

FORESTLAND MANAGEMENT POLICIES IN VIETNAM: AN OVERVIEW

Tran Duc Vien

Abstract

To prevent the depletion of forest resources and to develop upland regions, the government of Vietnam has paid special attention to forest and forestland management. A number of forest and forestland policies have been issued and implemented to achieve the above target. During the period of 1954 to mid-1980s, those policies were characterized the centralized state control model. Forests and forestland were under managed by state cooperatives and industrial-agricultural-forestry enterprise associations. State policies regulated forests and forest products as 'national assets' and owned by the state. Local people did not have rights to directly manage and use forestland, forest products, even those which they produced by themselves. Therefore, the model of centralized state control was failed to encourage local people to work on forestland and forests, and failed to prevent the depletion of forest resources. In order to solve these shortcomings, during the period of mid-1980 up to now, the centralized state control model has been replaced by the private management model in forest and forestland management. Forests and forestland are allocated to households and individuals to protect, to develop and to manage. Households and individuals who are allocated forests and forestland are entitled to exchange, transfer, lease, inherit, and mortgage the land-use right. In addition, they are allowed to exploit production forests. Legislation finally recognized households and individuals as beneficiaries of forests and forestland. However, the outcome of the private management model is mixed. In some areas, forest and forestland management was highly significant. In other areas, the model was failed because the goals of forest and forestland management did not adhere to local people's livelihoods.

Key words: *Vietnam, forest and forestland management policies, centralized state control models, private management models, livelihoods*

An Overview of Forestland Management Policies

The government of Vietnam has paid special attention to forest and forestland management for decades. Over this period, the government has taken several different modes to managing the forests, from centralized state control models to cooperative management models, and to private management. Each particular mode of natural resource management has been accompanied by new policies and programs to guide and stimulate activities to achieve the targets. But each of these modes has been revealed to have several shortcomings.

Being aware of the importance of natural resource management to prevent the depletion of forest resources and to develop upland regions in particular and to develop the country in general, the State has issued and implemented related policies and programs, especially land policies. Those policies and programs have been issued and carried out throughout the various development stages of the country. Their goals have been to (1) re-plant forests and re-green barren hills, (2) allocate forests and land to forest enterprises and to households for planting and protecting forests, (3) sedentarize shifting cultivators, (4) prevent shifting cultivation, and (5) reduce population growth. Particularly, the purposes of policies for land resources are aimed at providing better access to the resources for local people.

Despite this effort, however, from the unification of the country in 1975 until the late 1990s Vietnam's forested areas decreased from 36 percent in 1975 to 23 percent in 1991 (Poffenberger, 1998). The primary forest area accounted for only 6 percent of the Vietnam's land area. According to many experts' opinions, in the 1970s and 1980s about 200,000 ha of forestland were lost annually. The barren land areas expanded from 3 million ha in 1943 to 12 million ha in 1995, accounting for 40 percent of the country's land area. The depletion of natural soil fertility caused long-term environmental damage. As a result, over 28 million upland people who live in areas where were once covered by forests have been more vulnerable. Many of them experience great difficulty in producing adequate food and their sources of income have decreased.

Many reasons have been set forth to explain the loss of forestland, including: three decades of fierce war; population growth; policies on establishing new economic zones; shifting cultivation; and forest fires. Of these reasons, inappropriate forest resource management has also played an important role (Vien, 2002).

The Centralized State Control Model for Managing Forestland

From the liberation of the north of Vietnam in 1954 through the mid-1980s, the state nationalized forest resources and forestland. The Department of Fixed Cultivation and Sedentarization was formed in 1968 to transform swidden farming communities into “permanent” settlement ones (i.e., encourage swiddeners to move to lowlands to cultivate paddy), and to persuade them to adopt fixed cultivation practices (i.e., the cultivation practices of lowland people). The fixed cultivation and sedentarization program targeted around 0.5 million shifting cultivators. Since 1968, various fixed cultivation and sedentarization programs have encouraged swiddeners to give up shifting cultivation practices and adopt fixed farming practices.

The State began allocating forestland to cooperatives in 1968, when the cooperative movement was flourishing. Then Resolution 272/CP, issued in 1972, sought to allocate land and forests to cooperatives in order to achieve the three goals of agricultural production development, forest protection, and forest resources development.

The State also established a forest enterprise system to manage forests. These enterprises not only managed the forests, but they also exploited them, processing and distributing timber forest products. Until 1993, there were industrial-agricultural-forestry enterprise associations which represented the State in forest management. State policies for forestland were associated with the management of forest enterprises, technical guidelines from the Ministry of Forestry, and the Fixed Cultivation and Sedentarization Programs, to halt deforestation and forestland degradation.

State forestry had grown by then into a large bureaucracy, including industrial-agricultural-forestry enterprise associations, special-use forest management boards, agricultural-forestry enterprises, and forest protection departments. Yet over time, many shortcomings of state forest enterprises were exposed. This mode of state-led management failed to encourage farmers to work on forestland and forests. Forests were always co-managed because producers did not have rights to directly manage and use forestland, forests, and forest products, even those which they produced by themselves. State policies regulated all such products as “national assets” and considered them owned by the state. Similar cases have existed in the past, or currently exist, in some African countries where the state’s capability for forest management is poor. In reality, pressures on forest resources were the result of a number of factors, but the State

managed only some of these factors. Vietnam faced this situation during the centralized state control of 1954 to the mid-1980s and a variety of consequences arose because of this; for instance, there were conflicts between local people and forest plantations in managing forest resources; there was a lack of investment capital, and the State had difficulty in reforming the management of the forestland and forests.

In response to these and other problems, in 1983 the Party Secretariat issued Directive 29-CT/TW dated November 12, 1983 with the goal of boosting forest and land allocation, establishing forests, and implementing agro-forestry models. Its aims were: (1) to protect existing forest areas and develop forest resources; (2) to effectively manage bare land and hills and coastal sandy areas; (3) to promote environmental protection measures and to maintain the productive capacity of the forests; and (4) to fulfill the increasing demands of the mission to build socialism, and to improve living standards as well as to enhance national security. The Directive emphasizes that *'each land plot, each forest, each hill has its owner'*.

The State and Party have recognized the role of households, co-operatives, and communities in protecting forest resources since the 1970s and 1980s. After allocating forestland to cooperatives, beginning in 1968, the State began allocating forestland to households in 1983. A total of 4.4 million ha of forestland was allocated to 2,638 communes, 7,442 cooperatives, and 432,500 households in the early 1990s. However, in fact, the cooperatives and communes reallocated their forestland to households, hence by the late 1980s, households had almost replaced State forest enterprises in managing forests.

The Private Management Model for Forestland

Since the Sixth Congress of the Communist Party of Vietnam, as part of the renovation process, the forestry sector has been transformed from state-based enterprises to social-based ones. People became a key force in protecting and developing forests. Resolution 10 of the Politburo dated April 5, 1988 instructed the Party and the government to: 'Implement forest and forestland allocation to cooperatives, production enterprises, and peasant households to protect, care, plant, exploit and take advantages of forest products with the aim of creating conditions for forest dwellers to live off forests and improve their livelihoods by utilizing the commercial advantages of forests.' Article 2 in the Law on the Protection and Development of Forests issued in 1991 adds that 'The State allocates forests and forest-growing areas to organizations and individuals to protect, develop and manage forests for sustainable and long-term use.'

In the late 1980s, statistics from the Ministry of Forestry¹ showed that 10 out of 19 million ha of forestlands, which were classified as ‘barren land’ because of their poor quality, were used for shifting cultivation or grazing land. The Tropical Action Program warned that Vietnam’s forest resources could not supply enough timber for timber-processing enterprises. In this period, state policies sought to ‘separate’ forest from the forest people who live in forests and use forests as a source of their livelihood. However, these policies failed to achieve the expected results. By the early 1990s, it was clear that the direct participation of the state in managing, exploiting, processing, and consuming forest resources was neither effective nor sustainable.

To solve the above problems, in the 1990s a number of new policies were issued. In 1991, the Tropical Forest Action Plan and the law on Forest Development and Protection were issued. These new policies changed the state-led forest management into a mode that emphasized private management of forestland. The state allocated forestland and forests to households who belong to forest communities so that they could develop and manage them as a means of replacing centralized state control (Sikor, 1998). Household forestry gradually took the place of state forestry in forest management and became a primary unit in protecting forestland and forests. The households were given long-term land-use rights. Moreover, they also received technical support from forest enterprises and loans from banks.

Forestry policies have thus undergone a significant change. After long focusing only on national benefits and ignoring the needs of the people, now an effort was being made to combine household benefits with national goals. The law on Forest Development and Protection institutionalized policies for the allocation of land to organizations, households and individuals. However, it is necessary to note that forests, forestland, and all other natural resources in Vietnam, in principle, remain under state control. The land law issued in 1993 stipulates that land is the property of the entire people, uniformly managed by the State. The State allocates land to organizations, households and individuals for sustainable and long-term use (Article 1). Land users will receive land-use certificates and the State shall protect the legal rights and interests of the land users. Households and individuals receiving land allocated by the state will be entitled to exchange, transfer, lease, inherit, and mortgage the land-use right (Article 2 and 3). The land users shall be responsible for the protection, improvement, fertilization, and the rational and effective use of land. They will also fulfill all other responsibilities of land users in

¹ In 1996 the Ministry of Forestry was merged into the Ministry of Agricultural and Rural Development

accordance with legislative regulations. Thus, the term “management” which we have used so far only implies protection and use rights; it is not used to mean “ownership”.

Under Decree 02/CP, issued January 15, 1994, organizations, households, and individuals were allocated forestland to achieve stable and long-term use for forestry purposes. Forests were classified into 3 categories: protection forests, special-use forests, and production forests. The government allocated forestland to households for a period of 50 years. After the period is terminated, if the households still request the use of the land and remain committed to use it for the correct purposes, then the state will consider further allocation. For forest land classified as ‘barren land and denuded hills,’ the land users will benefit from proper investment and support policies, as well as from either a reduction in or exemption from provisions of the tax laws (Article 12). At this point, legislation finally officially recognized households as beneficiaries of land and forest allocation.

Decree 01/CP, issued on January 4, 1995, was enacted to regulate the allocation of land for agriculture, forestry and aquaculture production in state-owned enterprises. The state-owned enterprises can allocate land to households and individuals by making contracts to protect the soil. For forestland, the state enterprises can allocate to households and individuals the three different types of forests: including protection forests, special-use forests, and production forests. The forest recipients are responsible for the protection of forests. The state enterprises are in charge of paying for the recipients’ protection work.

On November 16, 1999, the government issued Decree 163/ND-CP on allocation and lease of forestland to organizations, households and individuals for long-term forestry purposes. Later, in January 2000, this decree was officially replaced by the Decree 02/CP 1994.

The effectiveness of land and forestland allocation policies on soil productivity in different regions depends on their natural and the people’s socio-economic conditions. The implementation of forestland policies in the uplands has not been as successful as the implementation of agricultural land policies in the lowlands. Land allocation in the lowlands brought about a revolution in agricultural production, especially paddy rice production. However, no similar outcome could be achieved in the uplands. What factors made this difference? Was it policies, institutions, culture, natural and social environments, or science and technology? So far it has been explained by that the lowlands had abundant labor resources, advantages of inputs and capital, and advanced markets while the uplands lacked production capital and had underdeveloped markets. Additionally, though, the land allocation process varied

from region to region; each region could issue specific instructions in accordance with its conditions.

As land-use rights were allocated to households, the management power of households generally increased. Yet, ironically, in some places land allocation actually lessened local people's rights. Some research shows that after receiving forestland the effect on forest management of the households who received technical support was highly significant. In contrast, in other places, where forestland is a unique source for producing food, local people did not want to have to give up their slash and burn cultivation practices and use land only for forestry purposes. Yet under the terms of the allocation they had no rights to continue to cultivate the areas where they had previously practiced cultivation, because other households were allocated those areas. Thus, in these areas, communities and their households actually saw their management power of the land decrease, and their options for managing and using the land decrease.

Policies are often accompanied by national programs intended to increase their effectiveness. One major national program of this kind was Decision 327/CP. This Decision was issued in September 1992. It had several objectives, one of which was to increase productivity of barren lands and denuded hills in uplands. This Decision, later known as the 327 program, consists of large-scale programs to improve agricultural and forestry productivity and to enhance forest planting activities. The strategy was to increase the productivity of barren land and hills (by using cultivation technology developed for and previously implemented in the lowlands), to achieve "fixed cultivation" and "permanent settlement", and promote greater intensive agriculture.

The achievements and shortcomings of the 327 program have been widely discussed. Fifty percent of the project budget was used for unplanned purposes. The design process of the program was top down. Local people did not have a chance to participate in either the design process or the implementation of the program. The program focused only on developing infrastructure systems and encouraging local people to plant trees on their cultivation plots. Forest enterprises were the main participants in the program and local households had to take part in the program through the forest enterprises.

The program's outcomes fell far short of its expected achievements. Conflicts among local people and authorities and forest enterprises over the demand for natural timber products and firewood, lack of investment capital, ambiguous regulations and loose cooperation among

appropriate authorities became serious problems and badly affected forest management and development.

Decision 661/QĐ-TTg issued in July 1998 set forth the objectives, the tasks, the policies and the implementation for a program aimed at afforestation of five million ha. The objectives of the program are to establish five million ha of new forests as well as to protect existing forests in order to increase the forest cover to 43 percent of the total land area by the year 2010. This is to contribute to a healthy environment, reduce natural disasters, increase water production, and preserve genetic resources and biological diversity. Its objectives are also to effectively use barren land and hills, to create jobs, to contribute to the elimination of hunger and poverty alleviation, to sedentarize farming and achieve fixed settlements, and to increase the standards of living for the local people in rural areas of the mountainous regions (Article 1). Decision 661/QĐ-TTg also provides that ‘the state will give priority to households affected by the fixed cultivation and sedentarization program, poor households, households who live near forest buffer zones, and households who were previously distributed forestland to receive special-use forests and protection forests’ (Article 7).

In reality, the Five Million Hectare Afforestation Program has been focused on protecting the environment rather than improving the living standards of local people. These upland people are poor and concerned only about meeting their immediate basic needs rather than what might happen to them in the coming 5 or 10 years. Their life is bound to the forests, but, apart from their labor and their experience of living with forests, they do not have the financial resources to invest in forests. With the low level of investment from the State, land allocation cannot help them get out of poverty. Furthermore, like the 327 program, the Five Million Hectare Afforestation Program did not specify the benefits which the land recipients would get from the mature forests that they planted and protected, especially protection and special-use forests, which have never been exploited.

An example of the poor effectiveness of the 327 and 661 programs is seen in the story of Thanh Cong village, Van Mieu commune, Thanh Son district, Phu Tho province.

In 1994, the natural forest protection portion of the 327 program was begun in Thanh Cong. When the program came into practice, no-one knew about it except the village authorities. The head of the village received 100 ha of forest and distributed it to his relatives to protect. The protection payment was 35,000 VND per ha a year. Local people wanted to be distributed a part of this area to get the payment when they learned about this program. However, the headman did not approve their requests. Unhappy at this unreasonable decision, in 1995 some local person set fire to

a part of the area. Although the headman was responsible for protecting this forest area, he did not have to compensate for the damage.

In 1999, the forest protection activities of the 327 program terminated and moved to the Five Million Hectare Afforestation Program, the so-called the 661 program. The 100 ha of natural forest, which the headman protected, was distributed to him again. In addition, 221 ha of natural forest was distributed to three other households to protect. Out of the three households, the heads of two of them were the leader of the local Farmers Union and the leader of the Veterans Union. Three out of the four households were better off, being selected for the demonstration model. Hence, the total forest protection area was 321 ha. The protection contract between the Bua river project and the four households came into effect in January 1999 with the protection payment worth 30,000 VND/hectare a year. Though contracts were signed between the project and the households, the headman kept all the contracts and controlled the protection activities and distributed the protection payment.

To protect forests, the headman formed a protection group with eleven members. He was the leader of the group. Each household was allowed to have one member take part in the group. The other members were all relatives of the headman. The protection payment was paid twice a year. This sum was distributed to the eleven members based on their working days. Yet the protection payment of the 100 ha of the headman was kept separate and he kept all of this payment.

According to the commune leader, the 321 ha of natural forest was distributed to the village headman, the Veterans' Union, and the Farmers' Union. The households who had signed contracts to protect the forest were supposed to receive thirty percent of the total protection payment. And seventy percent of this payment was supposed to be used for the development fund of the village. In fact, those regulations were not obeyed. Once again the households who had a high social position in the village, and were better off as well used their position as a means to gain access to natural resources to meet their private needs. Due to their low social positions, the other households could not gain access to these resources. They were dissatisfied with this unreasonable situation. Some households submitted letters of complaint to the commune's authorities, but they still have not received any response. It can be seen that inequality in access to and control over natural resources has caused conflicts among the local households, especially between the poor and the better off households. This is a bad sign for sustainable use and management of natural resources in this village in the future.

(Source: To Xuan Phuc 2002, Field Note)

In short, private resource management in some places was initially considered as an efficient model. However, as it turned out, it was difficult to prevent timber exploitation for commercial purposes or house construction, especially when such activities were one of the

sources generating household cash income, income that was badly needed for dealing with the outside world as new needs were steadily emerging, especially among the young people. The State also encountered difficulties in implementing new development programs for the entire community when forests and forestland were allocated to households, but not to the community, to manage and protect.

This combination of private management and state management has not brought about the expected outcomes. In almost all mountainous areas a part of the forestland has been allocated to households while the rest is still under the management of state forest enterprises or other state organizations. Decree 01/CP instructs the state forest management organizations to sign forest management and protection contracts with people living near the forests. However, this mode of management has generated new conflicts among state organizations. And there has especially been conflict between state forest enterprises and local people because the State does not allow people to exploit the forests. Moreover, the border between areas protected by households and areas protected by forest enterprises has not been clear (Sikor 1998, Vien 2001, 2005). This situation has been common in the northern mountainous region of Vietnam.

Thus, in the development process, the Vietnamese government has issued a very important set of laws and policies to protect and generate forest resources. Together with the issues and implementation of important laws, such as the Law on Forest Protection and Development (1992, 2004), Land Law (1993, 2003), Environmental Protection Law (1993), supplement decrees were also issued and implemented (Decree 02/CP, 1994 and Decree 163/ND-CP, 1999) on forestland allocation. This set of laws and decrees, along with other development programs (327, 661, etc.) has created a legal framework for forest and forestland use rights. This provides the legal basis for a system of management of forests and forestlands that includes management by the state, private management, and management by political and social organizations. At the same time, it has provided great budgetary resources for forest allocation and development. Thus, a fundamental transformation of the forest and forestland management systems is underway.

Despite many Vietnam's efforts regarding forest management planning (efforts to protect forest resources and efforts to develop forest resources), up to now the results have not met our expectations. While the forest cover rate has been increasing (28 percent in 1999, 33.2 percent in 2002 and 37.7 percent in 2005), the quality and biological diversity of forests continue to be reduced at every level: national, regional and local (Vien 2005). This may be because the natural resource management strategies have focused only on protecting and increasing the forest cover

rate and less attention has been paid to local people's livelihoods and to the types of trees that are planted. In addition, the decentralization of forest and forestland management to households and individuals in Vietnam's uplands has created a strong emphasis on the private management model, typically the establishment of hundreds of agro-forestry farms. At the same time it has created many poor farmers who have little or no land to cultivate. Apart from its positive impacts in socio-economic development and environmental protection, it has also created a great gap between the rich and the poor.

There are many potentially unsustainable elements in contemporary mountainous rural development. Many different factors have played a role in creating this situation, but the main and direct causes of many of the problems are the existing institutions and models of forest management. In fact, we may say that up to 2003, Vietnam only focused on state forest management, followed by the forest and forestland privatization process. Community-based forest management mode have never received adequate attention. In a research project conducted in 5 northern mountainous provinces (Vinh Phu, Yen Bai, Lao Cai, Tuyen Quang, Ha Giang), no specific examples of (or even references to) the allocation of forest and forestland to local communities could be found (Donovan et al, 1997).

References

Donovan D., Rambo T. A., Fox J., Le Trong Cuc, Tran Duc Vien, 1997. *Development trends in Vietnam's Northern mountain region*. National Politic Publishing House. Hanoi. Volume I: 105 pages.

Decision 327/CP, 1992. Policies for the Use of Bare Lands, Denuded Hills, Forests, Alluvial Flats, and Bodies of Water. Chairman of the Council of Minister. Hanoi

Decision 661/QD-TTg, 1998. Objectives, Tasks, Policies and Implementations of the Five - million - hectare Afforestation. Prime Minister of Vietnam.

Decree 01/CP, 1995. Decree on the Enactment of Regulations on the Allocation of Land for Agriculture, Aquaculture, and Forestry in State - run Enterprises/Farms to Organization, Households and Individuals for Stable and Long-term Use. The Central People's Government. Hanoi.

Decree 02/CP, 1994. Decree on the Enactment of Regulations on the Allocation of Forestry Land to Organizations, Households and Individuals for Stable and Long-term Use for Forestry Purposes. The Central People's Government. Hanoi

Decree 163/ND-CP. 1999. Decree on Allocation and Leasing of Forestland to Organizations, Households and Individuals for Long-term Forestry Purpose. The Central People's Government. Hanoi

Directive 29-CT/TW, 1983. Directive on Boosting of Forest and Land Allocation, Forest Planting, and Enterprise. The Party Secretariat.

Land Law, 1993. The National Political Publishing House. Hanoi, Vietnam, 1993.

Land Law, 2003. The National Political Publishing House. Hanoi, Vietnam, 2003.

Law on Environmental Protection, 1994. The National Political Publishing House and Science and Technics Publishing House. Hanoi, Vietnam, 1994.

Poffenberger, M. (Ed.), 1998. *Communities and Forest Management in Southeast Asia, IUCN Working Group on Community Involvement in Forest Management*. Cambridge, UK, pp.75–81.

Resolution 10, 1988. Resolution on Allocation of Agricultural Land to Individual Households. The Central People's Government.

Resolution 272/CP, 1972. Resolution on Allocation of Forest and Forestland to Cooperatives.

Thomas Sikor, 1998. *Forest Policy Reform: From State to Household Forestry*. In *Stewards of Vietnam's Upland Forests. Resource Management for Upland Areas in Southeast Asia: An Information Kit, FAO and IIRR, 1994. Pp. 18 -37*. Quezon City: Forest Inventory and Planning Institute and Asia Forest Network, 1998.

To Xuan Phuc, Field Notes in Phu Tho Province. Unpublished, 2002.

Tran Duc Vien (Eds), 2005. *The Impacts of Decentralization of Forest Management on Livelihoods of Ethnic Minority Groups in the Vietnam's Uplands*. Agricultural Publishing House. Hanoi.

Tran Duc Vien, 2001. *Thanh tuu va thach thuc trong quan ly tai nguyen va cai thien cuoc song nguoi dan o Trung du-Mien nui Viet nam – “Achievements and challenges to resource management and improving people's lives in the Midland – the Mountainous Regions of Vietnam”*. National Politic Publishing House.

Tran Duc Vien, 2002. *Chinh sach dat dai va van de quan ly tai nguyen rung tren co so cong dong – “Land policy and issues of forest resource management based on the community”*.

In “Phat trien ben vung mien nui Vietnam – *“Sustainable development of Vietnam Mountainous Regions: 10 n m nhìn l i và nh ng v n t ra – 10 years looking back and planned issues”* .
Page 472-490. Agriculture Publishing House, Hanoi.