

Managing conflict under decentralized forest governance: Lessons from Indonesia and Vietnam¹

Y. Yasmi² and J. Guernier²

Abstract

Decentralization has been widely promoted in response to the continued destruction of natural resources and the desire to have more democratic resource management. However, studies show that the decentralization of natural resource management (NRM) introduces concomitant conflicts that often hinder the achievement of decentralization goals. To address these conflicts appropriately a thorough understanding of conflict and its dynamics is required. Although in-country case studies continue to grow, comparative analysis across countries at a regional scale is lacking. This study attempts to contribute to filling this gap by exploring the implementation of small logging concessions and forest land allocation (FLA) programmes in Indonesia and Vietnam respectively. It combined fieldwork and extensive literature review to understand issues associated with conflict in decentralized NRM, the underlying causes of conflict and associated impacts. The study reveals that conflict in small logging concession schemes in Indonesia revolved around two major issues: unclear forest boundaries and benefit sharing. Stakeholders became embroiled in conflict because of the vagueness of forest boundaries between villages and between community forest and state forest. Conflict also emerged because of unequal benefit sharing from timber sales. Elite capture triggered such dissension. Various conflicts at the local level in Indonesia caused uneasy relationships among actors and also the acceleration of timber logging. In Vietnam, conflict revolved around the following issues: exclusion, boundary disputes and access to timber. A number of groups were excluded from the FLA programme, particularly ethnic minorities and migrants. Unclear forest boundaries were also reported to trigger conflict between various households in a particular village and between villages that participated in the FLA programme. Access to timber was accentuated due to some groups being excluded from the FLA programme and also because of overlapping titles over the same forest area. These conflicts also induced uneasy relationships and distrust. The results from this study challenge the validity of decentralization assumptions. The lessons from Indonesia and Vietnam raise critical questions as to how decentralized resource management regimes enhance democratization, poverty reduction and resource conservation. Finally, a number of policy actions and practical consequences are outlined, including evaluation of decentralization policies, stakeholder negotiation and capacity building for addressing conflict appropriately and promptly.

Keywords: Decentralization, natural resource management, forestry, forest land allocation, conflict management, Indonesia, Vietnam

¹ The paper has been accepted for presentation during the 12th Biennial Conference of the International Association for the Study of the Commons (IASC) in July 2008 at the University of Gloucestershire, Cheltenham, United Kingdom. The views expressed in this paper are those of authors and does not necessarily reflect the position of RECOFTC.

² Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC), Bangkok, Thailand.

Introduction

Decentralization of natural resource management (NRM), such as forest and land management, has become a global trend. Over 60 countries worldwide have decentralized some aspects of NRM in recent decades (Agrawal, 2001). Generally, decentralization embodies the transfer of rights and authorities from central to local governments in such a way that central government is no longer the sole body holding power and authority in NRM (Larson, 2002; Pacheco, 2004; Nygren, 2005; Ribot et al., 2006). Proponents of decentralization have put forward various arguments in support of resource decentralization. The failure of centralistic government regimes in managing natural resources sustainably is perhaps one of the primary reasons for decentralization. For example, FAO (2007) indicated that over 15 years from 1990 to 2005, the world lost 13 million hectares of its forest annually. Net forest loss in Southeast Asia is the highest at 2.8 million hectares per year. The high rate of forest loss has been largely attributed to central governments' inability to manage forests sustainably. The rapid destruction of natural resources such as forests coincides with increased social movements seeking social justice and democratic resource management (Colfer and Capistrano, 2005; Yasmi, 2007). Such movements inevitably put substantial pressure on central governments. As a result, decentralization is thought to be a better alternative for resource governance, offering wider participation to stakeholders; thus it is considered to be more democratic. Recent scholarly works also indicate that decentralization provides platforms that enable stakeholders to accelerate poverty reduction and at the same time conserve the remaining natural forests (Kaimowitz et al., 2000; Sikor, 2001; Ribot and Larson, 2005; Sunderlin, 2006; Mahanty et al., 2007).

As many arguments support decentralization, programmes and projects related to decentralization continue to be promoted by donor agencies (Enters et al., 2000; Ribot et al., 2006; World Bank, 2007). However, real impacts on the ground in terms of equity, democracy, poverty reduction and resource conservation have been questioned (Tacconi et al., 2006). In some cases, local communities have participated in and economically benefited from decentralized resource management. Local actors have started to play roles in decision-making with regard to how resources are to be managed (Resosudarmo, 2004; Palmer and Engel, 2008). However local governments are also very vulnerable to bribery and political pressure from local resource users; elite capture is widespread and benefits from decentralization are only enjoyed by the small number of elite groups (Kaimowitz et al., 1998; Barr et al., 2006). Additionally, decentralization is often based on ambiguous legal frameworks and consequently its implementation frequently results in confusion; for example, in determining who has the rights to define forest boundaries and how equal benefit-sharing schemes can be developed (Yasmi et al., 2006; Nguyen et al., 2008a; Nguyen et al., 2008b). Due to legal ambiguities, the implementation of resource decentralization has been described by some authors as "chaotic" and challenging (Larson, 2002; McCarthy, 2004; Yasmi et al., 2005; Wollenberg et al., 2007).

Another anomaly in the implementation of decentralization that needs serious attention is conflict, i.e. "decentralizing conflict". Conflict often prevents the achievement of good resource governance and in some extreme cases it even results in violence (Lane, 2003; Wulan et al., 2004). Conflict is not an isolated problem in decentralization as it relates heavily to the other problems described above. Consequently, conflict within the context of decentralization needs to be

taken into account seriously if we are to make real progress on the ground. While there have been many in-country case studies on conflict in the context of resource decentralization, comparative analysis at the regional level is still lacking. This paper attempts to contribute to filling this gap. We explore conflicts that have taken place in the implementation of decentralization in Indonesia and Vietnam, which are of importance for other countries implementing decentralization in Southeast Asia and beyond. We specifically explore the underlying causes of conflict, actors involved and its impacts, using a small logging concession scheme in Indonesia and a land allocation programme in Vietnam as our case studies. In the next section we provide an overview of our methods. We then describe briefly the decentralization processes of NRM in Indonesia and Vietnam. Subsequently, we analyze local conflicts that have occurred owing to decentralization in these countries. In the discussion and conclusion section a number of general lessons are drawn and relevant recommendations for improved resource governance are provided.

Methods

Ideally, a comparative study at a regional scale should cover as many countries as possible. However, due to limitations (e.g. time, cost and other resources) this is often impossible. Depending on the objective of the study, a set of indicators is normally used to select countries in a comparative study. These indicators heavily influence the results of the study as well as its limitation and bias (Bernard, 2002; Johnson and Reynolds, 2005). We employed a number of demographic and forestry indicators as the basis for selecting Indonesia and Vietnam (Table 1). Figure 1 illustrates country location.

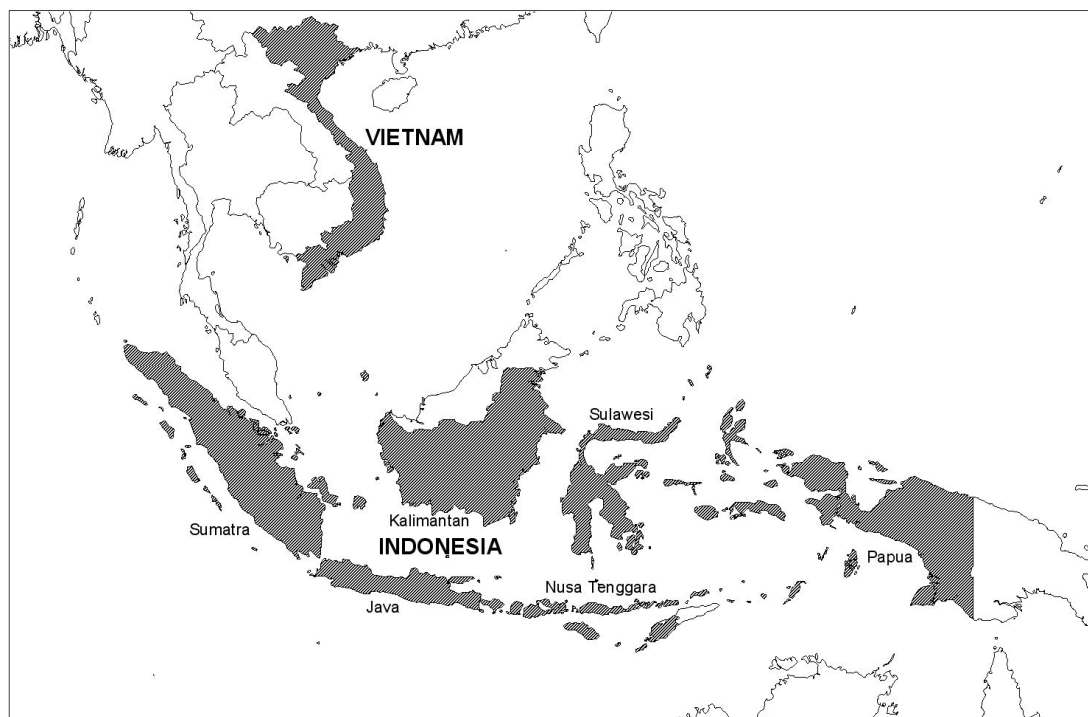


Figure 1. Location of Indonesia and Vietnam

As shown in Table 1 both countries are heavily populated. Indonesia has 218 million inhabitants (the most populous country in the region) with population density of 120 people/km². With 82 million inhabitants, Vietnam's population density is 252 people/km². It can be assumed that with high population and population density the pressure on forest resources in both countries is relatively high. We also use forestry indicators to explain the selection of Indonesia and Vietnam. Both countries possess large areas of forest land, i.e. 88 million and 13 million hectares respectively. Forest land occupies more than 40 percent of the total land surface in both countries. There is a stark contrast between Indonesia and Vietnam with regard to forest loss/recovery. In the last 15 years, Indonesia has lost about 1.9 million hectares of forest land annually while Vietnam has gained 0.24 million hectares annually. However, one must bear in mind that Vietnam gains more forest from its massive plantation and reforestation programmes³ (FAO, 2007). According to EIA/Telapak (2008) Vietnam has already lost 51 percent of its remaining primary forests and is ranked second worst in terms of primary forest loss in the world. As Indonesia has the highest rate of deforestation in the world, it can be concluded that both countries are facing relatively similar problems with regard to the loss of their primary forests. Therefore, the current movement towards decentralization has to take into account preservation of the remaining primary forests.

Table 1. General demographic and forestry indicators for Indonesia and Vietnam⁴

Indicator	Indonesia	Vietnam
Total population	218 million	82 million
Population density	120 people/km ²	252 people/km ²
Forest area	88 million ha	13 million ha
Percent of land area	49%	40%
Annual forest loss	-1.9 million ha	0.24 million ha

In addition to the general demographic and forestry indicators mentioned above, both countries encounter the same problem with regard to illegal logging (FAO, 2007; EIA/Telapak, 2008). Another major indicator that we used in selecting Indonesia and Vietnam is the prevalence of conflict in the implementation of decentralization in both countries. It is apparent that both countries face various conflicts at the local level in implementing resource decentralization — the so-called “decentralizing conflict” is ubiquitous (Enters et al., 2000; Gilmour et al., 2007; Colfer et al., 2008). Therefore, Indonesia and Vietnam may provide good contextual learning on resource-based conflict under decentralization in the region.

Our main approaches in understanding resource conflicts associated with the implementation of decentralization employed literature review and fieldwork. We have almost a decade of empirical experience in decentralization in Indonesia. We have been working in various locations such as Sumatra and Kalimantan (the two islands are among the most forested islands of Indonesia). In recent years we started to engage in a number of forestry projects in Vietnam although our experience in Vietnam is not as extensive as that in Indonesia. Therefore, we have

³ The Department of Forestry of the Ministry of Agriculture and Rural Development (MARD) is coordinating the nationwide implementation of the 5-million Hectares Reforestation Programme (5MHRP).

⁴ The data are based on FAO (2007).

also taken an indirect approach to obtain a deeper understanding of the situation in Vietnam, i.e. through extensive literature review and expert consultation. We analyzed our data qualitatively — we describe the issues involved in conflict, the underlying causes, parties involved and impacts. Our main objective is not to give a comprehensive picture of conflict in both countries nor do we attempt to provide a final solution to such conflicts — not feasible given our limitations — but rather we try to understand how the conflict is played out and generate general lessons that may be of interest to resource practitioners and policy-makers.

An overview of NRM and decentralization processes in Indonesia and Vietnam

Indonesia

According to the Indonesian Basic Constitution, all land, forest, water and other natural resources belong to the state. Consequently, most Indonesian forests are state-owned. The official classification of forest land is defined by the Forest Land Use Plan Consensus (locally known as *Tata Guna Hutan Kesepakatan*) established through interministerial consensus in 1984. Based on this consensus, 142 million hectares (about 70 percent) of the country's land surface was classified as state forest land. Recently, this figure has been revised to 88 million hectares due to forest loss through deforestation, fire, illegal logging and agricultural expansion (FAO, 2007). The authority for managing state forest is vested in the Ministry of Forestry.

In 1967, the Government of Indonesia (GoI) enacted the Basic Forestry Law to regulate forest exploitation in state forest areas. Moreover, in the same year, to attract investment in forestry and other productive sectors such as mining and oil exploitation, the government ratified a regulation on Foreign Investment. The GoI granted 35-year concession rights to private and state-owned companies to extract timber from Indonesia's rich natural forests. Concession holders are permitted to harvest trees in designated areas as guided by the *Indonesian Selective Cutting System* (Armitage and Kuswanda, 1989). Since then, the forestry sector has expanded rapidly and by 1993 the total number of concession holders in the country had risen to 580, with concessions covering an area of 61 million hectares (MoF, 2004); the timber-related industries saw similar growth. By 1993/1994 Indonesia had the largest market share of tropical plywood exports with an annual revenue estimated at US\$3.5 billion (Barr, 2001). Other earnings from exports of logs, sawnwood, wood-working and furniture also generated billions of dollars in revenue.

Besides state forest, the government also recognizes communal and private forests if legitimate proof exists (GoI, 1999). A particular community that receives a certificate for communal forest can utilize timber and non-timber forest products (NTFPs) for subsistence purposes. However, the land itself remains property of the state; the community is not entitled to own the forest land. In the case of private ownership, the land is owned by individuals through inheritance and they must be in possession of a government-issued certificate to prove ownership. Due to the complicated procedure in applying for a government certificate for communal or private forest, and the government's lack of knowledge on their existence, many communal and private forests are still not formally recognized. As a result, overlapping claims over the same forest have become an inherent problem in Indonesian forestry. During the three decades of President Soeharto's centralistic regime (1967–1998), communal or private forests were often neglected. Contesting state land was considered to be subversive and thus subject to military oppression.

Therefore, local communities were afraid to claim communal forests and, in accepting that all forests were state forests, were inevitably marginalized from forest management activities.

During the second half of the 1990s, environmentalists and the international community increased their pressure on the GoI because natural forests were being exploited so rapidly. Moreover, by this juncture the remaining forests had become much harder to access because of the difficult topography. As a result, the forestry sector steadily declined. The number of concession holders decreased to 387 in 1999 and to 267 in 2003, with 28 million hectares under concession (MoF, 2004). Furthermore, the end of the 1990s was also marked by a political transformation following the demise of President Soeharto's authoritarian regime. Soeharto's resignation marked a new phase in Indonesian history and saw dramatic changes in which decentralization policies were designed to replace their formerly centralistic counterparts. With regard to forestry, a set of new policies authorized local governments to issue logging permits known as "small logging concession permits" (i.e. concession areas from 100 up to a maximum of 50 000 hectares).⁵ At the same time, local communities also intensified their efforts in obtaining political recognition of "their" customary forests. They resisted small logging concessions because many of these concessions operated in communal forests. As a result, small logging concessions were often beset by conflict.

Vietnam

After its independence in 1945, Vietnam immediately established the Ministry of Agriculture and the Forestry Division was responsible for forest management. It was estimated that at that time 14.3 million hectares of Vietnam's territory (43 percent of the total land area) was covered by primary forests (EIA/Telapak, 2008). There were a number of transformations and changes within the Ministry of Agriculture and they affected the Forestry Division as well. In the mid-1990s, the Ministry of Agriculture and Rural Development (MARD) was established, merging a number of previous ministries (e.g. the Ministry of Agriculture, Ministry of Irrigation). Since then, MARD has also undergone several restructuring events. Today, the Department of Forestry of MARD is responsible for public administrative functions such as forest resource development, forest exploitation and forest plantation (MARD, 2007).

Since 1986, Vietnam has taken a revolutionary step in order to implement the national reform programme, known as *Doi Moi*. Evidence suggests that the implementation of such reform has brought tremendous economic success (Bui et al., 2004). One indicator of the success of *Doi Moi* is the significant reduction of the poverty rate from 58 to 29 percent between 1993 and 2002 (Sunderlin, 2006). ADB (2003) regarded this success as "one of the greatest success stories in economic development". The development in the forestry sector was heavily influenced by *Doi Moi*. Forestry activities were directed to contribute to economic development and growth. Many would agree that the forestry sector witnessed outstanding success as

⁵ The first shift was marked by the enactment of Law 22 on Regional Autonomy and Law 25 on Fiscal Balancing in 1999. These two laws formed the foundations of Indonesian decentralization policies. Moreover, in 1999 the Basic Forestry Law was also replaced by a new forestry law known as Law 41. Later in 1999, Regulation No. 6/1999 on Forest Utilization and Forest Product Harvesting in Production Forests was released. Two ministerial decrees that guided small concession operation were also enacted, namely: the Decree of Minister of Forestry No. 310/Kpts-II/1999 on Guidelines for Granting Forest Product Harvesting Rights and No.05.1/Kpts-II/2000 on the Criteria and Standards for Forest Product Utilization and Harvesting Business Licenses.

well. Vietnam has expanded its wooden furniture production industry very rapidly. It was noted that in 2007, exports of furniture to Europe, Japan, the United States and other countries reached US\$2.4 billion, a ten-fold increase compared to the 2000 figure. Meanwhile, exports in 2008 are predicted to reach a value of US\$3 billion (EIA/Telapak, 2008).

Despite the economic success, the social and environmental costs of the rapid economic development are considerably high. The gap between the poor and non-poor population and between ethnic majorities and minorities is believed to have widened (Pham, 2000; RECOFTC, 2008). Poverty remains a key problem for many of the rural poor, particularly those living in and around the forests in the highlands. Social conflicts between local people and State Forest Enterprises (SFEs) have been reported frequently (Bui et al., 2004; Sikor, 2004; Nguyen et al., 2008a). Environmental costs have been quite serious too. Large-scale logging in the 1980s and the early 1990s by SFEs caused significant forest loss. According to EIA/Telapak (2008) at its peak up to 4.5 million m³ of logs were being felled in natural forests in one year. Illegal logging activities were widespread. Although the exact number is contested, it was estimated that more than half of the primary forest in Vietnam has disappeared.

During the 1990s, Vietnam reviewed its NRM approach and poverty reduction programme. The government took a major step to decentralize resource management. The land allocation programme was initiated by the government and supported by a number of laws.⁶ Pham (2000) and Nguyen (2008) describe major legal frameworks upon which decentralization of NRM is based. The Forest Land Allocation (FLA) programme is an important element of the decentralization processes in Vietnam's forestry sector where forest land is being allocated for long-term use (i.e. 50 years) (Hue, 2002; Nguyen, 2006; Sikor, 2006; Tran and Sikor, 2006; Nguyen, 2008; Nguyen et al., 2008c). The new Land Law passed in 2004 is considered to be a major milestone because the law recognizes communities in addition to households and individuals as legitimate entities who can participate in the FLA programme. Nguyen et al. (2008b) suggested that by 2006 the forest area officially under the management of local people was close to 3.5 million hectares. The FLA programme marked a major shift in Vietnamese forestry from centralistic forest management where the central government and SFEs played major roles to decentralized forest management where wider participation of local people was encouraged. Various conflicts have emerged as a result of the implementation of the FLA programme and we shall discuss them in the next section. Our focus is mainly on local disputes.

Conflict in the implementation of decentralization in Indonesia and Vietnam

In this section we specifically describe underlying causes or issues of conflict, actors involved and related impacts.

Case 1: Conflict in the implementation of a small logging concession in Indonesia

With the demise of Soeharto in the late 1990s a dramatic political change took place in Indonesia. Decentralization of almost all sectors was trumpeted as a major direction in Indonesian political discourse. As anticipated, there was euphoria that

⁶ Laws and regulations that support decentralization in Vietnam include: Land Law 1999; Government Decree 02/CP 1994; Land Law 2003; Law on Forest Protection and Development 2004.

local actors would reclaim their lost power. Therefore, even before the formal decentralization laws and regulations were ratified by parliament, local actors had taken steps to regain control over resource management. Thus, *de facto* decentralization took place earlier. In late 1999, when decentralization laws and regulations were passed, most stakeholders in the country — particularly those who had long awaited change — applauded the enactment of these new laws. In the forestry sector, in response to this new development, local governments throughout Indonesia started to grant two types of small logging permit, namely the Timber Product Utilization Permit (IUPHHK) and the Forest Product Harvesting Permit (HPHH). The IUPHHK could be granted to cooperatives, small- to medium-scale businesses and state-owned or privately owned enterprises, with a maximum size of 50 000 hectares per permit. The HPHH, on the other hand, could be issued to individuals, farmers' groups and cooperatives, with a maximum area of 100 hectares per permit. These permits were the most popular and were often called “100-ha concessions” for their size (hereafter called small concessions). Their implementation was a major milestone in Indonesian forestry. It brought with it direct economic benefits to local stakeholders such as district governments, local communities and timber industry entrepreneurs. For the first time local governments were able to collect taxes from timber activities; similarly, local communities appreciated that they could receive direct benefits from the implementation of decentralized forest management (Engel and Palmer, 2006). At the local level, new economic activities also expanded as a consequence of new forestry-related activities.

Although the indication of positive economic benefits at the local level was applauded by many local stakeholders, small concessions also had concomitant problems and conflicts, which revolved around a number of issues. We shall focus on the two most common disputes: boundary disagreement and benefit sharing. An example of boundary conflict is given by Yasmi et al. (2006) and Yasmi et al. (2007) based on their work in West Kalimantan and Sumatra. From 2000 to 2002, a total of 944 small concessions were issued by district governments in West Kalimantan. The boundary conflict arose when small concessions were issued for forest over which two neighbouring villages held customary claims. This occurred when the village borders were unclear. In many cases, the boundary of a particular village was distinguished from its neighbour by natural features, such as rivers or hills. Thus, the exact boundary was somewhat ambiguous. Consequently, overlapping claim over the same forest area was often unavoidable. Trees within the disputed area were also automatically claimed by both villages. Therefore, if one village logged within the disputed area the other village would complain and ask for a share from the timber sale. In some extreme cases, boundary conflict in the context of the small logging concession scheme led to intimidation and even death threats; for example, dissension between a community small concession holder and an existing timber company in Sumatra (see Yasmi, 2007). In a nutshell, boundary conflict became one of the most frequently reported issues in the implementation of small logging concessions in Indonesia (Wulan et al., 2004; Yasmi et al., 2005; Yasmi et al., 2007).

The second type of conflict relates to benefit sharing. Yasmi et al. (2005) carried out a household survey in West Kalimantan to determine the distribution of financial benefits from timber sales derived from small concession operation. For example, between 2000 and 2003 the Sintang District Government's revenue generated from various fees and taxes related to small concessions was estimated at US\$11 million. This was considered quite high given the fact that during the

centralistic regime district governments could not collect forestry taxes — all went to the central government in Jakarta. Based on calculations from a small concession in Nanga Sayan village, the farmers' groups made profits of US\$16 000 from small concession activities. This was the net sum received after the deduction of all costs such as administration charges, taxes, the coordinator's fee, surveys etc. Each member of the farmers' groups was supposed to receive an equal amount of money. However, it was revealed by some members that some people — particularly leaders of the farmers' groups — received much more than the ordinary members. Women did not receive any share as households were represented by the husbands who were considered the household heads. As a result, there were many disappointments and opposition from members regarding benefit sharing from timber sales. Although women did not complain openly like men they also felt that the benefit-sharing arrangement was unfair. Similar conflicts over benefit sharing were also observed in other parts of Indonesia such as in East Kalimantan, Central Kalimantan and most parts of Sumatra (McCarthy, 2004; Wulan et al., 2004; Barr et al., 2006). The problems around benefit sharing were mainly caused by ambiguity and the absence of a benefit-sharing mechanism in the small concession schemes and thus the more powerful would enjoy relatively better direct economic benefits.

The conflicts described above certainly brought with them various social impacts. Boundary conflicts caused tension between villages and impacted to some extent on the previously tranquil relationships between them. Another impact of boundary conflicts was the desire to extract timber from a disputed forest area as quickly as possible — the first come, first serve principle would apply for the disputed area. This practice has been noticed by Yasmi et al. (2008, forthcoming). Moreover, the small concession scheme, according to Tacconi et al. (2006), could also accelerate forest destruction as local stakeholders raced for economic benefits and did not pay attention to resource conservation. Conflict over benefit sharing resulted in the continued marginalization of minorities such as women and less powerful community members. They lost their confidence and trust in the more powerful actors.

Case 2: Conflict in the implementation of the forest land allocation programme in Vietnam

According to Nguyen et al. (2008a), since the implementation of FLA in Vietnam and with the revision of the Land Law in 2003, local people and village communities have enjoyed legal recognition of their rights to the forest. While inconsistency (and sometime contradiction) over the main objectives of FLA exist, Bui et al. (2004) suggested that FLA covers environmental, economic and social objectives. FLA is expected to contribute to improved forest management, forest protection and forest rehabilitation. It is also supposed to contribute to poverty reduction and to promote ethnic equality and gender balance. In theory, FLA should enable local communities to decide what to do with their forest plots and manage their forests according to their traditional customs. Recipients of land titles enjoyed a number of legal rights such as transferring, inheriting, and leasing rights (Nguyen et al., 2008d). While legal recognition was considered a major breakthrough there have been many conflicts in the implementation of the FLA programme and we focus on three of them: exclusion, boundary dispute and access to forest products.

The implementation of the FLA programme in Vietnam resulted in the marginalization of ethnic minorities and less powerful groups who are very often the poorest of the poor. In their survey in Dak Lak, Central Highlands, Tran and Sikor

(2006) demonstrated that when land allocation was carried out some villagers were omitted. They wrote, *“In 2000, the Enterprise “Krong Bong” divided the forest adjacent to Cham B into three large parcels and allocated those to three groups including all 38 Ede households in Cham B. In this way, it excluded the villagers from Cham A, which had used the allocated forest in the past on equal terms with Cham B”* (Tran and Sikor, 2006: 401). A similar observation on the exclusion of Cham A was also revealed by a recent study conducted in the same province (Nguyen et al., 2008d). Furthermore, these authors also showed that migrants did not have any formal right to timber after the implementation of FLA. While migrants had enjoyed the right to timber prior to FLA they were being excluded from timber extraction activities as shown by the case in Cham B, simply because they were not the recipients of land titles. As a result of this exclusion, tensions and conflicts occurred between villages with formal titles and those without. Ethnic minorities and migrants — the less well-off households — still rely on the forest as a livelihood source, but increasingly are losing access to the forest as it is being allocated mostly to the better-off groups. Furthermore, Sikor (1998) also indicated that land allocation in the northern highlands eroded community control over forest resources by imposing rigid government-defined guidelines that reduced management freedom held for generations on a *de facto* basis. This anomaly was underscored by Nguyen et al. (2008a; 2008b) when they argued that the inflexibilities in the implementation of the FLA guidelines resulted in confusion and tension. It would not be surprising if opposition to the FLA programme becomes apparent in a number of provinces in Vietnam as it excludes ethnic minorities and undermines customary practices.

The second type of conflict associated with the FLA programme is boundary dispute. Din and Dang (2008) indicated that boundary marking on the ground was the main reason leading to conflict among households and communities involved in the FLA programme. The underlying causes of this conflict were inadequate land administration maps and land being poorly surveyed for measurement. In addition, there have been many disputes over landownership at the community level that have led to contested claims over individual tenure. A survey carried out by Din and Dang (2008) in Hoa Binh province showed that because of boundary conflict, lawsuits also increased. Three lawsuits were submitted to the district authority and another was submitted to the provincial authority in 2006. The notion of boundary recognition has become one of the most contested issues in the FLA programme.

Access to forest products, particularly timber, was also identified as one of the main issues. For example, in Thue Thien Hue province, Nguyen et al. (2008d) stated that even after completion of the FLA programme, commercial logging by a logging operator who received a permit prior to the FLA programme still took place in the forest area allocated to a village. The permit was still valid and at the same time the forest was also being allocated to a village. Inevitably conflict occurred as there were two actors with permits for the same forest. Ideally, revision of the logging area for the logging operator should have been done; however, this did not transpire. Furthermore, other studies by Tran (2003) and Tran (2004) revealed that conflict within villages and between villages and timber companies over access to timber increased significantly after the implementation of the FLA programme in Dak Lak province. Permission for cutting timber was continuously disputed to various degrees. Tran further argued that unequal selection of recipients and the complexity of obtaining permission from local authorities created much tension, and also with local authorities.

Although there has been no systematic assessment of the impacts of conflicts in the implementation of the FLA programme in Vietnam, salient points can be noted from existing studies. It is perhaps obvious that FLA resulted in formal alienation of ethnic minorities and migrants as they were being denied the right to access forest land and forest products. Consequently, an uneasy relationship was created between them and the more powerful actors. Likewise, as shown by Sikor (2004) and Tran and Sikor (2006) tensions over boundaries and access to timber led to distrust among actors between villages and between villages and authorities.

Discussion and conclusions

This study shows that land-use conflicts at the local level are attributable to the implementation of NRM decentralization. This finding is consistent with other studies that demonstrate the deeply rooted nature of conflicts in NRM decentralization (Lane, 2003; Wulan et al., 2004). A number of similarities between Indonesian and Vietnamese experiences are illustrated. For example, boundary dispute was quite prominent in both small forest concession schemes in Indonesia and the FLA programme in Vietnam. Actors at the local level considered boundary to be an important element in the implementation of resource decentralization as it defined spatial and economic entitlement of resources. While boundary seems to be an important element, the study indicates that it was also something quite new to most actors in Indonesia and Vietnam. In the past boundary was not taken into account very seriously as local practices often treated boundary as a fluid concept. Boundary was often defined through natural features. Nevertheless, as decentralization enabled local actors to derive economic and financial benefits from certain forest/land area (e.g. timber sale) boundary became a hot issue — something that was heavily contested by actors. What we can conclude is that for effective implementation of decentralization, boundary needs to be clearly defined.

Another observation is that if decentralized resource management is not implemented appropriately it creates and widens the gap between the powerful and the powerless. Again, this applies to both small concession schemes in Indonesia and the FLA programme in Vietnam. In Indonesia, the notion of elite capture was quite prominent where local leaders enjoyed more economic benefit compared to ordinary members of the community. Revenues from timber sales were not equally distributed to all members of the community. Even worse, women were not entitled to receive any share from the timber sale. In Vietnam, the gap between ethnic majorities and minorities appeared to be widened by the FLA programme. Ethnic minorities and migrants were being excluded from it and their rights to forest and forest products were negated as a result of land titles being allocated to ethnic majorities only. Interestingly, conflicts over resource boundary and exclusion exacerbate and intensify timber extraction. The case in Indonesia clearly shows this. The disputed forest area became an incentive to intensify logging activities on a first come, first served basis. There was no incentive or mechanism to preserve trees within the disputed area. Therefore, it can be assumed that disputed forest area is highly vulnerable to destruction in decentralized resource management due to overlapping claims.

As negative impacts from conflicts were observed in both countries, one may question to what extent decentralization objectives such as equity, democratization and resource conservation can be effectively achieved. A number of questions may be asked in order to revisit the objectives of resource decentralization:

- (1) Is it true that decentralized resource governance promotes equity and democratic resource management at the local level?
- (2) Does decentralization genuinely promote resource conservation?
- (3) To what extent does decentralization speed up poverty reduction?

To answer the first question, the case of Indonesia indicates that decentralized forest management led to elite capture and the case of FLA in Vietnam led to the exclusion of ethnic minorities. Therefore experiences in Indonesia and Vietnam seem to suggest that in both countries the implementation of decentralization still faces serious problems with regard to equity and democratization. Regarding the second question, it is perhaps clear too that decentralization does not necessarily lead to resource conservation. The Indonesian case shows that it even accelerated timber exploitation in the disputed forest area. To what extent this fact can be generalized remains valid for further scholarly discussion. In answer to question three, at best all we can say, based on our study, is that it is not always the case. Decentralization widened the gap between the more powerful and the powerless. Economic benefits did not reach the poorest of the poor. Our research in Indonesia and Vietnam tends to strengthen the earlier findings of Tacconi et al. (2006) that decentralization assumptions are not always valid and need to be continuously challenged, revised and contextualized.

While we have shown that decentralization of NRM does not always achieve its objectives, the situation is not always bleak. There are reasons to be optimistic and our main challenge is to improve its implementation on the ground. This paper illustrates that the shift of resource management from centralized towards decentralized management brought with it some economic and social benefits to local stakeholders. For example, for the first time district governments in Indonesia gained income from taxes on timber activities; similarly, local communities appreciated that they could receive direct benefits from the implementation of decentralized forest management. In Vietnam, the FLA programme allowed communities to have legal rights over forest plots and provided them with the long-term right to manage these plots according to their custom. Most importantly, decentralization provides local actors with decision-making power on how resources are to be managed. While under centralized regimes decision-making exclusively belonged to the central governments, decentralization provides local actors ample power to decide how they want to manage their resources. Thus, the indication of positive socio-economic benefits and the ability to make decisions at the local level are positive aspects and need to be strengthened. In order to do so, various conflicts and problems must be addressed and mechanisms to ensure the effectiveness of decentralization must be established.

First, it is commonly argued that there is no particular panacea to address conflicts at the local level. Addressing conflict most of the time is context-sensitive and success in using certain strategies in one place does not necessarily mean that such strategies can be directly applied in other contexts. Therefore, what is required is for actors to have capacity and skills to engage in conflict management in order to resolve their dispute effectively. Coping with NRM conflict effectively can be divided into two levels: policy and practical resource management. The former refers to improving decentralized resource policies so that they are more conducive to smooth operation. The latter maximizes the internal capacities of stakeholders (i.e. conflicting parties) so that they are able to cope with conflicts adequately once the situation arises. There is also a need to mobilize political efforts to address the

ambiguities of many rules and regulations. This requires a comprehensive assessment of all rules and regulations in such a way that they do not contradict each other. To achieve this objective, local and central governments must be willing to work in partnership. They are required to negotiate and redefine authorities in forest management, what roles and responsibilities actors have in decentralized resource management and how monitoring of decentralized resource management is carried out. The most essential step would be to improve the legal framework so that it can promote harmonious relationships among community members, between communities and the state and between communities and corporate bodies.

Apart from policy, there are many opportunities for practical resource management as well. For example, there is a need to address unclear boundary issues and one option is through community mapping. Another important step to be taken is to convene regular stakeholder workshops to discuss and negotiate various conflicting issues. The most difficult factors in many conflict situations are inflated egos and hubris, which prevent constructive negotiation style. To overcome this challenge, the role of extension and capacity building is crucial. Capacity building has the potential to improve disputants' perceptions of the need for a constructive attitude in negotiation. Moreover, it can also improve the negotiation competency of disputants. Finally, many unresolved and escalating conflicts can be attributed to the lack of timely intervention. The implication is quite straightforward. We have to continuously provide opportunities to develop the capacities of stakeholders so that they can recognize how a situation emerges and how they can prevent destructive impact promptly. The role of research and capacity building in this context is again important. Considering these challenges, it is very clear that the role of donor agencies is crucial to support capacity building processes and mobilization of other resources for effective resource management.

Acknowledgement

Our work in Indonesia was supported by CIFOR. We are particularly thankful to Carol Colfer, Lini Wollenberg and Doris Capistrano for their assistance at various stages of our research in Indonesia. Other colleagues from the Governance Program at CIFOR also gave a lot of assistance to our research. We are very thankful for that. We also would like to thank Xuemei Zhang and Thomas Enters for proving us with literature on decentralization in Vietnam and Asia region. We have been working closely in Vietnam with Nguyen Quang Tan, Elaine Morrison and William Sunderlin on a number of projects. We highly value our scientific exchange and their continued collaboration with us. Last but not least, we are thankful to Yam Malla, Wallaya Pinprayoon, Jeffrey Hatcher, Megan Liddle and Andy White for their support in our effort to organize the Conflict Policy Event during the IASC Conference in U.K where this paper is going to be presented.

References

- ADB (Asian Development Bank). 2003. Vietnam Development Report 2004: Poverty. Joint Donor Report to the Vietnam Consultative Group Meeting December 2-3. ADB, AusAid, DFID, GTZ, JICA, Save the Children UK, UNDP, and the World Bank, Hanoi, Vietnam.
- Agrawal, A. 2001. The decentralizing state: Nature and origins of changing environmental policies in Africa and Latin America 1980-2000. Paper prepared

- for the 97th annual meeting of the American Political Science Association. San Francisco, California, 30 August to 2 September 2001.
- Armitage, I. and Kuswanda, M. 1989. Forest Management for Sustainable Production and Conservation in Indonesia. UTF/INS/065: INS Forestry Studies. Field Document No. 1-2. Directorate General of Forest Utilization, Ministry of Forestry, Jakarta, Indonesia.
- Barr, C. 2001. Banking on Sustainability: Structural Adjustment and Forestry Reform in Post Soeharto Indonesia. CIFOR and World Wide Fund for Nature Macroeconomics for Sustainable Development Programme Office, Washington, D.C.
- Barr, C., Resosudarmo, I.A.P., Dermawan, A., McCarthy, J., Moeliono, M. and Setiono, B. 2006. Decentralization of Forest Administration in Indonesia: Implications for Forest Sustainability, Economic Development and Community Livelihoods. CIFOR, Bogor.
- Bernard, R. 2002. Research Methods in Anthropology: Qualitative and Quantitative Approaches. Third Edition. AltaMira Press.
- Bui, Q.T., Foerster, E., Nguyen, V.C., Thu, N.M., Thu, N.M.D., Apel, U., Vuong and X.T. 2004. Vietnam Customary Land Tenure Study. EASRD Working Paper, World Bank, Washington, D.C.
- Colfer, C.J.P. and Capistrano, D. (eds). 2005. The Politics of Decentralization: Forests, Power and People, Earthscan, London.
- Colfer, C.J.P., Dahal, G.R., Capistrano, D (eds). 2008. Lessons from Forest Decentralization: Money, Justice and the Quest for Good Governance Earthscan/CIFOR, London.
- Din, H.H. and Dang, K.S. 2008. Land and Forest Allocation in Vietnam: Policy and Practices. Unpublished IPSARD Draft Report.
- EIA/Telapak. 2008. Borderlines: Vietnam's Booming Furniture Industry and Timber Smuggling in the Mekong Region. EIA/Telapak, London/Bogor.
- Engel, S. and Palmer, C. 2006. Who owns the right? The determinants of community benefits from logging in Indonesia. *Forest Policy and Economics*, 8: 434–446.
- Enters, T., Durst, P.B., Victor, M. 2000. Decentralization and Devolution of Forest Management in Asia and the Pacific. RECOFTC/FAO, Bangkok.
- FAO (Food and Agriculture Organization of the United Nations). 2007. State of the World Forest 2007. FAO, Rome.
- Gilmour, D.A., Durst, P.B., Shono, K. 2007. Reaching Consensus: Multi-stakeholder Processes in Forestry - Experiences from the Asia-Pacific Region. FAO, Bangkok.
- Gol (Government of Indonesia), 1999. Indonesian Constitution No. 41/1999 on the Basic Forestry Law. Government of Indonesia, Jakarta, 115 pp.
- Hue, L.T.V. 2002. Land allocation, social differentiation, and mangrove management in a village of Northern Vietnam. Paper presented at the 9th Biennial Conference of The International Association for the Study of Common Property in Zimbabwe.
- Johnson, B.J and Reynolds, H.T. 2005. Political Science Research Methods. CQ Press.
- Kaimowitz, D., Vallejos, C., Pacheco, P., Lopez, R. 1998. Municipal governments and forest management in lowland Bolivia. *Journal of Environmental and Development* 7 (1), 45–59.
- Kaimowitz, D., Flores, G., Johnson, J., Pacheco, P., Pavez, I., Roper, J.M., Vallejos, C. and Velez, R. 2000. Local Government and Biodiversity Conservation: A

- case from the Bolivian Lowlands. A Case Study for Shifting the Power: Decentralization and Biodiversity Conservation, Biodiversity Support Program, Washington, D.C.
- Lane, M.B. 2003. Decentralization of privatization of environmental governance? Forest conflict and bioregional assessment in Australia. *Journal of Rural Studies* 19: 283–294.
- Larson, A.M. 2002. Natural resources and decentralization in Nicaragua: are local governments up to the job? *World Development* 30 (1), 17–31.
- Mahanty, S., Burslem, K., Lee, E. 2007. A Fair Share? Experience in Benefit Sharing from Community-managed Resources in Asia. RECOFTC/SNV/WWF Greater Mekong Programme.
- MARD (Ministry of Agriculture and Rural Development). 2007. Forestry Agenda 2008: Vietnam Forestry Information. MARD, Hanoi.
- McCarthy, J. 2004. Changing to gray: decentralization and the emergence of volatile socio-legal configuration in central Kalimantan, Indonesia. *World Development* 32 (7), 1199–1223.
- MoF (Ministry of Forestry of Republic of Indonesia). 2004. Forest Statistics of Indonesia 2003. http://www.dephut.go.id/INFORMASI/STATISTIK/Stat2003/Stat_03.htm (Accessed 28 April 2005).
- Nygren, A. 2005. Community-based forest management within the context of institutional decentralization in Honduras. *World Development* 31 (4), 639–655.
- Nguyen, Q.T. 2006. Forest devolution in Vietnam: Differentiation of benefits from forest among local households. *Forest Policy and Economics* 8: 409–420.
- Nguyen, Q.Y. 2008. The household economy and decentralization of forest management in Vietnam. In: Colfer, C.J.P., Dahal, G.R., Capistrano, D. (eds). *Lessons from Forest Decentralization: Money, Justice and the Quest for Good Governance* Earthscan/CIFOR, London.
- Nguyen, Q.T., Yasmi, Y., Tran, N.T., Hoang, H.T. 2008a. Community forest management for whom? Learning from field experience in Vietnam. FGLG Vietnam Policy Brief 1.
- Nguyen, Q.T., Nguyen B.N., Tran N.T. 2008b. Whose forest tenure reform is it? Lessons from case studies in Vietnam. RECOFTC Policy Brief 1.
- Nguyen, Q.T., Nguyen, B.N., Tran, N.T. 2008c. Forest-tenure Reform in Vietnam: Case Studies from Northern Uplands and Central Highlands Regions. Unpublished Draft Report.
- Nguyen, Q.T., Thanh, T.N., Tuan, H.H. 2008d. Community Forest Management in Dak Lak and Thua Thien Hue Provinces. A Synthesis of Survey Findings. Unpublished Report.
- Pacheco, P. 2004. What lies behind decentralization? Forest, powers, and actors in lowland Bolivia. *European Journal of Development Research* 16 (1), 90–109.
- Palmer, C. and Engel, S. 2008. For better or for worse? Local impacts of the decentralization of Indonesia's forest sector. *World Development* 35 (12): 2131–2149.
- Pham, X.P. 2000. People's participation in forest management in Vietnam. In: Enters, T., Durst, P.B., Victor, M. 2000. *Decentralization and Devolution of Forest Management in Asia and the Pacific*. RECOFTC/FAO, Bangkok.
- RECOFTC (Regional Community Forestry Training Center for Asia and the Pacific). 2008. Is There a Future Role for Forests and Forestry in Reducing Poverty? Unpublished Draft Paper Prepared for FAO, April 2008.

- Resosudarmo, I.A.P. 2004. Closer to people and trees: will decentralization work for the people and the forests of Indonesia? *European Journal of Development Research* 16(1), 110–132.
- Ribot, J.C and Larson, A.M. (eds). 2005. *Democratic Decentralization through a Natural Resource Lens: Cases from Africa, Asia and Latin America*, Routledge, London.
- Ribot, J.C., Agrawal, A., Larson, A.M. 2006. Recentralizing while decentralizing: how national governments reappropriate forest resources. *World Development* 34 (11), 1864–1886.
- Sikor, T. 1998. Forest Policy Reform: From State to Household Forestry. In: Vo, T.C., Chrystal, E., et al. *Stewards of Vietnam's Upland Forest*. Asia Forest Network.
- Sikor, T. 2001. The allocation of forestry land in Vietnam: Did it cause the expansion of forests in the Northwest? *Forest Policy and Economics* 2 (1), 1–11.
- Sikor, T. 2004. Conflicting concepts: Contested land relations in North-western Vietnam. *Conservation and Society* 2 (1): 75–95.
- Sikor, T. 2006. Analyzing community-based forestry: local, political and agrarian perspectives. *Forest Policy and Economics* 8: 339–349.
- Sunderlin, W. 2006. Poverty alleviation through community forestry in Cambodia, Laos, and Vietnam: An assessment of the potential. *Forest Policy and Economics* 8: 386–396.
- Tacconi, L., Siagian, Y., Syam, R. 2006. *On the Theory of Decentralization, Forests and Livelihoods*. Environmental Management and Development Occasional Paper, ANU, Canberra.
- Tran, N.T. 2003. Does devolution really influence local forest institutions: Two case studies in the central highlands of Vietnam. Paper presented at "Politics of the Commons: Articulating Development and Strengthening Local Practices", Chiang Mai, Thailand, July 11–14, 2003.
- Tran, N.T. 2004. What are the effects of forest devolution on local property rights? A case study in Central Highlands Vietnam. Paper presented at "The Commons in an Age of Global Transition: Challenges, Risks and Opportunities," the Tenth Conference of the International Association for the Study of Common Property, Oaxaca, Mexico, August 9–13.
- Tran, N.T., Sikor, T. 2006. From legal acts to actual powers: Devolution and property rights in the Central Highlands of Vietnam. *Forest Policy and Economics* 8: 397–408.
- Wollenberg, E., Iwan, R., Limberg, G., Moeliono, M., Rhee, S., Sudana, M. 2007. Facilitating cooperation during times of chaos: Spontaneous orders and muddling through in Malinau. *Ecology and Society* 12(1): 3. [online] URL: <http://www.ecologyandsociety.org/vol12/iss1/art3/>.
- World Bank. 2007. Decentralization homepage. <http://www1.worldbank.org/wbiep/decentralization/>. Cited 30 March 2007.
- Wulan, Y.C., Yasmi, Y., Purba, C., Wollenberg, E. 2004. An analysis of forestry sector conflict in Indonesia 1997–2003. CIFOR Governance Brief. No. 1. CIFOR, Bogor, Indonesia.
- Yasmi, Y., Anshari, G.Z., Alqadrie, S., Budiarto, T., Ngusmanto, Abidin, E., Komarudin, H., McGrath, S., Zulkifli, Afifudin. 2005. *The Complexities of Managing Forest Resources in Post-decentralization Indonesia: A Case Study from Sintang District, West Kalimantan*. CIFOR, Bogor.

- Yasmi, Y., Anshari, G.Z., Komarudin, H., Alqadri, S. 2006. Stakeholder conflicts and forest decentralization policies in West Kalimantan: Their dynamics and implications for future forest management. *Forests, Trees and Livelihoods* 16 (2), 167–180.
- Yasmi, Y. 2007. Institutionalization of Conflict Capability in the Management of Natural Resources: Theoretical Perspectives and Empirical Experience in Indonesia. PhD Thesis, Wageningen University.
- Yasmi, Y., Colfer, C., Yuliani, L., Indriatmoko, Y., Heri, V. 2007. Conflict management approaches under unclear boundaries of the commons: Experience from Danau Senarum National Park Indonesia. *International Forestry Review* 9 (2): 597–602.
- Yasmi, Y., Guernier, J., Colfer, C.J.P. 2008 (forthcoming). Stakeholders' perceptions on forestry conflict under decentralized forest management in Indonesia. Unpublished Report.