

# Why Would Local Government Support Devolution? A Case Study in Dak Lak Province, Central Highlands, Vietnam

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## *Abstract*

*Much of the literature on devolution in natural resource management carries the implicit notion that local governments support devolution because it improves forest management and local livelihoods. Yet some authors have observed that local governments have proven reluctant to release control over valuable forest resources. This paper will contribute to this debate by taking a closer look at the role of local government in the process of Forest Land Allocation in Dak Lak, Vietnam. The results of in-depth field research demonstrate that devolution involves as much change in the relationships between different units of the local state as between the state and villagers. Devolution affects the distribution of authority and resources between different state units at local, district, and provincial levels. It also affects the work routines and tasks of state employees, and requires them to revise significantly long-held beliefs about forest management and the relationship between forests and local people. Local state units therefore react to Forest Land Allocation in different ways. Devolution has a chance to succeed only if it receives support by a sufficiently strong alliance of state actors in favor of devolution.*

## Introduction

In Vietnam, the Land Law of 1993 states “Land is owned by the people under the integrated management of the state, which allocates land to users for long term use.” Unfortunately, forestlands managed by the State Forest Enterprises (SFE) have been rapidly degraded over the last few decades. The government has attempted to address this problem by embarking on forestry policy reform programs. During the 1990s, Vietnam reviewed its approach to the management of natural resources and began to adopt decentralization as a policy in forest management. The Forestland Allocation Program (FLA) is one important component of the devolution.

Dak Lak, the largest province of Vietnam, contains the largest remaining natural forest in the entire country. It is the traditional homeland of many ethnic minorities, such as the Ede, M’Nong, and Jrai. Until 1999, the government managed forests through the State Forest Enterprises (SFE), a system incongruent with the traditional practices of indigenous communities to manage their forests. The FLA program begun in Dak Lak in 1999 is significant because it allocated forested land to indigenous people. Prior to this time, FLA was applied only in two ways. The first was a long-term contract in which people were paid to guard the forests, but still did not accrue any use rights. The second did grant use rights on barren lands in the form of Land Use Certificates (the so-called “Red Book”), including the rights to use, exchange, mortgage, lease, and pass the land to their offspring. Dak Lak is significant as the first place in Vietnam where the government implemented this type of FLA, thereby creating an important case study for policy-relevant research.

FLA has set new tasks for all levels of government charged with its implementation, both local and state. It is not surprising, then, that there were problems in its early stages. Initially

there was little horizontal cooperation among the state agencies, nor was there vertical cooperation between the state agencies and local people. Additionally, stakeholders participated in the FLA process with different levels of interest and motivation, naturally leading to different levels of performance and participation.

This paper will analyze the motivation of the local government in implementing FLA and the changing relations among state agencies at the provincial and district levels. It will also examine the relationships between state agencies and local people, including the reaction of various stakeholders to FLA.

## Theoretical Framework

FLA is considered a devolution process because the authority of forest management was devolved from state ownership to local people. This has been reflected by land use certificates that have been handed over to the local people with a bundle of rights: to use, to mortgage, to transfer, to inherit, and to sell. The key question of this paper is how was the program implemented, and what could be improved in future implementation.

Forest Land Allocation is a key step in the devolution of forest management in Vietnam, through which forest use rights will be devolved to people from the state agencies. Why does it matter who holds the rights to natural resources? The growing conventional view of natural resource management by government agencies is that it is expensive and ineffective. Proponents of devolution in natural resource management argue that local level control can offer better incentives for management; give necessary authorization and control over resources; reinforce collective action; and assign rights to the users. Increased recognition of the role of local people in forest management and growing dissatisfaction with state management has strengthened the call for devolution (Meinzen-Dick & Knox 1999). Due to the high values of forests and forest products, for agricultural cultivation as well as for tourism, devolution has become a very important theme in forest management (Helmrich 2001).

In order to understand the extent to which meaningful decentralization has taken place, Agrawal and Ribot (1999) suggest that we should closely examine three factors: the power of various actors; the domains in which these actors exercise their powers; and to whom and how these actors are accountable. In the context of FLA in Vietnam, a question relevant to this paper is why government actors, known for their pursuit and accumulation of power, would initiate actions to reduce their own power and place it in the hands of others (Agrawal 2001, Arnstein).

Lowry (2002) calls to our attention the sobering reality of the difficulty of translating environmental goals into effective action. He refers to this problem as the “implementation gap”: inconsistencies between policy goals conceived at one level or branch of government and the translation of those goals into specific resource management activities at another level or by other agencies. Looking at FLA in the Dak Lak Province of Vietnam, this paper concentrates on the incentives, capacity, and performance of state agencies in the implementation of FLA, and it explores the impediments to effective devolution of forest management.

## Research Method

In 2002, I spent four months collecting primary data through outreach to key stakeholders in the FLA implementation process. At the commune level, I administered questionnaires to the People’s Committee and Forestry Board Representatives. At the district level, I interviewed

personnel from the following organizations and agencies: the People's Committee, Forest Protection Units, Agriculture and Land Management Offices, Agricultural Extension Stations, and State Forest Enterprises. At the provincial level, I interviewed members of the People's Committee and officials in government line departments, including the Department of Agriculture and Rural Development (DARD), the Land Management Department, the Forest Protection Department, and the Department of Planning and Investment. Additionally, I participated in provincial workshops and roundtable discussions to get comments from other stakeholders of Forestland Allocation.

I also observed meetings, conducted household interviews and field visits, and used Participatory Rural Appraisal (PRA) techniques, which proved to be very useful in triangulating the information gathered from other sources. Additionally, secondary data was gathered from those agencies involved in FLA.

## Study Site Description

The field study was conducted in the Ea Sol Commune in Ea Hleo district, Dak Lak Province, in the central highlands of Vietnam, where the government first implemented this type of Forest Land Allocation program. Ea Hleo Forest Enterprise first implemented FLA in 1998. Most of the households who received forestlands were members of the Jrai indigenous ethnic group, who have a matriarchal system of traditional land use, and who to this point had still practiced shifting cultivation.

The area of Ea Sol commune is 23,406 ha, of which sixty percent is forestry land; and the population is 7,168 (Ea Sol Communal PC 2000), of whom seventy percent are indigenous people of the Jai and Ede minority groups. Most villagers of the commune are either still poor or hungry<sup>1</sup> due to a lack of land for cultivation, especially paddy fields for wet rice. The total agricultural land of the commune is 4,033 hectares, of which only 28 hectares are paddy fields for wet rice cultivation. There are many households still suffering from food shortages for an average of 4 months per year (Yearly Report of Ea Sol People's Committee, 2000).

The area is primarily covered by a deciduous forest dominated by the *Dipterocarpus* species. Most of the fertile soil has been converted to state-owned rubber and coffee plantations. Heavy logging by both the SFE and local villagers have extracted precious trees and depleted much of the forests in Ea Sol Commune. Local people do not have official rights to use the forest, but they regularly access the forest to collect non-timber forest products (NTFPs), and even timber for their housing or coffins as the needs arise.

## Results and Discussion

### The stakeholder assessment

There are four groups of stakeholders who have been involved in the process of Forest Land Allocation:

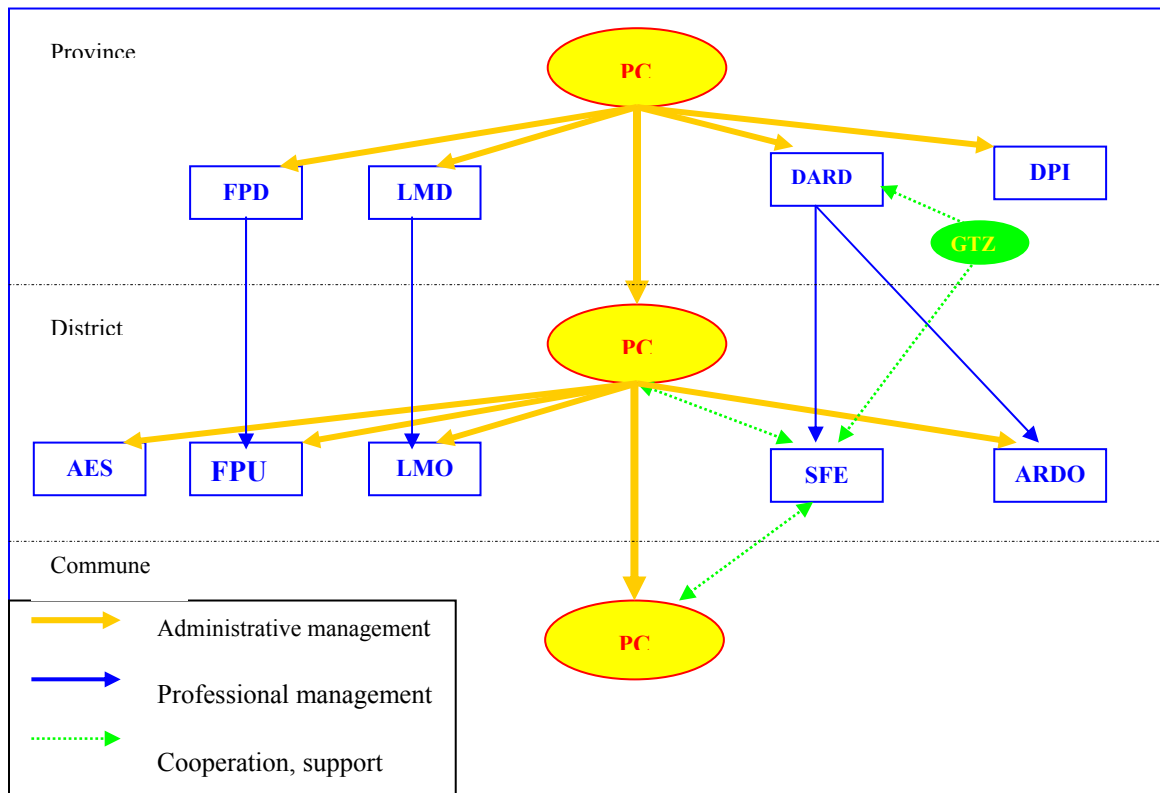
- Local governments at the provincial, district, and commune levels
- Government agencies at the province and district levels
- Targeted groups

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<sup>1</sup> Based on the announcement paper No. 1751/LDTBXH, a household with an income of less than 13 kg of rice (equivalent to 45,000 VND) per capita per month is classified as "hungry," and a household with less than 15 kg of rice (equivalent to 55,000VND)per capita per month is classified as "poor".

- Private sectors, non-government organizations and international projects

**Figure 1** shows the institutional landscape and inter-agency relationships in the implementation of FLA. It highlights the flows of decisions, services, and resources, as well as the direction of accountability.



**Figure 1: Institutional landscape of the FLA**

### Local Governments

At the provincial level, the People's Committee (PC) regulates and coordinates activities among different departments. It decides on the distribution of the annual budget to state agencies across the province. In the FLA Program, the People's Committee initiates pilot projects and promulgates policy decisions based on technical advice from the line departments.

At the district level, the People's Committee coordinates activities between State Forest Enterprises and other offices such as the Agriculture and Land Management Office and the Forest Protection Unit. The district's PC officials also approve the FLA plan and sign Red Books at the end of the process. Thus, the district PC holds a key role in FLA implementation.

At the commune level, the People's Committee is the sole stakeholder that cooperates with the State Forest Enterprise to implement the FLA Program. Several staff members, such as the land management officer, women's union members, military officers and security officers belonging to commune's PC, are in charge of FLA related activities. The Forest Protection Board and the Land Management Officer are responsible not only for the FLA implementation process,

but also in the enforcement of forest protection laws as well as in conducting forestry extension services.

### **Government agencies**

At the provincial level, The Department of Agriculture and Rural Development (DARD) is the major implementing agency for FLA. Inside DARD the Forest Development Sub-Department (FDD) is in charge of the forestry sector for the entire province. FDD is the most important provincial actor in FLA, as its officials provide technical guidance and approve technical plans and field implementation tasks of FLA for the province. For example, it has moderated FLA provincial workshops and has provided technical assistance to State Forest Enterprises implementing FLA. With support from the Sustainable Management of Resources in the Lower Mekong Basin Project and the Consultative Working Group (CWG), the Forest Development Department has helped State Forest Enterprises to develop the benefit sharing policy and submitted it to other Departments at the provincial level for comments.

Other departments that are involved in the process of FLA include The Land Management Department (LMD), which is in charge of all procedures related to issuance of Land Use Certificates (Red Book), land allocation, and land use planning. LMD is also responsible for the administrative work of land management such as transferring land use rights, changing land use purposes, and land sales. So far, LMD has only dealt with agricultural land, and thus has no experience in FLA.

The Department of Planning and Investment (DPI) assists the provincial People's Committee in distributing the annual budget and work plan to the implementing agencies.

The Forest Protection Department (FPD) at the provincial level has been minimally involved in the FLA process, only participating at workshops and meetings. After the allocation of forestland to households, user groups or communities, FPD is responsible for the enforcement of the forest protection law.

Government agencies at the district level follow administrative lines from the province and are therefore similar to those at the provincial level. They consist of State Forest Enterprises (SFE) which implements FLA in the field; the Agriculture and Land Management Office (ALMO) which is in charge of issuing land use certificates (Red Book); the Forest Protection Unit (FPU) which is in charge of all forestry activities in whole district; and the Agriculture Extension Station (AES) which plays the role of forestry extension service provider.

### **Targeted Groups**

The Targeted Groups of FLA in Dak Lak Province include individual households, groups of households, and communities according to the criteria developed by SFE in cooperation with the communal PC. Targeted groups joined the meetings at the village level and participated in FLA fieldwork that included transect walks and land use planning.

### **Private sector, NGOs and International development projects**

In Dak Lak province, the "Sustainable management of resources in the lower Mekong basin" (SMRP)<sup>2</sup> have been involved in the implementation of FLA by providing technical assistance to government agencies at provincial and district level. So far, there has been no involvement of private sectors in FLA – almost all forest management activities are undertaken by state agencies.

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<sup>2</sup> Funded by BMZ/MRC and implemented by GTZ from Germany.

## **Stakeholder Performance in FLA Implementation**

### **Preparation and Planning Stage**

The main actor in this step is SFE, which must cooperate with other state agencies. Local governments are not directly involved in planning and preparation, but they make the final decision on budget distribution. SFE has a sufficient number of professional staff, most of whom are university graduates trained in forestry with much field experience. FLA introduced new concepts, and SFE staff undertook FLA with “learning-by-doing” approach, and did not know how to develop a proper operational plan. Moreover, other state agencies, especially at the district level, do not have enough staff to effectively fulfill their tasks. Interviews with stakeholders at the district and provincial levels show that FLA procedures are not clear to either state agents or local people. Some state agency personnel participated in FLA workshops or meetings when they were invited, but they rarely contributed ideas or actively submitted comments for improvement. Little cooperation occurred among these stakeholders.

### **Implementation Stage**

In the implementation stage of FLA, local governments need to coordinate the different state agencies. The provincial government launched Instruction No. 02/2001/CT-UB on January 6, 2001, regarding measures to accelerate the implementation of FLA and the issuance of land use certificates (Red Book) for forestlands in Dak Lak. With FLA, local governments now have more power in the management of forests, including decision making, responsibility for forest protection, and enforcement of forest management laws. Local governments have partly devolved forest management authority to lower levels and to individual households or communities. This is a process that can improve cooperation in forest protection activities and lead to joint forest management. However, logging permission still has to be approved by provincial or even the central government.

Local people have received little economic benefit from forests after the implementation of FLA. They need basic assistance such as financial support, extension services, and infrastructures development support from local governments. Unfortunately, local governments lack experienced and trained personnel to effectively respond to these needs at the initiation of the FLA process. Additionally, they do not know how to get villagers involved in the process of FLA.

FLA implementation requires government agencies to redefine their roles. SFE receives a regular budget to implement FLA and therefore see FLA as an annual assignment. Much of the forests in Dak Lak are poor and degraded, bringing in only limited revenue to SFE – therefore they are eager to allocate forestland to local people and communities. By contrast, in areas with fertile basaltic soils, SFE resists allocating lands because of the potential of converting them into cash crops plantations like coffee, rubber, and pepper. However, other state agencies including the Agriculture and Land Management Office, the Forest Protection Unit, and the Agriculture Extension Station have not actively participated in the FLA process because they do not get any direct benefit from it. They participated only due to their mandates as assigned by the local governments.

FLA targeted groups include individual households, groups of households, and communities. They are involved in FLA in order to obtain their official rights to the forestland and thus the capacity to pass these rights on to their children. If recipients lacked land for

cultivation, they could convert a part of the forest into agricultural land. In addition, they may get technical assistance, access to training programs, and credit support from the local government through the state agencies in relation to FLA. FLA has assumed that targeted groups would have more incentive to invest in forest development; however the benefits derived from forest production are generally not realized in the short-term. As a result, many households in the targeted groups face capital and labor shortages. The result of the household survey shows that only 17% of interviewed households have above average incomes; by contrast, 33 % have incomes below average and 50% have average incomes.

The development project (SMRP) has provided technical assistance in the form of participatory approaches training courses for SFE staff. Additionally, SMRP has also assisted with the development of three-dimensional models for land use planning and forestland allocation; village meetings; and workshops at the provincial and district level.

### **Monitoring and evaluation stages of FLA**

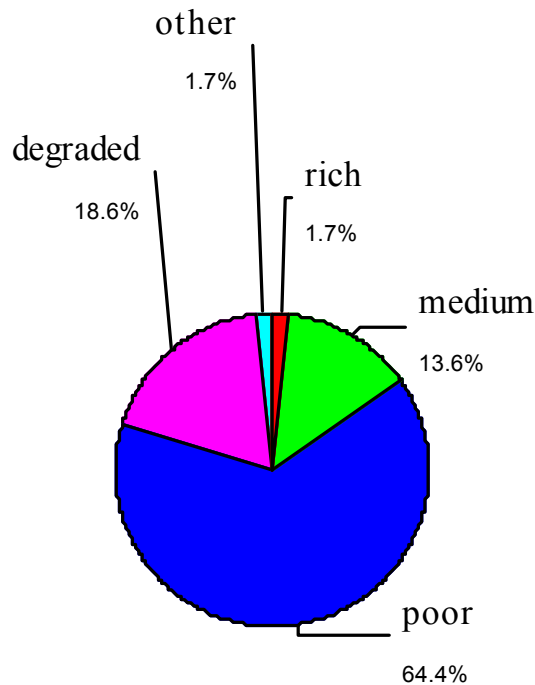
FLA involves many government agencies at the provincial, district, and commune levels, and these must coordinate their activities to ensure the suitability of its planned project for future land and forest management. However, only the Department of Agriculture and Rural Development (DARD) is assigned to carry out the monitoring and evaluation process. The provincial government has evaluated FLA in Dak Lak to disseminate the lessons learned from the pilot project for future implementation, in Dak Lak and elsewhere. At the district level, DARD cooperates with the State Forest Enterprises to conduct evaluations in the field. SMRP has helped DARD in conducting evaluations from the village level up to the provincial level through several village meetings, interviews, and workshops with relevant stakeholders and local villagers. This information is invaluable in helping state agency personnel who will be involved in future FLA implementation. The provincial People's Committee has paid especially close attention to the initial results from FLA in order to develop a cohesive forestry development strategy for long term management.

Other stakeholders were not actively involved in the monitoring and evaluation of FLA. They have opined that local people and the organization that implemented FLA should evaluate the program because it would be useful for them to improve in the future. In addition, many assume that this task is the responsibility of the agency that receives budgetary support from the provincial People's Committee for FLA. This assumption is inaccurate, however, because the State Forest Enterprises budget is only assigned for FLA implementation. In other words, in the FLA process they are only responsible until people receive Redbook designation for allocated forest plots.

### **FLA Stakeholder Incentives**

Pressures from national and international institutions such as the Mekong River Commission, UNDP, and WWF that have demanded environmental protection have also motivated the Vietnamese government to develop a policy to overcome deforestation. FLA is assumed to be able to contribute to slowing the rates of deforestation as well as to helping alleviate poverty. Consistent with the administrative reform process, local governments also want to reduce the costs of resource management. Government agencies could create revenue-generating opportunities by providing services to user groups and undertaking rural development programs. FLA in Dak Lak also allows the State Forest Enterprises to "kick the ball" and abdicate their responsibility for forest protection to local people. This is especially true where

the forest area to be allocated has been degraded and cannot be harvested in the coming five or ten years (see *Figure 2*).



**Figure 2: Quality of allocated forest classified by villagers**

One of the incentives for local governments to implement FLA is political gain. In fact, FLA has made Dak Lak Province famous for its devolution process of forest management. The results from this pilot project have contributed to new central government policy formation. Decree No. 178/TTg, 2001, *Concerning the Benefit Sharing of FLA*, is almost the same as the policy that was initiated in Dak Lak province in 1999. Successful local leaders are likely to gain the recognition of their superiors and perhaps be offered opportunities for advancement. FLA could be a professional liability, however, if it were to go wrong or be implemented ineffectively. For example, the Dak Song District Chair was reprimanded and held responsible for the loss of 86.6 hectares of forest destroyed from 2001-2003 (*Labor 2003*).

External driving forces have also influenced local governments to deal with deforestation and forestry sector reform. There were many visits made by central government officials to Dak Lak to discuss forest degradation. Other development projects active in this province, such as GTZ-Reformed Forestry Administrative System Project, SMRP, and a UNDP project, have offered advice to the provincial authority for reforming the state system of forest management. For the local people, FLA addresses one of their concerns: namely the increasing scarcity of forest resources and the future of their children. Local people participate in FLA hoping they could convert some part of the forest to agricultural cultivation.<sup>3</sup> In addition, local people expect

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<sup>3</sup> Based on FLA project in Ea Sol, the FLA recipients are allowed to convert up to 2 hectares per household of forest to agricultural cultivation if they really lack of agricultural land.



to receive access to more support programs from local government with the implementation of FLA, such as forestry extension services and rural infrastructure development.

### **Changing stakeholder relationships**

Forestland Allocation in Dak Lak Province has changed relationships among state agencies and between state agencies and local people. Before FLA was introduced, the State Forest Enterprises held power over forests and land control – they now have to devolve this power to the local communities. Moreover, through FLA SFE must establish closer working relationships with other government units. Decision No. 245/QD-TTg.1998<sup>4</sup> authorized local governments to be responsible for forest protection in their jurisdictions, and concurrently created more tasks for district- and commune-level agencies. These agencies have had an established working routine with top-down approaches. In the past they did not need to consider communities' demands in their forest use, but simply followed the state's laws and regulations. FLA has substantively changed relationships among state agencies as they are related to forest management, in that the agencies must now cooperate with each other to accomplish their mandates. FLA cannot be managed by one state agency – it needs cooperation among state agencies and between state agencies and local people.

The Vietnamese government has recently issued a new instruction that explicitly addresses forest protection. However, many of the local agencies do not have the capacity to effectively do this, and the demands of local people for greater forest management authority from the state have been increasing.

To implement FLA, the staffs of local state agencies need to develop their technical and organizational skills, such as participatory approaches in working with local people, how to organize a village meeting, how to get information from villagers, and how to motivate villagers to voice their concerns. Monitoring and evaluation skills are especially important for state agency personnel to apply to their work. In a devolution process, local institutions must also change their behavior to fulfill their new tasks. In reality, they have to take local peoples' requirements into account for FLA implementation. Previously, state agencies merely carried out the program based on higher-level government authority, but now the reverse is true after FLA implementation: they have to listen to the local peoples' demands and work with people, especially in the steps of forestland distribution, forest inventory and most importantly in participatory land use planning. This has actually significantly influenced the behavior of the state agencies through FLA implementation.

## **Conclusion**

The case study in Dak Lak Province shows that the Forestland Allocation Program is the first step in the devolution of authority in forest management. While the process has not been successful due to obstacles encountered in the implementation process, FLA has created a condition in which state agencies exchange experiences. Additionally, there is a need for them to learn from each other and to improve their capacity.

FLA has given stakeholders positive lessons in terms of the capacity of self-evaluation. Stakeholders have become aware of their shortcomings through FLA implementation, such as the lack of experience in participatory approaches working with local people, or the inability to

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<sup>4</sup> This Decision mentioned about the decentralization of forest management

cooperate with other organizations. FLA has forced institutional stakeholders to reexamine inter-agency relationships, as well. Consequently, a sound FLA process needs fundamental preparation of human resources as well as institutional arrangement from the local governments and state agencies.

The Forestland Allocation Program has also assisted implementing agencies to recognize the gaps and weaknesses in their technical aspects and in institutional arrangements, which in turn has helped state agencies to develop training and development strategies for their staff. The lessons learned from FLA implementation in Dak Lak contribute to policy recommendations for the central government.

In FLA, local governments have attempted to devolve property rights to the local people, and FLA has gained the attention of local people on the issue of forest management. Increasing local participation in FLA would reinforce collective action in the area of resource management, but it still faces many obstacles affecting those state agencies responsible for implementing FLA. There have been a great number of decrees, decisions, and regulations from the central government dealing with decentralization of forest management, but local governments are still going very slowly in translating these into action. Many actors in local government – at the provincial, district and commune levels – are not well prepared.

The Forestland Allocation Program has altered the work routine of state employees and power relations among local organizations. Nevertheless, FLA in Dak Lak Province has been but the first step in long process of devolution of forest management. It needs to be improved and adjusted in order to meet the needs of all stakeholders and to achieve the government's objectives of better forest management and poverty alleviation. The experiences from FLA implementation are highly appreciated by local people and central government and relevant institution personnel who are concerned with the devolution process. It can provide lessons for further implementation, not only inside Dak Lak Province but throughout the entire country of Vietnam.

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