

**Soft Power, Hard Danger:
China Damming the Mekong River, Southeast
Asia**

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Abstract

This research seeks to uncover the issue of power balance between countries sharing the Mekong River. In so doing, it raises the question of why China, as an upstream country who has continuously built large and mega dams on upper part of the transboundary Mekong River, has not been contested for its action by the downstream countries, such as Thailand, Cambodia, Vietnam, and Laos. To construct the answer for this question, this research employs the concept “soft power,” which is defined as the ability of one country to get others to want the outcomes it seeks to acquire through the use of cooperation rather than sanction or coercion. As such, it is argued that China’s success in wielding its “soft power” in ASEAN, Southeast Asia’s largest regional institution of which the four downstream countries are officially apart, effectively serves to deter the willingness of these countries to confront China for its action. Three pieces of evidence are analyzed to study China’s soft power in ASEAN: 1.) China’s 2012 Energy Policy; 2.) China’s 12th Five-Year Plan (2011-2012); and 3.) China-ASEAN Dialogue Relations. The analysis of such evidence reveals that China’s success in constructing its soft power in the downstream Mekong countries stems directly from its success in laying its soft power in ASEAN. This success is governed by three primary factors: China’s ability to produce foreign policies that match those of the ASEAN, its consistent effort to tighten its economic cooperation with the region, and its relentless pronouncement as a strong promoter of regional peace and stability. Ultimately, this study sheds some insight on how, in the absence of balance of power, more powerful countries can easily exploit transboundary resources at the expense of other less power countries that share those resources.

Part I

Introduction

The 21st century marks an important era in which several developing countries in Asia have come to witness rapid economic growth. Among these countries is China, the newly rising economic power who in the late 1970s undertook a radical shift of its economy from a state-planned to a market-oriented system. Although there certainly are significant social and economic benefits to be reaped from this new economic system, China's reorientation of its economy has brought about severe exploitation of its natural resources. Water, for instance, has become one of China's most exploited resources in its effort to fuel its economic growth. China's escalating exploitation of its water resource, particularly through the construction of large and mega dams, has produced enormous environmental impacts, such as mass displacement of local communities, loss of valuable farmland, dam-induced floods, within for the country (Sutton 2004, 116). However, these environmental impacts are not simply confined to China's inner territory. Most of China's major rivers, such as the Mekong and the Brahmaputra, are border-crossing, with their headwaters all situated on the Tibetan Plateau (Chellaney 2011, 50). This suggests that China's exploitation of its transboundary rivers via dam constructions can generate social and ecological impacts that are experienced not only by the country itself, but also by countries resided in the downstream regions. In fact, China's on-going dam-building activities on the Upper Mekong River serve to demonstrate how China's exploitation of its transboundary rivers can have significant spillover effects on the social and natural environments of the downstream countries, namely, Thailand, Vietnam, Cambodia, and Laos.

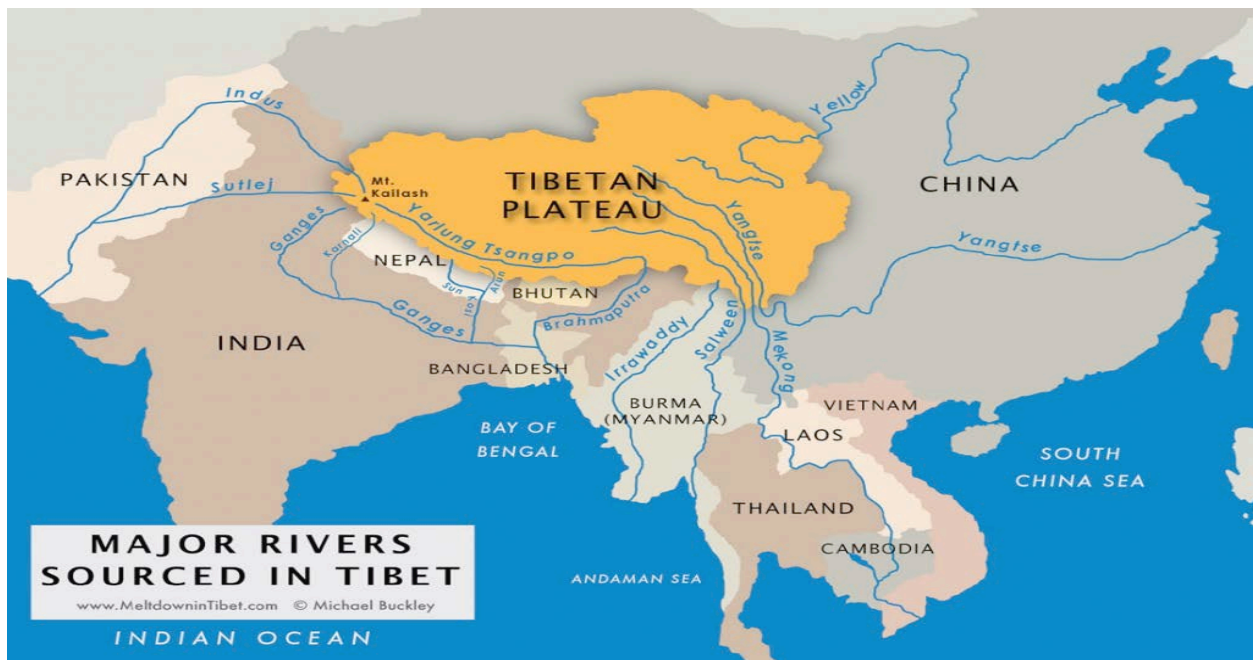


Image. 1: Showing all major rivers located in China. Most of these rivers, such as the Mekong, the Salween, and the Brahmaputra, are trans-boundary. Retrieved Apr 17, 2013, from, <http://chinawaterrisk.org/resources/analysis-reviews/geopolitical-risks- transboundary- rivers/>

The Mekong River represents a unique case to examine China's large dam-building projects for two important reasons. First, unlike many of its previous dam constructions—which include the world's largest dam, the Three Gorges Dam—China's pursuit of large dam constructions on the Mekong River introduces a new set of potentially devastating social and ecological impacts at a larger regional level. This is primarily because of the indispensable roles of the Mekong River in supporting its some 60 million people in the four downstream countries (Kirby at el. 2008, 575). Secondly, and most importantly, China is not an official member of the Mekong River Commission (MRC)—a joint institution initiated by the four downstream countries to maintain the “sustainable” uses of the river through mutually agreed-upon rules—and has consistently refused to join the MRC. China's resistance to join the MRC presents a dire situation for the downstream countries to wrestle with. Given that China is able to evade from being an official member of the MRC, it sees no obligation to restrain its exploitation of the Mekong River in order to pursue its own interest. The question, then, is: how has China, as an upstream nation, managed to escape from becoming an official member of the MRC? In order words, what strategy has it used to disregard the request to join the MRC, and what implications does such strategy carry?

In seeking to tackle the question above, the concept of “soft power”—which essentially refers the use of co-optive strategy to attain the outcomes one desires—appears to be of great importance. And in employing the “soft power” approach to the Chinese dam activities on the Upper Mekong, it becomes clear that it is through this approach that China is able to legitimize its exploitation of the Mekong River via its large dam constructions without having to officially abide by any regional rules of the MRC. The study of upstream-downstream power relations in the Mekong River lends some important insight into looking at the issue of interstate rivers around the world. Almost half of the world's population inhabits some “200 international river basins, and 13 of these shared by more than 5 states (most famously, perhaps, the Nile, Ganges, Jordan, Tigris-Euphrates and Amazon)” (Stoett 2005, 182). Thus, with the Mekong River as an example, one can begin to clearly see how countries with unequal possession of power behave in using or exploiting their transboundary rivers and the implications that follow.

The structure of this paper is as follows: the introductory section is divided into two subsections. The first section briefly discusses China's fast-rising role as one of the world's economic power and the implications for its natural resources, particularly its natural rivers. The second subsection briefly introduces the Chinese Cascade Dam Projects on the upper part of the Mekong River and also discusses the concept of “soft power” and its relevance with respect to the Cascade Dam Projects on the Mekong. Then, the next section offer evidence pertaining to the ways in which China establishes its “soft power” in the downstream region and how it is able legitimize its upstream dam projects using such power. The evidence used to examine China's soft power stems from the ASEAN-China Dialogue Relations. A critical analysis is performed in order to study The ASEAN-China Dialogue Relations. By studying the ASEAN-China Dialogue Relations, it becomes abundantly clear that China's success in constructing its soft power in the downstream Mekong countries directly corresponds to its success in laying its soft power on the larger

region of ASEAN. This success is governed by three main factors: China’s ability to produce foreign policies that match those of the ASEAN, its consistent effort to tighten its economic cooperation with the region, and its relentless pronouncement as a strong promoter of peace and stability. The final section of this paper examines some hidden implications of China’s “soft power” strategy on the downstream countries in the context of its large dam projects on its transboundary rivers. Ultimately, the success of China’s soft power in ASEAN effectively reduces the contestation of downstream countries on its upstream dam-building projects mainly because such success allows China to paint a desirable image of itself in the minds of these leaders; and this can potentially leads to a situation in which the downstream countries may experience detrimental social and ecological impacts.

The Rise of the Mekong Cascade Hydroelectric Projects

It is reasonable to argue that continuous of China’s hydroelectric projects largely corresponds to its rapid economic growth. As a result of its economic reform in the late 1970s, China has come to experience dramatic change in its economy. Since then, the country’s GDP has continued to see significant increase. Moreover, at the same time that China’s economy continues to grow, its energy consumption has also risen at a notable rate (Biba 2012, 607). The following figure helps indicate the positive relationship between China’s annual GDP and its energy consumption:

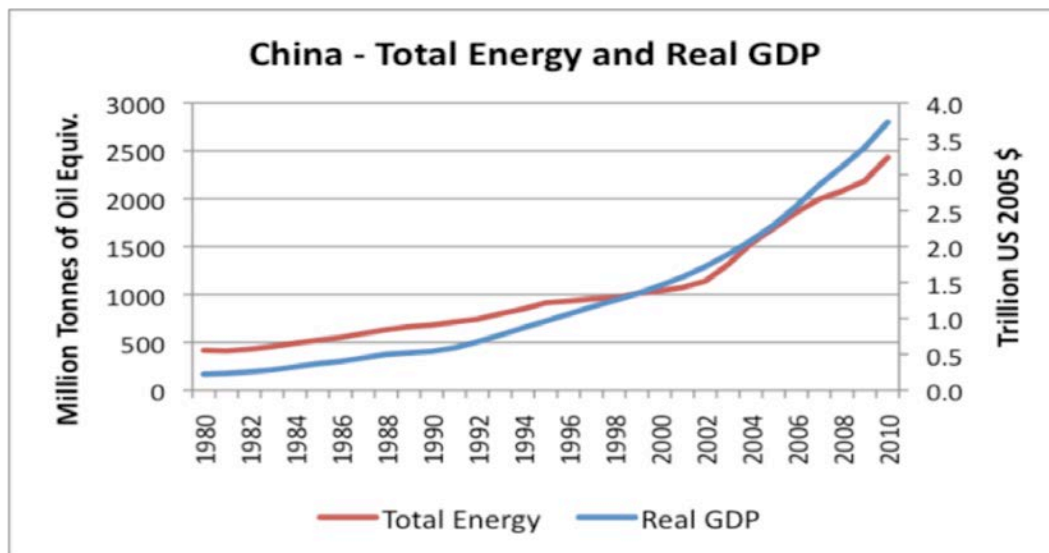


Figure. 1: Showing the positive relationship between China’s GDP and its energy consumption levels since 1980 to 2010
Retrieved May 4, 2013, from: <http://ourfiniteworld.com/2011/11/15/is-it-really-possible-to-decouple-gdp-growth-from-energy-growth/>

However, like many other countries, China does not possess abundant natural resources. This is clearly attestable by the fact China has become a net importer for some of its most important energy resource, such as oil and coal. For instance, it has already been a net oil-importing country since 1995 (Andrew-Speed et al. 2002, 11). Even more surprising is the fact that China has, despite its huge but low-quality reserves, also

“become a net coal importer for the first time in 2007” (Biba 2012, 607). For China, being a net importer for oil and coal amounts to anything, but good news. The fact that it can no longer be self-sufficient in providing for its own energy need and, instead, has to import energy oil and coal from outside has forced China to wrestle with the issue of energy insecurity, which, in turn, can pose serious threats to the elevating growth of its economy (Andrew-Speed et al 2002, 11). Consequently, this has compelled the Chinese leaders to diversify its energy resources in order to lessen the potential risk of energy insecurity (Biba 2012, 607). In doing so, China has directed its attention toward making use of what seems to be considerably abundant in the country: rivers.

Geographically speaking, China is a country gifted with several large local and transboundary rivers, including the Yellow, the Yangtze, the Mekong (known as Lancang in Chinese), the Bramaputra, to name only a few (see image. 1 above). This, in turn, has made hydroelectric power appear immensely attractive. In fact, even prior to its economic reform, hydroelectric dams already existed in the country. But it was not until the arrival of the People’s Republic of China (PRC)—first established and ruled by Mao Zedong in 1949—that the idea of massive dams became highly preferable. Mao’s idea of building massive dams produced a legacy that remained to be idolized by his following Chinese leaders; and, by the 21st century, there were between 22,000 to 24,000 large dams completed in China (Chellaney 2011, 59-61). And, as the country transitioned into an energy-hungry economic system, the incentives to build large and mega hydroelectric dams have been constantly amplified.

Indeed, China’s hydroelectric power consumption has continued to sharply increase in recent years. In 2004 alone, the Chinese hydroelectric power produced 238 billion kilowatt hour (kWh), representing approximately 15.8 percent of total electricity generation (Hensengerth 2010). In addition, according to International Rivers, there are currently more than 87,000 dams located in China, making it the world’s most dammed nation. Yet what is really alarming about China’s dam projects is not only the sharp increase in the number of dams built around the countries, but the fact that the tendency to build massive dams has become centralized in the dam projects. The world’s largest Three Gorges dam, for instance, serves as an excellent example in demonstrating how China’s dam projects have transformed over the last five decades. The dam was designed a grand scale unmatched by any other dams previously constructed in the Chinese history; and it was intended to generate up to 18,000 MW of power (McCormack 2001, 13).

At the same time, the Three Gorges dam has also appeared as part of the larger argument made by its proponents that the dam would reduce China’s dependence on non-renewable resources, typically coal, to produce energy to help foster economic growth (Adam & Ryder 1998, 694). This, in turn, would significantly cut back China’s CO₂ emissions into the atmosphere. However, as the authors later point out, “the dam would reduce coal burning at most by about three per cent and total carbon dioxide from heat and electricity generating facilities by five per cent.” Nevertheless, such argument has remained as one of the major incentives pushing forward China’s colossal dam-building

projects. In other words, this argument has helped give momentum to the expansion of China's giant dam-building projects across the nation and the globe. The recent cascade dam projects on the upper and mainstream parts of the Mekong are fundamentally the result of these factors combined.

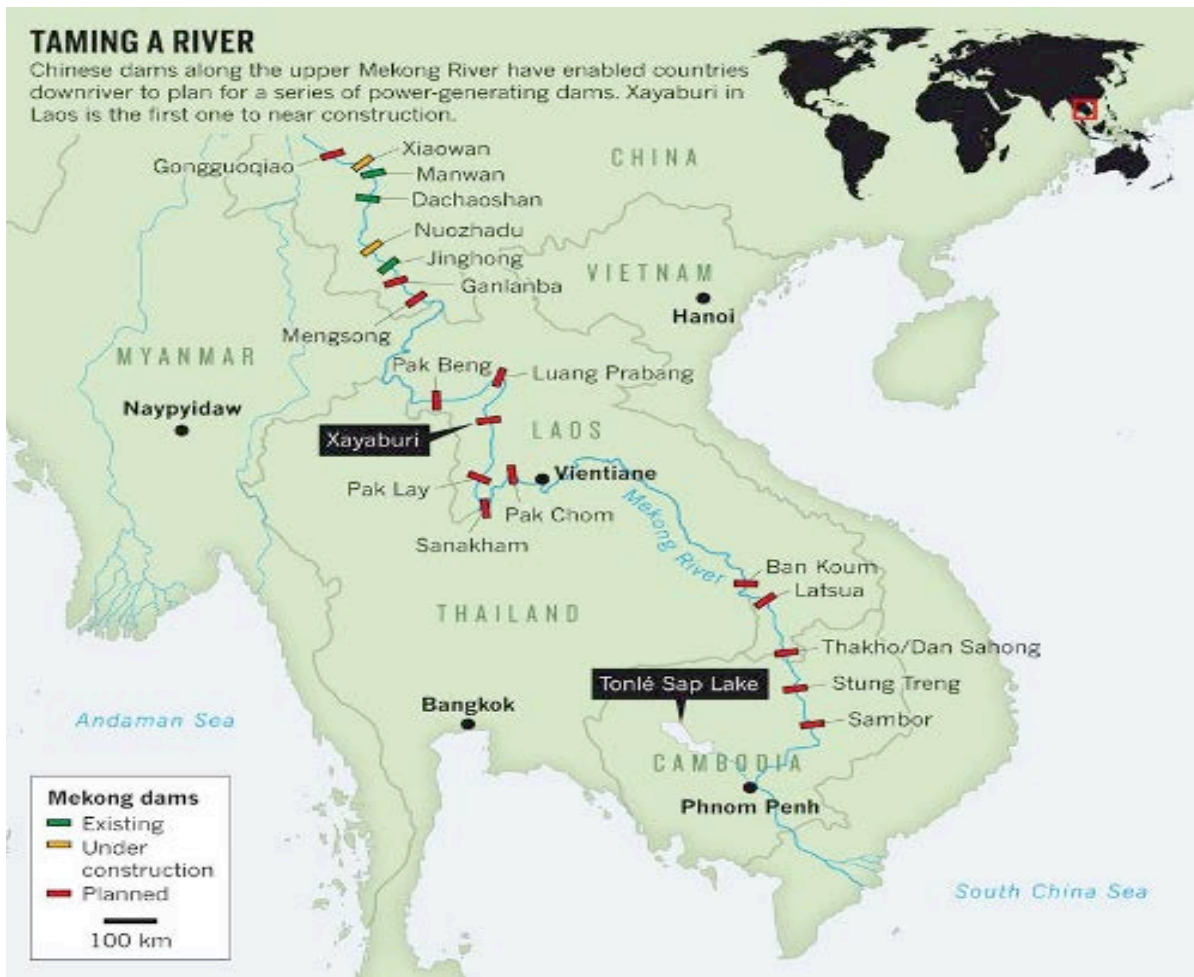


Image. 2: Showing all the dams that have been built, planned, and proposed on the Mekong River. Note the image is from 2011, and thus does not fully show the current situation. The Xiaowan, China's most recent completed dam, is currently open for full operation. Retrieved March 21, 2013, from: <http://www.cleanbiz.asia/news/laos-protests-innocence-mekong-concerns-snowball-.UuzsC1v5kiF>

Having heavily dammed most of its major inner-state rivers in order to diversify its energy resources, China has begun to turn to its transboundary rivers for its dam projects. The Mekong River, as a result, has become China's next target for building a cascade of dams. Upon its completion, the cascade will consist of eight consecutive dams, most of which are large-scale (Biba 2012, 607). Three dams of these dams are already in full operation, and two giant dams are still under construction (Hirsch 2010, 317). Large upstream dams like the Mekong Cascade can produce substantial social and ecological impacts on downstream countries as they reduce sediment loads and change erosion rates, thus reducing the "input of nutrients to ecosystems downstream" (Cousins 2005, 68). In addition, they "can have major impacts on the physical and chemical properties of river water, altering temperature, turbidity, dissolved oxygen levels, and mineral and nutrient concentrations" (Cousins 2005, 68). Taking into consideration these potential negative

impacts induced by upstream dams, the downstream countries have all the reasons to be alarmed by the Chinese Cascade dam projects. Yet, despite all of these, the downstream countries have been largely reluctant in confronting its economic superior, China, with any legal act. To the extent that China has firmly concretized its economic and political influences through the use of its soft power in the region has impeded the willingness of downstream countries to contest China's actions upstream, thus making it simply easy for China to play by its own rules, as seen in what follows.

Dodging the Rules: China Building Soft Power in the Downstream Mekong Nations

Prior to studying China's soft power in the downstream Mekong countries, it is useful to learn about the MRC, its roles in the managements of the Mekong River, and how such roles can complicate China in pursuing its Cascade dam projects if it were to become an official member. Established in 1995, the Mekong River Commission (MRC) is an inter-governmental institution joined by the four downstream countries of Thailand, Cambodia, Vietnam, and Laos. Its most important goal is to develop work programs and strategies that best serve its mission to provide effective support for sustainable management and development of water and related resources. In order to achieve such goal, the MRC has placed regional cooperation and basin-wide planning at the heart of their operation. Accordingly, the MRC has issued the Mekong River Agreement (MRA), a mutually agreed-upon document containing a series of legal articles that each official member is required to abide by.

The study of the rules scripted in the MRA reveals that officially joining the MRC would mean that China had to bear several responsibilities, all of which could potentially obstruct its ability to fully reap all the benefits provided from its Cascade dams. First, as clearly stated in both Article 5, Article 6 and Article 26, China must first propose to and await approval from the Joint Committee any of its project to utilize the waters of the Mekong River system if officially becoming a member of the MRC. In so doing, China would be required to guarantee the acceptable level of natural flow during both the rainy and dry seasons for the downstream countries. More specifically, as composed in Article 6, China must prove that its dam projects would cause any disruption to the natural flow of the Mekong River in three ways: 1) it must ensure that the flows on the mainstream are no less than an acceptable minimum monthly natural flow during each month of the dry season; 2) it must ensure that its dam projects would still allow the acceptable natural reverse flow of the Tonle Sap Lake in Cambodia to take place during the wet season (refer to image. 2 above); and 3) it must be able to prevent average daily peak flows greater than what naturally occur on the average during the flood season.

If it were to officially join the MRC, failure to adhere to any of these articles would certainly entail some heavy costs for China. At this point, it becomes clear that there exist no incentives for China to actually become a legal member of the MRC. The fact that most of the Cascade dams, such as the Xiaowan, are huge ones suggests that it would cost tremendous resources and capitals to conduct all the research needed to make a proposal

for its project. At the same time, given its rapidly growing level of energy demand and its inability to be self-sufficient in energy supply, the chance that China would actually join the MRC becomes acutely narrowed. What is worse, however, is not the ability for China to actually remain the legal sphere of rules set by the MRC but the fact that the four downstream countries have not taken any major step for pushing China toward joining the MRC. This, then, raises the question of why these countries have not stepped up to China and legally make it become apart of the MRC. Here is where it is important to examine China's soft power and its influence on the downstream countries in dissuading from confronting China.

The Power of "Soft Power"

The concept "soft power" lends some important insights into understanding how China, as an upstream country who shares the Mekong River with the other downstream countries, has been able to stay out of the MRC and, therefore, remain uncontested for its upstream dam projects. Coined by Joseph Nye, "soft power" fundamentally embodies the ability of a country to get or make others to want or desire the outcomes it seeks to acquire through the use of cooperation rather than sanction or coercion, both of which are mere manifestations of "hard power" (2004, 5-6). However, as simple as it may sound, to effectively exercise such power in order to produce the desirable outcomes a country aims to achieve is a much more difficult task that depends on several factors.

Taking this as a point of departure, it seems therefore important to tease out all of the factors necessary for China to construct soft power in ASEAN since doing so allows for the full understanding of the nature of soft power to be reached. According to Nye, there are three essential factors a country needs to construct its soft power: its culture (which he defines as "the set of values and practices that creates meaning for a society" and remarks that culture can have "many manifestations"), its political values, and its foreign policies (Nye 2004, 5-6). However, to effectively build such power requires that the contents of each of these factors contain values that that parallel with those held or preferred by others. This is particularly the case for culture and political values. As asserted in Nye's work, "When a country's culture includes universal values and its policies promote values and interests that others share, it increases the probability of obtaining its desired outcomes because of the relationships of attraction and duty that it creates" (2004,14). Similarly, government policies can foster a country's ability to construct soft power if the contents on which these policies are focused are broad enough that they appear to align with those of others' (2004, 14).

To further heighten the chance of success to build soft power, it is greatly advisable that a country always demonstrates its ability to prove its inclusions of others. A successful step to make this happen is to focus on what Nye terms as "milieu goals" (2004,17). "Milieu goals" are of critical importance primarily because they encompass goals that are not only exclusively or solely of national interests but ones that may resonate well with those of other countries'. As Tocci explains in her work (2008, 7):

“[Those] which, while indirectly related to a particular actor’s specific interests, are essentially concerned with the wider environment within which international relations unfold. Furthering milieu goals may contribute to the advancement of possession goals. However, unlike possession goals, milieu goals are pursued consistently over time and not only when at the time when they also represent immediate possession goals.”

Having built a full of image of what soft power refers to and how to go about producing it, it is now possible to set the stage for the examination of China’s soft power in the downstream countries. In doing so, the following section is divided into three parts. The first part briefly describes the methodology used for analyzing China’s soft power in ASEAN. The next part elucidates how China defines or expresses its milieu goals and the extent to which such expressions are in line with those of ASEAN nations. The subsequent part addresses how China’s soft power manifests as a result of its consistent effort to become cooperative with ASEAN region, of which the four downstream countries are officially apart. As seen in what follows, China’s soft power approach enables China to constantly present itself as a strong promoter of regional cooperation as well as peace and stability. Consequently, China is able to retain a desirable name in the minds of the ASEAN leaders.

Part II

Methodology

China’s success in wielding soft power in the four lowland countries of the Mekong River must be seen as a direct correspondence to its success of cementing such power in ASEAN to which these countries officially belong. Thus, it makes sense for this research to examine the success of China’s soft power in ASEAN since doing so will also disclose the success of China’s soft power in the downstream Mekong countries. To run the examination of the success of China’s soft power in ASEAN, this research relies on three primary sources: China’s 2012 Energy Policy, China’s 12th Five-Year Plan (2011-2015), and China-ASEAN Dialogue Relations (for full information, see references). Though equally important to the research, each of these sources has specific part to play to the overall effort to uncover the success of China’s soft power in ASEAN.

To reach the depth of the success of China’s soft power in ASEAN requires the need to first capture what makes it possible for China to build its soft power in ASEAN in the first place. For that reason, the study of China’s success in consolidating its soft power in ASEAN must be divided into two sections. The first section is devoted to the need of pinpointing the foundation upon which China depends in order to be able to set up its soft power in ASEAN. In so doing, both China’s 2012 Energy Policy and China’s 12th Five-Year Plan (2011-2015) are analyzed. These two sources are chosen to be analyzed mainly because the ground on which China can construct its soft power, as evident from the previous part, is rooted in the country’s local and foreign policies and goals. Since they

are the most recent government reports pertaining mainly to China's local and foreign policies and goals, it makes complete sense to analyze them. Thus, analyzing these two sources of evidence makes it possible to tease out the kinds of policies and goals China has designed and how they lay the ground for China to build its soft power abroad. The key words or terms coded in these reports are regional cooperation and peace and stability, for such terms—as seen in the following section—lie at the heart of the main principles of ASEAN. This is the main criteria for selecting all the quotes presented in the following section are selected.

Once the base on which China needs to establish its soft power is pinned down, it becomes possible to discuss the ways or steps China has deployed in order to effectively wield its soft power. Thus, in this section, the critical analysis of the China-ASEAN Dialogue Relations is carried out. The China-ASEAN Dialogue Relations is chosen for testing the success of China's soft power because it represents the sphere in which the two parties closely interact with one another. This is of great relevance in evaluating the success of China's soft power because embedded within such close interaction lies the cultural and economic cooperation, as well as discourses participated by both parties. It is through all of these sources extracted from the China-ASEAN Dialogue Relations that such assessment of China's soft power is made possible. As seen in what follows, the analysis of China-ASEAN Dialogue Relations will clearly indicate the China's success of wielding its soft power in ASEAN and, thus, in the four downstream countries, namely Thailand, Cambodia, Vietnam, and Laos.

Landing on the Same Ground: The Convergence of China-ASEAN Interests

As clearly explained in the previous section, one key factor for reinforcing the success of a country's soft power is the ability to design goals that echo the milieu goals. In the process to infiltrate the ASEAN countries with its soft power, China is able to take advantage of the fact that ASEAN, since the beginning of its founding, "has embodied a strong economic development imperative, and a conviction that economic growth is a critical means of ensuring regime legitimacy and security" (Goh 2007, 12). Strongly holding a pro-growth position, the ASEAN nations consequently view peace and stability and regional and international cooperation as absolutely necessary in order to retain economic growth.

Indeed, as clearly articulated in the ASEAN Declaration, one of the major goals for founding ASEAN is to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter. At the same time, as a regional institution comprised of multiple countries, cooperation is key in order for ASEAN to effectively operate. Understanding the importance of cooperation, ASEAN declares maintaining close and beneficial cooperation with themselves as well as others who share similar aims and purposes as another main goal.

These goals of promoting peace and stability as well as creating and enhancing regional and international cooperation are also coincided with one of China's central goals to preserve the steady rise of its economic growth reflected in both China's 2012 Energy Policy as well as its most recent Five-Year Plan (2011-2015). Indeed, as acknowledged in its 2012 Energy Policy, China, having intensely benefited from its unprecedented economic growth, has arrived a realization that it "is faced with the daunting tasks of developing its economy, improving its people's livelihood, and building a moderately prosperous society." With the recognition that China has limited energy resources and, yet, confronted with such daunting tasks, the report further stresses that it is therefore "an important strategic task of the Chinese government to maintain long-term, stable and sustainable use of energy resources." While China frames energy conservation as one of the policies for accomplishing this task, it also underlies expanding international cooperation as another chief policy to meet the task. For this policy of expanding of international cooperation to be effectively in place, the report bluntly suggests the following goal for China:

"China gives simultaneous consideration to both domestic and international energy development, works to increase the scope, channels and forms of international cooperation, enhances its capability to 'introduce' and 'go global', propels the establishment of a new international energy order and promotes mutually beneficial cooperation."

Further noticing the increasingly important role the international community plays in its energy supply, China has attempted not only to expand its international cooperation, but also deepen such cooperation. In the course of doing so, China has actively proposed three main aspects: strengthening dialogue and exchanges, carrying out effective energy cooperation, and the international community working together to maintain energy security. Similarly, in its 12th Five-Year Plan (2011-2015), China appears to be by no means reluctant to pronounce that it is fully supportive of reinforcing peace and stability and international cooperation. As stipulated in the report:

"In order to maintain peace and stability and to promote prosperity and development in the region, friendly relationships and pragmatic cooperation with neighbouring countries will be deepened, as well as Unity and cooperation with developing countries will be enhanced and traditional friendship and common interests will be maintained. Multilateral cooperation will be developed actively."

At this stage, the analysis of the policies and goals mutually shared by China and the ASEAN serve as an important step in allowing for the full extent of China's effort to cement soft power in the region to unfold. By designing policies and goals that appear candidly compatible to those of the ASEAN countries', China finds it largely possible to amplify its attraction to these countries and, therefore, enlarge the ground for its success in laying its soft power over the region. In addition, by making relentless emphasis on mutually beneficial cooperation, as well as untiringly advocating for peace and stability, China is able to hint to the ASEAN countries that its growing participation in the region

will bring anything but harm. All together, these aligned policies and goals between China and ASEAN pave the way for China to successfully lay its soft power over ASEAN. As seen in what follows, this success serves as a hallmark for China to paint a good or positive image of itself in the mind of the ASEAN leaders.

Paint It Good: Constructing the Positive Image of China With Soft Power

Landing itself with a grand opportunity to exercise soft power, China is in no reluctant state to construct its soft power in the ASEAN region. The ASEAN-China Dialogue Relations, established in 1991, serve as a valuable source in uncovering China's soft power in the ASEAN region. As depicted in the ASEAN-China Dialogue Relations, China's sources of soft power in the ASEAN region can be discerned in several forms. Standing among these forms is China's continuous effort to intensify its economic tie with the region via its investments. China's foreign investment, as seen in the ASEAN-China Dialogue Relations, flow to ASEAN increased significantly by 117.0 % from US\$2.7 in 2010 to US\$5.9 billion in 2011. The following table serves to further exemplify China's soaring investments in each ASEAN country from 2005 until 2009.

	2005	2006	2007	2008	2009	% Increase in Investment Over Time (in estimation)
Brunei	1.5	0	1.18	1.82	5.81	2.06
Cambodia	5.15	9	64.45	204.64	215.83	99.81
Indonesia	11.84	56	99.09	173.98	226.09	113.4
Laos	20.58	48	154.35	87	203.24	102.63
Malaysia	56.72	7	-32.82	34.43	53.78	23.82
Myanmar	11.54	12	92.31	232.53	367.7	143.21
Philippines	4.51	9	4.5	33.69	40.24	18.39
Singapore	20.33	132	397.73	1550.95	1414.25	676.61
Thailand	4.77	15	76.41	45.47	49.77	55.7
Vietnam	20.77	43	110.88	119.84	112.39	81.38

Table 1: Showing China's Growing Investments in the ASEAN countries (in U.S. \$ millions), 2005-2009. Retrieved March 10, 2013, from: <http://www.rfa.org/english/news/special/invest/hub.html>

As clearly depicted in table.1 above, China's economic investments in the ASEAN nations appear to be rising over time. The downstream countries are, in particular, are the ones that experience the most dramatic increase in the Chinese investments over time, besides Singapore, Indonesia, and Myanmar. This rapid increase of the Chinese investments in ASEAN highly aids China in its process of cementing its soft power in the region in two important ways. First, these Chinese investments clearly allow China to exhibit its mutually beneficial cooperation with the ASEAN, a "win-win" approach upon which its policies are claimed to be based. China, in this way, is able to send a message to these leaders that it is undoubtedly an indispensable participant for ASEAN, thus escalating its attraction to the region. Secondly, through its soaring investments in the ASEAN region, China is able to live up to its claim that it is a strong promoter of peace and stability. By

intensely pumping investments into the region, China is able to implicitly suggest that, as an investor, regional peace and stability are its absolute priority. Because all investors simply favor a peaceful and stable environment, no investment can spring in the absence of peace and stability. For this reason, China is able to fiercely reinforce its importance to the ASEAN, further propelling that mindset that its presence in the region is only highly beneficial.

At the same that China continuously strengthens its economic tie with the ASEAN through growing investments, it has also increased other forms of regional interaction to further tighten its cooperation with the region. This is evident in the ASEAN-China Relation Dialogues. At the 14th ASEAN-China summit (which commemorated the 20th anniversary of ASEAN-China Dialogue Relations) in Bali, Indonesia, Chinese Premier Wen Jiabao officially delivered a speech that revealed another important facet of China's cooperation with the ASEAN. In his speech, Wen enthusiastically pronounced the success of China-ASEAN Dialogue Relations since the beginning of its establishment, further claiming that both parties "have pursued mutual benefit, mutual support and mutual learning in the course of cooperation to achieve common development."³⁵ To cite his evidence, Wen pointed not only to the dramatic increase in China-ASEAN trade that year (which was "expected to surpass US\$350 billion"), but also to the "US\$15 billion credit" the Chinese government provided to the ASEAN countries. The credit, claimed Wen, "has supported over 50 infrastructure projects covering almost all ASEAN countries." On that same note, Wen further announced that China would "provide an additional US\$10 billion credit, including US\$4 billion preferential loans." China's credit, along with its proliferating trade and investments in the ASEAN, generously permits China to appear as a highly valuable partner to the ASEAN. In fact, many leaders of the ASEAN nations, as Wen declared in his speech, informed him "that ASEAN's relations with China are the most practical, most extensive and most fruitful." This is later reiterated by President Yudhoyono, the leader of Indonesia, who also made a speech at the event. In his speech, President Yudhoyono remarked:

"China-ASEAN relationships solidly-based and has great potential and a promising future. China will forever be a good neighbor, good friend and good partner of ASEAN. We will work closely with you to implement all the agreements we have reached to bring more benefit to our people and make greater contribution to peace and prosperity in our region."

Embedded within these speeches clearly suggests that China's image in the mind of the ASEAN leaders is a highly positive one. Such positive image China is able to gain from these ASEAN leaders, in many respects, serves to confirm China's success in cementing its soft power in the region. At this point, it is sensible to suggest that China's consistent efforts to tighten China-ASEAN cooperation (through investments and loans) and introduce itself as a strong advocator for peace and stability has finally paid off. That is to say, China, with its soft power in hand, can now easily buy its way around to exploit resources in ASEAN without having to face any constrain. The following section discusses the implications of China's success in wielding its soft power in the ASEAN by examining

China's on-going dam activities on the Upper Mekong River. Given that China has become the world's largest dam investor, studying the implications of China's soft power in the context of its dam-building activities also makes it possible to situate such implications at a larger scale.

Part III

China Going Beyond Border: The Implications of the Cascade Dam Projects

For the downstream Mekong countries, the consolidation of China's soft power in the ASEAN signals a somewhat alarming message. This is merely due to the fact China still remains an unofficial member of the Mekong River Committee (MRC). Interestingly, China's continuous resistance to join the MRC stands in stark contrast with its willingness to increase cooperation and promote peace and stability in the ASEAN region. For China, officially joining the MRC means that its ability to fully exploit the Mekong River to serve its interests will be limited by the Mekong River Agreement (MRA) by which Vietnam, Thailand, Cambodia, and Laos are required to abide. In other words, becoming an official member of the MRC would inevitably require China to "share information and consult with other riparian states over water-development plans, and to ensure the fair and reasonable utilization of water resources" (Goh 2007, 46).

From China's point of view, doing so would impose several limits on its ability to fully exploit the Mekong. That is, China views that officially joining the MRC would "challenge China's current lid on information exchange, impact on the smooth implementation of China's water energy development projects, and restrict the development of other projects in the watershed, including industrial and urban development" (Goh 2007, 46). Yet, officially evading the MRC does not completely guarantee that the downstream countries, while holding a positive view of China, do not join hands to challenge its irresponsible exploitation of the Upper Mekong River it geographically owns. Accordingly, China realizes that it must take preemptive action to prevent such situation. This is essentially embodied in China's soft power in the ASEAN. China's sole focus on cooperation with the ASEAN serves as a clear indication of its soft power in the region (since the main idea embedded in soft power is the use of cooperation, rather than coercion, to produce the results one desires). By erasing coercion completely off the equation and, instead, emphasizing on cooperation, the soft power strategy allows China to net the ASEAN countries into the mindset that China's presence in the region poses no threat to peace and stability there.

To fully solidify its soft power, China centralizes its foreign policies with the ASEAN region on the notion of "common development" that supposedly aims to promote mutual benefits for the two parties. This is clearly evident in both its soaring economic investments and diplomatic relations with the ASEAN. By claiming to pursue "common development" to create mutual benefits, China is able to basically legitimize its upstream

dam-building projects. Put differently, China's soft power—which essentially manifests through its “increased levels of trade, investment and aid as well as an institutionalized diplomacy”—allows the country to “link its dam-building to broader issues of common development” (Biba 2012, 622). In this regard, efforts to contest or challenge China's upstream dam activities are significantly reduced. For the downstream countries, this should appear as a pressing concern. Upstream the Mekong, China has invested on a cascade of eight consecutive dams that, once fully completed, will consist of large and mega dams (see Image. 1) that can pose significant social and ecological impacts on the downstream countries. These impacts, as seen below, can potentially wreak food and water security in the downstream region.

The social and ecological impacts of the Upper Mekong dams on the lowland countries are suggested to be substantial. Because of their mega size, the upstream dams can profoundly alter the natural hydrology of the Mekong River. The Upper Mekong plays a central role to the agricultural and fishery productions in the lowland region. Summer glacier and snow melt on the Tibetan Plateau are critically important to the dry-season flow as they contribute as much as 40-70 % of the flow (Cronin 2009, 151). This modification of natural flow patterns can severely affect the water and sediment flows of the river. As a result of this change in the flow patterns, many farmers, typically those residing in Laos and Cambodia, are likely to experience certain difficulties in growing staple crops such as of chili, peppers, eggplants, and corns (Ives 2011, 41). As two of the world's largest rice-producing countries, Vietnam and Thailand also stand to lose from this change in water and sediment flows. Rice production in these two countries is most likely to be heavily affected, and the annual cost of the loss of agricultural land is estimated to be somewhere around \$25 million (Ives 2011, 43-44).

The alteration of water and sediment flows, furthermore, poses a critical threat to the fishery production of the river. Indeed, China argues that the upstream dams can have positive impacts on the Lower Mekong countries since they can regulate the flood cycle (Cronin 2009, 151). That through the regulation of flood cycle, the frequency and magnitude of floods can be notably reduced. However, this regulation of flood cycle has a heavy price to pay. The first two of the four Chinese dams have already led to the decrease in sediment flux in the downstream areas and that the rate of decline has accelerated considerably (Lu and Siew 2006,194). This is not to take into account the Xiaowan dam that is recently completed. For downstream communities whose soil, riparian vegetation, and ecosystem depend directly on nutrient-rich sediments from natural floods, this rapid decline of sediment loads only serves as frightful news.

At the same time, fishery production in the river's largest tributary, the Tonle Sap Lake (see image. 2 above), can decrease significantly as natural habitats that support the production is lessened by the lack of nutrient-rich sediments. As the biggest freshwater system in Southeast Asia, Tonle Sap Lake is only second to the Amazon River in terms of species richness. Approximately sixty percent of the Tonle Sap floodwater stems directly from the Mekong River, and its water level is controlled by the water level in the Mekong main stream (Kummu and Sarkkula 2008, 185). Floodwater originated from the Mekong

River allows for the creation of Tonle Sap's floodplain upon which the lake's ecosystem essentially depends. The floodplain of the lake makes it possible for natural habitats to prosper. These habitats are crucial for the fishery production, which is what the Tonle Sap Lake is widely famous for. For instance, the flooded forest habitats in the surrounding floodplain of the lake "provide enormous quantities of food to support huge production of fish" (Lamberts 2006, 482). Thus, the presence of the Chinese upstream dams is likely to severely affect the level of nutrient-rich sediments distributed into the Tonle Sap Lake. Hundreds of thousands of Cambodian people who populate the surrounding areas of the lake and whose primary source of daily protein comes from fishery provided by the lake are more than likely to be affected.

In concluding, the study of China's soft power in ASEAN appears to be of great importance in looking at its dam-building activities on the Mekong River. Being able to effectively consolidate its soft power in the ASEAN region seems to largely allow China to exploit the Mekong River at its own will. This simply speaks to the important fact about the implications of power imbalance between states that share natural resources. China, since the beginning of the story, already has more power than the downstream countries, and this power rests with the fact that the Mekong Headwater (the Tibetan Plateau) geographically resides in China's territory. This, alone, already gives China a lot of power over the downstream countries in exploiting resources from the Mekong River. China is also more economically powerful than the rest of the downstream countries. Thus, in these respects, China's power undeniably surpasses the downstream countries', which allude to how well equipped China already is in the first place to exploit the Mekong River without restraint. The fact that it is now able to use its soft power to effectively resist becoming an official member of the MRC makes it even easier for China to not hold back and continues to unrestrainedly exploit the Mekong River. As a result, it is those poor riparian communities whose livelihoods directly depend on the Mekong River that will have to bear great costs of China's unrestrained exploitation of the river. In this regard, China's successful soft power over the lowland countries of the Mekong serves as an utterly important instance indicating how the absence of the balance of power can and does lead to a situation in which the more powerful actor is able to freely enjoy its act of exploitation of the shared resources at the great costs of others.

The Mekong Cascade dams set a valuable example for understanding interstate rivers across the world. Downstream countries of transboundary rivers, such as the Nile or the Jordan, will likely experience a similar situation as do the downstream countries of the Mekong River. Although there has not been any major conflict occurring between China and the downstream countries with regards to the Cascade dams, it is not unlikely that such conflicts will not occur in the future if China continues to remain officially uncooperative with these countries. The same can be said for other border-crossing rivers. This, then, suggests that it is imperative for cooperative management and participation between upstream and downstream countries are of great importance in avoiding conflicts when these countries, especially for the upstream ones, embark on a journey to use or exploit their shared rivers for their own interest.

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