



A brief on industrialization, urbanization and land conflicts in Vietnam

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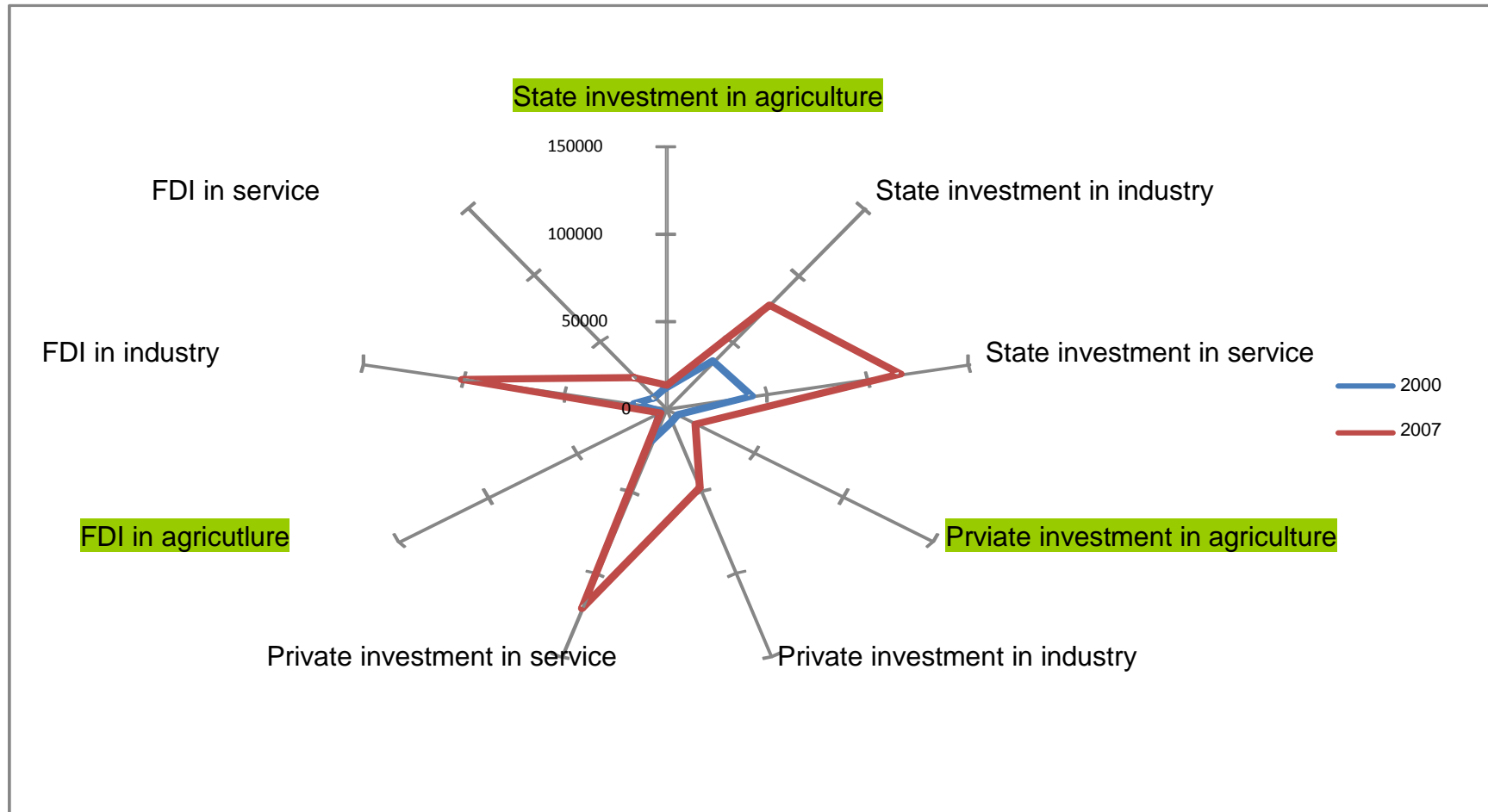




Back ground

- Vietnam is an agricultural country with about 75% of total population live in rural areas
- Agriculture and fishing accounts for 20% of total GDP
- GDP growth of agriculture sector has been decreased from 4-6% for period 1996-2000 to 2-3% for period 2006-2009. In this period, average GDP growth is about 7-8%.
- Investment in agricultural sector accounts for 6% of total investment in 2007, decreased from 14% in 2000.

Investment trend





Land management

- In Vietnam, land belongs to people and managed by the state
- Land users have rights to lease, sell LUR, mortgage, use as capital for joint venture, and inherit
- The state decides land use purposes and land use planning: agricultural land, forest land, residential land and industrial land are main categories of land for management.
- The state has right to take land from land users and compensate according to state-determined prices for different category of land

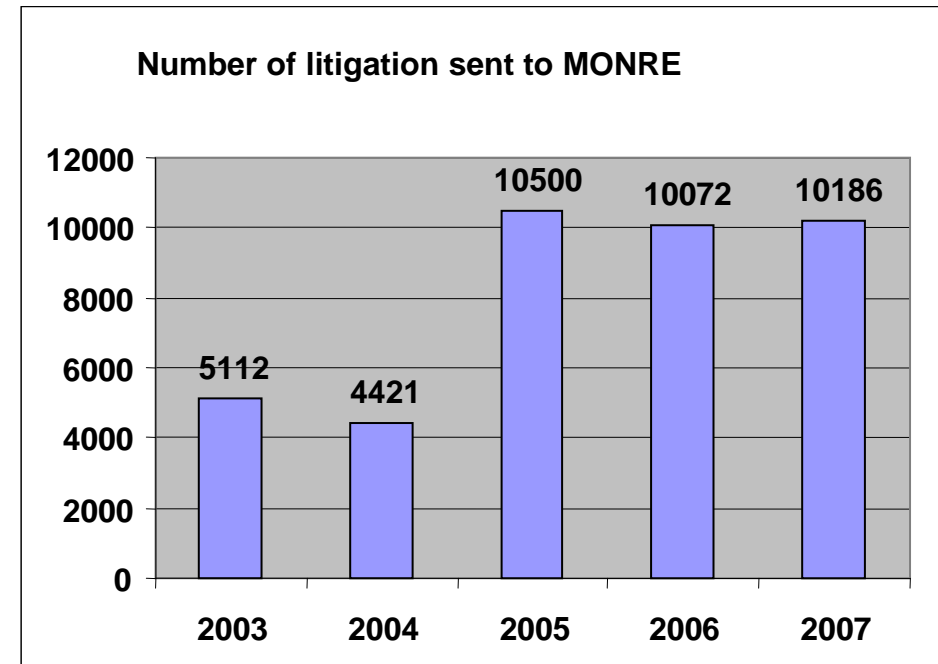


Investment in industrial and urbanization bring less benefit to farmers

- Due to investment in industries, services and urbanization, there is a huge need for land
- On average, 73K-100K hectare of agricultural land have been converted to industrial or residential land a year.
- From 2000-2007: about 1 million jobs in agriculture lost due to land use changes
- Industrial and service sectors created less jobs for farmers and few farmers can work in industrial and service sector due to poor skills, low education and ages
- Migrate to cities and industrial zones - economic downturn – hundred thousands migrants return to rural areas without lands

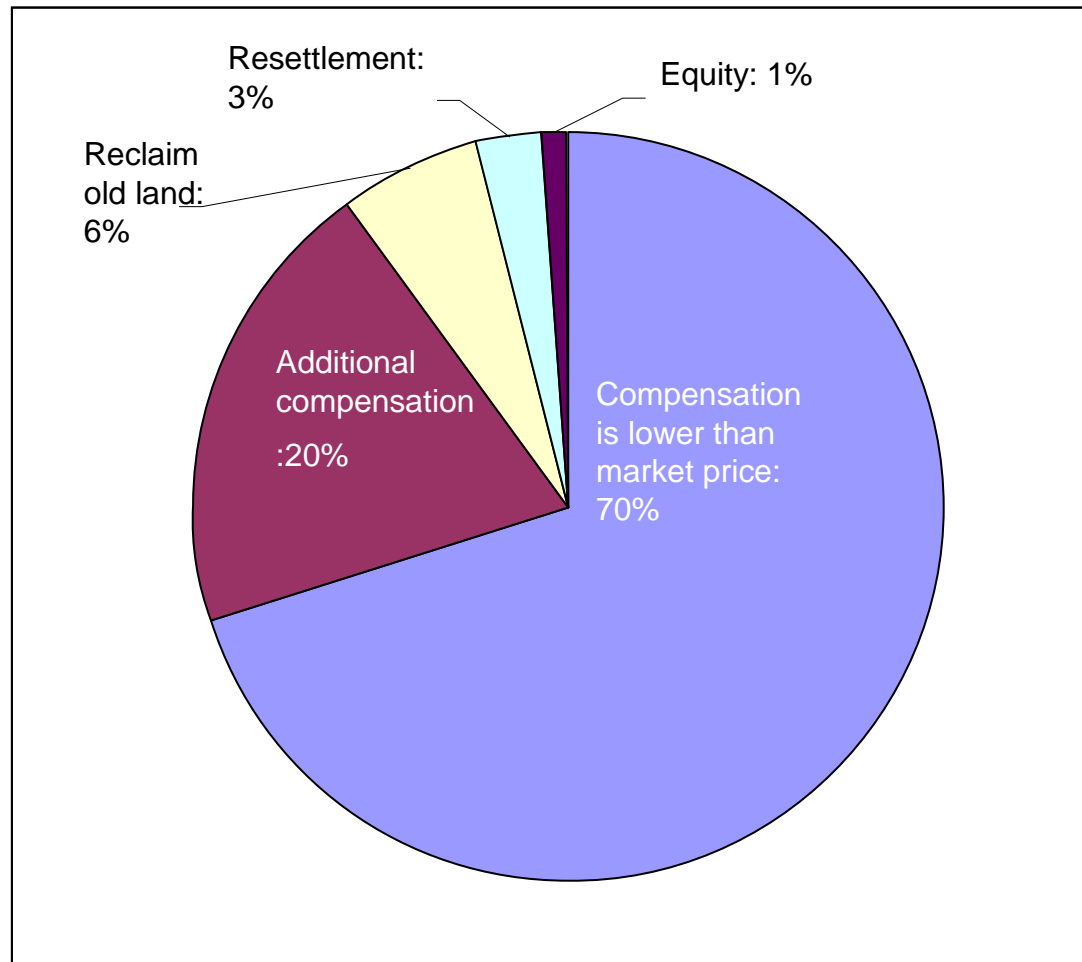
Land related litigation

- Land related litigation accounts for 70-80% of total litigation
- The number of land related litigation is on increase
 - 2005: 18,000 cases
 - 2007: 31,423 cases



Source: IPSARD

Causes of land conflicts

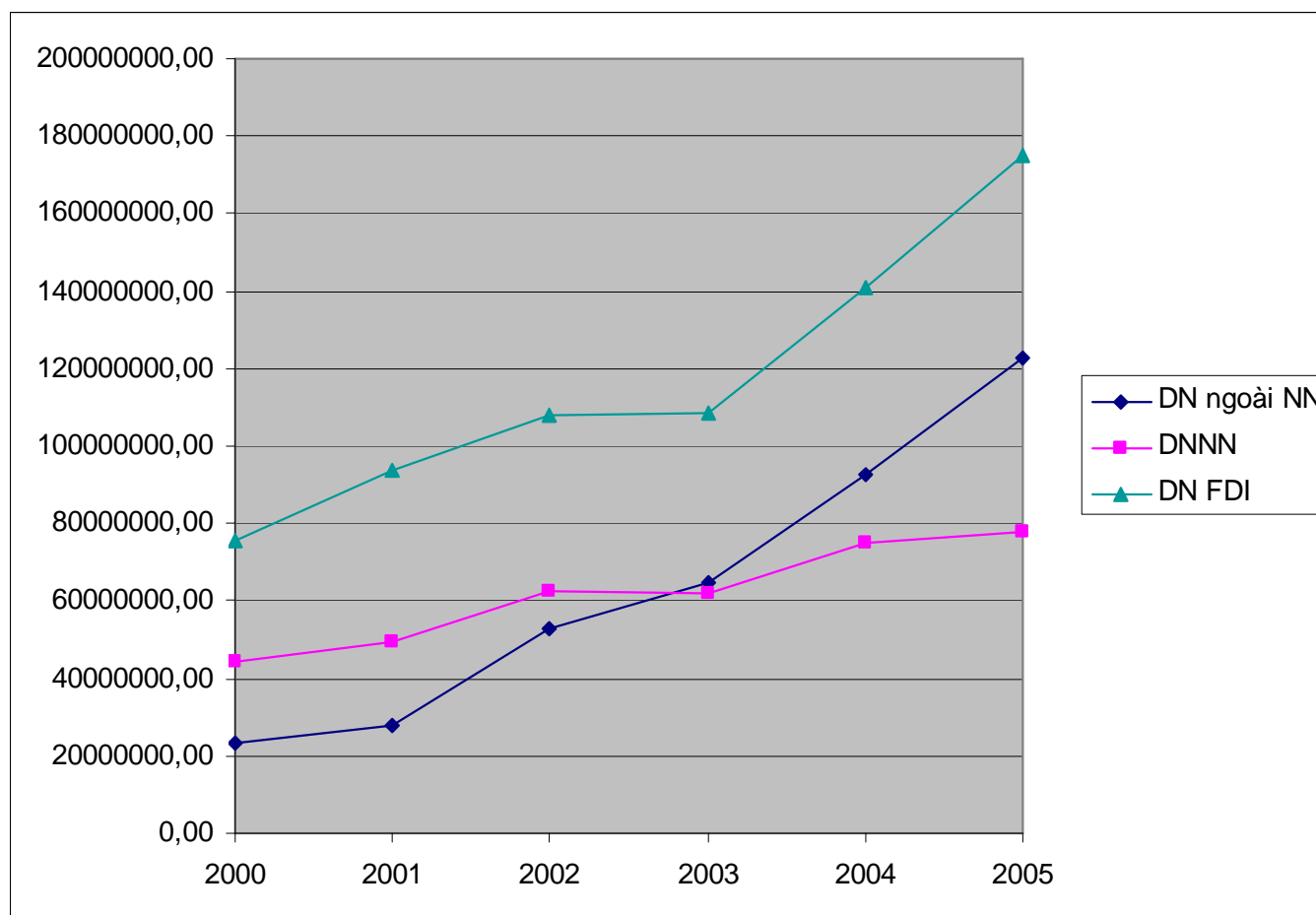




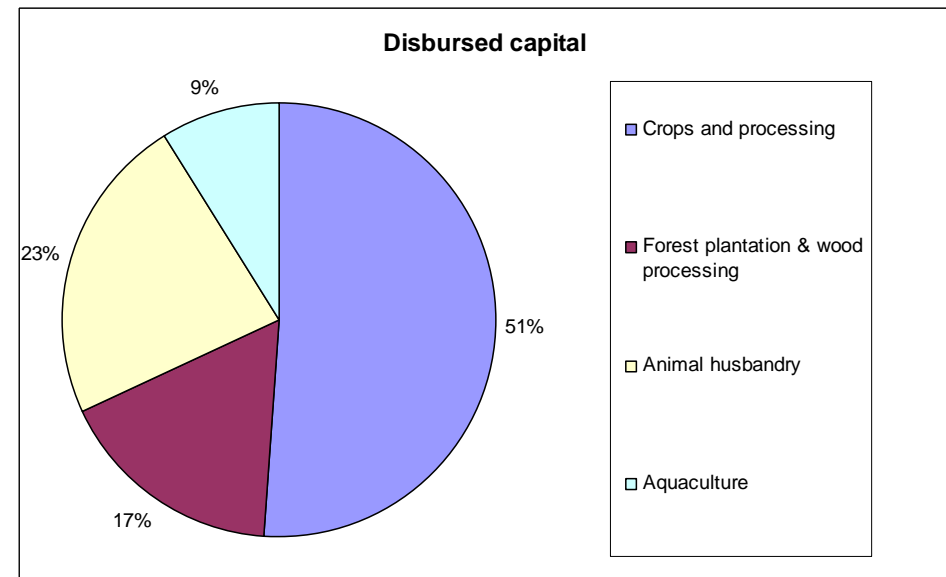
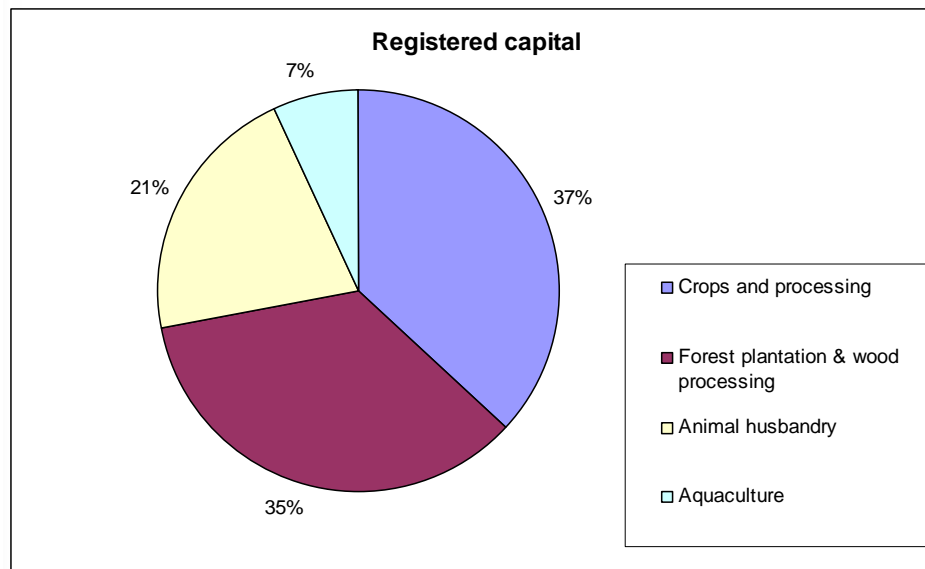
Causes of land-related litigation

- State-determined price is too low, equivalent to 50-70% of market price. Agricultural land is priced at 1/10 or 1/20 of market price
- Not transparent process of price determination, compensation and resettlement – corruption
- Inefficient industrial projects – abandoned while farmers lost livelihoods - protests
- 53% of farmers have less income and only 13% have higher income after lost their land

Investment in agriculture by investors



FDI in agricultural sector





Challenges to invest in agriculture

- High risk, poor infrastructure, low-skilled labor
- Small land holders
- Poor and unrealistic land use plan and land use management, complicated land allocation procedures
- Imperfect agricultural land market
- Not attractive incentive for private and FDI investment in agriculture and rural areas



Solutions

- Land law reform: activate agricultural land market, simple and transparent land use plan, land allocation, land compensation
- Secure land use rights of communities and individuals
- Transparent and participatory mechanism to ensure farmers can engage with investors and government authorities about commercial investment, including their future livelihoods



Roles of CSOs

- Advocate for LUR of communities and individuals
- Support farmers and ethnic minorities to farm their land effectively and profitably
- CBOs empowerment to negotiate on terms of contracts and investment – secure their livelihoods
- Research and monitor impact of policies and programs on livelihoods of farmers and ethnic minorities
- Advocate for more state investment in rural infrastructure, education, vocational training and production services