
Vietnam: Shrimps, mangroves and the World Bank

Governments in Southeast Asia have promoted shrimp farming as a means to earning foreign exchange. The beneficiaries of this expansion are private companies such as the Thai agribusiness company, Charoen Pokphand. In Thailand, the World Bank, the Asian Development Bank, Charoen Pokphand and the Thai government worked together to set the scene for expanding the shrimp industry. Companies setting up shrimp farming operations in Thailand were offered generous subsidies including tax breaks, tariff-free imports, tax holidays and export credits.

During the 1990s, Charoen Pokphand expanded its operations to Vietnam. In 1993 Charoen Pokphand exported shrimp from Vietnam worth US\$96 million --about 40 per cent of Vietnam's shrimp sales that year. Charoen Pokphand also operates shrimp-feed plants in Vietnam.

In the last 40 years, the area of mangrove forest in Vietnam has shrunk dramatically. For example, in the province of Ca Mau at the southernmost tip of Vietnam, an area of 60,000 hectares of mangrove forest was lost between 1983 and 1992. Causes include defoliation during the American war, logging, expansion of rice farming as a consequence of government agricultural policies, and influx of people, especially in Ca Mau province. In the last decade, government-promoted shrimp farming has increasingly become a major cause of mangrove loss. The role of mangrove forests in providing thatching for roofs, firewood, charcoal, medicinal plants and honey, as well as mangrove's role in protecting the coastline, has been lost in many places.

Shrimp farming tends to be a short term activity. Many farmers moving into shrimp farming without sufficient technical skill or money for the necessary infrastructure have found the land is useless after as little as three years. Shrimp farming is also at risk from disease. In 1994-95, a virus wiped out almost the entire shrimp harvest in Vietnam.

Although in Vietnam most shrimp farming is extensive, the Ministry of Planning and Investment has recommended intensifying production. Intensive shrimp farming uses antibiotics and chemical additives to increase production. Eventually the shrimp ponds and surrounding water systems are so poisoned that the land can only be abandoned.

Two years ago, a project funded by the World Bank and Dannida (the Danish government aid agency) started in mangrove areas of four provinces in the Mekong Delta. Titled the Coastal Wetlands Protection and Development project, the six-year project will involve a 470 kilometre-long stretch of coastline.

One of the studies produced for the project notes, "many occupants appear to be well aware of the need for reforestation as illustrated by individual and voluntary tree planting activities which can be observed at various locations." Yet, under the project, more than two thousand families are to be evicted so that mangrove trees can be planted. The people to be moved are not only shrimp farmers but include farmers, forestry workers, salt producers, tailors, mechanics, handicraft producers, shopkeepers, fishers, and labourers.

Many of these people were encouraged to move to the area by local authorities, to grow shrimp or as forestry workers. The Bank's Resettlement Action Plan argues that the project will improve villagers' livelihoods through "community development support, including social infrastructure and services (health, household water supply and primary education)".

Rather than examining the role of government policy in promoting shrimp farming, Ronald Zweig, the World Bank task manager for the project, puts the blame for mangrove loss on villagers. Zweig says, "The rural poor in the project area have had few income-generating opportunities other than exploiting coastal forest resources to the point where the benefits from them have seriously eroded."

Of course, the US\$31.8 million World Bank loan for the project will have to be repaid. To do this the Vietnamese government will require foreign exchange. To raise this the government will promote the export of cash crops --such as shrimp. In February 2001, Vietnam's aquaculture industry announced a five-year plan, a key aim of which is to increase the area of shrimp farming in the country from 226,000 hectares to 330,000 hectares. Deputy Minister for Fisheries, Nguyen Viet Thang, promised governmental financial assistance for shrimp farms of over 100 hectares.

The loss of Vietnam's mangrove forests is a complex issue. To blame the farmers who are clearing mangroves whilst ignoring government policy and an expanding aquaculture industry is to blame the victims. In the context of ever increasing shrimp exports, simply moving villagers and planting mangrove trees is unlikely to solve the problem.