

# **Vietnam's Mekong Delta Before the Floods**

## **Climate adaptation policy and farmer livelihoods**

### **Summary**

This study aims to assess the current position of small-scale farmers in the volatile context of Vietnam's Mekong Delta. They are affected by what may be called "a triple challenge" of climate change, the adverse impacts of climate adaptation policies, and market-induced capitalist expansion in Vietnam's agriculture. Despite on-going adaptation efforts, Vietnam experiences unpredictable drought and precipitation, rises in sea level and temperatures, and mounting threats to agriculture and food security. Ca Mau Province, the area under investigation, would be most in danger if sea levels were to rise by one meter by 2100, according to the latest worst-case scenario in Vietnam's Sea Level Rise Scenarios Report.

Over the last two decades, the Government of Vietnam has aimed to turn the challenge of climate change into an opportunity by aligning adaptation financial aid and loans with economic development goals for the delta. When it comes to adaptation policies in Vietnam, recent studies suggest that expensive solutions focused on infrastructure development have largely proven ineffective in addressing locally emerging problems. In many cases, numerous dykes, sluices and seawalls have fuelled perceptible stressors on the local environment and livelihoods in the fertile yet fragile Mekong Delta. Such adaptation policies were mostly funded by foreign development partners through Hanoi-based ministries and think tanks. Besides, the post-Đổi Mới market-infused liberal reforms since 1986 have resulted in the rise of capitalist, for-profit entrepreneurship in agriculture today. In this dynamic and fast-changing context, foreign-owned export processing factories, agricultural conglomerates, land-wealthy farmers, middlemen and land speculators, among other capitalist actors, have emerged, reshaping and influencing rural realities and politics across the Mekong Delta.

The Mekong Delta currently stands at a crossroads. On the one hand, ambitious adaptation policies have come in tandem with both economic achievements in terms of huge infrastructure investment and agricultural development as one of the world's leading rice exporting regions. On the other hand, the centralised policies are threatening local environmental sustainability and social equity. Against this backdrop, this study poses crucial inquiries regarding the design and execution of climate change adaptation policies within Vietnam's state-led policy-making mechanisms. It examines the impact of these policies on small-scale farmers in the Mekong Delta and explores the available options for them to address the challenges posed by climate change.

### **Research Approach and Methodology**

This research employs a multi-dimensional analytical framework consisting of four interrelated conceptual elements. These frames are critical for assessing the climate adaptation policy cycles and related impacts on farmer livelihoods. The concepts and perspectives include (i) multi-level and multi-actor governance and decentralisation in climate change, (ii) the politics of policy making, (iii) capacity and informality, and (iv) sustainable livelihood perspectives. In combination, these have proved useful for exploring Vietnamese policy-making processes and institutions in climate change governance within which farmer livelihoods and numerous policy actors at different levels operate. They provided insights into how the wider environment, i.e. policy cycles and institutions — both formal and informal — influence farmers' livelihood capitals, and how livelihoods are structured by power and politics. It facilitated an understanding of how informal practices, e.g. corruption and patronage, relate to issues of power in livelihood studies. The research findings demonstrate that this comprehensive framework was instrumental to understand processes, trends and everyday realities of livelihoods and complex policies in dynamic and fast-changing multi-level governance processes.

The study is based on a mixed methodology and analyses data collected from secondary sources, household surveys (n = 638), in-depth interviews and focus group discussions (n = 27), and field observation in four communes across Tran Van Thoi District, one of the largest rural districts of Ca Mau Province. The quantitative data were analysed to identify the prevalence of five critical livelihood capitals and to trace the ups and downs of different groups of farmers before and after the implementation of adaptation policies. This allowed for tracing their current positions in a fast-evolving market agriculture, and to offer projections for their future. The assumption is that the more balanced the distribution of livelihood capitals over the various categories is, the more sustainable and enriching will be the livelihood of a farmer.

### **The Vietnamese Approach to Climate Adaptation**

In Vietnam, the construction of structures such as dykes, sluices and seawalls dominates national discourses on climate change adaptation. Proposed legislative measures, such as the Government's Resolution 120, support nature-based adaptation projects. But think tanks and ministries in Hanoi have consistently shown a preference towards intervening in water-related issues, which has resulted in the current overemphasis on infrastructure-oriented fixes. Their discourse of water problems and almost exclusive focus on pro-dyke solutions has been justified and endorsed by food security, climate hazards, and generous support from pro-infrastructure development partner governments and other funders. The Japan International Cooperation Agency, the World Bank, the Asian Development Bank and the French Development Agency, to name but a few, have been among the leading donors in infrastructure-driven climate adaptation projects in the delta over the last decades.

Such a problem description, agenda-setting and policy-design process in Hanoi, resulted in the transmission and transformation of policies through what some refer to as a "deconcentration process" — a weak form of decentralisation — down to the administrative levels of provinces, districts, and communes. As the problem definition and policy design

stages are state-led, local stakeholders and actors, including experts, farmers and non-governmental organisations (NGOs) are not substantially consulted. In this hierarchical multi-level climate governance model, provincial governments have merely served as implementers or supporters with limited influence on decision-making and finance. Mass organisations and state media were shown to be important as they work to mobilise public support for the government's choice of problems and solutions. Many more non-state actors and agencies, such as foreign donors and private firms, have participated and had influence in national and local climate policy cycles to varying degrees. The complex and intricate system of multi-level and multi-actor governance of climate change prompts an inquiry into the capabilities of both central and local governments in policy making.

This study suggests that several factors combine to undermine the implementation of appropriate and sustainable national adaptation policies at the local level. These factors include large gaps between national decision makers and local people; the operation of formal and informal power dynamics; weak organisational capacity; non-transparent state budgets for implementation (financial decentralisation); and institutional inertia.

The identified weaknesses and issues corroborate numerous studies indicating that Vietnam's top-down approach to adaptation policies has been less than effective. Independent reports and recent studies underscore the lack of thorough reflection and serious evaluation of all investments made, which could provide valuable lessons for policy reforms and improved decision making. Critical voices argue that there is little, if any, serious attention to the voices, views and advice of local experts and farmers, especially small-scale farmers who are most at risk. It appears that policy adjustments — if any — are slow, partly because officials are reluctant to criticise or voice discontent about government policies or because other political priorities are imposed by higher officials. So, by and large, there is not much learning of policy outcomes or mistakes, and accordingly, policy adjustment seems rare.

### **Impacts of Dyke Policies on Different Farmer Groups in the Mekong Delta**

The post-Đổi Mới liberalisation reforms allowed for market-infused land law reforms, and resulted in industrialisation, urbanisation and foreign-backed development projects which reshaped the delta fundamentally. This study argues that such dynamics resulted in a gradual emergence of three distinct farmer groups — rich farmers, small-scale poor farmers, and innovative farmers — which are growing apart in dynamics of increasing polarisation.

The country's market-oriented agricultural transition knows losers and winners. It is the group of over 2.6 million small-scale farmers in the Mekong Delta, including 1.5 million rice farmers, that remains heavily dependent on locally available natural assets and family labour to struggle for daily incomes mostly from monoculture farms. They are mostly poor and often inhabit rural communes with less favourable agro-climatic conditions and limited access to agricultural extension services, credit and markets. Such relative isolation sustains their heavy reliance on traditional farming practices, superstition and orally transmitted experiences. In terms of livelihood capitals, their physical capital was somehow increased

and outweighed other capitals thanks to better accessibility to dyke-induced infrastructure. Yet, this capital has no clear linkages to other capitals which have been reduced or undermined after the construction of dykes and sluices. Meanwhile, evidence shows that the damming of rivers caused environmental degradation and undermined farmers' natural capital as their access to natural assets, e.g. natural water flows and ecosystem services, is no longer possible. When these unexpected impacts meet with climate change effects, such as droughts and tidal flooding, a double crisis may be the result.

While the small-scale poor farmers bear the brunt of the double menace of climate change and adverse impacts of dyke policies, the impacts of a liberal capitalist encroachment in the rural economy is looming large. A clear manifestation of stagnation for small-scale farmer households can be observed in the out-migration of 1.7 million cash-strapped farmers who have failed to sustain their farms and have been unable to compete with land-wealthy farmers and market actors. Poor farmers lack necessary capacities, essential resources, and useful connections. Small-scale farmers are generally not well organised. Limited financial, social, political and human capitals, coupled with a persistent lack of self-confidence and an obsession to avoid risks, restrain their scope to deal effectively with such challenges. Yet, mass organisations, such as the Farmers' Association and Women's Union, which could be potentially valuable for them, were found to align closely with the policies of the Party-State, limiting their effectiveness.

What seems to be a failure to small-scale poor farmers may be a success to rich farmers in communes scattered with dykes and sluices. Findings here confirm the views of many well-informed academics and independent experts that rich farmers, who control the right bundles of resources while controlling relatively larger capitals, stand to benefit most from the agricultural liberalisation reforms and dyke policies. A majority was shown to make use of the dykes, sluices and rural infrastructure development to successfully advance their livelihoods by investing in highly profitable agricultural practices — mostly reliant on ample chemical inputs — and off-farm businesses. In terms of power, this study confirmed that increased financial and other capitals may make it possible and attractive for such farmers to advance their political connections and become active politically, for example by seeking positions in local politics. Additionally, recent land law reforms allow rich farmers to buy and annex more land to become “big farm owners” across the Mekong Delta. The out-migration of small-scale farmers has been an advantage for the rich farmers, land speculators and capitalist investors who see property investment as a source of wealth. Obviously, the dyke-driven agricultural transition has not quite led to a level playing field in which every class has a fair and equal chance of upward mobility.

Several small-scale farmers, often lacking formal education or significant wealth, demonstrated the ability to capitalise on opportunities presented in evolving rural settings. With support from entities like universities and NGOs, they made significant strides forward. This small yet apparently steadily emerging group of farmers was shown to be enterprising and innovative. Their human capital outpaced other capitals, emerging as the primary pillar supporting these innovative farmers' livelihoods in the dyke era. Their

enduring efforts and adaptation initiatives to cope with climate change and dykes in their own ways did pay off, resulting in more balanced and improved livelihood capitals. Here, the factor of political capital, which is often neglected in livelihood studies, was shown to be important: the surveyed innovative farmers understood the usefulness of political connections and sought to mainstream their voices in local policy arenas through elective cadre status, innovative networks, and local knowledge production. Despite the overall gloomy prospects for most small-scale farmers, the findings about this dynamic group suggest that the potential and scope for innovative, more sustainable and nature-based farming practices combined with enhanced power positions can be a cause for optimism. It is suggested that a key focus in future research may target this group of farmers, further tracing the factors that set them apart from both poorer and richer ones. Even while fundamental policy reforms are called for, it appears that change for ordinary farmers remains possible.

The differential and disproportionate impacts of dyke policies on the livelihoods of rich, innovative, and small-scale poor farmers point at an increased polarisation of incomes and assets that, unfortunately, seems to have taken root in rural Vietnam more generally. This study established that market-infused agricultural reforms to date have enabled rich(er) farmers and other capitalist investors to become stronger as they control more capitals and connections. Wealth hasn't "trickled down" to the poor farmer classes as it is hoped for in some poverty reduction strategies. Rather, we appear to see the rich becoming richer and the poor becoming poorer.

It would be advisable for pro-dyke policy makers and donor agencies to actively consider and engage with opposing and critical perspectives, thereby opening up opportunities for alternative approaches, such as integrating nature-based and more sustainable methods alongside dyke-based options. This may bring along positive benefits for local ecology and small-scale farmer livelihoods, and likely reduce long-term financial and management burdens for maintaining and repairing all the dykes, sluices and other infrastructure projects.