

# ENVIRONMENT, LIVELIHOODS, AND LOCAL INSTITUTIONS

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**Decentralization in Mainland Southeast Asia**

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M.D.  
N.B.

# CHAPTER ONE

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## Introduction

The societies of mainland Southeast Asia—Vietnam, Laos, Cambodia, Thailand, and Yunnan province of China<sup>1</sup>—share a unique upland ecoregion that is under intense pressure from demographic changes, lowland-driven development priorities, and regional infrastructure schemes. Policies to preserve the rich biodiversity of the uplands, protect remaining forests, and reforest denuded hills have largely failed, depriving the entire region of water and carbon regulation and other services provided by intact ecosystems. Together, these factors have further impoverished upland populations.

In part, conservation efforts have been insufficient to counteract the pressures of economic development. But environmental protection policies and rural development policies have also failed to engage the trust and compliance of local people, who have often perceived these top-down directives as against their interests. Recent trends in the political economy of the region include moves toward more decentralized forms of decision-making and management over natural resources. Could these policy shifts promise environmental governance that is more responsive to the needs and concerns of local people?

### PURPOSE OF THE REPORT

This report provides an overview of the decentralization of natural resources decision-making and management in

mainland Southeast Asia during the past 20 years. The reforms range from the empowerment of elected local governments with natural resources mandates in Thailand, to financing of village committees in Cambodia, to emerging co-management arrangements for water and forests in Vietnam and Laos. Against the backdrop of widespread poverty and environmental decline, the report analyzes the implications of these reforms for upland ecosystems and livelihoods.

Is decentralization increasing the voice of communities as a whole in decision-making or just the voice of local elites? What kind of development choices do local institutions make? How is decentralization changing institutional and individual incentives for environmental protection? Under what conditions does decentralization contribute to environmentally and socially sustainable development? These are some of the questions explored through case study analysis.

This report is based upon seven in-depth case studies from Vietnam, Laos, Cambodia, and Yunnan, China and comparative material from ongoing collaborative work with partners in Northern Thailand. (*See the overview of the case studies at the end of this chapter. A map showing the sites' locations is included in the Appendix.*) The authors identify findings about the opportunities and risks of decentralization that are specific to these case studies. (*See Chapter 3*). We also highlight common

themes in the design and implementation of decentralization reforms across the region. (See Chapters 4–7).

The case-specific findings seek to inform government officials and development practitioners about implementation efforts and changing practices in different locales. The report's comparative analysis aims to highlight which general conditions and policy principles make decentralization successful in promoting environmental conservation and livelihood development in this region. The comparative findings are intended to inform national, regional, and international policy-makers—including aid donors—in their design and support for further reforms.

## WHY THE UPLANDS?

The uplands of mainland Southeast Asia differ considerably from the lowlands in their ecology, political economy, and society. For lowland-based decision-makers, the uplands present special challenges to the planning and implementation of decentralization policies.<sup>2</sup> First, the natural environment has become increasingly fragile. The uplands hold much of the region's natural wealth, particularly in forested border areas with rich biodiversity (Donovan ed., 1998). Upland ecosystems provide numerous and important ecosystem goods and services that support both upland inhabitants and lowland society (WRI, 2000; FCCDP, 2001). However, the lucrative trade in non-timber forest products, including many protected species, is substantially reducing biodiversity (e.g., Nooren and Claridge, 2001; Donovan ed., 1998). Rampant deforestation is affecting local livelihoods as well as the quality and timing of water flows to lowland rice-producing areas and industrial and urban areas.

Upland society is culturally diverse, with many rich traditional forms of natural resources management. The upland population has also been highly mobile in the region's recent past. Many of the ethnic groups that inhabit the uplands are recent arrivals from other countries of the region, such as Hmong, Lisu, and Lahu 19<sup>th</sup> century migrants from southern China into Thailand, Laos, and Vietnam (Christie, 1996). More recently, Karen and Shan peoples have migrated from Myanmar to Thailand. In Vietnam, the movement of lowland Kinh economic migrants into the uplands has changed ethnic

demographics. A cultural divide between upland and lowland communities characterizes all the countries of the region.

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### The upland-lowland cultural divide affects policy implementation.

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Many of the region's poorest communities live in the uplands. Livelihood alternatives are scarce because demographic changes, including migration and population growth, environmental degradation, and increasing competition for resources, make traditional forms of farming untenable (Jamieson et al., 1998; Ratner, 2000). The benefits of economic development in the lowland majority areas have not trickled up to the montane regions, where communities face the danger of being left further and further behind.<sup>3</sup>

The case studies in this report focus not only on the uplands, but also on rural areas. Rural mountain communities are typically less integrated in state structures owing to their remoteness (although note that not every case study involved an isolated community). From a government viewpoint, rural areas are less likely to have been reached by vital infrastructure, goods, and services. From the communities' viewpoint, the decision-making and judicial functions of the state are often inaccessible, and the rationale for various state-led developments are hard to comprehend (e.g., Jørgensen et al., 2001; Öjendal et al., 2001).

## KEY QUESTIONS FRAMING THE REPORT

The objectives, form, and pace of decentralization reforms vary widely among the countries studied. For this reason, it was important to establish a basis for comparison among the cases in this study. Only by finding a way to disaggregate and compare elements of different decentralization policies could we work toward identifying those features of decentralization that increase the chances of livelihood improvement and environmental protection.

As a baseline for comparison, we applied a framework for analyzing decentralization by Agrawal and Ribot (1999) in each study site. The framework identifies actors, powers, and

accountability relations as the key to understanding decentralization reforms. Agrawal and Ribot argue: “Without an understanding of the powers of various actors, the domains in which they exercise their powers, and to whom and how they are accountable, it is impossible to learn the extent to which meaningful decentralization has taken place” (Agrawal and Ribot, 1999, 476).

Individuals or institutions are accountable when they must answer to others and when they are subject to enforcement or sanctions for poor performance (Brinkerhoff in Ribot, forthcoming).<sup>4</sup> If actors are answerable, they have an obligation to explain or justify their actions. If they are subject to enforcement, overseers can apply sanctions when actors’ explanations for their behavior are inadequate.<sup>5</sup> For instance, if elected officials cannot justify their decisions, voters may hold them accountable by voting them out of office.

The actors to whom central governments may allocate powers under decentralization include lower levels in the political-administrative system: line agencies or local government bodies. Alternatively, central governments may allocate powers to actors outside the formal state structures: to traditional leaders (as defined by local custom), community groups, or resource users groups based upon ownership or access to a particular resource, such as irrigated land. In some cases, powers are devolved to non-governmental organizations (NGOs) that, in the natural resources arena, may include international conservation organizations as well as local or national NGOs.

The scope of powers and form of accountability relations held by local actors largely define the main types of possible decentralization reform. (See Box 1 for a reference guide to the main forms of decentralization.) Deconcentration—sometimes called administrative decentralization—refers to the transfer of powers from a central government to its appointees at the local level. Typically in such arrangements, local actors are accountable only to themselves or their superiors, not to their constituents. Thus deconcentration alone is unlikely to promote locally appropriate environmental management, including a fair sharing of the benefits of resource extraction and development. An example of deconcentration is the relocation of central ministry units from the national capital

## Box 1

### DEFINING DECENTRALIZATION\*

**Decentralization** refers to any act in which a central government formally cedes powers to actors and institutions at lower levels in a political-administrative hierarchy (e.g., Mawhood, 1983; Smith, 1985). We use decentralization as an umbrella term that includes all of the forms described here.

**Political or Democratic Decentralization** occurs when powers and resources are transferred to authorities representative of and downwardly accountable to local populations (e.g., Crook and Manor, 1998; Manor, 1999; Agrawal and Ribot, 1999). By implication, local authorities gain discretion in rule-making—within prescribed limits.

**Deconcentration or Administrative Decentralization** concerns transfers of power to local branches of the central state, such as prefects, administrators, or technical line ministry agents (e.g., Mawhood, 1983). These upwardly accountable bodies are appointed local administrative extensions of the central state.

**Fiscal decentralization**, the decentralization of budgetary and revenue generating powers, is often identified by analysts as a separate form of decentralization (e.g., Wunsch and Olowu, 1995; Manor, 1999; Crook and Manor, 1998). But although fiscal transfers are important, they constitute a cross-cutting element of both deconcentration and political decentralization rather than a separate category (e.g., Oyugi, 2000; Agrawal and Ribot, 1999).

**Privatization** is the permanent transfer of powers to any non-state entity, including individuals, corporations, NGOs, etc. Privatization, although often carried out in the name of decentralization, is not a form of decentralization (Agrawal and Ribot, 1999).

**Co-management** refers to rule-making and natural resources management arrangements that combine deconcentration with privatization. This occurs when partially appointed, partially elected local bodies are created. Power-sharing arrangements between upwardly accountable line ministries and downwardly accountable village or resource users’ representatives are described as co-management.

*\*With the exception of the last, these definitions are excerpted from the mimeo “Defining Decentralization” by Jesse C. Ribot, prepared for the Conference on Decentralization and the Environment, Bellagio, Italy, February 2002.*

to provincial capitals. Although such processes may be couched in language of participation, they may constitute nothing more than exercise of authority over local people to implement a centrally defined policy objective. Such processes may be more centralizing than decentralizing. It is important to examine whether increased public participation is being accomplished in a meaningful sense.

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Decentralization can involve different combinations of actors, powers, and accountability relations.

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Political or democratic decentralization refers to the transfer of powers from central government to local authorities that are downwardly accountable to constituents, often through elections. A central government that transfers responsibility for land use planning to locally elected community councils is one example of such a democratic decentralization.

As noted above, central governments may devolve powers to bodies outside the formal political-administrative system, such as non-governmental organizations and private entities. Typically, these bodies are not accountable to the entire population within a geographic constituency, as a representative local government would be, but are accountable to interest groups or donors. In this report, the general term decentralization refers to all the above forms of transferring powers.

For what should local actors be accountable? The nature of local actors' accountability depends on the powers they receive. These powers may include legislative (rule-making), executive, fiscal (relating to raising and disposing of revenue), or judicial (relating to settlement of disputes) powers, or powers to enforce rules. For instance, authorities could be accountable for managing funds in the public interest, for creating rules that provide the greatest benefit to the broader community, for enforcing rules even-handedly and without bias, and so on.

Most of this report is concerned with applying the analytic framework to the case studies in mainland Southeast Asia. The next four chapters assess the context for decentralization and the linkages among actors, powers, and accountability and natural resources management practices. A later chapter (*Chapter 6*) assesses how another aspect of the changed institutional landscape under decentralization—coordination among different agencies and jurisdictions—affects management of the environment. The framing questions for the report are as follows:

### ***What is the policy context? (Chapter 2)***

Historical developments provide an important context for understanding the motivations of governments to decentralize—and the chosen configuration of actors, powers, and accountability relations in decentralization reforms. This report provides an overview of the historical forms of central control in the countries of mainland Southeast Asia. We document a recent pattern of trends in land allocation and both centralizing and decentralizing forms of natural resources decision-making and management for the region as a whole.

### ***Which actors are receiving which powers? What is the scope of the powers? (Chapter 3)***

The scope of local authorities' new responsibilities is critical to any analysis of decentralization and its effects upon social, economic, and environmental outcomes. Local bodies might be accountable to communities, and the links between accountability and positive environment-livelihood outcomes might be demonstrated. However, if the scope of decision-making, adjudication, and enforcement is limited, the potential of decentralization for forging more responsive, appropriate, and efficient modes of governance will remain unfulfilled. In other words, the degree of discretion afforded to local governments and people has a significant bearing on the outcomes of decentralization. We assess the degree to which significant powers have been devolved to lower levels of government and to communities.

***What forms of accountability are created? (Chapters 4 and 5)***

The means for achieving accountability between local authorities and local people vary. Perhaps the most evident are elections for representative local government, although not all elections are equal. Voters may be able to choose between party-appointed candidates or among independent candidates. Voting may be open or closed. Allowing affected populations to participate directly in the decision-making process also helps achieve accountability. Direct participation can occur through convening open hamlet or village meetings and has the potential to be effective where the unit of governance (and size of the affected population) is small. As our analysis in these chapters shows, direct participation offers different degrees of accountability, depending on the actual voice and influence accorded to participants in such forums. Independent courts and neutral third-party actors who adjudicate disputes also play a role in holding authorities accountable to constituents. We look at whether and how these mechanisms operate and how they affect environmental management. The discussion includes the role of human resource and fiscal capacity in making local bodies more or less accountable to local populations.

***How does the ability of local people to demand accountability and define common priorities affect outcomes? (Chapter 5)***

In addition to studying relevant legal frameworks and authorities' performance, we were interested in whether communities had the social and political resources required to demand accountability from local government. Previous scholarship (e.g., RECOFTC, 2000) suggests that social capital—the social ties, reciprocal relations, and ability to mobilize within communities—is critical to the success of decentralization. In this report, we explore the implications of communities' ability to articulate their development needs and demand good governance of their leaders.

***What other institutional changes created by decentralization affect the governance of natural resources? (Chapter 6)***

In addition to new powers and forms of accountability among actors, decentralization has the potential to create an array of new institutional relations that can profoundly affect the overall impact of the reforms. Decentralization changes the relationships among government agencies, especially if it creates new local authorities that must negotiate their roles and responsibilities vis-à-vis line agencies of the central government. Decentralization creates new challenges for the management of environmental externalities outside of local authorities' jurisdiction, requiring new forms of cooperation among neighboring units of government. We analyze the opportunities and challenges provided by these new institutional relations and the consequences for natural resources management.

***What are the implications of changed accountability relations between government and communities, and of changed institutional relationships within government, on environmental sustainability, equity, and livelihoods? (Chapter 7)***

After establishing how actors' powers and accountabilities changed under decentralization, we assessed whether and how these changes influenced natural resources management practices. Similarly, we studied the effects of key institutional changes resulting from decentralization, such as new relationships between local elected authorities and line agencies, on these practices. Linkages between these institutional changes and environmental practices are woven throughout the report. In the final chapter, we summarize the overall prospects of decentralization reforms for livelihood security, equity, and the environment.

There are various methodological challenges to the study of decentralization and its outcomes. Even when it is possible to measure specific indicators of environmental and socio-economic change over time, it is difficult to attribute those changes solely to decentralization reforms. For instance, Vietnam, Laos, and China have pursued economic liberalization and tenure reforms as they have introduced several types

## Overview of the case studies

Study site	Social and environmental characteristics	Focal policies studied	Decentralization dynamics	
			Actors and powers	Outcomes
<b>Nghe An province, Vietnam</b>	<p>Highly degraded forestland</p> <p>High ethnic diversity</p> <p>Severe poverty</p>	<p>Forest land allocation policy</p> <p>Re-greening of barren hills policy</p>	<p>Officials of the district forest agencies gain new responsibilities for land use planning and allocation.</p> <p>Households gain responsibility for replanting.</p> <p><b>Administrative decentralization</b></p>	<p>Lack of genuine consultative process reduces appropriateness, effectiveness of policies.</p> <p>Detailed technical specifications from center create adverse effects for livelihood and environment.</p>
<b>Phu Tho province, Vietnam</b>	<p>Degraded forest land</p> <p>Increasing market opportunities</p> <p>High ethnic diversity</p> <p>Widespread poverty</p>	<p>Grass-roots Democracy Decree</p> <p>Decentralized development budgets through large donor project: Vietnam-Sweden Mountain Rural Development Programme</p>	<p>Elected Village Management Groups have control over budgets with revenues provided by donor project.</p> <p>Communities have increased roles in development planning.</p> <p>Commune Management Groups oversee planning.</p> <p><b>Political decentralization</b></p>	<p>Flaws in elections, community consultations lead to local dissatisfaction with livelihood benefits of program.</p> <p>Poor information flow within government hampers effectiveness.</p> <p>Voters ousted corrupt official engaged in illegal logging. Too early to judge overall environmental implications of program.</p>
<b>Thua Thien Hue province, Vietnam</b>	<p>Upper catchment degraded (because of defoliation in wartime)</p> <p>High human vulnerability to floods</p> <p>Subsistence agriculture with limited livelihood options</p>	<p>Grass-roots Democracy Decree</p> <p>Program 135 for providing grants to the poorest communes</p>	<p>Commune authorities receive new grant allocations from central government, discretion to budget and spend funds.</p> <p>Watershed Management Board of central government controls productive hill land, has narrowly defined environmental goals.</p> <p><b>Limited political decentralization</b></p>	<p>Commune authorities are highly responsive to community livelihood needs, thanks to strong social ties.</p> <p>Watershed Management Board not open to local concerns, its actions create tenure uncertainty for local community and effectively cut off livelihood options.</p>
<b>Ratanakiri province, Cambodia</b>	<p>Valuable forest resources</p> <p>Growing resource competition among local community, government, and private actors</p> <p>High ethnic diversity</p>	<p>Decentralized development planning through donor program (Seila)</p>	<p>Communities select commune leaders Commune Development Committees assume control of development budgets (provided by the national government from donor funds).</p> <p>Provincial officials provide support to legitimize local initiative and interests.</p> <p><b>Limited political decentralization</b></p>	<p>Local people lack rights to defend resources from external commercial interests, thus undermining environmental, livelihood benefits of decentralization.</p>

## Overview of the case studies

Study site	Social and environmental characteristics	Focal policies studied	Decentralization dynamics	
			Actors and powers	Outcomes
Dak Lak province, Vietnam	Degraded forest land Highly commercialized agriculture In-migration and population pressure; Ede ethnic group becoming smaller percentage of whole	New Economic Zone and migration policy Water Law recognizing different institutions as legitimate water managers	Water Users Associations have new opportunity to organize, provide farmers with a forum for assessing and coordinating irrigation.  People's Committees support local initiative, interpret policy, especially at provincial level.  <b>Appears as devolution to private group but is effectively co-management with local authority</b>	Multi-stakeholder approach increases local voice in water management and buy-in to conservation measures.  Users groups provide forum where water management can be addressed in more integrated way but still exclude groundwater.  Users group model raises equity questions: who's excluded?  Multi-agency management board has increased efficiency of government intervention.
Baoshan prefecture, Yunnan province, China	Degraded watershed, forest land Increasingly commercialized agriculture	Village democratization policy Fiscal decentralization	Communities elect village officials from party lists; villages have increased mandates for natural resources management, vaguely defined.  Each level of government responsible for raising its own revenue.  <b>Political decentralization</b>	Lack of coordination among village, township units, and weakness of institutions for environmental protection at the watershed level exacerbate degradation.  Fiscal decentralization creates incentive to exploit natural resources for revenue.
Luang Phabang province, Laos	Degraded forest High ethnic diversity Little livelihood diversity	Land use planning and land allocation through donor program (Lao Swedish Forestry Programme)	Villages have increased role in land use planning.  Land Allocation Committee (comprising elected village representatives, line agents) delineates village boundaries, land use zones.  Co-management at the implementation level.  Provincial officials have increased roles in regional development planning.  <b>Administrative decentralization with increased consultative mechanisms</b>	Local consultative process leads to collective action on such improvements as boundary demarcation, conflict resolution, fire control.  Rigid central government guidelines preclude locally preferred options for food security.  Line agencies lack technical expertise and support to carry out their duties.
Chiang Mai province (Mae Chaem watershed) Thailand	Commercialized agriculture High ethnic diversity	Increased responsibility to Tambon Administrative Organizations (sub-district authorities)	Villages have increased voice in development decision-making through elected tambon committee.  Tambon organization assumes responsibility for all development within jurisdiction (infrastructure, service delivery, natural resources management).  <b>Political decentralization</b>	Environment is not necessarily a priority issue in electoral, consultative processes.  Lack of clear division of labor between local government and line agencies leads to lapses, tensions in natural resources management.  Existing community-based organizations and networks strengthen decentralization process.

of decentralization. Thus it is particularly hard to disentangle the effects of decentralization from those of other policies on upland landscapes.

Furthermore, measuring the environment, livelihood, and equity outcomes of changed governance regimes and natural resources management practices requires a long-term research horizon. As such, the one- to two-year studies upon which this report was based did not provide enough data to show conclusively whether decentralization in mainland Southeast Asia is good or bad for upland livelihoods and environments. This report and the underlying analysis concentrate on how decentralization processes have supported or undermined public participation in environmental rule-making and sustainable natural resources management practices at the local level. We focus on drawing out the implications of changed incentives and practices for environment and livelihood outcomes.

## OVERVIEW OF THE CASE STUDIES

All the case study sites are representative of the upland mainland Southeast Asian ecoregion in two important respects: they all face severe development and population pressures that are degrading natural assets, and they all involve ethnic minority groups with diverse traditions in natural resources management.

The variety of remaining natural assets in the case studies is reflective of the mainland Southeast Asian mountain region. The Ratanakiri site, with its still notable timber stands and biodiversity, presents a picture of how the entire upland region used to be. The degree of threat it now faces from outside commercial interests is part of a longer historical trend. The young secondary forest characteristic of the Luang Phabang site and the barren, degraded hills of Nghe An province reflect the more common and sobering reality of upland natural landscapes today. The Dak Lak study site, with its extensive monocultural coffee plantations and high rates of in-migration, reflects the most extreme forms of pressure and, recently, conflict in upland natural resources management and economic development.

The economies of all the study sites are centered around productive agriculture and forestry, as is typical of the uplands. Shifting cultivation in all its forms is a defining feature of the agroecosystems at all sites. Although some sites were near nature reserves, this report focuses on the consequences of decentralization for the management of productive lands, rather than on protected areas management.

In their political and economic conditions, each site is unique, just as the political ideologies and development trajectories of each country are different. That decentralization reforms are relatively new in some countries, such as Thailand, and are more established in others, such as China, complicates this picture. The Thai case highlights the complex political reality of implementing broad-based decentralization involving strong market forces and well-established non-governmental interests in the initial stages of the reform period. The Phu Tho case is an example of a host government-donor partnership to implement a large program of decentralized planning at the local level. The Baoshan case is a Chinese-led, locally financed case of local communities coming to terms with a democratization process embedded in a larger series of reforms over 20 years. The Hue case illustrates the ways in which policy can have acute effects on local communities' ability to deal with environmental stresses over time. This political diversity is perhaps the greatest challenge to a regional synthesis of decentralization and institutional dynamics.

## ENDNOTES

1. Myanmar (Burma) is not included in our study, however. A full examination of mainland Southeast Asia would include Myanmar (Burma).
2. Presentation by David Thomas at REPSI workshop on Local Institutions, Livelihoods and Decentralized Natural Resource Management, Chiang Mai, February 2000.
3. Also, keynote speech by Terry Rambo at the International Symposium on Montane Mainland Southeast Asia in Transition II, July 2000, Chiang Mai, Thailand.
4. Also, presentation by Robert Keohane at World Resources Institute, 23 January 2002.
5. Brinkerhoff in Ribot, forthcoming.

# CHAPTER TWO

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## Decentralization in the Regional Context

This chapter presents a historical basis for understanding recent political developments in the study countries. We explore each government's motivations for decentralization and the extent to which decentralization reforms are sectorally based or more wide-ranging in their scope. We document the extent to which significant powers are being devolved or administrative authority merely deconcentrated through the branches of central government to the outlying areas. This background provides important context for the analysis in following chapters of what has been achieved through these reforms.

### MOTIVATIONS TO DECENTRALIZE

Governments across the world, including liberal democracies and authoritarian regimes, are pursuing decentralization reforms. A rich international literature has developed on the myriad forms and intents of these policies and their development impacts. Among the many motivations of governments to decentralize, one of the most common is a desire to improve the efficiency of government administration and delivery of public services. In part, governments are haunted by the implementation failures of highly centralized systems that characterized the post-colonial era. They believe that decentralization might improve service delivery by bringing decision-making and implementation closer to the target population.

But many governments also believe that decentralizing can cut the central government's costs (Ayres, u.d.) and improve efficiency by reducing the size of the central bureaucracy.

Decentralization is regarded as a natural complement to economic liberalization and the imposition of fiscal discipline, which are among the primary agendas of the multilateral development banks. The World Bank has even introduced the language of free market competition into the decentralization debate by proposing forms of decentralization that increase competition between local government and private service providers (Litvack et al., 1998). Subsequently, donor conditions requiring decentralization and central government downsizing have become another impetus for reform in developing countries.

Decentralization may also be motivated by the desire to empower citizens and increase public participation in the development planning and implementation process; these goals may be regarded as worthy social goals in and of themselves (Meinzen-Dick and Knox, 1999).<sup>1</sup> Leaders may view decentralization as a way to deepen democracy and enhance the legitimacy of a political system (Manor, 1999).

The mainland Southeast Asia region has, during the last decade, enjoyed a period of relative peace and economic

growth that contrasts with the civil wars, international conflicts, mass migrations, and emigrations that characterized the 1950s, 1960s and 1970s. Although Vietnam, Laos, and Cambodia experienced the most devastation and turmoil during that period, China and Thailand, the other two countries of the region which concern us here, were inevitably affected by the unrest and mass movements of people and experienced their own domestic conflicts.

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Central governments have used decentralization to decrease their financial burdens.

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As a result of this turbulent history, it is perhaps unsurprising that as successive governments established themselves following wartime, their focus was on strengthening national security and development from the center. Furthermore, the socialist system that was adopted in China, Vietnam, Laos, and, eventually, Cambodia was based on central planning. For the latter half of the 20<sup>th</sup> century, Thailand's nation-building priorities supported the strong centrist model of government.

However, with the advent of greater stability in the past 10-20 years, the governments of mainland Southeast Asia have begun to decentralize various political, administrative, and fiscal functions to lower levels of government. Their reasons for doing so vary, although they include many of those given above. In China and Vietnam, policy statements promote the notion of grass-roots democracy as a good in itself and a central reason for increasing the role of local (i.e., commune and village) authorities in policy implementation and limited development planning. In China, perhaps the greater driver of decentralization has been the desire for improved fiscal efficiency and reduced fiscal burden on the central government (e.g., Fan 1999).<sup>2</sup> Likewise, in Vietnam, new fiscal arrangements increase the tendency of government departments to push expenditures down to the next level whenever possible (Rao, 1999).

In Vietnam and Laos, most decentralization has occurred within specific sectors—water, forestry, and agriculture—and has taken the form of deconcentration. In this respect, reforms

described loosely as decentralization have been more centralizing than decentralizing. Reforms represent an effort to consolidate state control and state-defined development gains in these sectors as well as to increase state control over remote areas.

A more progressive form of decentralization has emerged at the sub-national level in Vietnam. Here, the Swedish International Development Cooperation Agency experimented with a decentralized development budget scheme in five provinces; assessment of the scheme forms one case study in this volume. This experiment provided the partial impetus for another donor-backed poverty alleviation program in the northern provinces that incorporates ambitious decentralized budgeting and implementation structures.<sup>3</sup> More broadly, discussion of opportunities for decentralization has an explicit place on the agenda at meetings of Vietnam's major aid donors. Both the Vietnamese government and its donors recognize that the transition from a socialist to a market-based economy requires a redefinition of the role of the state and streamlining of its functions—objectives that decentralization may help achieve (IFAD, 1999).

In Cambodia, a larger experiment in political and fiscal decentralization has taken place, bolstered by massive aid inflows for national reconstruction. A pilot scheme for decentralized development planning was undertaken in first 5, then 10, Cambodian provinces. The consultative group of donors for Cambodia made implementation of a national decentralized development program a centerpiece of its negotiations with the Cambodian government.

In the context of significant donor encouragement for decentralization in the region, the donor-financed decentralization programs covered in this report are not atypical of recent experience in the region. Indeed, they may prove to be a harbinger of the future. Even the sectorally based decentralized planning in Laos that we explore through the Luang Phabang case benefited from substantial donor staff and funds, via the Lao-Swedish Forestry Programme. While perhaps unrepresentative of the Lao experience as a whole, this case is indicative of donor attempts to bolster articulation of local concerns through large participatory projects in the region as a whole.

Thailand has embarked upon the most ambitious decentralization reform in the region—a full-scale political decentralization to the sub-district level. Here, profound reform was made possible by the coincidental alignment of political parties' and intellectuals' interests. Political parties sought to strengthen their support base in the rural areas by increasing the voice of rural constituencies in development decision-making; intellectual elites with broader democratic aspirations were largely responsible for drafting the language about decentralization in the new Constitution.<sup>4</sup> The following sections outline the policy frameworks for decentralization in each country. The next chapter (*Chapter 3*) provides a more detailed account of changing institutional responsibilities for each of the seven case studies.

## CHINA

China was the first country in the region to experiment with devolving responsibilities for government administration and limited rule-making to the local level. After years of oscillating between centralized and decentralized government during the Mao era, the majority of reforms during the past two decades have sought to devolve a larger range of administrative responsibilities from the center.

In 1978, the government ushered in a series of socio-economic reforms under its *gaige kaifang*, or reform and opening, policy. These reforms aimed to dismantle collective ownership of agriculture and radically alter the function of government. In rural areas, the Household Responsibility System privatized use rights by leasing agricultural land. Farmers initially received leases on their land for one to three years. Leases were lengthened to 30 years in the course of the next decade.<sup>5</sup> In the early 1980s, the contract responsibility system was extended to forest lands, and households were granted use rights to barren lands (family plots) through an auction system (Zuo and Xu, 2001).

With the Household Responsibility System more than two decades old, there has been substantial scholarship on the environmental implications of the reform. The government hoped the System would improve farmers' stewardship of natural resources but it is widely judged as having failed to do so (Williams, 1994). Because the government's agricultural

policy has changed so many times during the past 40 years, farmers lack confidence that they will retain long-term tenure over the land and therefore are unwilling to invest in long-term improvements. Instead, they concentrate on increasing short-term yields through the heavy application of chemical pesticides and fertilizers.<sup>6</sup> Meanwhile, economic liberalization and market reform, in tandem with the dismantling of collectives and privatization of land rights, have hastened environmental degradation. Farmers have cut trees on their allotted lands to sell on the free market (Williams, 1994).

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Each level of China's government has become financially independent.

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In 1980, the Government of China passed legislation that devolved fiscal and decision-making responsibilities from the central and provincial to the county, township, and even village levels. Under the Fiscal Responsibility System, each level of government became financially independent, that is, responsible for raising and managing its own revenues. (Before 1980, local governments remitted tax revenues directly to the central government and awaited their partial return based upon central discretion [Jun and Norregaard, 1998]). Fiscal decentralization meant new responsibilities for township governments. However, the tax structure also ensured that the majority of revenues would accrue to upper levels of government, leaving townships insufficient monies to carry out their development mandates (Zuo and Xu, 2001).

Many upper-level government revenues became available to lower levels through a project-based system. Integrated inter-governmental groups now decide on project priorities. Even counties do not have the capacity to develop projects, so project planning takes place at the prefecture level or above. Given the size of resources at stake in the project system, it could be said that a major part of the development planning process has therefore been decentralized to a level that is still large in its geographic scope.

In the context of fiscal decentralization, the emergence of privately owned Township Village Enterprises (TVEs) has been both economically and environmentally significant.

These enterprises create a major source of revenue for cash-strapped local authorities. Therefore, local governments have been willing to turn a blind eye to the heavy pollution they produce. TVE-led mining and food processing have transformed upland landscapes and exacerbated the pollution of air, water, and land resources (e.g., Williams, 1994).

During the period of major rural reforms and fiscal decentralization, the Government of China began to expand and strengthen its national environmental laws significantly (Campbell, 1997). The Chinese Constitution of 1978 for the first time stipulated that the state was responsible for environmental and natural resource protection (Jian, 1996). The following year, a trial Environmental Protection Law (adopted as permanent law in 1989) established the basis for legal protection of natural resources and for recourse against polluters (Jian, 1996).

The trend toward decentralized environmental governance did not necessarily complement the strengthening of the national framework for environmental law. Observers have noted that the empowerment of local government to manage their own finances imbued them with a new bargaining power (Wu and Robbins, 2000).<sup>7</sup> Local authorities became more likely to circumvent or simply ignore environmental regulations set by the central government (Wu and Robbins, 2000). Major layoffs in the bureaucracy at all levels, borne of overall restructuring, left local governments with greatly reduced staff capacity even as their responsibilities increased (Beach, 2001; Xia, 2000).

At the community level, bottom-up planning processes involving participatory methods were adopted at least nominally in village development and in the natural resource sectors (e.g., Yunnan's Village Poverty Alleviation Forest Classification and Management Plans). The Organic Law on the Villagers' Committee of the People's Republic of China<sup>8</sup> provided for direct election of Village Committees to oversee village-level natural resources management. The new laws encouraged the development of village regulations for resources management. Although there have been calls for elections at the township and provincial levels, the government shows no signs that it wishes to relinquish its hold on its appointment powers incrementally (Cheng, 2000). Overall,

the reforms have created a situation in which the most scope for public participation and representation is at the village level, where almost no financial resources exist.<sup>9</sup> Far more financial resources remain at higher (i.e., province and county) levels of government, where officials are still appointed.

Although the general trend in China in the past three decades has been toward privatization and decentralization, a nationally instituted logging ban in 1998 nonetheless re-asserted centralized planning in the forestry sector (FAO, 2001). The logging ban, which was initiated as a response to the disastrous flooding on the Yangtze River that year, has been interpreted by some observers as an acknowledgement of "the failure of the past 15 years' forest policy" (Zuo and Xu, 2001, 6). It called for the millions of state forestry employees to redirect their efforts from logging to forest protection and reforestation.

Only as relative peace, security, and economic liberalization became established across mainland Southeast Asia did other countries begin to experiment with broad sweeping decentralization reforms. By this time—the mid- to late-1980s—decentralization in governance reform was coming into vogue across the developed and developing world. China's reforms made it somewhat easier for Vietnam's and Laos' socialist leadership to consider reforms, especially after the fall of the Soviet Union.

## THAILAND

In the early 1990s, Thailand embarked upon an ambitious experiment in decentralized governance. This sweeping reform accompanied the unrivaled economic growth and liberalization that preceded the 1997 financial crisis. The Tambon Administrative Act of 1994 set up Tambon Administrative Organizations (TAOs) at the tambon (sub-district) level. This Act confers upon TAOs local development planning and implementation responsibilities covering a wide range of local infrastructure, education, health, welfare, and natural resources management issues (CARE, 2000). Thailand's new Constitution of 1997 recognized the process and called for its completion, so that every one of the more than 7,400 tambons would have a TAO (Kammeier, 1999). Specifically, the

Constitution gives local people and organizations responsibility for managing their own natural resources (Komon, 2000). The Constitution increases the share of total revenues and expenditures managed by local government by “assigning more revenue sources to local governments, revising the system of intergovernmental transfers to provide grants in a more transparent and predictable way, and promoting mechanisms for local accountability” (Weist, 1999, 102). Furthermore, the Constitution makes unprecedented steps to ensure public access to environmental information and environmental decision-making processes (Somrudee et al., 2001).

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Thailand has embarked on an ambitious decentralization experiment that empowers elected bodies at the sub-district level.

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The recent reforms in Thailand’s local governance structure, including the granting of natural resource mandates to TAOs, sit somewhat uneasily with the traditional mandates and outlook of such line agencies as the Royal Forest Department (RFD). Traditionally, the RFD supervised commercial logging across the country (Komon, 2000; Mingsarn, 2000.) More recently, the Department recognized the potential gains of working more closely with communities to protect forests. However, instead of decentralizing decision-making, this shift emphasizes the role for forest officers in promoting central directives at the district and village levels. This situation may change in time, especially for parts of the kingdom’s forests. Since 1991, the government and concerned stakeholders have been discussing a draft Community Forestry Bill. The Bill holds the promise of recognizing community-owned forests and specified community rights.

Differences of opinion among various interest groups in the country have delayed passage of the bill. Initially, the Royal Forest Department disagreed with the proposal of human rights NGOs that community forests should be allowed within conservation forest areas. Once these parties reached a compromise, environmental NGOs argued against allowing settlement in conservation areas and protested the failure to guarantee conservation goals. Public hearings across the

country resulted in a version that the Cabinet approved, but parliament has not yet adopted the legislation (CARE, 2000). Meanwhile, Thailand’s forest land allocation policy has been roughly in synch with other countries in the region. The RFD provides land tenure certificates to households occupying degraded reserved forest areas before 1982 under the National Forestland Allotment Project (Komon, 2000).

Thailand’s water sector, like its forest sector, has been a flash point for conflict between state and civil society over the allocation and valuation of resources. The government has accepted large-scale assistance from the Asian Development Bank (ADB) for reform of its water sector. The ADB is underwriting the creation of new river basin authorities (Azimi et al., 2000; Panadda et al., 2001) and promoting recognition of water as an economic good through water pricing and other reforms. A US\$600 million loan for massive restructuring of the agricultural sector includes charging farmers for water use for the first time. The privatization of water has raised the ire of populist groups in the countryside that consider free access a right. Meanwhile, the government is drafting a more detailed legislative framework for water resources management to follow the Water Law of 1997.

## VIETNAM

Vietnamese society has opened significantly since the 1980s, signaling a move away from Soviet-style socialism and toward market socialism. In 1986, Vietnam’s Party Congress adopted its *doi moi*, or renovation, policy that ushered in a set of reforms aimed at liberalizing the economy and attracting foreign investment. As a consequence, new markets are available to farmers for their products.

The emergence of a market-oriented economy under *doi moi* has been accompanied by a process of land allocation to individual households, that is, a process of privatizing resource access. Whereas subsidiary government agencies and state enterprises controlled all natural resources previously—and the government took responsibility for every aspect of people’s lives including employment and welfare—households are now permitted to lease agriculture and forest land for up to 50 years. Agricultural land, slated to be allocated to individual households since the early 1990s, is almost completely

allocated in most provinces. Forest land allocation, although authorized in 1994, has proceeded slowly. The reasons for slow progress in implementing this policy and the government's twin policy for reforesting barren lands are explored in greater depth in the first case study in Chapter 3. In Vietnam as in Thailand, the forest land allocated to individual households is largely degraded forest land. The land is classified as forest because of its topography (e.g., steep slopes that should be forested to prevent erosion) and hence, according to its desired use, rather than its current use. We will revisit these patterns of ownership in the coming chapters as we assess the ability of decentralization reforms to improve rural livelihoods and ecosystem health along with the other underlying conditions that influence outcomes.

In spite of land reform and the partial embrace of market reforms, Vietnam retains strong central planning of its economy. As a consequence, Vietnam's provinces and districts function under production quotas and central mandates for new enterprise development. These directives limit the discretion of local authorities or communities to pursue alternative production systems. As our exploration of the agricultural and forestry sectors in this report shows, command and control regulation of small-scale farmers under a partially privatized and decentralized land tenure system is increasingly unworkable and is at odds with sustainable development imperatives.

Political or democratic decentralization, meaning the creation of downwardly accountable local government with decision-making powers, remains largely unrealized. However, Vietnam is allocating some powers for local development planning to communes in the rural areas.<sup>10</sup> The increased citizen mobilization implied by these new policies finds ample support in the Vietnamese Constitution and the teachings of the country's founding father, Ho Chi Minh (Jørgensen et al., 2001).<sup>11</sup> The Grass-roots Democracy Decree of 1998 calls for pro-active disclosure of new legal and policy information to local people by the communes and a more active role for commune authorities in planning. Although the Decree itself transfers few tangible powers to the local level, it forms the basis for several targeted reforms that have funds attached, and in that regard contributes to the empowerment of local authorities. One such example is Program 135, which transfers govern-

ment grants to the country's poorest communes for planning and disbursement by the commune leadership.

In Vietnam's recent history, forest management has been highly centralized, largely as a function of post-war reconstruction (Cai ed., 2001; Phuong, 2000). Until the early 1990s, State Forest Enterprises managed forest exploitation with a focus on commercial extraction and integration with wood-processing industries. Since then, however, the Enterprises have been reoriented to protect vital watershed areas and support household forest management by providing extension and training services. State-owned enterprises still own the bulk of productive forest lands, and they contract with individual households to protect plots in exchange for cash (Cai ed., 2001).

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### Vietnam's grassroots democracy decree calls for greater transparency and public participation.

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Authority for allocating land to households and reforesting barren land (land slated to be forest land but currently degraded) is becoming increasingly deconcentrated to local line agency representatives. Furthermore, the central government has increased calls for public consultation in the policy implementation process following the failure of one prominent reforestation program of the early 1990s to show results (Decree 327). Meanwhile, the line agencies remain responsible for forest law enforcement. As elsewhere in the region, these offices lack sufficient funding and labor to fulfill their mandates.

In the water resources sector, Vietnam took a major step in passing its 1998 Water Law. The Law sets Vietnam in line with various internationally recognized principles of water resources management. The Law recognizes water as a public good and acknowledges the rights and responsibilities of industrial, agricultural, domestic, and other water users in maintaining sustainability. It calls for integrated water resources management and promotes the governance of water on the watershed scale.<sup>12</sup> Several international agencies are helping Vietnam implement the Water Law. Two examples are a massive Asian Development Bank-funded effort to create

## SUMMARY OF REGIONAL TRENDS IN FOREST MANAGEMENT

Haltingly, governments across mainland Southeast Asia are moving toward devolving responsibility for forest management to communities. However, the mixture of centralized, deconcentrated, and decentralized management in the forest sector evident in all the study countries reflects the prevailing tension between state and community uses, typically a conflict between commercial use and subsistence use.

### Centrally designated targets

Vietnam, Laos, and Thailand all have targets for the percentage of total land that should be forested. In Vietnam and Thailand, which have experienced devastating rates of deforestation over the past half century, the national targets translate into ambitious policies for reforestation—the analysis of which forms a major component of the decentralization studies in this report. In Vietnam, the Ministry for Agriculture and Rural Development's land use planning authority is broad. The Ministry not only designates protected and targeted forest lands of national importance but also specifies which agricultural crops and tree species should be grown and where, in support of nationally defined export priorities. In Laos and Cambodia, remaining natural forest reserves have not been as severely depleted as in Vietnam and Thailand—although the rate of decrease is a major cause for alarm—and the central government sets annual logging quotas for each province. Across the region, land use targets devised at the central level and formulated there or at the province level are at once a key tool in governments' environmental management kits and also a controversial and contradictory element as rule-making and management authority over natural resources are gradually devolved to lower levels.

### Allocation of forest land to households

In the 1980s, several governments in the region recognized that extending forest use rights to individual households held potential gains for poverty alleviation and sustainable forest management. The underlying assumption of the resultant land allocation policies was that with long-term tenure security, farmers would be more willing to invest in conservation and production on their lands. Hand in hand with the privatization trends for forest and land use is a slow trend in decentraliza-

tion—primarily in the form of deconcentrating responsibility for regulation and enforcement to lower levels of the central state apparatus. To a minor degree, the study countries have also witnessed some degree of political decentralization whereby the central government has devolved some rule-making authority to a public body, such as a local government agency or village institution. However, where political decentralization has occurred in the forest sector, it has involved handing over forest lands that are effectively degraded to local bodies (as with privatization, above).

### Community forestry

Community forestry, in the Southeast Asian context, refers to community-based tenure systems that typically include a “complex mixture of group and individual property rights” (Lynch and Alcorn, 1994, 374; see also Lynch and Talbott, 1995). Not the equivalent of open access regimes, these arrangements usually evolved over generations and have remained adaptive to communities' current and projected needs (Lynch and Alcorn, 1994). In the 1990s, governments became interested in the potential of community forestry systems' contributions to environmental stability and upland welfare. They have increasingly recognized the potential benefits of forms of community forestry to manage forest-related conflicts, reduce illegal cutting, and stabilize forest cover. Policy-level interest has been accompanied by a proliferation of small-scale trial projects, often supported by international NGOs. Broader recognition of this system in law and policy varies across countries. For example, the Thai legislature has debated different forms of a Community Forest Bill since 1991 but has not yet managed to resolve the competing views of environmental, human rights, and community-based interest groups. In Vietnam, although community forestry is not recognized as a legal management form, allocating forest land to kinship-based groups (as opposed to individual households) has been permitted in trial sites under the auspices of donor projects.<sup>a</sup>

<sup>a</sup>Such as the experiment backed by the Sustainable Management of Resources in the Lower Mekong Basin Project, in Dak Lak province.

and support a Red River Basin authority and donor initiatives to establish a river basin authority in the Dong Nai basin above Ho Chi Minh City.

## LAOS

Laos' Party Congress instituted the *chintanakan mai*, or New Economic Mechanism (NEM), in 1986. These reforms intended to accomplish many of the same goals for opening the Lao economy as did Vietnam's *doi moi* reforms. The NEM was the first step in a cautious process, which in the rural areas would eventually lead to allocation of land use rights and some deconcentration of authority from the center to the provinces.

In Laos, the government is developing a planning framework that will assign more clearly defined and specialized roles and responsibilities to different levels of the administration, with an emphasis on provincial levels. The government argues that it is appropriate to concentrate resources at the provincial level, given the overall low human resources capacity and scarce revenue at the sub-national level (Government of Lao PDR, 2000a). According to this framework, villages will make on-the-ground decisions about policy implementation and localized planning issues. Districts will oversee budgets, provide technical support to villages, and direct relevant information to the province. Provinces will be responsible for overall strategic planning and guidance.<sup>13</sup> In fact, officials are already being reassigned from the central to the provincial levels to assist with administration and management (Government of Lao PDR, 2000b).

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Laos is concentrating resources  
at the provincial level.

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As in other countries of the region, the government is allocating rural land to individual households. Policy statements clearly link land allocation, underway since the early 1990s, with the goal of eradicating shifting cultivation. Shifting cultivation provides subsistence livelihood for many ethnic minority groups living in the uplands. These systems are diverse in nature and in their environmental impacts, al-

though like other governments in the region, the Lao government tends to view shifting cultivation as uniformly bad for the environment.

Recent rural development strategies place more emphasis on the role of communities in land and forest management. The principal mode of decentralization in the forest sector is deconcentration: the Land and Forest Laws<sup>14</sup> devolve responsibility for planning and implementation of agriculture and forest management to the provincial and district branches of the relevant central agencies. For both sectors, communities are to be consulted in greater depth about locally-appropriate priorities (Parisak, 2000; Government of Lao PDR, 2000a). Unlike other countries of the region, the policy framework recognizes the validity of community management of forest resources, and forest lands have been turned over to community committees. A draft decree by the Ministry of Agriculture and Forestry aims clarifies the exercise of customary rights over forest resources (Parisak, 2000).

Water resources in Laos have traditionally been managed at the level of village irrigation schemes, but in the last 30 years have been dominated by the creation of large-scale hydraulic infrastructure. While dams throughout Southeast Asia serve a variety of purposes—irrigation, flood control, and/or hydro-power—Laos' largest dams are hydropower dams. Most have been constructed in order to contribute to a region-wide power grid and to generate foreign exchange for Laos by exporting electricity to Thailand and Vietnam. None of the case studies undertaken in this study examined populations that were displaced by large dams or ecosystems that were drastically altered by dams and reservoirs. However, there is no question that decentralized forms of natural resource governance sit uneasily with the planning, design, and management of large dams—monuments of central planning—as long as they continue to be built in the region.

## CAMBODIA

Cambodia was devastated by the Khmer Rouge regime of 1975-79, under which at least one million Cambodians perished. Vietnam invaded Cambodia in 1979 to install a sympathetic government and to impose a basic administrative structure, modeled on the Vietnamese system. Cambodia

maintained this structure through the civil war years of the 1980s (Öjendal, 2000). However, during the 1980s, despite its best efforts to centralize, Cambodia lacked sufficient material and human resources to consolidate power and rebuild the country (Charny, 1999).

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### Cambodia's decentralization supports national reconstruction and recovery.

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In 1992, the Paris Peace Accords brought an end to Cambodia's civil war and the United Nations supervised free elections. The highly centralized hierarchical regime was formally replaced by a more open and democratic political system, although many aspects of this change occurred at the national level while the outlying rural areas maintained the old hierarchical power structures (Öjendal et al., 2001). Donor funds poured into Cambodia to aid in reconstruction. Even though resources were directed to establishing state legitimacy at all levels, a large and significant program was created to rebuild Cambodian political institutions and development capacity from the ground up. This program, called Seila, has instituted decentralized development planning in several pilot provinces.<sup>15</sup>

Even since the signing of the Peace Accords in 1992, the central government and its branches at the province, district, and commune levels have been weak, rife with corruption, and crippled by limited human resource capacity. Cambodia's

rural areas have had little effective government, or governance, per se. Instead, elements of the government, military, and private corporations have engaged in a land grab for the country's richest resources (Chaumeau, 2001).

The resulting rapid liquidation of Cambodia's forests and lack of official revenue from forest concessions caught the attention of donors, who scrutinized the forest sector. The International Monetary Fund, World Bank, Food and Agricultural Organization of the United Nations, and United Nations Development Programme sponsored a review of the sector in 1995-96 (Azimi et al., 2000). In response to widespread international criticism of its natural forest degradation, the Royal Cambodian Government issued a declaration in 1999 to strengthen the arm of the central state in forest management. The Prime Minister declared the Department of Forestry and Wildlife under the Ministry of Agriculture, Forestry and Fisheries (MAFF) to be solely responsible for protecting forests, and ordered the military and police to help the department halt illegal logging (Sy, 2000). Donor watchfulness has also stopped new concession allocations and produced central-level commitments to tighten control of existing concessions (Azimi et al., 2000). The government called for the drafting of community forestry legislation in an effort to fortify institutions for natural resources governance at both central and local levels. These dual developments have fueled conflicts over forest use rights. Local communities that want to protect traditional use and access rights over forest resources remain at odds with the central government for its concession management.

## ENDNOTES

1. Also, presentation by Dang Thanh Ha and Hoang Huu Cai at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001.
2. As detailed in the voluminous literature on China's fiscal decentralization. For selected references, see the Works Cited section of this report.
3. The Northern Mountains Poverty Reduction Project, co-financed by the World Bank and the United Kingdom's Department for International Development (DFID), a "multi-sectoral, decentralized project [to] help about one million rural poor—85% of whom are ethnic minorities—in the poorest region of Vietnam through investments in rural roads and markets, irrigation and water supply, basic education and health, and community development." World Bank News Release, "Vietnam: World Bank Underscores Support, Approves New Poverty Project," No: 2002/117/EAP, 25 October 2001.
4. Personal communication with Mingsarn Kaosa-ard, February 2002. See also *The Economist*, "All things considered: Thailand's constitution covers most eventualities" and "A new order: Thailand's 16th constitution provides the perfect guide to stability and prosperity," 2 March 2002.
5. The lease period for agricultural land was extended to 15 years in 1984 and to 30 years in 1998 (Beach, 2001).
6. Also, presentations by Xu Jianchu, Zuo Ting and Yang Yongping at the REPSI methods workshop on decentralization, Chiang Mai, Thailand, March 2000.
7. Indeed, scholars have noted that since the advent of decentralization reforms in China, a dynamic of negotiation among local, provincial, and central levels of government has developed. According to Beach (2001), local and central levels often bargain to reach agreement on distribution of resources and policy implementation issues "because each level possesses natural and/or financial resources that the other needs" (21).
8. Enacted in 1987 and revised in 1998.
9. Even then, the scope for representation at the village level is not to be exaggerated because, under the one-party system, elections are made on the basis of Party lists. Therefore the distinction between election and appointment is not very great. Nonetheless, in theory, public consultation regarding development decision-making has the potential to be considerably greater at the village level than at the county or province level.
10. The commune is a unit of government administration below the district, which, in the rural areas, typically comprises several villages.
11. The public's role in providing feedback on policy affairs is supported through such common slogans as Dân biết, dân bàn, dân làm, dân kiểm tra! (People know, people discuss, people implement, and people investigate!), also cited in Jørgensen et al., 2001.
12. These provisions of the Vietnamese Water Law are broadly in alignment with, for instance, the Dublin Principles emerging from the International Conference on Water and the Environment, 1992: the Dublin Principles call for water to be managed with a "holistic approach, linking social and economic development to environmental and land use concerns, including inter-watershed issues." The Dublin Principles also call for recognition of water as an economic good, for all stakeholders to be involved in water management at all levels, and for recognition of women's integral roles as water resource managers.
13. Prime Minister's Decree, PM001/00.
14. And corresponding Decrees 40 and 131 (1994, 1996, respectively).
15. Sub-decree No 78 issued by the Ministry of Interior, as cited in Öjendal (2000). The program is supported the United Nations and several bilateral aid agencies.

# CHAPTER THREE

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## The Case Studies

This chapter provides an overview of the main resource issues, policy contexts, local institutional changes, and environmental and livelihood implications in each case study. These synopses introduce the sites and ground the reader in the main effects of governance reforms. However, the most salient cross-cutting regional issues are explored in greater depth—with reference to these studies—in the following chapters, which are organized by theme.

### **FOREST MANAGEMENT IN NGHE AN PROVINCE, NORTHERN-CENTRAL VIETNAM**<sup>1</sup>

#### **GEOGRAPHIC CONTEXT**

Nghe An province is one of the poorest in Vietnam. Impoverishment has been most acute in the province's upland areas, which are home to at least five ethnic minority groups. In recent years, the province's promising economic growth has been confined almost entirely to lowland, urban areas. Upland residents, who depend primarily on the natural resource base for their livelihoods, face deteriorating conditions. In particular, poor forest management, extensive logging, shifting cultivation, and the pressures of steep population growth have contributed to the rapid decline of forest cover and forest quality.

In spite of the environmental degradation in Nghe An, the province still retains the country's largest block of intact natural forest, and considerable biodiversity. In this regard, Nghe An's socio-cultural diversity and biological richness are of special interest relative to rural development and ecosystem management.

#### **POLICY CONTEXT**

Since the early 1990s, the Government of Vietnam has undertaken a variety of agricultural and forest land reforms to improve forest management and alleviate rural poverty. The forest land allocation policy<sup>2</sup> and the program for re-greening barren lands<sup>3</sup> (5 Million Hectare Program) have been among the most significant in transforming the profile of resource access, ownership, and management in the uplands.

The forest land allocation policy distributes land to households for leases of up to 50 years. The Government of Vietnam allocates land to households for planting both protected and productive forests. In either case, the land being allocated in Nghe An is currently degraded, and reliant on local people to plant trees.

The policy is framed and implemented as deconcentration: the reform creates a new structure from the central to the local

level in which each administrative unit is strictly accountable to the unit above. For instance, land allocation teams at the commune level carry out the surveying, consultation, and leasing of land. These teams report to the district steering committees, which in turn provide progress reports to the provincial steering committee. Each of these committees is government appointed.

Accountability of the local authorities to the local community is also built in, albeit weakly. According to the law, commune authorities may grant land use certificates to households only when residents of the hamlet in question have no more questions and raise no more complaints about the program.

In the context of our framework for studying decentralization and related reforms, the forest land allocation policy is significant because it places new responsibility for natural resources distribution in the hands of a local appointed body—the Commune Land Allocation Team. The nature of the land allocation and the support given to recipients have major implications for natural resources management systems, equity of access to natural resources, and rural livelihoods.

Program 661 for reforesting 5 million hectares of Vietnam's countryside by the year 2010 is a complementary program, intended to be undertaken after forest land is allocated in each locale. The objective of the Program is to increase Vietnam's forest cover to 43 percent by planting 3 million hectares of protection forest and 2 million hectares of production forest. The main mechanism for achieving these objectives is the establishment of numerous tree planting projects, to be managed by local governmental and quasi-governmental authorities. As with the forest land allocation program, the reform structure is deconcentrated, although it has provisions for public consultation, that is, some degree of accountability to the local populace.<sup>4</sup>

First, a coordinating committee is appointed in each province to provide oversight and create investment plans; and a management committee is appointed to assign project management to local bodies. In Nghe An, these implementing bodies include state farms and district branches of various line agencies, such as the Department for Agriculture and Rural Development, extension department, and forest protection

unit. Annual investment plans and disbursement of funds are rigidly overseen by central levels: provincial offices must win the approval of the central government before they may distribute funds to the implementing agencies. In this regard, the increased responsibility of local authorities for tree planting and broader environmental protection is tightly circumscribed by the center.

## IMPLICATIONS OF THE REFORM

Although the government's policies are intended to increase income generation opportunities for poor households and strengthen food security, the overall effect of the policies, as implemented, has been to increase the insecurity of upland livelihoods. The cause of this outcome lies in the relations between central and local branches of the implementing agencies and in the relations between local agencies and communities.

Implementation is a question of district authorities' trying to apply methods and practices that have been decided by the central government for the country as a whole. Both the land allocation and the reforestation programs are formulated for blanket implementation, without consideration of different biophysical conditions, social customs, and pre-existing natural resources management norms in the uplands. For instance, the central policies define which species are targeted for planting, but often they are unsuitable for local climate and soil type. Upland populations often lack the knowledge for cultivating or making productive use of the target species, compared to indigenous varieties.

The land allocation process is strictly geared toward leases for individual households and does not yet recognize community forestry as a valid form of management. This traditional management form was once widespread in upland Vietnam and is still preferred by many upland hamlets because it allows forests to provide a social safety net.

In addition, local implementation agencies do not consult adequately with local communities because of financial and human resource constraints. Community consultation for both forest allocation and reforestation policies has been virtually nil at the Nghe An study sites because local authori-

ties say there is not enough staff for the job. Officers are so overburdened that it is impossible for them to undertake consultation. Staff are also unused to, or insufficiently sensitive to, the importance of consultation. They often consider it an additional rather than an integral duty. Typically, they are untrained in participatory techniques, which further discourages them from reaching out to local people. As a consequence, the program has had an almost entirely top-down approach, failing to incorporate even the elements of downward accountability called for in the law.

## **DECENTRALIZED PLANNING IN PHU THO PROVINCE, NORTHERN VIETNAM**<sup>5</sup>

### **GEOGRAPHIC CONTEXT**

Phu Tho province, Vietnam is a province of contrasts. The poorest districts have a high percentage of ethnic minorities. Many of them live in remote villages and rank low in such human development indicators as literacy and health. Population pressure and low rainfall have led to competition for increasingly scarce natural resources, such as timber and cultivable land. Other districts are more prosperous, because of their developed markets and greater integration into the lowland economy.

We studied the experience with decentralized planning and management in four villages. Two are small, remote villages in which the population depends mainly on swidden methods to produce upland rice and lower protein foods, such as cassava and manioc. The other two villages are larger and nearer the commune centers, with higher socio-economic differentiation among households and more experience with development programs.

### **POLICY CONTEXT**

Phu Tho is one of five northern mountainous provinces targeted by the Vietnam-Sweden Mountain Rural Development Programme (MRDP) for intensive development assistance. The Programme was launched in 1996 to alleviate poverty and restore and protect the natural environment in northern Vietnam. It is housed within Vietnam's Ministry for Agriculture and Rural Development (MARD).

In 2000, MRDP embarked upon an ambitious experiment to decentralize development planning. More than 200 villages and 60 communes have been involved in this large-scale trial. Not only does the Programme increase the responsibility of commune and village levels for development decision-making, but it also provides grants directly to the commune and village levels. Local officials budget and disburse the funds in consultation with local people. The scheme, known as the Commune and Village Development Budget, is explicitly intended to support the government's Grass-roots Democracy Decree (1998). This Decree calls for "people in communes, hamlets, or villages to directly discuss and decide raising of funds, elaboration of conventions, rules, and setting up of boards."<sup>6</sup>

The scheme does not establish new decision-making bodies, but it does strengthen the authority of the pre-existing development committees that were set up at MRDP's initiation in 1996. A national program board and subordinate committees at the province and district level monitor progress. Village Management Groups are in charge of planning and spending the grant funds. Commune Management Groups are responsible for overseeing the village plans (a commune is composed of several administrative villages), for coordinating with upper levels of the Programme structure, and for planning and spending commune-level funds.

There is a guaranteed role for the Communist Party in the management structure because the vice-chairperson of the People's Committee chairs the MRDP committee at the district and province levels. The chairperson of the Commune People's Committee chairs the Commune Management Group.<sup>7</sup> All these officials are typically Communist Party members. Therefore accountability to one's superiors in the government bureaucracy and in the Party hierarchy is built into the scheme's design.

Accountability to the local population is also a strong component of the design. The Village Management Groups, with the most direct responsibility for allocating and disbursing funds, are intended to be democratically elected. In addition, they are to consult with villagers directly on the proposed content of the budget, and to report to them on expenditures. Indeed, transparency at the village level is a pillar of the scheme's

guidelines: villagers are meant to be fully aware of the existence of the funds, their possible uses, and the intended beneficiaries.

The Commune and Village Development Budget appears to hold limited lessons for other parts of mainland Southeast Asia because it is both constrained in its geographic scope and is dependent upon annual infusions of donor cash. However, the scheme is part of a larger trend by aid donors to encourage allocation of development funds to the province, district, and commune levels. Furthermore, the human resources and cultural barriers to democratic processes encountered in the MRDP case are in many ways typical of the upland experience in implementing decentralization reforms. In this regard, the benefits and risks demonstrated in this case are especially useful.

### **IMPLICATIONS OF THE REFORM**

The Commune and Village Development Budget scheme has had mixed success in improving upland livelihoods and sustainable natural resources management. Although the evidence is preliminary and rests on only a few examples, it shows that electoral and consultative mechanisms have helped improve livelihood and environmental outcomes when they have functioned well. For instance, one member of a Village Management Group was engaged in illegal logging. Villagers did not elect him in the next round, proving the effectiveness of elections in holding local decision-makers accountable for managing public resources in the public interest. In one village, community members successfully used the consultative process to devise a plan for constructing a water tank. The tank not only brought development benefits to a previously underserved portion of the population, but also resolved a long-standing intra-village dispute over water rights.

Perhaps the greatest challenge to fulfilling the scheme's potential is the imperfect implementation of the electoral and consultative mechanisms. For instance, well-educated, Vietnamese-speaking elites manipulated the process on several occasions. When program guidelines were passed from the province and district to the village levels, managers filtered the information considerably. They presented opportunities for spending the development budget to local people in a fairly directive way, so that people understood suggestions not as

what they could do, but what they should do. Similarly, although elections for the Village Management Groups are supposed to be free, commune-level managers pre-selected short lists of candidates and left local people with limited choices. Thus, villagers were not empowered to the degree intended by the scheme's designers.

A major structural tension of the scheme, which contributed to local people's dissatisfaction, is the merging of decision-making and executive powers in one body. The Village Management Group is charged with completing village budgets, disbursing funds, supervising development activities, accounting fully for the funds, and reporting to higher levels. The decision-makers are thus expected to be competent and articulate managers. This requirement excludes large portions of the local population from candidacy, for they lack Vietnamese language skills or formal education. On the other hand, of course, most villagers do have a clear sense of livelihood needs and ideas for improving production systems, all of which they could contribute if given a democratic forum.

As a result of the implementation challenges described above—imperfect information disclosure about the Programme along with the control of decision-making by those who were qualified managers (i.e., the wealthier, better-educated villagers)—spending decisions were only partly satisfactory to the broader populace. In surveys, most felt that the wealthier groups' preferences dominated the process.

In the second year of the Commune and Village Development Budget trial, central planners specified that direct support, in the form of agricultural inputs, could be provided only to low-income households. As a result, households in the four villages studied competed to qualify as poor. The exclusion of wealthier households from receiving direct support created a decision-making environment that precluded the formulation of holistic plans that would be socially and ecologically sustainable. Instead, the guidelines may have encouraged committees to disburse the funds for short-term uses with immediate benefits to households.

The Commune and Village Development Budget has not contributed directly to solving problems of deforestation, erosion, and water shortage. The linkages between the local

institutional process and more sustainable natural resources management require further research in this context. Does the failure to address environmental degradation relate to implementation aspects of the Programme, such as public participation that is not inclusive or the predominance of elite views over others? Or does attention to long-term ecological sustainability require more incentives to be built into the scheme's design? In other MRDP-supported villages, explicit trials with community-based forest management yielded more long-term conservation activities.<sup>8</sup>

## **COMMUNE-LEVEL PLANNING IN THUA THIEN HUE PROVINCE, CENTRAL VIETNAM<sup>9</sup>**

### **GEOGRAPHIC CONTEXT**

Hong Ha commune, in the central Vietnamese province of Thua Thien Hue, is located near the Bo river and is vulnerable to yearly floods. In 1999, disastrous floods in the province destroyed livelihoods in the uplands and the lowlands and killed 700 people in central Vietnam as a whole. The water caused widespread erosion, inundated productive agricultural lands with sand and stone, caused crops to rot, damaged physical infrastructure, and swept away livestock. Since these catastrophic events, local institutions have been engaged first in disaster response, then in the pursuit of strategies for long-term livelihood recovery.

The households in greatest difficulty are those that were most vulnerable to begin with, because of health problems, labor shortage, and lack of land. For instance, credit for recovery was disbursed on the basis of households' paddy land holdings. In hilly areas, especially those sloping areas near the villages, the land is designated as protected watershed forest and is off-limits to villagers for cultivation. Villagers have generated some income by collecting minor forest products, but these sources are diminishing and are slow to re-establish. Given these limited options, communities and their representatives at the village and commune levels are desperate to embrace new, low-risk production systems and livelihood alternatives.

### **POLICY CONTEXT**

Hong Ha commune is affected by the trend in increased local responsibility for development planning in Vietnam. As elsewhere in the country, local institutions are beginning to implement the Grassroots Democracy Program, which calls for increased discussion of development priorities and budgets among local people and for commune authorities to exercise greater transparency and accountability in their interactions with local communities. Hong Ha is particularly affected by a recent government program (Program 135), which directs development grants to the country's poorest communes. The Program provides grants on an average of US\$30,000 per commune for small public infrastructure works and strengthening of local capacity and participatory approaches in development planning (World Bank et al., 2000).

The commune officials who assume management of the funds and related development planning are members of the Commune People's Committee. These officials are elected by the local population from a roster of Communist Party candidates. In other words, within the established political-administrative system, Vietnam's recent reforms provide additional powers for development decision-making to existing local authorities, along with the funding to carry out their priorities.

In spite of this move toward local empowerment, in the natural resources domain a significant portion of the assets in Hong Ha commune remain under the strict control of a highly centralized, and distant, institution—the Bo Watershed Management Board. The Board operates directly under the national Department for Agriculture and Rural Development (DARD). The Board controls large swathes of tree-covered land and barren land designated for planting. It develops a design for forest planting bilaterally with a team from DARD and submits this plan to the provincial authorities for approval. Only after this process does the Board inform the district, commune, and village of its decision.

### **IMPLICATIONS OF THE REFORM**

Commune authorities have proven highly responsive to villagers' needs and concerns in the immediate aftermath of

the 1999 flood disaster. For instance, they ascertained which households were most affected and successfully mobilized emergency support from numerous outside organizations. Villagers appreciated these organizational efforts, claiming that without the People's Committee, "we wouldn't have a commune at all."<sup>10</sup>

In the longer-term effort to recover livelihoods and production systems, the commune leadership has continued to play a prominent role. Drawing upon the grant resources made available by Program 135 and its new latitude in decision-making over infrastructure development and poverty alleviation at the commune level, the People's Committee has become increasingly active on several fronts. It has taken a greater role in formulating development plans for land use development, organizing input supply, training commune extension workers, and planting bamboo and indigenous species. Together with the local communities, the commune leadership has made agroforestry development on hill lands a priority in order to alleviate poverty and achieve ecological objectives; such a strategy could reduce villagers' reliance on vulnerable, stony lands in the flood plain.

Villagers credit the institutional shifts as having increased the appropriateness of local development efforts overall. A significant factor in the strong accountability relations of the commune leadership at this study site is the enduring social relations that bind the community. The commune leadership is composed of ethnic minority people from the same groups as its constituents, and they share norms of reciprocity, language, and family bonds. The social structure in the commune is not highly differentiated. These factors increase the trust and cooperation between villagers and leaders. The Thua Thien Hue experience also informs policy discussions of what is the right level to which land use and agricultural development decisions should be devolved. This case argues for the commune as the "right" level because, at this scale, both social bonds and the opportunity for diverse and meaningful community consultation in decision-making exist.

In village discussions, the People's Committee was faulted mostly for failing to spend more time on recognizing and developing the potential of the poor and handicapped.<sup>11</sup>

Although socio-economic differentiation in the commune is not great, those at the bottom of the scale, primarily women, still face daunting difficulties in finding the time and energy to attend village meetings. They will require extra attention if they are to share in the benefits of local projects.

To advance local communities' development interests, commune authorities believe they will need to gain more experience and technical expertise in the development of markets. Households seek opportunities for diversifying their production systems to reduce risk. However, the lack of local market institutions is hindering these efforts; people cannot access the range of inputs they require, nor can they sell the range of products they would like to grow. Furthermore, villagers and the commune leadership have learned a bitter lesson from the recent past about the importance of guaranteeing markets before investing in cash crop production. The commune promoted sugar cane cultivation but the private company that promised to buy the stock canceled its contract, imperiling local livelihoods.

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**"There are large areas where the land use rights are not clear, which causes conflict. We need to coordinate between all relevant organizations in the planning process. We need to organize the land use planning process directly at the commune level together with the commune staff in order to be effective... At present, people don't have any rights in relation to the forest they have planted. That is not suitable for development of the forest."**

—District Land Management Officer,  
Hong Ha Commune (Beckman et al., 2002, 17).

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The ability of the local leadership to advance livelihood security for the overall community does not only rely on learning from the past, but is also tied to larger land access constraints. The Watershed Management Board continues to control the land with some of the greatest production potential. It provides local people with no advance notice about which land it will claim for its own use in a given year and which land will be

available for public use. This situation discourages long-term community investments in cropping systems and soil conservation.

The designated planting areas are often slated for monoculture plantations of exotic species (e.g., *acacia mangium*), whereas villagers prefer indigenous species that better suit the local ecosystem. The Board's contracting activities also fail to provide local people with the income-generating opportunities they need for long-term recovery from the floods. In 2000, the Watershed Management Board and DARD designated an area for forest planting within commune borders, of which one third was offered as a planting contract (an income-generating opportunity) to commune members. The other two thirds of the planting was offered to private companies and individuals outside the commune, none of which had any relation to the local people.

## **WATER RESOURCES MANAGEMENT IN DAK LAK PROVINCE, VIETNAM**<sup>1 2</sup>

### **GEOGRAPHIC CONTEXT**

Emerging water problems threaten the livelihoods of rural people and the long-term viability of watershed ecosystems across Vietnam. The coffee-growing province of Dak Lak in Vietnam's western highlands is a prime example.

The dynamics of this province's development have been shaped by government interventions over the past 25 years. The national government has considered the uplands to be a strategic region in two different ways. First, the government has recognized the uplands as having forests critical for watershed health, which must be protected to ensure the environmental security of the lowlands. In support of this objective, the government has implemented a national program since 1965 to sedentarize agriculture, resettle shifting cultivators, and demarcate forest and agricultural land. Second, the government has viewed the uplands as a "sleeping princess to be awakened" (Cai ed., 2001, 5). Since 1975, it has made heavy investments in relocating people from northern Vietnam to the western highlands and in developing agricultural production.

As a result, the uplands have undergone a remarkable socio-economic and environmental transition. The population has increased and the social structure has changed rapidly as a result of in-migration. In Ea Tul catchment of the Upper Srepok basin, where our research took place, the Ede ethnic group is now outnumbered by majority Kinh Vietnamese. Traditional management systems for forest, land, and water have been replaced by state-run enterprises and agencies that do not enforce formal regulations or arrest the trend of open access to forest and water. Large-scale deforestation has occurred as agricultural land has expanded, first for subsistence production and then, since the move toward a market economy in the 1990s, for cash crop production, especially coffee.

Dak Lak has climatic conditions and basaltic soils that are perfectly suited to coffee cultivation. However, the El Niño year of 1997 brought acute water shortages that raised local authorities' and communities' awareness of the need for more coordinated and sustainable water resources management.

### **POLICY CONTEXT**

The Vietnamese National Assembly passed legislation in 1998 that overhauled the legal and policy framework for water resources management in Vietnam. The aim of the reform is to address tensions in water allocation, encourage efficient, rational, and sustainable water uses, and avoid abuses of the resource. According to the new legislation, management should change from a focus on irrigation schemes and top-down operation of hydraulic works to a more integrated approach to watershed management that includes the active participation of local people. Indeed, the Water Law gives authority for water resources management to the central state and its line agencies, but it also recognizes water as belonging to the people of Vietnam and calls for multiple actors to implement the Law. In fact, although the Law exemplifies a strongly unified, centrally-controlled approach, recognition of multiple stakeholders' roles offers an opportunity for more participatory approaches to water management at the local level.

In Dak Lak province, implementation of the Law has involved the devolution of irrigation management to local bodies.

Central government agencies continue to manage the largest works, while management of schemes covering 41 percent of the irrigated area has been devolved to the Commune People's Committees. Most schemes in both categories suffer from operating under an ad hoc open access system, with negative implications for both social equity and environmental sustainability. The Commune People's Committees succeed in collecting water fees from only 5 to 25 percent of users and therefore lack the capacity to improve the degraded schemes. Personnel at the commune level do not exhibit any sense of ownership over the schemes, treating them as an albatross. They are unable to mobilize participation from farmers or grass-roots leaders to help maintain the schemes. Meanwhile, natural surface water and groundwater are available to users at no cost and are being seriously over-exploited.

In contrast to the above failures in centralized and deconcentrated management, a promising model has emerged for building institutions for decentralized, collective action. In some communes, Water Users Associations have formed based on a participatory irrigation management approach. These groups have succeeded in acquiring responsibility for managing irrigation schemes and hence rule-making authority over local water resources. They have organized labor for canal maintenance and improvement. They have succeeded in collecting water users fees at a higher rate than when the government agencies tried to collect them.

Grass-roots irrigation associations have a legal standing, which provides them with legitimate negotiating power vis-à-vis local authorities—they are recognized as economic units under the Law on Cooperatives. Unfortunately, there are not yet detailed regulations to guide their activities, making it more difficult to define their roles in managing, exploiting, and protecting water sources and irrigation schemes and to define their precise relation to government. However, the Danida-supported Participatory Irrigation Management Initiative and the decentralized Water Users Associations are aided by the relatively high political will that supports the Initiative. At the provincial level, the Province People's Committee established a Participatory Irrigation Management Steering Committee to provide guidance to the effort, along with supporting committees at the district levels. The Steering Committee includes representatives of relevant line ministries,

such as the Department of Agriculture and Rural Development, the Department of Planning and Investment, and various forest agencies and mass organizations.

## IMPLICATIONS OF THE REFORM

At the village level, the users groups are helping “the poor to have a say.”<sup>13</sup> The participatory processes have helped new community voices to be a part of planning and management, with benefits for livelihoods. Although a focus on irrigation is, by necessity, limited to just one part of the water resources equation, it could nonetheless provide the entry point for the concept and practice of integrated water resources management. Indeed, in stakeholder workshops, farmers have highlighted the importance of mobilizing collective action to address the challenges of land and water use in a more integrated way.

Devolution to interest groups, defined to a certain extent by land tenure, is inherently exclusive. Therefore we would expect some negative social ramifications from such a model. Landless households, for example, are excluded from the benefits of collective water management. More research is required on this important topic. Nonetheless, the devolution of responsibility to the farmer-run users groups has proved far more promising than the alternative, where privatization of resources and emergence of unregulated land markets formerly led to a chaotic grab for land and associated water resources—overseen by helpless local institutions.

A major gap in local institutions' water management is the management of groundwater, for which no arrangements exist at all. The failure to manage the environmental externalities of pumping by individual users has promoted conflict, rather than cooperation, among farmers.

## DECENTRALIZED NATURAL RESOURCES MANAGEMENT IN LUANG PHABANG PROVINCE, LAOS<sup>14</sup>

### GEOGRAPHIC CONTEXT

Forest cover in Luang Phabang has declined precipitously in the past few decades, driven first by war and then by poor

management and illegal logging. According to digital analysis of satellite imagery, in the mid-1990s, the gross rate of forest clearing increased further—possibly in connection with the Lao government’s policy of economic liberalization—although the rate subsequently declined to almost one half the 1987 rate by 1999.<sup>15</sup> More than 90 percent of the province’s population are farmers, and most have subsistence livelihoods based on shifting cultivation.

Population growth poses a planning challenge to the province, with the current growth rate at 2.6 percent per annum. This rate of increase is unlikely to ease up soon. Interviews indicate that households are largely unaware of modern family planning methods. Owing to population pressure, there is not enough land to practice rotational shifting cultivation and the fallow period is gradually shortening, leading to soil degradation and low productivity. Our study found that 80 percent of villages face a rice shortage at the end of the dry season. Households must compensate by selling livestock or gathering bamboo shoots, mushrooms, medicinal herbs, and other non-timber forest products.

The government frames the development challenge as the need to reduce the area under shifting cultivation and sedentarize upland farmers on allocated lands. Although the majority of upland farmers rely upon some form of shifting cultivation, the various systems of upland agriculture currently practiced are diverse. Options for alternative production systems are limited.

## **POLICY CONTEXT<sup>16</sup>**

The Lao government’s rural development strategy recognizes the need for site-specific approaches to development and environmental conservation. Therefore, within what remains a relatively centralized planning system by regional or international standards, the government is beginning to delegate various forms of land allocation and management to lower levels in the government hierarchy.

The government’s land use planning and land allocation program has been underway since 1989, with Luang Phabang as one of the pilot focal areas. Here, in Xieng Ngerm and Nan districts, the Lao-Swedish Forestry Programme has provided

funding and technical assistance in order to test the feasibility of the program for the whole country.

The land allocation policy (Decree 99, 1992) was developed through a series of decrees and instructions on forest and agricultural land management. In 1996, the Instruction on Land and Forest Allocation for Management and Use was issued to provincial governors; it provides for the allocation of temporary use rights to farmers for agricultural and barren hilly land. The policy supports the government’s goal of protecting vital remaining forests and reducing poverty, particularly in the uplands. The government’s aim is to halt expansion of shifting cultivation by 2005.

There are effectively two forms of land allocation. The first is a simple process of agreeing upon the boundaries of forest and agricultural land in a village. The next step is a more detailed classification of land use types and allocation of fields to households. District forest departments have assumed primary responsibility for allocating land, although in pilot areas they have shared responsibility with Lao-Swedish Forestry Programme officers. Land allocation teams include District Agriculture and Forestry Office staff and other district financial and planning officers. Villagers are meant to be involved in the mapping and land allocation process through full consultation with the implementing officers. Typically, each village forms a village committee, led by a popularly elected village head, that oversees the process. Its members are village administrators (i.e., government employees), representatives of livelihood groups within the village, and representatives of large organizations such as the farmers’ and women’s unions.

Allocation teams map and distribute paddy and swidden farming lands to individual households and forest land to villages to be managed as common property. The size of the allocations are determined by households’ available resources and labor. At the end of the process, the village committee and district authorities sign a land use agreement signifying that the village is responsible for monitoring and implementation under supervision of the district authorities. The committee creates and posts land use maps in the village as a reference for ongoing natural resources management decisions.

A village forest volunteer assists the land allocation team and the farmers with forest classification and forest use planning. The village forest volunteer also serves as a channel of communication between the District Agriculture and Forest Office and the village, facilitating the collection and management of information. However, in practice, the follow-up steps of monitoring, assessing, and providing extension support remain high-priority challenges to the land allocation program (Viphakone, 1999).

In summary, the model of decentralization espoused in recent law and policy is essentially deconcentration—local officers are the implementing agents for a tightly circumscribed policy of the central government. However, the degree of local participation and negotiation in the implementation process is much higher than in Laos' recent past, giving this arrangement the contours of a co-management approach to resource allocation and use.

### **IMPLICATIONS OF THE REFORM**

The effects of village consultation in the land allocation process and of increased village participation in implementation and monitoring have been positive in contrast with previous agricultural and forest policies—but not without difficulty. Villagers have praised the common mapping and land allocation exercise for reducing conflicts over natural resources, such as disagreements over village boundaries and fallow fields. Less fire damage to forests has resulted from improved tenure security, and villagers' awareness of and mobilization in support of development planning has increased.

The land allocation process has helped strengthen natural resources management systems. Notwithstanding some confusion among local officials about how to apply the designated land use and land cover categories, villages have created rules and regulations for each category of land cover. These rules or regulations deal mainly with use, and little mention is made of efforts to improve management. The villagers can still access forest resources, except timber, if available. (Logging must be approved by higher levels of government.) They report that forest and wildlife have both benefited.

Although participation has provided these benefits, the rigidity of the three-plot, three-year rotation system imposed by the government on agricultural land has pushed the limits of carrying capacity. The three-year rotation has been imposed, in particular, on villages near the road and with water resources that can be developed for irrigation. The logic of this approach is that the comparatively high market access enjoyed by these villages will increase the system's chances of success. However, the envisaged fallow period has proven ecologically unsustainable. Villagers' inability to cultivate crops other than rice has undermined the program's economic sustainability. In such a situation, generous technical support from extension agencies is required to ensure that villagers acquire the inputs and know-how to meet their livelihood needs, or barring that, greater flexibility is required in how allocations are made.

## **DECENTRALIZED PLANNING IN RATANAKIRI PROVINCE, CAMBODIA**<sup>17</sup>

### **GEOGRAPHIC CONTEXT**

Ratanakiri province, in northeast Cambodia, has been regarded historically as a remote and marginal part of the country. Its population largely comprises ethnic minority groups whose way of life is dependent upon the natural resource base and intricately adapted to the mountainous landscape. The province is also sparsely populated, with a mere nine persons per square kilometer as of 1999. In recent history, the province's indigenous people have been oppressed by the central state through coerced labor in rubber plantation schemes under the Sihanouk regime in the 1950s, and through the condemnation of their ancestral religion and other atrocities perpetrated by the Khmer Rouge regime in the 1970s. Therefore "the most significant remaining historical consequence of the uneasy meeting between the upland people and the emerging Cambodian state is perhaps that of a lingering mutual distrust" (Öjendal et al., 2001, 8).

Ratanakiri is richly endowed with natural resources. It has fertile soils, some of the richest stands of remaining primary forest in mainland Southeast Asia, and small quantities of precious minerals such as gold. The vast majority of the population depends on subsistence agriculture for their livelihoods, which typically comprises shifting cultivation with a

fallow cycle of 10 to 15 years. This system is ecologically sustainable. Rice and a wide variety of other crops are grown on these upland plots, called *chamkar*; forest products and fish from ponds and rivers supplement the local diet. Unfortunately, the richness of Ratanakiri's natural resource base and its place in the lowland Khmer imagination as an untouched frontier have placed its natural resources and the indigenous people who depend upon them at considerable risk for exploitation. The upland landscape has already been scarred by large-scale illegal logging, conversion of primary forest to monoculture plantations, and large dam building by outside interests.

## POLICY CONTEXT

Since 1996, the Royal Cambodian Government has piloted a program for decentralized development planning, named Seila,<sup>18</sup> in five provinces. Now that the commune leaders appointed by the Cambodian People's Party are being replaced by elected Commune Councils nationwide (as per the Law on Commune Administration, 2001), the government is applying aspects of the Seila experience to the whole country.

The Seila program involves the significant empowerment of existing local government bodies—development committees—at the district and province levels. The program has also inspired the creation of development committees at the commune and village levels in its pilot provinces (Charny 1999).

The majority of decision-making takes place at the commune level, where Commune Development Committees (CDCs) decide on local activities and budget allocations. These committees are chaired by the commune chiefs and include two members from each Village Development Committee—the village headman and one elected female representative. Although part of the formal government structure, village headmen are typically traditional leaders of their communities. Many have been in place since the Cambodian People's Party appointed them in 1979. The CDC determines the use of Seila funds based on deliberations by the village representatives and on priorities articulated at the village level. The program works to strengthen the capacity and authority of the committees, primarily through the transfer of funds and technical assistance.

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**“We are dependent on the Royal Government. If ordinary people say something [to people who extract natural resources], they would not listen. If the commune tried, they would not believe it, they would not be afraid. People want to have a bigger law. If I tell people to refrain from cutting trees, then outsiders come to cut...We want a law in the whole country. If there are rules only in our commune, other communes won't understand.”**

—Commune chief, Kok Lak, Ratanakiri<sup>19</sup>

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The communes try to harmonize their plans with central government objectives by participating in annual District Integration Workshops, where commune authorities meet to discuss plans with provincial line agencies and development NGOs. Based upon these deliberations, the communes make some refinements. The province then approves the plans and disburses funding. In summary, the communes receive some supervision under the Seila scheme, but they have considerable autonomy to set and direct local development priorities.

At present, the Seila program receives a large infusion of cash from Cambodia's donors: the United Nations Development Programme, United Nations Capital Development Fund, United Nations High Commission for Refugees, World Food Programme, International Fund for Agricultural Development, World Bank, European Union, and the governments of the Netherlands, Sweden, the United Kingdom, and Australia. In this regard, some of its benefits may not be replicable on the national scale unless donors increase their funding.

## IMPLICATIONS OF THE REFORM

Although the Seila program was not explicitly designed to address upland and natural resources management issues, the significance of natural resources for the survival of Ratanakiri's population has placed these concerns high on the agenda of commune authorities. Commune Development Committees have facilitated participatory land use planning

activities of various kinds, often with technical support from outside program staff. In Som Thom Commune, O'Yadao district, commune authorities have helped local people establish a pilot community forestry scheme, in part by articulating a compelling vision for the scheme. Authorities hope the scheme will engage local people's natural willingness to protect the forest and stem further degradation.

In this and the other communes surveyed, decentralized planning has encouraged commune authorities to carry out natural resources mapping and boundary clarification. The concept was initially foreign to the local people, because they had traditionally relied on commonly understood but informally delineated boundaries between kin groups and villages. However, villagers soon showed a sharp grasp of spatial understanding, and mapping techniques have advanced from pen drawings to digital analyses using GIS data. By formally identifying local resources, these exercises have made people realize how fast natural resources are disappearing and how serious the ongoing threat is. The exercises have initiated new resolve to protect precious forests, land, and water.

The other benefits of the decentralized planning program and the Seila governance structure for Ratanakiri are that they have raised capacity for and awareness of strong institutions from the province down to the village levels. Explicit attention to women's empowerment as part of the program's design is strengthening the voice of women in the development planning process, in turn strengthening the quality of planning and implementation.

In spite of these indicators of improved approaches to natural resources management as a result of decentralization, Ratanakiri's environment and indigenous people face several formidable challenges, which decentralized development planning has failed to address. Ratanakiri's natural resources are being pilfered so rapidly that the gains of the Seila program translate only into reductions in the damage to natural resources caused by the other forces of change in the province. Namely, the unsustainable exploitation of forest, land, and water resources by outside commercial interests means that decentralization alone is not sufficient to address ecosystem degradation and socio-economic problems. Indeed, the complicity of national government officials and military

personnel in such exploitation underscores the need for continued reform at the national level in order to protect Ratanakiri's resources. In one example, ethnic Jarai and Tampuen people filed a lawsuit in Ratanakiri's provincial court in early 2001, charging that a senior army general used fraud and forgery to assume the rights to their ancestral lands.<sup>20</sup> The potential of decentralization is being undermined by communities' lack of rights to defend the natural resources they have traditionally used.

## **EMPOWERMENT OF SUB-DISTRICT AUTHORITIES, CHIANG MAI PROVINCE, NORTHERN THAILAND<sup>21</sup>**

### **GEOGRAPHIC CONTEXT**

Mae Chaem district, in Chiang Mai province of northern Thailand, is an area characterized by its ethnic diversity and high degree of pressure on the natural resource base. Thai, Karen, Hmong, Lua, and Lisu ethnic groups live in the area. Ninety percent of the district is mountainous, and the entire district is designated by the central government as a watershed protection area because it provides 40 percent of the flow of the Ping river, a tributary of the Chao Phraya.

Environmental problems in Mae Chaem include degraded watersheds, decreasing biodiversity, soil erosion, water shortages and the increasing use of agricultural pesticides and chemicals. The local population has exploited forest products at an unsustainable rate and forest land continues to be cleared for agricultural expansion. The situation has intensified ongoing conflicts over resource boundaries among households and between communities and the central government.

### **POLICY CONTEXT**

Thailand's Tambon Administrative Act of 1994 called for the creation of new local government entities at the tambon, or sub-district, level. These Tambon Administrative Organizations (TAOs) are charged with generating sub-district development plans and much of the revenue to support them. TAOs also receive annual budget allocations from the central government. Across the country, TAOs' ability to carry out

their responsibilities varies widely. The central government designates a capacity level (ranked on a scale of 1 to 5), according to TAOs' available revenues. All the TAOs in Mae Chaem district are classified as having the lowest level of capacity.

TAOs are partly elected and partly appointed. The TAO Council is the governing body, comprising the *kamnan* (sub-district headman), village headmen from the core villages within the sub-district, and a health volunteer (CARE, 2000). Meanwhile, the TAO administration, which is responsible for preparing the TAO annual plan and budget, comprises the *kamnan*, a total of six village representatives, and three officers from the Ministry of Interior.

TAO plans are formulated through a bottom-up process that is based upon villages' project submissions. The authorities' mandates are broad, incorporating health, education, social welfare, infrastructure development, and local natural resources management. With regard to natural resources alone, TAOs are nominally responsible for protection and wise development of all land, water, and forest resources within their boundaries, as permitted by the national legal and policy framework. This situation creates the potential for a broad range of priorities to emerge.

However, TAOs are not entirely autonomous. The central government sets rules for how revenues may be raised, and tambon budgets must be forwarded to the District Officer, a Ministry of Interior appointee, for approval. The District Officer approves only those budgets that are within given allocations (CARE, 2000). As this brief description of their financing and operation suggests, TAO members' accountability is also balanced between accountability to superiors in the Ministry of Interior and accountability toward the local electorate.

## IMPLICATIONS OF THE REFORM

Thailand's tambon reforms hold great promise for local empowerment through representative democracy. If local democracy functions well, it is to be expected that local development plans and projects would be highly responsive to people's livelihood priorities. Given that most people make

their living off the land, it would be expected that priorities would also align with objectives for sustainable natural resources management. The evidence from Mae Chaem, however, indicates that representative democracy does not necessarily elevate the environment to the top of the local government agenda, even for a natural resources-dependent populace such as this. Our experience also shows that, except in some instances, participatory planning processes at the village level fail to place a priority on natural resources management activities.

Until now, environmental issues have played a limited role in deciding local elections, taking second place to economic development issues. In ongoing development dialogues between TAOs and the public, natural resources issues are also a lower priority. Development plans formulated at the village level for presentation to the TAO Councils tend to focus on infrastructure development. The relatively weak public demand for natural resources management acts as a disincentive for local government officers, who typically lack the funds and human resources to fulfil their mandates anyway. Ironically, many natural resources management activities that have important conservation implications, such as constructing fire breaks, boundary settlement and planning, require little or no funding. However, these activities require organizational skills in facilitation and monitoring, which TAOs currently lack. And because TAOs are target-oriented and base their plans on village plans that are accompanied by budgets, such no-cost or low-cost activities are overlooked (CARE, 2000). This assessment suggests that local government action may require increased civic mobilization and awareness-raising around environmental protection issues—or the pro-active exercise of environmental leadership by TAO officials themselves to drive an environmental agenda in Mae Chaem.

On a more positive note, non-governmental actors are important to natural resources management in Mae Chaem, as elsewhere in northern Thailand. These groups have the potential to both build alliances with local government, so that their activities are complementary, and to cooperate explicitly with the new tambon authorities. Alternately, these networks could act as important third-party monitors of the environmental impact of local government activity.

Various ethnic groups have formed watershed networks to coordinate natural resources protection and management, such as delineating village boundaries, defusing and resolving conflicts between villages in a common watershed, and assigning fire control responsibilities. People's organizations such as these already receive some financial support from the Ministry of Science, Technology and Environment, other government ministries, and government research institutes. A project under development in Mae Chaem seeks to increase TAO capacity to address natural resources management issues, at the same time strengthening the official cooperation of watershed network representatives with tambon authorities in order to harness the networks' experience.<sup>22</sup>

## **DECENTRALIZED PLANNING IN YUNNAN PROVINCE, CHINA<sup>23</sup>**

### **GEOGRAPHIC CONTEXT**

China has experienced rapid economic growth and dramatic social change in the past two decades, transformations that have lifted millions of people out of poverty but that have also profoundly affected natural resources and the livelihoods of indigenous communities. Yunnan province of southwestern China, with its great ethnic and biological diversity, is a fitting place to study China's reforms and their impacts. Environmental problems in Yunnan province include grassland degradation because of overgrazing and extensive soil erosion. Population growth has contributed to widespread poverty and increased pressure on natural resources. The majority of the population resides in mountainous areas (94 percent); it comprises 26 different ethnic minority groups (Xu, 2002).

### **POLICY CONTEXT**

The Chinese government and many domestic analysts have termed the last 20 years of China's reforms as essentially decentralizing in character. The most noted and profound reform to the rural economy was the abandonment of collectivized agriculture and adoption of the Household Responsibility System in 1980. This system allocates agriculture and forest lands to individual households on long-term leases—thus it is, strictly speaking, a form of privatization of resource use rather than decentralization. (Decentralization

creates authorities with powers to manage natural resources in the public interest.) The Household Responsibility System is highly relevant to later decentralization efforts: it completely reconfigured the set of actors involved in local resources management and subsequently created new interests that would be represented in local decision-making forums.

The Household Responsibility System was followed by a broader strategy of decentralization in decision-making. In 1998, two laws established for the first time the election of Village Committees and village leaders. These laws provide for new natural resources management responsibilities to be allocated to the Village Committees (Xu, 2002). Their purpose is to strengthen the basis for participatory decision-making at the grass-roots level. The Committees may develop their own regulations for community natural resources management as long as they are in full compliance with the Chinese constitution and laws, and with the regulations and policies of the county.

The village is the lowest administrative level in the Chinese system; the next highest level is the township, followed by the county, prefecture, and province. During roughly the same period that village democratization took place, the central government increased township authorities' power to manage natural resources. In 1994, stations for forestry, agricultural extension, irrigation management, water, and soil conservation that were previously at the county level were transferred to the township. A law providing for greater independence in township financing and staff management increased townships' discretion in using their own funds, although such funds are relatively limited compared with the resources available to higher levels of government.

### **IMPLICATIONS OF THE REFORM**

China's series of decentralizing reforms have failed to improve environmental management in Baoshan, Yunnan because management at the ecosystem level is inadequate. This problem is the result of failed inter-agency cooperation and also of weak inter-village, or inter-jurisdictional, cooperation. Although these governance problems are not unique to a decentralized policy environment, the national and provincial governments have clearly focused their attention on allocating

responsibilities to lower levels without strengthening the coordinating and supporting structures for sound environmental governance at the watershed levels.

Government agencies fail to cooperate within the same watershed to preserve and protect clean water flows and appropriate land use. For example, flooding caused by upland soil erosion and deforestation are inadequately monitored and managed. Meanwhile, villages give priority to micro, not macro, issues. Stakeholders lack the capacity to address serious conflicts and competition over natural resources between upland and lowland communities. These failures indicate the need for mechanisms to resolve natural resource-related conflicts.

Environment and natural resources protection needs improved coordination with other development activities,

especially at the township level. Environmental management units do not yet exist at the township level, and township authorities are preoccupied with poverty alleviation, family planning, tax collection, and electoral matters and therefore do not integrate environmental concerns into these activities. Decentralization reforms have transferred many responsibilities from higher levels of government to the township and village levels without providing local authorities with the incentives to prioritize sustainable development. Indeed, until recently, the fiscal decentralization that has accompanied political decentralization has proved a counter-incentive to sound environmental management. Faced with the prospect of raising their own revenues for needed development projects, local authorities rapidly logged timber stands to generate cash quickly. The logging ban instituted by the central government in 1998 marks a recognition of the failure of highly decentralized policies to protect precious natural assets.

## ENDNOTES

1. Based on Vien, Huong et al. (2000). The research for this study was undertaken in the four upland communes of Anh Son, Con Cuong, Tuong Duong, and Ky Son.
2. Decree No. 02/1994/CP.
3. The 1998 Decree 661 for the reforestation of 5 million hectares by 2010.
4. In this regard, the policy follows the deconcentrated structure of its predecessor, Program 327, for re-greening barren hills. However, the provisions for public consultation in the more recent policy are new and the coordination of responsibilities among different line agencies has increased.
5. Based on the presentation by Nguyen Quang Dung at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on Jørgensen et al. (2001).
6. Decree No 29/1998/ND-CP 1998.
7. The People's Committee itself is the executive branch of the People's Council, a state administrative body that is elected by local people and accountable both to them and to higher levels of government.
8. Personal communication with Maria Berlekom, Socio-Economy and Environment Advisor, MRDP, 29 March 2002.
9. Based on the presentation by Le Van An at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on Beckman et al. (2001). Researchers focused on Pa Rinh and Con Tom Villages in Hong Ha Commune.
10. According to discussions at Pa Rinh village facilitated by the University of Agriculture and Forestry-Hue team.
11. According to discussions at Pa Rinh village facilitated by the University of Agriculture and Forestry-Hue team.
12. Based on the presentations by Hoang Huu Cai and Dang Thanh Ha at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on Cai ed. (2001).
13. Statement by the University of Agriculture and Forestry, Thu Duc team at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001.
14. Based on the presentations by Souphab Khouangvichit, Sithong Thongmanivong, and Nathan Badenoch at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on Souphab (unpublished). The research focused on three villages in Xieng Ngeun district and three villages in Nan district of Luang Phabang province.
15. From 1,956 hectares per year in 1987 to 1,046 hectares per year in 1999. See Salas (2001).
16. In this section and elsewhere in the report, we adopt a broad definition of the term "policy" to refer to the broader framework of central government policies, strategies, and positions (emanating from the executive as well as the legislative branches of central government). We recognize that in Laos, policy is more commonly defined as the decisions laid out by the Lao Party Congress.
17. Based on the presentation by Sith Sam Ath at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on Öjendal et al. (2001). The research focused on three communes in Ratanakiri: Kok Lak, a remote commune, and Som Thom and Yeak Laom communes, which are somewhat nearer the district and provincial capitals.
18. Seila means "foundation stone" in Khmer.
19. Interviewed by Malin Hasselskog and Krong Chanthou, Kok Lak commune, December 2000.
20. The provincial court subsequently found that the villagers had forfeited their land rights by thumbprinting various documents. However, the land transfer process, and court verdict, were both condemned by international observers, who cited evidence that children provided thumbprints, and that some villagers signed illegally and unwittingly on behalf of many other people. See Human Rights Watch (2001a, 2001b).
21. Based on the presentation by Chanyuth Taepa at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on personal communications with Chanyuth Taepa and David Thomas (International Centre for Research in Agroforestry, Chiang Mai), November 2001 and January 2002.
22. A project of CARE Thailand.
23. Unless otherwise noted, based upon the presentation by Zuo Ting at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; and also on Zuo and Xu (2001). The research focused on the villages of Lijiashi and Qingshui in Baoshan prefecture.

# CHAPTER FOUR

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## Representation of Local Interests

People may be represented in decision-making in two principal ways: indirect representation of their interests by electing representatives to a decision-making body or direct representation of their interests through participatory and consultative decision-making processes.<sup>1</sup> Both these means have the potential to create strong accountability of local governments to local people in environment and development decision-making. This chapter assesses the degree to which the various decentralization reforms in mainland Southeast Asia incorporate representation of people's interests and explores the question of whether local representation is improving natural resources management.

The chapter first examines how the relevant policy frameworks for decentralization create or constrain opportunities for representation of local people's interests. It then analyzes how the relations between newly empowered local authorities and their constituents enable or hinder local representation. The chapter concludes with an assessment of the special challenges of ensuring equitable representation of women in local decision-making forums.

### CENTRAL-LOCAL GOVERNMENT RELATIONS

As the case studies in the previous chapter show, a wide range of reforms is taking place in mainland Southeast Asia that

governments refer to as decentralization and local democratization. In reality, these reforms run the gamut from the profound to the cosmetic. They include: political decentralization, co-management arrangements, and pure deconcentration or administrative decentralization. (*See Chapter 1 for a typology of these different forms of decentralization.*) The degree to which meaningful powers over natural resources are being devolved to the local level reflects the different degrees of ambition and risk of the governments involved.

One idea cuts across all these reforms: the notion that some form of increased public participation in local environment and development decision-making will increase policy effectiveness. Governments believe that movement in this direction will improve the chances of their alleviating poverty and attaining environmental protection goals.

The intent of the new policies is worthy of note. However, three constraints in policy frameworks are undermining the potential benefits of increased local representation: (i) lack of clarity about how to implement the reforms; (ii) lack of flexibility to allow a range of local natural resources practices that are environmentally beneficial; and (iii) central governments' unwillingness to cede productive natural resources to local people.

## LACK OF CLARITY IN HOW TO IMPLEMENT REFORMS

It is not uncommon for local actors to lack information about their basic duties following decentralization. Confusion stalls participatory and consultative processes at the local level—and thus delays accomplishment of meaningful results. Such was the case for local agencies and farmers' groups trying to implement the new Water Law in Dak Lak province, Vietnam. As noted earlier, Water Users Associations have a legal status under Vietnamese law. However, in the absence of detailed regulations to guide their activities, they do not have clear rights to manage water resources, or clear accountability relations with government agencies.

Confusion about rights and responsibilities after decentralization is a factor in Luang Phabang, Laos. Here, district forest officials and village leaders assumed authority for land use zoning and allocation of forest and agricultural land. Local officials have found that the zoning and allocation process is

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Local actors may lack information about new roles and responsibilities.

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extremely difficult without detailed implementing guidelines. Most of the villages at the study site have produced public maps showing land use boundaries after land allocation that list the number of hectares under each category. However, they have not posted any rules or regulations, probably because officials are uncertain about the feasibility of the new system and their ability to enforce land use restrictions. Their uncertainty is mainly a result of the central government's failure to prepare local agency staff for their new responsibilities. Staff have not been adequately trained in the technical skills of land surveying or provided the financial resources for follow-up monitoring and evaluation.

In Ratanakiri, Cambodia, decentralization can best be described as a bottom-up process that succeeds in spite of central government law and policy. National laws governing access to and protection of natural resources are both weak and poorly enforced. Where local people's development

activities under the Seila program come in conflict with logging or development schemes by powerful outside actors, there is a lack of legal clarity for resolving conflicting claims. This has led to ad hoc solutions, with inconsistent results for local people and their livelihoods, or simply to lack of action by local governments.

## INSUFFICIENT POWERS AT THE LOCAL LEVEL

Whereas lack of clarity about different actors' roles can stymie the feasibility and effectiveness of local representation, central governments' imposition of overly detailed environmental guidelines can also have negative effects. In the study countries, it is common for central governments to impose too many technical specifications in sectorally-based decentralization policies, so that local authorities are unable to recognize unique local management systems that benefit the environment and livelihoods.

In Luang Phabang, as elsewhere in Laos, the government requires a strict three-plot rotation system as part of the decentralized land allocation process. The rigidity of the land use system imposed by the central government, which is meant to limit the land under shifting cultivation, does not provide for local people's livelihood needs, nor does it contribute to environmental sustainability. It is an unsustainable system because it does not allow enough time for land to lie fallow (i.e., regenerate) before it is cultivated again. The result is rapid impoverishment of the soil. This experience suggests that the government must recognize more diverse land use systems where they are proven to be environmentally sustainable. The alternative is to help local people develop opportunities for off-farm income generation.

In Nghe An province, northern Vietnam, where district officials have new responsibilities for forest land allocation and management, the types of forest management permitted by national policy are extremely limited. The forest land allocation program permits distribution of resources only to individual household units. National policy excludes community forestry systems that local people prefer for their social and environmental benefits: community-managed forests often provide a social safety net to households during times of poor crop production or other economic hardship.

Communally managed, or community-based forest management systems, have existed in Nghe An for centuries (Vien, Huong et al. 2001), and they are an integral part of the economic and social fabric of upland ethnic minority communities. Although many community forests have disappeared since the 1960s, a majority of remaining community forests have the conditions—clearly defined users groups, consensus-based decision-making, and rules for wise exploitation—that promote environmental and social sustainability in the long term. In the current policy framework for forest land allocation, community forestry is not legally recognized, and local preferences for such forms of management are excluded from the reform process.

The Five Million Hectares Program for widespread reforestation, another prominent program in Nghe An province, also calls for a much greater degree of public consultation than earlier government programs. However, the Program specifies particular tree species for planting. These are often exotic species, such as eucalyptus, which are entirely unfamiliar and unbeneficial to local people. This case study found that extension services were already prepared to deliver predetermined species to target areas so that local people's preferences were automatically overruled. Seedlings were wasted because government allocations were not suited to local needs. The Program has not only failed to improve forest cover significantly in Nghe An, but it has also decreased some households' food security by channeling their labor into the cultivation of species that do not provide food or income-generating materials.

In all the above cases, tensions arise because central governments dictate so many guidelines that they leave little scope for discretion at the local level. As Ribot has noted, “how to devolve planning and implementation powers while retaining sufficient central control over professional and technical standards is a key issue across all sectors” in the process of decentralization (Ribot, forthcoming).

In the environmental arena, the distinction between too little and too much central intrusion can be particularly hard to define. Veit et al. suggest that the appropriate responsibilities for central legislators are to “establish national goals and objectives and articulate them in national policy and legisla-

tion, develop environmental impact assessment guidelines, prepare minimum environmental standards, coordinate environmental information, facilitate regional and international actions, and ensure effective central-local government collaboration” (Veit et al., 1995, 32). Miller has suggested that central governments have a role to play in identifying how natural resources practices in one location affect other areas and in articulating the trade-offs between development choices within watersheds and other ecosystem units (Miller, 1996). The key is that central governments should provide an enabling environment for effective natural resources management, such that local institutions are not confounded or undermined by contradictory efforts of line ministries (Veit et al., 1995). Local institutions must be able to carry out the work they have been entrusted to do.

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Local people must have some flexibility in environmental management, while respecting national standards.

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In the forestry sector, for instance, it is appropriate for central governments to participate in zoning—to establish protected areas of national and international importance and to maintain a certain percentage of forest cover nationally. But, as the Nghe An case shows, specifying particular tree species runs counter to the need for flexible local management. Even regeneration times for forests are highly site-specific, and knowledge of how best to restore degraded forest typically rests with local people.

By contrast, too much local discretion in environmental decision-making and management may be harmful. In the case of pollution control in China, a major issue for watershed health, the central legal framework is sound. The difficulty is that local authorities exercise too much self-appointed discretion in applying the rules, to the detriment of the environment. In the pursuit of economic development interests, local governments override Environment Protection Bureau (EPB) officers, who are charged with enforcing national standards. Local governments' prerogatives are strengthened because they pay EPB officers' salaries. (*See Box 3*).

### FISCAL INCENTIVES FOR PRO-ENVIRONMENT, PRO-POOR DECISIONS

Fiscal decentralization occurs when higher levels of government make available financial resources for use at the local level and give local authorities full or partial responsibility for deciding how the funds are used. In addition, fiscal decentralization may give local governments the authority to raise revenues for development. Decisions about expenditures are explored elsewhere in this chapter (with a focus on the experience of village budgets in Phu Tho province). Here, we concentrate on the implications of revenue sources for decentralized development and the natural resource base. Specifically, we analyze how the wrong fiscal structures can encourage local governments to disregard and undermine national environmental standards.

China's fiscal decentralization reforms, enacted in 1980, required local governments to generate their own revenue for development activities. This step strongly increased the incentives for local governments (from the province to the township level) to pursue quick revenue-generating activities. Much scholarly work on the subject of China's decentralization has emphasized how local government's focus on revenue generation has detracted from economic growth objectives. But the new mentality has led to devastating environmental short-sightedness as well.

For instance, forest products under the control of state-owned enterprises constitute a ready source of revenue. The central government instituted a logging ban in commercial forests in 1998. The logging ban forced timber yards—owned by the central state and by townships—to cease activity and reorient their focus toward reforestation (Xiong, 1999). However, local authorities violate the restrictions by issuing illegal logging licenses.<sup>a</sup> Indeed, China's central forest administration has decried local authorities for succumbing to the temptation of short-term cash from illegal timber deals.<sup>b</sup>

Fiscal pressures in other areas have led local governments to promote cash crops in monoculture plantations without regard for social or environmental factors. Peng documents over-zealous promotion of tobacco in Guizhou province, which is analogous to the situation in neighboring Yunnan: "In the economically backward districts in the interior, where it is hard to develop local industry due to shortages of capital, markets, and know-how, local governments are compelled to act in the manner of a predatory state, extracting revenue from the public without necessarily promoting economic development. With little or no investment, local governments turn to milking lucrative cash crops" (Peng, 1996, 68-69). In this case, county government employees' salaries were withheld until they had secured (coerced) commitments from village officials about the acreage of tobacco crops to be planted. The county collected a 31 percent tax when farmers sold their produce to the state monopoly company (Peng, 1996).

With regard to pollution control, cash-strapped local governments are unmotivated to enforce national laws for environmental protection (Campbell, 1997). Indeed, they see local livelihoods and environmental management as being at odds: they can create and maintain jobs through the proliferation of dirty industries. Policing industries for good environmental performance, officials believe, distracts them from more important development priorities (Campbell, 1997). Self-interest may be involved too; local officials often have interests in privately held Township and Village Enterprises (TVEs), which comprise the most polluting actors in China's rural landscape (Jahiel, 1998). Revenue shortages also discourage local governments from investing in environmental infrastructure, such as wastewater treatment and solid waste collection and disposal (Beach, 2001).

The contrasts among these cases, which show the benefits and pitfalls of local flexibility in applying environmental regimes, raise difficult questions about the appropriate levels of rule-making for environmental affairs (or subsidiarity<sup>2</sup>). For which aspects of environment and natural resource management

should central government set the rules? To what degree of specificity? The Chinese case underscores the utility of central governments' role in setting and enforcing minimum environmental standards to prevent pollution and degradation of resource-rich areas, in the national interest.

## FISCAL INCENTIVES FOR PRO-ENVIRONMENT, PRO-POOR DECISIONS (CONTINUED)

Officials of the Environmental Protection Bureaus, who are charged with implementing national environmental policy at the local level, are paid from provincial and county coffers (Campbell, 1997; Wu and Robbins, 2000). Because of this contractual link, their primary allegiance is to local government rather than the national government. Unfortunately, in the Chinese rural context, local government is likely to favor economic development, however polluting (Campbell, 1997; Wu and Robbins; Beach, 2001; Jahiel, 1998). Some mechanisms help local EPB officials assert their authority vis-à-vis local power brokers (Jahiel, 1998); for instance, under the 1989 national environmental policy, local government leaders sign annual commitments that they will help EPBs reduce pollution (Jahiel, 1998). Overall, however, such measures do relatively little to counteract the immense pressure for economic development at the local level.

As in China, recent decentralization reforms in Indonesia have produced incentives for district authorities to exploit local timber stands for quick revenue. As documented by Resosudarmo, in 2000 the central government passed legislation allowing local governments to apply new taxes in their jurisdictions (Resosudarmo, 2002). This opportunity created the incentive for resource-rich districts to generate revenues from forests, particularly from logging. Logging is appealing for several reasons; it provides immediate revenue, the market channels are already well-established, and local actors are accustomed to forest exploitation (Resosudarmo, 2002).

By issuing small-scale logging permits, district authorities have been responsible for considerable new pressure on forest resources. Few districts have in place the monitoring capacity to ensure that permit-holders restrict logging to their concession areas. Resosudarmo and others have documented considerable spill-over—illegal logging outside permitted areas. Meanwhile, districts impose taxes on timber traded and transported within their boundaries, regardless of whether the trade is legal. Such behavior implicitly sanctions illegal logging. Although they have been eager to reap revenues from the local natural resource base, district authorities have done little to promote environmental conservation.

Requiring all local development efforts to be financed through local revenues has equity implications, too, as the international literature attests. Traditionally, central governments have played an important role in redistributing wealth between resource-rich and resource-poor regions. When different regions possess widely different natural resource endowments, the political acceptability of purely locally dependent financing is called into question (Tanzi, 2001). Such considerations would apply, for instance, to Cambodia and Laos, where some provinces still retain rich forests and others' resources are far more degraded.

<sup>a</sup> For instance: "Officials Arrested for Excessive Logging," *China Daily* (31 July 2001). "The local government violated the forest protection regulations by issuing a 4,200 cubic meter logging license to a trade company late last year, then the company went even farther, cutting more than 23,780 cubic meters of forest." Online at: <http://www.china.org.cn/english/2001/Jul/16802.htm> (22 March 2002).

<sup>b</sup> Liang Chao, "Protection of forestry resources to strengthen [sic]," *China Daily* (July 2000). Online at: <http://www.china.org.cn/english/2000/Jul/466.htm> (22 March 2002).

### LACK OF LOCAL CONTROL OVER PRODUCTIVE RESOURCES

The role of decentralization processes in increasing local representation is undermined when the resources over which local people assume decision-making powers are limited. For example, in Thua Thien Hue province, central Vietnam, commune authorities have new responsibilities for local

development planning. Commune authorities are now able to support local priorities through the management of government funds provided under a block grant scheme (Program 135 for support to Vietnam's poorest communes). Commune authorities enjoy a good relationship with and high degree of accountability to community members thanks to strong social bonds and a common frame of cultural reference. However,

the villagers and their leadership are heavily limited in their ability to pursue commonly agreed-upon development priorities—including agroforestry and other strategies for diversifying environmental and economic risks—because the productive flood-safe hill lands within commune boundaries are under the exclusive control of the central Watershed Management Board.

The current arrangement disempowers the commune leadership from making development plans for the commune because they receive no advance notice about which land local people can manage in the coming growing season. Land can be claimed on short notice by the Board, whose action is then a disincentive for even short-term commune investments. Sometimes the Board claims land for forest planting that is already planted with crops, forcing villagers to harvest prematurely.

The commune leadership wishes to develop barren sloping land above the commune with agroforestry plots and indigenous tree species, in order to improve the long-term economic value of the land, strengthen livelihood security, and stabilize the environment simultaneously. The loss of paddy and garden land near the river during recent floods has only made this possibility more enticing in the eyes of the villagers and their leaders. In spite of the commune leadership's demonstrated responsiveness to local concerns and comprehensive vision for use of commune resources, these plans will not be realized until responsibility for forest land is devolved from the central level.

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Governments are devolving less valuable resources—such as degraded lands—to local people.

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In northeast Cambodia's Ratanakiri province, local people face a similar problem. The initiation of participatory forms of development planning in the Seila context has provided significant gains for local livelihoods and natural resources management. However, these gains have been overtaken by the losses attributable to local people's tenure insecurity. The national government claims forest as its own, regardless of

centuries of use by indigenous populations (the government recognizes fallow land as deserted land), and it sells forest and fallow land as concessions to private companies. Local people are unable to engage meaningfully in representative decision-making over the use of natural resources when higher-level authorities co-opt those resources for private gain.

## LOCAL GOVERNMENT-COMMUNITY RELATIONS

As noted earlier, local people's interests are represented in decentralization processes through two main mechanisms: elections and/or consultations. In theory, both mechanisms could promote accountability in local environmental governance, but in practice, their effectiveness in promoting widespread accountability depends largely on how they are implemented.

Governments may organize elections in ways that restrict voter choice and thus make it less likely that voters can elect candidates who are responsive to their concerns. One study of China's township elections found that the government has designed elections to "minimize danger to existing power structures" by limiting voters' degree of selection (Gamer and Shou, 2001). Internationally, vote-buying, violence, suppression of opposition parties, and other tactics are widely documented as undermining the legitimacy of elections. Recently, candidates for commune council seats in Cambodia were intimidated by gangs, raising fears among independent monitors that local people would not feel free to vote.<sup>3</sup>

Even when elections are completely free and fair, the electoral process does not necessarily guarantee winning candidates' full accountability to voters. Elections take place only at intervals. As such, "these acts are summary judgments [upon leaders], generally not reactions to particular acts or omissions."<sup>4</sup> As Crook and Sverrisson argued in their assessment of the prospects of decentralization for empowering the poor, "elections are not enough. the forms of participation which engage people between elections are clearly crucial" (Crook and Sverrisson, 2001, 7). Indeed, a substantial international literature assesses the ways in which leaders are more or less representative of voters (e.g., Przeworski et al. eds., 1999).

To strengthen their involvement in decision-making that affects them, citizens at the local level have increasingly mobilized to demand transparency and consultation in development policies and projects. In countries with flourishing civil societies, such as Thailand and India, mobilization has developed into sustained social movements and project-based campaigns.

Owing partly to the implementation failures of non-participatory development approaches in the past and partly to pressures from civil society, a broad rhetoric of participation has developed among international donors and, increasingly, among governments. The popularity of the concept is reflected in its institutionalization in the World Bank, where a major working group is dedicated to participation.<sup>5</sup> The World Bank's rural development strategy explicitly promotes a highly decentralized and participatory approach (Piriou-Sall, 1997).

The commitment to participation has often been put in practice through participatory rural appraisal (PRA) and related development planning methods (for an overview of these methods' evolution, see Chambers, 1997). The PRA approach was initially designed for micro-level projects. However, donor agencies in particular have attempted to scale up the approach to apply it to increasingly large programs (Blackburn ed., 1998). Developing country governments, including those in mainland Southeast Asia, recognize that various forms of public consultation and participation, particularly at the local level, could increase the relevance and appropriateness of development decisions. As a result, they are folding their support for direct citizen participation into legislation, often as an integral part of decentralization reforms. The questions for scholars are: how much has the commitment to participation, in the policy, program, or project contexts, translated into a real widening of the development dialogue? To what degree has the commitment empowered—and materially aided—the poor?

In this section, we assess how elections and participatory or consultative processes are being implemented in the case study sites. We seek to establish whether a correlation exists between effective representation of local people's interests and better natural resources management practices.

## ELECTIONS

The experience with local elections differs widely from one case to another, reflecting the larger differences in political systems among Southeast Asian countries. Thailand is a multi-party democracy, and its elections for Tambon Administrative Organizations embrace a broad range of candidates from all interested parties. Cambodia aspires to be a multi-party democracy, and independent and party candidates competed in its recent Commune Council elections, albeit on an unlevel playing field. By contrast, China, Vietnam, and Laos are single-party states in which electoral candidates are selected by the Communist Party.

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Local elections have not always resulted in environmental issues being a top priority.

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In Phu Tho province, Vietnam, villagers elected representatives to the Village Management Groups from a short list of candidates suggested by the People's Committee (Communist Party) officials. Even under these relatively circumscribed conditions, elections can prove an effective tool in holding leaders accountable for their environmental performance. In Phu Tho, an elected local official used his position of power to engage in illegal logging for private gain. The villagers became aware of his activities, and they voted him out of office in the next election cycle.

It is not possible to generalize about the effectiveness of elections in holding local officials accountable for their environmental performance from this one anecdote. Indeed, it is possible that patronage in rural areas (villagers' expectation that silence or complicity might buy them benefits from leaders in the future), or simply people's apathy, could lessen environmental accountability in other sites. This issue merits further study.

In contrast to the role of elections in punishing bad environmental performance, did elections promote good environmental performance in any of the case studies? We found that the electoral process did not guarantee that natural resources issues would win local legislative priority. All the case study sites were in areas where a vast majority of the population

made their living from the natural resource base, and presumably it was in voters' interest to support local decisions that promote environmental sustainability. However, environmental issues seldom emerged as a deciding factor in elections. For instance, in Mae Chaem district of northern Thailand, voters elected candidates who campaigned on a platform of advancing economic development.<sup>6</sup> The prominence of natural resources as a campaign issue was somewhat higher in neighboring provinces. In Nan province of northern Thailand, village forestry management networks have raised awareness about forestry issues in the context of local election campaigns. A long-standing conflict between villagers and authorities over the boundaries of a national park produced "green"-oriented candidates.<sup>7</sup>

## CONSULTATIVE PROCESSES

Consultative processes between local governments and affected communities can play a part in political decentralizations, such as Thailand's, where democratically elected local government is established. Consultations also have a role in administrative decentralizations, for example, in Vietnam and Laos, where line agencies of the central government gain new responsibilities and are urged to obtain local people's input and cooperation. In either case, consultations may involve the creation of local forums where villagers can directly negotiate village boundaries and land use categories, or the disbursement of development funds. Alternately, consultations may be exercises in which local leaders present their own (or the central government's) vision of local development and seek local people's approval. As discussed below, the case studies illuminated many variations that suggest different types of environment-livelihood outcomes.

In many of the case study sites, the creation of consultative processes produced an environment that was conducive to the adoption of more sustainable natural resources management practices. The very creation of new forums at the local level has provided local people with an opportunity to take stock of natural resources in their areas and deliberate about production systems and livelihood options together.

Cambodia's decentralized planning experiment was not explicitly designed to address upland and natural resources

management issues, but the centrality of natural resources to the survival of Ratanakiri's population has placed these concerns high on the agenda of local authorities and communities. On the one hand, incorporating natural resources management in the local planning process has been challenging because environmental sustainability, by its nature, is a long-term endeavor, and the planning process is oriented to the short term. On the other hand, the process has created a new forum and locus of organization for viewing local natural resources and development in a more integrated way. Furthermore, decentralized planning has helped mobilize collective community action for natural resources protection.<sup>8</sup> Because of community demand, Commune Development Committees facilitated various participatory land use planning activities, often with technical support from outside program staff. In one district, commune authorities have helped local people establish a pilot community forestry scheme.

In Dak Lak province of Vietnam's western highlands, farmers have found that the creation of Water Users Associations has catalyzed new discussions about watershed degradation. The Associations, which cooperate with local line agencies, have encouraged farmers to view watershed problems more holistically than they had previously. The Associations have also provided a platform for mobilizing new forms of collective action around the commonly-identified problems of overuse, erosion, and siltation. In Laos, villagers have mobilized to aid the village leaders and agency officials on the land allocation teams. The teams work closely with "livelihood groups" in the villages, composed of people engaged in swiddening, paddy farming, livestock raising, forest product collection, and other activities. The livelihood groups walk the teams through local production processes, providing information on land use patterns, ecological history, and food security, in order to develop an integrated picture of livelihood options.<sup>9</sup> In helping the government teams, villagers have increased their own awareness of integrated conservation and development priorities.<sup>10</sup>

At the same time, the potential for improved representation and outcomes through consultative processes has been hindered when local authorities have lacked the skills required to facilitate and reach out to local people. Lack of agency staff training in participatory approaches was found to be a

significant problem across our case study sites, especially those outside the context of a specific donor program and those involving administrative decentralization (deconcentration) or co-management approaches. In both Dak Lak and Nghe An provinces of Vietnam, irrigation and forestry officers were stretched thin by their multiple duties. Community consultation lapsed because staff had no time or personal resources to even consider how to undertake it.

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Consultative processes have helped local people view natural resources in a more integrated way.

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Poor information flows between local authorities and communities posed a challenge for initiating good consultative processes. Indeed, one of the most important aspects of government support for decentralization is the downward flow of information—to notify relevant actors of their rights and responsibilities and of the requirements for meaningful participation. In Baoshan, China, the Village Committees have been generally poor at disclosing information to affected communities. Villagers are most satisfied with Village Committee performance when the Committee posts news of budgets and development decisions publicly. However, this practice is not the norm.<sup>11</sup>

In Thua Thien Hue province, Vietnam, communication from local government officials to villagers about policies and accompanying responsibilities is quite weak. Information about policies comes mostly through official documents and newspapers, which reach the commune level but no farther. In part, commune officials are hindered by local people's illiteracy, so they have to rely instead on word of mouth. The democratic process would benefit from greater local government efforts to raise local people's awareness about opportunities to participate in decision-making and to provide them with information about services to which they are entitled.

Sometimes government officials' failure to conduct democratic processes results not only from a lack of capacity, but also from prejudices against target populations, which in the uplands are typically ethnic minorities. When the guidelines

for the decentralization scheme were passed down to the study villages in Phu Tho province of northern Vietnam, the district and commune management groups responsible for implementing the program filtered the information considerably. Personnel at these higher levels tended to be ethnic majority (Kinh) people, whereas the target decision-makers at the local level and the communities were ethnic minorities. A paternalistic dynamic was at play that made officers want to interpret and explain the guidelines for the "good" of the villagers. Higher-level officers were skeptical about the degree to which ethnic minority people could make sound development decisions by themselves. In open meetings with villagers, plans were "not necessarily presented as items for discussion, but as fixed plans on which they could at best give their view" (Jørgensen et al., 2001, 25). Village development plans therefore came to resemble quite closely the commune development plans and examples of budgetary expenditures provided by higher-level authorities. One member of the Village Management Group claimed, "Most households have a representative at the meetings, but the poorer households are usually quiet since they have problems understanding. And if they do say something, it usually doesn't make sense."<sup>12</sup>

The results of this less-than-democratic process are that villagers have been only partially satisfied with the Village Development Budget scheme. In most of the villages surveyed, they felt that it had not met its potential in improving local livelihoods. Local activities have tended to be geared toward acquisition of seeds, trees, and fertilizer and training: the goods and services that extension services are used to providing and which allow for some personal gain on the part of well-connected officials.<sup>13</sup> Demands from the poorest households for alternative goods and services have been weak because of these households' lesser political voice; and their demands have encountered the resistance of old ways of doing business.

In northeast Cambodia, local people lack awareness of their rights in the negotiation process over development plans. Although Commune Development Committees comprise democratically elected representatives from the villages, these representatives may lack the conviction to demand constituents' priority development needs. In Kok Lak commune, village representatives were observed to tailor their planning

requests to the sample plans provided by Khmer government officials in their roles as Seila facilitators. In other words, suggestions for how the funds could be used have been interpreted as distinct offers, for example, for buffalo (Hasselskog, 2000).

## WOMEN'S ROLES IN DECENTRALIZED PLANNING

A persistent challenge to inclusive local process in the case study sites is the low participation of women in decision-making. The reasons for women's meager participation are well-documented in the case studies: women, particularly ethnic minority women, tend to have less formal education than men and thus their confidence is undermined. For example, women are typically less likely to speak the national language, required for dealing with the government bureaucracy, and are less likely to be literate. This hurdle provides a particular challenge when decentralization increases the role of officials in district agencies who do not speak ethnic minority languages. Where decentralization increases decision-making roles at the next level down—the commune or the village—language barriers tend to be less of an issue between government officials and the target community.

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Women's participation may increase when a variety of measures are put in place to empower them.

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Cultural mores about women's place in society, including traditional notions of women as farmers and care-givers, not leaders, contribute to women's shyness and disinclines male leaders from calling upon them in group settings. Their duties in caring for the young and the elderly and undertaking household tasks, such as cooking, may leave them with no time to attend village meetings, as in the Phu Tho case study.

Taken together, the exclusion of women's voices from local decision-making for all the above reasons robs these processes of some of the richest natural resources management experience and perspectives available. Women play a wide range of roles in agriculture, forest product-gathering, water collection,

and household consumption.<sup>14</sup> All of these roles have a profound impact upon household livelihoods and the sustainability with which natural resources are used. It is to be expected that women's participation in local decision-making would improve the appropriateness and effectiveness of natural resource-related decisions. The case studies provided insufficient data to establish the linkage conclusively; however, this topic is a fruitful area for future research.

Several cases demonstrate ways to increase women's participation in local environment-development decision-making. In the Commune and Village Development Budget scheme in Phu Tho, the hamlet and village development boards in Nghe An, and the Seila decentralized planning program in Ratanakiri, there was a program requirement or local norm that at least one member of village decision-making bodies should be a woman.<sup>15</sup> In the northern and northern-central Vietnam cases, gender awareness extended only as far as securing one space for a woman on the local committee. In the Cambodian decentralization process, a range of integrated measures were taken. Women formed separate village development groups to give them the opportunity to articulate common concerns. The Seila program initiated an informal education program for all ethnic minority people, with an emphasis on including women. (*See Box 4*).

An initial evaluation of the northeast Cambodian program is generally positive. Culturally defined hierarchies still pose a long-term hindrance to equal participation by women. However, the women-only development groups have empowered women by giving them an opportunity to identify common issues. The informal education classes have noticeably increased ethnic minority women's facility in the Khmer language and their subsequent likelihood to speak up in consultative processes. The chairmen of the Commune Development Committees have noted how female representatives have become more articulate. One woman assessed her own change as follows: "Before, when I started work in the committee for Yeak Loam lake management I felt afraid to speak and offer opinions and I was scared of tourists, but now I speak freely with visitors about the rules and regulations, I speak about general environment concepts to villagers and I dare to give opinions in meetings."<sup>16</sup>

Box 4

**INFORMAL EDUCATION—A TOOL FOR  
INCREASING WOMEN'S PARTICIPATION\***

A particularly important component of the decentralization experiment in northeastern Cambodia has been the concurrent education campaign for upland ethnic minorities. The campaign has included instruction in Khmer as well as in land use and management plans and in legal rights. The levels of formal education for upland people are even lower than for Cambodia as a whole, and few villagers in the study sites were able to read Khmer or fully understand the development processes—threats and opportunities—originating outside their extended communities. Awareness of the political system and the mainstream development process is especially low among upland women, and they are less likely than men to speak Khmer. Given that technical support from the line agencies and program staff is provided only by Khmer speakers and local decision-makers are advantaged by some knowledge of Khmer, ethnic minority women have been particularly reluctant to participate in local decision-making processes until now.

Ethnic minority people—and women in particular—have been grateful for the informal education campaign. Although women's heavy work loads have caused them to drop out more frequently than men, as a result of the educational activities several women in the study sites became more forthcoming in village and commune planning discussions and conversations with outside experts.

\*Based on presentation by Sith Sam Ath at REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001; Ojendal et al., 2001.

“Although I used to work with the district before, I am still shy about saying anything in the [commune authority] meeting. I have been participating in meetings, but just listen to the men.”

—A woman, Yeak Loam commune, Ratanakiri<sup>17</sup>

In northern Vietnam, women's empowerment is less clear. The attention given to gender issues in the design of the program has raised general awareness of the importance of women's participation, and at least the guideline for a female representative in the Village Management Group ensures some representation. In Group meetings, however, women still experience considerable trepidation in speaking up. In northern-central Vietnam, the women's union representatives on the hamlet management boards have undefined roles and little actual influence in decisions. Indeed, a hamlet women's union official noted that “community activities are conducted and decisions are made by the hamlet management board based on regulations of the Commune People's Committee, and we women do not know about those.”<sup>18</sup> These experiences indicate that additional sensitization—of political leaders and bureaucrats in particular—and special activities along the lines of the Cambodia case may be necessary to ensure meaningful participation by women.

## CHAPTER CONCLUSIONS

The discussion in this chapter highlights two risks of decentralization. The first is that local decision-makers who are empowered by decentralization reforms may not place a priority on environmental sustainability. The discussion of elections highlighted this dilemma. The case studies included one instance in which local elections were an effective mechanism in weeding out natural resource-related corruption. However, the electoral process showed mixed results in raising natural resources management issues to a priority level for local governments. In the Thai case, voters more often selected candidates on the basis of their pledges for economic development. Without a guarantee of adequate demand from the grass-roots for environmental protection, what balances are required to achieve accountability to national environmental norms that benefit all society? Our small group of case studies demonstrate both convergence and divergence of environment and livelihood objectives at the local level. (The conditions under which environment and livelihood concerns converge may be a factor of the subsistence nature of the local economy and/or the degree of socio-economic differentiation at study sites, but our data are insufficient to draw any such conclusions. Such an inquiry would be the subject of another study.) This mixed experience suggests that carefully con-

structured formulas are needed to assist local authorities in maintaining upward accountability to national environmental standards at the same time that they maintain downward accountability to local livelihood demands.

In some cases, local decision-makers and communities prefer environmentally sustainable practices that are disqualified by the rigid policy guidelines of central governments. The Nghe An case, where land use planning authority was allocated to branches of the central government under strict policy guidelines, provides such an example. Local people's preferences for planting indigenous tree species and developing community forestry systems were precluded by the policy framework. In such cases, inflexible policies undermine local strengths in natural resources management. It is also typical for central governments of this region to retain control of the most lucrative national resources, giving local people little or no access to productive lands. In these cases, food security continues to concern communities, and the potential of decentralization to promote a sustainable livelihoods approach is not even tested. This evidence suggests that for society to accrue any of the benefits of decentralization, policy-makers must allow some latitude for decision-making—such as for crop preference—at the local level. National standards are needed to preserve environmental goods and services (e.g., forest cover and water quality) that serve the public interest and protect the public's health. However, there is a tendency to over-specify agriculture and forest sector guidelines in the study countries. If decentralization is to form one strategy for rural poverty alleviation as the governments of this region claim, communities must receive some degree of greater access to productive resources for their basic subsistence.

The second major risk of decentralization is that it may reinforce local inequalities, such as the unequal participation of women in public forums and decision-making processes. The case studies showed that women's participation in elected local authorities and consultative processes was very low, as a function of cultural norms, women's competing domestic duties, and their poor education and self-confidence. Only when decentralization processes incorporated specific design features to raise women's participation did participation increase. Such was the case in northeastern Cambodia, where

the decentralized planning program incorporated activities to raise women's confidence and provide them with special channels for articulating common concerns.

Equally, decentralization processes may reinforce the dominance of wealthier households in a community. The cases demonstrated how elite dominance could occur: through filtering and re-interpretation of information by those in power or simply, by the greater availability of wealthy community members to participate in group meetings. But none provided best practices for overcoming such dominance. As with women's participation, it is possible that elite dominance could be counter-acted by the creation of some equity-related guidelines at the policy level or some special sensitization and training programs at the implementation level. Indeed, the international literature suggests that decentralization policies should be designed with special provisions to enable equal access to decision-making (e.g., Crook and Sverisson, 2001).

The under-capacity of government staff in participatory approaches and condescending or patronizing attitudes of government staff toward ethnic minorities and women were among the greatest barriers to meaningful local consultation. The human resource constraints on adequate consultation were particularly problematic in the cases of deconcentration or co-management. These latter problems suggest that an important focal area for national governments, non-governmental organizations, and aid donors may be the sensitization and capacity-building of local officials in facilitating fair and open participation.

In spite of the above challenges, our assessment of local representation highlights the usefulness of consultative processes in promoting more integrated approaches to environmental conservation and development. Whether initiated by elected local authorities or by administrative branches of central government with new responsibilities, consultations provided communities and their leaders with a better sense of what resources they control and what is at stake when the resources are mismanaged. In the northeast Cambodian case, these community-level assessments led to demand for specific natural resources management activities, such as a community forestry project and an eco-tourism project. The potential of decentralization reforms to catalyze

such integrated perspectives—and subsequent activities—should be an important consideration in the governance of upland areas.

## ENDNOTES

1. Thanks to Jesse Ribot for his comments on this issue, January 2002.
2. The notion of subsidiarity is defined in different ways in the international discourse and literature. The Rio Declaration on Sustainable Development (1992) calls for environmental decision-making at the lowest appropriate level and is frequently referred to as espousing the “subsidiarity principle.” This is the usage adopted by Meinzen-Dick and Knox (1999). However, in other contexts, such as the voluminous literature on subsidiarity in the European Union, the term simply refers to placing authority for decision-making at the most appropriate level.
3. More than 20 people were killed in the violence preceding Cambodia’s commune elections in February 2002. While tragic, this level of bloodshed was nonetheless an improvement over that associated with the national elections in 1993 and 1998. See Human Rights Watch (2002). See also Jonathan Head, “Cambodia Looks Ahead,” BBC News, 4 February 2002. Online at: [http://news.bbc.co.uk/1/hi/english/world/asia-pacific/newsid\\_1799000/1799092.stm](http://news.bbc.co.uk/1/hi/english/world/asia-pacific/newsid_1799000/1799092.stm) (22 March 2002).
4. World Bank Decentralization Thematic Team, “Accountability, Transparency and Corruption in Decentralized Governance,” The Online Sourcebook on Decentralization and Local Development. Online at [www.ciesin.org/decentralization/English/Issues/Accountability.html](http://www.ciesin.org/decentralization/English/Issues/Accountability.html) (22 March 2002).
5. See World Bank website, <http://www.worldbank.org/participation>. “The Participation Thematic team promotes methods and approaches that encourage stakeholders, especially the poor, to influence and share control over priority setting, policy making, resource allocations and access to public goods and services.”
6. Interview with Chanyuth Taepa, 30 November 2001.
7. Interview with Chanyuth Taepa, 30 November 2001.
8. Presentation by Sith Sam Ath, REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001.
9. Souphab Khouangvichit, Sithong Thongmanivong, Nathan Badenoch et al., field work, Luang Phabang province, November 2000.
10. Souphab Khouangvichit, Sithong Thongmanivong, Nathan Badenoch et al., field work, Luang Phabang province, November 2000.
11. Presentation by Zuo Ting, REPSI writing workshop on decentralization, July 2001, Chiang Mai, Thailand.
12. Interviewed by Jørgensen et al., 24 May 2001, and cited in Jørgensen et al. (2001), p. 25.
13. Personal communication with Bent D. Jørgensen, 12 February 2002.
14. The fullest treatment of women’s roles in land and water management in the case studies is in Vien, Huong et al. (2001), Chapter 6. For more information on women’s roles in natural resources management, see the section on productive and reproductive work of female headed households in Nguyen Nhat Tuyen (1999); and Support to Water Resources Management in Dak Lak (1999). On Lao women’s roles in natural resources management, see the section on women’s work in Rodenburg and Chansamone (2000). See also Ireson (1996).
15. Affirmative action schemes to promote women’s participation in local government are not unique to these countries. According to India’s 1993 Constitutional Amendment, which established democratically elected village councils (*panchayati raj*), one third of village council seats are reserved for women.
16. Sith Sam Ath, fieldwork in Yeak Loam commune, November 2001.
17. Sith Sam Ath fieldwork in Yeak Loam commune, November 2001.
18. Vien, Huong et al., fieldwork in Nghe An province, 2000; see also Vien, Huong et al. (2001), Chapter 6.

# CHAPTER FIVE

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## Community Mobilization, Adjudication, and Monitoring

In Chapter 4, we assessed how means for increased local representation in natural resources decision-making were being created through various decentralization reforms in the region. In this chapter, following the analytic framework of actors, powers, and accountability, we assess how other forms of accountability are created in the governmental system or through civil society mobilization and are brought to bear on the decentralization process.

In the case studies, the ability and motivation of communities to demand accountability of local leaders was a major factor in improving the responsiveness and effectiveness of local government performance. Other important forms of accountability for environmental decision-making and management were mechanisms for conflict resolution and monitoring and evaluation. Here, we explore how each of these factors in turn affected local decision-makers' accountability, and what the implications have been for natural resources management.

### COMMUNITY MOBILIZATION AND SOCIAL CAPITAL

The case studies indicate that certain community strengths facilitate decentralization processes: civic mindedness, good inter-personal and inter-family relations, and shared beliefs and values. These attributes help communities mobilize

around common goals and demand accountability of local leaders.

Indeed, studies in other parts of the world have demonstrated how these attributes, often termed social capital, have contributed to successful decentralization processes. Robert Putnam's path-breaking study of social capital (1993) demonstrated how high levels of community engagement in public affairs, horizontal linkages among social groups, and institutional plurality significantly affected the success of governance reform in northern Italy. Putnam argued that civic-minded communities expect better government and are able to achieve it largely through their own actions. Meanwhile, government performance was enhanced when civic communities provided social infrastructure and shared the same norms and values as officials.

Research has demonstrated that trust and shared norms among community members are a crucial aspect of successful community-based natural resources management. For example, water users groups with high social capital endowments are able to create rules governing water allocation and use, settle disputes, collect fees, and achieve a high level of compliance with those rules (Wai 1997; Carroll, 2001). Social capital also affects how communities interact with government agencies (Wai, 1997) and is important for collaboration across sectors and across the

bases of unequally distributed power (Carroll, 2001) that characterize the natural resources management sectors.

Social capital has great significance for livelihood security and economic development, as shown by recent research on the coping strategies of communities during and after the Asian Economic Crisis (World Bank Social Monitor, 2001; Geran, 2001). The way in which social groups interact has implications for access to markets, breadth of labor options, stability in consumption, and increased livelihood resilience in the face of economic and environmental shock. Increased access to economic opportunity has been accompanied by increased diversity in social networks based on economic linkages.

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**Communities can mobilize  
to take advantage of decentralization.**

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The international literature on social capital has identified two important types of social capital that are highly relevant for decision-making about natural resources (Carroll, 2001). First, bonding social capital is the set of relations that creates social cohesion among actors within a community. Second, the relationships and interactions that allow members to cooperate across community boundaries are referred to as bridging social capital. The case studies from mainland Southeast Asia are consistent with these international findings; they demonstrate how both forms of social capital can increase or complement the strengths of local institutions under decentralization.

### **SOCIAL CAPITAL WITHIN COMMUNITIES**

The role of social capital that bonds a community is important for the livelihood outcomes of natural resources management. In the Thua Thien Hue study site, such ties increased the responsiveness of local institutions (here, commune authorities) to community concerns. The crisis caused by the floods led organizations to mobilize at all levels. The village and commune organizations became more active in organizing mutual support. The community spirit continued as organizations helped households rebuild and maintain their livelihood systems. The pre-existence of mass organizations—

farmers' and women's unions—helped people to mobilize effectively. Households contributed rice and cash to funds held by these organizations, which were redistributed to the most needy. People organized labor teams to help each other recover land that was buried by sand and stones. Villagers held numerous meetings to establish ways of coping with the crisis and helping each other.

Since the floods, and in the context of commune authorities' new responsibilities, the leadership has reached out more often to community members to hear their concerns. Community members are increasingly articulate in their assessment of the commune and district organizations' work and have clear demands and expectations regarding their roles and the services they should provide.<sup>1</sup>

In Vietnam's Dak Lak province, social fragmentation poses a serious obstacle to the creation and maintenance of strong local institutions for natural resource protection and sustainable management. In colonial times and through the first half of the 20<sup>th</sup> century, this province was the domain of ethnic minority groups, principally the Ede and M'ngong. The first group of ethnic majority Kinh people began to migrate to the area in 1954. After 1975, the government established New Economic Zones and state farms to receive a large number of migrants from the crowded provinces in the northern and central coastal regions of the country. In addition to planned migration, spontaneous in-migration began in the 1980s, and by the 1990s, when coffee prices increased, spontaneous migrants soon outnumbered the former group. As a result there was a land-grab mentality among new arrivals for increasingly marginal lands where coffee might be cultivated. Illegal logging and demographic pressures put existing forest and water resources under stress, a situation that was beyond the capacity of local agencies to control. Collectively, the spontaneous in-migration from other provinces plus the implementation of government policies for sedentary agriculture and resettlement eroded any previous sense of community. Now there is no well-defined community that can be considered the virtual owner of water resources (Ahmad, 2000). Social fragmentation has made it difficult for line agencies to carry out their mandates. Meanwhile, the impetus for collective action is missing: the community as a whole has not organized to identify and act on common concerns, let

alone communicate them coherently to responsible government agents. Therefore it has been difficult to mobilize farmers to take advantage of the opportunities for devolution of water resources management offered by the new Water Law. Even such well-staffed and well-financed donor efforts as the Participatory Irrigation Management Initiative (*described in Chapter 3*) are challenged in helping users groups to define and enforce collective rules.

The uplands of Laos have recently experienced a period of consolidation in which villages have been merged to increase the government's capacity to deliver services. In addition, the government policy of resettling communities near roads has brought communities from different ethnic groups under one administrative unit. This mix creates challenges for achieving social cohesion and subsequent challenges for the government in providing livelihood options, encouraging adoption of new technology and market opportunities, and strengthening its local operations. For example, differences in education levels and cultural norms have caused social divisions within newly formed villages comprised of Lao Sung and Lao Theung. However, these villagers' tendency to be bilingual could provide the basis for strengthening the social bonds among groups.<sup>2</sup> Social capital may develop with time.

### **SOCIAL CAPITAL AMONG COMMUNITIES**

To achieve environmentally sustainable natural resources management, cooperation is needed across social and political boundaries, to correspond to ecosystem or watershed boundaries. Social capital that links communities is especially important for optimal environmental outcomes.

In the mountains of northern Thailand, different ethnic groups have organized among themselves and with others to achieve both specific and general environmental protection goals. Ethnic networks are based on identities: on both the groups' own sense of community, and the externally imposed minority uplander identity.

Watershed networks created and nurtured in northern Thailand's Nan province in a project context have bolstered efforts to decentralize natural resources management by building on these pre-existing forms of collaboration (Kaosa-

ard, 2000). Hmong and Karen communities were able to establish a similar network in Mae Chaem, bridging the gaps between two ethnically distinct groups with a common need to manage a watershed. Joint activities to monitor water quality have provided a platform for the two communities to negotiate solutions to watershed degradation.<sup>3</sup>

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Cooperation among communities can be an important part of successful ecosystem management.

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As well as organizing their own independent activities, these networks have articulated natural resources priorities effectively to the new Tambon Administrative Organizations and to higher levels of government. In other words, although they have not constituted part of Thailand's formal decentralization reform, the watershed networks have played an important role in demanding natural resource-related services from the local government. The Thai success in building watershed networks suggests that it is possible to invest in consensus-building exercises and inclusive institutions that deepen understanding and establish trust among diverse groups.

### **SOCIAL COHESION AND CAPACITY TO BENEFIT FROM DECENTRALIZATION**

Areas where social capital—bonding or bridging—is strong have been well-placed to respond to the opportunities provided by decentralization. Areas where social cohesion has been disrupted, by abrupt large-scale migrations, for instance, have faced far greater challenges in envisioning community goals and mobilizing collective, or at least cooperative, action.

These findings do not suggest that ethnic homogeneity and long-term social cohesion are equated with the ability to benefit from decentralization. Indeed, civil society mobilization around natural resource issues in northern Thailand is possible in a diverse socio-cultural landscape that has experienced continual demographic movement over the past centuries. In contrasting the northern Thai experience with, for instance, the experience of Dak Lak, Vietnam, it is not the ethnic mix that counts, but the scale of the migrations, the

timeframe over which they occur, and the length of time allowed for new community relations to form. More gradual demographic movements and adequate time for settling in have facilitated the formation of social capital in northern Thailand. Respect for existing inhabitants' resource use rights is also a factor in building a conducive environment for effective local governance; in Dak Lak, such respect has been weak.

Our case studies show some evidence that decentralization helps to create social capital. The cases of political decentralization and people's consultation with local agencies documented in the previous chapters provided forums for local people to air their concerns collectively and formulate common development priorities. These programs have helped people mobilize collective community action for natural resources protection. The best examples of this positive linkage are the Cambodian and Lao cases.

## CONFLICT RESOLUTION MECHANISMS

The uplands are a place of increasing competition and conflict over access to and control over natural resources. The case studies highlighted several types of resource conflict that must be managed and resolved. Disputes can occur between communities, for example, when village boundaries are delineated or when water regime changes affect upstream-downstream relations. Conflict often results between villagers and government agencies when land is given protected area status by an agency responsible for conservation. Sometimes, conflicts emerge between villagers and private sector actors when concessions are granted.

Local institutions are frequently involved in these disputes. Under decentralization, local institutions may play an increased role in mediating conflicts by providing channels for communication and contributing to improved accountability relations of actors.

## ADMINISTRATIVE RECOURSE

While social ties and community mobilization can be an effective mechanism for local government accountability, formal channels for resolving disputes between local people

and government leaders are few and far between. Indeed, channels for independent adjudication are largely missing or are unused in the study countries. The main problem is that traditional mediators of local disputes are the village leaders, whose executive powers increase as a result of decentralization reforms. In other words, judicial and executive powers become vested in the same person or body, leaving communities with no other means of recourse. The case of the Commune and Village Development Budget in Phu Tho province of northern Vietnam is a poignant example.

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Local people have few accessible, reliable means to complain about officials' performance.

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The conflict of interest between the executive and judicial functions of the Village Management Groups was apparent. In several villages, local people had complaints about the Village Management Groups' use and allocation of resources. After the village leader, the next line of recourse is the Chairman of the People's Committee. However, people could not complain to him because he was also head of the Commune Development Group, the executive body overseeing the Village Management Group. The higher levels are responsible for providing funds, goods, and services to the lower levels, so people dared not "bite the hand that feeds" them (Jørgensen et al., 2001, 33).

Although village and commune authorities claimed that people could lodge complaints with the district or provincial authorities, in reality, villagers saw these authorities as being impossibly distant geographically, politically, and psychologically. But even if villagers had the courage to complain to these high levels, the district and provincial authorities had the means to punish them if they said the wrong thing, and this penalty was their true fear.

It is worth noting that in cases where households sought dispute resolution for intra-village disputes or when communities sought protection in conflicts with outside interests, the merging of judicial and executive powers has posed less of a problem. For instance, in Ratanakiri, Cambodia, villagers were satisfied with the intervention of district authorities to protect

their interests. In this case, an oil palm company that was granted concessions by the central government on the villagers' traditional lands began logging and shot villagers' buffaloes. The villagers protested to the district administration, which effectively negotiated a land use deal with the oil palm company and negotiated compensation for the slain buffaloes on the villagers' behalf.<sup>4</sup>

In Nan province of northern Thailand, the district forest department is charged with resolving forest and water-related disputes. In interviews, local village leaders expressed their content with the impartiality of district officers in adjudicating and enforcing punishment against illegal loggers and polluters.<sup>5</sup>

A novel means of investigating corruption in Mae Chaem district, Chiang Mai province, northern Thailand, has proved successful in holding local officials to account. In this case, alleged corruption within the sub-district organization is handled by mobilizing representatives from above and below. In serious cases, district offices call upon the villages to send a representative to join them in their investigation and development of a solution. This practice opens lines of communication directly between the district and village. So far, this method has been satisfactory for resolving corruption cases.<sup>6</sup>

## JUDICIAL RECOURSE

In the case studies, it is noteworthy that there was no evidence of individuals' or communities' use of independent courts to resolve natural resource-related disputes. Higher levels of the executive branch, as in the above cases, constitute the only accessible means of recourse.

Although courts exist in all the study countries, they are normally beyond the reach of rural villagers, who lack money to secure legal representation. For instance, China has an independent court system, but people are put off by the expense of going to court. As yet, public interest lawyers are few (Brettell, 2001). In other countries, such as Cambodia, courts are tainted by the overall climate of corruption, as described in this case study excerpt:

In Ratanakiri, there are numerous accounts of dishonest individuals holding either formal or informal power, be it on a village, commune, district, or provincial level, selling communally or family used land to outsiders or grabbing it for themselves, their families or their friends. Most ordinary villagers, who generally lack education, are unaware of their rights and lack confidence when it comes to approaching the authorities that might facilitate a procedure of filing a complaint. Furthermore, this process is likely to cost money and is very slow, thus making it even more difficult for ordinary people who lack money and time. It should also be mentioned that sometimes the individuals that are supposed to be protecting the population—such as judges, policemen and soldiers—are often the ones who take advantage of them [Yeak Laom CBNRM committee member, personal communication, May 2000]. There are also reports of officials asking for bribes, tricking illiterate people into placing their thumbprints on documents that deprive them of their land (Öjendal et al., 2001, 17).

An independent and reliable judiciary is important to the rule of law and to building civic institutions in general, but it is particularly important to the exercise of accountability with regard to natural resources. Yet all the study countries are characterized by low capacity in sub-national courts and the public's low awareness of the courts' potential for resolving natural resources conflicts. Training legal experts, developing public interest law groups, and raising the general populations' legal literacy would help improve the defense of natural resource-related rights in the study countries (for comparative experience in Southeast Asia, see Lynch and Talbott, 1995).

## MONITORING AND EVALUATION SYSTEMS

A possible way of creating more accountable local government through decentralization is by instituting feedback mechanisms that communicate policy impacts to higher levels. Specifically, monitoring and evaluation systems can create ways for communities to report on the performance of local government personnel to their superiors. Local governments that are not responsive to their constituents can become answerable to higher authorities for their actions, providing a

web of accountability. Across the case studies, community leaders commonly complained that such monitoring and evaluation mechanisms were missing. Interviews point to the tremendous community-wide demand for and the lack of such mechanisms.

The chief reason for this lack of self-monitoring and evaluation is the lack of funds and established procedures. Research at the Mountain Rural Development Programme site in Phu Tho province, northern Vietnam, demonstrated that villagers were quite able and motivated to monitor development progress themselves if they had an audience for the information. In this case, villagers were hindered not because they were incapable, but because they had no systematic way to monitor and no mechanism for channeling the results upwards.<sup>7</sup>

In Thailand, official channels for evaluation and feedback between communities and various levels of government are weak. Mechanisms for such feedback do exist: community development officers from the district live in the villages, and they sometimes relay community concerns back to the sub-district authorities and district offices. But often, they do not do enough. Instead, the media plays an important role in criticizing tambon affairs and documenting development impacts. Community organizations also mobilize, sometimes en masse, to protest infringements of natural resource rights and express their demands directly to central ministries and the Thai parliament. The role of non-governmental organizations and social movements can cut two ways: such groups may be accountable to a broader public interest or only to donors or a sub-section of society.

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Systems to monitor and evaluate grass-roots experience might help promote accountability.

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Upland communities' remoteness is an obstacle to providing essential feedback to higher levels of government. The geographic challenge is particularly marked in the case of Hong Ha commune in Thua Thien Hue province of central Vietnam. The study site is isolated in the mountains and few visitors from the outside experience conditions first hand.

Extension agents visit commune offices infrequently and interact with only a few villagers.<sup>8</sup> Where upward information flow is so limited, as in this case, perpetuation of central and/or lowland stereotypes of upland peoples may be increased. For this reason, it is particularly important for communities to receive external support for communicating the development impacts of the decentralization process.

This brief summary, demonstrating the scattershot means for channeling community concerns and implementation experience to higher government levels, is typical of all the case studies. The openness of government officials and their internal mechanisms for passing information to higher levels in the political-administrative hierarchy must be improved. The media can provide a helpful voice for local people, especially where community radio has been developed. A Vietnamese official has even suggested putting computers with internet access in commune offices, so that local people could e-mail their concerns directly to central offices in Hanoi.<sup>9</sup> Although such a plan would seem to face many challenges of logistics and literacy, it could certainly be tested in selected locations with a view to later expansion. Ideally, a mix of all these methods for increasing local feedback on policy implementation could be developed to serve target audiences from the district to the national level, and to create access for different sections of the community.

## CHAPTER CONCLUSIONS

Communities that articulate clear demands for representation and good performance in government, and that mobilize around common goals and objectives, best exploit the potential of decentralization processes. In Thailand, social capital assets have enabled communities to mobilize resources through horizontal social linkages by forming networks and organizations for specific causes. The government can contribute by providing the opportunity for communities to form interest groups that in turn help them to articulate common concerns and strengthen their material well-being.

In addition to an enabling environment, areas with low social capital need further support to improve decentralization's chances for success—principally, stronger human resource capacity (i.e., more staffing and training) for improved

facilitation and community outreach. However, further assessment is needed of the implementation of different forms of decentralization in areas with high social mobility and fragmentation in order to reach definitive conclusions.

Experience to date does suggest some modest ways in which social capital can be developed through the support of outside actors or the initiative of community members. They include strengthening communities' ability to interact with local government, such as more frequent and meaningful multi-stakeholder consultations; encouraging horizontal linkages among social groups, such as watershed networks, water users groups, and community forest management teams; and increasing the transparency of policies, programs, and projects to enhance community trust and confidence in government institutions.

The greatest need for resolving natural resource-related conflicts and eliminating related corruption is for independent channels of redress. Tying executive and judicial powers in one office leaves local people without an effective means to complain when the local executive is at fault. Although these problems existed before decentralization reforms, they have often been exacerbated by local mediators' increased executive powers after decentralization. Part of the solution lies in strengthening the legal system itself. The other part lies in strengthening people's knowledge of the legal system and its accessibility to them.

There remains an important role for systematic monitoring and evaluation activities to hold local government accountable for good performance. Often local people are more than capable of contributing to such tasks; they just need simple and reliable means of collecting and channeling the information. Such initiatives could be supported by governments, donors, religious organizations, and concerned citizens.

## ENDNOTES

1. Of course, this phenomenon may also have been influenced by the research process itself.
2. Souphab Khouangvichit, Sithong Thongmanivong, Nathan Badenoch et al., field work in Luang Phabang province, November-December 2001.
3. This ongoing work is facilitated by ICRAF Chiang Mai.
4. Presentation by Sith Sam Ath at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001.
5. Interviews with village leaders by Mingsarn Kaosa-ard and Mairi Dupar, Nan province, August 1998, as part of a project to document ecosystem approaches to watershed management in northern Thailand.
6. Personal communication with Chanyuth Taepa, December 2001.
7. Presentation by Nguyen Quang Dung at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001.
8. Presentation by Le Van An at the REPSI writing workshop on decentralization, Chiang Mai, Thailand, July 2001.
9. Remarks by Dang Kim Son at the policy roundtable on upland development, Tam Dao, Vietnam, September 2000.

# CHAPTER SIX

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## Cooperation across Jurisdictions and Agencies

Decentralization not only changes accountability relations between central and local governments or between authorities and the people. Decentralization also alters the division of roles and responsibilities and resulting accountability relations among neighboring villages, communes, and districts and among agencies. These new relations have special implications for how natural resources are managed because the effects of natural resource exploitation often spill across jurisdictions and agency mandates. This chapter analyzes how these changed relations among agencies and jurisdictions are affecting environmental management and resource-dependent livelihoods.

### COORDINATION ACROSS ECOSYSTEMS

One of the greatest risks of decentralization reforms to sound environmental management is that responsibilities will be devolved in such a way that managers lose sight of the ecosystem scale. That is, authority for managing particular natural resources may reside at the national and local levels, but no authority exists to coordinate and monitor conservation and development activities affecting ecosystems at the level of the catchment or other ecosystem unit. It is the danger of a “missing middle.”

In this section, we do not suggest that decentralization has necessarily unraveled adequate ecosystem management systems that had previously existed. Rather, we explore how, by undertaking decentralization reforms, policy-makers may have missed opportunities to create better ecosystem management.

### LACK OF MANAGEMENT FOR ENVIRONMENTAL EXTERNALITIES

In Baoshan prefecture of Yunnan, China, significant responsibilities for natural resources management, such as forestry and water conservation, have been devolved to the lowest level in the political-administrative structure—the township (Zuo and Xu, 2001). At this level, resource managers not only lack some of the technical know-how required for good environmental stewardship, but they also have no incentive to pay attention to environmental externalities from resource exploitation and industrial activities. Localities report to the next highest level in the administrative structure (Beach, 2001). There is little or no coordination on environmental management between neighboring villages and townships. In Baoshan, social conflict is increasing between neighboring villages and townships as downstream locations suffer pollution, erosion, and siltation caused by development activities upstream (Zuo and Xu, 2001). The problems in Baoshan are emblematic of a large gap in inter-jurisdictional cooperation throughout China. Jahiel

describes how local environment agencies, under pressure to sacrifice standards for the sake of local economic development, have at times “approved environmentally harmful projects by requiring that they be sited downstream from the drinking water intakes for the city under their jurisdiction” (Jahiel, 1998, 780).

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### Decentralization risks ignoring governance needs at the ecosystem scale.

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To some extent, higher levels of government recognize that watershed-level challenges must be addressed more systematically, but local agencies lack the clarity or motivation to rise to the task. In Baoshan’s Menghai county, provincial authorities directed forest department officials to undertake more watershed management activities. However, the forest officials have been reluctant to act, considering watershed issues the responsibility of the irrigation department. As a consequence, neither department has taken action, and serious inter-village issues at the watershed scale have not been addressed.<sup>1</sup> In this instance, the failure of higher-level authorities to assign responsibilities clearly among lower-level authorities led the local agencies to deny responsibility, leading to serious gaps in implementation.

## THE CHALLENGE FOR MANAGING GROUNDWATER<sup>2</sup>

Groundwater reserves are an excellent example of a precious environmental resource that crosses political and administrative boundaries. In Dak Lak, Vietnam, groundwater is in high demand to feed the expanding cultivation of water-hungry coffee plants. Groundwater resources in the Ea Tul and Quang Phu catchments have been managed as open-access regimes, leading to over-use and degradation of the natural resource base. Increasing water use competition has led to conflicts between upstream and downstream users and between irrigators of coffee and rice.

During the period of study, local agencies and users groups in Dak Lak assumed responsibility for water management under the new Water Law. But, in the new institutional landscape, no effective local institutions existed for regulating of access to

and use of groundwater. Previously, district agencies failed to mediate the conflict between upstream and downstream users. Irrigation officers tried to introduce an irrigation calendar but did not succeed because the cropping calendars of households in the communes could not be consolidated to fit the desired schedule. Furthermore, communication between irrigation officers and individual farming households was poor: farmers never registered with local authorities when they dug irrigation wells. Water Users Associations have emerged to take on various decision-making and coordinating functions for water resources, but these responsibilities are all linked with surface water irrigation schemes. The Associations use organizing techniques developed for participatory irrigation management as a starting point for a more environmentally integrated approach to water resources management. As yet, the Associations have not attempted to establish and enforce rules related to groundwater extraction.

Unless local institutions for groundwater management are strengthened in Dak Lak, environmental degradation and the vulnerability of farming households will only increase. Groundwater used to be regarded as an abundant resource in the study area, but it is now becoming scarce and its extraction rate unsustainable. As more coffee plantations are established and mature in the near future, the demand for irrigation water will grow considerably. It will become difficult for coffee farmers to maintain their yields if rainfall is lower than average. In conditions of water shortage, farmers will spend more time and money on irrigation, for example, to dig and broaden their wells. Without an improved irrigation supply or a fair allocation system, their livelihoods as coffee producers will be at risk.

## THE PROMISE OF WATERSHED NETWORKS

Informal cooperative mechanisms between villages in a shared watershed have proved helpful in managing for environmental externalities in several northern Thailand sites. In many cases, these networks were the result of scaling up the participatory land use planning processes that had been introduced in the 1980s (Plodprasop et al., forthcoming). Typically, the networks have been initiated by village leadership with or without the facilitation of Buddhist organizations, or by donor-supported projects. In either case, both community

spirit and environmental consciousness have been instrumental in consolidating and maintaining the networks' effectiveness.

In Mae Chaem district, Karen leaders have formed a network that spans 20 villages in three sub-districts. The network focuses on controlling fire damage, promoting awareness of conservation needs, and devising systems for sustainable water resources management. Sections of rivers are declared no-fishing zones so that fingerlings can grow and restock the rivers naturally. The northern Thai ethnic group has begun a Hak Meuang Chaem network to bridge the gap between state- and people-initiated networks at a larger scale, often concentrating on one specific issue.<sup>3</sup>

Such networks complement the decentralized local government structure (i.e., the Tambon Administrative Organizations), although they are not always linked. In some cases, the TAO nominates the head of a watershed management network to act as the coordinator for natural resources management activities in the sub-district, thus drawing upon the expertise and connections of this leader.<sup>4</sup>

Because such initiatives have arisen organically or with project-level intervention, it is hard to imagine a widespread replication (including in neighboring countries) without equivalent project-type interventions elsewhere. In other words, it is not clear which policies could stimulate the formation of such mechanisms on a wide scale. However, it would pay to increase public understanding of the benefits of watershed networks by promoting best practices literature among policy-makers, donors, and development organizations.

## LINE AGENCY COOPERATION WITH LOCAL AUTHORITIES

### THE NEED TO ALIGN EXPECTATIONS

Decentralization and the shifts in responsibility it entails require significant adjustment for all the actors concerned. One of the most common problems is inadequate coordination between line agencies and the elected local authorities that have assumed new development and natural resource

planning responsibilities. This lack of coordination can lead to inefficiency because of overlaps, or to serious gaps in environmental protection and promotion of livelihood security.

In Yunnan, China, township governments are meant to have authority for natural resources decisions within the overall framework of China's forest and agricultural policies, but their mandates and incentives conflict with those of line agencies. At the national level, the framework for environmental law has been strengthened significantly in the past 12 years, incorporating many high standards for pollution control and enforcement of environmental regulations. However, in practice, implementation of the laws is weak (Muldavin, 2000) and activities remain strongly segregated along sectoral lines (Zuo and Xu, 2001). Thus, environmental regulation and enforcement translate into technocratic interventions that are completely out of synch with the economic development and revenue-generating priorities of local government and with the fears and needs of local people. Meanwhile, the decentralization process has motivated local governments to raise as much revenue as possible, even if liquidating precious natural resources is necessary.<sup>5</sup> (*See Box 3, Chapter 4*). In China, the environmental protection mandates of line agencies are under-funded and under-enforced, and the fiscal incentives for local governments promote polluting industries and resource extraction.

In Thailand, the line agencies of the Ministry of Agriculture and Cooperatives (MOAC) retain responsibility for managing vast quantities of the country's natural resources: freshwater in the case of the Royal Irrigation Department and protected and commercial forests in the case of the Royal Forest Department (RFD). At the same time, the Thai Constitution recognizes the mandate of local authorities to promote and conserve the natural environment in their geographic constituencies.<sup>6</sup> Most line agencies now actively seek to cooperate with the Tambon Administrative Organizations (TAOs) in implementing their programs. For instance, TAOs and the RFD usually co-organize training and reforestation activities, using seedlings provided by the RFD. But occasionally the preferences of TAOs and their constituents have been at odds with RFD decisions. One example is an RFD proposal to grant a mining concession in Chiang Dao that was rejected by communities and TAOs in the area.

A major challenge ahead for the RFD and other agencies of MOAC is to re-orient its approach toward public consultation and local self-determination. Although government agencies have tried to divide their natural resource budget allocations with the TAOs, they have yet to lend support to the democratization of local decision-making processes and to see themselves as partners in that effort.

### LINE AGENCY VERSUS LOCAL PRIORITIES FOR PRODUCTION

Line agencies operating at the local level still tend to be upwardly accountable to production quotas and export targets that do not match local priorities for subsistence or local tolerance for risk. In Vietnam and Laos in particular, market regulation by the central government is still strong and directly affects the dynamics of decentralization. Specifically, in areas where deconcentration is occurring, control of production and market access is undermining governments' commitments to local consultative processes. In areas where limited political decentralization is occurring alongside deconcentration, local elected authorities find themselves in the unenviable position of navigating between central government quotas and local people's perceptions of the food security risks involved in following these mandates.

The region's national governments continue to pursue various export promotion policies that encourage production of cash crops as a way of developing outlying villages and earning more export revenue. In Vietnam and Laos, quotas are translated at the province level to district contributions and local agricultural offices and extension agents promote these crops to local people. The state still dominates the distribution of seeds, saplings, fertilizer, pesticides, and herbicides. Therefore, centrally-defined production priorities are promoted through the extension system and through state suppliers. The system is to some degree at odds with the spirit of decentralization legislation, which is meant to increase local determination over land uses, and overall strategies for promoting grassroots participation in development.

In our case studies, the crop promotion system benefits more fortunate households in good times, but has placed rural livelihoods at greater risk at all income levels. For instance, a

study of coffee production in Dak Lak's central highlands shows that ethnic Kinh farmers are benefiting more from the production and sale of coffee than the Ede and other ethnic minority groups because they are better connected to extension services and more aware of market opportunities (Ha, 2001). Since the price of coffee on world markets dropped precipitously, farmers across the province have been severely affected, unable in some cases to generate enough revenue from coffee sales to meet household needs.

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Often decentralization fails to clarify the respective roles of local governments and line agencies in environmental management.

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In Luang Phabang, Laos, political leaders at the province and district levels promoted central government production priorities enthusiastically without fully understanding the market potential—and downside risks to farmers—of these strategies. Government extension and development workers took up the call for selected cash crops with equal ignorance of how farmers' goods would reach markets and their risks would be managed. A widespread campaign for farmers to switch from rice and other subsistence crops into a cash crop, Job's tears, ran awry from 1999 to 2001.<sup>7</sup> The Thai corporation that struck a deal with the province to purchase a set tonnage of the crop reneged on its agreement, leaving farmers with useless produce on their hands and not enough money to buy household food supplies. A drive for ginger production during the same period produced a glut of the crop that available markets could not absorb.

In Thua Thien Hue province, Vietnam, local people followed a massive government campaign to produce sugarcane, at the urging of commune and district authorities. As in Luang Phabang, the market disappeared and the local population was left without a source of income. In 1998 and 1999, the central government and an Indian company jointly invested in a sugar factory in the city of Hue. They convinced 80 percent of the households in Hong Ha commune to grow sugarcane along the river. When the devastating floods of 1999 destroyed half the sugarcane crop, the company then canceled its order to purchase the remainder because it determined transportation costs would be too high. Since then, the sugarcane land

has been a constraint to recovery after the floods. Villagers have expended much labor to reconvert the land to rice and other crops (Beckman et al., 2001). The sugar factory subsequently closed.

Local authorities in Thua Thien Hue (which are at least partially downwardly accountable) are becoming much warier of the risks to local people of removing the subsistence safety net and betting on markets that may disappear. They discuss central government programs more critically. In this case, commune leadership is growing more outspoken in demanding support for the kinds of mixed agroforestry systems that they believe would provide cash income as well as diversify risk and allow farmers to cover subsistence needs. There are also signs in the Hue study site that extension services are becoming increasingly responsive to local people's needs (Beckman et al., 2001).

The mismatch between the goals and expectations of line agencies and communities and/or their representative local institutions is a tension that must be managed constructively in the near future in those countries where extension agencies still play a vital role in the rural economy: principally, Vietnam, Cambodia, and Laos. (In China and Thailand, extension agencies play a small role because of the more developed markets for agricultural inputs.) The case studies demonstrate the importance of line agencies in providing much-needed development services to upland people. However, the emphasis must shift from a top-down approach to a more collaborative and multi-institutional approach by which these agencies serve the needs articulated by representative local governments, by other representative local organizations, and directly by farmers themselves. As long as the national government embraces downward accountability and responsiveness to local needs, its contribution is strategic and avoids the narrow technocratic fixes of the past.

## CHAPTER CONCLUSIONS

In some cases, policy-makers have allocated responsibility for natural resources management to a low level in the political-administrative hierarchy without strengthening (or even creating) intermediate-level institutions necessary for the effective management at the ecosystem scale. Government and

multi-stakeholder coordination is needed at all scales for sound environmental management.

Across the case study sites, inefficiencies in natural resources management and lost opportunities for protection are resulting from the poorly defined division of labor between newly empowered local authorities and line agencies of the central government. Sometimes the mandates, objectives, and approaches of line agencies have been at odds with the livelihood priorities of local communities, especially where the deconcentrated model of resource governance is strong. In other cases, village councils, commune authorities, and other local institutions have been confounded or undermined by contradictory efforts of line ministries.

A principal challenge of decentralization efforts is to embed them in a framework that promotes overall national goals of economic and administrative integration, environmental quality, and revenue generation while allowing sufficient flexibility in local implementation to meet unique local conditions, including cultural and ecological diversity. The evidence from the cases suggests that a promising way to meet these goals is to orient central government agencies toward providing technical advice to democratically elected local authorities, while incorporating the benefits of local knowledge. In a successful partnership, line agencies and extension services would provide information and technical support attuned to the concerns and needs expressed by local people and their representative local institutions.

## ENDNOTES

1. Nathan Badenoch, field work in Menghai county, Yunnan, April 2001.
2. Data in this section derived exclusively from Cai ed. (2001).
3. Personal communication with Chanyuth Taepa, December 2001.
4. Interview with Chanyuth Taepa, November 2001.
5. Note that the 1998 logging ban does not ban timber extraction for all state entities.
6. Based upon article 290 of the 1970 Constitution, and reiterated in the 1997 Constitution. The material in this section on Thailand was kindly provided by Chanyuth Taepa of CARE Thailand in a personal communication to the authors, December 2001.
7. Personal communication with Sithong Thongmanivong, 6 April 2001.

# CHAPTER SEVEN

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## Conclusions

There is no one simple governance model—centralized, decentralized, or privatized—that alone holds the promise of environmental sustainability and secure upland livelihoods. But the cases explored in this study suggest that a decentralized approach to development planning and natural resources management that is founded upon multiple levels of decision-making and multiple forms of downward and upward accountability and horizontal coordination holds the greatest promise of accomplishing those goals. Ultimately, decentralization is an iterative process and many of these conditions can develop only with time. If governments were to wait until all of them were in place, decentralization would never happen and the many benefits of increased local decision-making authority would never be realized.

This chapter outlines the many steps in the process that governments, communities, and other concerned stakeholders can take to develop robust and appropriate decentralized governance systems for natural resources management. As indicated in the early chapters of this report, environment, livelihood, and equity goals are not necessarily governments' priority reasons for decentralizing. Reducing the fiscal burden of central government, extending the control of the central state (as in deconcentration), or increasing the efficiency of local administration may all be driving forces of decentralization. However, given the current situation in the region's

uplands, it is essential that decentralization reforms do not exacerbate poverty and environmental degradation. Where possible, decentralization reforms should be designed to improve upland ecosystems and the livelihood prospects of the local people who depend upon them.

Returning to the analytic framework for the report, we assess under what conditions decentralization reforms in mainland Southeast Asia improved the responsiveness of local decision-making and the sustainability of natural resources management. We assess the implications of these changes for livelihood security, equity of access to and benefits from natural resources, and environmental sustainability. In all cases, it would require longer-term, comparative studies to establish conclusive links between changed practices and socio-economic and environmental outcomes. Based upon these findings, we provide general recommendations for designing and strengthening decentralization reforms in the region.

### LIVELIHOOD SECURITY

The ability of elected local authorities to respond to constituents' livelihood concerns was strongly affected by the scope of their powers—or by those resources at their disposal. Perhaps this point is obvious, but it held true both for cash resources and access to the local natural resource base. Many of the

elected local authorities studied benefited from their having autonomy to spend revenues, whether the funds came from the local and national tax bases (i.e., Mae Chaem) or from donor sources (i.e., Phu Tho and Ratanakiri cases). The availability of revenues motivated local people to support these decentralized planning processes and to advocate for activities that supported their livelihood security and development. The literature from China suggests that cash-strapped localities that are largely responsible for their own revenue generation do exploit natural resources unsustainably for cash. (See the section on *Environment, below*). More comparative research on this topic would be helpful.

Our case studies showed significant differences in the degree of access to natural resources afforded to these local authorities. Ironically, those local authorities with the highest marks from communities for their responsiveness were those with the least control over productive assets needed for livelihood security, such as hill and forest land. Given the failure of previous centrally driven policies in this region to manage productive forests and to reforest barren lands, the experience suggests that representative local authorities should be given increased authority over productive forest and agro-forestry land. In summary, the case studies showed that clear and secure tenure—at either the individual household or community level—provided the foundation for secure livelihoods upon which effective decentralized processes for development planning could be based.

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Local governments that are accountable to local people place a priority on livelihood issues.

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In the case studies, the stronger the mechanisms for downward accountability were between the local decision-making authorities and local people, the more satisfied the community was, as a whole, that decentralization was addressing their livelihood concerns. This kind of responsiveness was achieved by several means, formal and informal.

Elections helped keep local authorities accountable to people's concerns although the relative freedom of elections varied from case to case. Voters tended to elect local leaders on the

basis of which candidates appeared most likely to improve their material well-being. For instance, northern Thai voters elected candidates who ran for local economic development. Local people did not necessarily view environmental protection as a priority livelihoods issue; whether livelihood and environmental objectives converged depended on the particular case.

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In areas with strong social capital, local leaders are more responsive to communities' livelihood concerns.

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Strong social ties between local leaders and their constituents increased leaders' responsiveness to livelihood concerns. Where leaders—elected or appointed—came from the same community as their constituents, they were likely to have the same priorities for community development as a majority of community members and were motivated to seek support and concessions from higher-level authorities on behalf of their constituents. This was the case for ethnic minority leaders in the Ratanakiri, Cambodia and Thua Thien Hue, Vietnam cases.

It is also important to note that the level to which development planning and natural resources management responsibilities were devolved helped make decentralizations responsive to local livelihood concerns. Indeed, the ability for social ties to play a positive role in decentralization—in the sense of reciprocity between leaders and the broader community—was in part a function of decentralizing to a level where this sense of community existed. Such ties, based upon common languages, cultures, and experience, were present at the commune level in such places as the Thua Thien Hue site, whereas district-level leaders may have been less embedded in their communities.

In the Luang Phabang and Dak Lak cases, line agencies of central government retained significant authority over local decision-making but significantly increased public consultation in the implementation process, even sharing some decision-making functions with local representatives. These arrangements opened new—albeit limited—channels for

## RECOMMENDATIONS FOR THE NATIONAL LEVEL

### National decision-makers can:

- Create or strengthen local elected authorities, where possible, to define local priorities within a national policy framework for sustainable development.
- Ensure that policies are consistent and clarify roles and responsibilities, especially between local elected authorities and line agencies.
- Design special steps in the decentralization process that increase the voice of traditionally marginalized subgroups, such as women and poor households; this effort may include reserving seats in local decision-making bodies or separate consultative processes that feed into community-wide deliberations.
- Devolve land use and development planning responsibilities to the lowest level appropriate for the scale of the resource, in order to benefit from social ties, sense of community, and local knowledge.
- Reorient extension agencies to provide service to local people in response to needs and concerns articulated directly by the people and their local representatives.
- Ensure that authority exists at the appropriate ecosystem scale (e.g., the watershed) to assess and manage ecosystem flows and environmental impacts of development activities. Coordinate this institution's work with that of governments at different levels, including the local level.
- Strengthen or accelerate the creation of a legal system that is free from external influence and is accessible to the general public.

accountability that enhanced the responsiveness of local development to livelihood concerns. Our research suggests that this model does not hold the same gains for improved livelihood security as does the representative local government model, but the gains are nonetheless noteworthy compared to previous, non-consultative arrangements. Because rule-making and implementation relied more upon the motivation

of line agency staff, issues of financial and human resource capacity loomed large as hurdles to effectiveness. For instance, in Luang Phabang, Laos, where authorities were experimenting with a consultative process for land allocation, funding for district officers' salaries and field costs proved important to whether and how thoroughly activities were carried out.

Local authorities have taken on some new roles in promoting cash crops and market opportunities that have in fact increased households' vulnerability. In the case studies, local authorities did not perform well when it came to managing market-related information and providing communities with guidance on production priorities. Both local branches of central agencies and local elected authorities supported national and provincial plans for cash crop promotion. In all cases, households converted fields from subsistence crops, such as upland rice, maize, and manioc, to cash crops, such as sugarcane and Job's tears. Some of these schemes failed to deliver, and others disintegrated completely when production outstripped demand or the buyer canceled the contract. These mistakes cost households much-needed income and increased labor to reconvert fields to their original uses. Local authorities (both elected and appointed) will continue to have responsibility for providing communities with information about livelihood alternatives and the risks of different production systems. To carry out this responsibility, local officials will need better information about markets and associated risks—information that national and international agencies can provide.

## EQUITY

In all the cases of decentralization that we studied, whether it was the creation or strengthening of elected local government or the creation of co-management arrangements, a portion of the community did not have equal representation or an equal voice in local planning processes. This segment of the community was typically characterized as female, the lowest income, and sometimes from a particular ethnic minority group (e.g., the Ede people in Dak Lak province, Vietnam). As a result of their having less input in local processes, these subgroups generally did not reap equal benefits.

The link between less participation in decision-making and fewer benefits from development outcomes can be mitigated by a strong sense of overall community cohesion. For instance, in the Thua Thien Hue case, the socio-economic differential among households was relatively slight, and social ties were strong enough that well-represented households asked the commune authorities to pay more attention to the poorest households. But even here, villagers did not perceive benefits-sharing as completely fair.

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Local people are not sharing equally in the benefits of development because access to local decision-making processes is not equal.

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Because social cohesion varies widely among communities, there is a strong case to be made for designing equal access into local decision-making and consultative processes. Equal access is desirable for several reasons: access and outcomes are generally correlated, women and other marginalized groups have important skills and experience that can enrich the deliberative process, and, in itself, access to decision-making is empowering for these groups and provides a social benefit.

Local elites could dominate decentralization to such an extent that they undermine the expected benefits of decentralization (i.e., increasing the incorporation of local knowledge and appropriateness of decisions). Special rules to ensure the inclusion of traditionally marginalized groups (poorest households, ethnic minorities, and women) will still be necessary to ensure that these groups benefit from decentralized decision-making. This point is best demonstrated through the targeted efforts at gender inclusion in several of the case study sites. Multi-faceted programs showed the most promise. Such programs combined requirements for women's participation (a certain proportion of women on local decision-making boards) with informal education for women to increase their confidence and ability to express themselves. Targeted development interventions may also be useful. It is possible to hold targeted consultations for typically underrepresented groups in the community. This effort ensures that they are not overpowered by the more outspoken, powerful members of the community. In the socialist coun-

## RECOMMENDATIONS FOR THE LOCAL LEVEL

### Local officials can:

- Commit to transparency in operations and in public information disclosure—about opportunities for participation, budgets, and development decisions—as one of their top priorities.
- Identify which households or groups in the community find it difficult to participate in the consultative process and make special efforts to facilitate their participation.

### Communities can:

- Demand accountability from their local government representatives.
- Mobilize to articulate common goals for local development.
- Identify which households or groups in the community find it difficult to participate in the consultative process and make special efforts to facilitate their participation.
- Create and support mechanisms for independent third-party monitoring of environment-related corruption and mediation of natural resource-related conflict—such as watershed networks—where possible.
- Promote positive exchange with other communities regarding natural resource issues of common concern.

tries studied, mass organizations such as the farmers' and women's unions may provide a preliminary base for such mobilizations, although the unions were inactive in most of the study sites.

The opportunity costs of participation in planning processes will always be higher for the poorest households that are struggling to subsist. Therefore, planners must not only seek ways to ease participation but must also ensure that the benefits from participation are worth it—that participation does result in tangible development benefits for the neediest community members.

Separating the decision-making and management functions of local government is an important step to counter-act the domination of local elites. As demonstrated in the case of Phu Tho province, northern Vietnam, expecting village councils to make development decisions and supervise the subsequent projects is a recipe for monopolization by the most educated and articulate villagers.

## ENVIRONMENT

The implications of different forms of decentralization for environmental protection are complex and difficult to pinpoint. Clearly, one of the greatest benefits of decentralized planning and management for upland ecosystems is that such arrangements can harness and strengthen some local knowledge about indigenous species and mixed forest systems. Such systems are far more botanically diverse, and supportive of animal habitats and human livelihoods than the monoculture plantations of exotic species that have typically characterized central government efforts to re-green the uplands. Indeed, experience from Nghe An province of Vietnam suggests that the lack of meaningful public consultation and involvement in forest policy implementation lost some benefits of local knowledge that could have enhanced environmental sustainability.

The electoral mechanism has proved helpful in holding officials accountable to good environmental governance. In the case of Phu Tho, northern Vietnam, villagers punished a corrupt local official engaged in illegal logging. He was voted off the village council after his misdeeds became widely known. However, the role of elections in raising environmental issues as a priority for local government action is ambiguous. The northern Thailand experience shows that public environmental consciousness is not necessarily high enough to make natural resources management the top election issue and determine candidate selection. Whether natural resources issues drive local elections may depend on the community's endowments and income sources.

Additional mechanisms are needed to hold local officials accountable for profit-seeking behavior. In overcoming natural resource-related corruption (e.g., illegal logging, land grabbing, and other forms of rent-seeking), elections have

proved to be a sound mechanism, as noted above. However, there do remain serious problems with channels for recourse in environmental disputes, including complaints about corrupt officials, that hinder the effectiveness of decentralization efforts. Complaint mechanisms involving higher levels of the administration are helpful in some cases, but with two significant problems. First, because the executive and judicial branches are entwined, the judge is normally the supervisor of the accused official, which sometimes, but not always, results in justice. Second, the perceived distance between the village and the district is overwhelming for most villagers, who lack the conviction to take their complaints to such a high level.

The overall success of decentralization efforts in promoting environmental sustainability, as well as livelihood security, depends upon the development of clear, independent mechanisms for conflict resolution. A reliable and fully accessible judicial system—entirely separate from the executive branch of government—could provide the solution, but takes years to develop. The widely acknowledged corruption of courts, demonstrated clearly by our Cambodia case study, indicates the magnitude of that challenge. In addition, the creation of public interest law groups to represent low-income plaintiffs in natural resource-related disputes is needed. However, other possibilities for third-party resolution of conflicts include reputable non-governmental organizations with the requisite expertise, as in Thailand.

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Decentralization processes  
have not yet fostered mechanisms  
for resolving environmental disputes.

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Various enabling conditions for decentralization can greatly increase the likelihood of more sustainable natural resources management. One of these conditions is the willingness of neighboring jurisdictions—neighboring villages, communes, and districts—to cooperate in mapping boundaries and managing for environmental externalities, such as erosion and pollution. In Thailand, watershed networks to foster such cooperation have sprung up of their own accord, and also with project support. They have proved quite successful in promoting conservation practices and reducing inter-village

conflicts over natural resources. In Cambodia, village mapping and land use planning exercises, priorities under the decentralization program, have also contributed to reduced conflicts and have provided villagers with a better sense of what resources are under their control and how quickly they are being degraded. Indeed, in all cases where a variety of development planning and natural resources management responsibilities were devolved to the commune or village level, local people assumed a more holistic picture of how conservation and development could be integrated and what was at stake.

This discussion highlights the importance of scale in environmental management. For although we noted earlier that decentralization of development planning to the lowest possible administrative level—commune or village—can have particular benefits for livelihood outcomes, environmental challenges exist at all geographic scales. Should governments decentralize natural resources management too far (i.e., to an inappropriately low level), the management of ecosystem-wide phenomena will be overlooked. Neighboring townships in Yunnan need to coordinate monitoring and regulation of pollution emissions for the overall health of watersheds, including downstream lakes. In all countries of the region, neighboring districts and provinces need to coordinate monitoring and regulation of forest products trade to keep the trade within legal, sustainable limits. It is important that decentralization is accompanied by coordination among authorities and by the strengthening of institutions for environmental management at catchment and ecoregional scales.

The principle of allocating responsibility for environmental management at the appropriate scale is significant in other ways. The case studies showed that too often central governments increase the power of local authorities in natural resources management, such as land use planning and land allocation, but they incorporate so many guidelines in their policies that very little discretion is permitted at the local level. When central government specifies tree species, fallow periods, and other details of local production, policies lose the benefits of local ecological knowledge. Local authorities then find themselves forcing changes that do not match the uplands' ecologically and culturally diverse conditions. National governments should create a policy framework for

decentralization that sets minimum environmental standards but also assumes the diversity of the ecosystems in which the policy will be applied. Governments should demand upward accountability to these norms and standards through monitoring and reporting mechanisms, and they should facilitate compliance by providing local authorities with sufficient funds to enforce the standards. Essentially, central governments must create a legal and institutional framework that allows local governments to balance upward accountability to national standards and downward accountability to communities for locally appropriate natural resources management choices.

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In many cases, local authorities lack the flexibility to adapt policy to local ecological conditions.

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To facilitate the promotion of conservation strategies and production systems that spread environmental and economic risk, extension services and other line agencies should respond to the local preferences articulated by local people and their elected representatives. In this regard, line agencies should provide technical assistance in support of local development priorities. In particular, these agencies should advise on agricultural systems that promote environmental benefits and diversify farmers' economic and ecological risks. Again, this requirement may call for a shift in the thinking of personnel in the relevant line agencies (e.g., through re-training and sensitization).

A lack of clear environmental mandates at the local level can lead to missed opportunities for environmental protection or even to harmful conflicts. For instance, in the Thai case, the lack of clarity between Tambon Administrative Organizations and line agencies leads to differences over who should administer certain resources and how. In the Thua Thien Hue case, villagers and commune authorities were wary of investing in livelihood security and environmental conservation measures such as terracing and planting in certain areas because of the possibility that the Watershed Management Board would take over lands in any given year for its own monoculture planting scheme.

## RECOMMENDATIONS FOR EXTERNAL SUPPORT:

### Donor agencies and international organizations can:

- Provide training to lawyers and judges and support the creation of public interest law groups in the practice of environmental law.
- Support increased legal literacy in communities, especially regarding their natural resource-related rights.
- Support the development of mechanisms for third-party dispute resolution and inter-jurisdictional cooperation, such as watershed networks.
- Support awareness-raising and training for civil servants on gender issues and public participation methods.
- Provide funds to the local level to make representative decision-making processes meaningful.
- Support the strengthening of institutions for managing and monitoring environmental flows and resource conflicts at the ecosystem scale.

### Universities and research organizations can:

- Continue to assess the impacts of decentralization reforms on local livelihoods and ecosystems.
- Work with local people to develop indicators of social and environmental impacts that they can use for monitoring in the long term.

Over-exploitation of resources threatens upland ecosystems regardless of whether decentralization has taken place, because timber and other natural resources constitute some of the most lucrative of the region's resources. Within local governments, new responsibilities are not always accompanied by new budgets or local revenue sources, and local officials are pressed to find ways to make ends meet. Perhaps the worst case is Baoshan: until recently, all the material and policy incentives were aligned to encourage local authorities to

liquidate forest resources for cash. Suddenly local authorities were required to raise all their own revenue and to scramble for profits, while on a household level, people's insecurity about rapidly evolving government policies led them to pursue short-term gain at the loss of long-term environmental security. Environmental protection mandates must be adequately funded, and local development processes under decentralization must not rely exclusively on the liquidation of natural resources for their funding.

## NEXT STEPS FOR RESEARCH

This report has highlighted some of the diverse forms of decentralization occurring throughout mainland Southeast Asia. To strengthen the foundation for decision-making and practice in the future, we have identified several areas for future research about the effects of decentralization on natural resources management.

Questions about the scope of the powers that should be located at each level of government (or at the community level) deserve a more detailed, comparative treatment. The appropriate scope of powers at each level depends upon the size of the geographic area and population involved, as well as on the nature of the resource being governed (e.g., grasslands versus forest) and the degree of threat to the resource.

More research is required on the effects of local institutions' fiscal arrangements under decentralization—especially revenue sources—on natural resources management. This is an important topic because unlike health, education, infrastructure, and other services that are a net drain on government revenues, natural resources and their protection can be either an expense or a source of profit to local authorities. The unique potential of natural resources to provide generous private profits, tax revenues, and subsistence livelihoods gives them a special importance for fiscal aspects of government reform.

Decentralization has the potential to enhance communities' social assets. Decentralization processes could provide financial and political resources in support of communities' existing self-help efforts and environmental conservation activities. But more research is needed on what types of

community assets exist in the culturally diverse uplands of mainland Southeast Asia, and how they may be relevant for the design and implementation of decentralization. Further research is required on ways to strengthen community mobilization, especially around natural resources management, in areas where social capital is weak.

The causal linkages between different forms of local decision-making and environment, livelihood, and equity outcomes require a more systematic analysis over time. In this report, we have identified the importance of local governments' accountability to their target populations for socially sustainable development. But the link between downward accountability and environmental sustainability is less clear. Downward accountability of local institutions may be a necessary but insufficient condition for promoting sound environmental stewardship. More research would be helpful on the conditions under which genuine local democracy produces more natural resource conservation.

It is also vital to assess, over time, how the changed practices brought about by specific governance reforms translate into measurable changes in forests, land, water, and biodiversity and in people's well-being. Indicators for monitoring these changes, as well as the methods for analyzing them, could be developed by local people in tandem with outside researchers. Development of a best practices literature, showing these quantifiable data, would be particularly helpful to policy-makers.

All the research gaps identified above provide opportunities to enrich our common knowledge about decentralization and its effects. Through long-term attention to this mosaic of management processes at the local level, researchers might foster understanding of the best means to pursue sustainable upland development.

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## THE NETWORK ON ENVIRONMENT, LIVELIHOODS, AND LOCAL INSTITUTIONS

This report is a product of the Resources Policy Support Initiative (REPSI). REPSI provides a forum for introducing and exchanging research methods and findings among scholars and policy officials in mainland Southeast Asia. The initiative focuses primarily, but not exclusively, on environment and development challenges in upland areas. REPSI is coordinated by World Resources Institute, an environmental think-tank with staff in Chiang Mai, Thailand and Washington, DC, USA. It involves local, regional and international organizations working in the Mekong region.

The research upon which this report is based was carried out by teams of REPSI researchers in universities and research institutes throughout Vietnam, Laos, Cambodia, Thailand and Yunnan, China. In each case study, the teams reviewed the legal frameworks and specific intent of the decentralization policy or program in question. The teams carried out extensive interviews with local officials and communities about the implementation experience and made field visits to assess agricultural systems and the surrounding environment. WRI

staff and a number of Swedish and Danish scholars provided research support throughout the project.

The activity was structured to provide opportunities for regional exchange, as well as to produce original analysis in each study site. The teams met several times as a group. In March 2000, they met to discuss a common framework and methods for analysis. Four months later, they convened to share preliminary findings among themselves and with a larger forum: The International Symposium on Montane Mainland Southeast Asia in Transition II. The following year, a core group of researchers from the study teams—the co-authors of this report—met to identify common themes among the case studies and draft the recommendations included here.

For more information about REPSI, please see our website at [www.wri.org/repsi](http://www.wri.org/repsi) or contact the REPSI project office in Chiang Mai at [repsi@loxinfo.co.th](mailto:repsi@loxinfo.co.th).