

Mark Liechty. 2022. *What Went Right: Sustainability Versus Dependence in Nepal's Hydropower Development*. New Delhi: Cambridge University Press.

For an aid-dependent country, Nepal's thriving hydropower development sector is considered an unprecedented success story. Unlike many developing countries where energy infrastructures are largely designed, funded, and built by international banks and foreign companies, in Nepal, there exists a complex and vibrant hydropower ecology sustained by a skilled workforce, manufacturers, and investors from within the country. Prefacing this context, Mark Liechty sets out to examine "the history of Nepal's hydropower sector to ask why it is the conspicuous exception to the rule of Nepal's woeful underdevelopment" (p. xi) in his recent book *What Went Right*. Liechty argues that the answer lies in "the story of the Butwal Power Company (BPC) and the antiestablishment development logic of its founder Odd Hoftun, a pioneering Norwegian development worker, missionary, and engineer" (p. xi).

Odd Hoftun (1927–2023), with his partner Tullis Hoftun, first arrived in Nepal in 1958 to help with the construction of Tansen Hospital in Palpa, as part of the Christian organization United Mission to Nepal (UMN). He then spent the next three decades spearheading the development of Nepal's hydropower industry. Drawing upon his experiences in Norway, where he witnessed positive impacts of hydropower in the country's development, Hoftun believed "hydroelectric generating capacity to be the bedrock upon which Nepal could build a national economy" (p. 284). Through sustainable power supply, skilled workforce, and industrialization, Nepal could build its economy, create jobs, improve the living standards of its citizens, become energy self-sufficient, and attain national independence. To that end, in 1965 he founded Butwal Technical Institute (BTI) to develop marketable, skilled human resources. That same year, in partnership with the UMN and the Nepal government, Hoftun established Butwal Power Company (BPC) that became the means to mobilize BTI-trained workers, build their skills and capacities and generate hydropower for development.

Undoubtedly, Odd Hoftun is one of the central figures in *What Went Right*. Hoftun's work ethics, resourcefulness, pragmatism, tenacity, and indefatigable commitment to his "mission" of helping Nepal are evident throughout the book. However, Liechty does not valorize Hoftun as a hero or a savior, but rather builds a complex and empathetic portrayal of Hoftun

through his relationships with people who joined him in his “mission” at different stages and eventually diverged to pave their own pathways. With that said, *What Went Right* is more than Odd Hoftun’s personality or a chronicle of his feats and defeats per se. The center point of the book is Hoftun’s distinct corporate vision for development that was embodied by BPC under his leadership, and the struggles of keeping that vision alive amidst tumultuous political and socio-economic changes, both national and global. Through the book’s nine chapters, Liechty skillfully weaves together a coherent and intricate story of the origin, progression, and subsequent unraveling of Hoftun’s hydropower vision for Nepal.

Chapter One delves into Hoftun’s corporate vision and development philosophy at length. From the outset, BPC’s “corporate DNA” constituted many conflicting ideologies as Hoftun brought together a humanitarian organization and the national government to form a market-based, profit-making corporate entity in the form of BPC. Liechty argues that “Hoftun’s somewhat unique background as a Norwegian Christian allowed him to sustain a corporate vision that held three logics—social justice, nation building and profit—in creative tension” (p. 297). Hoftun believed that charity creates dependency and power inequalities, but if the interaction happened on a commercial basis, where both parties involved have something to offer, then the power differentials between the two can be minimized (p. 13). If a business is “honest” and “ethical” with good leadership in place, then “a market-based business relationship could foster equality and human dignity” (p. 14). Thus, the challenge of upholding this idealized vision of “ethical capitalism” that relies on socially minded leadership with the aim of creating profit for the greater social good rather than personal interest is one of the key motifs that defines the book.

Chapter Two traces the origins of BTI and BPC, and how Hoftun’s vision was implemented and embedded in the everyday functioning of those institutions, including the myriad of challenges they faced in their formative years. For example, Hoftun’s strong work ethics and seemingly puritanical values came under scrutiny from staff and volunteers, and that eventually forced him to give up the reigns of BTI and shift his focus entirely to BPC. There are also some light-hearted moments shared by former BTI trainees who underwent grueling training regimes. The other central figure of the book, introduced in this chapter, is Balaram Pradhan (1947–2016). An electrical engineer by training with people skills, Pradhan first met Hoftun

in 1972 and from there on, he led the market expansion of BPC and played a pivotal role in the company's subsequent battle for privatization. The chapter also chronicles the emergence of specialized corporate progenies such as Hydroconsult, Himal Hydro, and Nepal Hydro and Electric as BPC undertook new projects and became commercially viable.

The next three chapters focus on the three key hydropower projects undertaken by BPC—Andhi Khola, Jhimruk and Khimti. The 5-megawatt (MW) Andhi Khola project is largely hailed as a success story in rural development that integrated hydropower generation with other activities such as health, education, and irrigation in consultation with the affected communities. Jhimruk, however, was mired in controversy. Unlike Andhi Khola that was initiated by Hoftun and UMN, Jhimruk (12 MW) was a project commissioned by the Nepal government. There was not much community consultation, and the environmental impact assessment was conducted very late into the project that showed significant negative impacts on the community. Liechty explains, in the pre-1990 context, under the autocratic Panchayati regime, the state bodies and energy developers could get away with resource extraction, without social accountability, in the name of *bikās*. But in the post-1990 democratic context, communities were emboldened to make demands on the government and developers, and for local activists and politicians, Jhimruk became a prime political target. While the overall social impacts of its projects remain patchy and uneven at best, BPC was able to execute Hoftun's vision by keeping the project cost low, using labor-intensive methods and used equipment, training and upskilling employees, and investing the returns back into the company to undertake larger and more complex projects. All in all, BPC's focus remained on capacity building and incremental growth that afforded a substantial incubation period for its people and corporate progenies to grow together. However, this approach was severely tested in the Khimti project.

Liechty describes the Khimti Hydropower Project (60 MW) as a “fundamental turning point in the history of hydropower development in Nepal” (p. 113). Up until then, the hydropower projects were largely funded through grants and government support, but as BPC progressed into bigger projects, it required bigger investment. Khimti became the first hydropower project that was executed in collaboration with an international private company. To facilitate this collaboration, the Nepal government drafted some of the key legal frameworks in 1992 such as the Hydropower

Development Policy, Water Resources Act, and Electricity Act that paved the way for the private sector's involvement in hydropower development in Nepal. However, the involvement of international private companies and multilateral development banks marked a sharp departure from Hoftun's hydropower vision that focused on "capacity building, technology transfer and human development" (p. 278). On the contrary, the priorities had now shifted to ensuring investment safety, profit generation and debt repayment. While BPC initiated the Khimti project, by the time the project funding was finalized, its role had been reduced to a minor shareholder. During that period, in 1996, the Nepal government also nationalized BPC as the "eventual government ownership had been written into BPC's charter from the day it was incorporated in 1965" (p. 108). By the completion of the Khimti project, BPC staff and its spin-off entities became highly trained and skilled, but it was also the demise of BPC as envisioned by Hoftun and those who believed in his vision and mission.

The last four chapters focus on the tenacious and relentless efforts by Hoftun, Pradhan and groups of private investors they brought together to achieve the privatization of BPC. The Melamchi Hydropower Project intertwined with the Melamchi diversion project, which aimed to supply drinking water to Kathmandu, became their important bargaining chip, but it fell through as the project went to a multilateral development bank that vetoed the hydropower component and gave the construction contract to a foreign company. The two chapters on Melamchi and privatization appear lengthy at times, but they illuminate the nitty-gritty, messy and tedious process of doing business in Nepal. Liechty describes at length how different actors, interests, and ideologies competed against one another adopting various media and lobbying tactics, while the state bodies remained volatile, fragmented and divided with conflicting interests. After a protracted and arduous process, when the newly privatized BPC finally emerged, it got caught up in "cultural clashes" between the majority Nepali investors and the minority Norwegian investors. With the regained control over the new BPC's board, Hoftun was hopeful that BPC could retain its pre-nationalization corporate ethos but what followed was its unraveling as individual business interests took over, and debt repayment and profit generation for the company's shareholders became priority for the Nepali investors. Liechty succinctly summarizes this ideological and institutional shift based on the sentiments shared by one of the former BPC employees—"The new BPC went from being an

‘institution’ to being a ‘company’ and in the process lost the collective, principled, nation-building mission or ethic that had attracted many dozens of talented and socially minded Nepalis over the previous decades” (p. 242).

Liechty concludes by presenting a sober analysis of Hoftun’s corporate vision for development, including its achievements and limitations. While Nepal is far from attaining energy independence and continues to primarily rely on biomass and fossil fuels, a vibrant hydropower industry has developed *powered* by people trained by BPC. The analogy of planting a seed is used frequently in the book, and Hoftun’s success and contribution are metaphorically captured through the act of planting and nurturing the seeds, which have developed into a forest. In that process of growth, however, they have outgrown the vision and intention of the gardener. Hoftun’s corporate vision of “ethical capitalism” and socially minded leadership remain disregarded by the private hydropower sector today that holds the state responsible for promoting ethical behavior and social good. That is an irony, Liechty notes, as Hoftun’s corporate vision was borne out of wariness of the Nepali state.

Through primary interviews with the late Odd Hoftun, the late Balaram Pradhan, former BPC employees, hydropower experts, and drawing upon personal and institutional archives, *What Went Right* presents a coherent and complex story of hydropower development in Nepal. Despite the technical complexities of hydropower as a subject area, Liechty’s prose is lucid, accessible, and engrossing. As hydropower is increasingly becoming a research topic of interdisciplinary inquiry, the book would benefit readers from a wide range of academic backgrounds. For those studying hydropower through the lens of social sciences, the book offers an important historical context for understanding the contemporary hydropower development practices, norms and conflicts that we observe in Nepal today.

To sum up, *What Went Right* could be read as an optimistic case study considering the dearth of silver linings in the wider international development aid scholarship. It demonstrates the importance of vision, leadership, execution, perseverance and long-term commitment. Or it could also be considered as a cautionary tale that highlights how nationalism and capitalism morph together to serve the interests of a select few groups. It shows how the commercial potential of hydropower and “keeping it out of Indian hands” fuel the pursuits of private investors and developers in Nepal, yet the remit

of their nationalist development vision ends with self-serving interest, while ethics is left for the state to uphold.

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