

Forest Devolution in Dak Lak, Vietnam: Improving Forest Management or Livelihoods of the Poor?

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Abstract

This paper looks at equity in the distribution of benefits from forest devolution in two villages in the Dak Lak province of Vietnam. It shows that patronage of state officials was present in many aspects of devolution, potentially undermining the efforts to improve the livelihoods of the local people, particularly those of the poor, through forest devolution. Findings suggest that political equity and economic equity related to forest devolution are interlinked at the local level. Forest devolution may contribute either to improve forest management or livelihoods of the poor or the achievements will be weak for both objectives.

1. Introduction

In Vietnam, forests have long been managed as state property. Deforestation and degradation of forest resources under state management along with the recognition of people's role in forest management stimulated an experimental devolution of forest management to local people. This initiative has been implemented in Dak Lak province of Vietnam since 1998. By involving local people in forest management, Dak Lak had the goal of improving the management of local forests and the livelihoods of local people, particularly the poor (Nguyen 2005). The question that has arisen is whether the state has been able to meet these objectives.

This paper looks at equity in the distribution of benefits from forest devolution. It argues that distribution of benefits from forest devolution in Dak Lak province of Vietnam has been largely influenced by local state patronage and local elites have dominated the devolution process. Such distribution may improve forest management but it is unlikely to help improve the livelihoods of the local poor people. I have showed elsewhere (Nguyen forthcoming) that devolution was able to provide benefits to local people and that household wealth and labor resources were influential in the acquisition of forest benefits. In this paper, I analyze the processes through which

the practice of state patronage influenced the distribution of two major types of benefits: forest endowments (i.e. rights to forests) and forest entitlements (i.e. economic benefits from forests), which in turn affected the achievement of sustainable forest management and livelihood improvement of the devolution program. Data for the analysis came from field research between March and September 2002 in two villages where devolution was completed around the end of 2000.

The paper proceeds as follows: section 2 presents a brief review of current literature on forest livelihoods and devolution. After this, section 3 discusses the methodological approach of the study. In section 4, background information about Dak Lak province, its forest devolution program and the study villages is presented. Then, section 5 analyzes the processes of distribution of forest benefits in two study villages. In section 6, I discuss the findings from the two study villages. Finally, section 7 concludes the paper and discusses the policy implications of the findings. In general, the paper hopes to shed light on the linkages between equity and sustainable forest management and livelihood improvement through forest devolution.

2. Forest Livelihoods and Forest Devolution

2.1. Forest Livelihoods

Forests can play an important role as a source of income and a basis for the livelihoods of forest-dependent people. The principal services and products from forests include timber, non-timber forest products (NTFPs), land and environmental services. Among them, perhaps NTFPs gain the most extensive attention in discussions of forest-people relationships. The contribution of NTFPs to the livelihoods and welfare of forest-dependent people has become increasingly recognized (Arnold and Pérez 2001, Gram 2001, Belcher 2005). NTFPs play a role in the household economy of not only the poor but also the rich. Poor people may rely on NTFPs as a means of subsistence while rich people are in better position to exploit NTFPs commercially (Cavendish 2000, Warner 2000, Arnold and Pérez 2001, Belcher and Kusters 2004):

“The poor may not have access to the skills, technology or capital necessary to be able to benefit from opportunities presented by growing markets for NTFPs. As a consequence, control over these opportunities, and over the resource, are often progressively captured by the wealthier and more powerful, and the households with the most labor, at the expense of the poorer within the community” (Arnold and Pérez 2001; 442).

In commercial terms, timber generally remains the most important forest product (Angelsen and Wunder 2003). Its high commercial value makes timber an attractive forest product for state and commercial concessionaries. Unsurprisingly, poor people are generally excluded from the benefits generated by timber because they lack the

necessary power and capacity to benefit from timber products (Belcher 2005). In the end, benefits of timber most available to the poor are the most arduous work and servicing activities, such as waged labor in timber logging created by the logging industry (Peluso 1992).

From a farmer's perspective, forestland that can be used for cultivation purpose appears to be the most important resource (Goebel *et al.* 2000). Farmers' interest in forest pertains not only to the land's geography but also typically to the land itself. When the timber is economically valuable, people are interested in both the trees and the land. In other situations, it is the land that they are interested in (Peluso 1992). Improvement of rural infrastructure and expected land scarcity can accelerate the clearing of forest for cultivation (Angelsen 1995). Lacking the capability for crop intensification, the poor may go for extensive farming "until they run up against the end of the land frontier" (Reardon and Vosti 1995: 1501).

Finally, payment for environmental services (PES) can allow local communities to improve their livelihoods through direct funding for the conservation of forest resources (Arocena-Francisco 2003). So far, paying people for watershed protection appears to be the major form of PES. However, whether or not the poor can benefit from payment schemes depends on their bargaining power and property rights (Landell-Mills and Porras 2002). As the new values attached to forests could motivate powerful outsiders to expel local people, particularly women, from the forest or force their protection services by coercive means (Angelsen and Wunder 2003), benefits from PES may accrue to non-poor actors (Pagiola *et al.* 2005).

2.2. Forest Devolution and Equity

Devolution refers to the transfer of power, rights and responsibilities to user groups at the local level (Fisher 1999, Meinzen-Dick and Knox 1999). It is about the shift of property and power from the central government to local people. True devolution requires a transfer of benefits from the resource away from the government (Edmunds and Wollenberg 2001, Shackleton *et al.* 2002, Edmunds *et al.* 2003).

Forest devolution has taken place in over 60 countries as one of the measures to involve local people in the public decision-making and management of forest resources (Meinzen-Dick and Knox 1999, Edmunds and Wollenberg 2001, Edmunds *et al.* 2003). Beside economic efficiency and sustainability in forest management and conservation, devolution is also expected to improve social and economic equity through a more equitable distribution of benefits (Agrawal and Ostrom 1999, Fisher 1999, Ngaido and Kirk 1999, Ribot 2002). For devolution to work in practice, it is important that discretionary powers are transferred to local people along with rights and responsibilities (Fisher 1999, Ribot 2002, 2003). In addition, downwardly accountable authorities and local participation in the decision making process are the major elements that lead to efficiency and equity in devolution (Ribot 2002, 2003).

Equity is important in natural resource management as a means to ensure the participation of the poorer groups (Jain 2002, Poteete 2004). Equity is about fairness and social justice across user groups (Fauconnier 1999, Smith and McDonough 2001,

Poteete 2004). Equity is not synonymous with equality – which is about sameness (Fisher 1989, Poteete 2004). The former may or may not mean the latter. Equity may have different foci and scales. Of concern to forest devolution are political and distributional (or economic) equities at the local level: political equity is about who gains influence in the decision-making and economic equity is about who gets what benefits (Poteete 2004: 13-20). Ideas of equity can differ according to situations and culture (Fisher 1989, Jain 2002).

In forest devolution, economic benefits are often captured by the local elite, who are not necessarily representative of local communities (Fisher 1999, Edmunds and Wollenberg 2001, Shackleton *et al* 2002, World Resource Institute (WRI) 2003). In addition, “local elites... are informal policy makers. They shape the outcome of devolution policies in every country, generally against the interest of the poor” (Edmunds and Wollenberg 2001: 194). The poor still have to bear the cost of conserving the forest (Edmunds and Wollenberg 2001). By contrast, natural resources can be successfully managed where significant inequities exist, even with the complete awareness of community members (Jain 2002). This can happen in the case of heterogeneous groups where resource users can “design institutions to cope effectively with heterogeneities” (Varughese and Ostrom 2001: 751).

In the end the question is whether a certain level of inequity may be sufficiently acceptable to achieve specific purposes (e.g. forest management and livelihood improvement)? In this paper, I analyze the distribution of different benefits from devolution in the study villages to understand the level of political and economic (in)equities in forest devolution and their impact on the achievement of the forest management and livelihood improvement objective of the Dak Lak province.

3. Methodology

3.1. The Conceptual Framework

Since devolution is about a shift of property rights from the state to local communities, it is important to understand what property rights mean in resource management. ‘Property’ or ‘property rights’ refers to a right or a set of rights to things (MacPherson 1978, Bromley 1989, Bruce 1998). Property is important in the derivation of benefits from a resource. It is considered “a claim to a benefit stream” (Bromley 1992: 2). Besides property, access is essential in the derivation of benefits from the resources in question. Access is regarded as the ability to benefit from a thing (Ribot 1998, Ribot and Peluso 2003). Access analysis helps “understand why some people or institutions benefit from resources, whether or not they have rights to them” (Ribot and Peluso 2003: 154). Access is different from property:

“A key distinction between access and property lies in the difference between ‘ability’ and ‘right’ [...] Access is about all possible means by which a person is able to benefit from things. Property generally evokes

some kind of socially acknowledged and supported claims or rights - whether that acknowledgement is by law, custom, or convention” (Ribot and Peluso 2003: 155-156.

In entitlement literature, the concepts of endowment and entitlements are used to refer to the benefits from a resource. Entitlement literature began with Sen’s entitlement approach to famine in which he uses the concept of entitlement failure to explain the cause of famine (Sen 1976, 1981). Later, Leach *et al.* (1999) develop Sen’s original idea into an environmental entitlement framework (EEF) to explain how the consequences of environmental change are socially differentiated. In their point of view, endowments are “the rights and resources that social actors have”, and environment entitlements “refer to alternative set of utilities derived from environmental goods and services” (Leach *et al.* 1999: 233).

The EEF is adapted as a conceptual framework for this study (Figure 1)¹. Following Leach *et al.* (1999), benefits from devolved forest are defined as endowments

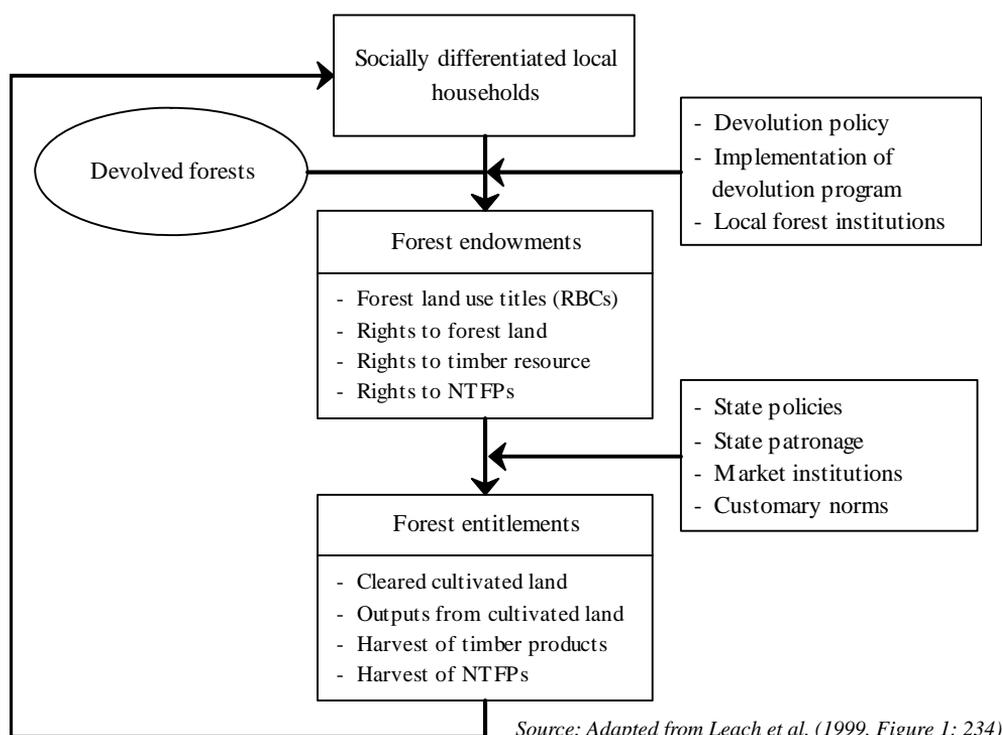


Figure 1: The Conceptual Framework

¹ The conceptual framework for this research has two major differences from the original EEF (Leach *et al.* 1999). 1) I place local households at the center of the analysis to highlight their role and their differentiated capability in the acquisition of endowments and entitlements, and 2) I drop the attention to the distribution of entitlements within households, particularly among men and women, because it was discovered during the field work that gender did not appear to be a major issue in the study area.

and entitlements. Endowment refers to the rights to benefit while entitlement refers to the concrete benefits that people derive from the forests. The former may not necessarily lead to the latter. In other words, endowments may not be automatically transformed into entitlements. The transformation process from endowments to entitlements is influenced by the operation of a system of various institutions working at different levels and by the differences in the capability of social actors.

In the conceptual framework, devolved forests are considered the goods of concern. Acquisition of endowments to devolved forest is influenced by devolution policy, implementation of this policy in the local context, existing local forest institutions and the devolved forest itself. Endowments being considered in this paper are forestland use title (Red Book Certificate or RBC for short), and rights to forest land, timber and NTFP resources from the devolved forest. Entitlements from the devolved forest are the area of land cleared for cultivation, the outputs from this cultivated land, the harvest of timber products and the harvest of NTFPs². The entitlements include both kind and cash returns but are calculated in cash equivalent value. Acquisition of forest entitlements is influenced by existing household resources, the forest endowments, market institutions (for labor, farm inputs and outputs), practice of state patronage and state policies. The acquired endowments and entitlements from devolved forest may have feedback effects on livelihoods and access to productive resources of local households. (In)equities that occurred in the distribution of forest benefits are reflected in the mapping of forest endowments and entitlements.

3.2. Data and Data Collection

This research focused on two villages in Dak Lak province. The villages were chosen from two separate districts with different local conditions and pressures on devolved forest resources. They roughly represented two extreme conditions in terms of resource extraction in the devolved forest: one on clearance of land for cultivation and the other on timber logging. The purpose was to gain insights into the connection between devolution and its benefits and to see how people in different positions reacted to devolution.

As presented in Figure 1, the study focused on four endowments and four entitlements. Selection of the forest endowments was based on the offer of Dak Lak's forest devolution policy in terms of benefits to forest recipients and the existing secondary data on the devolved forest. The selection of forest entitlements was based on the most important benefits from the devolved forest being harvested by local people. The four concrete entitlements reflected the most observable uses of the

² Timber entitlement was defined by the total cash equivalence value of two to three of the most important timber products collected by the household in a year. NTFP entitlement was the cash equivalent value of two to three most important NTFPs collected. The selection of the timber and NTFP products was based on thorough discussion with villagers and was specific for each village. Once the selection was done, all households in the village were asked about the same products.

devolved forest resources. Other entitlements, including the use of forest RBCs as collateral for loan or harvests of game animals, are not discussed in this paper due to their uncommon occurrence. At the household level, I focus on the influence of household political position on the distribution of forest benefits.

Data for the study were collected through field study in two villages from March to September 2002. Different data collection strategies were applied, including unstructured interviews with villagers (individually and in groups) and local state officials (from local authorities and state forest enterprises - SFEs), direct observations and household census. Data were also collected from secondary sources, including local statistics, reports and legal documents. Pre-devolution data were collected either from secondary sources (existing reports and files) or directly from the farmers and local officials using recall technique. Data on forest resources were collected from secondary sources and updated through forest inventories conducted by local SFEs in mid 2002.

Households covered by the study included both groups of forest recipients (i.e. those who received forest through devolution program) and forest non-recipients (i.e. those who did not get forest). The difference between these two groups is the recognition of the rights to the forest by statutory (state) laws. People from both groups may live in the same village, yet the former was given the legal rights to the devolved forest while the latter was not. Nevertheless, both groups in practice had endowments to the forest, which were backed up by not only formal laws but also customary regulations.

4. Background to the Study

Dak Lak is located in the Central Highlands of Vietnam³ (Figure 2). It is the largest province in Vietnam with total physical area of around 1.9 million hectares (ha), more than half of which is classified as forestland. Agricultural land accounts for about 26% of the total land size. Dak Lak is home to about two million people from more than 40 different ethnic groups, most of whom are migrants coming from other provinces. Indigenous ethnic groups (the major ones are Ede, Jarai, and M'Nong) are minor in number (around 18% of the province total population) and mostly living in remote areas.

Like other provinces in Vietnam, state management of forest has been practiced in Dak Lak since the end of the American War⁴. For more than a decade after the war, forest exploitation was the major focus. State forest enterprises (SFEs) were set up as the state organizations in charge of forest exploitation and plantations at the

³ In January 2004, Dak Lak was split into two provinces: Dak Lak and Dak Nong. The name Dak Lak used in this paper, however, refers to Dak Lak as one province that existed before this division.

⁴ Known as Vietnam War in Western literature.

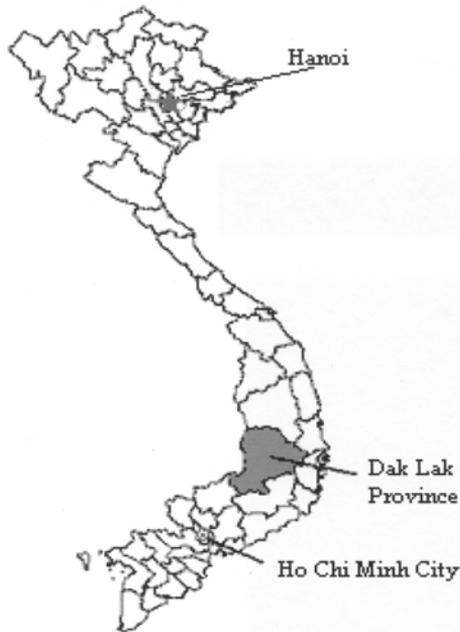


Figure 2: Location of Dak Lak

field level. Forest cover in Dak Lak declined rapidly during this period. Around 242,000 hectares (ha) of natural forests were lost between 1982 and 1999 (Nguyen 2005). In addition, forest quality also decreased. Area with rich quality forest declined from 73,000 ha in 1982 to 15,000 ha in 1999 and poor forest increased from 278,000 ha to 411,000 ha in the same period (Dak Lak Department of Agriculture and Rural Development (DARD) 2001b).

The forest devolution program in Dak Lak is the province's experimental initiative to respond to the decline in its forest resources. The program started in 1998 with these two objectives: 1) to maintain and improve the province's existent forest cover and 2) to improve the livelihoods of local people (Nguyen 2005). Dak Lak's devolution program

devolved the rights to natural production forests that were managed by local SFEs to either individual households or groups of households. In the later stage (i.e. from 2001), the program also devolved forest management rights to communities. Long-term land use titles (RBCs) for forested land were granted to local people as evidence of the state's recognition of legal rights (to exchange, transfer, mortgage, lease and inherit land titles) stated in the land law. In addition to the RBCs, a contractual agreement among the state forestry representative, local authorities and local forest recipient household(s) was attached to each RBC. This contract specified the benefits from devolved forest that people were entitled to and the duties that they were expected to perform. By the end of 2000, forest devolution (in the field) was completed in 13 villages in five districts, with approximately 7100 ha of forest having been devolved to 339 individual households and 19 household groups consisting of 149 households (DARD 2001a).

The study villages are located in two different districts in Dak Lak: Cham B village in Krong Bong district and Buon Diet village in Ea Hleo district. Both villages are economically poor. At the time of the study (2002), Cham B had 42 households, 38 of whom were indigenous Ede and the remaining four were Kinh (the mainstream Vietnamese) migrants. Buon Diet had 53 households, 43 of whom were Jarai, one Ede and the remaining were Kinh migrants. Market conditions were different between the two villages. Cham B is located in a rather remote area, around 30 km from the district center. Access to the village was difficult during the rainy season. By contrast, Buon Diet was rather well integrated into the market. The village is situated on the

provincial road that connects the district center to the neighboring province and could be reached by automobile year-round.

Although there were various sources of livelihoods, the most important one was cropping. Rice (both paddy and upland rice) was cultivated for home consumption. Cash crops including short duration crops like hybrid maize and beans, and long duration crops like coffee were found in both villages. Pepper, however, was a new cash crop and was cultivated on significant scale in Buon Diet while hybrid maize was a new cash crop in Cham B. Forest products were also collected, mostly for home use and consumption. Off-farm income also played a role. The most popular off-farm sources were salary and allowances from the state (for the civil service work or contribution during the war), and returns from trading and servicing activities.

Forest devolution took place between 1998 and 2000 in Buon Diet and between 2000 and early 2001 in Cham B. Forest RBCs were handed over to forest recipients in 2000 in Buon Diet and mid 2001 in Cham B. People in Cham B village received forest in groups while people in Buon Diet received forest by individual household.

5. Distribution of Benefits from Forest Devolution in Dak Lak

5.1. Forest Tenure and State Patronage Before Devolution

Forest Tenure

Before devolution, Krong Bong and Ea Hleo SFEs were in charge of the state management of most local forests in Cham B and Buon Diet, respectively. The SFEs had branch offices in the vicinity of the villages with the task to perform state management of the local forest.

Under state management, all forests in the two villages were claimed by the state. Local people were expected to abide by forest laws and to practice sedentary agriculture in the designated areas. In both Cham B and Buon Diet, the local SFEs were responsible for keeping their forests from being converted into agricultural land. However, local people did not only cultivate in designated areas but also in the forests managed by SFEs.

Of all the forest resources, timber gained the most attention by the state forest organizations. In both villages, one of the SFEs' major activities was logging. In general, timber with high commercial value was the primary target of the state's logging activities. Claims on timber resources by local people were restricted to timber of less commercial value. Among local households, claims to timber trees were based on a 'first see, first own' basis (i.e. those who saw the tree first had the right to it). In Buon Diet village, the expansion of pepper cultivation in the late 1990s (as a result of the decline in coffee price) and the induced demand for timber poles for pepper plantations increased pressure on timber resources. As pepper planting increased in the year immediately before forest devolution, claims on timber by local people intensified.

By contrast to timber and land resources, the state did not place a strong claim on NTFPs. Local claims on NTFPs were also regulated on a ‘first see, first own’ basis. In both villages, NTFPs were used as communal property. Among local inhabitants, there was no specific distinction on who could claim NTFP resources in the forests. Local households, whether made up of indigenous ethnic people or migrants, could collect NTFPs as needed.

State Patronage

In Vietnam, the commune is the lowest administrative unit (Vietnamese National Assembly 1992). A Communal People’s Committees (CPC) is a standing body in charge of state administration within the commune’s territory. At the village level, there are state representatives to help the CPC administer the village.

Local officials were the ‘dominant rural group’ (Hart 1989: 33-36) and the clients of state patronage. In return for the services they rendered, local state officials received a monthly cash income. In addition, village officials were usually selected as beneficiaries for different development programs. Not only economic patronage, state political patronage was also present. In both study villages, close connections with state officials helped village officials improve their political status and influence within the village.

In forest management, there were mutual relationships between SFEs and local officials. Understaffing usually made it difficult for the local SFEs to keep forest resource extraction under control. They thus needed the allegiance of the communal and village officials for better forest protection. In return, SFE staff often made it easier for local officials to collect timber trees for housing. The connection with local SFE also helped improve the influence of local officials with their own community. A word from a local official could help a farmer get a logging permit from the local SFE for a new house.

5.2. Implementation of Forest Devolution in the Study Villages

In mid 1998, Buon Diet was selected along with three other villages in the same commune to start the provincial forest devolution program. By early 2000, fieldwork was completed with 327 ha of dipterocarps forest given to 20 individual Jari households⁵ (out of the totally 53 households in the village). Forest RBCs and a contract specifying rights and obligations were handed over to recipient households in March 2000.

In the devolution process in Buon Diet, Ea H’leo SFE and the local CPC played a key role. Ea H’leo SFE decided the area of forest to be devolved to the local people and the CPC made the selection of villages to be involved in the forest devolution. Ea H’leo SFE set the number of 20 households from Buon Diet to receive forest

⁵ At the same time, forest was also devolved to a group of ten officials from the communal administration. One of them was from Buon Diet. Thus there were a total of 21 households in Buon Diet having forest RBCs.

and required that at least two adult laborers be present in a household to be selected as a forest recipient⁶. However, as most of the households in the village had more than two adult laborers, the criterion left lots of room for selection. In the end, selection of specific households to receive forest was at the disposal of the village officials. Local people's participation in the process was nominal. Despite the fact that several meetings were held in the village, most of the talking was done by officials. The selection of households to receive forest was not clear to the villagers. In addition, not all households in the village were informed of forest devolution and its implementation in the village. Some households only learned about the program when it was almost finished and it was too late to apply.

In Cham B, forest devolution started at the beginning of 2000 when the forest devolution in Buon Diet was about to finish. Cham B and another village were jointly selected as targets of the devolution program in Krong Bong district. By early 2001, field allocation was completed and forest RBCs and contract papers were handed over to forest recipients in June 2001. A total of 569 ha of evergreen forest were allocated to five groups of 38 Ede households in Cham B⁷.

Similar to the process in Buon Diet, there was strong presence of state officials in the implementation of forest devolution in Cham B. Krong Bong SFE decided the area of forest to be devolved to the local people and communal authorities influenced the selection of villages involved in the process. Cham B village officials were rather active in the process. They participated in meetings at district and communal levels and ran most parts of the meetings in the village. In addition, the distribution of forest for specific recipient groups was recommended by the village cadres. Nevertheless, Cham B villagers participated more actively in the devolution process than people in Buon Diet. All villagers were informed of the program and invited to participate in village meetings. At the same time, the criterion for selection of households was clearer to all villagers: all Ede households in the village would be given forest and all Kinh households would not.

In both villages, the distribution of forest plots among households receiving forest was based on the existing forest management system by the local SFEs. According to this system, a *Tiên Khu* (forest district) was divided into several *Khoảnh* (sub-districts), and a *Khoảnh* into several *Lô* (plots). Plots in one forest district were similar in size. In Buon Diet, each forest recipient household got one plot. For Cham B, the size of a group's forest was based on the number of households in the group.

⁶ The argument was that receiving forest implied additional requirement for labor (e.g. to patrol the forest). Households with less than two adult laborers may not have sufficient labor to meet this requirement.

⁷ At the time of forest devolution, 42 households were present in the village: 38 Ede and four Kinh

5.3. From Legal Rights to Rights in Practice and Actual Economic Benefits

With forest devolution, forest recipient households were entitled with forest RBCs and became the ‘owners’ of the devolved forest. In principle, each recipient household was entitled to a limited area of cultivated land in the devolved forest, subject to prior approval by concerned authorities. However, it was unclear how much land a forest recipient household was legally allowed to use for agriculture. As for timber, each forest recipient was entitled to a five-cubic-meter quota for housing every 20 years⁸. In addition, when forests were mature enough for commercial logging, forest recipients would be entitled to 6% of the after tax value of the logged timber for each year of protection. Forest recipients were also entitled to collect all NTFPs under the forest canopy without having to pay resource taxes. Besides rights, forest devolution implied duties for forest recipients. They were required to abide by state regulations on the use of forest resources, which included but were not limited to acquiring permission for timber logging and land conversion and regularly patrolling their forest to detect, stop and report unauthorized uses of the forest resources.

In contrast to forest recipients, households who were not included in the devolution program do not have any legal rights to forests. Forest devolution implied no change in the legal position in the use of devolved forest resources for the non-recipient households. Their use of the devolved forest remained illegal.

In reality, there was a big difference between what was legally endowed by devolution policy and what was happening in practice (see also Tran and Sikor forthcoming). Forest recipient households were not the sole users of the devolved forest resources (Table 1). Devolved forest in Cham B continued to be used by Ede and Kinh people from both within and outside of the village. Similar situations were found in Buon Diet. Devolved forest resources were not only used by the indigenous Jarai households with legal forest RBCs but also by other user groups, including indigenous Jarai and migrant people without forest RBCs from both within and outside Buon Diet.

The actual rights to specific forest resources also differed from the legal rights. In Cham B, forestland in the devolved forest was the primary resource claimed by local people, yet no approval from any state organization was available. Since the start of the forest devolution program, an increasing number of people from Cham B and the surrounding villages acquired and maintained their claims on the forestland. By 2002, 29 out of 42 households in Cham B had cleared new fields in the devolved forest (Table 2). Since no official land conversion approval from a state organization existed, some households with officials wishing to stay on good terms with the state did not want to clear the forestland. They feared that their occupation of the devolved forest land without permission would become known and their status jeopardized.

⁸ The provincial authorities later increased the timber quota to 10 cubic meters but no amendment was made on the forest contracts with Cham B and Buon Diet people.

Table 1: Main Users and Their Actual Uses of Devolved Forest Resources

Forest resources	Cham B area			Buon Diet area		
	Ede from Cham B	Ede outside Cham B	Migrants [†]	Jarai with RBC	Jarai without RBC [†]	Migrants [†]
Forestland	√	√	√	√	√	
Timber	√	√	√	√	√	√
NTFPs	√	√	√	√	√	√

[†]: including those from outside of the study villages

In Buon Diet, nine Buon Diet households had cleared fields in the devolved forest by mid 2002. Six of them opened new fields as part of a state-assisted, post-devolution support program.

Among the 38 households in both villages with upland fields in the devolved forests by 2002, 23 had only one plot, 12 households had two plots, two had three plots and only one had four. No one had more than four plots. Field size varied among households, between 0.1 and 3 ha. Most households with fields in the devolved forest had up to 1.5 ha. As for harvest from fields in the devolved forests, the total harvested value in 2001⁹ was estimated at 63.5 million Vietnamese Dong (VND) (US\$4233)¹⁰. However, only 33 households enjoyed this income, leaving almost two-thirds of the villagers with no share of the harvest at all. Distribution of the crop harvest ranged from 0.15 to five million VND. Most households received no more than three million VND.

Table 2: Forest Entitlements from Devolved Forest

	Agricultural land (2002)	Agricultural harvest (2001)	Timber harvest (2001-2002)	NTFP harvest (2001-2002)
Total quantity	39.8 ha	63.5 mil VND	126 mil VND	2.6 mil VND
- Cham B	35.3 ha	56.8 mil VND	101 mil VND	1.5 mil VND
- Buon Diet	4.5 ha	6.7 mil VND	25 mil VND	1.1 mil VND
Households with benefits	38	33	42	38
- Cham B	29	24	9	13
- Buon Diet	9	9	33	25

In contrast to land clearing, logging of timber from the devolved forest was much more popular in Buon Diet than in Cham B. With pepper becoming a substitution crop for coffee, the demand for timber poles for pepper planting rose.

⁹ Since the fieldwork took place in mid 2002, complete data on crop harvest of 2002 was not available. Data of 2001 was collected instead.

¹⁰ The exchange rate at the time of the study was 1 USD~15,000 VND

Yet, none of the 33 households who collected timber from the devolved forest between January 2001 and August 2002 possessed the logging permit required by state regulation. In Cham B, timber was only collected for housing purposes. In 2002, one household (a village official) was able to acquire permission to collect timber for his new house. Another village official made several trips to the district center for a logging permit. Several other households also submitted letters of application to the communal chairman. Nevertheless, some Cham B households extracted timber without legal permission, including two households who built their houses during 2001 and 2002. The distribution of timber harvest varied significantly among local households. Only 42 households in the two villages harvested timber products, ranging from 0.1 to 16 million VND per household. Most households with timber entitlement had up to two million VND. One household had 16 million.

As for NTFPs, differences were observed between legal regulations and their actual use in both villages. Despite the fact that devolution policy legalized the use of NTFPs from the devolved forest solely for forest recipient households, NTFPs continued to be used as communal property in both villages. In fact, local people, regardless of ethnicity and legal position, continued to collect NTFPs from the devolved forest as needed. The value of NTFPs collected between January 2001 and mid 2002 was rather modest, at around 2.6 million VND, compared to that of timber. Although many local households generally use some kind of NTFPs, only 38 households collected considerable amounts of select NTFPs during this period.

Despite the continual use of forest resources after devolution, forest conditions had a tendency to improve after devolution. Forest inventories in the two villages in mid 2002 showed that standing timber stock increased 9.3% in Buon Diet (for the period of 1999-2002) and 8.1% in Cham B (2000-2002). Average standing timber stock went up from 52.6 to 57.5 cubic meters per ha in Buon Diet devolved forest and 74.5 to 80.5 cubic meters per ha in Cham B.

6. Discussion: State Patronage and Distribution of Benefits

In the previous section, I showed how the endowments and entitlements from forest devolution were distributed and demonstrated how the practice of state patronage prevailed in different aspects of devolution. This section analyzes the effects of state patronage on the distribution of benefits from devolved forest. I argue that political equity and economic equity are interlinked at the local level. Among other factors, a household's political position, mediated by different sets of institutions (defined as rules – see Leach *et al* 1999) working in the two villages, had an influence on the distribution of benefits from devolved forest. The rationale is that political position contributed to shape a household's endowments (both legal and actual) to the devolved forest. Differences in forest endowments could have effects on the differentiation in forest entitlements among local households. The poorer households would be able to gain the least (Nguyen forthcoming 2005). Consequently, the goal

of the devolution program, to improve livelihoods of local poor people and to achieve good management of the devolved forest would be difficult to reach. The province could achieve either of the two goals - to protect local forests or to improve local livelihoods (of the poor) - but not both.

It is important to note that the study took place only a short time after the completion of the devolution. The limit in time did not allow full effects of devolution policy to take shape. The discussion in this paper is based on what had happened in the villages until the time of the study.

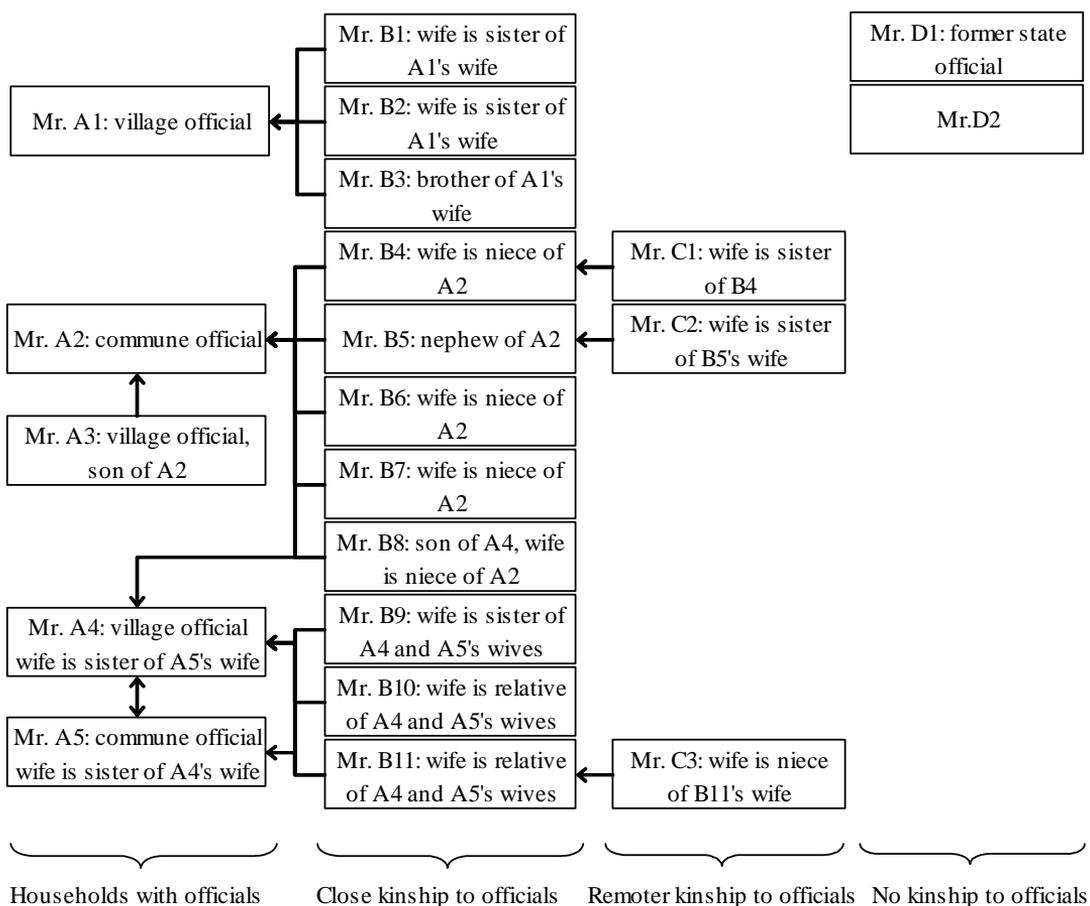
In the study villages, state patronage continued to be present in different aspects of forest devolution and influenced the way local households acquired benefits from devolved forest. In the implementation of the devolution program at the local level, ownership of forest RBCs was positively connected with political position (Nguyen forthcoming 2005). The case of Buon Diet provided a vivid example. Communal officials obtained forest RBCs through a specific devolution program targeted to them. In addition, village officials dominated in the selection of households at the village level. As discussed earlier, 21 Jarai households were given forest RBCs during the forest devolution program and the selection of households to receive forest was significantly influenced by officials from Buon Diet participating in the devolution process. Though it was not clear what criteria were considered in the selection of households (beside the two laborer criterion set by Ea H'leo SFE), the political position and connection with it of the selected households was significant (Figure 3). All village and commune officials (both traditional and state elected) living in the village received forest RBCs and most of other forest recipients had some connection to the families of these officials¹¹.

Patronage of local state officials was also present in the derivation of economic benefits from devolved forests after completion of the program. In Buon Diet, a support program, which provided technical assistance for cashew plantations and access to soft loans for cashew seedlings and raising cattle, was implemented after devolution. The target group of the program was forest recipients in the village. The program covered six households, two of which were village officials. In Cham B, the earlier discussion showed that a village official was able to use his connection with the state to get a logging permit for his new house and became the first person who was able to legally collect 10 cubic meters of timber from the devolved forest.

While receiving patronage from the state, local officials also expressed their allegiance to the state through observation of the devolution policy with the aim to maintain a good relationship with the state for long term benefits. The most vivid example of this was the decision of some officials not to extract forest resources in a significant way when no legal permit was available: such as the conversion of devolved forest into agricultural land in Cham B and the collection of timber in Buon Diet.

¹¹ See Luu (1994) for a discussion on the strengths of family linkages in Central Highlander communities.

Though most households with available resources (i.e. wealthy and labor rich households) obtained a significantly large field in the devolved forest in Cham B (Nguyen forthcoming 2005), few local officials were among them. In Buon Diet, households with officials extracted an insignificantly larger quantity of timber than the others. The fact that households with local officials received an insignificant share of entitlements from devolved forest could be explained by their sacrifice of the immediate benefits for longer term relationship with the state, which would enable them to have better access to state support in the future. To establish and maintain such a relationship, local households may sacrifice their immediate benefits or invest in “unproductive investment” (Hart 1989: 34-36).



Note: All names are coded. I use the name of the household head, which appeared in the forest RBC, to refer to the household itself.

Figure 3: Familial Relationship with Local Officials Among All Households with Forest Title in Buon Diet

On the one hand, local officials were given priority to obtain forest RBCs because they were expected to demonstrate a “people’s forest management regime”. In other words, they could be used as an example for forest management of local people. This idea was openly expressed by the local SFE staff who directly implemented the devolution program at the local level. Local state officials were believed to have better knowledge and production skills than other farmers; they thus would be able to apply these skills and knowledge in managing the devolved forest. On the other hand and perhaps more importantly, the favor to (some) local officials may be regarded as a reimbursement for helping the state to manage forest in the local area. As households with political position had a share in the devolved forest, they would be encouraged to mobilize local households for forest management activities, which would ultimately help the state to achieve the goal of forest protection. Nevertheless, the fact that forest conditions tended to improve after devolution may or may not be attributed to the efforts of local officials.

Inequitable distribution of benefits from forest devolution in Dak Lak does not come as a surprise, considering the experiences from other countries around the world. Poteete points out that devolution has failed to improve equity in African and South Asian countries. “Shortcomings persist despite serious, on-going efforts to promote enhanced equity” (Poteete 2004: 20). In Thailand, the ability of a community to claim and benefit from community rights depends largely on its political influence. In addition, the state is strongly biased against certain forms of communities and the rights they would provide (Johnson and Forsyth 2002). As Nurse *et al.* (2003) indicate, equitable decision-making and benefit sharing have yet to be achieved.

Will the inequities in the distribution of benefits from forest devolution in Dak Lak be acceptable for the different actors involved? Experiences from the literature show that perfect equity rarely exists. Indeed, certain levels of inequity are accepted in many cases (Varughese and Ostrom 2001). For the sake of better forest management, state patronage and its induced inequities could be acceptable in the two study villages. The question remains, however, of what impacts such inequities have on achieving the objective of livelihood improvement, particularly with regard to the poor and the disadvantaged. Local officials in the study villages were expected to represent the villagers during the devolution process. However, there was a lack of downward accountability in their representation. Instead, the discussion shows a strong upward accountability of local officials to the state. Participation of local people in the devolution process was rather nominal, though the situation improved in Cham B compared to Buon Diet. Furthermore, the interests of most villagers were not well represented. What people got from devolution depended largely on their capability and there was little help for the poorer households to benefit from devolution.

To conclude, while potentials for win-win synergies exist (Wunder 2001, Sunderlin *et al.* 2005), it may be too optimistic to expect an achievement of both sustainable forest management and livelihood improvement goals in forest devolution in Dak Lak. The patronage of local state officials to achieve better forest management

was likely to result in disproportionate distribution of economic benefits from forests. As a result, the efforts to improve the livelihoods of the local people, particularly those of the poor, through forest devolution may be undermined. Forest devolution may help improve forest management but not the livelihoods of the rural poor. The province may need to choose either forest management or improvement of the poor's livelihoods, or the achievements may be weak for both goals.

7. Conclusions and Policy Implications

This paper tries to provide empirical evidence on the distribution of benefits from forest devolution in Dak Lak province of Vietnam. I have shown that although patronage of local state officials may serve the purpose of better management of the devolved forest, the dominance of state officials in all aspects of devolution was likely to have adverse impacts on the state efforts to improve the livelihoods of poor households.

From the policy point of view, findings from this study have various implications. First, forest devolution is able to provide real economic benefits for local people. Devolution policy can stimulate the interest of local people in the management of local forest. However, benefits from devolution are likely to be distributed inequitably among households. Variations in forest entitlements acquired by local households reflect the differences in their positions to make use of the devolved forest.

Second, attention of policy-makers should be given to not only the creation of (new) policies but also to the implementation of policies at the local level. Inappropriate policy implementation is likely to lead to failure in reaching the stated objectives, or worse, to have adverse impacts at the local level. As the practice of state patronage in forest devolution tends to give advantages to local state actors, increased political equity in policy implementation through better participation of local people may help alleviate this problem.

Third, the state should proactively help poor households gain from state policies. So far, households that gain the least from devolution are those with poor access to productive resources, i.e. the poor and disadvantaged households (Nguyen forthcoming 2005). As poor upland farmers are often dependent on forest resources, excluding them from forest devolution is likely to take away their access to forests, which may worsen their comparative economic status. In forest devolution policy, the goal of improving the livelihoods of the poor may be done at the costs of poor forest management. Improving the livelihoods of poor upland farmers needs to be associated with strengthening their access to productive resources and their ability to make use of these resources. As Nurse *et al.* (2003: 53) stated, these households “should be positively discriminated for.”

In conclusion, forest devolution is likely to generate benefits for local inhabitants. A more concrete question is how these benefits are distributed. In other words, what

is important is not just what benefits can be derived from forest devolution but for whom these benefits are generated. Forest devolution is not just an issue of forest management; it is one that concerns local politics.

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