. Certainly, a number of factors can be attributed to this outcome. Information availability, for one, proves to be a sizeable inhibiting factor in the Lao and Cambodian cases, but appears to be less of a barrier for civil society actors working within the extractives sector in the Vietnam and Myanmar cases to overcome. A key variable to be considered here is the role played by civil society networks within each of these countries—in particular, their capacity to leverage resources and support under restrictive state conditions and manipulate the prevailing status quo in favour of their principled ideas.

Adopting a comparative perspective derived from extensive field research in China and mainland Southeast Asia, this paper sheds light on the implications of Chinese resource investment through an analysis of the following 'high-profile' projects: the North-South railway project in Cambodia's Rovieng district; bauxite mining on Laos' Bolaven Plateau; the China-Myanmar oil and gas pipeline project in Myanmar's Rakhine (Arakan) State; and bauxite mining in Vietnam's Central Highlands. Even though these projects share similar characteristics—being large in scale with wide-ranging socio-political and ecological impacts—the responses they have evoked from the respective host societies are shown to vary. This, in turn, accounts for the differing attitudes and reactions on the part of the Chinese state and corporate stakeholders involved in each of these cases.

This paper proceeds in three parts. The first section provides a critical overview of the nexus between localised resistance and civil society capacity. The second offers some observations on the nature and scope of Chinese investment in the region's extractive

¹⁰ Kuch Naren, 'Threat to Unleash "Paratroopers" in Land Dispute', *The Cambodia Daily* (8 February 2014), available at <<http://www.cambodiadaily.com/archives/threat-to-unleash-paratroopers-in-land-dispute-51740/>>, accessed 11 February 2014; Hul Reaksmeay, 'Koh Kong Villagers Halt Protest Against UDG' (10 February 2014), available at <<http://www.cambodiadaily.com/archives/koh-kong-villagers-halt-protest-against-udg-51777/>>, accessed 11 February 2014.

¹¹ See Pichamon Yeophantong, 'China, Corporate Responsibility and the Contentious Politics of Hydropower Development: transnational activism in the Mekong region?', *GEG Working Paper* 82 (July 2013).

industries. The third then examines cases of localised resistance and tempered opposition to Chinese schemes in Cambodia, Laos, Myanmar, and Vietnam, looking also at their implications vis-à-vis Chinese conformance to responsible business conduct and sustainability norms, as well as environmental governance within the respective Mekong host countries.

Localised Resistance, Civil Society Networks and Processes of Civil Regulation: towards a conceptual framework¹²

The departure point for this paper was initially the question of under what conditions Chinese resource companies can be compelled to comply with responsible business conduct norms in their overseas investments. To test the central argument advanced in my previous study on Chinese hydropower investment in the Mekong region (i.e. the higher the degree of localised resistance against Chinese resource investment projects (ongoing and/or planned), the greater the conformance of Chinese SOEs to their corporate responsibilities), I sought to extend the study's scope by incorporating an analysis of Chinese investment in the region's extractive industries. Following from this, I undertook four month-long research trips to the region this past year. However, due to the politicised nature of this issue, data collection proved difficult. Especially with the dearth of secondary source materials, I had to rely mainly on primary data derived from a series of in-depth interviews conducted with relevant government bureaucrats, parliamentarians, Chinese company representatives, non-governmental organisations (NGOs), and journalists.¹³ To ascertain the reliability of the information gained from my interviewees, I utilised a triangulation approach to verify their accounts against those of others, as well as against available news and academic reports.

During the course of my field research, it became apparent that the case of Chinese investment in the extractive industries bears notable differences from the hydropower case. While large Chinese SOEs dominate the region's hydropower sector, Chinese corporate stakeholders in the extractives sector tend to be more 'diverse', with private, state-owned as well as 'hybrid' entities operating within the same space, at times with the involvement of consortiums comprised of host-country and other foreign firms. Political opacity in this sector also seemed to be worse than in the hydropower sector. This is likely due to a combination of factors, including the 'lower-profile' of mining projects that tend to be situated in more remote areas.

Presumably the high level of political sensitivity that characterises this sector can seriously impact the capacity of civil society networks found in these Mekong countries to work and mobilise action on this issue. Indeed, a key difference between the hydropower and extractives sector lies with the level of success achieved by civil society in effecting significant policy pressure and change (e.g. suspension of or withdrawal from a project). Discussed in greater depth later, even in instances where one witnesses sustained activism

¹² My gratitude to Bob Keohane for helping me think through some of the points raised in this section.

¹³ A total of 56 interviews have so far been conducted in the region, with each interview lasting between one to four hours. Until explicit consent is received from interviewees, all references to those interviewed will remain anonymous in this paper.

and an increased sensitivity on the part of either the Chinese company or host governments to the need for them to address the social problems faced by a project, implementation of CSER commitments have largely remained uneven, with work on controversial projects allowed to continue. As such, there would appear to be little variation on the dependent variable under examination (i.e. the level of Chinese conformance to CSER norms).

Yet, upon closer scrutiny, a degree of variation is found to exist across the country-cases on one dimension: that is, the emergence of localised resistance. As previously mentioned, whereas limited public concern and opposition has been levelled in Cambodia and Laos against Chinese investments in Rovieng and the Bolaven Plateau—even though there is some knowledge of Chinese plans and their potential impacts on communities the surrounding environment—the cases of oil and gas pipelines in Myanmar and bauxite mining in Vietnam yield strikingly different outcomes. In both countries, the Chinese SOEs and governments involved have served as prominent targets of localised resistance that subsequently grew into nationwide protest campaigns. Crucially, this is in spite of the restrictive political environment characteristic of these two countries (as well as Laos and Cambodia) which is normally expected to deter and constrain most forms of civic activism.

If one were to subscribe to conventional wisdom which views state restrictiveness, as manifest in authoritarian and semi-authoritarian countries marked by a lack of transparency and endemic corruption, as a key inhibiting factor vis-à-vis the freedom to manoeuvre of civil society, how is one to explain the emergence of sustained Vietnamese and Burmese resistance against certain Chinese-backed schemes? While undoubtedly insightful when it comes to elucidating the different forms that civic activism takes within authoritarian contexts, existing scholarship dealing with such concepts as ‘embedded advocacy’, ‘contentious politics’, and ‘rightful resistance’ tend to fall somewhat short in their accounts of why resistance emerges or fails to emerge under restrictive state conditions or, more precisely, why activism might prove effective in certain instances and not in others. In part, this is attributable to the fact that these concepts are often derived from in-depth, single-country analyses that are prone to highlighting the country-specific characteristics of the social movements being studied.¹⁴

From this perspective, the causal link between state restrictiveness and civil society capacity to engage in issue-creation and mount organised resistance is one that should not be unproblematically assumed. Rather, I posit that the *capacity* of civil society networks constitutes a key determinant of whether or not localised resistance surfaces under restrictive socio-political conditions. To be sure, the term ‘capacity’ is an equivocal and oftentimes conceptually-loaded one, which renders any attempt to measure it a precarious undertaking. There is, moreover, the added risk of committing to a tautological explanation, whereby civil society capacity is defined by the very existence of localised resistance. For this reason, it is necessary to formulate a set of indicators for assessing the relative capacity of civil society networks in Cambodia, Laos, Myanmar, and Vietnam. I advance the following three: access to information; access to resources; and breadth of network.

¹⁴ An exception is Andrew Wells-Dang, *Civil Society Networks in China and Vietnam: Informal Pathbreakers in Health and the Environment* (New York: Palgrave Macmillan, 2012).

It is not sufficient for local advocacy groups or NGOs to adopt an issue: they need to also have adequate resources at their disposal as well as access to ‘game-changing’ information. These are integral to processes of ‘issue definition’ (i.e. the identification of ‘responsible parties’ and the proposal of ‘credible solutions’¹⁵) which, in turn, serves as the basis for orchestrating effective campaigns that attract public attention and gain policy resonance. At the same time, for an organisation to create a compelling ‘problem’, it will need to draw on authoritative, if at times ‘shocking’, information that can add to its credibility as a ‘gatekeeper’ within the given issue-area.¹⁶ The breadth of a civil society network—that is, the extent of (external) support it has at its disposal—is likewise predicated on these other two indicators. Once an ‘expert’ reputation is established, the expansion of a network is more likely to occur, as other domestic and transnational NGOs are persuaded to join the cause. In certain scenarios, one may also see an advocacy campaign gaining sympathisers within government and the bureaucracy. As illustrated later in this paper, Chinese pipeline and mining projects in Myanmar and Vietnam met with impassioned opposition at both the local and national levels that stemmed from well-organised and capable civil society networks. Despite facing a number of impediments in their efforts to bypass the state and overcome barriers in mobilising civic engagement, these networks managed to employ a range of strategies—including a two-pronged approach that involved cooperation with those inside government¹⁷—to masterfully create exigent issues of collective concern.

This is where the notion of civil regulation—understood here as ‘civil society based regulation of the private sector’¹⁸—comes into play. It is usually in response to the weaknesses inherent in extant governing arrangements that networks of like-minded activists come into being. Working to rectify governance gaps by bringing public scrutiny to bear on opaque decision-making processes, a key function performed by such civil society networks is to push for “soft” and “hard” accountability¹⁹ through indirect as well as direct channels of influence. What this essentially means is that network activists may attempt to effect policy change either through direct engagement with the target actors (i.e. government or company in question); indirect pressure through engagement with the affected public or host government; or some combination of both. Mass campaigns, popular protests, and petitions are, of course, among some of the more confrontational approaches favoured by activists, whereas the formation of collaborative partnerships with government agencies and companies frequently epitomise more consultative pathways of engagement. Here, the overarching

¹⁵ See Margaret Keck and Kathryn Sikkink, *Activists beyond Borders: Advocacy Networks in International Relations* (New York: Cornell University Press, 1998), p. 19.

¹⁶ See R. Charli Carpenter, ‘Governing the global agenda: “gatekeepers” and “issue adoption” in transnational advocacy networks’, in Deborah D. Avant, Martha Finnemore, and Susan K. Sell (eds), *Who Governs the Globe?* (Cambridge: Cambridge University Press, 2010), p. 214.

¹⁷ This was a strategy also seen in campaigns launched against the Myitsone dam in Myanmar.

¹⁸ Peter Newell, ‘Civil Society, Corporate Accountability and the Politics of Climate Change,’ *Global Environmental Politics* 8:3 (August 2008), p. 123; see also Michael R. Mason, *The New Accountability: Environmental Responsibility Across Borders* (London: Earthscan, 2005), p. 150; and Simon Zadek, *The Civil Corporation* (London: Earthscan, 2011).

¹⁹ Soft accountability is achieved through answerability, whereas hard accountability can be arrived at through sanctions, compensation and remediation. Jonathan Fox, ‘The uncertain relationship between transparency and accountability’, *Development in Practice* 17:4-5 (August 2007), pp. 663-671.

objective is to increase the costs of actor non-compliance to established regulatory safeguards. As reflected in reinvigorated calls in recent years for sustainable and responsible investment practices, social disapprobation of high-impact resource schemes has the potential to escalate into protracted resistance, which can negatively impact not just the reputation of investors, but also result in commercial losses in the event that a project is disrupted or derailed entirely by public pressure.

That said, there remains the distinct possibility that, aside from civil society capacity, other factors and dynamics could also contribute to the emergence of resistance or, conversely, the lack thereof. An outline of the potential causal mechanisms is as follows:

1. *Civil society capacity as an enabling factor*: Civil society networks that have a broad support base, sufficient resources at their disposal, and are privy to sensitive information are likely to succeed in fomenting resistance at the grassroots and national levels, as such attributes grant them increased capacity to raise public awareness on sensitive or little-known issues, as well as ensure that their cause remains prominent within the public sphere for a sustained period of time.²⁰
2. *State restrictiveness as an inhibiting factor*: Through the exercise of strict control over the flow of politically-sensitive information and the promulgation of national laws that restrict the officially-accepted parameters of action for civil society, the state (i.e. Mekong governments) can increase the costs of dissidence and resistance, thereby deterring as well as limiting the capacity of civil society organisations to engage in and sustain activism. At the same time, the political climate in China can also give rise to additional barriers in this sense, as the government (and, by extension, its national companies) remains aloof from any civil society pressure.
3. *International and/or regional involvement as an enabling factor*: Scrutiny from the international community can help to catalyse and/or embolden localised resistance in a given country, as well as pressure relevant corporate and government stakeholders to at least acknowledge the import of the accusations levelled against their projects by civil society actors.
4. *Chinese presence as an amplifying factor*: The so-called ‘China factor’ can contribute to amplifying the controversy of certain projects by virtue of China’s economic and political clout within the region. Here, civil society actors utilise the ‘China card’ to attract public attention, oftentimes by framing the issue as a national security concern in light of China’s expanding presence within the country.

Clearly, these causal pathways are by no means mutually-exclusive. Indeed, rather than being a causal mechanism on its own, the ‘Chinese presence’ dynamic could be viewed as corollary to civil society capacity. The point to be made here, however, is simply that for

²⁰ According to Anthony Downs, issues generally go through five phases, with public interest gradually declining once the costs and difficulties involved in achieving traction on a particular issue becomes known. See Downs, ‘Up and down with ecology: the issue-attention cycle’, *Public Interest* 28 (1972), pp. 38-50.

meaningful resistance to eventuate against Chinese investment in the Mekong region, the baseline conditions as described above must be met. This means that the existence of civil society alone is not sufficient to engender resistance with compelling results; what is needed is a *capable* civil society.

Going Regional: Chinese Investment and Resource Governance in Mainland Southeast Asia

There are four major reasons for this paper's focus on Chinese investment in the extractives sectors of Cambodia, Laos, Myanmar, and Vietnam. First, being resource-rich countries that have cultivated close bilateral relations with the People's Republic, they have served as major destinations for Chinese resource investments within the region. China is the largest investor in Myanmar, Cambodia as well as the twelfth largest in Vietnam.²¹ Although the third largest overall investor in Laos (after Vietnam and Thailand), China has become the largest investor in Laos' mining industry, with an estimated 50 Chinese mining companies—private and state-owned—operating in the country. In an effort to secure the country's gas imports that are so vital to meeting rising domestic energy needs, state-owned China National Petroleum Corporation (CNPC) has recently invested in what is deemed to be one of Myanmar's largest resource-development schemes, involving the extraction of underwater natural gas off the country's western coast to be transported primarily to China through oil and gas pipelines that are currently under construction. In like fashion, the Vietnamese government has granted licences to a subsidiary of the state-owned Aluminum Corporation of China (Chinalco) for large-scale mining exploration and development. In Cambodia, the appropriation of economic land concessions to Chinese companies has quickly become a highly controversial issue, with some observers viewing this as marking a new phase in Chinese investment in Cambodia, and a new phase in Cambodia's dependency on China.²²

China's policy of cementing regional economic ties with its southern neighbours, of course, feeds into its 'Go Out' strategy, which was announced in the late 1990s as a result of an internal push for the country to safeguard its energy and mineral security by diversifying supply sources, as well as by incentivising Chinese SOEs to cultivate an international reputation to gain wider access to overseas resource markets. Across the developing world, China has steadily expanded its corporate presence, frequently coupling its investments with offers of sizeable aid and concessional loan packages to its industrialising partners. For countries like Cambodia and Laos, the promise of Chinese 'no strings attached' aid and loans has proven to be exceedingly attractive, especially when compared to aid and loan packages provided by Western donors or regional financial institutions like the Asian Development Bank (ADB) which tend to come bounded with onerous conditions. In the wake of Hun Sen's official visit to Beijing in April 2013, the Chinese government reportedly agreed to provide Cambodia with over US\$2 billion in soft loans (primarily for infrastructure projects) and

²¹ Japan is currently Vietnam's biggest investor. See 'China encourages businesses to invest in Vietnam', *Vietnam Investment Review* (16 October 2013), available at < <http://www.vir.com.vn/news/en/investing/china-encourages-businesses-to-invest-in-vietnam.html>>, accessed 22 March 2014.

²² Interview with MP Son Chhay, Phnom Penh, Cambodia (12 March 2014).

grants. Notably, a memorandum of understanding for an oil refinery worth US\$1.67 billion to be situated between Sihanoukville and Kampot provinces was also signed by both governments.²³ In this way Chinese SOEs, well-attuned to the development needs of its Southeast Asian neighbours, are seizing the window of opportunity left open by other foreign investors to build bridges (in both a metaphorical and literal sense) within the region.

Second, as already noted above, all the countries examined in this paper are characterised by either authoritarian (one-party) or semi-authoritarian²⁴ regimes that are riddled by an unbridled lack of transparency, as well as weak social and environmental governance. Even though national legislation pertaining to the regulation of foreign investments and environmental protection does exist, lax enforcement of these regulations is pervasive in Cambodia, Laos, Myanmar, and Vietnam. This is commonly charged to entrenched corruption among state and local officials, who are allegedly colluding with Chinese firms by, for instance, approving resource-development projects without environmental impact assessments (EIAs) or public consultation.

Although the Ministry of Industry, Mining and Energy (MIME) is the primary agency responsible for overseeing the management of Cambodia's natural resources, ultimate decision-making authority rests with the incumbent prime minister, who can authorise certain projects considered under urgent or special circumstances. This, of course, raises a probable cause for alarm, as Hun Sen can effectively bypass existing regulations—specifically those requiring EIAs to be conducted before the granting of licences for mining exploration. At the same time, the Cambodian Ministry of Environment (MOE), tasked with managing and safeguarding the country's environmental resources, continues to suffer from a number of organisational weaknesses that render it less influential than MIME when it comes to the project approval process. In comparison, Laos is known for having a 'strongly-worded' and potentially robust legal framework in place for regulating foreign investment. However, lacking sufficient capacity for monitoring and enforcement, and eager to bring in Chinese investment, the government and responsible agencies (e.g. the Water Resources and Environment Administration (WREA) and the Department of Geology and Minerals (DGM) of the Ministry of Energy and Mines (MEM)) can only exercise a limited degree of oversight over mining operations (not just Chinese) in the country. This is compounded by the fact that the government tends to rely on monitoring reports and information (voluntarily) disclosed by mining companies to assess projects. Without access to 'objective' project information, this clearly impedes the Lao government's ability to hold companies and their investors accountable for any social or environmental misconduct.

The problem of enforcement is likewise seen in Myanmar and Vietnam. Cognisant of the risks to domestic stability that can result from widespread opposition (as witnessed in the case of the Chinese-financed Myitsone dam), the Myanmar government under President Thein Sein is now seeking to revise and update its extant body of investment laws and regulations. But while this seems to be a step in the right direction, some observers in

²³ 'Cambodia Scores More Aid From China', *Radio Free Asia* (10 April 2014), available at <<http://www.rfa.org/english/news/cambodia/china-04102013151022.html>>, accessed 10 March 2014.

²⁴ While debate persists, this label is perhaps most applicable to Cambodia. Despite Prime Minister Hun Sen's monopoly over state power, the country does maintain a two-party system, with the main opposition party represented by the Cambodia National Rescue Party (CNRP) led by Som Rainsy.

government and from civil society remain cautiously optimistic of the government's capacity (not to mention willingness) to fully implement and enforce these provisions.²⁵ Similarly, despite having an elaborate approval mechanism for foreign investment projects, uneven implementation of regulatory provisions in Vietnam has meant that major resource schemes—of which bauxite mining in the Central Highlands is a case-in-point—are allowed to proceed without the required impact assessments. This contravenes directly with the country's Mineral and Environmental Protection Laws, which respectively entail the conduct of environmental and strategic environmental impact assessments. Even in cases where the existence of such regulatory gaps can work to afford greater political space to processes of civil regulation, with civil society working to monitor corporate behaviour and help make up for government oversight, civil regulation should not be viewed as a substitute for 'top-down', government regulation of corporate behaviour. Rather, it is at best a complementary mechanism that promises to promote public participation from the 'ground-up', whilst encouraging greater transparency and accountability on the part of governments and the private sector.

Third, as is fairly common to most developing countries, when it comes to deciding between the exploitation of natural resources to meet market demands and drive economic growth, and the stringent implementation of relevant laws and regulations that can increase project costs and deter certain investors (and for which government experience is also lacking), governments will tend to find a stronger incentive to opt for the former route. The Mekong and Chinese governments are no exception in this regard, as they actively prioritise the extraction and export of (finite) natural resources as a means to promote socio-economic development and regional economic integration. The following statement by Cambodia's Minister of Industry, Mines and Energy captures this sentiment well: 'The development of mineral resources sector is one of the government's priorities. To attract investors, it is vital to strengthen partnership with investors'.²⁶

A key dimension of the Chinese policy agenda that has remained constant over time is, of course, the emphasis on multifaceted development, as exemplified by such concepts as the 'four modernizations' (*si ge xiandaihua*), scientific development' (*kexue fazhan*), 'harmonious society' (*hexie shehui*) and, most recently, President Xi Jinping's notion of the 'Chinese Dream' (*Zhongguo meng*). The aforementioned 'Go Out' strategy clearly feeds into this overall policy direction, with Chinese commentators often taking note of how the imperative to secure and diversify the country's resource supplies is one that was stressed by Deng Xiaoping ever since the late 1970s. In fact, an integral component of this policy is the concept of 'two markets and two resources' (*liang ge shichang, liang zhong ziyuan*). At the opening ceremony of the China International Mining Conference in November 2010 at, then Vice Premier Li Keqiang expounded on this concept as he highlighted the importance of developing domestic resource markets and enhancing international cooperation in the resource sector.²⁷ Reminiscent of most Chinese political discourses that have deep political

²⁵ Interviews, Yangon, Myanmar (March 2013).

²⁶ 'Cambodia grants mine exploratory licenses to 24 firms in 2011: gov't report', *People's Daily Online* (9 March 2012), available at <<http://english.people.com.cn/90777/7753471.html>>, accessed 10 September 2013.

²⁷ 'Li Keqiang: Using the Two Markets, Two Resources to strengthen capabilities to achieve mutual benefit and gain' [Li Keqiang: Chongfen liyong liang ge shichang liang zhong ziyuan zengqiang baozhang nengli shixian

roots, the concept can be traced back to the Jiang Zemin leadership, whereupon it was espoused at the Fifteenth Party Congress in 1997. Crucially, the notion of ‘two markets and two resources’ now serves as the rationale behind the recent push to develop China’s ‘strategic energy channels’, of which the Sino-Myanmar oil and gas pipelines, which aims to accelerate economic growth in southwest China, is one such project undertaken as part of this policy directive.²⁸

Finally, even though the extractives sector features a more diverse cast of Chinese investors, with private mining companies maintaining a substantial presence within the region, it is the case that a majority of the ‘high-profile’, large-scale projects are being financed by major Chinese SOEs such as CNPC, the China Nonferrous Metals International Mining Co., Ltd. (CNMIM),²⁹ the Aluminum Corporation of China Ltd. (Chalco), and China Aluminum International Engineering Corporation (Chalieco)—both subsidiaries of Chinalco—and generally undertaken through joint partnerships with host-country firms and, occasionally with private and other foreign investors. Each of the projects considered in this paper is being developed through joint ventures. In the Vietnamese case, for example, the state-owned Vietnam National Coal and Mineral Industries Group (Vinacomin) is permitted to enter into joint partnerships with foreign investors insofar as it retains a dominant proportion of ownership of the project.³⁰

Chinese resource companies have, for the most part, taken their direction from the central government. Chinalco, for example, prides itself in being the country’s largest nonferrous metals enterprise and the world’s second-largest alumina producer. Seeking to ‘internationalise’ and enhance their overseas investment portfolio, these corporate actors have shown a willingness to invest in socially and ecologically ‘risky’ projects. Illustrative also of how broader political motives can occasionally take precedence over business interests, certain projects pursued by these Chinese SOEs could prove commercially unprofitable in both the short- and long-term, but politically profitable to the Chinese government in terms of bolstering bilateral ties.

In light of the similar nature of the Chinese investors under consideration, the projects examined likewise bear noteworthy parallels with one another. While at different stages of development (see Table 1 below), these are all projects that involve the large-scale exploitation of resources, and are anticipated to have extensive social, ecological and even national-security repercussions (e.g. displacement of local communities and degradation of the surrounding environment) by dint of their geographical location. Situated in socially and ecologically-sensitive areas, these schemes are therefore categorised here as ‘high-impact’. Certainly, Laos’ mountainous Bolaven Plateau is known to be rich in biodiversity and

huli gong ying], *The People’s Daily* [Renmin Ribao] (17 November 2010), available at <<http://cpc.people.com.cn/GB/64093/64094/13233874.html>>, accessed 18 April 2014.

²⁸ Interview, Kunming, Yunnan Province, China (23 April 2014); see also Michael Richardson, ‘China betting on overland energy-supply lines’, *The Japan Times* (27 July 2013), available at <<http://www.japantimes.co.jp/opinion/2013/07/27/commentary/china-betting-on-overland-energy-supply-lines/#.U2BAKvldWSo>>, accessed 9 February 2014.

²⁹ CNMIM is a subsidiary of the state-owned China Nonferrous Metal Mining (Group) Co., Ltd. (CNMC).

³⁰ Kate Lazarus, ‘In Search of Aluminum: China’s Role in the Mekong Region’ (Heinrich Boell Stiftung, WWF, and International Institute for Sustainable Development, 2009), p. 19.

ethnically diverse, while its western regions are also the site for the cultivation of cash crops, especially smallholding coffee production.³¹

Table 1. Summary of key characteristics across country cases

	<i>Nature of Project</i>	<i>Nature of Chinese Firm</i>	<i>Location of Project</i>	<i>Level of Host-State Restrictiveness</i>
Cambodia <i>(North-South Railway Project in Rovieng District)</i>	Mega-project; MoU signed	SOE (Joint partnership)	High-Impact	High
Laos <i>(Bauxite mining on the Bolaven Plateau)</i>	Large-scale; under development	SOE (Joint partnership)	High-Impact	High
Myanmar <i>(Oil and Gas Pipelines in Rakhine State)</i>	Large-scale; completed	SOE (Joint partnership)	High-Impact	High
Vietnam <i>(Bauxite mining in the Central Highlands)</i>	Large-scale; proposed/ under development	SOE (Joint partnership)	High-Impact	High

Based on the above discussion, the following table summarises the major characteristics found across the four country cases examined in this paper. Given the similarities that exist across the cases, I control for the corresponding variables—nature of investment project, nature of Chinese firm, location of project, and level of state restrictiveness—in order to sharpen the study’s focus on explaining the nexus between civil society capacity and the emergence of localised resistance against Chinese resource-development schemes in mainland Southeast Asia.

Case Studies of Localised Resistance and Tempered Opposition

What follows in the subsequent sub-sections is a comparative analysis of the major Chinese-backed projects in the extractives sector of Cambodia, Laos, Vietnam and Myanmar, and the

³¹ Having said this, outside investment is now being channelled into the establishment of large coffee plantations, which serves to threaten local coffee growers and producers. See Claudio O. Delang, Matthew Toro and Marieke Charlet-Phommachanh, ‘Coffee, mines and dams: conflicts over land in the Bolaven Plateau, southern Lao PDR’, *The Geographical Journal* 179:2 (June 2013), pp. 154-156.

varying responses they have drawn from host countries and, more specifically, from civil society. But whereas one sees limited opposition to Chinese resource schemes in the Lao and Cambodian instances, localised resistance and anti-China sentiments have grown markedly over the years in both Myanmar and Vietnam. Here, what the instances of sustained opposition to Chinese-backed, resource-development projects serve to underscore is the growing role played by civil society networks in engendering pockets of resistance within a region that is conventionally deemed to be China's 'natural' sphere of influence.

Cambodia's North-South Railway Project in Cambodia and Bauxite Mining on Laos' Bolaven Plateau

In the wake of well-known Cambodian environmentalist Chut Wutty's death and the sudden 'disappearance' of Lao community rights and environmental activist Sombath Somphone in 2012, many observers have tended to associate the tempered opposition seen in both countries to the contraction of the public sphere as a result of these unfortunate events. This, however, tells only part of the story. The (relative) lack of civil society capacity is equally culpable here.

As early as 2010, plans were proposed by Cambodia Iron and Steel Mining Industry Group (CISMIG) to undertake the construction of a US\$11.2-billion mega-project comprised of a US\$650-million steel mill in Preah Vihear province, a purpose-built seaport in Koh Kong province and a 404-km railway in the Cambodian district of Rovieng in Preah Vihear province, with sub-projects in the broader scheme (e.g. the railway and port components) having since been contracted to China Railway Major Bridge Engineering Corporation (MBEC), a subsidiary of the state-owned China Railways Group, and China Ocean Engineering Construction General Bureau (COEC), a subsidiary of the China National Machinery Industry Corporation (Sinomach).³² Although CISMIG is registered as a private company based in Cambodia with a majority Chinese stake (70%), according to its chairman Zhang Chuan Li, it is purportedly supported by four major Chinese steel companies.³³ Poised to become the country's largest Chinese-financed scheme when completed, the North-South Railway project seeks to provide the Chinese with access to valuable iron ore, while concomitantly stimulating the economic growth of Preah Vihear province through the export of locally-mined steel to neighbouring countries.

Yet, very little information on the scheme is publicly available. Even the Cambodian Minister for Public Works and Transport Tam Iv Tek has admitted to not knowing 'what the [Chinese] companies [involved] will do'.³⁴ While it appears that the project has mainly proceeded on the basis of Prime Minister Hun Sen's approval, Environment Minister Mok Mareth has also revealed that an EIA for the scheme has yet to be submitted for the

³² See Prak Chan Thul, 'Chinese firm plans \$11 bln rail, port, steel projects in Cambodia', *Reuters* (2 January 2013), available at <<http://www.reuters.com/article/2013/01/02/cambodia-china-investment-idUSL4N0A71JL20130102>>, accessed 10 February 2013.

³³ The fact that it has sub-contracted components of the project to subsidiaries of major Chinese SOEs further adds credence to this claim. Some reports have also referred to the company as a Chinese consortium. See Phorn Bopha and Simon Lewis, 'Minister of Transport Says He Knows Little About Railway Project', *The Cambodia Daily* (3 January 2013), available at <<http://www.cambodiadaily.com/archives/minister-of-transport-says-he-knows-little-about-railway-project-7198/>>, accessed 2 February 2014.

³⁴ Quoted in Bopha and Lewis, 'Minister of Transport Says He Knows Little About Railway Project'.

Ministry's formal consideration, despite work on the project then set to begin six months later and with feasibility studies having already been conducted in 2009 and 2010 for the steel plant and north-south railway, respectively.

Considering how the project—and specifically, its railway component—will need to cut through an expanse of land that will entail the forced relocation of communities, which includes indigenous Kuy ethnic minority communities that have traditionally lived in the area, the planned project has already come under some censure from local communities, with the focus of contention centred on the failure of Cambodian officials and the companies involved to disclose project information and the expected impacts on communities.³⁵ According to a Kuy community representative, 'We hear a lot about what the government is doing in other sectors, but we are not told anything about this...What the community wants is a discussion with the company, so that we can try to avoid the negative effects mining has had in other countries'.³⁶ Moreover, being located near to the endangered Prey Lang Forest, the scheme could potentially have adverse consequences on the nearby environment and biodiversity.

Despite Cambodia being known for having an active and fairly assertive civil society, as evinced by displays of anti-dam activism of late, concerns raised against this mega-project have not yet gained resonance within the public and policy realms. According to my interviews with Cambodian environment and development NGOs, this is primarily due to the lack of transparency that typifies the extractives sector and the difficulty involved in ascertaining the project's likely impacts.³⁷ As a representative from Conservation International's Cambodia office aptly observed, 'No one really knows what's happening'.³⁸ The limitations faced by local civil society in mobilising information on this matter is further reflected in a recent (and possibly only) briefing report published on this issue by Equitable Cambodia and Focus on the Global South in March 2013, which had to rely for the most part on available information collected from secondary sources (e.g. media reports and company websites).³⁹

Without an actual EIA, the full scope of the scheme's effects remains largely unknown and uncertain; and unlike the instance of hydropower dams where reservoir inundation causes observable changes to the surrounding environment (e.g. deforestation), mining projects tend to involve more low-key development that renders attempts to monitor them all the more problematic. As such, mobilising broader public awareness and empathy—that is, beyond the communities who stand to be affected by the mega-project—has proven a difficult task, as the gravity and urgency of the situation remain unclear to the general public. It is also the case that CISMIG has cultivated close ties with the ruling Cambodian People's Party (CPP) and with local officials through various CSR projects that involved the construction of, *inter alia*, schools, hospitals and a new district office in Rovieng. In one much-publicised event,

³⁵ See Andrew R.C. Marshall and Prak Chan Thul, 'Insight: Cambodia's \$11 billion mystery', *Reuters* (13 February 2013), available at <<http://www.reuters.com/article/2013/02/13/us-cambodia-china-idUSBRE91C1N320130213>>, accessed 26 February 2013.

³⁶ Quoted in Simon Lewis and Neou Vannarin, 'Report Shows Lack of Information on Chinese-Funded Railway', *The Cambodian Daily* (7 March 2013), available at <<http://www.cambodiadaily.com/archives/report-shows-lack-of-information-on-chinese-funded-railway-12723/>>, accessed 9 February 2014.

³⁷ Interviews, Phnom Penh, Cambodia (March 2014).

³⁸ Interview, Phnom Penh, Cambodia (14 March 2014).

³⁹ See Equitable Cambodia and Focus on the Global South, 'Briefing Paper: The Chinese North-South Railway Project' (March 2013).

CISMIG had reportedly contributed funds totalling at US\$83,000 for the construction of a primary school, teachers' quarters, and temples in Preah Vihear province, while also giving local villagers who participated in the school's opening ceremony in 2012 sarongs (given specifically to nuns and the elderly), 5000 riel, as well as books, pens and another 2000 riel to students.⁴⁰ Officially touted as a major contribution to Cambodia's economic modernisation and the well-being of local communities,⁴¹ such 'gifts' will have presumably contributed to deterring criticisms against CISMIG, as the company and its mega-project become attached to state-sanctioned development discourses and, more importantly, vested political interests.

In this way, the political and informational barriers encountered by local civil society actors seeking to contest this scheme are clearly great. Unsurprisingly, while local demands for dialogue with the project developers had surfaced in early 2013 following the deal-signing ceremony between the Cambodian government, CISMIG and MBEC,⁴² with news of communities also meeting with Development and Partnership in Action (DPA), a respected local NGO, to voice their misgivings, there has since been little sign of continued civil society advocacy on this issue, let alone organised resistance. Work on this scheme has effectively proceeded in accordance with its anticipated completion date in 2017.

Compared to Cambodian civil society, Lao civil society is commonly recognised as seriously underdeveloped. As noted by one civil society representative, civil society in Laos continues to suffer from a constant lack of capacity as well as knowledge of relevant laws and regulations that could be used to aid their causes.⁴³ As a consequence, observers will often view the relative absence of civic activism in Laos on politically-sensitive resource issues as a mere testament to the country's restrictive political space that has succeeded in preventing the establishment of an active and resourceful civil society. Looking to the non-emergence of sustained resistance against Chinese-backed mining schemes on the country's Bolaven Plateau, this appears to be an accurate depiction. At present, two major, Chinese-backed resource companies responsible for driving the development of the plateau's mineral reserves, especially bauxite, are the Sino-Lao Aluminum Corporation (Slaco), in which Chalco has a majority stake, and the Sino-Australian Resources Company (SARCO), a joint venture between CNMIM and the Australian Ord River Resources Corporation.

Located in the northeast part of Champassak province, the Bolaven Plateau is renowned for its biodiversity (as it encompasses two national protected areas) and smallholding coffee cultivation, which produces nearly all of the country's coffee. However, with concessions granted to domestic and foreign (predominantly Chinese) investors to explore and mine what is believed to be one of the world's largest undeveloped bauxite deposits, this promises to significantly transform the region's natural and social landscape. According to a public statement issued by SARCO back in 2007, its objective is 'to develop a world class [sic]

⁴⁰ 'Cambodia Iron and Steel Mining Industry Group Builds Village School, Chairman Zhang Chuan Li Awarded Country's Highest Honor Medal' [Jianpuzhai Gangtie Kuangye Jituan wei baisheng xiangcun jian xiaoshe, Zhang Chuan Li dongshi zhang huo shou guojia zuigao rongyu jianshe xunzhang], *Phnom Penh Evening News* [Jianbian Wanbao] (17 May 2012), available at <<http://www.jinbianwanbao.com/List.asp?ID=9945>>, accessed 20 April 2014.

⁴¹ CISMIG's chairman was later awarded the country's 'highest medal of honour' for these projects.

⁴² Construction work on the project commenced in July 2013.

⁴³ Interview with civil society representative, Vientiane, Lao PDR (12 March 2013).

aluminum project' in Laos.⁴⁴ Based on latest accounts, SARCO is involved in developing a 1,550km² land area that amounts to as much as 40 percent of the plateau, whereas Slaco is overseeing the exploration and extraction of bauxite ore in an area totalling 246km², having been granted a 50-year concession from the Lao government. It is estimated that the company will extract 3 million tons of argilliferous bauxite to be processed into approximately 500,000 tons of aluminium per year.

Mining—in particular, bauxite mining—is known to cause serious ecological problems, most notably surface water and groundwater contamination due to the discharge of toxins from the bauxite mineral extraction process. Furthermore, as previously mentioned, the expansion of mining operations in this area stands to substantially threaten local livelihoods that are highly dependent on income generated from coffee production on the plateau. As such, the fact that until now, only one company, Slaco, is reported to have submitted a publicly-available EIA for its projects should be sufficient cause for concern. Yet, aside from a 2009 report published by the Heinrich Böll Stiftung in conjunction with the World Wide Fund for Nature (WWF) and the International Institute for Sustainable Development (IISD),⁴⁵ the potentially deleterious consequences of bauxite mining on the Bolaven Plateau have not been raised or studied at any great length by civil society organisations inside and outside of Laos. Even with a degree of advocacy from organisations like the Land Issues Working Group (LIWG) and the Lao Coffee Association, which revealed how a proposed bauxite mine could 'encroach' on about 'half of the land...currently under coffee cultivation',⁴⁶ these efforts have proven to be rather short-lived.

Similar to the Cambodian case, the lack of access to reliable information has served as a major barrier to civil society actors in Laos. This is compounded by tacit fears on the part of both local and international civil society groups of backlash from the government, of which the recent expulsion of Anne-Sophie Gindroz, country director of Helvetas Laos, for speaking on water governance problems serves as a stark reminder.⁴⁷ Taken together, these have contributed to constraining the ability of these civil society organisations to build up their support base and, by extension, mobilise the resources necessary for investigating and mounting campaigns on the matter.

It deserves note, however, that in mid-2012 the Lao government had announced a moratorium on new investments in mining and the granting of land concessions until 2015.⁴⁸ According to media reports, the decision was made in light of a marked increase in the number of complaints filed by villagers adversely affected by land concessions and the environmental degradation caused by mining projects.⁴⁹ Significantly, this announcement emerged around the same time as questions were raised over labour issues, particularly the

⁴⁴ Ord River Resources, 'ORD consolidates bauxite deposits in Laos' (23 January 2007), available at <<http://www.ord.com.au/wp-content/uploads/announcements/2007/Ord%20Secures%20Additional%20Bauxite%20Exploration%20Areas.pdf>>, accessed 15 April 2014.

⁴⁵ See Lazarus, 'In Search of Aluminum'.

⁴⁶ 'Bauxite mine poses challenge for Bolaven coffee growers', *The Vientiane Times* (26 April 2012).

⁴⁷ Interview, Vientiane, Laos (13 March 2013).

⁴⁸ See 'Government to consider suspending large mining, land concessions', *The Vientiane Times* (8 May 2012).

⁴⁹ 'Consequences from mining widely impact Lao locals' [in Lao], *Voice of America Laos* (24 July 2012), available at <>, accessed 18 April 2014.

growing presence of Chinese workers in Laos.⁵⁰ For this reason, while not much information is available on the exact factors that led to the suspension, there seems to be a consensus that Chinese investments were most likely part of the consideration, if not a driving factor.⁵¹ The actual role played by civil society actors in bringing about this outcome is, nevertheless, unclear. It is, moreover, the case that the moratorium itself targeted new investment, not preexisting ones, so its effectiveness in mitigating the repercussions of mining projects within the country has remained questionable. Most recently, reports have surfaced that the Lao government is now preparing to recommence consideration of investment and concession proposals in view of the end of the suspension period next year.⁵²

Bauxite Mining in Vietnam's Central Highlands and the Sino-Myanmar Oil and Gas Pipeline Project

Contrary to the Cambodian and Lao cases, Chinese schemes to mine bauxite in the Central Highlands and construct oil and gas pipelines across Rakhine State have met with significant and sustained resistance from both Vietnamese and Burmese communities. In both examples, dense and broad-based civil society networks played a vital role in fundamentally challenging the schemes' legitimacy and 'development' rationale, boosting public awareness, and mobilising collective action across the country. In the Vietnam case, civil society actors gained the support of respected and 'high-profile' public figures, while assistance from transnational NGOs and attention from the international media proved central to the relative successes enjoyed by Burmese civil society.

Bauxite mining in the ecologically-diverse Central Highlands first became embroiled in nationwide controversy during the latter half of 2008, when a wide cross-section of Vietnamese society spoke out against the government's plans to develop approximately 5.4 billion tons of crude bauxite ore. As previously mentioned, the environmental ramifications of bauxite mining tend to be severe, with some of the mines operating in Vietnam already producing the so-called toxic 'red sludge' that can critically endanger the welfare of surrounding communities. Coupled with Chalco's involvement in the construction of two processing plants in the area, the issue quickly became framed as a 'national problem' in the public sphere, with the prevailing public discourse gradually shifting from one lauding the primacy of state-led economic development, to one concerned with the socio-ecological and national security implications (a large amount of the bauxite extracted was destined for Chinese markets) of bauxite mining.

The role played by Vietnamese civil society in transforming this issue into an exigent problem demanding collective action cannot be understated here. Presumably, if it were not for the advocacy efforts of one local Vietnamese NGO in particular, sustained activism against the Vietnamese government's plans to mine bauxite would not have emerged in the

⁵⁰ 'Lao authorities admit difficult [in] repatriating Vietnamese and Chinese labourers' [in Lao], *Voice of America Laos* (11 May 2012), available at <>, accessed 18 April 2014.

⁵¹ Personal communication with Oxfam Lao representative (22 April 2014).

⁵² 'Laos considers lifting ban on new mining concessions', *The Nation* (27 January 2014), available at <<http://www.nationmultimedia.com/breakingnews/Laos-considers-lifting-ban-on-new-mining-concessio-30225306.html>>, accessed 2 February 2014.

first place. Established in mid-2007, the Consultancy on Development (CODE) was the first organisation to investigate concerns reported by the domestic press about the deleterious impacts of bauxite mining in the highlands.⁵³ As their first ‘case’, CODE invested considerable time in working with a group of scientists to arrive at ‘objective’, scientific insights on the issue. Their first field trip to the area was conducted in July 2007, with findings subsequently published in a series of articles in the *Saigon Economic Times*. Their activities soon caught the attention of local authorities—who up until then had only spoke about the benefits of bauxite mines—culminating in CODE’s co-organisation with the Dak Nong People’s Committee of an officially-sanctioned seminar on bauxite mining and its impacts.

This was followed by a multi-stakeholder policy workshop in October 2008 in Dak Nong province. Significantly, the workshop was attended by a total of 160 people that included representatives from government, the Vietnam National Coal and Mineral Industries Corporation (Vinacomin), Chalico, as well as journalists. Not only did this workshop help to inject much-needed debate into the discussion over the bauxite mines (emphasis was again placed on the impacts of bauxite mining), eventually transforming what were originally local concerns into national ones, but it also enhanced CODE’s reputation and ‘visibility’ within the public sphere. This, in turn, paved the way for an expansion of CODE’s support base, as the organisation and its cause also came to gain support from those within the Vietnamese government and National Assembly—a development that later facilitated the unprecedented (albeit somewhat tempered) success of Vietnam’s emergent civil society network in this particular instance.

Cognisant of their precarious existence within a highly-restrictive political space, Vietnamese civil society organisations do not generally eschew working with the government or bureaucracy to realise their objectives. On occasion, they may even seek to explicitly align their claims and demands with state-sanctioned ideologies, as a means to ‘reach out’ to potential sympathisers within the bureaucracy, whilst concomitantly contesting the validity of state discourses.⁵⁴ In this way, the language of ‘national interest’ and ‘development’ can be used and manipulated by these groups to the effect that it becomes difficult for official authorities to discount or dismiss their ‘legitimised’ grievances. This advocacy approach was one also utilised by Vietnamese civil society in the bauxite mining case, and is what accounts for the distinctive attributes of the resulting civil society network—characteristics that fit rather awkwardly with conventional (Western) depictions of civil society as autonomous organisations with little or no formal ties to the state.

It would be one year after CODE’s Dak Nong workshop that another turning-point came to pass in the anti-bauxite activism. In January 2009, the late national war-hero, General Vo Nguyen Giap, sent an open letter to Prime Minister Nguyen Tan Dung to personally protest bauxite mining in the highlands. Yet of special interest was General Giap’s focus on the *Chinese* presence in the Central Highlands, whereupon he took note of how

⁵³ A piece in the *Saigon Economic Times* had reportedly prompted their early interest.

⁵⁴ This clearly resonates with the notion of ‘rightful resistance’. See Kevin J. O’Brien, ‘Rightful Resistance’, *World Politics* 49:1 (October 1996), pp. 31-55.

‘hundreds of Chinese labourers were already working on the construction sites’.⁵⁵ By 2009, the bauxite mining issue was no longer only about resources; it also came to impinge on broader security concerns, as the prospect of a ‘Chinese threat’ in a strategically- and historically-important area galvanised people’s fears of an impending ‘Chinese invasion’.⁵⁶ Crucially, this drew the attention of other political figures like National Assembly delegates Nguyen Lan Dung and Duong Trung Quoc, and leader of the outlawed Unified Buddhist Church of Vietnam Thich Quang Do, each of whom joined in the heated public debates that followed the release of Giap’s letter. At the same time, several Vietnamese-language websites and blogs, such as ‘Bauxite Vietnam’, would also add a transnational dimension to the debate, as their websites managed to attract outside attention as well as concern from Vietnamese environmental groups operating overseas like the US-based Vietecology and outlawed political organisation, Viet Tan. Indeed, the sentiments that ran high during this period were notably manifest in a major online petition to stop bauxite mining: of the 2,746 signatures received, at least 135 belonged to well-known Vietnamese intellectuals, who had signed the document in the face of sizeable risks.

To be sure, the growing intensity of the mining debate served to drive the expansion of the then incipient network of bauxite-mine opponents in Vietnam. With a cast of outspoken and authoritative figures throwing their moral weight behind the ‘stop bauxite mining’ cause, this led to an outburst in public opposition to the scheme and, specifically, to China’s involvement rarely seen in Vietnamese society. In fact, the focus on China’s role in the issue appears to have served a dual purpose: it allowed opponents of the scheme to frame their concerns in ways that the Vietnamese government found difficult to dismiss outright (i.e. by linking the issue to national security and prominent episodes in the country’s historical memory), while the nationalist sentiments that consequently became attached to the anti-bauxite campaign also served to ensure sustained public interest and attention.

Although the final outcome of Vietnam’s anti-bauxite activism was somewhat limited—despite President Truong Tan Sang’s announcement in late 2011 that Chinese investors would not be allowed to exploit bauxite reserves in the Central Highlands,⁵⁷ Chalco was still granted engineering, procurement and construction (EPC) packages worth a total of around US\$10 million—pressure generated from the nationwide campaign did lead to two noteworthy policy outcomes. The first was a government-organised ‘scientific’ conference in 2009, moderated by the Vietnam Union of Science and Technology (VUST), which had signalled official acknowledgement of the concerns raised; and the second, reflecting the regulative impact that a civil society network can have, was the Politburo’s commitment to limiting the scope of mining projects and undertaking a proper EIA study. Clearly, while anti-bauxite activists did not bring about direct changes in the policy behaviour of the Chinese government or SOE involved, they were able to do so indirectly by pressuring the Vietnamese government.

⁵⁵ Quoted in Jason Morris, *The Vietnamese Bauxite Mining Controversy: the Emergence of a New Oppositional Politics* [unpublished manuscript] (PhD dissertation: University of California, Berkeley, 2013), p. 9.

⁵⁶ Interview, Hanoi, Vietnam (20 March 2014).

⁵⁷ ‘President Truong Tan Sang: China Not to Mine Bauxite in Vietnam’, *Tuoi tre News* (12 August 2011), available at <<http://www.vietnamica.net/president-truong-tan-sang-china-not-to-mine-bauxite-in-vietnam/>>, accessed 9 March 2014.

This is not, however, to suggest that the campaign met with no government opposition: state repression came in the form of arrests of prominent bloggers over the course of two months in 2009 as well as repeated attempts to shut down the Bauxite Vietnam website.⁵⁸ Of significance here, nevertheless, is the fact that localised resistance against bauxite mining persisted irrespective of restrictive socio-political conditions. Even now, the Bauxite Vietnam website is still in operation. Local civil society organisations like CODE and PanNature have also continued to cooperate with government agencies to stimulate policy dialogue on this issue and encourage the implementation of the Extractive Industries Transparency Initiative's (EITI) standards in the country's extractives sector. More recently, in 2013, a Vietnamese mining coalition was established, being comprised of seven government agencies and four civil society organisations, including CODE, PanNature and the Vietnamese Forum of Environmental Journalists (VFEJ).⁵⁹

Similar civil society-network dynamics can be found in the case of localised resistance against the Sino-Myanmar oil and gas pipelines—more precisely, the Shwe gas pipeline. A joint venture between CNPC and Myanmar's national petroleum company, Myanmar Oil and Gas Enterprise, the Shwe gas pipeline underwent three years of construction and recently began operations late last year. Running from Kyaukphyu on Myanmar's west coast, the pipeline is to deliver an estimated 12-billion m³ of gas annually for domestic Burmese consumption, as well as to China's southwest provinces, including Yunnan and Guangxi.⁶⁰ As mentioned earlier, the project is part of the Chinese government's broader resource strategy that seeks to secure the country's access to vital energy resources: prior to the pipeline's construction, China had to rely primarily on gas imported from strategically-volatile areas around the Malacca Strait.⁶¹

Despite government attempts to publicise the scheme as a boon to Myanmar's economic development, this has not allayed the intense opposition that has emerged over the years in Myanmar against the project. According to the Shwe Gas Movement, a Thailand-based coalition of anti-pipeline activists, details of the project have not been properly disclosed to affected communities, with no prior public consultation having been conducted by the Myanmar government or companies involved. Moreover, given how the project cuts across the ethnically-fragile Rakhine State, this has engendered a slate of concerns pertaining to the project's potentially wide-ranging social, political and environmental repercussions. Chemical contamination in the event of leakages during the drilling process could threaten the ecology of the surrounding coastal areas. And in spite of CNPC's claims of handling land acquisition issues on the basis of 'voluntary decision' and fair compensation, accusations have been of forced labour practices and land confiscation during the project's construction phase, which reportedly led to the displacement of communities on, for example, the Maday and Ramree islands. Research done by Arakan Oil Watch, a member organisation of

⁵⁸ The Hanoist, 'A revolt of sorts in Vietnam', *Asia Times* (2 November 2010), available at <http://www.atimes.com/atimes/Southeast_Asia/LK02Ae01.html>, accessed 9 March 2014.

⁵⁹ Interviews, Hanoi, Vietnam (March 2014).

⁶⁰ An MoU between the Chinese and Myanmar governments on the purchase and sale of the extracted gas was previously signed in 2008.

⁶¹ 'Shwe gas pipeline now fully operational', *Democratic Voice of Burma* (), available at <<http://www.dvb.no/news/shwe-gas-pipeline-now-fully-operational-burma-myanmar/33703>>, accessed 10 February 2014.

Oilwatch Southeast Asia, has added credence to these claims, with additional concerns also raised over revenue transparency: the sale of Shwe gas to China is estimated to bring in over US\$29 billion to the Myanmar government in the next 30 years.⁶²

Public censure of the project eventually culminated in a local protest against the pipeline in April 2013, and which was attended by around 400 people—the majority being fishermen.⁶³ But unlike the Vietnamese instance, activism against the oil and gas pipelines showcases clear transnational linkages. Through the combined advocacy work of transnational NGOs like the Chiang Mai-based Arakan Oil Watch and Burma Environmental Working Group (BEWG), and Burmese civil society groups like Paung Ku, the issue has come to gain both international and regional attention which has, in turn, helped to exert further pressure on CNPC to account for the intended and unintended consequences of its venture.

Again, what the emergence of resistance against the Chinese-led Shwe gas pipeline points to is the importance of a broad-based, civil society network for popular mobilisation under restrictive socio-political circumstances. Whereas anti-bauxite resisters gained support from inside the government, anti-pipeline activists in Myanmar were able to ‘sidestep’ the state as a result of assistance received from an incipient, regionwide network of activists and their supporters, operating inside *and* outside of the country. According to one civil society representative, given the difficulty in accessing information in Myanmar, his organisation had to rely to a considerable degree on information gathered by individuals working with CNPC, as well as on data from international partner organisations such as the Revenue Watch Institute.⁶⁴ Furthermore, with contacts to major Burmese media outlets like *The Irrawaddy* and *Democratic Voice of Burma* (DVB), local civil society groups working on this issue have also managed to utilise the media to their advantage. Here, extensive coverage of the issue has helped to catapult local concerns into the national and regional public sphere, resulting in increased external scrutiny being placed on the Myanmar government and its Chinese partners.

Crucially, sustained activism on this issue has elicited mixed responses from CNPC and the Myanmar government. On the one hand, a number of civil society activists have met with state repression, with ten activists having been recently sentenced to a three-month jail term for protesting without a permit.⁶⁵ Yet on the other, CNPC has launched an active public relations campaign in response to the accusations levelled against it. In an attempt to improve the company’s reputation (which was revealed to be of exceeding importance in the aftermath of the Myitsone dam’s suspension),⁶⁶ CNPC has initiated a series of CSR projects within the country that aim to enhance the company’s relationship with local communities. In 2012, for example, the company announced a US\$1-million aid project, which would see the

⁶² Interview, Chiang Mai, Thailand (2 March 2013).

⁶³ ‘Hundreds Protest Pipeline in Burma’s Rakhine State’, *Radio Free Asia* (18 April 2013), available at <<http://www.rfa.org/english/news/myanmar/pipeline-04182013175129.html>>, accessed 30 January 2014.

⁶⁴ Interview, Chiang Mai, Thailand (2 March 2013).

⁶⁵ They were found guilty under Article 18 of Myanmar’s Peaceful Assembly Law. Aung Hla Tun, ‘Myanmar activists jailed for protesting against Chinese-led oil and gas project’, *Thomson Reuters Foundation* (27 September 2013), available at <<http://www.trust.org/item/20130927112738-vt2co/>>, accessed 3 April 2014.

⁶⁶ See Chen Boyuan, ‘Myanmar pipeline project gives China pause for thought’, *China Daily* (21 June 2013), available at <http://www.china.org.cn/business/2013-06/21/content_29188744.htm>, accessed 14 April 2014.

construction of 21 schools, two medical sub-stations and two kindergartens in nearby villages.⁶⁷

Conclusion

While conventional wisdom holds that Chinese SOEs involved in controversial resource-development schemes in Cambodia, Laos, Myanmar, and Vietnam are generally unburdened and unaffected by external pressure, this is not entirely true. As discussed above, despite limited opposition to Chinese-backed resource projects in Cambodia and Laos due to a relative lack in capacity on the part of civil society organisations working on these issues, sustained and intense resistance has arisen in both Myanmar and Vietnam against Chinese investment ventures, and with striking results. As regards the Sino-Myanmar oil and gas pipelines, a regionwide network of local civil society groups and transnational NGOs have been actively campaigning against this scheme on the basis of its social and environmental ramifications, such that CNPC felt sufficiently compelled to address their concerns—a fairly uncommon reaction for a Chinese SOE, which exhibits a general preference to deal directly with governments than with communities.

Similarly, an unprecedented civil society network comprised of NGOs, public intellectuals, think tanks, journalists, and parliamentarians was primarily responsible for transforming the issue of bauxite mining into a credible and exigent problem within the Vietnamese policy and public realms, such that the Vietnamese government was prompted to take measures to mitigate social disapprobation. Even though the involvement of international NGOs was conspicuously absent from this case, what Vietnam's ongoing anti-bauxite campaign attests to is the importance of a civil society network's capacity to leverage the necessary resources and support for mobilising collective action. CODE's initial fact-finding work had, moreover, helped to break down what would otherwise have been a major barrier to activists—that is, access to information. Without these non-state actors, the environmental and social problems associated with the Sino-Myanmar pipelines and bauxite mining in the Central Highlands would presumably not have become prominent issues in the first place, especially given the socio-political situation in both countries that habitually undermines transparency and mutes dissidence.

What growing instances of resistance ultimately attest to, in effect, is mainland Southeast Asia's changing socio-political landscape: one which sees Chinese economic prowess and political influence progressively challenged by organised contestation from the 'ground-up'. As a major regional power that needs to maintain good relations with its neighbours, not least for reputational reasons, deflecting the external scrutiny brought to bear on the adverse consequences of its overseas resource investment has gradually become more difficult for China and its SOEs over time. With China's expanding corporate presence in mainland Southeast Asia becoming an integral facet of the region's industrialising landscape, the onus of responsibility is upon China to shoulder its part in encouraging the sustainable governance of natural resources within the countries it invests.

⁶⁷ Interview, Kunming, Yunnan Province, China (23 April 2014).

And there have been promising developments from the Chinese side in this respect, with policy-makers and corporate executives in Beijing demonstrating an increased awareness of the commercial and reputational costs of perceived ‘irresponsibility’ abroad. This is manifest in the evolving body of Chinese domestic laws and regulations on sustainable investment and the corporate responsibilities of SOEs abroad (e.g. the 2008 ‘Guidelines on fulfilling CSR by State-owned Enterprises Directly under the Central Government’ and the 2013 ‘Guidelines for Environmental Protection in Foreign Investment and Cooperation’), as well as in the publication of corporate responsibility guidelines and annual reports by major Chinese enterprises and policy banks (e.g. the China Export-Import (Exim) Bank and the China Development Bank).

That said, the degree to which such regulations and commitments are implemented still tends to vary on a case-by-case basis. It is thus in this sense that civil society networks in Myanmar, Vietnam and, to a lesser degree, Cambodia can continue to serve as informal civil regulators, working to fill the governance gaps prevalent in their respective countries and pressure the Chinese government and its SOEs into observing their responsibilities within strategically-important resource sectors. Even though work on the Sino-Myanmar pipelines continued and plans to mine bauxite in the Central Highlands have not disappeared completely, that civil society networks were able to cast a critical light on these projects, propel their concerns onto the national policy agenda, and consequently elicit serious responses from the key stakeholders involved, remains a not insignificant accomplishment.