

THE CHANGING ROLES OF THE STATE IN SHRIMP FARMING GOVERNANCE IN THE MEKONG DELTA, VIETNAM

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SUMMARY

The paper highlights two key transformations in the governance of Vietnamese shrimp aquaculture in the Mekong Delta and the changing roles of the state in the context of emergent concerns about environmental and social impacts of shrimp farming in the tropics. The first transformation is an extended period of growth and expansion and top-down approach to regulation of this sector. The second transformation is also in response to market demands but is directed to the emergent ‘quality’ concerns about the environmental and social impacts of shrimp farming. Our results indicate that this second governance shift has created a new set of challenges for the Vietnamese government, which, within the context of global market, is now promoting regulation of environmental quality through third-party certification as a market-based and farmer cluster practices as community-based mechanisms. To overcome these challenges, the Vietnamese government should change itself from a *regulator* to a *facilitator* of global governance arrangements, especially as farmers and global market actors are engaged in transnational regulatory networks operationalized at local scales.

Keywords: Aquaculture policy, governance, Mekong Delta, shrimp farming, third-party certification, Vietnam.

I. INTRODUCTION

Governance has emerged as a buzzword in political science, public administration, political geography and human ecology during the past decade. It refers to a paradigm shift in the way that postmodern societies steer decision-making (Buizer et al., 2011). Government is often depicted as an “old” institution tied to hierarchical arrangements of decision making with power concentrated at the national level. In contrast, governance breaks these hierarchies and views decision making as a function of networked forms of collaboration through public - private partnerships or less hierarchical arrangements within and/or beyond the nation state. From an environmental perspective, this shift to governance is seen as positive because the structure of the state, which is traditionally oriented to the (re) distribution of welfare, is not well suited to address new social-ecological challenges, let alone more expansive notions of resilience (Adger et al., 2003).

The Mekong Delta is one of seven ecological regions in Vietnam and is an essential habitat within the Mekong River Basin. The region consists of 13 provinces from Long An to Ca Mau and along the west coast to Kien Giang and contributes the largest volume and value of Vietnam’s aquaculture production. The region is also the biggest shrimp producer, accounting for from 73% to more than 81% of the shrimp production in the country. The annual growth rate for aquaculture in the region has been estimated at more than 10% compared to about 6% for the entire country. The development of shrimp farming in the Mekong Delta has created an important source of regional and national income that has given the region the highest economic growth rate in the country at 14%, compared to an average national economic growth of 9% (Vietnam Association of Seafood Exporters and Producers, 2011).

The industry’s greater exposure to international markets has brought economic benefits to producers but has also increased

producers' vulnerability as trade and emerging trade-related policies have generated economic risks and uncertainties. Moreover, the increasing emphasis on new qualities of shrimp production through trade, including both production and environmental aspects of shrimp aquaculture, also influence Vietnamese producers' capacity to achieve sustainable production. All of these risks and uncertainties are related to the overall social-ecological resilience of coastal areas such as the Mekong Delta, where shrimp aquaculture is one of the most important economic activities. While some researchers have correctly observed that the most dramatic period of shrimp production was during the boom decade of the 1990s (Hall, 2004), it has demonstrated that even in a consolidation phase, such as occurred in Vietnam, the sector continues to face a combination of chronic and acute trade and production risks (Ha, 2012).

As shrimp farmers in the Mekong Delta are increasingly embedded in a global system of markets and governance arrangements, the control and management over their resources has therefore also expanded to include networks of state and non-state actors on multiple spatial and political scales, from local to global (Bush and Oosterveer, 2007). The paper investigate the interaction between existing state and non-state actors and institutions and assess the changing roles of the state in the context of shrimp farming governance in the Mekong Delta, Vietnam.

II. METHODOLOGY

The research based on 11 fieldtrips from 2008 to 2011 in Ca Mau and Bac Lieu provinces. Several methods for primary data and information gathering were used as: (i) Semi-structured interviews were used to gain an in-depth understanding of different aspects of the field surveys. The interviewees were

farmers, local officers from the commune and provincial levels, traders, collectors, processing companies, government officers and Non-governmental organization (NGOs) staff; (ii) Focus Group Discussion (FGDs) among key informants and representatives of local institutions facilitated discussion by using open-ended questions. The technique allows the group the opportunity to explain issues in more detail and to clarify common understandings among different stakeholders; (iii) Informal talks were also used to confirm and complement information collected by other methods.

Secondary data and information on the issues related to shrimp farming and production and forest management in integrated shrimp-mangrove areas were collected from government offices at the district and provincial levels, Ministry of Agriculture and Rural Development (MARD), the Aquaculture Department and the General Statistical Office (GSO) in the form of printed documents, websites and other sources.

III. RESULTS AND DISCUSSION

3.1. The transformations of Vietnamese shrimp farming governance

The transformations of Vietnamese shrimp farming governance evident present a complex balancing act between externally imposed global market demands and consumer concerns with respect to the environmental and social performance of tropical shrimp production and the Vietnamese government's interest in maintaining sovereign control over the shrimp industry and fostering export-led economic growth. As external interests through markets and networks become more prevalent in Vietnam, the government finds itself as a key but also more equal partner with private companies and NGOs.

The government has repositioned itself in

two parallel processes of government-to-governance shifts. The first transformation, beginning in the 1990s, has been a process internal to Vietnam by means of responding to

external interests by reorienting land-use and biodiversity policies as well establishing state-led Better Management Practices (BMPs).

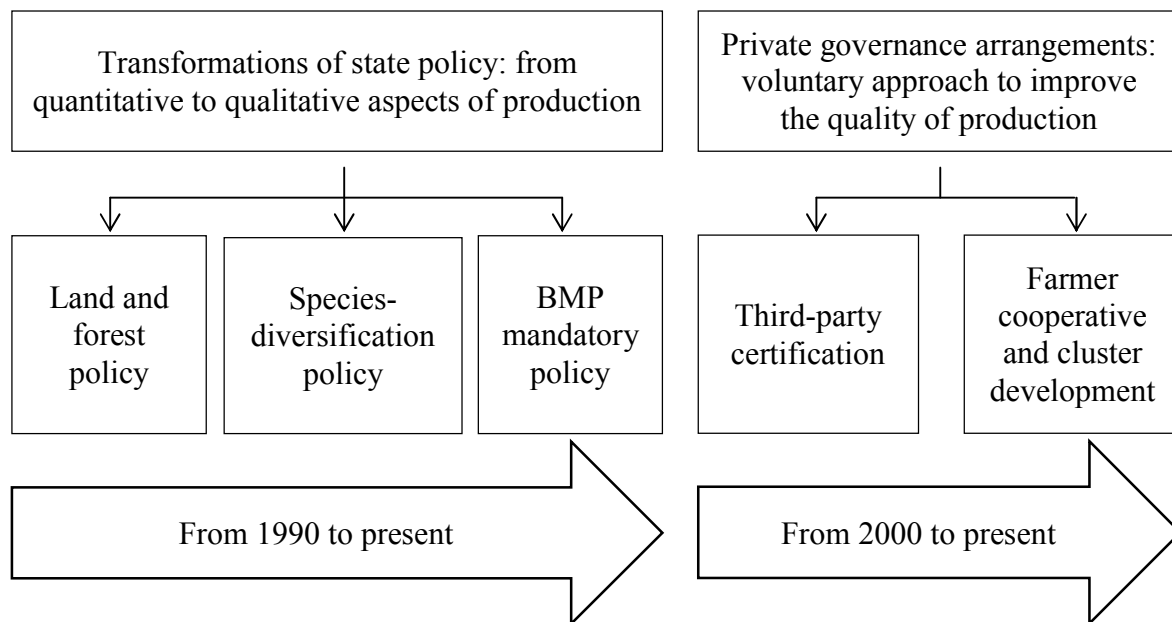


Figure 1. The transformation of shrimp farming governance in the Mekong Delta

3.1.1. The transformation of state policy: From quantitative to qualitative

(1) *Land use policy:* The Aquaculture Development Program, approved by the Government in 1999, was one of the documents that strongly influenced the development of shrimp farming in Vietnam, especially in the Mekong Delta. The overall goal of the plan was to increase the country’s aquaculture production to two million tons and the export value to US\$2.5 billion in 2010. To reach this goal, the government launched two important policies. The first allowed farmers to convert low-producing rice fields, uncultivated areas and saltpans into ponds for aquaculture. The second policy focused on financial support to poor farmers without collateral.

(2) *Species diversification policy:* In 2008, government policy has actively sought to minimize the industry’s exposure to market fluctuations by diversifying to Pacific white

leg shrimp, thereby responding to changing market demands and further intensifying production. However, despite these interventions by the Vietnamese government, the main force behind shrimp production in the Delta has clearly been the market, driving both the uncontrolled growth in the late 1990s and species diversification when the demand fell for high-priced black tiger shrimp in the financial crisis of 2008 (VASEP, 2011).

(3) *BMP mandatory implementation policy:* The new frontier of market control now appears to be the governance of more qualitative aspects of production, as demonstrated by the rise in market-based food quality and safety standards in the 2000s. In recent years, the government has played an important role in promoting quality control in seafood products, from primary production to distribution, with a large number of directives and regulations related to fisheries’ safety and

hygiene, environmental protection, antibiotics, and veterinary and medical use in aquaculture. Better Management Practices (BMPs) standards aim to provide a set of practical norms that can be applied by small-scale farms as well as aquaculture clusters/zones with inadequate infrastructure conditions. They aim to ensure food safety, minimize the incidence of disease and reduce environmental pollution.

3.1.2. Voluntary approach to improve the quality of production

The second transformation, beginning in early 2000s, has been the emergence of voluntary standards (under the framework of third-party certification) and, even more recently, externally led attempts to revive cooperative production as a means to enable producers to better comply with these standards.

(1) *Naturland organic shrimp certification*: Whereas the situation of implementing BMP illustrates the government's concerns about emerging international conventions for sustainable aquaculture, **Naturland** organic shrimp certification in Ca Mau province provides a good example of the government's adoption and adaptation of private international standards and the influence of global consumerism. In 2001, the Vietnam Association of Seafood Exporters and Producers (VASEP), in cooperation with the Ca Mau Department of Fisheries, took advantage of this program to build the country's first organic shrimp farming model. The program was joined by the Institute for Marketecology (IMO), a specialist in quality assurance of eco-friendly products that remains the principle auditor for **Naturland** in Vietnam, and the Ca Mau Frozen Seafood Processing Import Export Corporation (CAMIMEX) as the retailer of this organic shrimp product.

(2) *Cooperative development policy and farmer cluster management practices*: With the

goal of developing and improving the efficiency of the cooperative economy, the government launched a support program to promote the development of cooperatives and other forms of cooperative economy. Taking into account the dependence of the shrimp aquaculture on hundreds of thousands of small-scale shrimp producers in Vietnam, cooperative development has been widely recognized as a possible solution to increase the collective and individual competitiveness of the industry. There is also growing attention to the potential of these cooperative structures to foster collective improvements in shrimp farming practices, such as water use and sanitation, shrimp seed quality management, and feed provisioning, all of which (the government and international organizations hope) will improve traceability practices for entry to international markets.

3.2. The changing roles of the state in shrimp farming governance

The implication of these governance shifts for the Vietnamese government is that decision making at the farm or local level is no longer subject to state policy alone but is also contingent upon a range of external influences. This point evokes a central governance dilemma faced by most economies in transition that are engaged in high-value production such as shrimp aquaculture. On the one hand, the domestic shrimp industry is embedded in a global system of production, thereby creating local employment and income. On the other hand, this arrangement exposes producers to high risks in international markets, thereby driving the degradation of coastal ecosystems. However, if governments such as Vietnam's are able to effectively shift their role from that of governor to that of facilitator, market pressures can be put to effective use.

Table 1. Challenges of governance arrangements and (potential) roles of the state

Main challenges of governance arrangements	(Potential) roles of the state
1. Organic shrimp certification	
1.1. Involvement of shrimp farmers as partners rather than targets of regulations.	1.1. Establishing national standards in accordance with international (organic) standards.
1.2. Unfair premium-sharing mechanism for certified farmers.	1.2. Facilitating negotiations between farmers and processing companies/other actors.
1.3. The legitimacy and credibility of private auditing systems.	1.3. Monitoring and steering private auditing systems.
2. Shrimp-farmer clusters	
2.1. Externally induced formation of shrimp-farmer clusters without regard for farmers' needs and abilities.	2.1. Providing clusters with support and infrastructure for development.
2.2. Ability to establish vertical contractualisation between clusters and actors along the value chain.	2.2. Creating a legal framework to help private actors to play their roles in extension and credit services.
2.3. Ability to generate economic benefits from cluster formation.	2.3. Better enforcement of legislation with respect to contract arrangements along the value chain.
2.4. Ability to ensure the long-term operation of farmer clusters.	2.4. Supporting the incorporation of BMPs in contract farming.
	2.5. Providing management knowledge and skills to clusters
3. State mangrove forest policy and management	
3.1. Perception that forest allocation to households will lead to mangrove clearance for shrimp farming.	3.1. Considering integrated shrimp-mangrove systems as the best practice for the management of mangroves in coastal areas.
3.2. Unfair implementation of the forest benefit sharing policy by state forestry companies and forest management boards	3.2. Hastening the devolution of forest management in coastal areas.
	3.3. Applying an inter-sectoral approach to the management of shrimp farms at the local level.

Based on international concerns over product quality and strategies to secure future market access, market-based or value-chain approaches can lead to a shift from 'internal' state economic policy to the constructive use of 'external' forces to incorporate social and environmental qualitative aspects of production (Ha et al, 2012). In Vietnam, the concerted effort to combine both quantitative and qualitative production goals under the new export-led economy offers a positive means of complementing the regulatory role of the state with the power of the market. This shift has led to new questions beyond the state-community

dialectic that focuses on how new governance arrangements can balance quantitative and qualitative production goals defined and enacted through actors located in private and market-based institutions.

The Vietnamese government has already demonstrated its engagement with actors further down the value chain by promoting cooperative forms of production in an attempt to facilitate better inclusion of these actors in global markets. The policy of promoting cooperatives and clusters for aquaculture has been developed and implemented in partnership with international NGOs such as

Network of Aquaculture Centres in Asia-Pacific (NACA) and World Wild Fund for Nature (WWF), the results indicate there is a need for further internal reform. Cooperatives can only remain in business when their performance improves in terms of production volumes and marketing activities as well as product quality and safety (Francesconi, 2007). For aquaculture cooperatives to be a sustainable venture for producers, they must move beyond facilitating horizontal relations between producers to address vertical (contract) relations with processors and compliance with private 'voluntary' environmental and quality standards. A key lesson learnt from this research is that vertical relations are imperative for enabling farmers to organize into clusters or cooperatives and that both horizontal and vertical relations are needed to ensure that changes in production—towards sustainability—are in the common interest of producers and processors alike.

Given wider observations that improved quality, with or without certification schemes, leads to increased control and more integrated governance arrangements, such as long-term contracts (Ruben et al., 2007), the Vietnamese government policy should better incorporate state-led BMPs or other international standards. In doing so, the most effective role of the state would be to build the capacity of cooperatives and clusters to manage the implementation of standards, including training programs for farmers to employ sustainable practices. However, this admonishment includes a proviso around the BMP standards. For these state-led standards to be effective, they must provide a market incentive, which they do not currently given their lack of recognition in export markets. Clustering as a means of upgrading will therefore only be effective if these national standards gain recognition in the global value

chain and/or are built into the contract terms of processing companies (Ha et al, 2013). Moreover, more effective cooperation between state and non-state extension services may be an important means of spreading technologies, thereby assisting farmers to comply with BMPs.

The devolution of forest management is also a key transformation of government policy. The study's results demonstrate that when the government allocates and subcontracts mangroves to households using long-term contracts, farmers respond with greater stewardship over the mangroves even when shrimp is their primary source of income. The case also shows that governance over shrimp production should be placed in the wider context of governance of coastal areas, especially with regard to mangrove policy and management. The results also demonstrate that the role of shrimp farmers in the planting and protection of mangroves should be reassessed. In practice, an integrated management scheme from the government should place more emphasis on the potential of the integrated shrimp-mangrove farming system given that the production model appears to provide a more sustainable shrimp farming system in terms of both its ecological function and income generation for farmers in forest areas. The devolution of forest management must therefore be hastened in the coastal areas in the Mekong Delta with a better implementation of a benefit-sharing policy to provide reasonable incentives for shrimp farmers to plant and protect mangroves.

IV. CONCLUSION

This study has shown that all of the cases of shrimp-farming governance appear to have overcome the public-private divide by fostering complex regulatory networks. In this context, the Vietnamese government is embarking on a new era of *Đổi mới*, or renovation, the nature of both transformations

further supports the claim that the Vietnamese government should continue to position itself as a *facilitator* of global private governance arrangements, especially as farmers and global market actors are engaged in transnational regulatory networks operating at local scales. Moreover, the state needs to increase the market incentives to foster farmers' participation in and compliance with these transnational regulatory networks.

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THAY ĐỔI VAI TRÒ CỦA NHÀ NƯỚC TRONG QUẢN TRỊ NUÔI TÔM Ở ĐỒNG BẰNG SÔNG CỬU LONG, VIỆT NAM

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TÓM TẮT

Bài báo đã làm sáng tỏ hai sự dịch chuyển trong quản trị nuôi tôm ở Đồng bằng sông Cửu Long, Việt Nam và sự thay đổi vai trò của nhà nước trong bối cảnh các mối quan tâm về tác động môi trường và xã hội của nuôi tôm ở các nước nhiệt đới ngày càng gia tăng. Sự dịch chuyển thứ nhất là giai đoạn mở rộng và tăng trưởng với cách tiếp cận từ trên xuống trong việc quản lý nuôi tôm. Sự dịch chuyển thứ hai là giai đoạn đáp ứng nhu cầu của thị trường với mối quan tâm về *chất lượng* của các tác động môi trường và xã hội trong nuôi tôm. Kết quả nghiên cứu chỉ ra rằng sự dịch chuyển thứ hai này đã tạo ra những thách thức đối với chính phủ trong bối cảnh thị trường quốc tế đang rất ủng hộ việc điều tiết chất lượng môi trường thông qua chứng chỉ bên thứ ba như một cơ chế quản trị dựa vào thị trường; và vai trò của tổ hợp tác như một cơ chế quản trị dựa vào cộng đồng. Để vượt qua được các thách thức này, nhà nước cần thay đổi vai trò từ chủ thể *điều tiết* thành chủ thể *thúc đẩy* trong cơ chế quản trị toàn cầu này, đặc biệt khi nông dân và các chủ thể thị trường quốc tế gắn kết với nhau trong một mạng lưới điều tiết liên quốc gia nhưng thực thi ở cấp độ địa phương.

Từ khóa: Chính sách nuôi trồng thủy sản, chứng chỉ bên thứ ba, Đồng bằng sông Cửu Long, nuôi tôm, quản trị, Việt Nam.

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