



**Working Paper
No. 546**

**Assessing decentralised policy implementation in
Vietnam
The case of land recovery and resettlement in the Vung Ang
Economic Zone**

*Joop de Wit, Luong Viet Sang, Le Van Chien, Luong Thu Hien,
Ha Viet Hung, Dang Thi Anh Tuyet, Dao Ngoc Bau, Quang
Hoa and Mai Thi Thanh Tam*

July 2012



**Ho Chi Minh National Academy of Politics
and Public Administration**



ISSN 0921-0210

The Institute of Social Studies is Europe's longest-established centre of higher education and research in development studies. On 1 July 2009, it became a University Institute of the Erasmus University Rotterdam (EUR). Post-graduate teaching programmes range from six-week diploma courses to the PhD programme. Research at ISS is fundamental in the sense of laying a scientific basis for the formulation of appropriate development policies. The academic work of ISS is disseminated in the form of books, journal articles, teaching texts, monographs and working papers. The Working Paper series provides a forum for work in progress which seeks to elicit comments and generate discussion. The series includes academic research by staff, PhD participants and visiting fellows, and award-winning research papers by graduate students.

Working Papers are available in electronic format at www.iss.nl

Please address comments and/or queries for information to:

Institute of Social Studies
P.O. Box 29776
2502 LT The Hague
The Netherlands

or

E-mail: wpapers@iss.nl

Table of Contents

ABSTRACT	5
1 INTRODUCTION	6
2 ANALYTICAL PERSPECTIVES	9
2.1 The interactive policy process	9
2.2 Decentralization	11
2.3 Capacity	12
2.4 Livelihoods, agency and the moral economy of people	12
3 THE CONTEXT OF MULTI-LEVEL GOVERNANCE IN A CHANGING VIETNAM	13
3.1 A changing Vietnam	13
3.2 Vietnam: administrative structure and levels	13
3.3 Decentralisation?	14
3.4 Grassroots democracy	16
4 THE PLANNING AND PRESENT STATUS OF THE VUNG ANG ECONOMIC ZONE	16
5 ADMINISTRATIVE CONTEXT AND THE RESETTLEMENT PROCEDURE	19
6 IMPLEMENTING THE RESETTLEMENT PLAN: THE ROLES OF STAKEHOLDERS AT DIFFERENT LEVELS OF ADMINISTRATION	22
6.1 Management Unit for Vung Ang EZ and the Province	22
6.2 The Kỳ Anh District People Committee (DPC)	23
6.3 The Xuân Thành Group	24
6.4 Party and Administration in Ky Phuong Commune	24
6.5 Fatherland Front in Ky Phuong Commune	25
6.6 Farmer Union in Ky Phuong	25
6.7 Women Union in Ky Phuong Commune	26
6.8 Youth Union in Ky Phuong Commune	26
6.9 Commune Police in Ky Phuong	27
6.10 The role of Community Monitoring Team	28
6.11 The case of the Kỳ Lợi Commune	28
7 PEOPLE'S REACTIONS, AND PEOPLE'S PARTICIPATION?	29

7.1	Attitudes and reactions of the community to the resettlement and land acquisition plans	29
7.2	Types of consultation	33
8	COMPENSATION FOR LAND AND ASSETS AND REALITIES AT THE RELOCATION SITE	38
9	CONCLUSIONS: ASSESSING THE IMPLEMENTATION OF THE RESETTLEMENT POLICY AS A MULTI-STAKEHOLDER AND MULTI-GOVERNANCE LEVEL PROCESS	44
9.1	Roles and performance of local authorities	44
9.2	Assessing decentralisation	46
9.3	Roles and relations of the local officials and mass organizations	47
9.4	Assessing Grassroots democracy	48
9.5	Social and economic impacts on the relocated people: livelihood changes	49
	REFERENCES	51
	APPENDICES	54

ABSTRACT

From 2006 plans were implemented to create a deep-sea water port linked to an Economic Zone in the coastal Province of Ha Tinh, located in north central Vietnam. The multi-purpose Zone entitled ‘Vung Ang’, was to attract foreign investors, while the port would provide a link to nearby Laos and Thailand. The project obviously had large implications for the administrations at various levels of governance from Hanoi to the coastal communes and villages, but even more serious impacts on the people living in the affected areas. A large area of about 23,000 hectares was to be cleared, affecting the people of 9 communes, in some of which all inhabitants had to leave their houses and homesteads, to be relocated to completely new settlements about 10 miles inland. These tightly knit communities were not too happy with the prospect to leave their homes and land, the burial places of their ancestors, and the long term comforts of community support networks. While initial decision making process started at the highest levels of Vietnam Governance, the implementation of port and industrial park construction and the related relocation policy was delegated to Ha Tinh province, which is consistent with current decentralisation policies in Vietnam. Actual implementation was carried out by the affected District and Commune level officials – with support from the Communist Party led Mass Organisations – who were in charge of the planning and implementation of the relocation process. This entailed a complex and sensitive series of steps to inform affected households, prepare relocation areas and allocate compensation and alternative housing. This paper describes the implementation dynamics of relocation by depicting and assessing the roles of all stakeholders involved, including the impacts - for better or for worse – of the relocated households. It brings out the way local authorities dealt with affected people, including efforts linked to the ideal of grass-roots democracy. Key areas of contestation are uncovered, such as inadequate infrastructure and low compensation rates. The paper has a second objective to assess the degree to which decentralisation in Vietnam has been actually implemented, and how this affects policy making processes such as the Vung Ang port/industrial zone project. The paper concludes that the relocation policy was implemented in a fairly efficient and harmonious way – with a very intensive engagement of the entire provincial administrative machinery, but that it is too early to assess the livelihood opportunities of the relocated households.

Keywords

Vietnam, decentralisation, land acquisition and compensation policy, livelihoods.

Assessing decentralised policy implementation in Vietnam¹

The case of land recovery and resettlement in the Vung Ang economic zone

1 Introduction

In 2006, a decision was taken at the highest levels of Vietnam governance to construct a deep-sea water port linked to an Economic Zone or Industrial Park in the coastal district of Ky An, in the north-central Province of Ha Tinh (annex 1). The grand vision for the multi-purpose Zone entitled ‘Vung Ang’, was stated to attract a large number of (large) foreign investors, and that the port would be linked by road to relatively nearby Laos, supporting industrial development there and fostering trade and friendship between the country and Vietnam (JDI, 2010). This decision obviously had large implications for the administrations at various levels of governance right from Hanoi to the coastal communes and villages, but even more serious impacts on the people living in the affected areas. A large area of about 23,000 hectares was earmarked and was to be cleared, affecting the people of 9 communes in the affected district of Ky Anh, including the two communes of Ky Phuong and Ky Loi, where all inhabitants had to leave their houses and homesteads, to be relocated to completely new settlements about 10 miles inland. Unsurprisingly, these mostly tightly knit communities were unhappy with the prospect to leave their homes and land, the burial places of their ancestors, and the long term comforts of community support networks.

While the initial planning and decision making process started at the highest levels of Vietnam Governance, the implementation of port and industrial park construction and the related relocation policy was delegated to Ha Tinh province. This is conform the current decentralisation policy of Vietnam, under which considerable powers are delegated to the Provincial People Committees (PPC) (GoV, 2005; FForde, 2003). A special Agency was created in the form of the Vung Ang Management Unit, which was to report to the Ha Tinh Provincial People Committee (PPC), and in charge of all planning and construction activities. It was under some pressure to work fast, as contracts were signed soon with a foreign investor, the Korea based Formosa Group Company. A large role was reserved for the affected District and Commune level officials of Ha Tinh Province, which constitute the two

¹ This paper is based on research carried out in Ha Tinh Province as part of the project ‘Capacity Development for Integrated and Evidence Based Policy Research’ which was jointly implemented from 2009-2011 by the Ho Chi Minh National Academy for Politics and Public Administration and ISS. It was funded by the Royal Netherlands Embassy in Hanoi, which generous support is gratefully acknowledged. We are also grateful to the people and officials of the Ky Phuong and Ky Loi Communes as well as the officials of Ha Tinh Province, Ky Anh District, the Vung Ang Management Unit and members of local Mass Organisation units.

formal administrative levels below a Vietnamese Province. They were in charge of the planning and implementation of the relocation process, entailing a complex and sensitive series of steps to inform the affected households, to prepare relocation areas including infrastructure, facilities like schools and bus stops, to arrange the compensation for affected households keeping with the relevant laws and decrees, and to physically move households either to completed new houses or temporary shelter. In this process they were assisted by the so called Mass Organisations, which are nation-wide state-society organisations led by the Vietnamese Communist Party, which organise specific professional or other identity groups, so that there is a Farmer Union, a Women, and a Youth Union, but there is also the largest Fatherland Front which can be seen as some kind of huge umbrella organisation.

This paper aims to describe the implementation process of relocation by depicting and assessing the roles of all stakeholders involved, including the various levels of provincial administration, the Vung Ang Management Unit, the mass organisations, and – last but not least – the people who were relocated to a relocation area – for better or for worse. It considers the process in terms of a multi-stakeholder governance process, where stronger and weaker, public and private actors and groups are actively engaged, both in formal and informal ways (Hyden and Court, 2004).

However, this paper has a second objective to assess the degree to which decentralisation in Vietnam has been actually implemented, and how it affects policy making processes such as the Vung Ang port/industrial zone project. As per a series of laws and decrees (de Wit, 2007:5) Vietnam is implementing a process of delegating powers from the Ministries in the capital Hanoi to provincial, district and commune levels, and the Government itself claims, that: ‘by 2005, new regulations on Central-local decentralisation and decentralisation among local governments will have been completed and implemented which will improve the competence and accountability of local governments’ (ibid: 26). However, there is no overall agreement as to whether this is the case, with several sources claiming that there has been delegation of tasks to the provinces, but only in a very limited extent beyond the province to the districts and communes (Fritzen, 2002, World Bank, 2004, FForde, 2003). All agree that the type of decentralisation prevalent in Vietnam is not the more ambitious type where tasks and funds (or independent taxing powers) are delegated to newly formed elected councils and which is also known as democratic decentralisation or *devolution*. Rather, decentralisation in Vietnam is best seen as *deconcentration*, where powers remain at central levels, but where tasks (only) are being delegated to lower levels of administration (Turner and Hulme, 1997).

This paper will assess to what extent such claims can be substantiated. The broader aim of this paper is then to consider the administrative dimensions of policy making and implementation at the various levels of administration which, in Vietnam, include the Central ministries in Hanoi, the Province, the District, the Commune and to some extent the Thon (or village level with the village leader). Taking such a perspective, it aims to bring out the specific responsibilities, capacities and degree of autonomy at these various levels,

which may be changing due to the on-going decentralisation reforms. It will also make it possible to assess the scope of citizens such as farmers affected by relocation to participate in policy planning and implementation - and here too there may be changes as a result of recent decrees relating to grass-roots democracy (Duc et.al., 2008).

This paper finally aims to contribute to the growing literature and evidence as regards the impacts of relocation or resettlement on people due to land recovery or land requisition. This may happen in urban areas as a result of slum clearance, in the urban fringe due to large housing projects and anywhere where states and cities are industrialising – and look for land to build factories, power plants, dams etc. It is obvious that such relocation deeply affects people, and assumedly the poor more negatively than richer groups. It always affects their livelihoods – the scope to apply human capital as in labour force, physical capital as farmland and (free) natural resources, social capital as in community support systems and political capital as in access to politicians and dwell connected brokers or mediators. In view of this, the leading key question of this paper is: *What is the role of the various levels of administration in the implementation of resettlement planning in the Vung Ang Economic Zone of Ha Tinh province*, and there will be attention for the following sub questions:

- What is the background and nature of the resettlement policy, especially relating to land acquisition, compensation and community consultation?
- How is the implementation framework of the resettlement planning process; what are the responsibilities and (expected) resources at the level of province, district, commune levels and how is coordination organised?
- Who are the stakeholders in this policy at the various levels, including the People Committees, People Councils, land owners and farmers, industries and companies?
- Are households and communities consulted on resettlement plans, if yes, what is the nature of such consultation and do people have a voice in planning?
- What are the general outcomes of the resettlement planning policy in view of its objectives, as well as in terms of impacts on farmers, employment and social, legal and political factors?

This text is the outcome of intensive research in mid-2010, based on a mix of primary and secondary, qualitative and quantitative data obtained by a multi-disciplinary 9 member research team, most of whom are working in the Institutes of State and Law, Economics, Sociology and Political Science of the Ho Chi Minh Academy of Politics and Public Administration (HCMA). One team member is from the International Institute of Social Studies of Erasmus University ISS. The study was part of the project ‘Capacity Development for Integrated and Evidence Based Policy Research’ which was jointly implemented from 2009-2011 by HCMA and ISS. It was funded by the Royal Netherlands Embassy in Hanoi, which generous support is gratefully acknowledged. Primary data were collected during field work on location in Ha Tinh Province and Ky Anh District. Qualitative and quantitative methods were

applied, including open and structured interviews, focus group discussions, participatory observation, as well as a household survey (N=70). In addition, secondary data were collected and analysed including local planning reports, provincial level statistics, and relevant policy documents.

2 Analytical perspectives

In view of the paper topics four broad sets of analytical and general perspectives have guided and informed this paper: perspectives of the interactive policy process, with its emphasis on the role of weak(er) and strong(er) stakeholders who participate in the policy process seen as an arena; perspectives on decentralisation; on capacity, as the potential of decentralisation critically relates to capacity in terms of human resources but also the nature of organisations and institutional frameworks, and finally perspectives of livelihood, to better understand the changes in general household (and especially farmer) livelihoods before and after relocation. We shall briefly introduce these perspectives here.

2.1 The interactive policy process

While there are many different definitions of policy, we understand policy as a process: a long term activity starting with issues, moving through objective-setting to implementation and evaluation (Turner and Hulme, 1997). Several distinct phases of the policy process can be distinguished, even while these may not be so clear-cut in practice. There is first the stage of policy initiation or agenda setting. If it is decided that a policy will be needed, there is the stage of policy formulation and design: planning and designing a proposal with objectives, a time schedule, a budget and other (human) resources needed - ideally anticipating problems to be expected and fixing indicators to measure policy outcomes. Based on this, decision makers come to the policy decision, while sometimes adjustments are made. Policy implementation is subsequently the most complex phase to get to work in the field (or the policy arena) with the 'target groups' and other stakeholders, and it is here that the perspective of the 'interactive policy process' is most visible. Finally, and ideally, the policy is monitored at each policy stage, and there should be a solid end-evaluation, linking policy objectives to outcomes but also impacts. This above schedule of stages may give the wrong impression of a rather natural and smooth policy process (what is also termed 'the linear perspective'), but in reality it is rather messy, complex, hard to manage and in fact rather unpredictable process. Generally – perhaps most clearly visible in developing countries, a large portion of individual and collective demand making, the representation of interests, and the emergence and resolution of conflict occur in the implementation stage (not at policy-making stage) (Grindle and Thomas, 1989; Turner and Hulme, 1997). Politics, based on factions, informal patron-client ties, and other individual or group interests – is used for personal/group demands on the bureaucracy for the allocation of goods and services. This

implies that most attention is needed for the implementation process (including winners and losers, champions/change agents, and the role of the elites) – and delays, returns, changes, adjustments – making policy outcomes rather unpredictable. Officials may be transparent and openly publish policy plans and budgets, but they may also have a stake to keep things more secret which makes corruption – the private use of public funds or opportunities - easier. The implementation of policy is hence an interactive and complicated process because many stakeholders are involved: weak(er) and strong(er) ones. In order to design a successful policy, identifying all possible stakeholders in the policy arena is important. Stakeholder analysis helps policy makers and planners to identify a variety of different groups that are likely to be affected (adversely or positively) by a project/intervention, or which may have been overlooked, but who may still play an important role in what is best termed ‘the policy arena’.

Finally, it is important to note that policy processes come in very diverse forms and shapes: they may occur as ‘muddling through’ where ill-defined policies are implemented poorly by being affected by mismanagement and indifference, or they can be clear policy as in a decree or decision that is implemented in a top-down fashion through a ministry or municipality. It is generally held that effective mixes of ‘top-down’ and ‘bottom-up’ policy strategies are most effective, where citizens can participate in policy formulation, play a supporting or monitoring role, linking with the officials to make policies effective in terms of bridging the gaps between what people need and what the policy provides (Botes et.al, 2000). Such processes are more likely where ‘the state is close to the people’, i.e. in a context where decentralization in its ambitious form of devolution is successful. Participation has lots of potential in terms of both efficiency and possible empowering impacts. However, there are many different types, and it could even take the shape of manipulation, where policy makers act as if consultation occurs, but where people’s views are not actually taken seriously. Scholars such as Hicky and Mohan (2005) are suspicious of the proliferation of ‘participation toolbox approaches’, but support participation if it leads to real (and positive, welfare driven) transformation. They take position against situations of participation as negative or ‘non-participation’, where participation is contrived as the opportunity to indoctrinate. Other more helpful forms are when stakeholders are informed, or, more ambitiously, where there is consensus-building: stakeholders interact, and analyse problems and solutions of project together. Ideal forms include partnerships (exchange among equals working towards a mutual goal) or self-management, for example where communities are providing funds to build their own community hall. A recent addition to the participation discourses is the concept of ‘spaces’ (Gaventa, 2005) where for example ‘invited spaces are arenas, forums or simply community-official meetings, created by the authorities to allow consultation or to listen and learn from people’s voices. Closed spaces are those arenas of power where the powerful (officials, politicians, private sector bosses) take unilateral decisions, without consultation of others or accountability mechanisms.

2.2 Decentralization

Decentralisation is and has been seen as an important strategy to improve governance, to bring governance closer to the people. However, decentralisation is a very ambitious and broad governance reform, affecting all (and even creating new) levels of government, and multiplying the number of stakeholders in governance. This varies however as per the type of decentralisation but it is certainly the case of 'devolution' or democratic decentralisation with its professed ideal of establishing local democracy and participation, and where a central or provincial government delegates both tasks/responsibilities, as well as powers and funds to lower levels of administration. Other, less ambitious forms include *deconcentration* (or administrative decentralisation), which is the most common type, and where only responsibilities and tasks are delegated (to field offices) along with the earmarked funds, but where all powers and decisions on policy and budgets remain centralised. Another form is *delegation*, which is similar to deconcentration in that decision making powers and budget control remain with the centre/central agency, but where specific and specialised tasks are delegated to a newly created government agency - and where such agencies have considerable autonomy within clearly indicated boundaries (as in the Vung Ang Management Unit in our case). Examples could be the National Airport Authority or Metropolitan Development Authorities in many megacities; often a minister is the chairperson (Turner and Hulme, 1997; World Bank: 2005).

The most interesting type then is *devolution*, or *democratic decentralisation* which also entails the creation or empowerment of elected local bodies, such as village boards or municipal councils. In that case decentralisation offers potential benefits in terms of improved local level planning and implementation through enhanced local consultation and participation, enhanced local democracy and responsiveness (Blair, 2000). Other potential benefits are that it may increase government sensitivity to people's conditions and needs, that a larger number of people is reached, that it reduces administrative pressure on central bureaucracies, and that it leads to a stronger role for local government which is a key institution between people and the central state. However, it must be emphasised however that any form of decentralisation is an inherent political process, in that it represents a transfer of tasks and funds, hence of power. It always means a gain for some and a loss for others. Important factors which may help make decentralisation successful include that the centre retains a strong rule setting & monitoring role, and that there is sustained political will with central politicians and senior bureaucrats, that there is a careful selection as to what to decentralize and what to keep in central hands, and that there is sufficient (administrative) capacity at the (lower) local level, as well as proper legal and financial frameworks. Factors which have proven to be also helpful include proper systems of accountability and transparency, (some experience with) a functioning democracy, general public awareness and literacy, a strong and active civil society, and popular pressure from below and proper frameworks to enable public participation.

2.3 Capacity

This paper applies a broad, holistic definition of capacity, as framed for example by Grindle and Hilderbrand (1995; see also Listhaus et.al. 1999). They define capacity as: the ability to perform appropriate tasks effectively, efficiently and sustainably. Their conception of capacity includes five dimensions: (1) the action environment includes the wider context in which an organization functions, which includes economic factors (growth, labour market), political factors (leadership support, stability, legitimacy) and social factors (overall human resource development incl. literacy, class structure, civil society); (2) the public sector institutional context consists of concurrent policies, public service rules and regulations, budgetary support, role of the state, management practices, and formal and informal power relations; (3) the task network refers to “the set of organizations involved in accomplishing any given task”; (4) organizations “are the building blocks of the task network and the vantage point from which diagnostic research is usually carried out”. Studying an organization’s capacity, factors such as goals, structure of work, incentive systems, management, physical resources, formal and informal communications, behavioural norms, and technical assistance are important; (5) human resources includes aspects such as the (nature of the) recruitment of staff, their (over or under- utilization, training and retention. (quotes from Grindle and Hilderbrand, 1995: 445-447). For our study, such a broad capacity framework informs the need to consider for example not only whether officials in a District are capable, but also whether they are motivated through adequate incentives, and/or through the good example of the Head of the Organisation who may show appreciation to well performing staff. Grindle and Hildebrand (ibid.) believe that the organisational culture (norms and values, routines, the way things are done, gender norms) is a very important dimension of an organisation: it may be more important that staff feel motivated and appreciated than that they have computers or high salaries.

2.4 Livelihoods, agency and the moral economy of people

A final analytical perspective may help to understand grassroots or household dimensions of our research theme. Such a more bottom-up focused perspective includes *Livelihoods approaches*, which entail perspectives of people oriented/ actor/agency focused action (e.g. Rakodi, 1999; Scott (2003) applies these to gender studies in Vietnam). These are especially relevant while addressing the conditions of the poor and vulnerable, and for understanding the scope for empowering the poor and marginalised to build on their own opportunities, supporting their access to assets, and developing an enabling and supportive institutional environment. Livelihoods approaches aim to aid analysis of the factors affecting peoples’ livelihoods, including their access to social, political, human, physical, financial and natural capitals as well as their ability to put these to productive use. The approaches imply attention for the different strategies households (but also the different male and female members of households) apply (and how they use their assets) in pursuit of their priorities. Livelihood approaches take into account the vulnerability of

people, and the way they cope with crises and stress events. In the context of the present study, loss of land clearly amounts to a clear stress event, while those cases where land is recovered and people are resettled can be seen as traumatic - as it may lead to the loss of several capitals - both physical (land, water, trees etc), social capital as in community support, and human capital where a farmer may suddenly have no choice but to do lowly paid wage labour. For the present study the loss of financial capital is extremely important: not only the amount of compensation but also the capacity of a farmer household to put that money to good use, so that the household can keep up wellbeing into the future. Finally, resettlement may reduce access to political capital where a farmer may lose important personal relations with local politicians, leaders of mass organisations or mediators (Mattingly, (2009).

3 The context of multi-level governance in a changing Vietnam

3.1 A changing Vietnam

The International Development Association (IDA), a part of the World Bank, argues that “Vietnam is one of the fastest growing economies in the world... It has the potential to be one of the great success stories in development.” Real incomes in Vietnam have grown 7.2 percent per year over the last 10 years, from US\$170 in 1993 to GDP per capita of more than \$1,000 in 2008. The poverty rate has fallen from 58% in 1993 to 15.9 percent in 2007, and IDA is confident that “Vietnam can reach most of the Millennium Goals.” (World Bank, 2009:1) According to the World Bank, before 1993 private enterprises were negligible, while: “now account for two-thirds of the investments made each year.” While the private sector is growing rapidly, the number of state-owned enterprises has been reduced by half (World Bank, 2009:3). Due to the rapid expansion of the private sector, both domestic and foreign-invested firms have connected solidly with global markets, and private firms now contribute nearly 80 percent of manufactured products and over 70 percent of non-oil exports. This process underlines the fact that Vietnam has become more and more an integral part of international product and distribution chains (ibid.:3).

3.2 Vietnam: administrative structure and levels

Vietnam is a socialist republic, and presently the administrative structure is marked by a clear hierarchy and a division into four levels: the central government in Hanoi, the provincial governments of the 64 Provinces, and below that level the district (about 600) and commune governments (approximately 11.000). Each level has a People’s council (which is the representative branch which is elected, for example the National Assembly at Hanoi) and a People’s Committee (the executive). The council members are elected by the people of the area in question (for 5 years), but the next higher

level (say the Province for the District) has to approve the candidates to be elected for the council.

At all levels, the People's Committee has budgetary and administrative responsibilities. They are charged with maintaining law, order and security within their jurisdictions; they have to forward budget requests to higher levels; review and approve the plans for socioeconomic development within their delegated authority and execute the budget. As per the laws, the authority of decision making is the elected People's Council with its elected representatives, but people's councils as collectives are not always very powerful (see also Fforde, 2003: 24; Kerkvliet, 2004:7). In terms of administrative autonomy for local officials and departments, they have to report to both to the local people's Committee and Council, as well as to the line department or line ministries as regards the sector in which they work at higher levels (Fforde, 2003:12). Generally, each Council is accountable to the next higher level in the three level structure of sub national government, and the province is upwardly accountable to the central government. All administrative levels go through an annual planning cycle, where for example the district makes a plan which is submitted to the province. The plan is drafted by officials of the People's Committee, and approved by the People's Council of the administrative level concerned.

A final more geographical than administrative unit is the village or *Thon*, which has no administrative functions. Yet there are reports that the village (thon) as a political entity and the position of the Head of the Thon may be important in many provinces (Pham Quang Minh, 2004:99): 'the village head is most likely to have direct contact with the villagers. Though their roles are important, their privileges are modest in comparison to commune cadres. They are not trained, have no social and health insurance and are given only about 100.000 VND per month allowance' (One US \$ is 21.000 VND; one € = VND 25.000). There are indications that the Village Head Men (and they may also be Head Women) are important, as can be seen from the fact that under the Grass Roots democracy decree they need to be elected by the Thon villagers (Duc et.al. 2008).

3.3 Decentralisation?

Many academics and Vietnam observers agree that too much centralisation is 'incompatible with the market economy that has replaced the centrally planned one' (Kerkvliet, 2004:15). However, most observers also agree that in reality there is relatively little decentralisation in Vietnam in general, even while there are considerable differences across provinces, and even districts across the country (Fritzen, 2002; Fforde, 2003). As already mentioned, most observers agree that the type of decentralisation that occurs is *deconcentration* at most (administrative decentralisation where decision making power remains centralised) rather than devolution (or democratic decentralisation where decision making power is decentralised to relatively autonomous elected sub-national bodies cf. World Bank, 2005). Fritzen (ibid.:7) argues that devolution 'is not on the policy agenda in any clearly visible way'. The current

administrative system is only decentralised in a limited sense says Fforde (2003:24) and there is especially a lack of power for the commune and grass roots levels which mostly do not seem to participate yet in planning and implementation.

All agree that an decentralisation started with the adoption of a new budget law in 1996, which was subsequently amended in 1998 (Fritzen, 2002: 4; Duc Ho Vu, 2005). However, it may be noted that these laws only refer to fiscal decentralisation at the level of the province: 'the law did not mention spending responsibility and tax revenue for sub-national governments at district and commune levels. It was implicitly understood that the government at provincial level had to make all these related decisions' (ibid.: 2005: 7). This may explain the present situation where the provinces may become (much) more powerful depending on leadership (and economic opportunities) but that this may not imply more powers for the districts and communes in such provinces. Fritzen (2002) agrees by saying that the current set up leaves the system 'centralized' at the provincial level. Another law, adopted in 2001, relates to the vertical dimension of authority: the Revised Law on Governmental organisation (Fforde, 2003:13).

In terms of fiscal decentralisation, Vietnam could be termed moderately decentralised in a formal way as spending by sub-national governments amounts to about 40- 44% of total government expenditures (Duc Ho Vo, 2005: 15; World Bank 2004: 79 - where there is a reference to Vietnam as a 'highly decentralised country'). However, this does not mean that sub-national governments (SNG) also have powers to decide about this considerable ratio of finance. Indeed, here too it seems best to speak of decentralisation as in deconcentration, as SNGs have only limited discretion to decide on expenditures at their various levels, 'in this case, the SNGs are only spending units' (Duc Ho Vo, ibid). He (ibid.: 25) indicates that Vietnam does not have an explicit system of capital transfers; funds for capital investment are tailored in the equalisation transfer and are basically very limited. A report by the VN Ministry of Planning (VN Government, 2005: 94) mentions that investment funds for local infrastructure come from conditional grants under the equalisation grants (for example the school construction programme). The same source (ibid.:39) indicates that three rich Vietnamese provinces transfer large amounts of money to the central government, and that poor provinces indeed receive considerable amounts by way of transfers, but that this is mostly for re-current expenses. Where capital investment is concerned, it appears that it is rather the richest provinces (those with more industries and investment potential) which receive most funds (ibid: 40). Hence, distribution of State investments is termed 'pro-growth', rather than pro-poor.

But perhaps the main thing to note is that financial relations between provinces and the national government are subject to negotiation, so that these can vary from case to case. This was communicated in our discussions in Ha Tinh province, but also indicated by Duc Ho Vo (ibid: 'expenditure responsibilities are vaguely defined'). This relates to the fluidity of decision making, related to the importance of intra-party divisions and the importance of particularistic, informal relationships, as argued by Wescott (2003). It also

links to the observations by Malesky (2004: 287) who starts from the assumption that economic innovation (and the efforts to pull in foreign direct investment FDI- as is the case in Ha Tinh Province) at the provincial level is caused by four factors including regionalism, historical autonomy, culture and personal relations with key central actors (see also de Wit, 2011).

3.4 Grassroots democracy

In 1998 the Grassroots Democracy Resolution 29 (GDR) was adopted by the Vietnam Government, which was later amended in resolution 79 (79/2003/ND-CP). The Resolution is designed to meet the following objectives, starting to be the initial legal foundation to attract the people's participation in the planning process.

- to promote self-control and creativeness of the people in communes,
- create spiritual and physical motivations,
- improve people's livelihood,
- increase intellectual standard,
- prevent bureaucracy and corruption,
- build a society with equality and civilisation, and
- allow people to directly take part in discussions and decisions related to their practical needs.

Another resolution 34, stipulates that plans be discussed with local communities, and that expenditures are disclosed to them. Basically, the GDR aims at the following: People have the right to be informed; the right to be consulted on decisions before the Commune authorities can adopt them; the right to inspect and supervise; and the right to decide directly. The GDR also stipulates that the Village Head must be freely and democratically elected (Duc/Ngo Huy Duc, 2008:2-3).

4 The planning and present status of the Vung Ang economic zone

The agreement to establish a new deep sea port to be linked to a sea shore Industrial Zone to be named 'Vũng Áng Economic Zone' (VAEZ) in the Kỳ An District of Ha Tinh Province was established by the Decision No 72/2006/QĐ-TT of Prime Minister dated April 3, 2006. The several objectives included firstly to exploit the natural advantages of the geographical position (next to the Vũng Áng and Sơn Dương deep-water ports, near the

² One official indicated during an interview that the VAEZ has a long history. The initiative initially came from the central administration in Hanoi and was formulated even before the Vietnam War. It only took on more concrete shape recently with the influx of foreign investors to Vietnam. The plan was then designed in Hanoi; the local administration is expected to implement it.

National Road No 1A and on the new National Road 12A linking to Laos and Thailand as well as near the Thạch Khê iron mine). It was also to promote the socio-economic development of Hà Tĩnh province, creating a cornerstone to take off in social and economic terms for the Northern Central Region, so linking development to other provinces of this Region- as well as to Laos and Cambodia, thereby narrowing the gap in economic development, and safeguarding the integration to national and global economies. The ambitious plans for VAEZ include many components as laid down in colourful brochures and maps. The facilities that were to be created on a priority basis included: to build the sea port, to develop and attract metallurgical industry using nearby available materials such as iron and titan; to attract and establish industries exploiting the sea port; create general enabling conditions for imports into Laos and Thailand through the new road (JDI, 2010) ; and to attract industries support exports. Following Decision 72, the Government approved a detailed zoning plan, including an Industrial zone of 12,000 ha; the Vung Ang Port (12m. at its deepest, potential to handle ships of 50.000 tonnes; the Sơn Dương Port (40-50 mt depth, the deepest in Vietnam, can handle ships of 500,000 tonnes); the Long Liên Vương Resettlement Zone where housing will appear for port and EZ personnel; and a Service Zone. The total capital to be invested was estimated at US \$ 15 billion. The plans for occupation of the VAEZ include an Oil Refinery Plant; a Vietnam – India Joint Venture Steel Plant; the Thạch Khê Steel Plant invested by TKV (Vinacomin) – total volume of steel will be 21 million of tones a year; the Vũng Áng 1 and Vũng Áng 2 Thermoelectricity Plants, capacity of 1200 MW each; and finally a Clean Water Plant supplying 12.000 m³ / day, to be expanded to 30.000m³ in the future. In addition, the VAEZ is meant to become the basis for many processing industries. At the time of the field work in 2010, activities to realize the high priority plans were in full swing. A total area of 22,781 had been cleared, also those tracts where there 9 communes of Kỳ Anh district with a population of 15,000 people used to exist. We may already note that approximately 3,500 households had been affected, among them 2,200 households of 5 communes which would need to be moved, and we will discuss the fate of some of them in the following chapters.

At present, the EZ is growing fast with more than 90 licensed projects with a total registered capital of VND 240,000 billion. In the future, it will become an industrial, commercial & service and tourist city that will perform dynamically and efficiently as a global centre in the region and the world. Two of 12 docks of the Vung Ang deep sea port were completed, while 8 of the planned 36 docks of the Sơn Dương Port were ready (with investment and exploitation by the Taiwanese to support their steel plant).

VAEZ management

A special Management Vehicle of Management Unit (MU) was created to establish and manage the Vung Ang EZ. It consists of 40 people. The Head of the Vung Ang MU (VAMU) at the time of our research was the Vice Chairman of Hà Tĩnh Provincial People Committee; three Vice Heads were appointed by the Chairman of the Provincial People Committee. That the Province itself

could lead the VAEZ project and appoint staff there was an outcome of the 2008 Decision 29, relating to the decentralization of tasks to the provincial level. The VAMU has an Administrative Office, a Division of Natural resource and Environment, a Division of Businesses Management; a Division of Planning and Finance; a unit for Inspection. Besides, the VAMU has three specialised Centres: 1) The Centre for investment promotion; 2) The Centre for infrastructure services, and 3) the Centre for water supply. The MU has 2 offices; one in Hà Tĩnh City, and the second one in Vũng Áng itself. All financial transactions take place in Office 1 of Hà Tĩnh. As per 2009, the amount of disbursement was VND 3,000 billion. It may be noted that the VAMU mandate is limited to functions of state management, it is not allowed to be engaged in (for profit) business. It is charged then to prepare the VAEZ for national and foreign investment and industrial activity; to actively attract such investors and to invite proposal from investors; to appraise these and to issue Investment Permission.

The VAMU in turn contracted out specific tasks as regards planning, designing and constructing all the infrastructure, services and facilities as regards the resettlement areas for the displaced households to the one large contractor: the Xuân Thành Group. The relocation is about an area of 300 ha, which land was cleared by the Province as we will describe below, and handed over in stages to the Xuân Thành Group. The overall technical design of the VAEZ was made by the Hà Tĩnh Consulting and Construction Company.

The main stages of project implementation of relocation can be listed as follows:

1. The Province informs the District about the Project, including details of zoning and planning, and the District and Communes subsequently inform the affected people;
2. Setting up landmarks for the boundaries of the project, keeping in mind the law, and drafting an implementation timetable;
3. Setting up the Panel of Land Clearance; which Panel is to hold meetings with the affected local people about the project and its implications; This appears to be the same as the District Board of Compensation, Support and Resettlement (regulated by the 2003 Land Law), which prepares the plan of Compensation, Support and Resettlement (PCSR), which is approved by the District People Committee (DPC)
4. The Panel in cooperation with Commune People Committee carries out the investigation into land and housing details, making a memorandum signed by households.
5. The outcomes of the investigation are sent to the Commune People Committee for confirmation, where a Council of Confirmation on origins of lands or proprieties needs to be formed.
6. The Council makes cost quotation for each affected household, which is then send to the households; after three days, if there are no claims, it will send it to competent authorities for appraisal and approval.

7. The Province then issues decisions to approve the total costs of compensation, including details with the names, area and amounts – specified for land, housing and assets.
8. The Commune People Committee then invites people to receive the compensation money, and, if applicable, the details and ownership documents for the new land;
9. Households are then expected to leave their house and land within 20 days, and there is the necessary supports including: a temporary house to live when waiting for new house; canvas shelter provided by district military;
10. The Council then takes over the cleared land, and informs the Province of this so that it can be handed over to the project.

It may be noted that the process was expected not to face too many problems for a number of reasons, a main one of course that it was seen as a key project of national importance, so it had all attention right up to central levels. The Prime Minister and many Vice-Prime Ministers were to pay visits to the project area over time. This, in turn motivated and activated direct and determined leadership of the provincial authorities. The Province appointed one Vice Chairman of People Committee as a Head of VAMU. Finally, as regards resettlement, the project was to make sure to use good arrangements for public relations, for example providing nice information materials including a Blue Print of the resettlement area as a modern city (nice and spacious lay-out, under ground electricity cables, good drainage), which did lead to a good impression on affected households.

5 Administrative context and the resettlement procedure

Overview of Ha Tinh province

The Vũng Áng EZ is located on the South China Sea (*Hoang Sa Arch*) in the central part of Ha Tinh Province, south of the Provincial capital with the same name and in the Kỳ Anh District. It occupies the land (227.81 km²) of 9 communes including our study areas/communes of Kỳ Phương and Kỳ Lợi. Ha Tinh is a poor province and its economy is based mainly on agriculture. The province is governed by the Provincial People's Council and the Provincial People's Committee. There are 4 departments under Provincial People's Committee: Department of Planning and Investment, Department of Finance, Department of Commerce and Industry and the Department of Construction. As indicated already, Provincial People's Committee and the Provincial People's Council was to set up the Project Management Unit of VAEZ; through this unit the Provincial People's Committee had a direct lead and management role in the project. Even while Ha Tinh is not a rich province, its leadership has a reputation to be innovative and entrepreneurial (cf. CECODES et al. 2010 in the PAPI Competition Index). Its leaders are dynamic and committed to change as regards economic reforms with the target to increase the industry and services sector – of which VAEZ is an example. From our interviews we learnt that the Provincial leaders indicated that they

learned much from successful experiences of other (fast growing) provinces such as Bắc Ninh, Vĩnh Phúc or Bình Dương, and Hà Tĩnh is now going for competition, witness the VAEZ as its crown effort. The Province also scores higher than average on the so called Provincial Administrative Performance Index PAPI, ranking in fact second amongst 30 provinces that were surveyed (Ibid.: CECODES/ UNDP, 2010: 121). The VAEZ is being constructed in the Kỳ Anh District, which counts one township (Kỳ Anh as the district capital) and 32 communes (including our study area communes of Kỳ Phương and Kỳ Lợi). Kỳ Anh District is administered by the District's People Council and the District's People Committee, and, as we will see, it played a key role on as regards the resettlement of households displaced by the VAEZ establishment. It has a Division of Finance and Planning; one or two staff are in charge of monitoring and identifying the wishes, priorities and needs from all communes of the district. One of the communes most affected by the resettlement of people requested to make place for the VAEZ is the Kỳ Phương Commune. 786 households were to be relocated, and we will provide some more detail on the dynamics here.

The Kỳ Phương Commune

The commune consists of 7 villages (or *Thons*) with the area of 3,500 km², a population of 5,450 people in about 1,300 households. Most people (about 80%) make a living out of agriculture. Fishing is a side business, which mostly occurs in fishing ponds, less so off-shore. The remaining 20 % are the retired, teachers, public servants and small traders. Approximately 2,600 persons – both men and women – are daily labourers. The commune is governed by the Commune's People Committee, in which various social organization like the Fatherland Front, Women Union, Farmer Union and Youth Union are represented. There is also the Commune's People Council (more like a monitoring and controlling body), which consists of 25 persons, who meet twice a year but they can hold an extraordinary meeting at any time for urgent issues. There are 10 sub-committees in the People Council: one each for all 7 villages/*Thons* (the *Thon* leader is also General Secretary of the Subcommittees) and 2 for 2 schools and one for one hospital.

As is generally the case in Vietnam, there are very close relations between the local Communist Party and the commune administration: the chairman of the Council was also the Secretary of Commune's Party at the time of our field work. The Council did not have a routine to often meet for matters relating to the resettlement; this was delegated to a specially established panel to advise the Commune People Committee. This Committee had set up three executive units in charge of resettlement and monitoring and to report to the Council. The Commune had 209 Party members in total population of 5,450 people. The commune Party Executive Committee generally makes an annual plan each year, and an overall Commune 5 year plan, while if needed it makes urgent and special plans. It was also in charge of all decisions relating to resettlement implementation. Annual plan must be approved by the district level Party Committee (not the Province). The District then collates and consolidates all commune plans it receives to be submitted to the Province (cf.

Phuong and Schroeder, 2010:701). The Ky Phuong Commune People Committee (CPC) also consists of Party members. Initially there were only two party members in the CPC, but that increased to eight by 2010, which means that all members of Committee are Party members. It might be that the party was keen to be strongly represented in view of the upcoming - very complex and sensitive - resettlement process.

The commune revenue includes mainly fees and charges. About 70% of this revenue goes to commune budget, and other revenues are transferred to the national budget. The central Government will then redistribute funds for communes, where poor communes are allocated more. The commune budget will be used for very concrete purposes. One of the interviewed officials indicated that he was aware of the Decree on administrative decentralization and there were some changes since then: “we got more independence (but he did not specify which) and we can make our own plans and solve many local economic issues by ourselves.” This respondent also said that there were no changes in finances or cash flow. However, it seems that the commune does have some discretion as regards those funds that had not been fully used for the centrally earmarked purpose.

Quality of commune cadres

When asked about the quality of commune officials following the decentralisation Decree, one respondent said that individual commune cadres should have capacity and skills as regards the following. Such cadres must have the skills to make people listen to what (s)he says, and (s)he must be an good example to follow ‘cadres need to do job better than the average citizen’, and be able to convince people. They need to be close with and understand the people, to apply theory into practice. Hence, if they do not learn or study, and do not get any decree or certificates, they will not have enough knowledge to put this effectively into practice. He also said that all commune cadres here were quite competent and well educated, most held diplomas, three of them had a bachelor degree, and all staff had professional skill certificates. When asking about the difficulties facing the quality of cadres, one respondent said that some commune leaders did not have good advisory skills; they did not always keep the peace and good relationships within the commune organization. There was a lack of some professionals because higher skilled people did not want to work at commune levels, which is partly related to low salaries (300,000 VND/person/month for part time job), but also to poor support facilities. Besides, the number of staff members for each Commune is fixed, and is not actually sufficient for all the work. When we asked whether they need training and which skills they need most, the respondent answered that they most need skills as regards the laws and managing dispute settlements.

Each administrative level is subject to the directions from the next higher level. This is realized by (1) laws and legal instructions; (2) official documents; and (3) memorandums made up in joint meetings. According to a respondent, in special cases, the higher level authority can send its officials to direct/guide the debate/discussion or monitor the implementation at lower levels - and that

this had happened frequently as regards the VAEZ case. For example, in Ha Tinh Province, the provincial authority had sent many officials to the commune to give advice when it felt that certain matters went beyond the commune's competence. Those who are sent to communes may be District Party Secretaries, the Chairwomen of Provincial Women Union, Representatives of Fatherland Front, all with a view to solve specific issues. When we asked whether the supervision and monitoring by higher levels bothered them, he answered: "No, we have our own plans and we are quite independent..." -which obviously is contradictory. From the point of view of the Province it makes sense: there are many interests involved in the very big VAEZ project and there is lots of pressure from investors so that close monitoring is warranted.

6 Implementing the resettlement plan: the roles of stakeholders at different levels of administration

The Ky Phuong Commune started planning the land clearance and compensation from July 2008: all (100%) farming land was to be recovered. The first step was to retrieve 650,74 ha of cultivable land. The process of allocating compensation for agricultural land was carried out in January, 2009. The second stage was the land clearance of 110 ha for the resettlement zone, where 786 households had to be relocated to a resettlement area. By the time of our field work 643 households had received their land lots and were living in the new resettlement area; they had lost all their cultivable land, and obviously this had a huge impact on livelihoods as well as emotional impacts. We will now first list the various stakeholders in the process who were engaged to make all this possible. As indicated, the Central Government in Hanoi, and the Provincial People Committee of Ha Tinh province were the key movers and drivers of the project, in fact responsible for agenda setting and project design. The actual implementation was carried out by the District and Commune authorities, aided by the Headmen of the villages (Thon) as well the various Mass Organisations. Construction and planning were delegated to specialised agencies: the Vung Ang Management Unit and the private sector Xuan Than Group. We will briefly depict their roles and activities in the implementation process.

6.1 Management Unit for Vung Ang EZ and the Province

The role of Vung Ang EZ Management Unit (VAMU) had several tasks, including: a) zoning for projects; b) inviting investments, c) arranging funds for land compensation and clearance; d) submitting a proposal to the District to set up a Panel of Land Clearance after the project was approved. After the Decision on the Resettlement Zone had been made, VAMU drafted the zoning plan to be submitted to the provincial authority for approval; then made a proposal to the provincial authorities to appoint a contractor for developing the infrastructure of the Resettlement Zone. The provincial authority then established an Executive Panel for Land Clearance and Resettlement. The

Provincial Party Executive Committee subsequently appointed 7 persons, each of which were to be responsible for the individual communes of Ky Anh District. Every 2 weeks meetings were organised at provincial level to review the reports made by VAMU. Because the land belongs to Ky Anh District, the people as well as the responsibility to maintain peace and order are under jurisdiction of the District People Committee (DPC). The working relation between VAMU and the District Committee is one of coordination. The Chairman of DPC is the vice head of VAMU. Throughout the resettlement process, the VAMU cooperated with and handed over some responsibilities to the commune Party leadership, the Fatherland Front, the Veteran Union, the Women Union, the Youth Union: all with a view to join forces and to work together in terms of ‘advocacy’ of land clearance in terms of a harmonious and efficient process with people’s cooperation.

6.2 The Ky Anh District People Committee (DPC)

Based on our interviews with the Ky Anh DPC officials, we could establish that the role of Ky Anh District People Committee was to make plans for policy implementation; to provide inputs for making plans: to investigate actual realities, number and facts; and to safeguard that the project and resettlement objectives were achieved (for example the very important legal stipulation in the Land Law that the quality of living at a new location after re-settlement must be at least equal to the old one). The diverse tasks include:

- Inform affected people about project implications, and to monitor all implementation. DPC had to create task forces for supervising and monitoring, e.g. when doing a survey of households and the resettlement zone;
- DPC determined the location for resettlement in cooperation with relevant departments;
- Consulting with Party Committee to set up the Panel for Land Resettlement. This is headed by the Vice Chairman of People Committee;
- Directing relevant department to carry out the surveys;
- Consulting with the Party Committee to organise the “*Removal Festival*” event, one for each of four affected communes; subsequently land lots for the resettlement site were to be allocated;
- Consulting to launch a program “*All the province for Ky Anh District*” with the participation of armed forces, youth, and other organizations and other communes;
- Consulting with provincial authorities to establish compensation rates (provinces have authority here);
- The Panel of Land Clearance is established, headed by the Chairman of DPC with representation of the District office divisions of Internal Affairs, Finance, Commerce and Investment. The mandates of The Panel of Land Clearance includes: compensating affected households;

paying all costs and checking all expenditures; engage in advocacy towards the people.

- The Community Monitoring Team is set up. It consists of: the heads of all social organizations at commune level, and heads of village at lower level. It consists of representatives from Farmer Union, Women Union, Veteran Union, the Fatherland Front and the Youth Union. It is mandated to follow the process of implementing the resettlement project as well as construction quality in the resettlement area, and reports to the Commune People Committee. We were informed that Team faced difficulties in monitoring, as it lacked adequate professional knowledge and skills especially on technical standards,

We will deal with issues relating to the communication with and actions and reactions of the people later. Already now it can be mentioned that there were quite some challenges to carry out the diverse implementation tasks, including sometimes very severe weather conditions with strong wind and hot weather at some times, but also typhoons at others; large volume of work, with strict deadlines and limited resources; and there were reports that sometimes the project ran out of money, which was then to be replenished by higher levels.

6.3 The Xuân Thành Group

As indicated, the VAEZ contracted the Xuân Thành Group for constructing the complete infrastructure for the resettlement zone in 2009, including roads, sewerage, electricity connection, water supply, but also buildings such as a new school and a rather splendid Commune Office. The Technical design was done by Hà Tĩnh Consulting and Construction Company, following which Xuân Thành Group started the construction. Before project implementation, the province involved in social surveys and in investigations as to zoning and planning. The responsibilities of the contractor were to strictly follow the approved technical design. Under its contract the Group was to give a guarantee for its products/constructions for one year. In practice, the Xuân Thành group was responsible for technical infrastructure, and the VAMU as well as the commune were responsible for social infrastructure.

6.4 Party and Administration in Ky Phuong Commune

At the level of the Commune, the overall lead as regards the Resettlement process was with the Commune Party Committee, which is the only Party Committee that can mobilize all organizations at the Commune level. It was the Party and the Commune People Council that made decisions and approved the plans, while monitoring the implementation. In such cases where the implementation did not follow the set plan, they informed the Commune People Committee with its professional divisions which was the actual implementing body. According to one of our respondents of the Ky Phuong commune, there was cooperation among different levels of administrations in organising the resettlement. The DPC often sent ‘advocacy teams’ to the communes, which might stay as long as a month. Generally then, in the case of

Vũng Áng Economic Zone, the role of the commune was not about planning, but about implementing. From the perspective of the Commune authorities, the Vũng Áng Economic Zone was both an opportunity and a large challenge; not only brought it the promise of many jobs, but also lots of heavy responsibilities to implement the project. The biggest challenge was the problem of land clearance and land compensation. At the same time, commune leaders had to convince people that they would be able to make a new life after resettlement, especially in terms of future jobs after they lost their land.

We will now list the various Mass Organisations which played a very important role in the contacts and communications between the aforementioned public/government bodies, and the people: to play the role of ‘advocacy’, which is about convincing convince people, to mediate and put pressure.

6.5 Fatherland Front in Ky Phuong Commune

The Vung Ang EZ project was initiated by the province, and implemented by the district /commune, especially in terms of removing households to clear the land for the Project. All organizations at the grassroots level were mobilized to support the project, in which the Fatherland Front was engaged in advocacy for people to understand and follow the policy; it was not dealing with (solving) the concrete problems.

6.6 Farmer Union in Ky Phuong

The Farmer Union (FU) of Ky Phuong Commune consists of 7 sub-unions in 7 villages, in which 4 sub-unions existed in 4 villages that were complexly removed (Quyết Tiến, Hồng Hải, Nhân Hòa, Thăng Lợi). The activities of the Farmer Union were carried out through an executive committee consisting of 11 people (3 commune cadres, 7 village cadres and 1 from the electricity cooperative). 80% of all farmers are member of the Farmer Union, the fee is VND 6.000/year. The Ky Phuong Commune FU was mandated by the Commune People Committee to carry out activities relating to agriculture, forestry, fishery and their promotion and support, as well as poverty alleviation.

After the Commune was informed about the VAEZ project and the resettlement implications, the Executive Committee of Farmer Union held a meeting to assign individual members with the responsibility to engage in advocacy in each affected village: initially to inform and motivate people as regards the planned agricultural land investigation, and secondly about the implications of resettlement in terms of real estate, harvest/trees on land and property/assets. The main task now entrusted to the commune’s Farmer Union by the Commune’s Party Committee was to mediate and inform people as regards issues of compensation, land clearance and resettlement. Hence, FU advised the commune on issues such as changing jobs, promoting agriculture and fishery following resettlement, as well as by listing the poor families

needing support in relocation. There were cases that the Commune FU received support from the District level FU for example to help poor families. One outcome was that Commune Farmer Union received the support of 110 persons to remove 8 houses and to build up 2 temporary houses.

6.7 Women Union in Ky Phuong Commune

The Women Union (WU) in the Ky Phuong Commune counts 1.080 members (women above 18 years); most households have at least one member. The commune level Women Union cell is led by a full time Chairwoman, one part time vice-chairwoman, and a part time administrative employee. WU informed us that the quality of WU cadres meets the requirements of the tasks under the WU mandate. Besides, as the WU often cooperates with other (mass) organizations, which further explains why it is normally able to complete its assignments and achieve its objectives.

After the decision on resettlement had been issued, the Provincial and District Women Union organisations held meetings with the Commune Women Union to provide information and explain the project and implications for people. At the same time it made plans to prepare for an advocacy role as regards WU members. This included the following activities: a) organising meetings on resettlement or integrating this topic with other important meetings to convince people; usually meetings were held in sub unions (7 sub-unions in 7 villages); b) sometimes, for example on special days or during important holidays, a meeting with all members was organised; c) for some members who refused to be relocated, the WU sent its cadres to visit their houses to try and convince them (including talking to husbands and children, and this could be repeated to as many as 3 visits for one family). Finally, but this is a common expectation for any Mass Organisation or Communist Party member: the cadres of the Women Union must present an example which all others can follow. It was argued by some members that 'WU Members are women so they are soft and flexible... they can understand the conditions of each other so they are convinced'.

Apart from advocacy, the WU also cooperated with other organizations (Youth Union, Farmer Union) under the leadership of Commune People Committee to support member families to move to relocation sites. The Provincial Women Union launched skills training programs for women who had been relocated; at the time of our study, about 20 members were learning sewing at the Provincial Training School in Ha Tinh city. Finally, the WU informed its members about the policy that those households ready to leave first to the relocation area would receive of a VND 1 million bonus, so as to encourage its members to help implement the policy.

6.8 Youth Union in Ky Phuong Commune

The Commune level Youth Union (YU) played a very important role as regards implementing the resettlement policy. Like the other mass organisations, its members already acted before the actual resettlement in what

may be called 'advocacy work'. In cooperation with other organizations they contacted households for providing information and to convince them. In particular, they visited families with members of the YU, as they better understood the thinking and behaviour of such families, then reporting back to the Commune Monitoring Team. For households that did resist to be relocated for certain reasons, as a last resort the Youth Union was ready to apply some measures, for example not to invite a young family member to participate in a class of understanding the Party (this, in effect, means that such a person can never become a Party member).

The YU was however most active during the actual process of relocating households. Being as a vanguard force with strengths and enthusiasm, the Youth Union launched broad programs to help people shift people: a) mobilizing other YU members of villages that had not yet moved to be volunteers to help people (hauling furniture, building up temporary shelter). In all 30 YU members from other villages joined, each receiving VND 20,000 per day for buying petrol for their motorbikes; b) members supported the sensitive and important work to relocate anonymous graves: making plans, requesting funds from the project (1.5 million VND per grave), then hiring a dignitary for a ceremony. In total 15 anonymous graves were so relocated; c) in cooperation with other near-by Youth Unions and higher level Youth Unions, the Commune YU made frequent field visits and made reports (what remains to be done; how many people left, when and how) that were submitted to the Commune People Committee; d) members from a nearby YU stayed in the commune for a week, and there organised many community based activities (singing, volleyball, cinema). Also, the YU of the Viet-Germany Training School helped people to repair electricity appliances free of charge: all this created lots of goodwill amongst the people.

Following the relocation of households, the Commune YU engaged in planting trees (on pavements, public places, parks). Also, after relocation, its members made a list of YU members who had job certifications and of those who did not. They then tried to find jobs for members with certifications, and to enrol those without certificates in the Training School No 5.

6.9 Commune Police in Ky Phuong

The commune police was charged with monitoring the project implementation process, starting from the date the project was approved. It was to monitor/understand the conditions, thinking and behaviour of the people, and report on this to the Party Committee. It was also charged to protect officials and private sector/investor businessmen when they visited and worked in the area. More concretely, when many people refused to cooperate with the initial investigation, the Commune Police was mandated to contact such people, and try to convince them that it would be better to make a move.

6.10 The role of Community Monitoring Team

The establishment of the CMT was already discussed before: it included representatives of the Mass Organizations, and was headed by the Chairman of the Commune People Committee, with as Acting Chairman the Vice-President of Commune People Council. Among other things, the team was in charge of monitoring construction quality, for example checking the quality and hardness of concrete. However there are indications that the CMT was not fully mandated to monitor and assess the quality of the important constructions and services of the Xuân Thành Group. The reason was said to be that the CMT had been established before the project, so that it did not have the right to check on the Xuân Thành Group. This was seen as a rather big error, and may be one reason that construction quality at the relocation site was not always up to standard.

6.11 The case of the Kỳ Lợi Commune

Most of our data were collected in the Ky Phuong Commune, but we briefly report here on some interviews held in the Ky Loi commune, where 250 households had to be resettled to a relocation area. At the time of our research, about 190 had left their original hamlet. The resettlement plans were very controversial in this commune, approximately 110 households had initially indicated to refuse to go: “swearing by drinking blood” not to move. Among them there were some households which were in fact ready to leave but which were under pressure by others (the majority) not to go - they were threatened and frightened by others. It was even more problematic that the leaders of the Commune themselves did not agree with the resettlement, which created quite some headaches for the District and Provincial authorities. These leaders were subsequently removed, and a new and strong General Secretary of the Ky Loi Commune was sent to head the local Communist Party branch. This ex-army official emphasised during discussions that the project had not properly recognized the critical role of the local leadership, which made it possible for such leaders to avoid and boycott difficult decisions. He also stressed ‘the Party leads, the People Committee implements’. Following the Commune leadership crisis new leaders were appointed and they succeeded to mobilise the support of the Women Union and the Farmers Front.

The Commune CPC then set up set up an Investigation Team, targeting two households initially and later having success also with others. The Party Committee took these developments very serious, and the District Party Acting Committee decided to add more cadres, while the Commune Party Secretary stayed in the Kỳ Lợi Commune several days over many weeks, visiting people at night. The Commune Party Secretary also organised meetings to voice his opinion on the matter. In cooperation with Fatherland Front, other organizations engaged in trying to convince and to persuade people too. However, different organisations suggested different strategies, for example to simply use more force; to make available much more information on the project, relocation policy and pricing- hence enhancing accountability and transparency; yet others suggested an increase of the compensation amounts

with 50 million VND for each household, or 4 million VND for one individual. The Commune Party issued a Resolution No 28 to make clear that it was ready to lead people towards relocation.

Finally, after lots of commotion and a flurry of activity by many organisations, the Opening Ceremony for Relocation for the Kỳ Lợi Commune took place on March 10, 2010. Any household which was ready to go first would get priority to choose a land plot on the relocation site (it is for example best to start a shop on a corner plot or main road). Those who went first also got bonus of 10 million VND/family. Yet even at that time there was protest. Initially, those actually agreeing to leave first were threatened by the protesters, but later most of them also realised that moving first would bring benefits. Then, on June 20, 2010 the whole commune area had been vacated, and the Commune handed over all the cleared land to the VAEZ / FORMOSA, after removing 720 graves, as well as 18 Houses of Worship.

7 People's reactions, and people's participation?

7.1 Attitudes and reactions of the community to the resettlement and land acquisition plans

As already indicated, the number of households in the Ky Phuong commune which was to be shifted to the new relocation site was 786. This was a dramatic fact: not only the house and homestead lands, the graves and graveyard, but also all cultivated/farming land was acquired. Things might have been different if the local authorities could have offered other farming lands in compensation, but this was not the case. As will be elaborated later, all compensation was in the form of a new housing site of 400 square meters in the relocation area; support for removing household belongings; compensation for house and land; and some training for new jobs. But for the majority of village people who were farmers the plans for the Vung Ang EZ meant a complete change of life. The fishing households were to lose their traditional fishing port after the seep sea port would be ready and the Formosa Group starting the production of iron and steel (annex 2). There are no other suitable fishing ports nearby.

It meant the complete removal of whole villages, which had been viable communities since time memorial with traditions, networks, memories and the blessings of the ancestors. All this was to disappear and in the present section we will depict the reactions of affected households. As was to be expected these started with shock and disbelief, followed by denial and protest, ending with resignation and adjustments of living and survival in the new area. And, to provide a balanced view, the VAEZ plans also meant a huge challenge for the local authorities, which were suddenly caught in the eye of a storm, almost literally 'between the devil and the deep blue sea', but concretely between high level orders and plans from the Prime Minister in Hanoi, and very dissatisfied local villagers.

While eventually these local officials organised many (information, 'consultation') meetings as will be elaborated later, initially people only heard rumours, lacking solid information. So when people heard about the VAEZ

project, one reaction was that the project would have to be examined in terms of national security. They saw a risk that the project would divide the country into two parts, which must be understood in terms of Vietnam-China relations and the proximity of Ha Tinh Province to Laos. Many people perceived construction of a deep sea port and a large Economic Zone as opening Vietnam to outside forces. People were concerned that all this would make the route from China to Laos easier, and they feared a Chinese presence. However, after the information meetings had started and things had been explained, the people agreed with the development of the Vung Ang EZ.

The next problem to be addressed was to clear the land and organize compensation for the people. The process of land acquisition went relatively well and expeditious, but officials did indicate that it was a difficult and sensitive task. The District/Commune Committees (in many cases accompanied by cadres from the provincial level, or even the Vice Chairman of the Provincial Committee) held many meetings with the people (see the next chapter). First the authorities engaged in discussing the location of the resettlement area, and to subsequently select one. After lots of discussion, deliberation and many meetings the people selected one area from the four possible locations. Although eventually a majority of the people agreed with the policy of relocation, some still objected. It happened that when the investigators visited their houses to carry out the task of assessing the nature of land and property, they kept the door shut, and said: “this is my house and there is no need at all to do survey because I do not have any thing to do with that”. In order to deal with this problem, the authorities opted for the strategy to investigate first the land and real estate of the households of commune cadres or party members (who are naturally more cooperative, being expected to provide an example). However, when these volunteers agreed to be investigated, many others objected, and they threw stones on the houses of those cooperating at night – in some villages all the families which agreed to the investigation were the target of attacks. There are even reports of some places where people did not allow anybody to carry out the investigation, even throwing stones at the investigators. Some protesters were organised in groups of 20-25 persons to prevent investigators. In one village there was a case where a father-in-law who agreed to the investigation was the target of stone throwing by his own daughter-in-law.

Throwing stones on a roof or into a house caused damage to many houses and to household items such as furniture. Local authorities had an interesting response to this. Households which suffered damage were compensated from the social fund budget line of the commune. This fund is normally used for repairing or building community assets such as a pagoda, a church, kindergarten, a road and so on. This strategy immediately affected the community as it reduced its common fund. This, in combination with strategies of advocacy and explanation, helped to gradually put an end to the protest actions of “throwing stones”. The Commune Police was not sitting idly either; they invited protesters to come to the Police office, and they were ready to explain things time and again. They also supported other efforts aimed at convincing people, and protected people who were targeted or protected. They

patrolled affected areas at night, trying to identify the groups of protesters, inviting the group leaders to come to the commune headquarter the next day. In total 15 persons were invited, some of them several times. There was one case where the Commune Police had to admit defeat, and was forced to hand the case of one protester to the district police (this person was heading a group of 25 protesters). Ultimately the Women Union was able to convince his wife; the Youth Union convinced his children and only later the Veteran Union managed to convince him also. However, other protesters were still not to be convinced, or had grave doubts about the relocation process and compensation amounts. They collected money from local people to enable them to go Hanoi to find out the precise details about the different amounts that were circulating as compensation for land and houses. And they did go to Hanoi, only to find that the compensations amounts were determined by the Province. So they came back and accepted the facts as given by the authorities and the given compensation amounts.

There were also many other protesters in one villages who were very vocal during meetings, demanding better provisions especially in relation to the costs of compensation and the nature of the relocation site and housing. At one occasion one person got very angry and he caused disorder by pulling the clothes of a speaker during a meeting. This, and other cases, proved that people had many doubts and worries about the compensation amounts- one could say rightly so as all the assets they owned in housing and land were suddenly put to value: this was the money they would have to live with from now on. So protest and doubts were omnipresent: one party member we talked to said they had to convince one household up to 70 times to get its agreement. And while most households which had agreed on and accepted the compensation were actually shifted to the relocation area, about 10 households received the monetary compensation but still they did not want to go: they had to be forcefully evicted by the site clearance board established by the District People's Committee. There were cases where people had to be reminded up to 5 times (in Kỳ Long Commune) before actually being ready to move.

A more peaceful but rather more effective strategy was for households to split up into more households before the investigations commenced. There are indications that in the Ky Phuong commune over the two years preceding the relocation, the number of new households which separated from the old ones increased by 100-150. Many persons who did not actually have wedding plans, now got married to create a new household - so as to be able to claim a separate new housing site in the relocation area. In the six months prior to our study period, there had been 62 marriages. Another dimension of the impending relocation was that this attracted banks which were interested in deposits, but also other persons interested in buying things. This caused unrest in villages. The police recognised this as an unwanted development and banned these persons from the villages so as to maintain law and order.

Then, when the dust relating to the protests had settled down, from late 2008 household began to receive money compensation. For many households, it was the first time ever that they received such a large amount. To help people to keep their money safely, the authorities invited representatives of

banks to come to get deposits from households. Many agreed and deposited their money into the banks for later use, for example for house construction, housing repair or changing jobs. During the day of compensation money disbursement, the banks organised various promotional programs for their clients to encourage the people to make deposits. At this stage, a household which was to be moved was to receive 18 million VND for each 1 *sào* (equivalent to 360 square meter) of agricultural land (including the money for supporting a change of work). At the same time, families who had a place of worship like a small temple received an additional 3 million VND so as to be able to build a new (or temporary) worship place in resettlement zone.

Following the payments of compensation, the process started of households being shifted to the new relocation area. As many households remained reluctant to actually leave the places where they had lived so long, and as there the atmosphere of protest had created uneasiness, not many households were volunteering to go. As already mentioned, the local authorities then announced that households who went first would be given the opportunity to select any site in the new area, as well as to receive 5 million VND by way of bonus. All households were provided with support with shifting (a monetary compensation to pay for 5 lorry trucks/trips for each household). The Commune office established an agent to sell construction materials, paid for the cost of hiring a temporary location to live until the final house was ready, and mediated with construction material suppliers not to increase their prices due to the sudden peak in demand.

For the Ky Phuong Commune, the removal of households was relatively easy because the place of resettlement was not far away from their old houses; for that reason the amounts allocated for shifting were limited to only 5 million VND per household. The land selected for the relocation site was located in/near the western hills. The few households which were living here also received compensation when their land was retrieved. However, one household stubbornly refused to be relocated and it was ultimately forced to move out. The reason was that this household did not agree with the costs of compensation. The cost of compensation was 54 million VND per 1 *sào* (360 m²) in early 2009 under the regulations as issued by the Government, but as per the decision of Hà Tĩnh Province, this would have to be (only) about 18 million for 1 *sào*. Therefore, there was a big difference between two these regulations. People had this idea that the decision (compensation rate) of province was not beneficial to them, as the amount stipulated by the Government was much higher. This problem was not explained clearly by the Hà Tĩnh Province authorities. As a result, many households claimed the higher amount in their interactions with District and Commune officials, and waited for the answers from provincial authorities. Many hoped that the province would increase the compensation to offset the gap between two levels of compensation. It was this gap in compensation that led to the forced eviction of one specific household, which husband kept maintaining until the very end that the compensation was not consistent with existing laws. This goes to show that it is very important that the authorities explain the details of the compensation policy very clearly. Let us therefore now consider the

interactions and interfaces between people and the local authorities in the processes leading to relocation and compensation.

7.2 Types of consultation

The implementation of community consultation as regards land acquisition and resettlement are clearly regulated by the Ordinance on Grassroots Democracy Nr. 29 of 1998 'Regulations on the Exercise of Democracy in Communes' (VN Govt, 1998, 2003) and another Democracy Regulation nr. 79 of 2003; as well the government Degree No 69 and some other legal documents. They can be seen as an effort by the Vietnamese government to enhance the rights of the people at the commune and village levels to participate in local government affairs. It appears that the eviction and relocation process kept in mind provisions of these decrees. One official talked about the Nr. 79 and said that socio-economic plans need many inputs from the people: he felt that there should be a close relationship between the Commune People Council and the people, and that meetings should be held. This was especially the case with land clearance: people need to be informed and consulted. Regarding the implementation of the resettlement and land acquisition plans in Ky Phuong commune, Ky Anh district, the local authority appears to have followed the regulations mentioned above. There were three types of community consultation: (i) Village meetings; (ii) Household visiting by local officers and (iii) Individual meeting at local offices.

But in the very initial stage, when the project on VAEZ was announced from Hanoi, the Commune first organised meetings with the participation of representatives of various social organizations and the Heads of villages/*thons*. Only after that meetings with the people were organised, with attendance of representatives from the District and/or Commune offices. In such meeting where the people met with officials, the commune and district police without uniform also attended so as to monitor and study the proceedings. In such meetings officials listened carefully to the views and opinions of the people present. These were also written up in memoranda, and submitted to higher levels of administration i.e. the Province. Representatives of the People Committees, the Fatherland Front, members of the Council of Compensation, as well as members of the Vung Ang Management Unit and investors participated in the meetings. Any questions by people were answered or written down in the memorandum to submit to higher level. Many suggestions and proposals from the people were approved. In general one could say that the local authorities saw the strategy of consulting communities as an opportunity to engage in advocacy activities. Meetings, obviously, also served the purpose to explain things directly to the people. If people – or indeed officials – were not clear on any matter, the Commune officials would convey such issues to District or Provincial officials so as to be able to provide correct feedback to the people.

Participation of people at commune level: meetings

Generally, when the Commune intends to implement a project or policy, the first step is to organise a meeting of the relevant Commune Acting Panel, followed by a meeting of Commune Party and all Party Committees. This would then be followed by meeting with the village people. After all, it is the Commune which is responsible to identify and establish the ownership and boundaries of land, and hold meetings to inform Commune inhabitants of policies and guidelines. It is the Province which designs policies and makes decisions to be implemented at lower levels. This also explains why village level meetings are often attended by authorities from provincial or district levels, and why Commune officials often accompany District's panels to visit households. It appears that, as part of processes of participation of grassroots people, approximately 10 meetings were held in each village, but in some places it was even more (12 in one case). Those meetings concerning policy and compensation were attended by representatives of the district or provincial level. One respondent, an official, said that experience with land acquisition and clearance and resettlement had shown that things work best in a context where people know and where people are consulted; transparency and democracy are the key elements that makes such processes easier. He so seamlessly linked to the philosophy of the Grassroots Democracy policies of Vietnam; let us now consider whether and how this worked out in practice.

Village meetings

The authorities of various levels in Ha Tinh province did attach much importance to community consultation regarding the implementation of resettlement plan for the Vung Ang economic zone at Ky Anh district. While the meetings were organised by the Commune, officials of province as well as district offices often attended village meetings in order to inform people on compensation and to garner support for the resettlement plans. Data collected in our survey in two villages (Hong Hai and Quyet Tien) of Ky Phuong commune indicate that a majority of the 70 households interviewed (more than 90 %) did take part in meetings on compensations for land acquisition and resettlement. However, a decline can be discerned over time; gradually attendance dropped to about 70 or 80% households; in the end the percentage was even lower, especially at the time when the controversies around the investigation of land and assets started (as mentioned earlier).

TABLE 7.1
Participation of communities in meetings on resettlement and land acquisition

Participation	N	%
Attend meetings	64	91,4
Not attend	6	8,6
Total	70	100,0

Of our respondents, 87.1 % said that the officials of province or district offices attended the meetings 2-3 times or more during the resettlement process. From discussions with officials and people in the field we learned that the Vice-Chairman of Ha Tinh people’s committee, come to the community to attend village meetings many times during the process of land acquisition and resettlement. The presence of such a high-ranking Provincial official at village meetings was a clear indication how seriously the Province took the implementation of land acquisition and resettlement, but also that they perceived it to be rather important and complicated. After all, the performance of land acquisition and resettlement were critical building blocks for establishing the VAEZ – the largest provincial project with the expectation of large positive socio-economic development impacts. At the same time, the Province was aware that the capacity of the Local Authorities at district and commune level was limited in general, and especially with a view to such new and ambitious efforts such as land acquisition and resettlement. The district or commune officials were in no position to act on requests from affected people as regards rates of compensation or land acquisition details. For this reason, the Ha Tinh Province People’s Committee had issued many legal documents and guidelines to facilitate work at lower levels of administration. All this goes to confirm that the Provincial level makes policy starting from general policies/regulations of the central government; and that subsequently the district and commune level authorities only engage in policy implementation. However, due to the limited capacity at lower levels of administration, the provincial authority also became engaged in implementation processes of land acquisition and resettlement.

TABLE 7.2
Officials of province or district offices attending village meetings

Attend meetings	N	%
Many times	29	46,8
2-3 times	25	40,3
One time	5	8,1
Never	3	4,8
Total	64	100,0

Household visiting

Besides the village meetings, officials of the Commune and members of the Mass Organizations such as the Women Union and Youth Union (see chapter 4 & 6) organised household visits, so as to fill existing information gaps and a lingering lacks of information/understanding of affected people. They were ready to explain policy details, but there was definitely also an agenda to persuade people to support the resettlement plans. A number of households was visited more than once, which again underlines that land acquisition and resettlement planning in Ky Anh district was difficult and complex. For example, as indicated, one half to two thirds of the affected households were

not satisfied with the compensation. The frequency of such household visits increased over time, as the Authorities felt the keen urgency to finalise the land acquisition and land clearance. After all, if a large number of households would keep on refusing to agree to the offered compensation and to move to the resettlement areas, the implementation of the land acquisition planning could not be completed in time and that would again cause problems vis-à-vis the Vung Ang Management Unit, and behind them the investors such as the Formosa Group which had their own planning deadlines. The initial date to complete the land acquisition was April 2010; it had to be extended to the end of August already. It helps explain why the Vice-chairman of Ha Tinh provincial people's committee felt compelled to attend village meetings many times during the process of land acquisition and resettlement for Formosa project.

TABLE 7.3
Did commune officials come to visit your house regarding resettlement?

Answer	N	%
Yes	47	67,2
No	22	31,4
Don't know	1	1,4
Total	70	100,0

Individual meeting at local offices

Even while there were many meetings, where people raised issues and indicated problems such as the perceived low amounts of compensation, the fear of unemployment after resettlement, the nature and quality of infrastructure in resettlement zone, for many people doubts still remained. In such cases, or when they had specific individual issues or requests, they could meet local officials. About half the respondents in our survey did so. It indicates that village meetings and household visiting by the officials were not sufficient to satisfy the people regarding the compensation of land and assets. It implies that the compensation rates were seen to be low, but also that the property inventories of assets other than land (houses and facilities, fishing ponds, sheds, trees, places of worship) had not been carried out to their satisfaction. Hence, some people complained that some of their property items had not been taken into account, or had been compensated with lower rates compared to other households. More generally, some households had complaints as regards transparency and equality of the whole resettlement process. Implicitly there are indications of corruptions here, when a Clearance Board member might try to organise a higher compensation/assessment of the property of a relative than the actual value (corruption appears to be a large issue generally in land management in Vietnam (World Bank and Denmark Embassy, 2011). This, in turn may be related to the limited capacity of officials at district and commune levels who personally and directly dealt with households.

TABLE 7.4
Did you contact local officials regarding resettlement?

Answer	N	%
Yes	34	48,6
No	25	35,7
I did not know whom to meet	11	15,7
Total	70	100,0

Summary

As can be seen in the above, all local authorities in Ha Tinh province did follow the regulations stated in the Regulation on Grassroots Democracy in communes (1998, 2003) as well as the government Degree No 69 dated on August 13, 2009 and other relevant legal documents. Based on evidence collected in the communes and resettlement site, it can be concluded that the affected households and communities were adequately informed about the resettlement plans. They were informed and consulted as regards their reactions and questions in three main ways: village meetings, household visits and people visiting local officials. Officials of authorities of various levels of Ha Tinh province all took part in these processes; providing information on the plans, rates of compensation, and noting reactions. It was particularly district and commune levels who engaged to persuade people to accept the resettlement plans and who were first in line to receive requests and complains. In the end, all households did agree to move, however only after a number of their requests were accepted. The process of consultation on resettlement plans was long and complicated, and it took four months longer than anticipated to clear the land. This is partly evidence that people had a voice in planning, that there were ‘invited spaces’ (Gaventa, 2005) where people could engage with the authorities. At the same time much of the ‘consultation’ seems to have been rather ‘top-down’ in nature: people would be invited to meetings, but there appears to have been only little scope to actually offer policy or plan alternatives, for example to help plan or give ideas for the lay-out of the resettlement area, how people could be clustered in neighbourhood or clan-groups etc. And finally, it was also clear as shown in the initial section of this chapter that people were not at all happy with what had been planned for them, that many were very upset and angry. Much of the ‘consultation’ then took the form of ‘advocacy’ or ‘persuasion’, whereas there was also pressure-sometimes rather forcefully- on individual households or individuals to make a move or else. But there were certainly also shifts in the position of the authorities, who did make adjustments in the compensation policy, in providing extra incentives to persuade people- which goes to show that people did have some voice. That the process had a delay of four months should not be seen as very long, rather as proof of a relatively very well managed complex process of policy implementation.

8 Compensation for land and assets and realities at the relocation site

Compensation for land and other assets: the context

As part of the process of resettlement, and as laid down by law and in various decrees, compensation arrangements includes two phases; first retrieving agricultural land, which compensation in fixed amounts of money per *sau* (360 sqm), but extra compensation was given for trees, gardens, crops, fishing ponds on that land. Besides the compensation for land, people were also entitled to compensation for constructions built on the land and other properties attached to the land such as an outside kitchen, toilet, animal shelter. Secondly, as regards the acquisition of residential land the compensation depended on different kinds of ownership: whether people have the Red Book/Land Use Certificate, no Red Book³, or another type of land use (at least 72,000 VND/m² in 2009, may be more). Thirdly, there is compensation for the house as a structure: for low quality houses: 1.5 million VND/per m², for multi-storey houses: 3 million VND/m². Then there was compensation for miscellaneous expenses, such as that each household received 5 million to finance expenses for the removal of belongings by truck, medicines, student textbooks, as well as instalments for electricity and water on the new site. When a grave of a household had to be shifted, each house hold received VND 8 million. An entire new cemetery was built at a cost of VND 30 billion in an area close to the relocation site of the Ky Trinh commune. Finally, and again as regulated by law, part of compensation must include free job training (e.g. sewing, working with bamboo or steel); as well as the provision of job orientation (mediating as regards services around the industrial zone, cattle raising).

All in all, the compensation process was complex and laborious if only as a result of all these various components and modalities. Other factors made it more complex still: a) it was a large project, affecting many households; b) obviously, land clearance and compensation related to many social, cultural and religious problems as manifested in the presence of tombs, graves, temples, pagodas (as per the regulations, the local authorities had to consult with the Cultural Department in case a pagoda was to be removed); c) amounts of compensation where different over time, leading to feelings of injustice and claims of people, and d), as soon as the land was acquired, and farmers lost their agricultural land, the issue of employment for people became urgent - people had to adjust to new ways of working and living, even if they still lived in their own houses. And as quite a large number of people suddenly did not

³ Land ownership is complex in Vietnam where the state owns all the land, but where since the 1993/2003 land laws people have Land Use Certificates (LUCs or Red Book) which now can also be transferred, sold and mortgaged. Nevertheless different types LUCs exist, while some people have used land while not having LUC (for example common commune lands). Different compensation amounts relate to such situations (de Wit, 2011).

have jobs, some ‘social evils’ emerged like gambling, drinking, quarrelling and fighting.

Realities in Ky Phuong

As a result of establishing the Vung Ang Economic Zone households from 5 communes were relocated in 2009-10 to the new resettlement area located in the Kỵ Trinh commune, leaving both houses and land. This is not to say that all of them were relocated, and this was not the case either for people of the Ky Phuong Commune. But it was in this commune that most fieldwork was carried out: most evidence presented here originates there (survey N=70).

A local official of Ky Phuong commune said that there were village meetings with affected households on resettlement and land acquisition planning during March – April 2008. As indicated in the above sections, it became clear in these meetings that many villagers did not support the resettlement and land acquisition planning due to three reasons: the compensation amounts were seen to be too low, while other support measures were perceived as insignificant, including the support policy for career/job change which was not suitable. Then there was also the fact that in October 2009 a new decree fixed the land compensation amount at a higher level. The people of Ky Phuong Commune received compensation under the previous pre-2009 rules; the people of the Ky Loi commune were compensated after October 2009 and received more. This too was a strong factor for dissatisfaction in the former commune.

Regarding the compensation, initially the compensation for each *sào* of cultivated land was to be 8 million VND⁴ (or VND 16.000 per M²). When many people did not support the land acquisition and protested and complained about the low compensation, the local authority submitted a request to the Provincial People’s Committee to increase the compensation. The rate of compensation was subsequently adjusted from 8 to 16 million VND, through an administrative adjustment through which the compensated land was re-ranked onto a higher category. The compensation for cultivated/farm land in Ky Phuong commune was completed in January-February 2009.

When the new Degree No 69 took effect in October 2009, the rate of compensation for cultivated land generally was raised by two to three times, and this was of benefit to the people of Ky Loi commune, who received compensation after October 2009. Obviously, some people in Ky Phuong questioned this, and voiced the view that the affected households in their commune of Ky Phuong suffered losses regarding the compensation for cultivated land: the people of Ky Loi commune next to the Ky Phuong commune would get about 50 million VND for each acre of cultivated land for the same category. This was seen as very unjust because both the Ky Phuong

⁴ At this stage, a household which was to be moved was to receive 16 million VND for each 1 *sào* (equivalent to 360 square meter) of agricultural land.

(with a compensation of VND 16 million) and Ky Loi communes were affected by the same project of VAEZ.

Apart from this perceived injustice, many people questioned the value assessment of the land also from the perspective of market prices, and here we will discuss the compensation of ‘housing/residential land’, i.e. the land on which the house was located in the commune – as compared to farm land-discussed above. The rate of compensation for a square metre of living land in Ky Anh district was 72,000 VND in 2010. This appears rather low compared to the market price of about 800,000 VND as reported by local people. In addition, it may be noted that households which owned large residential housing sites, lost comparatively more than people with smaller residential sites in their old village. In fact, households with small housing sites benefited well. Every registered household to be relocated was allowed to buy a housing site of 400 square metres for 72,000 VND in the new resettlement area, regardless of how large is their former housing site. The data we collected randomly from 70 households in the Ky Phuong commune indicate that there were 31 households (44,3 %) that used to have residential sites smaller than 400 square meters (average size was 248 m2). In contrast, there were 39 households (55,7 %) that used to have larger sites than their new sites of 400 sq.m. (average plot size was 873 m2).

So while all households could claim a 400 m2 new housing site, this was irrespective of the number of people in the household: households with 1-2 persons got the same housing site as those with 6-7 people. This, again, can be seen as a weakness in the resettlement policy. However, as already noted, the number of households increased quickly after the relocation plans were announced. A local official noted that approximately hundred new households were registered since the resettlement plan started. For example, in some households a son decided – with the happy support of his parents - to marry earlier than planned, so as to set up a new household, so being able to buy a plot of land at a very cheap price. If this worked well, they could make a profit of about 300 million VND per case. However, by and large, about half of the respondents were not satisfied with the compensation.

TABLE 8.1
People’s opinions on the rate of compensation for land and property

Rate of compensation	N	%
Acceptable	23	32,9
Not acceptable	35	50,0
Don’t know	12	17,1
Total	70	100,0

It may be noted that people than had numerous complaints about the compensation, and these were reported to the local authorities. The latter were quite ready to receive and document these, but, being quite powerless in terms of decision making; they duly made numerous requests to the provincial offices in order to adjust the rates of compensation. A lot of such requests were accepted, so that a number of households did receive additional compensations for several property items. In addition, the provincial authority also increased amounts of compensation through providing some more support for moving people. For example, each household was given 5 million VND for relocating to the new resettlement area; every labourer was given 5 million VND to be trained for new employment; every person beyond 60 years of age was provided with 15 kg of rice per month for a period of 5 years and so on. However, not all these plans were immediately implemented. In addition to the support of 5 million VND for shifting belongings, there was a decision that households who would agree to go first would not have to pay for the truck to move things. This did not actually happen and households did pay themselves after all, so it was proposed that the province authorities consider paying this expense. Also, at the time of our fieldwork, the Province was yet to hold its promise to provide 15kg of rice/month/person for 36 months, as people had not received this. This may be an indication of complexities leading from the actual separation of decision making (provincial level) and implementation and consultation (district and commune).

Realities in the new settlement

By the time of our research, the people of the Ky Phuong who were to move had been relocated to the new site. It was already mentioned that people had made a choice of 4 possible locations; the location chosen was located relatively near the centre of the District capital of Ky Anh, and near the national high road nr 1, which links Hanoi with Ho Chi Minh City all along the Vietnam coast. There had been a plan to build actual houses for all household at this relocation site, but the people had themselves proposed to provide them with land plots as well as the required infrastructure such as roads, electricity, schools, a health post, the offices of the People Committee, People Council and local Party branch.

In August 2010, lots of building activity was going on- both by the one contractor Xuan Thanh which had been given the task to prepare the entire relocation area for habitation. One could clearly see the outlines of the new area, given a well-planned lay-out with wide roads, relatively spacious housing sites (400 m²), spaces for parks, the administrative CPC building (spacious, as always) and a school. However, while many households were already living here, nothing was quite ready yet. Labourers were constructing roads, water drains, sewerage lines, while most public buildings were only half completed. Trucks with materials were constantly on the move; piles of construction materials were everywhere. It was obvious that the planning for these large works had not been adequate; it was widely expected that the one and only construction company would need at least a year more to complete everything – and there were more relocation areas. All of these were contracted to the

Xuan Thanh construction group. This may explain why they could not complete the construction of all resettlement areas before the affected households moved in. This led to some people telling us that they felt that they had been cheated: they agreed to a relocation with lots of nice promises and expectations: now that they were in their new area there were no roads, no pavements and inadequate supply of water and electricity. Approximately 40 households had received the compensation money already but could not yet get a new land plot because the Xuân Thành Group had not completed on-site infrastructure. There were complaints also about the location of manholes, which were at a higher level than the road. However, this cannot solely be blamed on Xuan Thanh; some people were not used to water taps, ‘not civilised’, failing to turn off the tap after use.

There was plenty building activity too on private houses. Few houses were completely ready; some plots were still empty but in a majority of cases the houses were half ready. Often some rooms were complete and people would live there, while around them there was the noise and bustle of construction labourers, concrete making machines etc. to complete ever more rooms and floors. Plenty new construction materials shops had come up in the area; and this was in addition to an agency set up by the Commune to sell the construction materials with fixed prices as set by the Province.

But even while these construction issues worried people very much, perhaps what was more palpable was a sense of loss, a sense that people looked around themselves with some feeling of bewilderment, of alienation: is this where we have to live; is this our future place? It must be noted that an entire community had been uprooted and that they had been haphazardly – without prior planning or taking heed of personal choice - allocated housing sites. Hence, people who might have been close neighbours or indeed neighbouring families now ended up in different parts of the relocation site. We met elderly people who were still in some state of shock after having left the houses and gardens with the ancestor graves suddenly and we talked to an old woman who was crying when we asked her how she was. This sense of alienation, coupled with the absence of work for many men and women led to what is called ‘social evils’ in Vietnam: there was gambling, some men were drinking too much, there were quarrels about minor issues which sometimes led to fighting. So employment was a key issue and the greatest worry for people. The most severely affected people were former farmers households, people who worked on their farmland every day for generations. All the five communes affected by the VAEZ were located along the coast, and quite a few people were fishermen. But in the resettlement area people had no more farmland; the area was located far from the sea and the seaside was to be blocked for VAEZ activity (even while we met people who had kept their boats, hoping to get out to sea from another spot). Hence, the relocated people could neither do farming, nor fishing, and most people had to change to a totally different new job. At the time of the survey, most respondents were not clear about their job for living in the coming period. Table 6 shows that 90,6 % of all respondents worried especially about work prospects. Many local officials said that they expected that thousands of jobs would be generated once

factories and plants such as the Formosa project become operational at the VAEZ. They assumed that local labourers would be first to be employed. However, not everybody was so sure. The local farmers generally have neither the skills, nor the right attitude to work in industrial plants. They have a low education, and most of them are not young and it was perceived to be hard for them to be trained for a new job. Consistent perhaps with the entrepreneurial and trading spirit of the Vietnamese people, many, many, shops had been opened in the new area- almost invariably selling similar products from beer to milk to tofu. However, there were so many of these that someone said that ‘all potential consumers have their own shop’. Therefore, the problem of large unemployment was the most difficult problem for both the local people as well as for the administration of various levels of administration in Ha Tinh Province. However, there were also contrasting views: one respondent said that the relocated people actually had considerable economic and welfare benefits; this was their opportunity to escape the hard and difficult agricultural work in a terrible climate.

Whatever the case, when people are unemployed, they have few sources for income. Many households relied on their savings or on the compensation for day to day living - while mostly investing more or less heavily in new the new house. It was already clear that household savings or the compensation received would not last long, which is why about 70 % of our respondents worried much that sooner or later incomes would fall. We have not explored in detail how precisely household were actually using the compensation money they had received. After all, for many poor(er) households it was rather a very new experience to suddenly own so much cash, and there is evidence from other relocation areas that people may not use such funds ‘wisely’ (de Wit, 2011). There are examples across Vietnam where too much money given to children who end up in trouble; that motorbikes and massive flat screen TVs are bought, in a sense of consumer competition and ‘showing off to the neighbours’. We were only able to ascertain that many households used the compensation money to build a new house; others did buy new motorbikes, all of which makes perfect sense.

In a social sense, relocation to the area affected children regarding their schooling. There is evidence that the distance from home to school for the children from the relocated households in both Ky Phuong and Ky Loi communes had increased from about 2 to 5 km. And since children in rural areas mainly go to the school on foot, they encounter problems to study. This was one reason for concern for about half the respondents. Unemployment was also expected to affect the social life of households in new areas including the position of women because they might no longer generate (similar) incomes as before.

Table 8.2
Concerns of the relocated people

Concerns	N	%
Worry about un(der)-employment	29/32	90,6
Worry about lower income	22/32	68,8
Worry about school for children	16/32	50,0
Other	9/32	28,1

9 Conclusions: Assessing the implementation of the resettlement policy as a multi-stakeholder and multi-governance level process

9.1 Roles and performance of local authorities

The land acquisition activities and relocation of households in relation to the establishment of the Vung Ang Economic Zone were implemented in a relatively short time, considering the fact that the whole process was new to all levels of Provincial Government; that it entailed a large variety of very specific tasks, including the managing of public, private and community stakeholders with diverse interests, and finally as it included a large number households to be compensated and moved. The Province was led by two main objectives, first to clear all lands under agreement with Formosa group in the VAEZ in accordance with the plan, and secondly to protect the interests of all affected households and communities. As per the land law, conditions in resettlement areas must be the same or better than in the old residential areas.

Decree No 197 dated December 3, 2004

Article 35. Compulsory conditions on resettlement areas

3. Before residential land is arranged for households, individuals, comprehensive infrastructure must be built in resettlement areas to ensure that users have the same or better conditions compared with their old places of residence.

Article 36. Measures to support production and life in resettlement areas

Basing themselves on the local realities, the provincial – level people’s committee shall decide on measures and specific levels of support for stabilizing production and life in resettlement areas, including:

1. Supporting plant seeds and animal breeds for the first agricultural production crop, agricultural promotion, forestry promotion, plant protection, veterinary services, cultivation, husbandry and professional techniques for production, business, industrial and trading services.
2. Support for creating some trades and occupations in resettlement areas which are suitable to laborers, particularly female laborers

Regarding the first objective, land clearance was by and large completed in time. Even while there had been a delay in the land clearance by 4 months, this had been agreed with the VAEZ and the Formosa Group investors, and the latter had not complained. We can consider this a considerable success for the authorities of various levels of the Ha Tinh province. The data collected show that the province administration mobilized whatever sources needed, including human, financial and technical resources in order to clear the land and relocate more than 2.000 affected households in a rather short time. By the end of August 2010, almost all land required by the project was cleared, and the Formosa Group could start construction work. One reason for the relocation delay was the delay in completing work in the resettlement areas.

Regarding the second objective, all affected households had moved to new resettlement areas but the infrastructure here was not ready. In both the resettlement areas of Ky Loi and Ky Phuong infrastructure construction was in full swing at the time of our field work, and it was estimated that the construction company would need at least another year to complete its work. That only one company – the Xuan Thanh group obtained contracts for as many as five resettlement areas for 5 communes may explain much of these delays- leading to the problems of relocated people settling in a half-ready, incomplete, noisy setting. Seen this way, the Province did not actually comply with the legal requirement (Degree No 197-Article 35): *‘Before residential land is arranged for households, individuals, comprehensive infrastructure must be built in resettlement areas to ensure that users have the same or better conditions compared with their old places of residence’*. We cannot judge all the factors that led to these delays, for example we do not know why only one construction firm was selected for 5 resettlement areas. The delay might also be related to the capacity of local authorities but again we have not studied that in detail. It is generally believed that the capacity of officials, especially at the commune level leaves to be desired, in terms of human resources: skills, knowledge and attitudes (Fforde, 2003; De Wit, 2007). This, in turn relates to the general level of literacy and nature of education in rural Vietnam, and an apparent lack of (re)training possibilities. In terms of the broad capacity framework by Grindle and Hildebrand (1995), Commune level capacity is indeed influenced by the broader ‘action environment’. But it is important to also consider the nature of the institutional context, for example the nature and consistency of the legal frameworks guiding compensation and relocation. It is well known that policy making in Vietnam may consist of one major resolution or decree, which may then be adjusted in a follow up resolution, or amended often soon with a decision or some other change. For example, we may refer to the difference between successive decrees which stipulated different rates of compensation; and to the relatively fast changes between the 1998 and 2003 Grassroots Democracy Resolution (Duc/Ngo Huy Duc, 2008:3). Last but not least, the nature of leadership, the degree of hierarchy and the organisational culture (Grindle et.al. 1995:447) all were shown to impact on the compensation and relocation implementation process. Authority relations in Vietnamese public sector organisations tend to be relatively hierarchic, leaving less scope for lower level officials to be creative, flexible, and enterprising. So it would not be a surprise that Commune – but also District level – leaders and officials who

were confronted with the ambitious plans surrounding the VAEZ, took some time to come to grips with many new types of tasks. There was all round mobilisation of staff and resources, and complete loyalty was commanded. So when some Commune leaders in Ky Loi sided with the protests of the people, they were removed, and there are also reports that key commune officials that could not implement the resettlement plan were removed and replaced - at the orders from the District or the Province, which were shown to monitor developments very closely indeed. We finally tried to keep an open eye as for possible incidences of corruption, which are rather frequently reported in relation to land recovery, compensation and land resettlement (World Bank, 2011, World Bank & Swedish/Denmark Embassy, 2011). However, we found no references to this from our respondents. One outsider we talked to said 'There is corruption on the part of officials, but also by people', and he referred to the case of a household constructing a fishing pond just before the relocation to get a benefit. On balance we must conclude that we found it difficult to assess the degree of corruption, and this observation applies to almost all research into governance in Vietnam.

9.2 Assessing decentralisation

The case study of the implementation of the Vung Ang Economic Zone project confirms clearly the general perception that there has been decentralisation in Vietnam, but that this has stopped at the level of the Province (Fritzen, 2002) - where in fact some kind of devolution could be discerned in terms of relatively large autonomy of the Ha Tinh Provincial People's Committee. However, devolution or 'democratic decentralisation' assumes the existence of freely elected politicians who decide about policy and budgets, and who steer and control the local officials/ local executive. Such democratic control is not strong in Vietnam because the bodies – the People Councils – that have the mandate to control the policy makers are very weak, their electoral mandate is open to doubt as well as their political independence.⁵ Besides, as was stressed time and again at all levels of administration, it is the Party that leads, the Party and People Council decide and approve the plan and monitor, and the People Committees implement. We may therefore consider the present phase of decentralisation in Vietnam as a mix of deconcentration/devolution to the Provincial level, where provinces indeed have much more autonomy than in the past (see also Phuong and Schroeder, 2010). Indeed, there are voices warning against too much provincial independence and a lack of clear guidance and enforceable rules from the Centre in Hanoi, which may lead to increasing inequality across the Vietnamese provinces, where rich provinces (or city provinces like Hanoi) may themselves take the lead in expanding powers and privileges. Below that level the functioning of District and Commune offices can best be seen as examples of deconcentration, where policies conceived at higher levels are being implemented, and where all plans and budgets need to be approved at higher

⁵ Doc on People councils – PPC members may also be Council members.

levels. Generally, each level of administration has to take order from the next higher level, and this is based on a) legal documents and decrees etc b) formal writings and c) meetings. If there is such a need, in special cases the higher level sends leaders to discuss/ monitor issues at the next lower level. The establishment of the Vung Ang Management Unit led by the Vice Chairman of the Provincial People Committee can be seen as a textbook example of ‘delegation’ one final form of decentralisation where a centre delegates tasks to a specialised agency, while maintaining budgetary and policy control.

In the case of the VAEZ, the Province over time sent many leaders to the Commune to check and support the relocation process- they deal with issues when its capacity was seen to be lacking. Such leaders included the very powerful Chairman of the CPV at Province level, the Province chairperson of the VWU, and Representatives of the Fatherland Front to deal with awareness creation, or, as one Commune official had it: ‘the province sends people up and down’. However, things may not be so clear-cut; policy making in Vietnam is not completely ‘top-down’ with no space for local voices; neither are the communes and districts completely powerless: there are intricate webs of communication and influence peddling, many decisions rely on personal relations and negotiations. One provincial official said when asked about capacity at lower levels: ‘it is not about capacity but about relations’... ‘local leaders may not have the freedom to influence their neighbours about difficult issues. We may have to replace leaders sometimes’. Also, whereas we noted a lack of capacity amongst district and commune officials, they also informed us that they perceived the VAEZ project as an opportunity to learn and to become stronger. One commune leader indicated that there were indeed certificate training courses for commune leaders. Finally, the lack of capacity in specific areas was often compensated by the dedicated work of the many mass organisations, which were shown to have been quite instrumental in plan implementation- but ultimately siding more with the state than with the people.

9.3 Roles and relations of the local officials and mass organizations

In almost all households of the Communes we studied, there is at least one member of one of the Vietnamese Mass organisations: 80% of all farmers are member of the Farmer Union, numerous women are members of the Women Union, the same applies for the Youth Union and last but not least the most powerful Fatherland Front (which has the power to select candidates for elections of People Councils). One would expect that they would side with their constituents, for example support farmers in getting fair compensation for land, that the Youth Union would side with the younger folks to demand actual job guarantees and so on. However, our findings confirm what has been also documented elsewhere (e.g. Kim, 2011) that these mass organisations ultimately side with the state, rather than the people. In that way, they cannot be characterised as ‘civil society’, as organised citizens interacting constructively or critically with the state, but independent of the state. That is not to say that they played negative roles, rather that they were equally engaged in supporting

people in the complex and sensitive matters of compensation and land acquisition/relocation, as well as pressing them to cooperate with Commune, District and Vung Ang MU managers on these issues, and not to delay too much. That way at least half their work can be captured under the banner of ‘advocacy’, or persuasion, and it was shown that such persuasion could take rather severe forms when people kept on refusing to tow the line. The Mass organisations were organised together in the Propaganda Committee, and their members (as well as (other) party members, the households of commune officials, and village/*thon* leader households) were expected to lead the way, act as a ‘role model’, be first to agree to the inventarisation of land and assets, and to be relocated first (which, incidentally, allowed them to occupy the largest/most strategic plots in the relocation site). The mass organisations were also active as regards other strategies aimed at establishing an atmosphere of cooperation and goodwill in the affected communes, by helping organise a *festival* of land requisition, and to participate in the ‘*Harmony Committee*’ to pacify people who were less enthusiastic to cooperate in the processes of land recovery and relocation. There is definitely a very strong and perhaps uniquely Vietnamese effort to avoid conflicts, to immediately jump on dissent, to maintain harmony as the ideal.

9.4 Assessing Grassroots democracy

Considering the mixed evidence of the actual enforcement and value of the Grass Roots Democracy (GDR) resolutions (Nho Huy Duc, 2008, CECODES/PAPI, 2010) it may be concluded that the local authorities acted in line with two of the four key objectives of GDR: the right to be informed and to be consulted. There were plenty information meetings, there were many consultations – even while many meetings doubled as ‘advocacy’ (persuasion) meetings, and people had complete access to all policy makers through meetings, household visits and visits to offices. As in most cases of GDR, evidence for the most ambitious objectives: ‘people have the right to inspect and supervise’ and ‘the right to decide directly’ was not quite clear - but assumedly people might not even be aware of these rights which are formulated rather broadly (and we did not ask them about it). By and large, one might wonder whether people might have had more voice in things like planning for their resettlement area (e.g. how much money to be spent on a park, school, health post or People Committee Office); in knowing more about the resolutions of the People’s Councils as regards compensation and property assessment criteria. People of the Communes were not represented directly in the various committees (Land Resettlement/ Compensation Committee, Harmony Committee, Citizen Monitoring Team, Propaganda Committee, Compensation Committee). Of course there is a sense that they are represented through mass organisations and Commune People Council, but more direct representation might have been quite useful – but perhaps not in keeping with administrative culture, which remains top-down. Officials mostly felt that they had done a good job as regards Grass Roots democracy: ‘it is a very broad decree’; we have practised transparency and accountability about the compensation and to obtain consent; and we asked the people opinion’.

9.5 Social and economic impacts on the relocated people: livelihood changes

By and large, people were rather adversely affected by the land requisition and resettlement process, but we must immediately add that it is too early to draw conclusions. After all, our field work took place almost immediately following the actual relocation; many people could hardly believe what had happened to them, and there was a palpable sense of loss and alienation. Most people were dissatisfied, many angry about the fact that the infrastructure was by no means ready in their new location of residence. On the other hand, many people were suddenly faced with the new sensation of having quite a lot of money by way of compensation. We did not study the use of all this money in detail, but other studies (cf. de Wit, 2011) indicate that some households invest wisely in savings, housing or education for children, others balance a short term expense boom with long term investments. Again others may run through the money rather quickly by way of buying TVs, motorbikes and consumption items, so that a short period of wealth is followed by poverty – perhaps more severe than before. So while there are obvious differences in households in terms of background, social standing and household strategy, we can make some general observations regarding some groups of the population:

- Perhaps those most affected emotionally were the elderly men and women, who suddenly lost their life long familiar and trusted houses, gardens, streets and meeting places, now far from their worship shrines and ancestor graves, and often also from (most of) their children, who might have opted to marry in view of the impending relocation, or whose houses were in another part of the relocation site;
- The many farmers – men and women - similarly felt a massive sense of loss: they not only lost their lands but a complete way of life, with all the lifelong daily routines with crops and animals and the meetings and interactions with other farmers and traders. Even while training programs were scheduled for them to be re-trained, general evidence of the success of such trainings is limited - if only as farming men and women may find it hard to settle in new types of work, and especially those older than 45 are known to often fail in getting other jobs (de Wit, 2011). The same applies for the people who were fishermen, and who now have to wait and see whether that will be possible again later.
- It is not quite clear what the relocation means for the labourers who now live far/further away from their former employers. For those who were agricultural labourers the question would be as to whether they could still keep working on the farms they used to work, whether these farms had disappeared, and whether they could then find other farm or other work.
- For those who were poor (16,2 % of the Ky Phuong people were classified as poor before resettlement); there was a view that their position had generally improved after the relocation – if only as they also received compensation for their former house and plot, and presently own a pretty nice 400m² site in the resettlement area.

- It is likely that women (especially elderly women) were generally affected quite adversely. They used to be part time farmers, making and selling tofu, many having informal jobs near their former houses. Many women had now opened shops but there were so many shops that there were hardly any buyers; job prospects for them were rather dim indeed.
- It would appear that younger people might not be always badly affected: some of them got lucky and were given more money for clothes and motorbikes from the household compensation. Of all groups they were most likely to find employment in or around the VAEZ, in the industries, the service sector etc. However, some parents were worried that the influx of outsiders and foreigners in Ky Anh and around VAEZ might lead to an increase of the dangers of 'social evils' for their children. The area is at the start of a relatively dramatic change: an expected influx of both expat workers as well as Vietnamese migrants, a general population growth, with divergent impacts as in more consumption, building, local taxes and employment in entertainment venues.
- Finally, there were many enterprising men and women who eagerly made use of the many new opportunities in and around the resettlement area, for example the many building materials shops, women becoming engaged in bringing children of other households to schools now further away etc.

This overview shows that impacts are markedly different for different groups, and that there were clear shifts in livelihood assets and strategies – and in different capitals (Rakodi, 1999; Scott, 2003) over time. For farmers and fishing families there was a loss of physical capital in terms of land, fishing ponds and sea fishing work. There was a loss or deterioration of social capital for probably all households, the entire commune having gone through a painful process of adjustment and uprooting, so that former close relations, social routines, traditions and informal organisation were certainly less strong if not absent now. In terms of human capital, lots of people now found their knowledge and skills irrelevant such as farmers, women making tofu, unemployed agricultural labourers. They were faced with tough choices whether to go for re-training or re-schooling, or to simply become un-skilled labourer doing any odd job on offer, mostly in construction.

On balance, it is too early to say how things will work out for the Ky Phuong people who are now living in the resettlement area following a difficult process of land recovery, property assessment, and receiving compensation. From a policy perspective, the local authorities have done what they could to make the process as effective and as acceptable for the people as possible. Further research is needed to assess the long term impacts on the various categories of the relocated people, and whether, in the longer term, the legal and policy objective was achieved to make the new area similar or even better than the former commune.

References

- Botes, L. & D. van Rensburg (2000) 'Community participation in development: Nine plagues and twelve commandments'. *Community Development Journal*, 35, 41-58.
- Blair, H. (2000). Participation and accountability at the periphery: Democratic local governance in six countries. *World Development*, 28(1): 21–39.
- CECODES, VVF and UNDP (2011) The Vietnam Provincial Governance and Public Administration Performance Index (PAPI): Measuring Citizens Experiences, Hanoi, UNDP and CECODES.
- Duc - Ngo Huy Duc and Ho Ngoc Minh (2008) Vietnam: The Effect of Grassroots Democratic Regulations on Commune Government Performance and its Practical Implications, EADN Working paper Nr. 35, Hanoi, Ho Chi Minh National Academy of Politics and Public Administration.
- Duc Ho Vo (2005) Fiscal Decentralisation in Vietnam: a Preliminary Investigation, unpublished paper, Perth: School of Economics and Commerce, The University of Western Australia.
- Fforde, A. (2003) Decentralisation in Vietnam – Working Effectively at Provincial and Local Government Level- a Comparative Analysis of Long An and Quang Ngai Provinces. Report prepared for the Australian Agency of International Development. Hanoi: Ausaid
- Fritzen, S. (2002) The 'Foundation of Public Administration?'; Decentralisation and its Discontents in Transitional Vietnam, Paper presented to the Asia Conference on Governance in Asia, City University of Hong Kong, December 5-7
- Gaventa, J. (2005) 'Reflections of the Uses of the 'Power Cube' Approach for Analyzing the Spaces, Places and Dynamics of Civil Society Participation and Engagement', CFP Evaluation Series No 4.
- Government of Vietnam (2009) Decree additionally providing for land use planning, land prices, land recovery, compensation, support and resettlement (decree nr. 69/2009), Hanoi.
- Government of Vietnam/National Assembly (2003) Law on Land No. 13-2003-QH11; This Law regulates the administration and use of land. GoVN: Hanoi.
- Grindle, M. and J. Thomas (1989) 'Policy Makers, Policy Choices and Policy Outcomes: the Political Economy of Reform in Developing Countries', *Policy Sciences* 22, pp. 213-248.
- Grindle, M. and M.E. Hildebrand (1995) 'Building Sustainable Capacity in the Public Sector: What can be done?' *Public Administration and Development* 15, pp.441-463.
- Han, Sun Sheng and Kim Trang Vu (2008) 'Land Acquisition on Transitional Hanoi, Vietnam', in *Urban Studies*, 45(5&6), pp. 1097-1117.
- Hickey, S. & Mohan, G. (2005) 'Relocating participation within a radical politics of development'. *Development and Change* 36 (2), pp. 237-262
- Hyden, G., Court, J. and K. Mease (eds) (2004) Making Sense of Governance: Empirical Evidence from sixteen Developing Countries, Boulder, Colorado: Lynne Rienner Publishers.

- Japan Development Institute (JDI) (2010), The Study on the Development Plan of the Thakek-Vung Ang Gateway between Lao PDR and Vietnam (The New East-West Corridor for North-Eastern Thailand, Lao PDR, and Vietnam), Study Report. JDI Engineering and Consulting Firms Association.
- Kerkvliet, B.J. and Marr, D.G. (eds) (2004) *Beyond Hanoi: Local Government in Vietnam*, Singapore: Institute of SEA Studies ISEAS, and NIAS, Copenhagen.
- Kim, A.M. (2011) Talking Back; The role of Narrative in Vietnam's Recent Land Compensation Changes' in: *Urban Studies* 48(3), pp. 493-508).
- Long S. Le (2010) 'Anger on the Farm: The Displacement of Rural Vietnam', *Global Asia*, Vol. 5(1).
- Lê Du Phong (2007) Thu nhập, đời sống, việc làm của nông dân có đất bị thu hồi để xây dựng khu công nghiệp, khu đô thị, khu tái cơ cấu hộ nông kinh tế-xã hội và các công trình công cộng phục vụ lợi ích quốc gia [Income, living conditions, and occupation of villagers who have lost land due to the building of industrial zones, residential projects, and other published projects]. Hà Nội: Nhà xuất bản Chính trị Quốc gia.
- Listhaus, C, Adrien, M.H., and Perstinger, M. (1999), Capacity Development: Definitions, Issues and Implications for Planning, Monitoring and Evaluation, *Universalia Occasional Papers*, nr. 35; 21 pages.
- Malesky, E. (2004a) 'Push, Pull and Reinforcing: The Channels of FDI Influence on Provincial Governance in Vietnam', in: Kerkvliet, B.J. and D.G. Marr, (eds) *Beyond Hanoi: Local Government in Vietnam*, Singapore: Institute of SEA Studies ISEAS, and NIAS, Copenhagen, pp. 285-331.
- Mattingly, M. (2009) Making Land Work for the Losers: Policy Responses to the Urbanisation of Rural Livelihoods, in: *International Development Planning Review*, Vol. 31(1): 37-55.
- Pham Quang Minh (2004) 'Caught in the Middle: Local Cadres in Hai Duong Province', in: Kerkvliet, B.J. and D.G. Marr, (eds) *Beyond Hanoi: Local Government in Vietnam*, Singapore: Institute of SEA Studies ISEAS & NIAS Copenhagen, pp. 90-110.
- Phuong Nguyen-Hoang and Larry Schroeder (2010) 'An analysis of Quasi-Decentralised Budgeting in Vietnam', *International Journal of Public Administration* 33, pp. 698-709.
- Rakodi, C. (1999) 'A Capital Assets Framework for Analyzing Household Livelihood Strategies: Implication for Policy', *Development Policy Review* 17, pp. 315-342.
- Scott, S. (2003) 'Gender, Household Headship and Entitlements to Land: New Vulnerabilities in Vietnam's De-collectivization', in *Gender, Technology and Development*, 7(2) pp. 233-263.
- Turner, M. and Hulme, M. (1997) 'Decentralisation within the State: Good Theory but Poor Practice?' in: *Governance, Administration and Development*, London: McMillan, (pp. 151-173).
- UNDP-UNCDF-CIDA (2000) Institutionalising Participation: Lessons learnt and Implications for Strengthening Vietnam's National Programs, Hanoi: UNDP.

- Vietnam Government (1998/2003) Grass Roots Democracy Decrees (Decree 29/1998/ND-CP.
Decree 79/2003/ND-CP.
- Vietnam Government (2005) Vietnam, Managing Public Expenditure for Poverty Reduction and Growth, Hanoi: Socialist Republic Vietnam with Like Minded Donor Group.
- Vietnam Ministry of Agriculture and Rural Development (2001) An Uphill Voyage: the Village Development Budget and Decentralisation in Phu Tho Province, Northern Vietnam. Hanoi: MARD and Vietnam-Sweden Mountain Rural Development Programme.
- Vietnam Ministry of Planning and Investment (2005) Incorporating the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) into the local Socio-Economic Development Plan, Hanoi: Inter-sectoral Working Group on GPRGS implementation.
- Wescott, C.G. (2003) 'Hierarchies, Networks, and Local Government in Vietnam' in: *International Public Management Review*, Vol. 4-2.
- Wit, J. de (2011) Policy Brief on 'Tracing and Understanding the Welfare, Well-being and Livelihood.
- Choices of Farmers displaced by Land Recovery', written for UNDP with the Centre for Agricultural Policy CAP of the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), Hanoi: UNDP.
- Wit, Joop de (2007) Decentralization, Local Governance, and Community Participation in Vietnam. Research Report on missions in provinces of Vietnam as part of the VASS-ISS project Upgrading the Capacity of Local Authorities in Planning and Managing Social – Economic Development in Rural Vietnam.'
- World Bank, Denmark Embassy and Embassy of Sweden (2011) Recognising and reducing Corruption Risks in Land Management in Vietnam; a Reference Book, Hanoi: National Political Publishing House.
- World Bank (2011) Compulsory Land Acquisition and Voluntary Land Conversion in Vietnam; the Conceptual Approach, Land Valuation and Grievance Redress Mechanisms. Hanoi: The World Bank.
- World Bank (2009) Vietnam Development Report 2009: Capital Matters, Hanoi: World Bank, ADB and Consultative Group Meeting.
- World Bank (2005) East Asia Decentralises, Washington: IBRD and World Bank
- World Bank (2004) Governance, Vietnam Development report 2005, Hanoi: World Bank, ADB and Consultative Group Meeting.

APPENDICES

Annex 1: Background to Vung Ang Economic Zone

DECISION

APPROVING THE MASTER PLAN ON CONSTRUCTION OF VUNG
ANG ECONOMIC ZONE, HA TINH PROVINCE UP TO 2025

THE PRIME MINISTER

*Pursuant to the Law on Organization of the Government dated December 25, 2001;
Pursuant to the Construction Law dated November 26, 2003;
At the proposal of the Ministry of Construction in Document No. 41/TTr-BXD dated July 27,
2007, and the president of the People's Committee of Ha Tinh province in Document No. 106/TT-
UBND dated June 19, 2007,*

DECIDES:

Article 1. To approve the master plan on construction of Vung Ang economic zone, Ha Tinh province, up to 2025, with the following principal contents:

1. Nature

Vung Ang economic zone of Ha Tinh province has an independent economic space, is a multi-purpose economic zone of various sectors, including industries, trade, services, tourism, urban centers, agriculture, forestry and fisheries, in which the development of metallurgy industry, industries in association with the exploitation of seaports, labor-intensive industries and export-processing industries will be promoted.

2. Scope and boundary

a) Planning scope and land area

The zone embraces nine communes of Ky Anh district, Ha Tinh province, namely Ky Nam, Ky Phuong, Ky Loi, Ky Long, Ky Lien, Ky Thinh, Ky Trinh, Ky Ha and Ky Ninh, covering a land area of 22,781 hectares and bordering on:

Annex –II: The Formosa Group

Taiwan giant to raise capital in Vung Ang EZ

19:56 | 10/08/2010

Taiwan's Formosa Heavy Industry Group plans to raise its investment capital in its iron and steel complex and Son Duong deep-water port in the Vung Ang Economic Zone to US\$23 billion.

The group said last week it will build its first wharf in 36 months and an iron foundry and steel mill within 48 months.

In the first phase, the iron foundry and steel complex will have a combined output of 7.5 million tonnes a year, while the deep-water port will be able to handle 27-30 million tonnes of cargo.

The project's first phase has an investment capital of US\$8 billion, 95 percent of which has come from the Formosa group and the remainder from Sunscoc Holdings Co.

In the second phase, the iron and steel plant will lift its capacity to 15 million tonnes per year, while the Son Duong deep-water port will have a design discharge capacity of 55-60 million tonnes per year.

When completed, the iron and steel plant will be the largest in ASEAN and one of the 15 largest in the world.