

## Civil society should be consulted



Through strong economic growth Vietnam has reached lower middle-income country status, but the Government has to make more efforts to meet people's long-term needs. Poverty and environmental challenges such as worsening pollution, rising sea levels and increasing soil erosion need to be addressed, together with risk factors for corruption such as unequal access to information and officials' discretionary powers over land compensation. Civil society and independent experts must be involved in developing strategies to tackle the challenges of sustainable development.

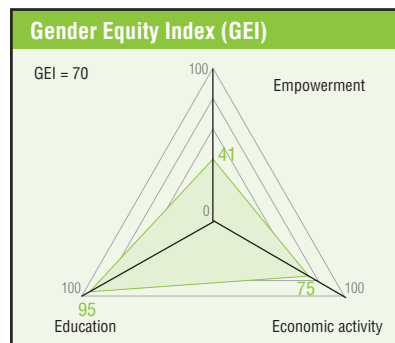
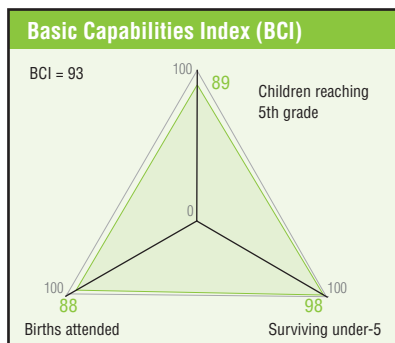
### VUFO-NGO Resource Centre

Vietnam has achieved an impressive rate of economic growth in the past 15 years. Real gross domestic product (GDP) grew on average by 7.3% a year from 1995 to 2005.<sup>1</sup> In 2009 in the aftermath of the global financial crisis Vietnam still registered a real GDP growth of 5.3% and has been one of the fastest-growing economies in East Asia and the Pacific.<sup>2</sup> Whether this development is sustainable, and how it is affecting the environment and the livelihoods of the current and future generations, are key questions for the nation.

Support for pro-poor economic growth has been widespread. Growth has brought relative prosperity to many after the years of war and post-war privation. However while mainstream development has reduced poverty it is also degrading the environment on which many poor people depend.<sup>3</sup>

In 2010 Vietnam reached lower middle-income country status. The 2009 gross national income (GNI) was USD 1,010, which put the country at the bottom end of the World Bank's middle-income range. While this is a notable achievement, there are concerns that Vietnam will not implement the further reforms needed for sustainable development.

There are concerns that this growth is creating new challenges, including increasing social inequality, inadequate services, more pollution and industrialization leading to the loss of agricultural land.<sup>4</sup> In addition, current policies do not support the modernization of the rural economy. Rural infrastructure and other services lag behind those provided to the cities.<sup>5</sup>



### Environmental impacts and climate change

The country's rapid economic growth is placing tremendous strains on the natural environment, but while legislation protecting the environment is strong, its implementation is often weak. As the population, economy and process of urbanization all grow, the main threats to the environment include overexploitation of forests, loss of arable land, water and air pollution, soil erosion due to unsustainable land practices, loss of biodiversity through – among other factors – poaching in national parks and environmental damage due to mining.<sup>6</sup>

There has been strong opposition to bauxite mining in Central Highlands due to concerns about environmental damage. There is concern about slurry reservoirs of alkaline sludge produced by two mines being constructed in the Lam Dong and Dak Nong provinces in this region, and that flooding or earthquakes could provoke toxic spills. These concerns were heightened when a reservoir at an iron ore mine in Cao Bang Province last year spilled untreated waste into 50 farms. Scientists and intellectuals signed a petition asking the Government to halt the projects to conduct further research.<sup>7</sup>

Vietnam's average temperature rose by about 0.5 - 0.7°C between 1958 and 2007 while the sea level rose by 20 cm.<sup>8</sup> Its long coastline makes the

country very vulnerable to the impact of climate change and rising sea levels, which are likely to affect the three pillars of sustainable development: economics, society and environment. Progress made in reducing the incidence of poverty – from 58% of the population in 1993 to 12.3% in 2009<sup>9</sup> – might not be sustained.

Vietnam is largely an agricultural country: 75% of its population live in rural areas, most of them making their living through small-scale farming, with little technical input, leaving them heavily dependent on the weather.<sup>10</sup> Any rise in temperature will have a huge impact on agricultural production. Poor rural communities have weak infrastructure and finances, making it harder for them to adapt to climate change. Global warming may also lead to more frequent and intense natural disasters such as typhoons, floods, droughts and saltwater intrusion.

The Government has developed extensive policies and programmes on climate change, but some policies do not have the legal backing that would facilitate implementation. There are no bodies to coordinate ministries, local governments and other public and private entities, nor are there effective ways of ensuring that all communities can participate in these programmes.<sup>11</sup>

In terms of the country's own impact on global warming Vietnam produces relatively low carbon

1 World Bank, *Vietnam Country Overview*, (June 2008), <[www.worldbank.org/vn](http://www.worldbank.org/vn)>.

2 D. Mishra, et al., *Taking Stock: An Update on Vietnam's Recent Economic Developments*, prepared by the World Bank for the Annual Consultative Group Meeting for Vietnam, (Hanoi: 8 December 2010), <[www.worldbank.org/vn](http://www.worldbank.org/vn)>.

3 S. Bass, et al., *Integrating Environment and Development in Viet Nam: Achievements, Challenges and Next Steps*, (London: IIED, and Hanoi: UNDP, March 2009), <[pubs.iied.org/pdfs/17505IIED.pdf](http://pubs.iied.org/pdfs/17505IIED.pdf)>.

4 VUFO-NGO Resource Centre, *International Non-Governmental Organizations' Statement for the Consultative Group Meeting*, (paper prepared for the Annual Consultative Group Meeting for Vietnam, Hanoi, 7-8 December, 2010), <[www.ngocentre.org.vn](http://www.ngocentre.org.vn)>.

5 C. Kirkpatrick, N. J. Freeman and K. N. B. Ninh, *Managing Risk and Attaining Equitable Growth*, (Hanoi: UNDP, 2010).

6 VUFO-NGO Resource Centre, op. cit.

7 Thanh Nien, *Bauxite Mining Projects Cost-effective: Official*, (7 November 2010); Thanh Nien, *Lawmakers Inspect Bauxite Sites, Call for Further Measures*, (12 November 2010), <[www.thanhniennews.com](http://www.thanhniennews.com)>.

8 Vietnam Aujour'hui, *Vietnam Makes Active Contribution to Fight Climate Change*, (5 September 2009), <[blog.vietnam-ajourdhui.info/post/2009/09/05/Vietnam-makes-active-contribution-to-fight-climate-change](http://blog.vietnam-ajourdhui.info/post/2009/09/05/Vietnam-makes-active-contribution-to-fight-climate-change)>.

9 AusAID, *Australia's Strategic Approach to Aid in Vietnam*, (December 2010), <[www.ausaid.gov.au/publications/pdf/strat-approach-vietnam-2010-15.pdf](http://www.ausaid.gov.au/publications/pdf/strat-approach-vietnam-2010-15.pdf)>.

10 World Bank, *Rural Development and Agriculture in Vietnam*, (February 2007), <[go.worldbank.org/O4CQBWJP00](http://go.worldbank.org/O4CQBWJP00)>.

11 ActionAid Vietnam, *Losses and Damages: Research on Climate Impacts on Poor Communities in Vietnam and Their Responses*, (Hanoi: 29 November 2010).

emissions. It is important that emissions are kept low as the country develops, rather than to try reducing them later. However, rapid economic development is increasing demand for energy and Vietnam is still building polluting coal-fired power stations.

Hydropower plants are a low-carbon energy source, and already account for 20% of energy consumption, but also demonstrate some of the difficulties faced in achieving sustainable development. In central Vietnam vast forests are being sacrificed to build these plants, and experts have warned that there will be serious environmental and social consequences.<sup>12</sup> Local media have repeatedly reported how residents displaced by power plant construction are struggling to live in sloppily constructed resettlement areas where they no longer have land for farming.<sup>13</sup> The Government has issued strict procedures for dams including environmental impact assessments, but some provincial administrations responsible for approving small and medium sized plants have breached these regulations.<sup>14</sup>

### Transparency and corruption

The lack of government transparency is a key obstacle to sustainable development. To give one important example, the nature of land rights including the extent to which they are perceived as predictable and secure, plays a key role in shaping economic options and livelihood strategies across society. Vietnam has progressed towards a sound legal framework for integrity and anti-corruption, but key risk factors in the system remain. Information on the issuing of land-use rights and asset ownership certificates is incomplete and hard to understand, the application process is complicated and the appeals process against perceived irregularities is often improper, slow and only partially transparent. In the process for land acquisition and allocation, corruption risks include unequal access to information and the potential for abuse of officials' discretionary powers over land compensation and the recording of land inventories.<sup>15</sup>

### Little space for civil society

Civil society's influence on government policy is limited. For the thousands of formal and informal organizations, the Government generally allows and even encourages daily activities, while retaining a detailed regulatory structure and making it clear

that it has control over the pace and direction of growth in activity.<sup>16</sup> International and local non-governmental organizations (NGOs) may be invited to make input into the development of policy. However, there is little advocacy for change in policies and legislation already in place, or opportunity to influence policies without first being invited by the Government.

Another restriction on local NGOs occurs through the detailed regulation of the use of funding from foreign donors, as set out in Decree 93/2009. Regulations govern how such money can be used, how its use is reported, and how it is monitored and regulated by government agencies. These guidelines have the effect of limiting funding from foreign donors to local NGOs because many will not have the capacity to comply with the regulations. Vietnamese companies have not yet assumed a corporate social responsibility role, and therefore are not an alternative source of funding for civil society. Therefore local NGOs lack funding sources and opportunities to be able to make much of a contribution to policies that affect sustainable development.

The voice of experts is also restricted. The Government's Decision 97/2009 limits the areas in which science- technology-, research-, and service-oriented organizations can operate by specifying what are considered legitimate areas of activity. Economic, public, governance and environmental policies are excluded.

All these restrictions have the effect of stifling, narrowing and hindering the input of civil society into sustainable development policies. In an increasingly complex economy the policy formulation process is too closed to be able to deal with challenges and solutions for equitable and sustainable development. The public debate that would help find those solutions is severely constrained, although people do raise their voices, and there is sometimes vocal opposition to projects that threaten the environment and people's livelihoods. The media is playing a role in throwing light on the Government's action - and inaction - and reporting on community opposition to environmental threats.

Bilateral donors, United Nations agencies and international NGOs have a responsibility to support Vietnam to move towards a more open relationship between the Government and civil society. However they have focused more on building government ca-

capacity and less on building the capacity of local NGOs and civil society and assistance is still needed for the country to implement institutional reform and policy renewal, and to pursue greater public transparency and accountability. Due to Vietnam's ascension to middle-income status some NGOs and donors are leaving despite these challenges.<sup>17</sup>

### Conclusion

Many voices and different approaches are needed to find solutions for equitable sustainable development in Vietnam's increasingly complex economy and society. A change in government attitude is needed in order to allow civil society and independent experts the space and capacity to contribute. The capacity of civil society needs to be strengthened, while technical and research institutions need more freedom to publicly comment on issues of public concern. Communities know about problems in their locality but often do not know how to report them: their capacity to monitor pollution or other obstacles to sustainable development needs to be improved. Governance standards and capacity building for local authorities also need to be enhanced.

Practical procedures are needed to integrate climate change adaptation into provincial and district development plans. Local authorities and civil society organizations in the community need to be involved in developing, implementing and monitoring mitigation and adaptation plans. Technical support at the local level for analyzing local vulnerability to climate change and how to plan adaptation and mitigation should be provided to provincial departments. More training for local people about climate change should be provided so that they can make the necessary changes in their communities. There should be easier access to bank loans, especially for those near the poverty line. This could make people's economic situation more sustainable, and less vulnerable to the effects of climate change.

The country needs mechanisms and legal procedures to encourage transparency. The Ministry of Natural Resources and Environment should be strengthened to enable it to better enforce existing environmental laws. Some NGOs are already working with local organizations, students and young people to build their capacity to monitor local administrative systems and on attracting the attention of the media to poverty and environmental issues.<sup>18</sup> ■

12 Thanh Nien, *Dammed and Damned*, (3 November 2009), <[www.thanhniennews.com/2009/Pages/2009113124411053447.aspx](http://www.thanhniennews.com/2009/Pages/2009113124411053447.aspx)>.

13 Ibid.

14 Ibid.

15 World Bank, *Recognizing and Reducing Corruption Risks in Land Management in Vietnam*, (Hanoi: National Political Publishing House – Su That, 2011).

16 M. Sidel, "Maintaining Firm Control: Recent Developments in Nonprofit Law and Regulation in Vietnam," in *The International Journal of Not-for-Profit Law*, Volume 12(3), (May 2010), <[www.icnl.org/knowledge/ijnl/vol12iss3/art\\_1.htm](http://www.icnl.org/knowledge/ijnl/vol12iss3/art_1.htm)>.

17 VUFO-NGO Resource Centre, op. cit.

18 ActionAid Vietnam, op. cit.