



**Working Paper  
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**Tracing the Welfare and Livelihood Choices of Farm  
Households following Displacement through Land  
Recovery in Vietnam**

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## **Abstract**

Over the last two decades, an estimated 4 million people in Vietnam have been affected or had their lives disrupted by the loss of or the forced eviction from their land or through land conversion where the state decided that it was to be used for other purposes. Most of them are farming households, many of whom suffered negative consequences in terms of lower incomes, unemployment and a lower social status. Some may have managed to enhance their welfare, but on the whole there is little systematic evidence on the overall impacts they had to deal with. But it is certain that the majority of farming households who were displaced – losing house and land - faced a deterioration of their wellbeing and livelihood opportunities in the long run, and after the often limited compensation money had been spent. The problems Vietnamese farmers face here are expected to only increase in the future as large quantities of land will be recovered to expand infrastructure, industrial parks, residential areas, and urban-related facilities. This is increasingly controversial and contested, as seen in numerous incidents where farmers protest fiercely or even with arms against forced evictions, against what they see as insufficient compensation for land, the arbitrary purposes for requisition, and a flawed application of rules and procedures. Efforts are under way to adopt a new Land Law in 2013, which proves very complicated in view of the huge interests involved. This paper addresses these issues with a view to better understand the impacts of land recovery on farmer households followed by displacement in Vietnam in terms of their welfare, well-being and livelihood choices, while providing policy recommendations.

## **Keywords**

Land governance, farmer livelihoods, land recovery and compensation policy, Vietnam.

# Tracing the Welfare and Livelihood Choices of Farm Households following Displacement through Land Recovery in Vietnam

## 1 Introduction

Over the last two decades, an estimated 4 million people in Vietnam have been displaced or had their lives disrupted by the loss of land, the forced eviction from their land or through land conversion where the state decided that it was to be used for other purposes. Most of them are farmers and their households, many of whom suffered negative consequences, some became poorer, but some may have done well, enhancing their welfare. ‘The problem is that there is little systematic evidence one way or the other’ (McPherson et al., 2010:3), but it is clear that the majority of those farming households who were displaced faced a deterioration of their wellbeing and livelihood opportunities in the long run, that is after the often limited compensation amounts following displacement had been used, as for example shown in the study of farmer resettlement in Ha Tinh Province (HCMA/de Wit, 2012). It is also clear that the problems that farmers face upon losing their land will not go away any time soon. The Government keeps on planning to modernize Vietnam so that large quantities of land will be recovered to expand infrastructure, industrial parks, residential areas, and urban-related facilities. The current new Master Plan for Hanoi<sup>1</sup> is one example; the plans to build airports in many Vietnamese Provinces<sup>2</sup> are another. A clear sign that all is not well is that there is a relatively lively debate on the issue of ‘land governance’ in Vietnam (heating up considerably from late 2012), fuelled by incidents where farmers were protesting fiercely or even with arms against forced evictions or against what they saw as insufficient compensation for land claimed by ‘the state’.

This paper then aims to contribute to a better understanding of the impact of land recovery on farmer households followed by displacement in Vietnam on the welfare, well-being and livelihood choices of affected farmers. It is based on collected primary and secondary data and evidence<sup>3</sup> and

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<sup>1</sup> The Vietnam News article dated July 8 2011 indicates that the city/metropolis of Ha Noi prepares for 9 million people in the 2030 Master Plan. There is no mention of agriculture, land recovery or impacts of farmers in the text.

<sup>2</sup> The Vietnam News article dated July 23 2011 is entitled: ‘Plans to build airports need rethink’. It argues that too many provinces want to construct airports while expected travellers and hence benefits are open to serious doubts. ‘It was seaports once, dams and golf courses next, and now, it seems airports’

<sup>3</sup> This text is based on primary data collection in several Vietnam provinces, Hanoi and Ho Chi Minh City, including interviews, surveys and focus group discussions, and collecting and using a variety of secondary sources including policy and legal documents, newspapers, websites and general and academic material. The support of CAP staff – Dr. Nguyen Do Anh Tuan, Mr. Kim Van Chinh, Mrs. Ha Luong Ngoc, Ms. Thu Trang was very important and is gratefully acknowledged. I am very grateful to UNDP to allow me to publish the policy briefs as ISS Working Papers.

describes the extent of farmer displacement, the nature and degree of compensation for the loss of land, and the impacts of displacement on farmers and their households.

The larger context of this study are efforts currently under way in Vietnam to adopt a new land law, and a bit of history may explain the urgency but also the sensitivity to find a balance between the interests of the various stronger and weaker stakeholders related to land, and to keep in mind the role of ideology and the Communist Party. Following the victory of the Vietnamese in the American war in 1975, the Communist Government introduced collective farming in large parts of the country whereby the state, or rather 'the people', became the sole owner of all land. Private land ownership was changed so that the state and collectivities owned the land. This situation was reversed in the wake of the *Doi Moi* ('renovation') reforms in 1986, which paved the way for opening up Vietnam's economy and free market reforms. Even while the authority the Communist Party and the state remained unchallenged, private enterprise, deregulation and foreign investment were now encouraged. Land ownership remained fully under the control of the state, but a law enacted in 1993 (and amended in 2003) conferred 20-year leaseholds to farmer households most of whom obtained Land Use Rights Certificates. They could now utilize farm land individually, and sell, swap and mortgage the land in a situation which looks like private ownership – but the state retains privileged powers over land and private land-use rights. These 20 year leaseholds are to expire in 2013, so that there is an urgency in Vietnam to adopt a new land law this year. In anticipation of such new legislation, a relatively lively debate started on the matter, while various think tanks and academic institutions engaged in assessing the dynamics of land use and land transactions, the role of the state at the various levels of Vietnamese administration – Hanoi, the provinces, districts and communes - and the impacts of these on farmers and farmer households.

The UNDP office in Vietnam supported the process of moving towards the new land legislation, and commissioned a series of studies in the format of Policy Briefs which production was coordinated and supported by the Hanoi based Centre for Agricultural Policy (CAP) of the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), under a contract agreement with the United Nations Development Programme (UNDP). I was requested to study and provide recommendations as to the topic '*Tracing and Understanding the Welfare, Well-being and Livelihood Choices of Farmers displaced by Land Recovery*', for which I carried out fieldwork in Vietnam in 2011 with generous support by CAP and IPSARD<sup>4</sup>. UNDP has kindly consented that the findings of the study can be published as an ISS Working Paper, so as to make the research findings available for a wider audience. An earlier Working Paper

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<sup>4</sup> This publication is then the outcome of cooperation between Dr. de Wit of ISS and the Centre for Agricultural Policy CAP of the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), under a contract agreement between ISS and the United Nations Development Programme (UNDP). It does not necessarily reflect the views of the Centre for Agricultural Policy or IPSARD.

(561) based on the same 2011 research was published by ISS: *Land Governance of Suburban areas of Vietnam; Dynamics and Contestations of Planning, Housing and the Environment* (de Wit, 2013)

The documents so far published on land governance by IPSARD– which was the partner institute for carrying out the present study - have put the case for this study quite convincingly: “with the rapid economic growth over the last two decades, the demand for land for industrial, residential, and other purposes has increased sharply. Provincial governments almost invariably see the conversion of agricultural and forestry land as the only path to broad-based development. Land taking is based on administrative decisions from which farmers are excluded. Injustices result when compensation for recovered land does not adequately cover the income, wealth and security foregone by farmers. In this regard, farmers can legitimately claim that they bear a disproportionate burden of the costs of Vietnam’s modernization. Meanwhile the profits derived from land transformation benefit land developers and their official associates. This has worsened the distribution of wealth in the country and fostered social disharmony. Specifically, compensation and clearing of land for investment projects has become increasingly contentious in the face of farmer resistance and demonstrations. Over the last five years, the number of claims and petitions on land disputes has doubled, reaching 12,000 per annum’. (IPSARD- Pham Nghia et al, 2010).

A comprehensive overview is offered in this Working Paper of diverse facets of land recovery and displacement in Vietnam, including the formulation of an analytical framework to assess and analyse the dynamics of land recovery. It will clarify the (formal) processes, procedures and stakeholders relating to land recovery and compensation policies in Vietnam and describe the actual (changes in) welfare and livelihoods of farmers following land recovery and resettlement, and the compensation received and how that money was used. Finally, a concluding section contains an orientation on land recovery and compensation policies, followed by some policy recommendations. In more detail, the following issues are addressed:

*1. Issues related to land requisition and compensation: a policy assessment*

- The procedures (laws, resolutions) in place as regards the land requisition and land compensation, and the difference between the formal rules, guidelines and implementation and the possibility of deviation from these rules in informal ways – including corruption;
- The nature of the compensation received for the land taken over (e.g. cash compensation and changes over time; other types of support as listed by law) as well as modalities of compensation payment;
- The roles (and positions) both of local governments (provincial, district and commune level, the role of village (*thon*) leaders, as well as of the central government and the Vietnamese Mass Organisations: is their role supportive to farmers or do they side with those who push for land requisition?

2. *Farmer household level issues of welfare, wellbeing, and livelihood following land recovery: a bottom up investigation of livelihoods*

- People's perspectives of the displacement and compensation process, in terms of fairness, transparency, scope for consultation/participation;
- Changes in employment and income: new activities and occupations in which those displaced have engaged, and alternative options for productive employment and income flows following displacement;
- Individual dimensions such as a sense of loss or alienation, differential reactions of men versus women versus children/youth and the elderly;
- Social dimensions including general implications of uprooting/ fragmenting communities, changing family/ neighbour relations and community support structures, as well as possible migration following displacement

It may already be noted here that the study has a focus on 'farmer households', rather than on 'farmers' only, which allows attention for intra-household dynamics, gender issues and the implications of land loss on the younger generation. Also, it needs emphasizing that the study is not only targeted at the farmers who lost their land and who were displaced. It was found that the degree of actual 'complete' displacement of farmers from both housing and land – as a result of land recovery for urbanisation, industrialisation etc. - is relatively limited in Vietnam. As much as possible the authorities try to avoid displacing – and subsequently resettling – farmers, as this is well understood to be very complex, controversial and difficult. In fact, this study focuses on two types of situations of farmer land loss: a) where farmers only lose (part of their) land but they stay in their houses; b) where they lose the land as well as their houses, followed by 'collective' resettlement (for example in a former study that I carried out together with a team of the Hanoi based Ho Chi Minh Academy of Politics and Public Administration in Ha Thin Province (HCMA/de Wit et.al. 2012; also World Bank/Almec, 2007).

## 2 The Vietnamese Land Governance context and analytical perspectives applied

### *Analytical framework*

This paper applies several analytical perspectives, needed to highlight and understand the dynamics of rural land recovery and farmer livelihood impacts properly. Perspectives are needed relating both to actors and agency - to understand the actions and non-actions of farmers and other rural groups with a stake in agricultural land – as well as to the larger policy and governance context, where multiple stronger and weaker stakeholders interact in policy arenas with the state (at least as per the law) as the key player.

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 their individual male and female members) 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 be ill suited to do any other work than 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 (e.g. 'patronage') relations with local politicians, leaders of mass organisations or mediators.

This paper applies a set of *governance perspectives* to help understand dynamics of rural change where the state actively moves towards industrialisation and 'modernisation', designing policies and adopting legislation to recover land and to compensate farmers. Hence a 'multi-stakeholder' perspective here relating to *land governance* is most useful, as this is located in political economy, starting from a focus on both strong(er) and weak(er) stakeholders who operate together in governance and policy arenas (the work of Hyden and Court, 2003). Government is not alone any longer in *governing*; there are many other stakeholders in formal and informal configurations who co-govern, and who have smaller or larger influence on government and government outcomes.

Hence, power dimensions are critical, e.g. the relative vulnerability of farmers vis-à-vis government officials – where the latter interpret the laws and may have a top-down attitude as regards the farmers which affects land recovery and land compensation. At a more concrete level of analysis, applied are political/ power oriented perspectives on the interactive policy process. This includes top-down versus bottom-up perspectives on the policy process, which, for Vietnam incorporates both the ideals and the realities of grass-roots democracy, and the widely advocated proposals to engage farmers, land owners, citizens in land use planning and monitoring. Generally, specific perspectives and ideas/ideology of public administration which apply to Vietnam will have to be given due attention.

Attention is needed for institutional dimensions, including not only institutions as 'the rules of the game' (Douglas North), but also the structure and culture of organisations, the role of norms, values and culture in society,

for example gender norms, and the role of ideology. This also entails looking at the nature and force of the incentives which influence the (non-) actions of stakeholders. Another dimension of institutions is capacity: the ability of organisations to achieve its objectives, but also the capacity of its leadership and staff to contribute to these- as in human resources.

### ***Perspectives on land, land governance and legal pluralism***

Perspectives on land are applied, notably considering rural land as production factor for agriculture, as contrasted to perspectives on land as commodity, with different practices in a range of development and transition countries and changing perspectives on property rights and their enforcement in countries like China and Vietnam. Land governance concepts and analytical issues have been taken on board, including issues of managing land use at the local level through a variety of stakeholders both local, provincial, national and private sector. An important dimension here concerns the incidence of rent seeking or corruption - 'the private use of public funds' - even while this definition does not cover all corruption in land related transactions (recovery, conversion, sale), where money can be made by misusing information of upcoming land price changes. Hence, the perspectives relating to '**Good Governance**' which include curbing corruption, enhancing accountability and transparency, and strengthening capacity are extremely relevant (cf. World Bank et.al. 2011).

An interesting discourse on **legal pluralism**, or perhaps more broadly **institutional pluralism** - at the juxtaposition of law, land and culture is represented by authors like Gillespie (2004, 2011) and Sikor (2004). They critically question the effectiveness of formalising property rights and are concerned about the lack of attention for cultural and historical variations which differ from place to place, and in different epistemic communities – such as party officials, officials dealing with land matters, courts and judges and what Gillespie calls 'self regulating communities' which are often successful on solving land disputes by appealing to traditions and cultural norms of a village or clan. Such perspectives may be useful not only to assess actual outcomes of land disputes, but also explain perhaps the overwhelming tendency of the Vietnamese to seek informal solutions to housing and land practices. They may also call attention to the frustration – and sometimes protest – of farmers who not only find compensation amounts too low, but who may also be indignant in terms of morally felt injustice rooted in traditional and community based notions of land property and use. However, more research is needed, as it has also been argued that private ownership of land has a tradition that predates colonialism (Long le, 2010: 88). In terms of institutional pluralism, in another paper I make a case for seeing Vietnamese governance as having both formal and informal (including 'illegal', 'corrupt') dimensions and institutions (de Wit, 2013), where in fact the latter is probably dominant.

## *The Vietnam context of Land Governance*

Vietnam is rather preoccupied with land recovery, and there have been successive ‘fashions’ for local authorities to recover land for industrial zones<sup>5</sup>, for golf courses (Long Le, 2010) and now for airports, and this is also driven by inter-provincial and international competition for foreign direct investment (FDI). One factor that works here is the decentralisation process under way in Vietnam which has empowered sub-national authorities and especially provinces to take decisions in terms of planning and investment. This has contributed to relatively unchecked intra-provincial competition in a context where central control is needed but is weak and not always requested. And where the legal framework for land management is concerned, there is extensive devolution to the local levels (WB/Denmark, 2011:11). The Minister of Planning and Investment admitted ‘... decentralisation has revealed several problems. Some localities still focus on the quantity, rather than the quality of investment. Granting licenses to certain golf courses, mining and forestation projects was a mistake that local authorities must correct’.<sup>6</sup> And after a focus on seaports, dams and golf courses, it now seems to be airports that are in vogue.<sup>7</sup> It is in this context that processes of corruption are taking place as reported well in the WB/Denmark corruption reference book (2011:xi), and which help explain why land conversion and recovery seem to be a much larger dynamic than it should be, that more land than needed is taken from farmers - through informal and illegal incentives systems. One corruption risk is the tendency of land use/urban plans to be formulated, revised and approved on the basis of investor’s commercial plans: investors pay state officials a share of the rent. The second risk is unequal access to information where investors pay officials in return for information. Investors may manage to push through projects not included/approved in the plans. There are also corruption risks in land recovery and illegal deals between investors and officials to share some of the land later. Such risks and dynamics may form an informal, illegal web of deals and negotiations which start from the private personal interests of officials, not the common good, let alone impacts on farmers who may lose their land and even house.

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<sup>5</sup> Vietnam News quotes the Minister of MONRE: 8-1-2008: ‘In the past nearly 20 years, about 3 per cent of agricultural land was lost to industry. It is predicted that by 2020-25, another 10-15 per cent of agricultural land and other types of land will be lost to the industry and service sectors. If we want to develop industry, we have to allocate land for it. But what type of land should be used for industrial development is still an open question. In my opinion, land for industrial development should be the hilly land or low- productivity land. It is important to keep highly productive land so that we can ensure food security. This is the top priority’.

<sup>6</sup> Vietnam News 8 August 2010 ‘National interest paramount in issuance of investment licences’. The MPI has revoked 77 of 166 licensed golf course projects in different provinces.

<sup>7</sup> Vietnam News July 23, 2011: ‘Plans to build airports need rethink’. Provinces nationwide have in the past gone on a planning and construction binge with major infrastructure projects...not bothering to study the feasibility of having too many of these in the country’ Now provincial leaders think they need airports.

For example in Danang, the authorities have over-estimated the need for industrial land, much of which was agricultural land recovered from farmers and much of it is laying idle. This has resulted in a less than anticipated industrial employment, and to farming men and women who have become unemployed- and who see their (ancestral) land being un-used. One zone had been unused between 2000 and 2006, and farmers were allowed to (re-) lease the land free of charge on the condition that they return the land if requested (WB/Almec, 2007a:14)<sup>8</sup>.

### **3 Procedures, processes and stakeholders: assessment of land recovery and compensation policies in Vietnam**

#### ***Land recovery and compensation frameworks and their implementation***

All matters relating to land are regulated in the Land Law of 2003, appended and supplemented in 2009 (Gov. of Vietnam 2003), as well as in separate decrees such as decree 69 of 2009 which contains strong legal provisions as regards the transparency of the approved plans for compensation, resettlement and support (WB/Denmark, 2011). However, IPSARD (2010:3) which has deeply probed the working and outcomes of the land legislation and finds ‘a major problem with the land law is that it lacks a core set of principles related to the definition of rights, their orderly transfer, and their adjudication and protection’.

Where the process of land recovery and compensation is concerned, the District Board of Compensation, Support and Resettlement prepares the plan of Compensation, Support and Resettlement (PCSR), and this is approved by the District People Committee (DPC). If there are more districts this Plan is approved by the Provincial Organisation of Land Development, and approved by the People Committee of the Province (PPC). As per the law, the plan must be publicized to obtain the views of the public- both at the Commune People Committee office but also at locations where land is recovered. Then the plan is adjusted by the above board/organisation, and is appraised by the Department or District office of Natural Resources and Environment (DONRE/SONRE), after which it is publicised (World Bank /Denmark / Sweden, 2011:11). If there are complaints, they are first dealt with by the DPC, and the chairman of the PPC. The settlement decisions must be disclosed. After the decision of one of these Committees, the complaint can be taken to court. However, people may be confused about the decisions of authorities, and often do not know whom to appeal to. ‘Administrative bodies pass the ball

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<sup>8</sup> See also Vietnam News 23-6-11: ‘Push to fill half empty industrial, export zones’. Just 46% of the area in the country’s industrial zones on the average has been filled, and new zones are being proposed. The newspaper (20-7-11) reports that the Province of Nghe An is planning to revoke the licenses for those zone projects that are moving too slowly, especially ‘of those who have merely appropriated land to transfer to investors’.

to the Court of Justice, which, in turn, refers back to administrative bodies' (ibid:25).

It is not quite clear then who is in charge of dealing with land disputes, and one source (Pham et al, 2010) indicates there is a Resolution 49 of the CPV Politburo on Judiciary Reform. 'This relates to strengthening the organizational and professional capacity of the regional administrative courts to handle claims of farmers against administrative acts at the provincial level'. However it is not clear whether this resolution has been implemented (see also the text on legal pluralism and the position of District Courts in urban land disputes by Gillespie, 2011).

So while the legislation is in place, actual knowledge of the law, its proper application and enforcement remains quite problematic, as also brought out in our fieldwork. The 2003 law and many subsequent decrees and resolutions<sup>9</sup> are not quite clear and often inconsistent or contradictory; officials indicate that it is very difficult to apply the law and related decrees.

As per the 69 decree (mentioned above) people are assumed to be aware of the plans for land recovery and resettlement, but in reality this is quite problematic. As per the 2007 Grassroots democracy Ordinance people have the right to know and to participate. However, as was brought out by the case study on Ha Tinh Province this was not actually the case and the people to be relocated there were only informed in a limited number of meetings (HCMA/de Wit, 2012). The WB/Denmark report confirms this: the vast majority of households with a stake in resettlement and compensation did not provide any opinions on these schemes and the main reason was that they were not consulted. Actual publication of plans is rare, 57% of people think that draft plans for compensation were not publicised (WB/Denmark, 2011:45-6).

While one would hope that the Mass Organisations – especially of course the Farmer Union – would side with the farmers, and support them in their quest for a just and fair compensation and the reality of corruption – which could be reduced if there was more transparency. However, all available evidence indicates that the Mass Organisations rather side with the state - the implementing officials especially from the District and the Commune, who in turn act as per the orders and guidelines of the powerful People Committee of the Province. Mass organisations are seen by many as being too close to the state, and not close enough to the people. Han & Kim (2008: 496) report that Farmer Union and VWU exert peer pressure on farmers to sell quickly, after some companies took advantage of their ability to engage these. In Ha Tinh so called 'Harmony Committees' were formed to help smoothly implement the relocation project, and we documented cases of massive pressure on those farmers and citizens who kept on refusing to cooperate, including threats as regards future employment for the household. There were cases where the police was called in after all to forcefully evict households (HCMA/de Wit, 2012).

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<sup>9</sup> For example there are important difference between the subsequent decrees 84/2007/NĐ-CP and 69/2009/NĐ- CP.

In that study, it was found that some farmers say that it is the Province officials who collaborate with the Investors and that these groups are money minded and selfishly looking for their own interest and personal benefit - and are not interested in farmers at all. They say that it is the Commune officials and *Thon/* village leaders who take an interest in farmers. In contrast, there were others who had a very bleak opinion also of Commune officials, in some cases held not only by the people but also by the *Thon* (village) leaders who, we found, are indeed mostly on the side of the farmers (even while sandwiched between the local population on the one hand and the demands and dictates of higher levels of party and administration on the other). So all is not well with implementing land recovery and land compensation policy, as described now.

### ***Dissatisfaction and protest***

Presented first is a table that probably lists most issues of dissatisfaction as experienced by farmers which were resettled in various relocation projects in Hue province, where the main problem is compensation amounts for land recovered.

**Table 1**  
**Respondent's reasons for dissatisfaction (WB/Almec, 2007a:23)**

Reasons given for dissatisfaction with resettlement process	Number	Percent	Percent of whole sample
Compensation too low	132	96	66
Compensation payment too low relative to other households	94	68	47
Agricultural land was lost and no new agricultural land allocated	90	65	45
Poor infrastructure on the resettlement site	4	3	2
Process of settling compensation took too long	21	15	11
Lack of information on projects	13	9	7
Did not participate in the implementation of the project	45	33	23
Current high unemployment and no land for agricultural production	22	16	11
Total respondents (multiple answers were permitted)	138	100	69

Dissatisfaction is much wider, as for example indicated by the massive numbers of court cases dealing with compensation matters: about 70% of housing and land cases relate to compensation claims for site clearance, 10% involved administrative abuse by state officials, the remaining cases concern other land matters (Gillespie, 2011:259).

Even while dissatisfaction amongst farmers is often considerable – as was clear from almost all the interviews we had with farmers – it seems rather rare that farmers protest and also refuse to surrender and/or leave the land. It does happen, perhaps more than is made public. **Farmers in the Mekong delta** refused to farm in protest against local authorities proposal to earmark land for a golf course and industrial park development, Farmers are angry as the

total compensation costs for an earlier park constructed in 2008 (which is empty) were VND 123 billion, much less than the economic value which farmers could have earned with growing pineapples<sup>10</sup>. Farmers have been reported to refuse to cooperate (for which they have no legal basis under the law) and that the police comes to forcefully remove them. Mr. Lodhi, an expert on Vietnam land issues refers to the political economy of land matters and the local power configurations between landless labour, small farmers and big land owners, and the (informal) relations between the rich and local politicians. He says (in Long Le, 2010:86): “It is no coincidence that those in the countryside with the largest landholdings are always those with party or state connections [or both],” The text goes on to say that, because Vietnamese farmers know their neighbours and resent local officials for abusing their powers, land issues have become highly personalized. This has fuelled land protests that are becoming exceptional in their scale and intensity and demonstrated to national officials the rising level of discontent. One key reason for dissatisfaction and a sense of unfairness – even apart from compensation amounts – is then corruption.

### ***Corruption as regards land conversion and compensation***

Corruption defined as the misuse of official public position or funds for individual gain as regards land is considerable, partly a result of inadequate and inconsistent legislation<sup>11</sup>. There is corruption in all land transactions in Vietnam, including land use planning, land conversion and land allocation to investors after land recovery - with serious risks in land price determination. Tinh (2010) has amply documented in much detail the dynamics and informal processes. One relevant example as regards compensation:

In the area of land acquisition and compensation, corruption is quite common, expressed in such forms as frauds in preparation of compensation plans, preparation of 2 different compensation plans (one is for the affected people and another is for obtaining transfers from the State budget), or entering in collusion with people while preparing compensation plans or verifying the time of land use, land location and land area in such a way that un-legitimate gains are created for themselves(ibid: 20).

Where land compensation and resettlement are concerned, risks are considerable in the officials’ and land surveyors discretionary powers to map land ownership and make compensation plans; a lack of objective criteria to decide on the compensation amounts, the underpayment of compensation to

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<sup>10</sup> Vietnam News, July 20 2011 ‘Farmers strike over planned golf courses, industrial parks’.

<sup>11</sup> Vietnam News article 9-10-2008: ‘Fight against corruption, waste heats up at NA’, quotes Mr. Le Tien Hao, Govt Deputy Inspector General: "One of the constraints impeding anti-corruption work is the delay in issuing guiding documents to implement the law". Mr. Pham Sy Danh, Deputy Minister of Finance, conceded there were big wastages in the use of rural and urban land and in land management itself, so was the use of State capital by many state-owned enterprises.

beneficiaries where officials pocket some of the money – or the over payment to farmers as they receive more compensation than they are entitled to (World Bank/Denmark et.al. 2011:xi). Such corruption is related to ineffective planning systems operating at different levels, which are confusing and opaque, so that the public is unaware of actual plans and implementation implications. This lopsided access to critical information offers discretion to officials to anticipate on changes in land use and planned conversion. Corruption is also made easier through a lack of solid land data as in a comprehensive, constantly updated cadastre.

Besides, not all farmers have the *Red Book* or LURHOC/ Land Use Rights document; on the whole it is estimated that 20% do not yet have these (see WB/Denmark 2011:3, on an overview of the situation in different provinces). Related to this is the fact (as we encountered in the Tu Son commune near Hanoi) that, in some communes, not all land has been allocated to all the commune households in the past - even while all land has actually been used for farming by commune households (partly then without the Red Book). This may result in a situation that households obtain the regular (higher) compensation for their '*red book*' land, and much less for the land they farmed under customary arrangements without use rights. This seems a rather opaque situation open to possible misuse.

However, respondents in our surveys do not often openly refer to corruption – which could indicate that it is less omnipresent as is indicated in many reports, or, more likely in view of the ample evidence in many reports and documents that there is a feeling that it may be risky to openly discuss this. This itself is a matter of concern which does not bode well for efforts to increase transparency. Perhaps one good example of a careful but honest statement in a Focus Group discussion is this quote: 'The Government and the Party have the right policy, but the implementation is very bad'.

#### **4 The allocation of compensation funds for land loss and how households use them**

##### ***Widely varying compensation amounts***

We cannot here deal with the details of the land compensation logic: there is money for the loss of land, depending on the agricultural productivity of the land; for the loss of crops (paddy, perennials) and – on paper at least - money for retraining and finding a new job. This should be calculated at 30 per cent of the value of the land over a period of 30 years and is given to the farmers as a lump sum, but we found no evidence of this. No farmer we talked to was happy with the compensation provided; in varying degrees and with different degrees of justification, compensation complaints are omnipresent, and these amounts vary much per region, year and type of land.

In terms of payments, most people do receive the funds they are entitled to in time – but there are cases where people have to wait and they then also lose in terms of high inflation. Most people we interviewed say that it should come as a onetime payment. There was not much support for the



suggestion to spread the compensation funds over instalments payable for example over a couple of years or months- which might perhaps protect some households not used to have much money to spread its use gradually over time. This relates to the wish of many people to make a large investment.

Our fieldwork, but also many reports indicate that the compensation amounts for land recovery range considerably over time and in different provinces, with often too limited consideration of actual market values (e.g. land compensation rates are fixed by the Province on 31 December of each year- while land prices fluctuate by region, use and plan announcements). It leads to a sense of injustice amongst farmers, who are not informed of the background and logic of the annual establishment of land compensation rates, and that these indeed differ in different areas.

The adequacy or otherwise of compensation payments is an issue because households generally receive less than their land was worth to them (in terms of providing shelter and an income stream) and compensation payments vary between different administrative areas and projects, and over time within differing legislative contexts, leading to a perception of arbitrariness and unfairness. For example, compensation payments are generally better under the new land law of 2003 and its supporting Decree 197, which came into force in 2004 than under the previous legislation given in Decree 22. This often leads to dissatisfaction amongst households who were resettled earlier (WB/Almec, 2007a:23).

It is important to make a few distinctions here in terms of impact of land recovery on farmer households.

a) The first group, which is are most affected are obviously farmer households which earnings come 100% from farming, and who lose all land as well as farm/house due to relocation. This may happen near (big) cities in terms of industry and infrastructure, but we should not forget power plants and port projects in much more isolated areas – where alternative employment is unavailable. In terms of livelihoods, they lose almost all in terms of physical, social and political capital.<sup>12</sup> It seems rare that farmers who lose all land settle elsewhere in Vietnam as farmers.<sup>13</sup> The below table presents the views of the people relocated to new resettlement area in Ha Tinh province (HCMA/de Wit et.al, 2012:57)

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<sup>12</sup> In one case study in Quang Ngai province, the Government built the units in an apartment for the relocated people, and moved them there - they also got compensation for the land. The same type of house was built for all households, rich or poor, whether they left a big house or a small house.

<sup>13</sup> A farmer who loses all land and house may opt to buy cheaper land elsewhere in Vietnam, and this does indeed appear to happen. However, the *Ho Khai* system may form an obstacle if a farmer really wanted to pack up and leave with the entire household: then it becomes a major complex operation and a disincentive.

**Table 2**  
**People's opinions on the rate of compensation for their properties**

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

b) A second group includes farmers who only lose the land, but can stay on in their houses. If they were full time farmers and fully dependent on their land impacts are large, but possibly softened somewhat by the continuity of social relations, safety nets and community support. A sub-group which may fit here are farmers with little land and who hence obtain little compensation; while having high value and high output production like flowers.

c) A final group constitutes those farming households which already had diverse income streams from various types of employment before recovery. We met many such farmers in our fieldwork in the communes surrounding Hanoi and HCMC (see also de Wit, 2011). If they indeed live near (expanding) cities, household members have other venues for employment as compared to farmers in more isolated and poor rural areas with very little alternative employment.

We will here first list general evidence on the nature and allocation process of compensation, amounts paid, their use and general perceptions. It needs to be emphasised that the text contains vast generalisations at the risk of being superficial statements. In fact there are vast differences in terms of land holdings, land use and, as a result, in land conversion, recovery and compensation if only if North and South Vietnam are compared, but there are plenty more variations in location, land quality, land use etc.

### ***The use of compensation funds for land loss***

Most evidence indicates that farmers do not make effective use of the compensation money they receive: some say that, on average, only 30% is used in what can be seen to be a good investment in the long term: repair or enlarge the house, buy more land or even a house, invest in good education of children. There is a general sense that many farmer households are just not able to handle effectively (sometimes very large amounts of) compensation money. Frequently big purchases are done in TVs or motorbikes, there may be gambling, or 'showing off to the neighbours' in different ways. Few only seem to put the money in the bank. This links to the very real problem to identify good investment options- even for more literate and better informed citizens than the average farmer: the compensation may be too little to buy a house/plot; banks are often not trusted; the stock exchange seems risky too.

The land law offers the opportunity of training support for alternative employment to farmers who lose land; in practice these trainings are not seen as useful, and only few farmers actually complete such training programs (it appears MOLISA oversees these trainings). There are questions as to the usefulness of training as trainees may not be sure they will (soon) obtain employment, and if they do not, skills may be forgotten. One way suggested by WB/Almec, 2007a:15) might be employment quotas, for example in the (expected) new factories and industries. As many zones are not completely full there is less employment, whereas employers prefer experienced or skilled persons.

As will be described now, the main issue with compensation appears not so much to be the actual amount of compensation but the longer term dynamics of farmer household livelihoods and welfare: what happens to farmer households after the compensation money has been used. Many farmer households then move from a short period of living very well to a situation where they are poorer than before. There is also an important moral dimension here: farmers, already unhappy about low compensation are (even) more frustrated when they perceive that their land is re-sold for (much) higher prices than they ever received - or if that land is left idle as is the case in many Industrial Parks and Export Processing Zones as already indicated before.

## **5 Implications of land loss on farmer household livelihoods and welfare**

As an important general dimension, it needs stressing that, even if farming is not the only or key occupation for a Vietnamese farmer household, it is a critical part of the identity and the self-esteem of its members. It makes one be part of a farmer community, with its own traditions, culture, networks and ways of doing. This applies certainly not only the men, also to the women, if only as women carry out lots of agricultural work (Scott, 2003). If a household loses all land, this is a massive and sudden shock with wide repercussions that a farmer household only gradually learns to understand. Even if land is not actually unique for income for a farmer household, in monetary terms it is the best insurance there is. Farmers are attached to land; it is traumatic if they lose it and it makes farmers (feel) very vulnerable. This is of course most clear when a farmer household loses all land as happened near Danang, and in a seaport project in Ha Tinh province (HCMA/de Wit, 2012).

### ***Sources of income***

The study by World Bank/ALMEC in the resettlement areas of Danang provide information on resettlement impact by comparing before/after situation. There is a comprehensive table on primary income sources before and after resettlement, which also helps to get clear the various possible income sources of farmers.

**Table 3**  
**Main source of income before and after land recovery (World Bank/ALMEC, 2007a:6)**

Primary source of income	Currently		Prior to recovery		Percent change
	Number	Percent	Number	Percent	
Agriculture	33	14	173	77	-63
Relative's support	5	2	23	10	-8
Self employed	67	28	12	5	23
Day Labour	22	9	7	3	6
Fishing	3	1	3	1	0
Bank interest	4	2	2	1	1
Unskilled work	73	31	2	1	30
Compensation money	14	6	2	1	5
Skilled work	9	4	1	0	3
Pension	5	2	0	0	2
Government support	1	0	0	0	0
<b>Total</b>	<b>236*</b>	<b>100</b>	<b>225*</b>	<b>100</b>	

\* Note: multiple answers were allowed where households had two main sources of income, hence figures exceed sample size of 200 households (double counting was also allowed in figures on employment).

Another table depicts changes in secondary sources of income, which has mostly the above income categories, but there is one important new source: bank interest (before relocation N=5, after relocation N=20, change 11%).

In our Ha Tinh relocation study (HCMA/de Wit, 2012), we found that many people became unemployed as the former main occupations in terms of farming and fishing and associated work had disappeared. Suddenly people were faced with an entirely new living area, a modern suburb in establishment – but no work and little incomes. Many people opened small shops but as there was too much supply there was hardly any demand. Unemployment rose from 5 to 25% in the World Bank/ALMEC survey, but with 35% for agricultural labourers (2007a:8). Also there small shops were not successful:

Every night I sob from regret as my garden was large. By growing vegetables on the garden and selling them in the market, I could earn 20,000 – 30,000 VND per day, and use some of the vegetables I grew to raise 3 batches of pigs per year. At present I do not know what to do but run a shop to sell rice, and some drinks and cookies. But people rarely buy things from my shop. Every day I earn only 1,000 to 2,000 VND. There are too many other people selling and too few buyers. People around here do not have money to buy. A family living at the opposite side of the road opened a café when they arrived but now it's closed because there are no customers. What a waste! A lot of money had been invested to buy equipment and facilities for that shop. (64 years old woman in Tho Quang, Son Tra, Op.cit.)

## ***Employment***

Many farmers (and their farming sons) who lose (all, part of) their land – and hence lose critical parts of their income - become construction workers. Farmer women and daughters – but also male farmers may become engaged in trade, in buying and selling products. It is rare that farmers or their children find work or obtain training in one of the industries that are established in their former land. The WB/Almec study (2007a:7) finds that only a limited proportion of younger, better educated people worked in factories. That same study finds that some farmers near the cities used to produce high value added products for the urban market- a loss of land, even small amounts had large negative impacts on them. In our survey we encountered such a case of a farmer who used to grow flowers.

In an area near Hanoi where farm land was recovered, but people stayed in their original houses, there was an increase in the construction of new house and guest houses, which offer new employment. It also helped that nearby development projects emerged, offering work in construction (Nguyen, 2009:11). Here, 56% of households said that life had become better (12), barring others who found themselves in serious problems. This applied especially to the older generation from 55-70, who could not adapt to the changes in social conditions.

Nguyen (ibid.) indicates that the area he studied is an example of considerable *rural-urbanisation*, and what he calls *interpenetration*: differences occur in the degree to which people are willing and able to diversify daily practise to adapt to macro level change (which is consistent with an agency perspective in livelihoods approaches –JW). Their incomes today derive for only 30% from farming. While poor households have spent most of their compensation money on building or repairing houses, the rich and middle income households invested resp. 37% and 50% of that money on trading- they are ready to invest the funds and there are good chances that their wealth will increase: ‘their life is not seriously impacted by losing agricultural land because they have earned much income from non farm occupations over many years’ (ibid:15). These observations are confirmed by our own data from fieldwork in communes around Hanoi.

## ***Social and cultural impacts***

Losing land may lead to conflicts within households, e.g. about the use of compensation funds, the allocation of money to sons and daughters. There is some evidence that, following the farmer household receiving relatively large amounts of cash -- children may not go to school anymore, some children are known to get into bad company into social evils, and some again use drugs- in our focus group discussions several mothers indicated to worry about this. The WB/Almec study (2007a:13) has this case- which is out the post-relocation realities of an uprooted and re-building community:

You see everywhere there are many idle people. Educational background of local people here is very low and hence it is difficult to get a job in the city. Especially young, unemployed people often gather for gambling and chatting etc. Employment opportunities are not available while there are many small pubs to offer alcohols, it is so terrible...., if it goes this way, fighting each other and social evils will not be avoidable. (69 years old man, Tho Quang, Son Tra).

No evidence was found in our study locations that villages or communes changed dramatically as a result of farm households losing land. This is related to the fact that many farmers are only part time farmers and that household incomes come from various sources sometimes including salaried work, trade and a son or daughter working in a factory. In these cases, no marked changes in family structure or increase migration could be established. But those relocated from the original village to a more remote resettlement area experienced a severe sense of loss of community, of neighbour support, of community structures. All this factually increases senses of vulnerability, again more so for poorer and elderly persons, who used to rely in community safety nets. Some more evidence is provided of the special case of relocated farmers (communities); the cases of Danang and Ha Tinh.

### *The special case of relocation*

The views of residents about the resettlement of three communities are presented first:

**Table 4**  
**Respondents opinion of resettlement package (WB/Almec, 2007a:22)**

	Lien Chieu		Son Tra		Ngu Hanh Son		Total	
	No.	%	No.	%	No.	%	No.	%
Satisfied	2	3	3	6	9	10	14	7
Neutral	16	25	16	33	13	15	45	23
Dissatisfied	41	65	29	60	67	75	137	70
Total	63	100	48	100	89	100	196	100

It is clear that such relocation has massive social implications. In the Danang relocation process, extended families often obtained more than one plot on the new relocation site (ibid.:16). Suddenly then sons and daughters may no longer live with their (grand) parents, which may lead to family fragmentation – as compared to the pre-relocation realities where people used to live together and work the family fields together. It may result in elderly people living apart from their children as we saw cases in the Ha Tinh study (HCMA/de Wit, 2012). On the other hand such families may retain one plot to build a good house, and sell another to help finance that. There was also a household which used the proceeds of selling one of their plots just for living over 3 years as the had 5 children and no income (ibid.:20).

Often then, long standing communities are dispersed to different areas, even in the relocation site where, in our Ha Tinh study, there were no provisions for people to voice a preference as to where and next to whom they would like to live. This in general leads to a decline if not disappearance of valuable social capital (ibid: 17).

I have lived here for 2 years but have not become acquainted with anyone else, even our neighbours, who are living nearby, we rarely talk to each other. Where I used to live, people knew each other and when help was needed in case of help needed, people altogether helped each other. When a family had a wedding, or funeral, etc. people went to help. In this place, every one minds only their own business.

However, on the positive side, in all three Danang relocation projects, residents agreed that housing was dramatically improved: from 6,5% households with good, permanent concrete houses before resettlement to 48% after. This by and large also applied to views on infrastructure and facilities: these were satisfactory, even while many people complained about high rates for electricity and piped water. In contrast there was large dissatisfaction in the Ha Tinh resettlement area. However, this was probably partly related to bad planning: people were relocated to the new area where the infrastructure was not ready (but also poorly made)- authorities and the relocation authority had promised to rectify things. In that case concerns of the people were (HCMA/de Wit, 2012):

**Table 5**

Concerns	N	%
Worry about no job	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

In both the case of Ha Tinh and in the Danang cases study, people were overwhelmingly negative about the resettlement – and in Ha Tinh the resettlement process. Problems were more severe for women in terms of employment, following resettlement:

**Table 6**  
**Differential effects by gender (percent of employment category)**

Occupation	Currently		Prior to recovery	
	Male	Female	Male	Female
Unemployed	15	34	5	5
Agricultural	9	13	52	65
Day labour	18	4	2	1
Self employed	10	25	2	9
Fishing	2	1	3	1
Unskilled work in factories	20	17	13	11
Skilled work	18	1	10	0
Other	7	6	13	9
Total	100	100	100	100

### *Summarizing impacts of land recovery*

All in all the impact of land loss and relocation on employment are most severe for women, older people and the less well educated. Younger people aged 21-35 appear to manage rather well following land loss or resettlement and become engaged in day labour, self-employment and factory work. Only a minority of mainly young men may be able to find proper access to the urban labour markets quickly.

Problems are already more for the 36-50 age groups. For those over 65 recovery of agricultural land almost certainly means unemployment. This is confirmed by Nguyen (2009:7), who says that poor farmers who lose the land do not meet the requirements to work in factories, industry or service sector jobs. Education is also a major factor impacting on individual capacity to cope with land loss/ recovery, but the WB/Almec study (2007a:13) argues that it is of lesser importance than age or gender determining employment.

## **6 Conclusions: Assessing land recovery and compensation policies and some policy recommendations**

### *Conclusions*

There is an important and clear difference between land recovery and land resettlement. By and large people who lose land only and not their houses appear to manage sooner or later – except perhaps the most vulnerable groups: the elderly, women, and people with less education.

Two factors operate here: one is the extent to which households were dependent on the land before recovery: it was found that many households in the peri-urban areas of Hanoi and HCMC had already diversified their income streams – with different family members engaged in different kind of jobs.



People would complain about the (top-down) recovery process, and about the meagre (and sometimes incomplete) compensation, but their livelihoods were not threatened. Obviously, dynamics in more remote and isolated areas are quite different and much more problematic as people find fewer alternative sources of work nearby. This then underlines that location is critical. In the land recovery projects in the peri-urban areas of Vietnam's larger cities, it appears that people can often adjust well in view of the nearness of the city, and the availability of factories and industries relatively nearby.

Problems are very different and often much more dramatic, even traumatic for farmers who are resettled and lose all their land as well as housing. It was shown that this has large and serious impacts, in terms of employment, (long term) income, loss of community cohesion and social safety nets, and sometimes individual personal problems and increased social evils. Such farming households lose a lot, and they mostly only gain money - which, unsurprisingly, they find hard to manage. These processes are deeply exclusive (and not inclusive) as the authorities do not deal with community as units - but households are relocated randomly in the new areas (or following opaque processes where corner plots are reserved for the powerful). In this latter case of land resettlement - but also (even if to a lesser extent and depending again on location and land dependence) in the case of any land recovery, it is the already more vulnerable or marginal groups which are most affected - the elderly, women and the less literate - which then contributes to already on-going processes of increasing inequality and a growing divide between rich and poor in Vietnam generally.

All in all then, the processes of land recovery, resettlement and compensation are not inclusive, not equitable, and not sustainable. It is now well known that more land has been recovered than is needed; that rather too many projects (industrial zones, golf courses, air and seaports) are not viable. It is therefore sour if not cruel that at the same time evicted farmers are facing severe hardships without land or too little land and incomes to survive - which in turn leads to protests, a clear sign of reduced social harmony.

### ***Recommendations***

I now conclude with some recommendations, where three remarks are in order. First, this is not the first text about land recovery, farmer compensation, and impacts on farmer households. Indeed, there is a whole range of (donor agency) papers which have thoughtful and appropriate recommendations, and they have informed the suggestions mentioned here, sometimes added if seen as important (IPSARD, 2010 texts; Pham et.al, 2010).

Secondly, recommendations need to be feasible within a specific context, a specific political economy, otherwise their value is nil. This text (as well as my 2011 Policy Brief on Suburban Land text: de Wit, 2011; - see also de Wit 2013: WP-561) has indicated lots of informal if not illegal and corrupt action surrounding land planning, recovery, compensation - and this occurs in informal arenas where information and money are shared amongst the powerful for private purposes. The main recommendation must then be that

this larger and more structural matter of rent seeking and a lack of transparency, accountability and participation needs addressing first. This is something the Government of Vietnam with its numerous powerful public sector and party officials needs to do - in a way that fits national and local institutional realities. It would basically and in fact quite simply imply that existing laws are enforced (with force), to enhance accountability, to refrain from illegal action. The laws as they are do not form the main problem: they are relatively good, give or take an amendment or clause, and they can be implemented in the right spirit. This confirms with the main recommendation of the World Bank/Denmark Land Corruption Reference Book (2011:xiii): “all that is needed is to actually implement the existing laws: the most obvious step is to thoroughly enforce the transparency provisions already in Vietnamese law”. It is of course only when Vietnam itself moves – as it has done admirably and remarkably already so far, that well-meaning recommendations from consultants or donor agencies have a chance to catch on. There are many very thoughtful people, including officials and politicians who know which way to proceed<sup>14</sup>. And much of such recommendations will then be in the field of institutional strengthening, building capacities at all levels.

Thirdly, this text does not include assessing or advising on legal matters, which is therefore left to others. However, some critical matters are listed, mostly needing more research or further work and some issues as raised in India which is preparing for a new land acquisition act are mentioned.

It is agreed with the WB/Denmark 2011 corruption study that transparency needs to be improved, that information be publicised. It would be good if any land recovery is preceded by farmers being informed early (as suggested by McPherson, 2010:7), that the case for recovery or relocation is made very clearly – and compared with the law<sup>15</sup> – and that a full financial and economic cost and benefit analysis is carried out. This would allow all parties to make their case to support or contest it. However, such transparency and such prior open discussions may not be in the interest of the most powerful

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<sup>14</sup> An example is an interview with Head of the Institute for Research on Urban and Infrastructure Development who argues for solid levels of farmer compensation, which may lead to compensation levels rising above that of the project total capital. He says: ‘It is right that the amount of compensation is big but if we think of the way that households use compensation funds to continue doing business that helps not only to enrich themselves but also contribute to the process of poverty reduction and hunger alleviation, it can be called a good solution. There are lots of ways to mobilise funds for compensation and ensure participation in the process. For example, authorities encourage households to get capital stakes in projects, in which their representatives are on management boards and have the right to supervise project implementation’. — VNS- 23-6-2006.

<sup>15</sup> The suggestion from (AusAID, 2000:11) is relevant here: ‘Clarify the powers governing, and compensation paid by state authorises compulsorily acquiring private land use rights for public purposes. Clear criteria delineating the grounds for compulsory acquisition, which are capable of being challenged in the administrative court are urgently required. Moreover, the state should move to a policy of paying market value for compensation’.

stakeholders – the state owned enterprises SOEs, private sector companies, and state officials - so appropriate and incentive based ways and means need to be developed.

There is a problem with the rather extreme diversity and apparent fragmentation of practices, rules, laws, and cases which are presently operational. For example, there is a wide variety of divergent guidelines in terms of compensation amounts, and this leads to frustration if not anger amongst farmers who lose their lands. It is also not quite clear which is the proper agency to deal with such cases. This might have to be a specialised court or agency, and it should be independent from all stakeholders, including the state and provinces. It might be considered to establish separate Land Courts, which can openly and in a transparent way deal with the many often very complicated cases where traditional use rights, actual use rights and different perspectives on land use and land boundaries may create explosive and hard to disentangle cases- and which may differ in North and South Vietnam.

Possibly it is sufficient (as Pham et al, 2010 argue) to ensure the implementation of Resolution 49 of the Communist Party of Vietnam Polit Bureau on Judiciary Reform. “This relates to strengthening the organizational and professional capacity of the regional administrative courts to handle claims of farmers against administrative acts at the provincial level. (Creating regional administrative courts is essential to keep these courts independent from the provincial governments)”. Such a court can build up jurisprudence which would help Vietnam to move from a system of collective land ownership to, ultimately, private land ownership, while taking into account the views of citizens/farmers as argued by Gillipsie 2011). It would be good if farmers have more easy and equitable access to information, as well as to justice through the provision of legal aid and consultant services if there are complaints or conflicts. As Pham et.al. (ibid.) suggest, ‘this would involve providing funds to support legal counsel for farmers who submit claims to the courts and to represent their interests in litigation, publishing all court decisions dealing with land use right disputes, and allowing the media to report the court’s decisions to the public’. However, one needs to carefully design institutional systems here and first consider political feasibility.

It may be considered to compensate farmers not only in a lump sum compensation amount, but to (also) include a monthly stipend for a longer period. The draft Land Acquisition Act of India suggests a subsistence allowance of about \$ 60 per month; as well as mandatory employment or compensation of a lump sum for displaced landowners. The present Vietnamese 2003 law already has a provision for farmers who lose land to obtain a share in the investment created on their former land. This option should be further elaborated. (In India, farmers are proposed to get 20% of developed land if acquisition is for urbanisation or shares up to 25% of compensation amount). Generally, the present system of trainings (partly by MOLISA) needs to be evaluated as farmers have a low opinion of it and it is hardly used. It may be considered to contract training programs out to a

private sector agency, and link training much more to new investments which take place near the residence of farmers, possibly make such compulsory.

Keeping in mind the above remarks on the need for clear and present Vietnamese leadership here, and as repeated in numerous donor reports, there would be urgency for institutional reform to reduce corruption and to enhance both transparency and accountability. Generally, therefore, the Anti-Corruption Law 2005, the IT Law 2006 and the Ordinance on Grassroots Democracy 2007 could be enforced as they clearly intersect with land policy and management. Generally there is a need for better land governance, which also includes strengthening capacity of officials responsible for land planning and land policy implementation, as well as a rigorous program to establish solid and reliable land records.

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