

MEKONG UPDATE & DIALOGUE



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The Australian Mekong Resource Centre

was established at the University of Sydney in 1997 to promote research, discussion and debate on development and environment issues in the Mekong Region. The AMRC is a focal point for information, dialogue and activities in support of an equitable and sustainable development path for the Mekong Region.

The *Mekong Update & Dialogue* provides:

- lead article on the key topic of the issue
- responses to the lead article
- news of current developments in the region
- news from the AMRC
- information on Mekong-related conferences and events in Australia

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READER CONTRIBUTIONS

The Mekong Update & Dialogue welcomes the comments of its readers on issues raised in the Feature article and in the Responses to the Feature. If you do wish to make comment please email us at mekong@mail.usyd.edu.au. Comments should be sent by early July and should be limited to 1-2 paragraphs.

EDITORIAL - Debt and development

Like so many contested development issues and concepts, debate around debt tends to be highly polarised. And as in so many cases, this polarisation tends to hide rather than shed light on the nuance and complexity of livelihood issues faced by the rural poor. For the poor, loans are both a ball and chain and a livelihood necessity in the face of capital shortage. Poor countries both need the leverage and multipliers afforded by infrastructure and budget support loans, and they suffer through accumulated debt that can put them on a treadmill of debt service that requires them to run ever faster just to stand still.

The lead article and responses in this issue of Mekong Update and Dialogue, written from the perspectives of quite different development organisations, correspondingly seem quite polarised. Yet at the same time they all delve into some of the nuance of the debate – led in the first instance by a focus on the language of debt. The obfuscation that loan-based development programs can produce in areas such as poverty alleviation is ripe for paring apart. Yet a simple critique that debt is bad and poverty alleviation-justified infrastructure is just old wine in a new bottle is also one that can often use a more subtle analysis and careful, case-by-case examination.

In particular, it is important to be clear what exactly lies at the sharp end of the critique. Is it debt per se? Is it the nature of (large) infrastructure projects and their poverty-inducing – as well as alleviating – potential? Is it the assumption of public debt by unaccountable technocrats, self-aggrandising political elites or self-interested parties with private gain in mind? Is it capacity to absorb and manage projects with externally driven agency agendas? As Georgina Houghton's discussion of aid-related debt in Vietnam implies, it might be a combination of all, but this is not to suggest that loans and the institutions that manage them are somehow dispensable.

Perhaps what we need is a more inclusive debate over the specific debt implications of public decisions on large projects. Decision making on infrastructure, in particular, has tended to focus more on the material impacts and benefits rather than on questions of who is paying for the investment and how this will be acquitted in a more prosperous future created in part by that investment. Extreme cases of embezzling public monies by the Marcoses and Soehartos of the world are warnings of the mortgaging of the public good for private gain in the name of high-profile development, but equally the Keynesian experience of wisely chosen public investment in many liberal democracies points to the benefits of stimulus and borrowing in situations where there is simply not enough income to forgo for up-front pump-priming investment.

In the Mekong, as elsewhere, the debate is further clouded by complexities associated with private sector debt and public-private partnerships in BOOT and other arrangements. It is unrealistic to expect a set of clear-cut options that can be adjudicated by informed democratic decisions when the issues are so complex. Yet greater open-ness, accounting for debt-related risks in public decision making and ensuring demand-driven borrowing are principles that can certainly take things in a progressive direction.

FEATURE

A new language of debt

by Michael Simon

Introduction

For many people the notions of development and debt are strange and nebulous concepts. While for others, coming from different political spectrums, they form central elements of hotly contested ideologies. There is of course an ever-growing industry of development, where key institutions and the professionals and 'experts' within them, pave the way for the world economy, and the integration of developing countries - like those of the Mekong region - into a global family. At the centre of this integration is (an inevitable requirement for) State acceptance of the free market and economic liberalisation.

Unfortunately for the poor - who largely rely on trickle down benefit from most economic growth - the heart which keeps this "development animal" alive is debt. For many of the general public and those isolated from development decision-making processes, this debt is incurred usually without their knowledge or say.

A few years back, writing and analysis on debt reached a peak in and around the highly successful Jubilee 2000 Campaign. Using the Biblical tenet of a Jubilee Year and a 50 year super Jubilee - where those enslaved because of debts are freed, lands lost because of debt are returned, and community torn by inequality is restored - the campaign sought to raise awareness of the huge burden being placed on people and countries of the South, as they struggle to survive in a global sphere which has lending and free markets at its heart.

The Jubilee Campaign brought together a wide range of secular and religious civil society actors from the North and South. It highlighted the fact that the debt service impoverished nations must pay to wealthy nations and institutions comes at the expense of providing basic services - like provision of clean water and sanitation, or housing assistance - and that the loans which lead to debt burden come with heavy conditionalities which deflect spending away from assistance to the poor.

The crisis of world debt for developing nations is now well documented. This brief article will look at the 're-branding' of 'debt drivers' from the Mekong region and pose the question: Are we yet assessing the full debt burden of the development processes at play in the Mekong region?

So what has been the legacy of this for Asia and the Mekong?

For Asia of course debt and development debates have been very real - with desperate times for many still playing out post the 1997 crisis. Of course, for those directly impacted by projects - with loss of lands, forced resettlement, loss of access to fisheries or forests - in reality the crisis also gave a short respite from the development juggernaut. Because of the crisis, many projects in Asia were stalled, but they have now gained a new head of steam as global markets firm and key multilateral and bilateral lenders provide positive economic forecasts.

For the key multi-lateral actors - those who actually hold or drive the debt - the crisis was a significant blip on the radar screen. It was one contributor to some significant changes in language, and apparent (if somewhat brief) attitude of humility to ideas and solutions. But the crisis was also merely a *temporary* problem to be solved, something which now forms an historical benchmark to move on from.

There is now a new language. A language which seeks to be distanced from that of Structural Adjustment and debt. It is the language of participatory Poverty Reduction Strategy Papers (PRSPs), of pitching in together to meet (and find finance for) the Millennium Development Goals and of 'high risk-high reward' investments. This is the latest frontier. Effectively marginalised in this are the comparatively 'radical' findings such as the rights and risks approach to decision-making, or the comprehensive assessment of project options recommended by the World Bank supported World Commission on Dams. Or the more recent recommendations from the World Bank's Extractive Industry Review for significant reference to human rights frameworks and free and prior informed consent by indigenous peoples and ethnic minorities before any environmentally and socially disruptive projects get the green light.

While the rhetorical language has clearly shifted to 'pro-poor' and an overarching focus on poverty reduction, in the Mekong little has really changed in terms of the large scale projects and programs which have been front and centre for many years. With controversial projects in particular being forced through the "rebranding machine", many now have 'poverty reduction' arms tacked onto them - but essentially they remain the same blueprint for development of the region.

What differs now and has moved over time is the changing role and relationship between multilateral and bilateral lenders and the domestic and international private sector. This plays out differently in China, Burma and Thailand, but has some consistency cross Vietnam, Cambodia and Laos. In such a short article it is impossible to go into any depth other than to note some key trends and observations:

- Multilateral debt and its conditionality has relatively consistently led to policy and legislative changes across the region - with some consistency across countries through the economic related conditionalities, strongly reinforced by regional collaboration projects in priority sectors - trade, communication, energy etc; ¹
- In the wake of the crisis there was significant movement towards more reliance on multilateral debt away from bilateral debt - especially in the transitional economies of Vietnam, Cambodia and Laos. With a legacy of cold-war Russian debt being resolved to concessionary or non-serviced levels the ADB believes debt to be sustainable. They then predict an ability to absorb more lending - with an increase of aid and loans. ² This is transposing into increased harmonisation of donor interests framed around PRSP processes - for example with Vietnam's CPRGS () and Cambodia's NPRS - which retain a significant debt component.
- China has resisted some of the more aggressive policy requirements arising from multilateral debt conditionalities and institutional led market based reforms. To some extent China sits on the outer of the GMS, while wielding huge

influence and increasingly playing a financing role to rival Japan and other key donors regionally.

The GMS and RCSP

A growing regionalisation has been a consistent call from the development banks, especially the ADB. The Greater Mekong Subregion (GMS) program, of which ADB has been a consistent and aggressive promoter, has been at the forefront of Mekong development for some years. In 2004 the ADB initiated a *Regional Cooperation Strategy and Program (RCSP)* for the GMS which provides the ongoing framework for the GMS Program for the years 2004 to 2008. In 2002 the ADB, looking back over the ten years since the GMS inception, identified it broadly as a success; characterised in their own words as being instrumental in “the emergence of a more integrated regional market, the growth of regional institutions, the development of a sense of shared experience and community, and an increasing capacity for collective action for the common good and common purpose.” (ADB RCSP 2004 p.i)³. And yet throughout this time people and civil society organisations from the Mekong region and internationally have been closely monitoring and questioning the rationales and justifications behind key projects of the GMS.

As such it is interesting to note that despite the new language, the program for GMS development in the RCSP is essentially the same as it was in 1992, albeit expanded in scope. The vast bulk of the program loans and technical assistance is still directed to large-scale infrastructure development and the stimulation of forms of economic activity that bear little connection to stated “pro-poor” policies. While the GMS Program now includes a handful of projects ostensibly addressing some social and environmental concerns about the program, these represent a fractional component of proposed expenditure, and take the form of projects of questionable efficacy. The RCSP itself notes that there are challenges for full participation in accruing benefits from regional development – where frequent issues like land acquisition, compensation and involuntary resettlement pose “common problems” across borders and projects.

Running parallel to this regional focus are the ADB’s country programs which prioritise poverty reduction as their overarching goal. Projects identified in the rolling investment program as part of the regional strategy have a predicted loan requirement for 2004–2006 of \$685 million with \$26.8 million planned of Technical Assistance (grant) initiatives. (ADB RCSP 2004 p.ii). Interestingly the ADB now sees itself as needing to play a catalytic and facilitator role, bringing together various bilateral and multi-lateral donors to finance and essentially to broaden the risk of its grandiose programs and projects. It acknowledges the GMS is beyond the ADB’s ability for financing.

A risk heavy conclusion

In all the hoopla of the RCSP and the GMS it is important to remember that there remains significant and diverse risk: in the projects’ economic predictions themselves, in weighing the full costs and benefits to Mekong citizens and ecology, and in a global environment which is seeing significant pressures on aid and development spending.

The projects of the GMS are investment heavy, with eventual high loan repayments required. While sources of funding may

come from concessionary lending arms like the ADB’s Asian Development Fund, and from a desired increased participation of the private sector – the multi-million dollar loans must still be paid back. With the economic projections being questionable, there is considerable scope for scepticism about the real value for those who have little say, or see little real benefit, from these projects. The ADB itself identifies significant capacity and equity risk issues for its own program across the countries of the GMS (ADB RCSP p.24), let alone the risks that emerge after examining the different layers of society within the GMS countries to see where real costs and benefits accrue. The ADB also identifies that macroeconomic stability in the light of growing external debt presents challenges for the GMS.

Largely absent from mainstream debate on GMS development is any scope for alternative accounting which looks at ecological or social debt for the lending institutions, and their donor governments. With large aspects of the GMS program requiring and encouraging significant natural resource exploitation and marked societal or livelihood change, there is a need to look more comprehensively at the costs and benefits of programs such as the GMS, and to ultimately start a process to rebalance the ledger.

- 1 Chavez – Malaluan, J.J., Cracks in the Honeypot: Debt and Sustainability in Cambodia, Laos and Vietnam, in *The Transfer of Wealth: Debt and the Making of a Global South*, Focus on the Global South, Bangkok, 2001. p. 47.
- 2 Asian Development Bank, *The Mekong Region: An Economic Overview*, Manila, March 2004. Pp. 25-26.
- 3 Asian Development Bank, *Regional Cooperation Strategy and Program 2004-2008: The GMS Beyond Borders*, Philippines, January 2004.

Michael Simon is Advocacy Coordinator for Oxfam Community Aid Abroad in Melbourne.

RESPONSES TO FEATURE

An Old Lament About Development Assistance: A Reply to 'A New Language of Debt'¹

by Jayant Menon

It is somewhat ironic that an article entitled "A new language of debt" should be so heavy on rhetoric. It is broadly critical of almost all of the activities of multilateral and bilateral donor agencies operating in the Mekong region, to the point of applauding the "short respite from the development juggernaut" as a result of the Asian financial crisis. Perhaps this is fashionable among certain circles, but let us look at how this region has been transformed over the past decade or so. With a return of peace to the region, tremendous progress has been made in the economic and social spheres. Poverty has fallen sharply, social indicators have improved markedly, and the GMS is now one of the fastest-growing subregions in the world. Unfortunately, none of these developments are recognized in the article.

The article laments the large infrastructure investments in the region. But essential infrastructure remains underdeveloped, and most agree that it is the greatest constraint limiting the economic development of the GMS economies. ADB is playing a catalytic role in promoting trade and spreading development benefits throughout GMS through priority initiatives such as the East-West, North-South, and Southern Economic corridors. And the development impacts of these projects are numerous, a fact that the article does not mention. For example, the impact of the roads sector can be seen through easier access to services and markets as a result of significantly reduced transport times and vehicle operating costs. As a result of greater ease of physical linkage, small towns are beginning to flourish and expand, new businesses are being established along many of the routes, and new markets are emerging, bringing a host of new employment opportunities. These developments are reaching the poor in rural areas, and linking isolated communities to markets and generating employment. It is now standard practice to include environmental and social impact assessments in the design stage of such projects and, where appropriate, mitigation measures are included to ensure that the local communities are not adversely affected.

The development of basic infrastructure, together with market-based reforms, has played a major role in the impressive growth in the region over the past decade. In its poorest member, Lao PDR, growth has averaged almost 6 percent a year over the past decade. Consecutive years of robust growth have played a major role in bringing poverty down. Poverty fell from 46 percent in 1992/93 to about 32 percent in 2002/03. Although much more needs to be done, this is a dramatic reduction in poverty over a 10-year period. It can hardly be dismissed as an inadequate trickle-down effect. In Viet Nam, more than 20 million people have been lifted from poverty over the past decade. It is often said that poverty is the worst form of pollution, and poverty has fallen sharply in all of the GMS economies over the past decade.²

The ADB's strategy for the GMS recognizes that interrelated poverty and environmental concerns underscore the trans-

boundary challenges that the Mekong poses. This is aggravated by trade in natural resources, drugs, and people. Balancing the competing interests of flood control, power generation, natural resource exploitation, and environmental protection thus takes on a special significance. These interrelated environmental and poverty concerns warrant an integrated, basin-wide approach to economic development, the protection of livelihoods, and natural resources management on the Mekong River. The ADB is working with other agencies like the Mekong River Commission in designing flood control mechanisms within the integrated water management system of the Mekong basin to address these issues.

Finally, although the article purports to be mainly concerned with issues of debt sustainability and development, the analysis is confined to either stating the obvious, that there are risks and uncertainties associated with investment, or to redundant throw-away lines like "the multi-million dollar *loans* must still be *paid back*" (emphasis added). Although no attempt is made to assess the overall debt situation, or the cost-benefit of individual projects, the implication that "little real benefit (accrue) from these projects" is easily and summarily drawn. The bottom-line is that these economies are in a desperate need for high quality investment, particularly if it can be mobilized on highly concessional terms. Selectivity in these investments is however essential to ensure that it leads to improved productivity, policy reform, and revenue generation in excess of servicing costs.³ If the region is to achieve its potential, it is essential that priority investments are made. The question is not whether these countries can absorb more lending, but whether they can afford not to if they are to achieve a level of economic development consistent with their national poverty reduction targets. Given the current levels of incomes and savings, this will not be possible without additional, carefully targeted, grants and concessional loans.

1 The views expressed herein do not necessarily represent those of the ADB.

2 See the ADB's *The Mekong Region: An Economic Overview* (March 2004) for details on changes in poverty incidence over the past decade in the other GMS economies.

3 See the ADB's *The Mekong Region: An Economic Overview* (March 2004), for details relating to debt sustainability in Cambodia, Lao PDR and Viet Nam.

Jayant Menon is a Senior Economist in the Operations Coordination Division, Mekong Department of the Asian Development Bank.

Debt in whose name in Vietnam?

by Georgina Houghton

Michael Simon's comments about the 'language' of aid and the aid 'industry' are salient ones for Vietnam, which only entered the arena in the early 1990s, well after the development industry had emerged as the vehicle for the integration of developing economies into a world system, and aid as investment began to flow into the country. After coming from such a low economic starting point in the last days of the centrally planned economy, it is little wonder that with the enormous natural and human resources of this country, the Vietnamese economy has experienced an average growth rate of over 7% per annum over the past decade and does not look like slowing down. The credibility generated by this performance alone has been cause for continual transfers of bank loans over the decade. But the debt incurred on these loans is based on assumptions about aid effectiveness for private sector development in a 'transitional' economy which are not always borne out in reality.

Despite the banks increasingly labelling lending programs as 'Rural Water and Poverty Action Initiative', or the use of concepts such as 'Inclusive Social Development' or 'good governance', the bottom line is still a focus on private sector expansion - whether in infrastructure construction or SMEs (small to medium enterprises) - as the way to provide off-farm employment to the rural poor, and redistribute money through trickle down-effects. The programs have not changed but the language certainly has. Now the banks stress the incidental poverty impact spin-offs of aid as if they were the principal objective of bank lending. That these strategies actually reinforce structural constraints to equitable development in Vietnam by (often) supporting dysfunctional government institutions, is often overlooked.

This raises a serious issue about the debt burden the Vietnamese government is currently accumulating its implications for future generations. If debt is being incurred to mitigate social inequalities and the related environmental and political pressures, then it may be a worthwhile because of its enhancement of the capacity of future generations to repay loans. However, if debt is being incurred at the expense of essential policy commitments to the poor, especially rural 'safety nets', then political stability and the prosperity of future generations is at stake.

State capitalism and private sector development

A major concern with the private sector assumptions of bank lending is the way the private sector is emerging in Vietnam out of public investment funding which incurs the most serious long-term debts. In what is still essentially a State-capitalist economy, government managers or Vietnam's entrepreneurial bureaucrat class, are able to use public utilities - offices, electricity, staff, land - to generate private profits. This phenomenon is especially prevalent in the construction industries where individual government officials are poised to take advantage of bank lending contracts for infrastructure at grossly inflated prices. Roads, hydro-electric dams, bridges and irrigation structures in rural and urban areas are being built at enormous cost to future generations, and with little immediate benefit to the rural poor who are often unable to use them to advantage. The private sector still remains an hourglass shape: huge mega-enterprises complemented by the tiny household

SMEs. There is no real mid-size private sector in Vietnam and neither of the above sectors contributes to growth, re-investment or job creation.

Overwhelmed government structures limit aid effectiveness

But it is the general proliferation of aid in Vietnam which is possibly the biggest cause of ineffective use of development funds including bank lending. A recent IDS paper¹ details the direct and indirect transaction costs incurred by recipient governments in the struggle to cope with the manifold increase in aid transfers which has occurred over the last decade (in Vietnam). Although it does not deal directly with the multi-lateral financing institutions and their lending, the paper describes a development industry increasingly driven by *realpolitik* in which the bureaucratic institutions of recipient countries are overwhelmed by the sheer volume of work managing new relationships with donor organisations. It is within this culture of dysfunctional institutions that massive debt is being incurred.

For example, in 2002 when aid transfers equalled 5% of GDP, Vietnam had relations with 25 official bilateral donors, 19 multi-lateral donors and more than 350 international NGOs. Together they accounted for a staggering 8,000 projects! (IDS,p.2) How does a developing country, which almost by definition has weak government institutions, cope with not just the management of money but the handling of visiting delegations, the production of quarterly, semi- and bi-annual financial and narrative reports, and different donor procedures, languages, financial years and policy idioms? Poor levels of funds disbursement, often for loan funds that are already accumulating debt, are one result.

Vietnam's civil servants remain among the worst paid in the region. Opportunities to supplement low incomes by working 'for' a project, being seconded to a project for extra remuneration, are difficult for most officials to resist; this leads to a continual neglect of essential workloads. Many capable bureaucrats have left public service to pursue lucrative development consulting careers, especially in the international financing institutions. This 'brain-drain' has further weakened essential government service sectors at a time when good management skills are at a premium.

More damaging is the incentive for civil servants to prolong existing projects and programs which may not be in the public interest but which continue to provide important income top-ups by way of allowances, per diems, and special fees. This behaviour puts a brake on the process of responsive policy change.

Borrowing from the banks to join the WTO

In terms of rural poverty the resultant inability or reluctance to adapt policies, and poor capacity to analyse policy impacts, and therefore perhaps mitigate debt, is clearly visible in the Vietnamese government's determination to accede to the WTO in 2005.

A recent report by the National Centre for Social Sciences and Humanities (www.worldbank.org.vn/WTO) indicates that the WTO accession process is likely to have serious socio-economic impacts in rural areas. However, limited institutional capacity and poor co-ordination, and even preparedness by principal institutions, is likely to slow down this process. Many

people believe this is a good thing, since there has been no research into the consequences for rural producers in general, let alone the poor, who will be vulnerable to the effects of fierce competition, increased production costs and dumping.

Vietnam's 30 million farm households work the smallest landholdings in the region, possibly the world. The removal of subsidies and tax breaks WTO accession will require will push production costs up for the 10 million people dependent on farming livelihoods in the uplands and they will never be able to compete with the flood of cheap, higher quality processed foods produced by large-scale farmers elsewhere.

Off-farm social impacts will also hit the poor. It is likely that fierce competition will shut down many decrepit state-owned enterprises in rural areas which will lead to redundancies. In Vietnam the state-sector still provides workers with health and education benefits and the poorest unemployed will no longer have access to these services when they need them most. Sugar, maize and soybean are key products for poor farmers and liberalisation of these may lead to dumping of imported produce and poor farmers will "go to the wall". Maize and cassava in the fodder sector will also be unable to compete with imported cheaper products and those producers will also suffer.

The banks (and other donors) are in full support of the WTO process as a further step in the integration process and are providing both grant and loan funds. And the Vietnamese government's negotiators are disinterested in possible negative impacts in remote areas when faced with potential short-term and highly visible gains such as cheaper imports of high technology, new knowledge and investment, and access to export markets. It is apparent that both the banks and Vietnamese government believe that Vietnam's rural households should bear the short-term brunt of this process as well as the long-term debt.

1 Aid proliferation: How responsible are the donors? IDS Working Paper 214, January 2004

Georgina Houghton is an AMRC Associate and PhD student at Sydney University.

NEWS FROM THE REGION

Logging in Cambodia

Major illegal logging operations have been taking place in Mondulkiri province, Cambodia, despite a moratorium on cutting and transportation of round logs and in contravention of Cambodian Forestry Law. A timber dealer, Yeay Chhun, has been named as responsible not only for this logging but also for illegal logging activities elsewhere in Cambodia. Her logging activities are documented in the Global Witness Press Release cited below. It has also been suggested that there is complicity by local authorities.

-- 2004 "Illegal logging in Mondulkiri - a test case for forest sector law enforcement", Global Witness Press Release, 21 May 2004

Vietnam accused of human rights violations

Human Rights Watch has reported beatings and killings of ethnic minorities in the Vietnamese Central Highlands over Easter. As many as 30,000 people from ethnic minority groups had been demonstrating for religious freedom and return of ancestral lands. There has since been a massive increase of soldiers and police in the region. Cambodia refuses to accept asylum seekers crossing into its territory.

-- "Vietnam: independent investigation of Easter Week atrocities needed now", Human Rights Watch Briefing Paper, May 2004

AUSTRALIAN MEKONG NEWS

Water research for AusAID

AMRC has been awarded a significant research grant from AusAID's Australian Water Research Facility to carry out a study of water management and regulation in its social and institutional context. The research will revolve around five key themes:

- Drivers for change in water regulatory systems
- Catchment management frameworks and issues of scale
- Public/private roles and initiatives
- Gender, poverty and indigenous dimensions and implications of market and property rights mechanisms
- Dealing with conflict and risk

These overlapping issues will be examined in six case study contexts: Thailand, Vietnam, Indonesia, Vanuatu, Australia and the Mekong River Basin. Phil Hirsch, Andrew Wyatt and Fiona Miller will be the principal researchers, and Naomi Carrard is employed full-time as research assistant on the project.

Mekong Curriculum Workshop

AMRC facilitated a hands-on workshop at the Centre for Research on Plurality in the Mekong Region at Khon Kaen University from 22-26 April, as part of the Regional Mekong Curriculum Development Initiative. Academic staff attended from Can Tho University in Vietnam, Khon Kaen, Ubonratchathani and Chiangmai Universities in Thailand, National University of Laos, Royal University of Phnom Penh in Cambodia and Yunnan University in China. The Kunming-based NGO Green Watershed also participated, based on its interaction with environmentally concerned student groups. The workshop was a hands-on program focused on development of teaching materials around key themes. Participants shared source materials, photographs and other inputs from their own study areas within the Mekong Basin to produce a series of teaching modules that will be adapted and trialed in the respective syllabuses of each participating university. The workshop also involved a field trip to Nam Songkham to look at issues associated with fishing livelihoods and impacts of agribusiness development.

Linking Latitudes conference

Phil Hirsch ran a workshop and delivered a keynote lecture at the Linking Latitudes conference in Hanoi on 11-12 April. The conference attracted about 300 Australian schoolteachers as part of an in-service program that also included field visits. The workshop was on environmental issues in Vietnam, while the lecture was on land-water interactions in the wider Mekong Region. The conference also provided an excellent opportunity to demonstrate the new schools CD-ROM, Mekong Quest.

IAG

Simon Bush, Fiona Miller and Phil Hirsch participated in the Institute of Australian Geographers conference in Adelaide from 13-16 April. They presented papers on fisheries, water management and the political ecology of risk.

NEWS FROM THE CENTRE

Natalie Scurrah started with the AMRC in April as a part-time Research Assistant working on the Regional Mekong Curriculum Development Initiative. Natalie completed her honours thesis last year on the cultural-politics of water and irrigation management in Bolivia.

Naomi Carrard joined the Centre in May as a Research Assistant engaged full-time on the appropriate water regulatory systems project. Naomi's honours thesis on Vietnamese nationalim was completed in 2003.

In early June, Ms Phonesavanh Daoheuang arrived for a three month internship with AMRC. Phonesavanh is a postgraduate student at the University of Utah and will be reviewing materials associated with resource competition and conflict in the Nam Ngum watershed. She will use a diagnostic approach to investigate conflict management, which will contribute a component to the existing case study on the AMRC website.

Mekong Quest CD-ROM now available!

The *Mekong Quest* CD-ROM is AMRC's first outreach to high school education. The multimedia program is designed to provide an entry point to the geography of the Mekong River and the people, countries and ecosystems that are connected to it. It includes interactive material about Mekong issues and geographic concepts regarding Australia's neighbouring Asian countries, as well as the role of Australia in the Mekong Region.

If you are interested in purchasing *Mekong Quest* please visit our website <http://www.mekong.es.usyd.edu.au/>



UPCOMING EVENTS

International Conference on Regional Economic Cooperation EU and GMS Development Strategies

2-4 July, 2004, Chiang Rai, Thailand

Contact: Centre For European Studies, Chulalongkorn University, 3rd Floor, Viddhayapattana Bldg., Chulalongkorn University, Phayathai Rd., Bangkok 10330, Thailand
Phone +662 218 3922-3
Fax +662 215 3580
<http://www.ces.chula.ac.th>

International Symposium on Transboundary Water and Ecological Cooperation

18-25 July, 2004, Kunming & Lhasa, China

Contact: Ms Zhao Wenjuan
The Asian International Rivers Center (AIRC)
6th flr. Wenjing Building, Yunnan University
Kunming, Yunnan 65009, China
Email: wjzhao0772@sina.com
http://airc.ynu.edu.cn/English_site/Eng_news/eng_news_symposiummain.asp

International Symposium: The Changing Mekong - pluralistic societies under siege

28-30 July, 2004, Khon Kaen, Thailand

Contact: Faculty of Humanities & Social Sciences, Khon Kaen University, 123 Mittraparb Road, Khon Kaen 40002, Thailand
Phone: 66-43-202861; Fax: 66-43-203050; Email: plurality@kku.ac.th

International Conference on Globalization and Ethnic Minorities in the Mekong Region

12-18 November, 2004, Chiang Mai, Thailand

Contact: Prasit Lepreecha, Social Research Institute, Chiang Mai University, Thailand
Email: Leesia@chiangmai.ac.th

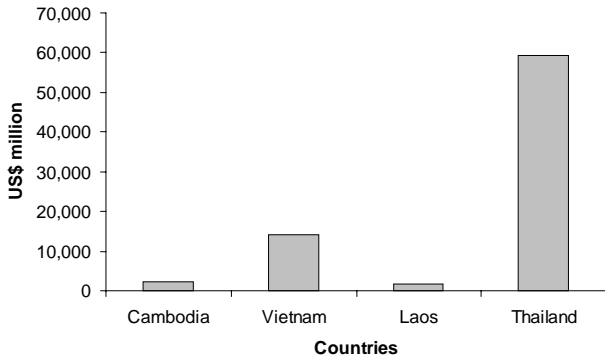
7th Asian Fisheries Forum: the triennial meeting of the Asian Fisheries Society

30 November-4 December 2004, Penang, Malaysia

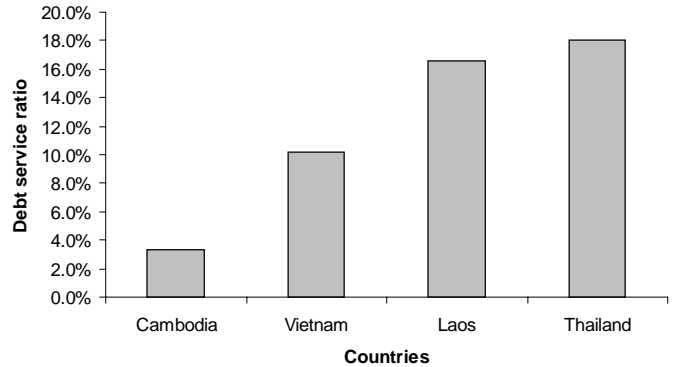
Contact: The Secretariat, 7th Asian Fisheries Forum, School of Biological Sciences, Universiti Sains Malaysia, 11800 Minden, Penang, Malaysia
Tel: ++ 60-4- 6533888 Ext. 3961/2932/4005/4009
Fax: ++ 60-4- 6565125
Email: 7aff2004@usm.my
<http://www.usm.my/7AFF2004/>

The events listed above are changed with each issue of Mekong Update & Dialogue. For a complete list of upcoming events please go to our website at www.mekong.es.usyd.edu.au. For submission of new events please contact the AMRC Administrator at mekong@mail.usyd.edu.au

Aid and Debt

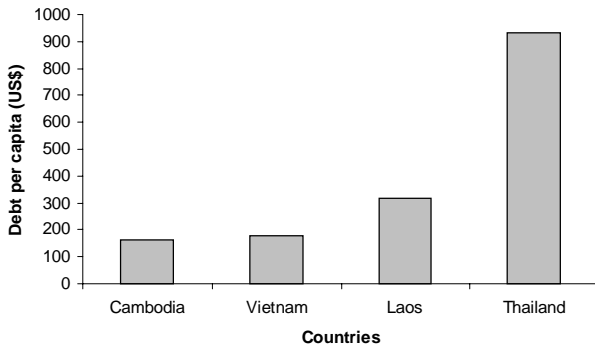


*External Debt Outstanding (US\$ million) 2002
(Source: Asian Development Outlook 2003)*

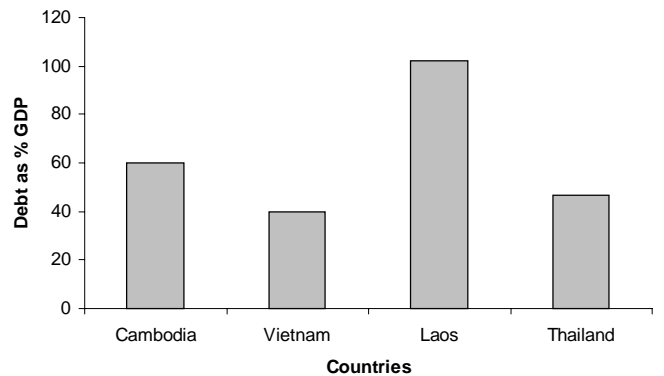


*Debt Service Ratio (% of exports of goods and services)
2002 (Source: Asian Development Outlook 2003)*

Indebtedness can be measured in many ways. Its relationship with development is complex, as reflected in the relative positions of Laos and Thailand according to different measures.



*Debt Per Capita 2002 (Based on data from
www.adb.org)*



*Debt as % GDP 2002 (Based on data from
www.worldbank.org)*

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