



Klong Dan Villagers Challenge the Thai State: The Case of the ADB Samut Prakarn Wastewater Treatment Project*

TERESA S ENCARNACION TADEM

Introduction

In May 2000, the Klong Dan villagers of Samut Prakarn, East Thailand challenged the Asian Development Bank (ADB) to address their allegations against the Bank's Samut Prakarn Wastewater Management Project (SPWMP) which was situated in their community. The accusations against the project included the issues of corruption, the absence of an environmental impact assessment (EIA), the loss of livelihood and social dislocation of affected communities. These issues were highlighted during the anti-ADB campaigns waged by Thai and international social movements during the Bank's 33rd annual conference in Chiang Mai¹. In the process of challenging the ADB, the anti-ADB campaigns inevitably also challenged the state and the nature of the democratization process which was taking place in

* This paper is based on an unpublished monograph on "Klong Dan Villagers Challenge the Asian Development Bank: The Case of the Samut Prakarn Wastewater Treatment Project". This research was made possible by an Asian Scholarship Foundation (ASF) of the Ford Foundation Follow-Up Grant in 2002 to the Center for Southeast Asian Studies (CSEAS), Kyoto University Japan and the Southeast Asian Studies Program (SEASP), The National University of Singapore.

the country. One of the more major issue of concern was the absence of participation and consultation in the conceptualization and implementation of ADB projects and policies in the country.² Thus, some referred to the “showdown in Chiang Mai” not in the context of a demonstration against the ADB, but as a reflection of the gap “between underprivileged Thai people, represented by the NGOs on the one side, and the incumbent Thai government, in the form of “blind-folded” arrogant politicians and bureaucrats on the other (*Business Day*, May 4 2000: 4).

The Klong Dan villagers’ pursuit of their case against the SPWMP after the May 2000 anti-ADB campaigns highlights further the hindrances which exist in the country’s democratization process. The experience, however, also brings to light the strategies that can be used in confronting such obstacles. This paper will, therefore, attempt to examine the domestic challenges confronted by the Klong Dan villagers in pursuing their case against the ADB SPWMP and their attempt to confront these.

The first part of the paper will contextualize the plight of the Klong Dan villagers within the nature of the democratization process in Thailand. The second part, on the other hand, will discuss the strategies used by the Klong Dan villagers in addressing their problem. The responses of the state will be dealt with in the last part. The experience of the Klong Dan villagers will hopefully contribute to the democratization literature which focuses on how marginalized sectors in society are able to assert themselves and make a difference despite all odds.

I. The Development Challenge and the ADB Samut Prakarn Wastewater Management Project

The ADB Samut Prakarn Wastewater Management Project (SPWMP) was approved by the Chuan Government in 1995 and cost US\$605 million. It is partly funded by an Asian Development Bank (ADB) loan of US\$320 million with additional funding of US\$70 million from Japan’s Overseas Environmental Cooperation Fund³ and Bt750 million from Thailand’s Environment Fund, as well as funding from the National Budget Bureau (Noel, 2000: A5). It is being constructed on a 1,903-rai⁴ seaside area in Bang Po district Samut Prakarn on the southern part of Sukhumvit Road.

The SPWMP brings to light criticisms which have been heaped on development policies and projects in Thailand for the past decades. The basic criticism is that projects like these are not benefitting its target-beneficiaries and even undermining their very subsistence. In the 1960s, for example, the commercialization and technology imposed on the village by state policy undermined the moral basis of a peasant society (Kaewthep, 1984: 142). It was also pointed out that “the rural development of the Thai state has siphoned off village capital, narrowed peasant economic choices and contributed to discontent (Kaewthep, 1984: 154). The 1960s also witnessed the rise of proletarianization (Dilokvidharayat, 1984: 123-126) developing side-by-side with industrialization which was led by the state.

The basic criticism is that projects like these are not benefitting its target-beneficiaries and even undermining their very subsistence.

Similar contentions seem to characterize the SPWMP. That is, the project is deemed as anti-poor because the project is believed to bring about a loss of livelihood on the part of the Klong Dan villagers. As they pointed out, the release of treated wastewater into the sea might change the salinity levels (Janchitfah, 2000: 1). This, therefore, endangers the source of marine food and livelihood of the villagers in the Klong Dan and Song Klong areas, which house some 60,000 locals. It is estimated that about 70% of them depend on fishery-related occupations to support their families (Bank Information Center, n.d.a). One of the industries which is endangered, claim the villagers, is the mussel industry and Klong Dan is the largest production area for mussels in Thailand (Noel, 2000: A5). This industry provides work for the Klong Dan women either in their homes or at one of the six mussel processing factories in the area. “Men farm mussels or go to sea in trawler for a variety of fish. Some of the older men catch enough fish to survive on from their own small boats (Snowdon, 2001, 1). Aggravating the fear of loss of livelihood is the perception that the villagers would have to pay more for treated used water from their homes (Janchitfah, 2000a: C1). A reason for these problems, as pointed out, is the absence of an enviromental impact assessment (EIA) (Janchitfah, 2000:1).

Another question which arises is the purpose of the project itself. The project aims to “improve environmental sanitation and water quality in the densely settled areas of Samut Prakarn and to establish sustainable institutional arrangements for wastewater management and pollution control” (Widagdo and Garrido, 2002: 4).⁵ It was, however, pointed out that, “... Other than its cost, the project is also criticized on its necessity. A survey conducted in 2000 by the Thai Environmental Engineering Association found that 90% of the 3,600 factories in Samut Prakarn already have their own wastewater treatment systems. Based on existing reports, it is estimated that joining the collective wastewater treatment system would cost more for a firm than operating its own wastewater treatment facility” (Bank Information Center, n.d.a). Furthermore, studies conducted by local residents and independent researchers including Greenpeace show that “the dilution of industrial with domestic waste does not effectively address the problems of industrial waste disposal. The Samut Prakarn plant has no system to separate the different types of waste it will receive, or to separate toxic from non-toxic sludge” (Guttal, 2001).

The other allegations concerning the SPWMP also come in the light of a major obstacle to development which is corruption. Corruption is looked upon as one of the major culprits which brought the 1997 economic crisis into the country. In the case of the SPWMP, suspicion of corruption and other forms of anomalies came up when the original project was moved from Bang Pla Kod and Bang Poo Mai to Klong Dan without any EIA study as alleged by the villagers. The Pollution Control Department (PCD) which is the government agency tasked with implementing the project, however, tried to explain that the joint venture companies won the bid for the project but could not find suitable land in the suggested areas (Janchitfah, 2000:1).

Klong Dan locals, however, believe the real reason is that the land at Klong Dan belongs to a group of companies with close relationships to some influential politicians. “These companies planned to build a golf course and a tourist resort but they found that regular sea flooding causes the area to sink”. They, therefore, cancelled the plans and sold it to the PCD, said Chalao Thimthong, one of the Klong Dan village leaders (Janchitfah, 2000:1). What further highlighted the suspicion of corruption was when the relocation to the Klong Dan site dramatically

“increased the construction costs for the treatment plant”. When the Board approved the project in 1995, costs were estimated at US\$507 million (Asian Development Bank, 1995). Project costs are now expected to be US\$750 million (ADB Samut Prakarn Wastewater Management Project website, 2002).

The corruption issue is traced all the way to the government agencies which were responsible for bringing in the project into the country. It was pointed out that in 1993, the Ministry of Science, Technology and Environment (MSTE) got a consultant to come out with a proposal for a wastewater project. The Ministry of Industry, Ministry of Finance and the National Economic and Social Development Board (NESDB) all pointed out that the project overlapped with those already underway. The Interior Ministry criticized the project’s turnkey approach and warned that there would be problems over land purchase. The MSTE, however, ignored these and the ADB offered its largest-ever loan for a turnkey project (Noi, 2002).

Some sectors believe that the reason for this is the close ties between ADB Environment Manager Warren J. Evans and MSTE staff member Harvey F. Ludwig. Both Evans and Ludwig have “pushed this project forward despite its negative social and environmental implications” (Widagdo and Garrido, 2002: 8). It was pointed out that Ludwig, who had been part of the USAID team who worked with the Ministry of Science in Thailand and subsequently founded a company named ‘SEATEC International’ employed Evans as an assistant before he (Evans) moved on to work for the ADB. Evans would later on receive a US\$300,000 grant from the Ministry to conduct a feasibility study for the wastewater treatment plant. The ADB staff and the managership level were the ones who gained work and commission from the project (Thai Development Support Committee, 2000).

Aside from the interlocking directorate of bureaucrats in the MSTE and former foreign consultants from the USAID, politicians are also said to be involved in the project. It was pointed out that the NVSPKG, the firm tasked to implement this project, is a construction consortium. The S stands for Sisaeng Kanyotha company of the Silpaarcha family. The P, on the other hand, stands for the Prayon Wiswakam company of the Liptapanlop family. Furthermore, the company that sold the land (Klong Dan Marine and Fishery) is said to belong in part to the Asavahane (also known as Asavaheme) and Pinkayan families. The science minister who first

approved the project was Suwa Liptapanlop” (Noi: 2002). The political family connections are furthered when one considers that the Science Minister at the time was Yingphan Manasikan. He was considered as part of the “cobra faction” headed by Wattana Asavahane and the consultant company (Seatech) is part-owned by Subin Pinkayan, former commerce minister “who topped the list of the “unusually rich” in 1991 As concluded, many of those who have headed the Science Ministry seems to have little interest in science but more in construction contracting (Noi: 2002). Another issue of corruption brought out against the NVSPKG is that by building one big plant 20 kilometers away at Klong Dan the budget increased by Bt 10 billion because of the need to upgrade the pipes used and other details. (Noi, 2002).

Closely related to the problem of corruption is the issue of the lack of transparency. It was alleged that there was a lack of transparency in the design and implementation of the SPWMP. A reason is that although the project was approved in 1995, the Klong Dan villagers did not know of it until construction began in 1998. This was only when the local residents saw “a banner announcing that a large tract of land described as a largely ruined prawn farm, was to become home to a previously unheard-of waste water treatment plant” (Kazmin, 2002). They were, therefore, neither informed of the impending project nor consulted about the effects it would have on them or on the environment...” (Widagdo and Garrido, 2002: 8). It was at this time that the community began to express their concern regarding the potential odor from the treatment plant. The Klong Dan community also began to raise some issues about the location and viability of the proposed wastewater management system. It would, however, only a year later whereby public meetings would take place and this occurred between March and June 1999. (Asian Development Bank, 2001: 5). All of these could have been possibly addressed if there was the participation of the target-communities in the conceptualization and implementation of the project.

II. Exploring Political Venues

The marginalization of the affected communities from the project, however, did not prevent them from actively campaigning for their rights at the local and national levels since 1998. An example of this was seen early in July 1999, some 300 villagers rallied along Sukhumvit Road in front of the project site asking the PCD to delay construction” (Widagdo and Garrido, 2002: 15). The villagers of Klong Dan and Song Klong on February 19, 2000 also “sent a letter to the Ministry of Foreign Affairs and the Japan Bank for International Cooperation (JBIC), which provided US\$ 7 million loan to the project. The letter outlined environmental, economic, transparency and corruption concerns (Widagdo and Garrido, 2002:17). It was, however, only during the 33rd ADB annual conference in Chiang Mai that their complaints were listened to. During this conference, Thai social movements brought out the issue of the SPWMP among other issues which they had against the ADB through two venues. One was through a parallel conference organized by the NGO-led sector of the ADB known as the People’s Forum 2000 on the ADB⁶ and the other was through the anti-ADB demonstrations led by the People’s Network of 38 Organizations consisting mainly of grassroots members.⁷

Although the anti-ADB campaigns which carried the SPWMP issue among others raised the concern of the ADB officials, this was not the same with the government officials who basically ignored the plight of the Klong Dan villagers. Such an indifference, however, did not deter the Klong Dan villagers to pursue further actions against the SPWMP. This was seen in September 2000 when 1,000 Klong Dan villagers submitted a complaint letter to the National Counter Corruption Commission (NCCC) where they pointed to three issues in which officers of the PCD, the MSTE and the Land Department could be suspected of corruption in the project (Kanwanich, 2000). “The issues they raised were that 1) the relocation of the project resulted in increased project costs that favor the contractor; 2) a portion of the land purchased is under water; and 3) the land was bought at a price significantly greater than market value” (Widagdo and Garrido, 2002: 16). The Klong Dan villagers also petitioned the King of Thailand, PCD and the MSTE to have the project stopped (Attahkor, 2000: 5; Bank Information Center, 2001a: 4).

Direct actions were also pursued at the government. In November and December 2000, the villagers, around 500 of them, staged protests at the project site. They camped in front of the site to prevent construction workers from entering. This led to a clash with the protesters claiming that they were attacked by some 100 workers, armed with sticks and iron bars. They added that the police guarding the site made no effort to stop the attack (Pongpao and Kongrut, 2000: 1). "Workers and foremen did not dispute the fact that they initiated the attack. But they said they were put under extreme pressure as a result of the blockade. Many said that they were hungry and tired because they were denied access to food and water for two days" (Pongpao and Kongrut, 2000: 1).

A group of Senators from the Parliament's Sub-Committee on the Environment visited the area a day after there was a clash between the construction workers and the protesters. The Senators wanted to hear the local people's concerns. After five days of demonstrations, because of the lack of media coverage and national attention to the SPWMP, the villagers decided to end their demonstration (Bank Information Center, 2002: 2).

The villagers in December 2000 also boycotted the Rassadorn Party, whose current candidate began the project (Widagdo and Garrido, 2002: 15; Bank Information Center, 2001a: 4). The Rassadorn Party or The People Party is the Asavahane family's political party. It held five of the province's six seats in the old parliament. It was pointed out that the powerful Asavahane family, that for years dictated political life in Samut Prakarn, owns the land on which the wastewater plant is being built. The Asavahane family would make huge profits provided the project goes ahead (Ingram, 2001).

A. Reaction of the Thai Government

In reaction to the protest actions of the Klong Dan villagers, the government, assisted by the ADB, reacted in the following manner: (ADB, n.d.: 2)

- 1) A special review mission was undertaken on 19-28 June 2000 to clarify issues surrounding the project and encourage dialogue between the community, NGO groups, and government officials;

- 2) The PCD proposed to establish a web site in Thai;
- 3) Consultations between the Klong Dan community and the PCD were undertaken;
- 4) The Fisheries Department conducted a survey of mussel farming to determine the extent of all mussel farms in the area, with a draft report expected by the end of December;
- 5) ADB facilitated a dialogue on environmental and social issues between the Klong Dan community and the Thai Government. The effort aimed at increasing awareness and establishing a framework for community consultation with the Klong Dan community... and,
- 6) ADB and the Government of Thailand decided to commission an independent review of the project by international experts.

The Pollution Control Department (PCD) also said that it would start a public outreach campaign by distributing pamphlets produced in ‘layman language’ to local villagers. This was because the agency believed that its ‘inexperience’ in public relations was the reason for the local opposition. The pamphlet contained technical details of the project as well as answers to often-asked questions. The agency, however, remained adamant that the project should continue (Kongrut, 2001). This was despite the fact that the PCD acknowledged that the treatment plant is not designed to cope with the heavy metal load (Snowdon, 2001: 7).

The agency believed that its ‘inexperience’ in public relations was the reason for the local opposition.

The PCD, in an attempt to pacify local project critics, also initiated a “project to recycle treated water and set up community development funds. Sirithan Pairojboriboon, PCD director-general, stated that this would ease opponents’ fears that the excess water will dilute the salinity level of the sea, which would destroy the mussel farm there” (Bank Information Center, 2001: 2). Such a move however “failed to appease villagers”. Villager Chantarahassadee asserted that the move is inconsequential until the transparency of PCD maneuvers has been achieved. Furthermore, she stated that environmental assessments must

be publicized adding that the local opponents are not convinced that this move will solve any problems (Bank Information Center, 2001: 2).

B. Reactions of Thai Senators

As for the Thai Senators, they chose to pursue their own action regarding the SPWMP. In 3 November 2000, 72 Thai Senators visited Klong Dan to investigate the project's impact on local communities and their environment (Widagdo and Garrido, 2002: 16). One of the Senators told the media that they would campaign to get the incoming Thai Rak Thai government to review the project (Sukin, 2001). Following this visit, on December 1, 2000, 102 Senators signed a letter to the ADB President Chino urging the ADB to review its loan relaying that they were deeply concerned about the negative impact the project would have on the local environment and the livelihood of the local people. The letter urged the Bank to "review its support for the project" (Bank Information Center, 2002a: 2). The letter suggested the project might be against ADB policies on incorporation of social dimensions in bank operations, good governance, confidentiality and disclosure of information and voluntary resettlement (Sukin, 2001). Furthermore, on 17 January 2001, the Senators who signed the letter to Chino "held a press conference at the Parliament over the issues raised in the letter. Senator Niran Pitakwatchara of Ubon Ratchathani said the project would contribute to the destruction of local people, their livelihood and a self-sufficient economy" (Bank Information Center, 2002a: 2).

III. The State's Reaction to Activation of ADB Mechanisms

The support of the Senators was most welcomed by the the Klong Dan villagers who saw this as a way of pressuring their government officials, i.e., the Prime Minister, PCD and the MSTE to look into the project. The villagers, however, sought to reinforce this pressure by clamoring for the activation of ADB mechanisms for investigating the project. In response to this, the ADB created an Independent Review Commission (IRC), also referred to as the Independent Review Team (IRT), to investigate the wastewater treatment project on November 24, 2000. This was also the Bank's response to the complaint letter written by the Klong Dan Mayor Narong

Khomklom and residents Dawan Chantarahassadee and Chalao Thimthong to the ADB president to assess the viability of the project (Widagdo and Garrido, 2002: 18).

The Independent Review Team (IRT) began its investigation on March 19, 2001. The IRT was led by Dr. Kevin Boland, an environmental and water quality specialist and it included Dr. Pichai Sonchaeng, a marine ecologist and mussel specialist, as well as Dr. Scott Bamber, a public health specialist (Widagdo and Garrido, 2002: 18). Its preliminary findings were presented on May 3, 2001 in Bangkok in a meeting organized by the ADB and the PCD. Forty local NGOs were invited and a decision was made not to invite international NGOs. The IRT revealed that although they believed the wastewater treatment project would help water quality and public health, it could potentially hurt mussel farming if toxic water escapes. In addition, Dr. Pichai said that the PCD had underestimated the significance of mussel farming in the Klong Dan region. He pointed out that the PCD estimated the yield from mussel farms at 5,000 tons a year but Dr. Pichai said that it could be up to 50,000 tons a year with a value of approximately 100 million baht to the people of Klong Dan. He explained that mussel farming could be at risk from diluted salinity caused by the water discharge from the treatment plant (Widagdo and Garrido, 2002: 18). Dr. Pichai also added that the waste treatment plant did not do anything about the heavy metals (Snowdon, 2001: 6). Thus, the IRT only confirms the fears of the Klong Dan villagers that the SPWMP will lead to their loss of livelihood.

A month later, on June 15, the ADB and the government held another meeting and released the IRT's Final Report which endorsed the Wastewater Management Project. The team concluded, after its 10-week assessment, that the project design was technically sound and will help solve waste problems and reduce pollution in the area. The report also made recommendations for improvements of design and operation in 26 details, including an extension of the economic inclusion zone around the marine outfall and closer monitoring of the project when it begins operation (Widagdo and Garrido, 2002: 19; Asian Development Bank: 2001c, 1). Such a report evidently ignored the findings of Dr. Pichai who opposed the project.⁸

The Klong Dan communities rejected the IRT's findings because of the lack of local participation since the beginning of the process. Klong Dan village leadern Chantarahassadee added that "The review was simply another process to make way for the project and support the environmental management plan of the PCD" (Watershed, 2001). The criticisms of the Klong Dan villagers were, however, not shared by Sirithan Pairoj-Boriboon, PCD Director-General who expressed that he was pleased with the findings of the IRT. He particularly stressed the view that the centralized approach, i.e., the SPWMP, is the most sound strategy for the wastewater management in the Gulf of Thailand (Asian Development Bank, 2001b).

IV. Actions of Thai Politicians

The villagers, however, did not allow their disappointment with the findings of the IRC to dampen their spirit and their struggle to have the SPWMP further investigated was given by a boost from the Senators on May 3, 2001. On that day, the Senate held a special meeting to discuss the Klong Dan wastewater treatment project and to give some recommendations to the government concerning the project's impact on the environment and livelihood of local people (*Phu Jad Kan*, 3 May 2001). The Senate Subcommittee on Environment believed that the government should review this project. It also suggested that while such a review is underway, the construction should stop. This is in order to prevent negative impact on the environment, natural resources and on the livelihood and economic well-being of the community. It was also intended to lessen the conflict between the project opponents and government agencies (*Phu Jad Kan*, 3 May 2001).

The Senate, based on a majority vote also authorized the National Counter Corruption Commission (NCCC) to investigate claims of irregularities in the sale of the land to the Pollution Control Department (PCD). Independent Senator Kriesek Choonhavan, a member of the Senate Environment Committee pushed for the investigation on four reasons. These included the following: 1) the location, 2) the highly inflated prices paid for the land, 3) the design which did not include an environmental impact study, and, 4) the sudden rezoning of the land prior to its sale (Snowdon, 2001: 9). Choonhavan further pointed out that the area was

designated as an agricultural area. He noted that it was changed into an industrial area “just before the signing of the contract for the purchase of the land and following the contract for the construction of the water treatment plant. The Senator pointed out that he found out also that the contract given to the two contractors also belong to political families, an ex-Prime Minister and ex-minister”. In particular Choonhavan pointed to the prominent local Asavahane (also referred to as the Assawahim) family who bought and then sold the land, through a complex company structure, for a large profit (Snowdon, 2001: 9). The Klong Dan villagers were also able to get back at the Asavahane family during the 2001 elections. The family’s political party, the Rassadorn political party which had dominated local politics, lost all its seats. Choonhavan noted that this is evidence of people power under the new Constitution and part of what makes Samut Prakarn a test case of Thai politics” (Snowdon, 2001: 9).

The Klong Dan communities rejected the IRT’s findings because of the lack of local participation since the beginning of the process.

The Klong Dan villagers also received welcome news a month after from the Senate Environment Committee when it announced that it will ask the Cabinet to review the Klong Dan wastewater treatment project. The Samut Prakan Senator Charoon Yungprapakorn argued that this has to be done because the project is badly affecting the environment and it is not worth investing in. He further added that corruption scandals surrounded the scheme (*The Bangkok Post*, 3 June 2001). The action, therefore, of the Senators contradicted that of the government, which together with the Bank, rejected the civil society opposition to the SPWMP.

V. The Inspection Function

Complementing the investigation activities of the Senators on the SPWMP, the Klong Dan villagers continued to pursue the activation of another ADB mechanism to investigate the project. On behalf of the villagers, Klong Dan mayor Khomklom, and village leaders Dawan Chantarahassadee and Chalao Thimthong filed an

Inspection Request with the ADB Inspection Committee (IC) on April 5, 2001. Approved in 1995, the Inspection Function is an “internal audit of the procedures of the ADB”. It was established in December 1995 and the policy aims to (Legal Rights and Natural Resources Centers (LRC) and NGO Working Group on the ADB, 2002):

- a) give affected people a formal channel for raising concerns about ADB’s involvement in specific projects;
- b) assist the ADB’s Board of Directors (BOD) in guiding the Bank’s general operations; and,
- c) complement other ADB efforts to improve project quality, transparency and accountability.

On July 10, 2001, the ADB Board of Directors authorized an inspection, the first ever to be conducted by the Bank. John Lockhart, ADB Australian Executive Director and Chairman of the Board Inspection Committee (BIC), believed that the Klong Dan community’s complaints against the Bank’s involvement warrant an independent review by outside experts. As he pointed out, the villagers have asserted a fairly large number of alleged breaches of the Bank’s own operational procedures and policies” (Snowdon, 2001: 4). Lockhart also pointed out that the inquiry could pose a significant threat to the project itself. He noted that although the Bank does not have the authority to stop the project because this is something for the Thai government to do, the Bank has powers to approach governments and make recommendations (Snowdon, 2001: 4). The Klong Dan protest leaders welcomed the decision. As expressed by Dawan Chantarahassadee, “Our hard work bore fruit at last. I strongly believe the inspection would find the project violating the bank’s loan policy” (Kongrut, 2001a: 4). An Inspection Panel (IP) was formed to carry out the Inspection Function (IF).⁹

Upon their selection, it was noted that the Panel faced some limitations. The panel, for example, could not address the corruption allegations around land acquisition and possible ADB staff conflict of interest, which are major issues in this case (Bank Information Center, 2001: 4). 12 ADB Executive Directors urging this (Bank Information Center, 2001: 4). Another limitation of the panel were the

difficulties it encountered in obtaining project-related documents belonging to the Thai government (laws, policies, etc.) and those considered documents of the Thai government by ADB Management. These included minutes and records of senate meetings and meetings with project experts. The ADB Management only provided bank documents. The Management told the Panel to request the documents directly from the government officials. Furthermore, the Panel did not receive any response from the Bank Management concerning their request for ADB documents on the IEE. Some Bank sources, therefore, surmised that such documents did not exist (Bank Information Center, 2001e: 1).

The major limitation to the IP, however, would be the reaction of the Thai government. It was noted that to start the inspection process, the BIC on July 12, two days after the ADB Board of Directors had approved the Inspection, requested the Thai Government to express its “no objection” to the Panel’s visit to Thailand. It sent follow up letters on the 21st and 31st of August” (Widagdo and Garrido, 2002: 23). The Panel, in the meantime, began its work on August 27, 2002. It was, however, almost two months after, on September 2, that the Thai government responded imposing conditions on the inspection, which were unacceptable to the Committee. These conditions were never disclosed to the claimants (Widagdo and Garrido, 2002: 23). Some sectors believed that a reason for this is that the government feared that there would be public disturbances. In relation to this, the Thai government was said to have asked the ADB not to politicize the Panel’s visit (Bank Information Center, 2001e: 1). It was pointed out that the Science Ministry, in particular, did not want the investigators to gain access to the site (Noi: 2002).

Furthermore, it was also reported that among the unacceptable conditions imposed by government which the Panel did not agree with were the following: 1) the government will arrange all the interviews of the Panel; 2) the Panel cannot hold any public meeting, public hearing and there would be no press conferences nor press statements; and, 3) the Bank will have to compensate for any costs or damages incurred in case of demonstrations. The Bank agreed, however, to the condition that it would pay for the services of a translator for its investigation (Longcharoen, 2001a).

Despite these obstacles, the BIC issued the Terms of Reference (TOR) of the Panel dated September 4, 2001. The Panel was asked by the Bank: (Asian Development Bank: 2001)

... to determine whether ADB has complied with its operational policies or procedures in processing or implementing the Samut Prakarn Wastewater Management Project in Thailand. If the Inspection Panel (the Panel) determines that ADB has not complied with its policies, it must further determine whether this noncompliance has had, or is likely to have, a direct and material adverse effect on the rights and interests of the group making the request (the Requesters).

On September 12, 2001, the Klong Dan villagers received a fax from the Board Inspection Committee (BIC), the ADB body tasked with overseeing the IP. The fax informed them that the IP could not go to Thailand because it needed more time to make the necessary preparations. The letter also informed them that the Thai government was in touch with the BIC, and that the Panel members would be in Manila on September 13 to discuss their work-plan more in detail with the Committee (Bank Information Center, 2001g: 1).

The BIC, on September 25, requested the Thai government to reconsider its position. It expressed that the imposition of their conditions would limit the scope of the inspection and jeopardize the integrity of the inspection process. Furthermore, the IC warned that if the government did not respond or decided to maintain its position, the Committee would consider these actions an objection to the panel's proposed visit to Thailand (Widagdo and Garrido, 2002: 23). In the meantime, on September 28, the Klong Dan villagers, worried that the IP would be rejected by the Thai government wrote to the Chair of the BIC informing him that they have not heard anything from him since September 12. The villagers asked what the BIC and the IP plan to do if the Thai government rejects the request for the IP to visit the country. They also expressed their concern that no channel was established to allow them to provide input to and communicate directly with the Panel (Khomklong et.al., 2001a; Bank Information Center, 2001g, 1).

The BIC responded to the villagers on October 4, 2001 informing them that “their points had been noted and were being followed up within the ADB” (Bank Information Center, 2001g, 1). On October 15, Lockhart wrote to the villagers informing them that on July 12, two days after the ADB Board of Directors had approved the Inspection, the BIC requested the Thai Government to express its “no objection” to the Panel’s visit to Thailand adding that it had also sent follow up letters on August 21 and 31 (Bank Information Center, 2001g, 1).

The final decision of the Thai government came on October 10 in a letter stating it would maintain its position. That is, the necessary confirmation, requested by the BIC would not be forthcoming. The BIC, thus, considered the Thai government’s position as a rejection. Because of this, the BIC asked the IP to modify its work plan (Widagdo and Garrido, 2002: 23). The Klong Dan villagers would only come to know about this decision on October 15 when they received a letter from the BIC Secretary Jill Drilon who wrote on behalf of the IP. In the letter, she made known that the IP had redrafted their work plan. The BIC was now inviting the Inspection Requesters, i.e., the Klong Dan Mayor and village leaders, Chantarahassadee and Thimthong to go to Manila for a one to two day meeting. This was an alternative to the originally proposed 1-2 week field visits for an on-site inspection and interviews with all affected groups and individuals. The letter also added that that “such a meeting would be outside and totally independent from the Asian Development Bank”. The letter also clarified that “all costs related to such a meeting would be covered under the budget of the Inspection Panel” (Widagdo and Garrido, 2002: 23).

After consulting with Thai NGOs and fellow villagers, the three Requesters expressed their refusal to be interviewed in Manila. In an October 29, 2001 letter to the BIC, Klong Dan and Song Klong residents, the Requesters explained that the project site itself is one of the main concerns regarding the SPWMP. Because of this, there should be an on-site inspection. The claimants, furthermore, argued that the ADB should not simply accept the government’s rejection to the panel’s field visit, of a Bank-funded project. Not being clear concerning the reasons why the Thai government rejected the IP, the villagers demanded that the BIC provide further information and clarification about the Thai government’s objection to the IP’s visit. This, they added, should include all related correspondence between the

BIC and the Thai government. The BIC, however, claimed that it could not disclose that correspondence without permission from the Thai government (Widagdo and Garrido, 2002: 23). Drilon, on behalf of the BIC, then suggested if the villagers would consider going to a third country where there will be no ADB interfering environment like Hong Kong or Singapore. The Klong Dan requesters still refused since the Klong Dan villagers would prefer for the Panel to visit the area and to see what Klong Dan is like and to talk to several people there (Longcharoen: 2001a).

At this point, the villagers also presented a petition to Prime Minister Thaksin Shinawatra at the Government House (the Prime Minister's office) on 29 October to get him to allow the inspection panel (Mekay:2001). They also demanded the government to explain why it rejected the Inspection Panel's proposal to visit Thailand and the project site (Bank Information Center, 2001h: 2). As for the PCD, Yuwaree In-na, Director of the agency's Water Quality Management Division, pointed out that the PCD was willing to cooperate for as long as the Bank took full responsibility to cover whatever losses there might be because of protests in the site (*The Bangkok Post*, 29 October 2001).

Seeing that the Thai government was not sincere in looking into their allegations, Klong Dan villagers, on October 31, 2001, asked the Administrative Court to take action against three senior officials, Prime Minister Thaksin Shinawatra, Interior Minister Purachai Piumsomnabun and the PCD Director-General for allegedly changing legislation in favor of the SPWMP. They claimed that these three officials amended the town planning laws to facilitate the construction of the SPWMP. Earlier on, they submitted a petition to the Government House demanding the scrapping of the SPWMP and the co-generation power plant in Klong Dan. The petition was received by the Prime Minister's secretary Lt.-Gen Preecha Wannarat. The villagers also demanded the government to explain why it rejected a request by the ADB to set up an independent team to inspect the SPWMP (Pongpao, 2001).

On the part of the ADB, the Chair of the ADB Inspection Committee, John Lockhart, flew to Thailand in November to meet with the PCD in an attempt to convince the agency that it should allow the Inspection Panel to come to Thailand. The PCD, however, insisted that if the Panel were to come to Thailand, there would be civil disturbances. It pointed out that if this happens, the ADB would have to

take full responsibility for the consequences (Widagdo and Garrido, 2002: 24). The IP and the BIC could not accept this. It pointed out that such a condition “undermine the effectiveness and soundness of the inspection system” As a result, it feared that “the international community will... question the viability of the system”. In the process, it believed that “... it will create cynicism and cause harm to the efforts made by the Bank to have greater openness and participation of the people who are affected by Bank financed activities...” (Asian Development Bank, 2001: 11). The IP also noted that “The conditions also undermine the impartiality of the Panel essential for conducting its work, which requires a fair access to stakeholders related to the Inspection, as well as a fair access of such stakeholders to the Panel...” (Asian Development Bank, 2001: 11).

The BIC on November 21, 2001, wrote to the Thai government with further suggestion for circumstances under which a visit to Thailand might proceed (Asian Development Bank, 2001: 12). Because of pressure from the international NGO community, ADB President Chino also tried to intervene with this matter. He requested the ADB Vice President for the region to look into the matter. A staff member from the Vice President’s office met with the PCD on November 24. He tried to convince the agency to agree to a two-day inspection panel visit. It was, however, not clear whether this visit would also include a field visit to the project site. This negotiation attempt was, however, ineffective (Widagdo and Garrido, 2002: 24).

Due to the numerous difficulties encountered in the process, the IP decided to suspend its activities. The IP, on November 27, 2001, sent an interim report to the Chair of the BIC expressing its disappointment that the Inspection Process could not be completed. It described the obstacles in conducting the inspection. The Panel also recommended the BIC to make the report available to all stakeholders. The Panel in their report enumerated the following difficulties: “1) seriously restricted access to relevant information, 2) the compromising of the impartiality and fairness of the Panel through ADB requests to adjust their work plan several times, and 3) an overall lack of transparency due to the Panel’s limited resources to inform all stakeholders of its activities” (Widagdo and Garrido, 2002: 24).

VI. Furthering Pressure Politics

Even when the inspection function was going on, the Klong Dan villagers still continued to take on other actions, refusing to put all their eggs in one basket. One of these was a petition they sent to Prime Minister Thaksin on August 15, 2001 to look into the SPWMP. Thaksin at the end of October responded by setting up a committee to review issues relating to wastewater treatment plants, power plants and green areas in Klong Dan. This was already after the Thai government has raised its objections to the ADB IP. On November 14, the committee met with the Mayor of Klong Dan and the villagers (Bank Information Center, 2001h: 1). The villagers, however, did not have very high expectations regarding the committee. They were suspicious that it might just be another scheme to delay the inspection process. The villagers proposed a public discussion between the opponents of the project and the PCD. Ideally, the villagers would have liked to have the discussion showed on television (Bank Information Center, 2001j, 1-2).

An indication to the villagers that the government wanted the SPWMP to go on was when the Pollution Control Department (PCD) also began to work on wastewater treatment fees to lure factories in Samut Prakan to its service in Klong Dan where the treatment plant was then 80% built. Yuwaree In-na, director of the water quality management division pointed out that "It would be cheaper for factories to have their wastewater treated at the state-run complex than building treatment outlets themselves" (Wangvipula, 2001). The BIC also expressed its concern that the Bank has not only suspended its loan disbursements to the SPWMP but also accelerating its loan to the project (Widagdo, 2001b: 1-2).

Aside from protesting in front of the Government House and submitting a letter to the Prime Minister, the Klong Dan villagers also went to the Constitutional Court to submit their complaint on corruption practices in the SPWMP after which a press conference was held for international journalists at the Towards Ecological Recovery for Regional Alliance (TERRA) office, one of the Thai NGOs actively assisting the villagers. The press conference generally expressed how the villagers have been trying hard to show that the SPWMP has violated several Thai laws and ADB policies. (Longchaoreon, 2001: 2). Klong Dan village leader Chantarahassadee

also had an opportunity to speak with Prime Minister Thaksin Shinawatra who visited a Samut Prakarn project but not Klong Dan's SPWMP. The Prime Minister promised that in two days he would visit the SPWMP by helicopter. The villagers prepared for this by placing flags around the project site but Thaksin never showed up (Bank Information Center, 2001g, 4).

VII. The Verdict

The villagers with the assistance of the Thai and international social movements pressured the ADB Board of Directors to stop lending to the Thai government since it refused to comply with the conditions implied in the ADB policies applicable to projects.

In the case of the SPWMP, this referred to the government's refusal to respect and comply with Bank policies. It even denied the ADP Inspection Panel access to conduct an investigation of an ADB-funded project (Bank Information Center, 2001h: 1). The villagers also wanted the ADB to suspend the approval of new loans to Thailand for projects in the pipeline. The ADB Board of Directors' (BoD) did not accede, however, to any of these demands (Widagdo and Garrido, 2002: 25).

A ray hope, however, still came for the Klong Dan villagers when in the Final Report of the Inspection Panel on the Samut Prakan Wastewater Management Project (SPWMP), the Panel found that there has been noncompliance by the Bank with its policies and procedures in processing and implementing the Project. The noncompliance, it was pointed out, could be found in the provisions of the Operation Manual (OM) as follows: Supplementary Financing of Cost Overruns on Bank-Financed Projects; The Bank's Operational Missions; Environmental Considerations in Bank Operations; Involuntary Resettlement; Incorporation of Social Dimensions in Bank Operations; and, Good governance (Asian Development Bank, 2001). The report also noted that in accordance with the TOR, the Panel did not review certain issues raised by the Requesters. These include "policies on anti-corruption, fisheries, urban development strategy and poverty reduction" (Asian Development Bank, 2001).

The ADB BoD, however, refused to endorse the Inspection Panel's report. Instead it issued out a statement saying that the Bank was committed "... to being an active participant in both the discussions with the Klóng Dan community...", and it proposed that "negotiations should be instituted to establish the extent of damages and 'appropriate and adequate compensation' for those affected'..." It also noted that the Thai government "is obliged... to make appropriate arrangements for the calculations of payment of adequate compensation to those affected by the Project". Furthermore, the Bank stated that it was its job to ensure that ADB's resettlement policy is complied with" (Asian Development Bank: 2002). The Management also "acknowledged the merits of improving community participation". In this context, the Management noted that the PCD is "currently working on a compensation mechanism, in line with ADB's resettlement policy". Furthermore, "... community liaison groups will be established to foster greater community involvement in the management and operation of the treatment of the plant" (Asian Development Bank: 2002).

The BoD were, however, reported to be divided into two factions. That is, the donor countries who endorsed the Inspection Panel report and the recipient countries who chose otherwise. The ADB President's position was not to endorse the report (Bello, 2002: 6). Because of the ADB BoD's position, two members of the Board Inspection Committee (BIC), the body in-charge of supervising the Inspection Panel, resigned from the BIC. These were the Chair of the BIC, John Lockhart from Australia and Frank Black from the United Kingdom. Black expressed that he could "no longer associate himself with the Bank's current inspection process because of the Bank Management's decision to reject totally the findings of the first-ever Independent Panel of Experts commissioned by the Inspection Committee. He further added that "there have been several actions on the part of the Bank Management which have reinforced his decision. He viewed the Bank as having failed to "respect the essential integrity and independence of its inspection process" (Widagdo and Garrido, 2002a).

VIII. The Klong Dan Villagers' Reactions

For the Klong Dan villagers, the Bank has indeed lost its credibility when it questioned the Inspection Panel's (IP) Final Report. When the Final Report was released to the public on March 2002, the Requesters, Narong Khomklom, Mayor of Klong Dan, Chalao Timthong and Dawan Chantarahassadee wrote a letter to ADB President Chino expressing their concern regarding the IP Final Report as endorsed by the Board Inspection Committee

(BIC). The Requesters pointed out that although the Panel's report claimed that it was "common knowledge" that the ADB's Office of the General Auditor (OGA) conducted an internal investigation on allegations of corruption, the Klong Dan villagers pointed out that these "investigations are still not known to the Thai public and the residents of Klong Dan". They also

For the Klong Dan villagers, the Bank has indeed lost its credibility when it questioned the Inspection Panel's (IP) Final Report.

stressed their concerns about the allegations of corruption in the project which have not yet been given full attention by the ADB" (Khomklom et.al., 2002). This, in particular, concerns the questions regarding the purchase of 1,900-rai land plots for the site and the terms of contract.

The villagers, around 100 of them, rallied on 28 March 2002 in the Parliament to petition Prime Minister Thaksin to halt the project due to the violation of ADB's policies as well as to avoid paying compensation to the project developer (*Phu Jad Kan*, 29 March 2002). On the same day, the Klong Dan villagers also submitted a petition to the chair of the Members of Parliament's Subcommittee of Ministry of Science, Technology and Environment (MSTE) urging the committee to inspect the SPWMP. In response to this, the Committee set up a working group to inspect the project (*Phu Jad Kan*, 29 March 2002). On April 10, the villagers went to meet with the Committee (Hutasing and Pongpao, 2002: 13).

On April 8, the Klong Dan villagers called on Prime Minister Thaksin to suspend the construction of the SPWMP. They, however, doubted that the Prime Minister would do this because they believe that some members of his coalition, including

the Chart Thai Party and Chat Patina parties had vested interests in the project (*The Nation*, 9 April 2002). Village leader Chalao Thimthong also said that the contractor was suing the PCD, the owner of the project for Bt 6.8 billion compensation because only 80 per cent of the project has been completed. Thimthong said that the contractor claimed that protests by locals and work inspections by the PCD had caused the delay. He believes, however, that it should be the contractor who should be fined for the construction delays (*The Nation*, 9 April 2002).

IX. The Thai Officials Reactions

The Thai authorities were said to be disappointed with the conduct of the Inspection Panel and its Report. They felt that “the whole exercise has done little to enhance the image of the Bank amongst its borrowers and raises more questions than answers”. (Asian Development Bank: 2002). As for the PCD, it generally ignored the findings of the IP and believed that these will not affect the ADB loan to the project. The PCD also claimed that the corruption allegation is a domestic matter and that this is a case which the NCCC is currently looking into. The ADB, the PCD believes, cannot interfere in this process (Corral, 2002). The PCD Deputy Director also pointed out that the construction is already 89 per cent completed. The PCD is also currently negotiating with the NVPSKG construction company which is requesting a 746 day extension and Bt 6,865 million compensation from the PCD. The deadline for the completion of the SPWMP was February 20, 2002 (Corral, 2002).

A. Different Response from the Thai Politicians

The Anti-Corruption Network and Senators, however, expressed a different view of the SPWMP. They believed that corruption has beset the controversial wastewater treatment project in Klong Dan. Because of this, they called for the government to review the mega project. As noted by Senator Niran Pithakwatchara, this is an example of “policy corruption” in which decisions were made by a select

group of politicians and officials, without public participation (Hutasingh and Pongpao, 2002). Furthermore, Senator Charoon Youngprapakom, expressed that he did not understand why “the consortium demanded 6.8 billion baht in compensation from the PCD for construction delays when the firm itself had breached the contract. The project was supposed to wrap up on February 20, but was still only 80% complete. Youngprapakom also pointed out that the contractor cannot blame the delays on protests by Klong Dan villagers since they only protested twice and these lasted only for seven days (Hutasingh and Pongpao, 2002). In a more general picture of the possibility of corruption in the SPWMP, a House Committee also concluded that of the 80 wastewater plants presently built, only a few are working properly and most of the Bt 64 billion investment has been wasted. (Noi: 2002)¹⁰

The Senators’ and Klong Dan villagers’ suspicion of corruption would be vindicated in August 2 when the NCCC released the findings of their report entitled “Businessmen, Government and Corruption” (Phongpaichit et.al., 2002). The report, which looked at three cases of possible corruption including that of the SPWMP revealed the following: One was that in the SPWMP, no environmental impact assessment (EIA) was made even though the project entailed huge environmental impact on the local environment and on the livelihood and welfare of the villagers living nearby. Furthermore, the Klong Dan villagers had no idea about the project before it was approved. The report also pointed out that the “villagers around Klong Dan eventually objected to the project on the ground of its negative environmental impact. They sent petitions to the ADB... but got no satisfactory response”.

The report also noted that

Some projects start with a good objective such as to reduce water pollution problems ... But they point to the problem of collusion for corruption among businessmen, government officials and politicians. In the end, the projects are altered and become so distorted that they lose most of the original intended public benefits. If they are delayed because of popular opposition or bureaucratic inefficiency, the

contractors may sue the government for damage. If the contractors succeed in these suits, the public cost is increased.

B. Pressure on the Prime Minister

Because of the NCCC report, Prime Minister Thaksin on May 2, 2002 visited Klong Dan. He went on a boat trip with the Klong Dan villagers and spoke at a community meeting attended by around 1,000 people including parliamentary representatives, Thai Rak Thai party members, journalists and community members. Klong Dan village leader Chantarahassadee took the opportunity to ask the Prime Minister what the Government's response will be to the ADB's Panel Inspection Report regarding the findings of policy violations in project planning and implementation. Thaksin answered that if the project was not transparent, there would be negative consequences (Widagdo and Garrido: 2002b).

The community leaders were also given a copy of the government committee's report on the project which proposed three "solutions" to the SPWMP. The first solution is to complete the project and the government will not have to pay the penalty that the company is demanding. A problem, however, with this option is that it will lead to the shortage of money to run the factory. This is because the wastewater fees collected are not enough to cover the electricity costs. A second solution is to stop the project temporarily and to study options. This, it noted, will entail a new feasibility study, Environmental Impact Assessment (EIA) and public hearings. The last solution was to cancel the project and keep it as a Ministry of Science property for the time being. This would allow time to form a committee and investigate how the (completed) facilities could be used (Widagdo and Garrido, 2002b).

The community leaders noted that the report did not indicate that the Thai government was told by the ADB to conduct the study. It also did not say that the Thai government will communicate the contents of this report to the ADB in its forthcoming annual conference in Shanghai. Furthermore, the report states that "illegal" and "irregular" activities were involved in the project (Widagdo and Garrido, 2002b). The report got the community leader to think about proposals on how to

utilize the already existing project facilities. One suggestion was to establish a fish farm. This idea seemed to be generating support from some senators (Widagdo and Garrido, 2002b).

There will also be a Senate Committee which will investigate a list of alleged irregularities in connection with the construction of the Klong Dan wastewater treatment plant after Narapong Somsakul, a former engineer on the project lodged a petition to Prime Minister Thaksin. In his petition, Somsakul detailed “changes in specifications and building materials for the plant, which had led to an increase in costs from 12 billion baht to 23 billion baht”... He also “leveled allegations of foul play in connection with acquisition of land for the project, the issuing of documents for public land, and delays in construction... As part of the senate committee investigation, Gen. Siri Tiwaphan, chairman of the senate panel special committee, accompanied by vice chairman and Samut Prakan Senator Charoon Yangprapakorn, went to Klong Dan to inspect the project area and investigate Somsakul’s allegations, as well as assess the environmental impact of the project” (Wancharoen, 2002).

The new Natural Resources and Environment Ministers, Prapat Panyachatraksa also announced that the tackling of the controversial SPWMP was at the top of his agenda. The Minister said that he would meet with relevant senior officials before making any decisions regarding the project. He would also invite stakeholders in the project, as well as those who oppose it, to voice their concerns. Some have interpreted the Minister’s statement as a signal to the Bank to enhance the Government’s accountability to the project and commitment to respond to the concerns of the project more meaningfully (*The Nation*, 8 October 2002).

Despite all these pressures, Prime Minister Thaksin announced in January 2003 that the SPWMP will continue “despite acknowledging its potentially devastating impact on local fisheries, as well as allegations of corruption”. The reason given was that the government has spent approximately Bt 23 billion and the construction of the project is about 96 per cent complete (*The Nation*, January 14, 2003).

The Prime Minister’s announcement, however, did not deter the Thai Ministry of Justice’s Special Investigation Department (SID) from investigating corruption in the SPWMP in addition to the one initiated by the NCCC (Bank Information

Center, 2003:2). The local villagers, on the other hand, have "... vowed to fight to the end for the project to be cancelled. Since 2001, project opponents have erected a bamboo fence around the project's main collective sewage pipe to prevent the project from being completed" (Bank Information Center, 2003: 3). As for the Thai senate and the National Economic and Social Advisory Council, they are now seeking advice from experts to determine if the SPWMP can be used for an alternate purpose. The reason is because of the fear that the effluent released into the sea will bring about environmental risks (Bank Information Center, 2003: 3).

Conclusion

The case of the ADB Samut Prakarn Wastewater Management Project (SPWMP) brings to light issues in the democratization process in Thailand. Foremost of these issues raised by the Klong Dan villagers is the kind of development which the state is promoting. By allowing the SPWMP, the Klong Dan villagers claimed that the state has allowed a project which is anti-poor. That is, the project will kill its mussle industry, thus depriving the villages an important source of livelihood creating social dislocation. The target-beneficiaries, therefore will not benefit from such a project. The sustainability of such a development is also questioned because of the absence of an environmental impact assessment. Moreover, the relevance of the project is also controversial because it was pointed out that there is no need for an SPWMP. Such a situation only brings about underdevelopment which is often viewed as one of the major obstacles to democracy.

Another obstacle to the democratization process which emerges from the SPWMP is corruption. In the case of the SPWMP, one witnesses the interlocking directorates of bureaucrats from government agencies and the ADB as well as politicians with links to business ventures associated with the project. This was the kind of corruption which brought down the economy in 1997 and has threatened the democracy in the country. A third issue is the manner in which the project was undertaken. In a democracy, the ideal situation is that its target-beneficiaries are consulted. Moreover, it is also only logical for them to be active participants in the project's conceptualization and implementation. In the case of the SPWMP, there

was no transparency as well as accountability in the manner in which the project was implemented.

The Klong Dan villagers took advantage of the democratic space which has been opening up in Thai society for the past decade. One political venue which they explored was the carrying out of protest actions against the SPWMP. Attention was paid to them during the anti-ADB campaigns which were waged during the 33rd ADB annual conference in May 2000 in Chiang Mai. The Klong Dan villagers linked up with Thai and international social movements which also carried out other grievances against the ADB. Even after the ADB Chiang Mai conference, the Klong Dan villagers continued to carry out their protest actions. They complemented this with letters they wrote to ADB officials as well as Japanese officials of agencies involved in funding of the SPWMP. On

the homefront, they brought their grievances to no less than the Thai King as well as the Prime Minister. They also called for the PCD and the MSTE to address their allegations. The most these agencies and the ADB did was to conduct further “consultations” which did not produce anything concrete and

One witnesses the interlocking directorates of bureaucrats from government agencies and the ADB as well as politicians with links to business ventures associated with the project.

were adamant that the project should go on. Because of this, the Klong Dan villages approached the National Counter Corruption Commission (NCCC) and their Senators to look into the matter. The NCCC and the Senators were more receptive. The NCCC included the SPWMP as one of its case studies in the study of corruption linking politicians and businessmen while the Senators took it upon themselves to investigate the SPWMP and to write to the ADB expressing their concern regarding the allegations posed by the villagers on the project. It is in this context where one could see that the democratization process in Thailand has opened up doors from which the grievances of the marginalized sector could be addressed. For one, the state is not monolithic and in the SPWMP experience one sees the Prime Minister and PCD acting differently from the Senators and the NCCC.

The Klong Dan villagers also resorted to international venues by which to address their problems. They did this by pressuring the ADB to activate their mechanisms for investigation, namely, the Independent Review Commission (IRC) and when this failed in its mission, they lobbied for the ADB to activate its Inspection Function. Thus, the Klong Dan villages made history by subjecting the SPWMP to the first ever Inspection Function of the ADB. By doing this, the Klong Dan villagers sought to exert pressure on the state not only internally but also externally. Although the Prime Minister, the PCD and the MSTC succeeded in banning the ADB Inspection Panel (IP) from visiting the site, this did not prevent the IP from coming out with their findings which accused the ADB of failing to comply with six of its policies. These findings were complemented with the NCCC's own research which showed that there was indeed corruption in the SPWMP. If this is proof that democracy does exist in Thailand, it can only be attributed to the efforts of people like the Klong Dan villagers which make it so.

Notes

- 1 For a general background of the anti-ADB campaigns, please refer to Teresa S. Encarnacion Tadem. 2000. "Thai Social Movements and the anti-ADB Campaigns: General Themes in the Challenges Towards Democratization", in *Asianizing Asia: Reflexivity, History and Identity*. ASIA Fellows Program First Annual Conference, May 27-29, 2001, Bangkok, Thailand, pp. 189-211.
- 2 Please see Teresa S. Encarnacion Tadem, "The Thai Social Movements and the Democratization Process: Challenging the Thai State Through the Anti-ADB Campaigns", *Asian Studies*, Volume 37 Nos. 1&2, 2001, pp. 35-53.
- 3 This became the Japan Bank for International Cooperation (JBIC) when it merged with the Japan Exim Bank.
- 4 One rai is equal to 1,600 square meters.
- 5 For a more detailed account of the background and problems regarding the ADB SPWMP, please see Widagdo, Nurina and Garrido, Jane. 2002. Document. Testing ADB Accountability: The case of the Samut Prakarn Wastewater Management Project in Thailand. (Washington D.C.: Bank Information Center), February 18.
- 6 The lead Thai NGO organizers of the People's Forum 2000 were the NGO Coordinating Committee on Development (NGO-COD), Secretariat; Towards Ecological Recovery for Regional Alliance (TERRA); and the Project for Economic Recovery (PER).
- 7 Details of this section are captured in the following articles: 1) Tadem, Teresa S. Encarnacion, "The Thai Social Movements and the Democratization Process: Challenging the Thai State

Through the Anti-ADB Campaigns". *Asian Studies*, Volume 37 Nos. 37, Nos. 1 & 2, 2001, pp. 35-51, and 2) Tadem, Teresa S. Encarnacion, "Thai Social Movements and the Democratization Process: General Themes in the Challenges Towards Democratization" in *Asianizing Asia: Reflexivity, History and Identity*. ASIA Fellows Program First Annual Conference, May 27-29, Bangkok, Thailand, pp. 189-211. These papers are based on an unpublished monograph by the author on "Thai Social Movements and the Anti-ADB Campaigns: The Chiang Mai Experience".

- 8 This was also reported in the Bangkok Post on June 17, 2001 and in the Matichon Newspaper on June 19, 2001 (Widagdo and Garrido, 2002: 19).
- 9 The Inspection Panel consisted of the following members (Widagdo and Garrido, 2002: 22): Wiert Pauwel Wiertsema, a Project Coordinator for Private Financial Institutions at BothENDS; Judy Henderson, Chair of Oxfam International; and, 3) Tariq Banuri, Senior Research Director at the Boston Center of the Stockholm Environment Institute (SEI-Boston). Banuri resigned from the IC in October 3, 2001 due to personal reasons. He was replaced by Ping-Cheung Loh of Taipei, China in October 8. Loh worked for the World Bank in various capacities from 1964 until his resignation in 1995.
- 10 In 1998, only five of the 26 wastewater treatment plants built were said to be working (Noi: 2002)

Bibliography

- Asian Development Bank. 1995. Report and Recommendation of the President to the Board of Directors on the Proposed Loan to the Kingdom of Thailand for the Samut Prakarn Wastewater Management Project, November in Widagdo, Nurina and Garrido, Jane. 2002. Document. Testing ADB Accountability: The case of the Samut Prakarn Wastewater Management Project in Thailand. (Washington D.C.: Bank Information Center), February 18.
- _____. 2001d. Final Report of Inspection Panel on Samut Prakarn Wastewater Management Project, Appendix 1, Document, 14 December.
- Attahkor, Ploenpote. 2000. "Opponents to petition King", The Bangkok Post, September 13, 5.
- Bank Information Center. n.d.a. "The ADB funded Samut Prakarn Wastewater Management Project in Thailand", BIC Project Factsheet #8.
- _____. 2001. "ADB Inspection Panel experiences difficulty gaining access to key documents", Samut Prakarn Update #13, September 7, 1-2.
- _____. 2003. Document.
- Bello, Walden. 2002. "Controversial Report Poisons Board-Management Relations at ADB", Too Hot to Handle: The Samut Prakan Wastewater Management Project Inspection Process. FOCUS on the Global South, May, 1-43.
- Business Day, May 4 2000: 4
- Corral, Violeta. 2002. Head, NGO Forum on the ADB, Letter to NGO Forum Alliance on the ADB regarding Thai newspaper article on "PCD ignores the Panel's findings", 3 April.
- Dilokvidharayat, Lae. 1984. "Industrialization and the Trade Union Movement in Thailand", in pp. 122-132 in "Transnationalization, the State and the People: The Thailand Case: Part II", New Asian Visions, Working Papers of the United Nations University Asian Perspectives Project (Southeast Asia), The United Nations University.
- Guttal, Shalmali. 2001. "ADB charged with Environmental Crimes and Corruption" Document.

- Hutasingh, Onnucha and Pongpao, Sunthorn. 2002. "Call for Government to review mega-projects tainted by graft", *The Bangkok Post*, 10 April.
- Janchitfah, Supara. 2000. "Green wastewater project mired in controversy", *The Bangkok Post*, "Perspectives, May 7, p. 1.
- Janchitfah, Supara. 2000a. "Farmers say no to new water burden", *Bangkok Post*, June 11, C1.
- Kaewthep, Kanoksak. 1984. "The Political Economy of the Modern Thai Peasant Movement: The Case of the Farmers' Federation of Thailand (FFT), 1973-1976", pp. 141-185. in "Transnationalization, the State and the People: The Thailand Case: Part II", *New Asian Visions*, Working Papers of the United Nations University Asian Perspectives Project (Southeast Asia), The United Nations University.
- Kazmin, Amy. 2002. "Inside Track: The toxic politics of waste water: Social Responsibility: A pollution dispute has embarrassed the Asian Development Bank", *The Financial Times*. January 25.
- Khomklom, Narong; Chalao Thimtung; and Dawan Chantarahasadee. 2001. Letter to ADB President Tadao Chino, Samut Prakarn Wastewater Management Project: Rejection of the Independent Review Process and Results", July 10.
- Legal Rights and Natural Resources Centers (LRC) and NGO Working Group on the ADB. 2002. "The ADB's Inspection Function: Two Views." *Forum Briefer* 01-19 in Excerpts from Report of a *Workshop on Legal Support Capacity-Building*. Cavite, Philippines, 21-22 March 1998.
- Noel, Rajesh. 2000. "Villagers see red over dubious 'green project' in Samut Prakan", *The Nation*. May 5, A5.
- Noi, Chang. 2002. "Dirty Business in Samut Prakan", *The Nation*, 15 April.
- Phongpaichit, Pasuk, Sungsidh Piriyaarangsarn, Nualnoi Treerat, Nopanon, Aphasri Chutathap, Visanu Wongsinsirikul, Chantira Thanawathanawong. 2002, *Executive Summary: Businessmen, Government and Corruption*. Document. Research with financial support from the National Counter Corruption Commission, August, 1-6.
- Phu Jad Kan*, 29 March 2002.

- Snowdon, Karon. 2001. "Thai villagers resist clean water project, fearing loss of traditional lifestyle", *Asia Pacific Feature*, 1-17.
- Thai Development Support Committee. 2000. "Statements and petitions of the people and NGOs", *Thai People's Development ONLINE*, November 15.
- The Nation*, 9 April 2002.
- The Nation*, 8 October 2002.
- The Nation*, January 14, 2003.
- Wancharoen, Supoj. 2002. "Senate to probe waste plant allegations", *The Bangkok Post*, October 4.
- Widagdo, Nurina and Garrido, Jane. 2002. Document. Testing ADB Accountability: The case of the Samut Prakarn Wastewater Management Project in Thailand. (Washington D.C.: Bank Information Center), February 18.
- _____. 2002a. Letter to NGO alliance on the ADB, April 22.
- _____. 2002b. "Prime Minister Taksin's Visit to Klong Daan, May 2, 2002", Letter to NGO Alliance on the ADB, 3 May.