

# STRENGTHEN COMMUNITY VOICES FOR INFORMED CHOICES

LAND-USE AND LAND-USE CHANGE IN CENTRAL VIETNAM

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OXFAM





# INTRODUCTION

As Ministers and representatives of Development Partners meet in Quang Tri province for their bi-annual Consultative Group meeting, “achieving breakthroughs in poverty reduction” will be high on the agenda. Vietnam has indeed made great progress in the past two decades, culminating in it attaining low middle-income-country status in early 2011. Progress and achievements notwithstanding, today, a core of chronic poverty remains with an estimated 5-6 million people still food insecure. One in five people still live in poverty, according to the Oxfam/ActionAid most recent poverty monitoring survey. Rural poverty is increasingly concentrated amongst ethnic minorities. In addition, the number of near and transient poor, who easily fall back into poverty because of economic or natural shocks, is significant, maybe up to 15% of the population. Meanwhile, new forms of injustices and vulnerabilities are emerging as Vietnam is becoming a more integrated and diverse economy and society.

Causes and drivers of poverty and injustices are diverse, but often link with people’s inability to access and take advantage of opportunities, and to shape and benefit from public policy. Addressing forms of exclusion and promoting better (re-)distribution of opportunities and wealth, while strengthening poor people’s voice and agency, will contribute to lasting solutions to poverty and a more just society. This is Vietnam’s development challenge. Breakthroughs are possible, and indeed needed.

Making productive use of land has enabled record numbers of small-scale farmers to lift themselves out of poverty. It turned Vietnam from a food deficit country into a major exporter of agricultural commodities. Vietnam has competitive advantages in many agriculture products. If supported by sound public policies, the agriculture sector has a bright future ahead, although many challenges need to be overcome, including a review of key agricultural policies. As Vietnam’s economy modernizes and in the context of increasing resource constraints, **farmers are essential to growing a better future!** Formulating a vision where the current small-scale women and men farmers and fisher folk, agricultural laborers and migrant workers can secure better and sustainable livelihoods, in or outside agriculture, is critical to Vietnam’s development and transformation process.

Expanding choices is essential. Vietnam’s farmers have demonstrated in the past two decades that they can take advantage of new opportunities. Government policies should enable this by strengthening and diversifying farmers’ capabilities and promoting a more quality, resilient and people-centered rural economy and better links with other economic growth strategies.

In the process of development and poverty reduction, **land is a crucial asset.** Access to, use and control of land are central to the culture, history, livelihoods and identity of Vietnamese people. After all, “an inch of land is worth an inch of gold” (Tấc đất tấc vàng). Yet, land is also increasingly contested.

Making optimal use of land is critical in the economic transformation process towards a modern and prosperous society. It is an invaluable asset that can make farmers secure better livelihoods and expand their choices, including moving away from a land-based livelihood. This transformation is hugely complex and often contested, with strong and economically powerful interests at play. Yet, guaranteeing land rights for poor, vulnerable and marginalized people and communities is central to promoting development and social justice, and ultimately maintaining social and political cohesion. Equally, at the macro-level, the management of land use is critical for Vietnam’s socio-economic development. The promotion of pro-poor growth in rural and remote areas will be critical for further poverty reduction.

Access to land, changes in land-use and changes in land-use rights can expand and constrain people’s choices and opportunities, contribute to development or result in injustices, poverty and even destitution. As land becomes scarcer because of increases in the population and as the economy develops allocation of land for urbanization and industrialization, access to, use and control of land becomes a critical issue for development and social stability. Land recovery for urbanization and industrialization has recently received a lot of attention and initiated an important debate amongst policy makers and the wider society. Last month, land policies and reform were also discussed during the fifth meeting of the Communist Party of Vietnam Central Committee.

In addition to the many incidence of land recovery for industrial purposes and urbanization, a key, yet rarely reported, driver of changes in land-use in rural areas is agribusiness expansion. The expansion of agribusiness and promotion of public-private partnerships (PPP) are a central tenet of Vietnam's New Rural Areas Development strategy. In search for more investment and support from central government, local authorities are often encouraging and actively supporting such agribusiness expansion.

Oxfam and our partners have observed cases in our project areas where agribusiness expansion is resulting in dramatic reduction of wellbeing for small-scale women and men farmers and local communities because of a loss of livelihoods, lack of alternative (on and off-farm) opportunities, negative environmental impacts, inadequate compensation, and lack of or delays in organizing resettlement and other mitigation policies. In some instances the current regulation regarding change of land-use, transfer of land-use rights and compensation is not respected or has demonstrated important inadequacies. In a few instances, it appears there was a failure to comply with the regulations – intentionally or because of lack of capacities of local government to manage the processes and operations required by large-scale agribusiness expansion. The issues identified below in many ways are similar to those that are emerging in the context of land-use change for urbanization and industrialization in urban and peri-urban areas.

The development process involves, indeed requires, structural transformation of the agricultural sector. This change creates opportunities and challenges alike. In a country where the overwhelming majority of poor people live in rural areas and depend on agriculture, the development strategy must encompass the current situation and future aspirations of farmers. Within this, land is a critical asset – for development, social justice and stability. Historical and international experiences have shown that in order for growth to be pro-poor, farmers must be at the core of development processes. Indeed, the agricultural sector in Vietnam has been an engine of economic success and source of poverty reduction. Government policies must therefore ensure farmers effective participation.

As Ministers and Ambassadors meet in central Vietnam, Oxfam wants to share the community experiences in the nearby provinces of Quang Tri, Quang Binh and Nghe An.



## CASE 1

Rali village, in Quang Tri province, consists of 59 households of the Van Kieu ethnic minority community. Around half of the households live below the poverty line. In addition to planted land and grazing land, the village has around 400 hectares of informally used communal land. While the village land has been surveyed, mapped and measured, no red books have been allocated as yet. Land and land-use play an important role in the culture of the Van Kieu.

With support of Advancement of Community Empowerment and Partnership (ACEP), a local NGO, different types of farmer groups were set up since 2004. Some groups work on coffee, cattle and forestry. Several other groups function to represent all sectors of the community, such as women, youth, poor households and elders. Together, the groups formed a Community-Based Organization (CBO) that acts to represent all village interest. The CBO is led by a Representative Board, who represent the diverse constituencies. Women make up 1/3 of the representative board membership.

It was the CBO that mapped out the village land resources and created a village development plan with the participation of all groups and village leadership. Based on the land-use plan, the cattle group drew up plans for designating 100 hectares of communal land for grazing. These plans were formally approved by the commune in 2005. Furthermore the group was allowed by the village to graze cattle on the remaining 400 hectares of communal land.

In 2011, Rali village was approached by a company to transfer land-use rights. This was the third time a company wanting to acquire land was introduced. In 1999, the district and commune introduced a company and its plans to develop acacia and coffee on a distant part of the village land. The village was instructed to accept. It did so and lost 150 hectares of land to

a private investor. They received no compensation or benefits of any kind. *“In those days we had no idea that we had the right to refuse and didn’t even know we could negotiate any compensation,”* head of the forestry group said.

In 2007, another private company was introduced to the village, also wishing to plant acacia and coffee on a similar sized area of land. The company paid the village 30 million VND in kind to build a community hall. *“When we saw the money the whole village looked at it with bright eyes. We didn’t know the value of our land then,”* a community member said.

In early 2011, two separate companies approached the community and requested that they be allowed to use a 300 hectare section of the communal land for plantations. One was intending to plant cassava and the other was hoping to expand its rubber plantations. Through the community-led land planning, the village community understood the value of the communal land and the legal right provided by the law regarding communal land rights. The planning also demonstrated to the authorities the importance and use of communal land for the community. The village community refused to allow any further takeover of their land. *“We refused in the end, no matter how much they offered us. The land was too close and fertile, so we might want to use it someday, if our village gets bigger... We know now that we have the right to refuse and also the right to negotiate the best deal for us if we want to accept,”* the village head said.

The community had raised its voice and made an informed choice. The community said: *“We understand our rights and how to express our needs. Group unity and mutual support has created a collective intelligence, a united voice, and many new ideas on what to do.”*

## CASE 2

In 2002, Quang Binh provincial authorities allocated 10,000 hectares of communal land to a state-owned forest enterprise in Cao Quang commune, Tuyen Hoa district. No compensation was offered and only 1,901ha remained for the villages, forests, roads, hill sides, rivers, farms etc. Despite assurances of job creation, sharing of some sections of the land for farmers to plant NTFPs, infrastructure building and shares in profit, the community watched with rising frustration as the SOE began failing to live up to its promises. Farmers tried to get land to plant on, but the process was so bureaucratic and no one ever obtained permission to do this. In fact little or no benefits were finding their way to the community and the existing forest was being decimated. *“We could all see that the company was destroying our lands, taking all the trees and damaging the soil. We knew that we had to stop them,”* said the head of community forest group.

By 2004, tension reached a climax and community members began to take matters into their own hands by attacking forest plantations, pulling out and burning seedlings. It is at this time the commune requested assistance from the Centre for Indigenous Knowledge and Research and Development (CIRD), a local NGO, who had been working with the Cao Quang community on land-use planning and land allocation since 2000. CIRD supported a two-year community-based campaign for the re-allocation of forest land back to farmers in the commune. There was a much more productive and sustainable use of the forest and its resources, they argued.

The campaign engaged national, provincial and local authorities, right down to the smallest village in the province. There was a clear understanding and appreciation about the sensitive nature of the community's case for land restoration and this informed the strategy. A solid legal argument became the foundation

of the strategy, from which all lobbying, advocacy and sharing workshops were developed. *“We used many approaches in our campaign and we kept it flexible because if we became too direct it would have caused a negative reaction,”* CIRD says.

The case was a great success for the commune which was reallocated all of their original land back. This included 8,000 hectares to individual farmers, and 10,000 hectares that was designated as protected forest under the management of the commune People's Committee. Much of this protected forest has since also been allocated to households by the People's Committee, based on clear equity principles. The Quang Binh provincial authorities funded the entire land allocation process, illustrating the strong partnership between communities, civil society and government. Since the re-allocation took place 531 households have received nearly 12,000 forest land use right certificates, with a further batch due to be issued shortly. Since 2006, household land holdings have increased considerably and there has been a growing competency and interest in production forest management by the community. The first income returns have started to flow into the commune.

The campaign made deliberate use of existing legal structures, Decrees and Decisions to lobby for the rights of communities. It built the capacities of communities to understand their rights and defend them. The strategy incorporated the cultural significance and needs into land-use plans. In making use of the land, communities built on indigenous traditional knowledge to improve land-use techniques, demonstrating a more productive and appropriate land-use within the legal framework set by government. Ultimately, the campaign empowered communities and their leaders to defend better choices.

## CASE 3

As many provinces, the Nghe An provincial government is keen to attract private investments to promote and modernize the local economy. Poverty levels are amongst the highest in the country, especially amongst ethnic minorities. The province has taken guidance from the New Rural Areas Development strategy, as well as decision 01 on SOE reform. After surveying the land of 8 SOEs operating in Nghia Dan district, the province attracted a large investor in 2010 and allocated 2,500 hectares of land for a mega-investment project of 350 million USD for Phase 1 (until 2015). Subsequent phases (up to 2015 and 2020) would see further expansion, with the completion of all infrastructure and an allocation of up to 8,000 and ultimately 11,000 hectares of land. By 2020, a total investment of 1.2 billion USD is projected.

The projected impact of such a massive land reallocation in a single or handful of districts will be massive. Assuming a 1 hectare average agriculture land holding and an average household size of 4 this project may directly affect 44,000 people.

The investment in Nghia Dan district is seen as essential to the local economy and in the national interest for food and nutritional security, as well as matching up to national policies for agricultural modernization. The clause on “national interest” has been invoked to proceed with the land re-allocation. This classification expands the authority of local authorities to reallocate land and decide on compensation payments.

While the investor and district officers maintain a more positive perspective on the negotiations with local farmers regarding the reallocation and compensation, there is a recognition by provincial authorities that with this modernization and moves away from smallholder farming came severe challenges to the affected population that included loss of farm-based livelihoods for small-scale farmers, lack of alternative off-farm jobs and the relevant skill base to create them, negative environmental impacts and a limitation in the capacity of local government to manage the processes and operations required by such a large scale agribusiness expansion. If provincial authorities indicate an awareness of benefits and costs, local farmers and commune

officials in Nghia Dan district, one of the first to be affected by land reallocation, feel their livelihoods have been destroyed and fear poverty, if not destitution. They argue the process has lacked proper consultation with them; left them confused as to their future, without adequate compensation, and with no livelihood opportunities to sustain their families. They state that the environment is being degraded, that poverty is increasing rapidly and social problems with their youth are on the rise. In short, there are strong views within the community that they were cheated out of their land. Many appear to have lost faith that the authorities can protect their interests.

The land re-allocation and compensation, or lack of, has become one of the most contested aspects of the investment project. To date, most land has been re-allocated from state farms. Following Decision 01, the SOE offered farm plots as a rental agreement to small-scale farmers to grow their own crops with a 50 year lease for use of the land. After 1993 many farmers began taking up this option and by 2010 they had worked this agreement for an average of 12 years only. Farmers had worked hard to achieve economic efficiency and finally become profitable. According to a farmer, *“before 1993 the farm efficiency was very low [...]. Leaders encouraged people to take land straight away so that others would see them and follow. For those farmers who took up the offer early it took about 5-6 years to achieve economic efficiency. After it became very profitable for the farmers, the government encouraged farmers to invest more in their farms and build better homes. When [the investor] came in 2009, none of the farmers here wanted to give up their land. We were making very good money!”*

Compensation to SOE farmers is paid in accordance with the land-use on the farm plots. As per the current regulation, no compensation is paid for the land itself. Farmer representatives report they had *“no choice but to sign our land over”* and *“all the plans and compensation amounts came only from the district and province level. Nobody from the communes and villages was involved”*. Compensation paid to farmers who *“leased”* land from the state farm is significantly lower (in fact a fraction) than the

average compensation price for farmers with LURC. Authorities justified the recovery of land as they claimed it was not “*economically efficiently*” used. According to several farmers, they had to sign papers that stated this, even though, according to them, “*most of the village had farms that were giving us more than 100million VND/ha/year.*” The compensation money provided pales compared to such annual returns. Additional benefits to the basic compensation package were also promised, although there are different views to what extent they are delivered. For example, the investor has offered labor contracts to former SOE workers who have lost their land, but this has not materialized for all impacted farmers.

At the moment, almost all the land that was reallocated by the district has been from state farms. However, in the future, it is expected that red-book land from small-scale farmers will have to be used. Considering the size of the project, this will be a massive and challenging undertaking. Already, farmers who hold a “*red book*” are asking for significantly higher compensation.

In this process, the local government has come

under serious pressure, with concerns growing about its capacity to manage such big private sector developments and especially to guarantee the rights of people. For example, in generating new livelihood options, authorities admit they are lost for solutions. While there are some ideas, there is still no clarity on where the land will come from for this, or what support the newly landless will receive.

The relocation plan of residential areas to two new sites appears to be lagging or lacking. Today, with no clear picture of what is expected of them in terms of relocation of the residential areas and when this is happening, it makes it impossible to start planning their futures and developing an alternative livelihood.

In the two years since their farm lands were reallocated, farmers have been unable to find alternate land holdings to farm and have not found sufficient other off-farm livelihood options to sustain their families. As of today, there seems no viable plan for alternative income sources and no land made available to restart their farm-based livelihoods. Consequently, farmers spent the majority of their compensation payments on living costs whilst waiting in limbo for a relocation strategy from local authorities.



## LAND POLICY RECOMMENDATIONS

As the above case studies illustrate, the livelihoods and wellbeing of small-scale farmers are significantly impacted by land-use changes of land used by households with or without “red books”, farmers who are under land lease contracts with SOEs, or rely on communal or forest land. In each of these instances, the ability (or lack of) of the community to voice their interests, claim their rights and make informed choices is critical. For agribusiness expansion to benefit the nation’s development, Government and investors need to ensure farmers benefit from changes in land-use.

The cases studies above highlighted a number of issues:

### COMMUNAL LAND

Contrary to the perception of many authorities, communal land is not idle, unproductive and certainly not “free” land. Rather, communal land plays a crucial role in the livelihoods of farmers in Vietnam, especially ethnic minority communities. The law and regulations provide good and clear provisions about the use of communal land at village level and the rights of communities. The Grassroots Democracy Decree also gives guidance regarding the participation and decision making power of communities. Yet, communal land areas where no LURC was issued are the most vulnerable to be taken for agribusiness expansion by local authorities, who are often keen to attract private investments and have a bias for large-scale agricultural “industrialization”. Regulations on consultations with and the rights of communities are often poorly implemented. Compensation is often inadequate and does not conform to the Law.

First and foremost, communal land should be understood as land under the use of the community in accordance with the participatory land-use plan. It is not for the local authorities to decide and transfer the land resource to various investment projects. If investors want to promote a project, the local communities must be their principal counterpart to discuss, negotiate and reach agreement in all aspects of land use. The rights and entitlements of the local communities must be ensured and decided by themselves.

### RED BOOK, OR NOT

The Law and regulations of Vietnam clearly specify the process and procedure to issue Land Use Right Certificates (LURC). As per a commitment of the National Assemble, the process of nation-wide certification should have been completed by 2010. However, today, many farmers especially women have still not been granted LURCs and continue to be disadvantaged.

While Land-Use Right Certificates, or red books, will not limit the possibility that government may repossess land, red books do provide some protection and, on average, result in better compensation. With land becoming increasingly scarce and valued, negotiated compensation can and should be significant, provided that communities are aware of their rights and have access to relevant information. More often than not, communities in rural and remote areas do not avail of such information. In many instances, the process of consultation and land value appraisal has shown to be deficient, often resulting in farmers being inadequately compensated and large rents being obtained by others.

### STATE FARM LAND

How to make best use of the large tracts of land managed by state farms is an important, yet also complex issue. At the moment, there is a lack of information about the use and productivity of state farms, and who ultimately benefits from this land. In many instances, land is not optimally used considering its development and poverty reduction potentials. Often, state farms act as a broker and receive rents from farmers. This, however, leaves farmers with very few rights and protection.

As illustrated in Case 3, when state farms revoke leases between state farms and farmers in favor of a private investor it can destroy livelihoods. In those instances, farmers have few opportunities to influence decisions and claim their rights. The compensation for recovery of state land only compensates for the value of the crop, tools used and investments made. No compensation is paid for the land. This can dramatically reduce, and even destroy, farmers’ livelihoods options. It is development in reverse, especially if other mitigation strategies are lagging or lacking.

The Government has issued a policy (Decree 181/2004/NĐ-CP) to adjust the scope of land being managed by state-owned agro-forestry enterprises. However, this policy is not well enforced in a number of provinces.

Whether a household holds a formal land-use title, leases land from a state farm or was unable to secure a LURC depends on many factors, often linked into Vietnam's historical evolution of land ownership and local circumstances. As illustrated above, the ability to secure adequate compensation to build an alternative livelihood will critically depend on this status. The current framework of regulations is resulting in inequities and poverty.

## FOREST MANAGEMENT

As Case 2 illustrates, there is strong evidence of community competence in taking the role of forest managers. Community forest groups are able to clear, plant and manage acacia plantations, as well as protected forest, for increased biodiversity and soil rehabilitation. It demonstrates that community-led agriculture remains a viable production model that can promote development and sustainability.

Numerous State-owned forestry enterprises currently hold extremely large areas of land. However, they are often not well managed. Local communities have demonstrated that they are better able to protect, enrich and sustainably exploit forest resources. The Government has promulgated specific policies to readjust the land under SOE's management, especially in relation to community-led management. However, the application is also lagging.

## PARTICIPATIVE LAND-USE PLANNING

The Law on Land stipulates the participation of people at communal level in the land-use planning. While the National Assembly and People's Councils at various levels play an increasingly effective role, the participation by the people in the commune-level land-use planning is largely not effective and rather formalistic in nature.

Participatory land-use planning assists communities and government to plan for the future and make effective use of all productive land, natural resources and community capabilities. It also results in increased community awareness and cohesion and has enhanced the value of communal land by creating new income generating opportunities. It can also assist Government in evaluating how to make best use of land and appreciate the importance and productivity of communal land. Crucially, it creates consent amongst all stakeholders in relation to land-use and, when agreed, strategies for conversion and compensation. Assisting communities to survey their resources and to make effective land-use plans is critical to give communities voice and offer them choices when considering land re-allocation proposals. Both ACEP, working in Quang Tri, and CIRD working in Quang Binh, evolved similar strategies to protect the communal land rights of vulnerable farmers. Their approach includes:

- Assess the resource availability through detailed surveys, meetings and mapping;
- Enhance representation within the community through farmer and interest groups;
- Plan land-use options with the community that demonstrate productive land-use, high income potential and equitable opportunities;
- Demonstrate clearly the value of the community land and generate interest in maintaining its ownership, now and in the future; and
- Build community knowledge of their rights and responsibilities to decide on communal land-use and household allocation.

These are skills and information that farmers in Nghia Dan district in Nghe An are lacking. As a result, their choices are severely constrained. Today, farmers in Nghia Dan district are asking for a strong and independent survey of environmental impacts, job creation to support alternative livelihoods and access to credit, especially for women, a review of the compensation paid (including differences between groups and evolution over time) and a clear and adequate resettlement plan.

## AGRICULTURAL SECTOR PLANNING

Sector planning for agricultural commodities was shown to be a particular threat to communal land rights on village land. Irrespective of the merit of such expansion policies, which in several instances need to be critically (re-)evaluated, the key problem with these sector-driven plans is that there is often no “free” land available in the district. All usable land is under household land-use or the communal ownership of villages and communes. Therefore, the only way a sector can expand is by those communities, either planting the crop themselves, or by large companies being granted the land-use for plantations. The key question therefore is whether communities have the strength and voice to negotiate equitable deals, or indeed the space to refuse land-use changes if they are approached.

Many sector plans and the government strategies are built on, or at least have a bias for, large-scale agriculture and private sector agribusiness. Irrespective of their economic and development merit, these are very real threats to community land-use. For example, the rubber expansion in Quang Tri province is clearly favoring the large-scale plantation model. Government should consider carefully the wider impact on communities and environment. Vietnam’s current growth model is based on an unsustainable use of natural resources. In order to shift to a more sustainable development model, local communities need to be more involved in the policy making process.

## THE SCOPE AND APPLICATION OF RECOVERY OF LAND BY THE STATE IS TOO BROAD AND VAGUE

The case study in Nghe An was interesting in that it was based on land reallocation to private sector agribusiness that was framed as “economic development” in accordance with Government’s regulations, based on Article 40 of the 2003 Law on Land. The application of compulsory recovery of farm land used by farmers for their livelihoods in order to allocate it to investors does not present justice and may induce conflicts between groups of poor, local farmers versus the outside, wealthy investors. The case study also highlights inadequacies in compensation for farmers who lease land from state farms, and shortcomings in the implementation of mitigation actions, including resettlement and promotion of alternative livelihoods.

## EMPOWERED COMMUNITIES CHOOSE AND DECIDE ON LAND-USE CHANGES

Community land rights in Vietnam are such that the community must be consulted at village level and agree before any land-use changes can occur. Communities are best placed to evaluate the benefits of such options, as their livelihoods depend on it. In order to make informed choices, awareness raising on the value of land and future opportunities, constraints and risks linked to land-use and land-use changes is needed. Communities need to be able to strengthen their voice so that they can negotiate better choices, using their rights as defined by the law.

As demonstrated in the case studies in Quang Tri and Quang Binh, farmer groups can be successful in refusing and negotiating better land-use arrangements. Thanks to the support and accompaniment by local NGOs, farmers and communities understand very clearly the current value of the land and the potential of using this asset to improve their livelihoods and wellbeing in the future. This results in better choices and outcomes, which farmers in Nghe An are lacking.

The success of communities to raise their voice and be able to make and shape informed choices was due to high level of representation, strong participatory land-use plans and improved competencies to understand their rights to negotiate or refuse land allocation to private sector agribusiness interests. Also, community understanding of the laws and regulations are crucial in order to be able to evaluate proposals by companies and authorities and make informed choices. Raising awareness through community-based organizations empowered villages and people. Local NGOs play an important role through strong capacity building programs that support the decision making process and land-use planning. Civil society also plays a critical role to advocate for government, as duty bearers, to fulfill its obligation and monitor the implementation of government regulation. Civil society can provide farmers with un-biased reviews of contracts, compensation packages and additional incentives. They can also support negotiations and oversee the implementation of land reallocations.

## STANDARDS AND PROCESSES FOR COMPENSATION, RELOCATION AND ALTERNATIVE LIVELIHOODS

The case studies have identified instances where the application of law and regulations is lagging or lacking, as well as some inadequacies in the current legislation and regulation. Together, they are putting farmer's rights at risk. For example, the current standards for compensation and relocation are inadequate and the capacity of local government to manage and resource these processes is often limited, particularly in regard to projects involving large-scale land-use conversion. These raise enormous challenges in regard to managing environmental degradation, the loss of farm-based livelihoods for those displaced, insufficient agricultural land for resettlement sites, the lack of suitable off-farm employment and inadequate investment in vocational training that is suitable for small-scale farmers. Compensation and relocation for farmers displaced from SOE land is particularly problematic. Irrespective of its merit, the scale, phasing, planning of such large-scale investment projects and their impact on the livelihoods of farmers must be evaluated and considered carefully. Different benefit sharing mechanisms should be considered, such as leasing land from farmers rather than transferring land-use rights, employment for local farmers in the project, investment in local communities, etc. Large-scale agribusiness projects require high quality, independent pre- and post-impact assessments.

## CONCLUSION: NEW RURAL VOICES FOR BETTER CHOICES

Land-use change is likely to increase in the coming period, driven by agriculture modernization and the promotion of new commodities and public-private partnerships. Communities need to have the strength and voice to negotiate equitable deals or refuse land-use changes if they chose so. Without this, the threat of land grabs will increase!

In Oxfam's view, both small-scale and industrial farming are needed to feed the growing world population without depleting the earth's resources. In many instances, small-scale farming has proven to be as productive and often more sustainable than large-scale, highly mechanized, high external input agricultural models. Agricultural strategies demand a multifaceted approach to agriculture, one that takes into account its multi-functional value, the importance of territory to culture, especially to ethnic minorities, and the varied roles played by women and men, land-owners/users and waged labourers. A gendered approach to agricultural policy is also crucial, since the majority of economically active women depend on agriculture to feed their families.

To promote rural development and further poverty reduction, small-scale farmers remain core to Vietnam's agricultural strategy. Expanding on and off-farm livelihood options for small-scale farmers will have significant knock-on effects on local development that will reach beyond economics, including making rural-to-urban migration a choice rather than an obligation. This will require improved investment in infrastructure and extension services, and better and more equitable access to natural resources, appropriate technologies and markets. Securing women's access to land, credit, inputs and markets, as well as decent employment and services, would have a strong and immediate effect on productivity and food security.

At the same time, large-scale agricultural production models, including agribusiness expansion, must respect the fundamental right to decent and sustainable livelihoods for communities who depend on and live from the land. There are significant benefits to gain from building on complementarities amongst farms of various sizes and modes of production. Government and investors have a duty to safeguard and improve livelihood options of farmers living in the investment area. They need to promote employment and respect of labour rights, redress discrimination against women, and invest in social infrastructure. Mitigation and compensation policies must be timely, adequate and comprehensive. For environmental sustainability, large-scale agriculture must reduce dependence on external inputs, improve water conservation, and drastically reduce the use of toxic chemicals. Acquisition of land by agribusiness must be strictly regulated to ensure fair outcomes for all concerned. Clearer guidelines, especially for local authorities, would be helpful in relation to agricultural investment projects. The role and voice of farmers and local communities must be recognized and facilitated.

Vietnam's rural development strategy should invest in communities to grow stronger voices that will enable them to make good and informed choices. In relation to land-use rights, public policy and civil society can work together to demonstrate the value of land, and build capacity of communities to voice opinion and negotiate with local government and the private sector, or participation in improved complained mechanisms. This will benefit Vietnam's transformation towards a competitive and resilient agricultural sector, as part of a vibrant modern economy. Together, strong and clear rural voices will build New Rural Areas!

## RECOMMENDATIONS

- Farmers need secure **stable land use rights** that enable them to make effective use of land as an essential asset to expand choices, on and off farm, which will secure better and sustainable livelihoods. Stronger mechanisms for **community participation** in the process of preparation, verification, appraisal, and implementation of the land-use plan are needed. Local communities should be able to participate in all processes of legislation development and enforcement, development and implementation of land use planning, making decision of land uses, and inspection of land use. Social organization should play a role in building awareness and capacity of the local communities.
- Farmers **need adequate and timely information to evaluate land-use change options**. Consultation mechanisms need to be strengthened, especially for communal and forest lands. Farmers must have the right to refuse and negotiate land-use changes, as per the law. Civil society organizations can provide support in accessing information, evaluating proposals and defending land use rights with authorities.
- The performance of **state farms** and the land they currently hold needs to be evaluated. Unproductive land should be re-allocated, with due consideration to equity and development. Land use rights of farmers who currently are leasing land from state farms should be strengthened by giving them full land use rights.
- The law needs to stipulate clearer and more restrictive requirements under which conditions **land use rights can be redrawn**. The revision to the Law on Land should ensure that compulsory land recovery is only for national and public interest, public security and national defense; and not for economic development or in fact “business expansion” purposes. National interest, public interest, public security and defense need to be clearly and specifically defined.
- More adequate, diversified and equitable **compensation mechanisms**, in terms of amounts, structure, timing and alternative livelihoods, need to be put in place. The value of land should be appraised independently, and land valuation criteria and mechanisms should be adjusted. Government must meet its obligations in relation to resettlements. Farmers and communities must be able to access independent advice and seek redress if they see the need. Oversight of land policy implementation needs to be strengthened. Land use change for **agribusiness expansion** must guarantee that livelihoods of affected farmers and communities are secured and mitigation policies are adequate, comprehensive and timely. Farmers should not be marginalized through investment projects; instead they can play a role in the production model. Benefit sharing mechanisms, through for example new-style cooperatives, should be developed. Private sector and government have a joint responsibility. Government should provide a clear regulatory framework with a robust compliance mechanism.
- **Communal land rights** and solidarity are fundamental for many communities, especially ethnic minorities. These values need to be respected and considered when land use change is considered. **The cultural value of land and forests**, especially for ethnic minority communities, must be respected when considering land use changes. The regulations on collective use rights must be strengthened and applied more widely.

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*This paper was written by Bert Maerten, with valuable inputs from Prof Dr Dang Hung Vo and Dr Nguyen Do Anh Tuan. Photos by Aidan Dockery and Tineke D’haese/Oxfam.*





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