Policy briefing

Special Economic Zones in northeast Thailand: Integrating local knowledge as part of social and environmental safeguards

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Background

This policy briefing presents key findings from the action research on the impacts on local community knowledge of the Special Economic Zones (SEZs) being established in northeast Thailand.

The action research aimed to: 1) study how to integrate the local knowledge of communities affected by the SEZ in Mukdahan province, and 2) encourage the participation of the local community in planning of the SEZ to improve social and environmental safeguards in the Mukdahan SEZ.

The policy briefing proposes that local knowledge about the area's ecosystems needs to be recognised in order to alleviate the impacts of, and improve the social and environmental safeguards for the SEZ.

The SEZ in Mukdahan

The Government of Thailand is setting up SEZs for industrial develop-ment in two phases: the first phase will cover six provinces in 2015, and the second phase an additional four provinces in 2016. The SEZ plans include demarcation of the land areas for infrastructure along with establishing policies for subsidies and privileges for investors. A number of strategies are also in place to attract investors to the SEZs such as setting up one stop services (OSS), providing budget for construction of infrastructure, and creating of the Special Economic Zones Policy Committee (SEZPC) to accelerate the process of establishing the SEZs. In our study of the Mukdahan SEZ, we found that the plans to prepare for the SEZ has mainly involved governmental agencies, potential investors, and the business sector. The plans and policies do not recognise the impacts of the SEZ on the local communities and the environment. The local people who own and use the land demarcated for SEZ have not been included in the decision-making process with only a few attempts at conversations between the locals and government and other stakeholders.

Moreover, the information provided by the government and the business sector is single-sided explaining only the advantages of the SEZ without looking at its potential socio-ecological impacts. Thailand's civil society has actively attempted to seek more complete information on the SEZ, and share it with the potentially affected communities. But even this has limited the dissemination mainly to the community leaders leaving a big gap in access to information by the communities.

Key findings

1. Land acquisition for the purpose of establishing the SEZ

Mukdahan is one of the first provinces in Thailand where the government acquired land for the SEZ concession without any serious conflicts and local resistance, primarily due to the use of Article 44 which gives the military wide-ranging powers to seize or confiscate land and property. Two large areas of the Agricultural Research and Development Centre II and the Animal Nutrition and Development Station (totaling approximately 1,085 rai) have now been acquired for the SEZ.
Before the Agricultural Research and Development Centre II was founded in 1988, the land was a large open field that was used by the locals of six villages in Ban Na Thon, Ban Pran-on, Ban Kham Kueng, Ban Na Kham Noi, Ban Muong Huk and Ban Kud Ngong for grazing livestock

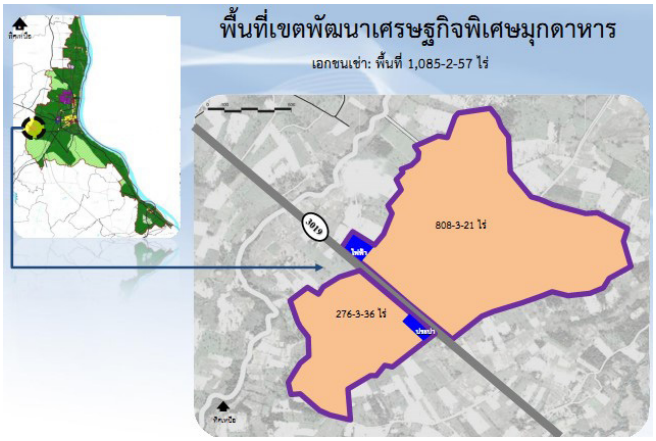
and gathering non-timber forest products especially in the wetlands (Nong Pok and Nong Sabaeng). In the late 1990s, the land status was converted to come under the authority of the Agricultural Land Reform Office (ALRO) and the Agricultural Research and Development Centre II was constructed.

2. Contrary perceptions of land usage

From the perspective of the state and proponents of the SEZ, this land of 1,085 rai land is considered "empty" and "wasted", merely waiting to be put to economic use to gain profits from rent.

However, from the perspective of local culture and ecology, the demarcated land has never been "empty" or a "wasteland". It has provided the local communities many benefits. Firstly, it used to be a public space and a source of food that was accessible to all in the nearby communities. Secondly, the place provided cash income as the locals could gather the plants especially mushrooms and bamboo shoots to sell in the market. Lastly, the land functioned as a grazing area for livestock which means the locals saved costs on animal feed and providing an additional means of livelihood for many people besides farming. The sale of live-stock is also usually a means of income especially when people need emergency cash for special occasions including educational or health expenses, weddings and funerals, or to invest in farming.

These contrary perceptions of the land and its many uses show that it cannot be simply taken or handed over for the use by one party but the



Industrial zone in Mukdahan SEZ, Total area = 1,085 rai
The state and business perspective is that the area is an "empty, wasteland" that needs to be eco-nomically used for profit.



The local perspective is that the place is already providing many communal benefits including food, income and livelihoods.

combined needs of both the local communities and of business needs to be recognised for equitable land use.

3. Social and Environmental risks of the SEZ

Our study finds that there is fear and anxiety among the local communities about the adverse impacts of the establishment and expansion of the industrial estates in the Mukdahan SEZ. Currently, the Huay Kae Conservation Group has voiced concern that the industrial estate will introduce an overly industrial lifestyle among the locals leading to increased health and environ-mental risks from water pollution and chemical contamination around the industrial estate. Sugar and rubber factories formerly operating in Mukdahan also serve as warnings about the ecological impacts of industries as these factories are producing bad odour and causing water pollu-tion in the area.

Many of the local people who live around the planned industrial estate in Pran-on and Kham Kueng villages depend heavily on rainfall for farming. In the dry summer months, they obtain water from three main sources: 1) Huay Yai, Chian Champa, and Huay Som Gob reservoirs, 2) wetland swamps found near some fields such as Nong Pok, Nong Sano, and Nong Lak Waen, and 3) digging their own ponds especially those who live far from these sources.

Given that the people in the entire area depend on water for their lives and livelihoods, any contamination and pollution from the industrial estate

poses grave risks. In the rainy season, when water become stagnant in the farmers' fields for up to four months, polluted water can cause serious damage to the locals' crops as well as their living environment. Furthermore, the planned industrial estate will be located in an area with rich biological diversity, surrounded by hills covered with canals, swamps, and ponds. Environmental impacts from the industry, therefore, will cause serious impacts to communities that depend on the waterways even those living relatively far from the industrial estate.

But the lack of understanding of these serious social and environmental risks are of concern for the local communities. The locals are not included in the decision-making process on the management of the area, even although they possess practical knowledge of their own environment.

4. The rights to development vs. right to be developed

The Mukdahan SEZ shows that the locals are assigned "to be developed" by a top-down system of planning and development that ignores the rights of the local people. Over 90 percent of the land around the planned industrial area comes under the ownership of the Agricultural Land Reform Office (ALRO). Already five households have lost their lands to the industrial zone leading to anxiety among the other villagers who are afraid to face the same situation and an uncertain future. Furthermore, the families that lost their land were paid very meagre compensation.

For land belonging to the ALRO, there can only be limited or restricted usage. The land owners can only undertake cash crop monoculture farming and cannot convert the land into other kinds of uses for capital or for other livelihood activities. The practice of cash crop monoculture poses many economic risks especially the fluctuation of cash crop prices and the weather uncertainty. Moreover, the restriction on land usage allows only a few options of adaptation to the new way of life after the industries are established: the locals cannot seek other kinds of opportunities such as creating a small-scale enterprise or investing in a new business. Furthermore, the continued cash cropping with heavy chemical inputs also brings long-term risks such as loss of soil fertility and contamination of streams and ponds.

5. Local knowledge for social and environmental safeguards

The people in the area know about the land, water and even the seasonal direction of the wind that could help in designing air pollution management. They also know from their everyday experiences about the contour and hydrology of the area – the origin of water and its flows as well as where the lands are steep or low. This kind of knowledge could help significantly in the management of wastewater and infrastructure design for water treatment. Recognising local knowledge and integrating it into the planning can improve the environmental safeguards of the project.

This action research has investigated the future impacts of the planned Mukdahan SEZ. A part of the research was carried out by consulting with experts and learning from other communities living near industrial estates. The outcome was then applied in the context of the study areas of Ban Pran-on and Ban Kham Kueng. The result has been a set of findings developed together by the local people and research team. We found that the local knowledge is most effective when discussed and used by several parties. Local knowledge should be valued as much as the so-called scientific knowledge of the experts planning the SEZ.

Policy recommendations

The study makes the following recommendations towards encouraging the increased participation of the local communities and improved planning and management of the SEZ:

(1) Participation in local development: The state should ensure the inclusive participation of the local people. It also needs to open up spaces for debates and discussions, exchange of experiences, and sharing of knowledge and opinions among the local communities. Local people need to be included in determining the direction of the development of Mukdahan province that corresponds with their social and cultural contexts. Furthermore, any developmental project in the area should conduct public forums and public hearings for projects at every level: provincial, district and community.

(2) Access to information: The state needs to allow public access to comprehensive and updated information about its SEZ plans and policies. This could be done by organising community meetings about the SEZ, especially for the communities around the industrial area to help alleviate the fears and anxieties of the local communities and responding to concerns about potential impacts of the SEZ.

(3) Ownership of the lands: The state is obliged to provide full, inclusive ownership to the local community which has been settled in and using the area for a long time. Moreover, it should revise the land usage restrictions of the Agricultural Land Reform Office (ALRO) in accordance with the current social and economic situation.

(4) Representation in the SEZ: There is an urgent need to reconsider the membership of the SEZ Policy Office which has no representation from local areas. A certain number of seats in every level or position in the Office should be reserved for local representation.

(5) Compensation: The policy on compensation should ensure that the compensation is fair and acceptable for every stakeholder. There should be a clear compensation plan for opportunity loss from losing the land and it should be enough to guarantee a reasonable quality of life for their future. In the case where land replacement is required for those who lost land instead of monetary compensation, the state must find and provide a suitable one.

(6) EIA and SIA: The state needs to conduct an Environmental Impact Assessment (EIA) as well as assessments of social and health impacts before embarking on the SEZ plans. It should adopt the "eco-industrial estate networks" principle to apply to Mukdahan SEZ's industrial area. This principle provides for the coexistence of both local ways of life with industrial uses for a balanced and sustainable development. Not just economic benefits but all three core areas have to be emphasised in the developmental plans: environment, economy, and the society.

(7) Institutional assistance: This study proposes the establishment of three types of foundations in the SEZ for: services and development, health, and natural ecological recovery. These three institutions will run on the profits shared from the SEZ management.

This policy brief was written based on the study "Mukdahan's Special Economic Zone: Potential Impacts and Local Knowledge as Social and Environmental Safeguards" conducted by the LocalAct with funding from the USAID-Mekong Partnership for the Environment.

The action research aimed to: 1) study how to integrate the local knowledge of the communities affected by the SEZ in Mukdahan province, and 2) encourage the participation of the local community in planning of the SEZ to improve social and environmental safeguards in the Mukdahan SEZ.

The research conducted key informant interviews and community workshops involving experts and local communities who live near the industrial estate. The outcome was then applied in the context of the study sites of Ban Pran-on and Ban Kham Kueng. The result has been a set of findings developed together with the locals and research team. The research findings, therefore, are co-produced with stakeholders.

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