Lao dam burst lessons for Thai firms

While the world reacted with shock at the recent dam collapse in Laos, attention was mainly focused on the victims and the patchy response of the Lao government. More than a month later, serious questions arise concerning the role and responsibilities of international companies involved in the fatal project, including those from Thailand.

On July 23, the failure of Saddle Dam D, part of a 410-megawatt hydropower project built by the Lao firm Xe-Plan Xe-Namnoy Power Co, Ltd (PNPC) in Attapeu province, southern Laos, caused flash flooding in thirteen downstream villages, with at least 39 people killed, 97 officially reported missing, more than 1,100 people still unaccounted for and thousands left homeless.

It is thought that government censorship and recent actions to block "unauthorised" access to affected areas, has helped cover up the true extent of the deaths and destruction, which ranks among the smaller among the estimated 72 new dams being built under the Lao Hydropower Development Plan, mainly designed to export electricity to neighbouring countries such as Thailand.

PNPC, which built the dam, is a joint venture of two South Korean companies -- SK Engineering and Construction, and Korea Western Power -- as well as Ratchaburi Electricity Generating Holding PCL of Thailand and Lao Holding State Enterprise of Laos. Thai banks have a 70% investment in the PNPC, which was going to export 90% of the electricity generated by the project to Thailand through the Electricity Generating Authority of Thailand (Egat), a state-owned enterprise.

The disaster calls into question the extent of Thailand's commitment to its business and human rights obligations.

On May 11, 2016, at the 2nd Universal Periodic Review of Thailand's human rights performance at the UN Human Rights Council in Geneva, the government agreed to develop and adopt a National Action Plan (NAP) on Business and Human Rights. This commitment was confirmed by Prime Minister Prayut Chan-o-cha on May 31 last year at a seminar on business and human rights at the United Nations Conference Centre in Bangkok.

The NAP is meant to systematically operationalise the UN Guiding Principles on Business and Human Rights (UNGPs) which are hinged on the state duty to protect human rights and the corporate responsibility to respect human rights. In the case of state-owned enterprises, such as Egat and state-owned banks, both obligations apply -- i.e. entities have to do thorough due diligence to ensure that they do not directly contribute to, or benefit from human rights violations through their operations, supply chain, or business relationships.

While finger pointing continues between the Lao government and its business partners over who is responsible for the disaster and subsequent remedies, this man-made disaster should serve as a bitter lesson for Thailand in addressing its extra-territorial obligations to ensure that Thailand does not export human rights violations, alongside its trade and investment.

Thailand has already ratified seven of the core human rights treaties, and has an obligation to ensure that its agencies and Thai corporations, who are rapidly expanding through the region and beyond, do not violate existing human rights obligations at home and abroad.

In recent years, the Thai human rights community and its allies have actively advocated for critical policy updates to ensure that state and corporate engagement in extra territorial projects, such as dams, like the Xayaburi hydropower project and the ill-fated Saddle Dam D in Laos, do not violate human rights of local people, or perpetuate practices that deny people their rights.

The Saddle Dam D collapse is not the only extra-territorial human rights scandal involving Thailand, and the NAP is a valuable opportunity to address this.

It is imperative that the Thai NAP process genuinely listens to the voices of vulnerable communities and incorporates rules for businesses to proactively engage with communities in order to assess and address human rights risks on the ground, as well as develop effective remedies.

The Thai government, in addition to incentives, should also enact a law establishing criminal liability for Thai businesses that cause human rights violations through their domestic and overseas operations.

Thailand is now home to some of the largest and fastest-growing corporations in the region, and has, in recent years, been implicated in a range of human rights scandals through business activities. Concrete actions are urgently needed to halt this trend, or Thailand risks suffering from the similar reputational risk and notoriety of Beijing's corporations.

Emilie Pradichit is Founder and Director of Manushya Foundation, and Debbie Stothard is Secretary-General of the International Federation for Human Rights (FIDH), as well as Coordinator of ALTSEAN-Burma.

Related search: human rights, rights, human, human rights violations

About the author

Writer: Emilie Pradichit & Debbie Stothard