

LAND OWNERSHIP AND DEVELOPMENT:  
THE INFLUENCE OF FOREST LAND ALLOCATION ON LAND  
MARKET DEVELOPMENT AND LOCAL LIVELIHOODS IN TWO  
COMMUNES IN THE NORTH CENTRAL COAST OF VIETNAM



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# Foreword

This thesis has been an ongoing process, at times difficult and impossible and at other times interesting and worthwhile. It started already one and a half year ago when we, the students who would end up in Vietnam, got into contact with Mr. Tran Nam Tu from the Hue University of Agriculture and Forestry (HUAF). Since then Mr. Tu and our Dutch supervisor, Mr. Paul Burgers from Utrecht University, have been our guides through a world that we did not know yet then, but that we learned to love.

I would like to extend my gratitude to everyone who has helped us on the way. In the first place our supervisors, but also the people from Tropenbos Vietnam, who welcomed us in Vietnam and who have given us the opportunity to do research in Vietnam. During our research we have received a lot of assistance from Mr. Tu's students as well, in particular our co-students, friends and facilitators Mr. Thien and Mr. Danh and their colleagues from HUAF.

Our stay in the field would have been impossible and a lot less fun without the help and assistance from the students from the Foreign Language University in Hue who have been excellent translators and friends. In the field also, all the officials and people who have been willing to endure my questioning and presence in their lives and business. A last special thanks to my co-students and friends in the field from Utrecht, Mr. Tom Bakkers, Ms. Astrid Bos and Mr. Mucahid Mustafa Bayrak without whom I would have never been able to achieve as much as we did.

Ofcourse, any visit comes to an end. In the Netherlands it were my friends, family and most of all my husband who have been supporting me from the start to the finish of writing this thesis, and for this I am very grateful.

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## Executive summary

This research stems from both a theoretical framework as well as fieldwork. As the title of this thesis suggests, the main topic of this thesis is the effect of land allocation on land market development in two communes in the north central coast of Vietnam. Subsequently, this thesis also looks at the pro-poor qualities of such development, both in terms of socio-economic development and land equality.

The roots of this research are the changes in the legal framework surrounding land ownership in Vietnam. These changes have essentially entailed a move from socialist to post-socialist land relations. This movement gained momentum with the Doi Moi reforms of 1986. These reforms also included a land titling program. Although the current legal framework has not been created overnight, the combined changes have resulted in a post-socialist form of private land ownership that has profoundly changed the role of land in the livelihoods of people, as well as local and regional land relations and its role in the economic development in Vietnam.

Land titling can be thought of as a land related form of instating private property regulation. Private property regulation has been thought by authors such as Deininger, De Soto and others to be a powerful tool for stimulating socio-economic development. In particular, land titling has been thought to stimulate investment in land, enhance productivity and hence lead to poverty reduction. The role of land markets in this process are clear: they should contribute to both an efficient and equal distribution of land. De Soto has added to this idea that the poor are often disadvantaged because their properties are not part of the formal institutional system. Since the share of land as a total of all the properties they own is relatively large, instituting private property rights for land should prove a powerful boost for pro-poor economic growth.

This relatively straightforward view is however more complicated than it seems. The “success” of land reform through land titling is dependent on a larger system which also incorporates labour markets, financial markets, product markets, and finally land markets. If any of these markets fail to work, land titling is not likely to add to efficiency, or land markets might not develop at all. In post-socialist settings, land relations are further influenced by the socially embedded role of land in local power structures and arrangements. The real effects of land titling in particular communities can therefore not be fully predicted.

Result findings from the field work show that households in the study area confirm that having been allocated with Red Books (long term use rights for land, the Vietnamese equivalent of private property rights) positively affected their livelihoods. It also shows how local circumstances affect the eventual outcome of land reform. Specifically, the influence of the government on land relations in the study area is much more significant than traditionally assumed in capitalist oriented theories on land titling. The government has a strong influence on both financial markets and land markets insofar as financial markets are monopolised by the government. Land markets are affected because existing rules and regulations form a strong disincentive for those households who would like to sell, but would still like to profit from land allocation in the future. Additionally, most households also suffer from a lack of information.

As a result, there are no transparent land markets in the study area. Despite this, some form of land consolidation is already visible as some households have still been able to acquire land by buying it from other households. Following this, as households usually reinvest their profits from production forests again, some further inequality in land distribution is likely to occur. Even more so because the average size of production forests after allocation is suboptimal in terms of efficiency. This in combination with rising land prices could push some of the poorest households from the land market, especially as the land supply is finite.

Given the eventuality of continued land market processes, poor households would benefit from more transparent markets and an institutional environment as the current situation puts them at a disadvantage. The findings from the study area further suggest that social networks, which are traditionally stronger in post-socialist land relations, can have a mitigating affect on socio-economic equity. There are also positive effects to the developments in the study area. While average income in Nam Dong is still below the national average, normal households increasing their income from production forests will raise the local living standards and investments in production forests will benefit local natural resources.

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# Table of contents

Chapter 1 Introduction	8
Chapter 2 Theoretical framework	11
§1 The (informal) economy and the role of capital	11
§2 Paradigm shifts in land policy	15
§3 Land (market) reform and property regulation, how to make it pro-poor?	19
§4 Forest resource management and land ownership development	31
Chapter 3 Regional context: the development of Vietnamese land policies and ownership	35
§1 Introduction	35
§2 Government policies and legal framework in Vietnam	37
§3 Land markets in Vietnam and the consequences for forest land based livelihoods	42
§4 Conclusion: are land markets in Vietnam pro-poor?	50
§5 Conceptual model and research questions	52
Chapter 4 Research context and methodology	54
§1 Bach Ma National Park	54
§2 The social and geographic context of the research site	55
§3 Land allocation in Bach Ma National Park	57
§4 Introduction to the research methodology	59
§5 Planning and research process	60
§6 Operationalisation	62
§7 Research methods	63
§8 Research limitations	67
Chapter 5 Research findings	69
§1 Introduction: a short overview of Thuong Lo & Huong Loc	69
§2 The organisation of land allocation and land distribution in Bach Ma National Park	70
§3 Forest land allocation and (governmental) services or programs	74
§4 Barriers for exploiting land allocated to low income households	77
§5 Organisation of land market processes in Bach Ma National Park	80
§6 Socio-economic and environmental consequences of land market processes	84

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Chapter 6 Discussion	86
Literature list	91
Appendixes	97

## List of tables

- Table 1 Comparison of different forms of land tenure reform
- Table 2 Properties for pro-poor property rights and institutions
- Table 3 Typology of property rights of forest resource holders in Vietnam
- Table 4 Acquisition modes of plots in percent of total plots owned (VAHRS 2006 & 2008)
- Table 5 Modes of departing with plots between 2006 & 2008 (VAHRS 2006 & 2008)
- Table 7 Operationalisation research questions (number refers to question)
- Table 8 Interview respondents
- Table 9 Questionnaire data
- Table 10 Socioeconomic indicators at commune level
- Table 11 Land area (ha) per commune by land use type
- Table 12 Forest land claims
- Table 13 Participation in programs and training
- Table 14 Participation of households in financial services
- Table 15 Schematic summary of barriers for sustainable land use
- Table 16 Improved role of forest land in livelihoods of the poor
- Table 17 Favourable environment for development of pro-poor land markets for forest land
- Table 18 Factors influencing access to land for households in Huong Loc and Thuong Lo
- Table 19 Increase of land transfer activities for forest land

## List of figures

- Figure 1.1 World Population Density 2009
- Figure 2.1 The social ecological system
- Figure 3.1 Participation in rental and sales markets 2006 & 2008 (VAHRS 2006 & 2008)
- Figure 3.2 Forest cover (2001 Rural, Agricultural and Fishery Census)
- Figure 3.3 Incidence of poverty (2001 Rural, Agricultural and Fishery Census)
- Figure 3.4 Accessibility to markets (1999 national market census)
- Figure 3.5 Proportion of forest land allocated to households for long term use (2001 Rural, Agricultural and Fishery Census)
- Figure 4.1 Bach Ma National Park
- Figure 4.2 Susceptibility to forest degradation 2003
- Figure 4.3 Map of management and protection of forest fire in Nam Dong district
- Figure 4.4 Thuong Lo Forest Zoning Map 2005
- Figure 5.1 Land types in Huong Loc & Thuong Lo
- Figure 5.2 Red Book ownership
- Figure 5.3 Overview of government agencies involved in land allocation
- Figure 5.4a Types of training followed by hh's in Thuong Lo and Huong Loc
- Figure 5.4b Organisations responsible for training
- Figure 5.4c Perceived benefits from forest related training in Thuong Lo and Huong Loc
- Figure 5.5a Sources of income in Thuong Lo, Doi village
- Figure 5.5b Sources of income in Huong Loc, village 3
- Figure 5.6a % of total household income in Thuong Lo, Doi village & Huong Loc, village 3
- Figure 5.6b % of total household income in Doi village
- Figure 5.6c % of total household income in village 3
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## **Glossary**

5MHPR	5 Million Hectare Reforestation Program
CPC	Commune People's Committee
DARD	Department of Agriculture and Rural Development
DFID	Department for International Development (UK)
FAO	Food and Agricultural Organization
FLA	Forest Land Allocation
FPU	Forest Protection Unit
FSSP&P	Forest Sector Support Program & Partnership
ILD	Institute for Liberty and Democracy
ILO	International Labour Organisation
INCRA	Instituto Nacional de Colonização e Reforma Agrária
LUC	Land Use Certificate
LUPLA	Land Use Planning and Land Allocation
MARD	Ministry of Agriculture and Rural Development
MARL	Market-led agrarian reform
NFTP	Non-forest timber product
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
VND	Vietnam Dong
VLSS	Vietnam Living Standard Survey
VHLSS	Vietnam Household Living Standard Survey

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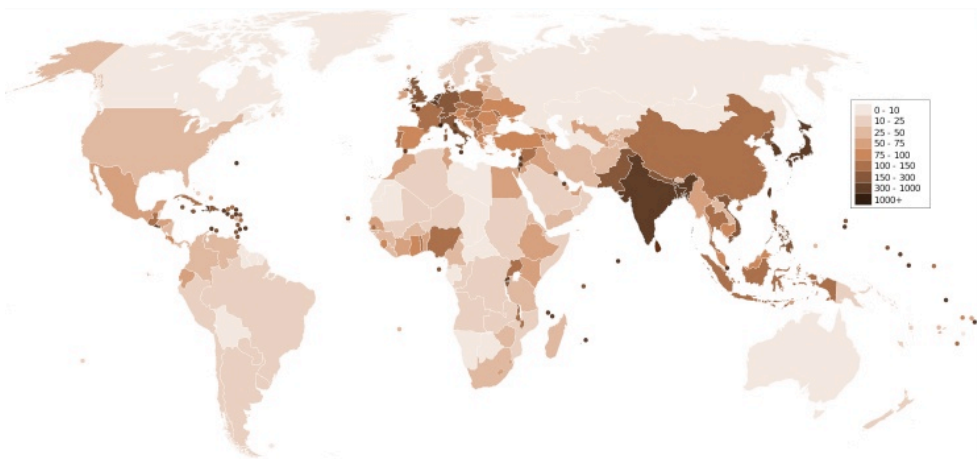
# Chapter 1 Introduction

*"In this book I intend to demonstrate that the major stumbling block that keeps the rest of the world from benefiting from capitalism is its inability to produce capital."* Hernando de Soto, 2000, p.5.

The statement above belongs to Hernando de Soto, a Peruvian scholar and founder of the Peruvian think-tank the Institute for Liberty and Democracy (ILD<sup>1</sup>). The ILD focusses on a particular approach to bringing an end to poverty: helping countries to introduce property systems that can help both poor and rich citizens to make use of the chances that market oriented economies offer to increase their socio-economic well being. They believe that capitalism offers the poor of this world the best chance to bring an end to their poverty. The reason that the current mode of capitalism does not benefit the poor is that the poor are not fully included: capitalism has only spread in bubbles from which the poor do not profit. The most important reason that the poor are not included in these capitalistic "bubbles" is that their property is not recognised in the legal system and that because of that they are not able to use their property to create more capital in an effective way. De Soto terms this unrecognised property as "dead capital". To include the poor, developing countries need to redesign their property laws so that the poor can profit from them. Because together the poor own a large amount of not recognised capital, the resulting influx of new legally recognised capital would benefit the entire economy of developing countries. So it is this invisible infrastructure of "asset management" that is the missing ingredient to success with capitalism, insists de Soto (De Soto, 2000).

Though De Soto's analysis of property rights as the missing ingredient in the development of many developing countries is not specifically targeting land and land reform, property rights reform that is extended to land as well will have important socio-economic effects. Because land is an important part of the properties available to the poor the effects of instituting private property rights for land can transform their livelihoods drastically. Effects of land reform would however not be limited only the poor. Currently our society is changing and growing at a very high rate. Since 1927, when the world population was 2 billion, it has risen with almost 5 billion so that at 19 June 2010, world population was standing at 6,828,100,000. Vietnam ranked 13th on the work ranking list (U.S. Census Bureau, 2010).

**Figure 1.1 World Population Density 2009**



Source: Brown, 2009, based on UN figures 2009

One of the results of an increasing population pressure can be that claims over the resources our world has to offer are increasing. Access to and ownership over the land that gives access to these resources have become more complex as the supply of land relative to the demand for land becomes more scarce. To increase the efficiency of land ownership, many countries have experimented with new types of land ownership within their borders, most of which focussed on increased decentralisation and market oriented processes. The land reform agenda of the twentieth century also incorpo-

<sup>1</sup> See their website at <http://www.ild.org.pe/>.

rated a redistributive element. Though in the last quarter of the twentieth century (redistributive) land reform disappeared from the policy agenda, recent years have shown a resurrection of the land reform agenda (Borras, 2005, p. 91).

De Soto is one of the prominent figures influencing the current debate on land ownership among policy makers. His message promoting property rights has reached and influenced many important people and institutions, most notably institutions such as the World Bank. Though not the first nor only one, this has led many policy makers to have tacked on to these ideas and have started dealing with property rights for the poor. The premise that the property rights school is working on is that land titling could allow the poor access to credit markets, transforming their wealth into capital, thereby increasing their income. This process could help to alleviate poverty and increase economic growth (Galliani & Schargrodsky, 2009, p. 31). On the other hand, De Soto has also received a fair deal of criticism regarding the wider social political impact of property rights reforms, dealing for instance with issues such as the role of culture, the necessity of wider political reforms, the role of credit, his description of who are the poor and others (Daley & Hobbey, 2005; Galliani & Schargrodski)

De Soto was not the only one to cover the topic of land rights and economic development. There are in fact many reports from different organisations among which "Property Rights for the Poor: Effects of Land Titling" by Sebastian Galliani & Ernesto Schargrodsky and another titled "Land: Changing Contexts, Changing Relationships, Changing Rights" by Elizabeth Daley en Mary Hobbey commissioned by the Urban-Rural Change Team from the Department for International Development (DFID) and even more reports from other authors (Deininger, 2003; Libecap & Lueck, 2008). Variables that have been researched are the effects of land rights on topics such as real estate values, investments, agricultural productivity, labor supply, access to credit and even on the formation of beliefs (Galliani & Schargrodsky, 2009, p. 1).

Historically, many countries have attempted land reform in on form or another. These reforms have been informed by a rich and diverse plethora of conceptual positions and empirical insights, all trying to understand the role of agriculture in and for economic development. The topic of land rights can be approached from many different angles, none of which are necessarily wrong or right. Though this is inevitable, the consequence is that the debate on land rights is relatively shattered, with multiple authors focussing on different issues.

This thesis aims to fill a hole in the available knowledge by examining this debate and putting it into the context of the Vietnamese land development. In Vietnam, property rights have undergone some major changes in the last decades. For the first time in Vietnamese history farmers can have legal use rights for their land along with the rights to sell, buy, mortgage, inherit and transfer rights to land. As a consequence land markets are now free to influence land ownership patterns in Vietnam. The case studies examined in this thesis look at the forest land market development in two communes in the North Central Coastal area and the implications of possible changes in local land markets for local households. The research question that has guided these case studies and this entire thesis is "Have land allocation programs in Bach Ma National Park in Vietnam led to the creation of land markets for forest land, if so, to what extend are these land markets pro-poor?".

One of the key terms in this research and the literature review is ownership and specifically land ownership. Though this seems at first a clear-cut term, in reality the exact definition of ownership is dependent on multiple factors including legal as well as social or cultural meanings. To avoid confusion, ownership and some related working terms will be introduced here, though they will be explored in greater detail later on.

In this thesis, ownership is understood in its broadest sense as a term that describes the concept of a relation between claimants and property that involves one or more rights to control and use property to the exclusion of other individuals or groups of individuals<sup>2</sup>. It is a social construct, backed up by socially supported power. Different types of ownership arrangements can therefore be into place. On the one hand there are legal ownership arrangements, for example private

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<sup>2</sup> For a full discussion of the different rights and ownership arrangements, discussed in the Vietnamese context, see also table 3 on page 40.

property. This is the type of ownership that is strived for by those who belong to the “property rights school”. Private property rights in this thesis refers to a type of legally recognised ownership with full ownership rights belonging to an individual. On the other side of the spectrum there are the informal ownership arrangements, which are not acknowledged or legal outside of the local communities but which are nevertheless very real and prevalent in many communities (WordIQ, 2011).

Land titling is an activity related to land ownership which aims to convert informal land ownership arrangements towards different, formal, land ownership arrangements. This does not have to include private property but can also include common property rights. Land titling is related to the property rights school as land titling policies rely on the same premises concerning land use efficiency, (land) market forces and agricultural and socio-economic development. Land (tenure) reform on the other hand has been used to describe a wide variety of land ownership changes. Land titling can but need not play a part in this. In many cases, land reform is used to refer to a process where its aim is to contribute to equal land distribution through a conversion of large estates and privately held areas of land to smallholder shares. Thus, land reform also refers to a broad process of agricultural change that has to satisfy a combination of political, social, economic and even environmental goals (Cypher & Dietz, 2009, p. 379).

This thesis focusses specifically on the role of land markets after land allocation. Land markets can exist only when households are able to transfer land, either formally or informally. Though this right is guaranteed best by private property rights, land markets are also prevalent among other type of ownership arrangements. Ownership of property can only be transferred if land is sold, bought or otherwise permanently transferred. However, rental markets also have an important role to play in land development, even though households who rent land do not belong to the category of land owners, as ownership of the land that they use belongs to someone else. But because the land market in Vietnam is influenced by both, an analysis of land ownership in Vietnam will consider both rental and sales markets.

In the Vietnamese context, all of this is made more complicated by the fact that the Vietnamese government regards all its land as owned by the government. There is therefore no real private property ownership in Vietnam, in the sense that ownership rights for forest land are limited to long-term use only. Households who receive land through land allocation receive a Land Use Certificate (or Red Book) to prove their ownership of land, but all land ownership is only temporary, its duration dependent on the type of land issued.

The theoretical context for the research paper focusses on the effects of land market processes on local livelihoods, while also taking into consideration the broader debate on the interaction between property right or land tenure reforms and sustainable socio-economic development. The subject is also looked at from a natural resource management perspective, as the field research done for this thesis is located in the bufferzone of a national park where forest cover increase is a government objective.

The theoretical context will be followed by a regional context focussing on land reform and land markets in Vietnam. Chapter three focusses on the local research context. This concludes the literature review. Chapter 4 and 5 are concerned with the research methodology and the research results. Chapter 6 finally discusses the research and tries to relate the research to the literature.

## Chapter 2 Theoretical framework

### §1 The (informal) economy and the role of capital

According to Borras Jr et al. land reform and property rights reform are intimately connected in the current policy debates. From a policy driven point of view, there are two large dominant positions that can be identified in the land reform debate. On the one hand there is a group of people who think that land reform should eventually contribute to an industrial-urban path to development, where intensive or collectivist types of farm holdings free up labour and serve urban growth. On the other hand, there are people who think that land reform should contribute to an agricultural-rural path to development, generally promoting individual small family land holdings (Borras Jr et al., 2007, p.5).

This urban-rural distinction implied in the policy debate analysis by Borras Jr et al. is typical of the land-reform debate to date (Tacoli, 1998, p. 147)<sup>3</sup>. Many (empirical) studies focus either on the rural or urban context. To a certain extent, this is inevitable. The consequences of land reform differ because of many location-specific variables and to contrast rural areas with urban centres is a useful classification method. At the same time, the distinction between these areas is often more arbitrary than it seems at first sight and the dichotomy is harmful for the debate on the role of property rights for economic development and poverty alleviation. What is rural and what is urban will differ greatly between different countries; what is termed as an urban centre somewhere may not classify as such somewhere else. The definitions used are inconsistent, non-comparable and incompatible. Many linkages exist between “rural” and “urban” areas. Households may be multi-spacial and there is a constant flow of goods, services and people between and within rural and urban areas. Though in the past effects of policy changes and decisions were largely confined to “urban” areas, these effects can now be felt everywhere (Tacoli, 1998, p. 160; Scott et al, 2007, p. 3).

A(nother) complicating factor in analysing the role of property rights in land reform and economic development in De Soto's terms is that De Soto's private property measures specifically target the informal economy. The nature of the informal economy makes it by definition hard to quantify. It is often equated with being inefficient, dangerous and poorly paid. In reality, the sector is very diverse, both in form and occupation. Though the boys and girls washing cars near the traffic lights are also a reality, informal workers are even subcontracted by larger firms to produce goods for the formal economy (Chant, 2008). Therefore, any comparison between different studies attempting to quantify it is likely to be different depending on the definition of the informal economy and the scope of the transaction and activities that belong to it. One of the authors that attempted to quantify the economy is Friedrich Schneider who compared in his study 22 transition and 21 OECD countries. The informal economy in the 21 OECD countries contributed between 9 and 28 percent to their gross national product. Its contribution to the gross national product in transition countries is estimated to vary between 6 to 30 percent, and it employs between 12 and 52 percent of the labour force in the transition countries (Schneider, 2003). The informal economy is larger in developing countries. According to De Soto, 70 to 80 percent of the poor in developing countries work outside the legal system. Together, they own 60 to 70 percent of the business organisations and about the same amount of employment<sup>4</sup>.

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<sup>3</sup> Compared to the rural or the urban discourse, the rural-urban discourse is less significant and has received considerable less attention in the academic sphere but deals with important issues such as demographic change through rural-urban migration and other types of urban-rural linkage that contribute to development (Tacoli, 1998, p. 147)

<sup>4</sup> Information from interview with Hernando de Soto in documentary by the VPRO in series “Tegenlicht” called “Het ei van De Soto” (The egg off De Soto) broadcasted on 18 June 2007. De Soto explicitly mentions that this data covers only the countries he and the ILD have been investigating.

Organisations like the ILO (*International Labour Organisation*) have been trying to make a definition of formal and informal in order to capture the large amount of people depending on the informal sector. Many criteria are used for establishing the difference, but the primary criteria is regulation. Regulation comprises different dimensions of legality, but three of them are important, being legal recognition as a business, paying legal taxes and legality in labour regulation (Chant, 2008). These terms make it easy to identify what is formal and what is not. But for many people living in developing economies “informal economy” is a misleading term, in the sense that it seems to imply a choice between formal and informal and it seems to represent two conceptually and practically different worlds. In reality, there are many backward and forward linkages between formal and informal economies. In the most developed countries, boundaries can be identified that separate one from the other. In many less developed countries or areas, choosing between formal and informal is a false choice as boundaries are hard to define or even non-existent. In these places, informal or formal might not even have relevance to the activities that people employ; and for many poor people, the informal economy is more real than the formal economy. De Soto’s plea would address regulation so that more people would be part of the formal economy, especially the poor, but its exact effects for the informal sector and its inhabitants are not straightforward, as is evident by the contrasting studies done on various topics. Some of the reason that results of land titling are not straightforward is that there are many different contrasting angles, many different properties and many different types of poor people.

De Soto approaches the problem of underdevelopment and the importance of property rights reform through a focus on the role of capital in economic systems and especially its effect on the link between the formal and informal economy. That is partly because of the ability of capital to increase labour productivity, but most importantly because developing countries have capital, but a large part of the capital is locked away with the poor who cannot use it because of a lack of effective property mechanisms. But what exactly is capital?

As in any theory, vague terms need to be (re)defined into working definitions before it is possible to say something about the validity of the theory that employs those terms. In contemporary texts, both academic and others, capital has become a broader term that incorporates many different definitions and uses. An example of this can be found by typing the word “capital” in the search box of the English language Wikipedia. The resultant article links to many different forms of capital, including financial capital, human capital, infrastructural capital, natural capital, physical capital, political capital, social capital and working capital (Wikipedia, 2010)<sup>5</sup>. Each of these “kinds” of capital are different from each other; they cannot be measured in the same way. When macro economic articles talk about capital in relation to economic development they usually refer to financial capital specifically, but both macro and micro economic development are clearly much broader than this. When contemplating economic theories it is therefore important to conceptualise a bigger picture where financial capital can be linked to other kinds of capital and surrounding institutions.

The Soto uses the word capital both as a clearly identifiable physical product with financial worth on its own and as a product that has value because it is incorporated into financial institutions. In his book “*The Mystery of Capital*”, it is the second function of incorporating the properties of the poor in financial institutions which he sees as a process which can generate capital for the poor and lift them out of poverty. In this case, capital is also an idea or concept because it exists for a large part only in our minds. Capital in most advanced economies has two lives, one in the real world and one in the financial world. Take for example a house. A small business owner might live in a house, as such it has a direct physical use that can be seen by everyone who walks past it. But the same house also has a second life, for example in a mortgage that was made to start the business with which the business owner makes a living and generates more capital. To be able to have a system that provides for mortgages, the house also exist on paper, and is part of the financial institu-

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<sup>5</sup> Wikipedia is in this context not used as an academic source but as a barometer of the use of the word capital in contemporary society. Wikipedia is accessed, used and edited daily by a large amount of people. According to Google, Wikipedia is the fifth most visited website on the web with 310.000.000 unique visitors per day, though Google itself is left out of the calculation. Though the exact place on the toplist can vary according to who measures and where it is measured, this is a good estimate. The google list is available online at:

<<http://gizmodo.com/5549666/here-are-the-1000-most-popular-websites-in-the-world>>.

tional arrangements in a country or region. An absence of such a system that includes organised banking and lending activities, and equity (stock) and other financial markets and intermediaries can be an important internal barrier towards development (Cypher & Dietz, 2009, p. 22, 332-333). Property and assets owned by everyone including the poor can be measured or guesstimated to calculate the capital stock available, as De Soto did himself for the poor in some developing countries.

Another function of capital is to link consumption and spending in the capitalistic system. Economists have always debated the determinants of economic growth, and considered consumption versus saving as important factors. The effect of saving in an economy has been interpreted differently by different economists, going back to Keynes' General Theory from 1936. Keynes theorised that the effect of saving would be to decrease consumption and therefore market demand which would lead to less production and therefore less labour and income generated. As a result, the initial results of saving in an economy is less economic growth and, eventually, less saving. On the other hand economic theory goes that more consumption leads to more production, which leads to more labour and income generated. From this flows more savings. Ahiakpor analyses this as a semantic debate. Whether saving eventually thwarts economic development or consumption stimulates it depends on the definition of "savings" in an economy. In Keynes theory, savings means that money is hoarded away. However, Ahiakpor argues in his essay "Why economists need to speak the language of the marketplace" that saving does not mean hoarding away. In most Western countries, savings for the most part are committed to banks or otherwise saved in such a way that the savings contribute to investment by other parties (Ahiakpor, 1995). Which reminds of Soros analysis, that it is the accumulation of physical capital in a country seen as a combination of saving as investment together with population growth that leads to differences in income per person (Cypher & Dietz, 2009, p. 129). The theories of De Soto builds on this analysis by further exploring the role of capital in the economies of developing countries, and what is wrong with it.

De Soto, when he is talking about the capital accumulation of the poor, equals these functionally with capital savings. Before implementing sufficient private property laws and regulation, those properties are "stowed away" from productive uses like Keynes' savings. When the capital of the poor is recognised as such, it can also be incorporated into these financial institutions, though it does not necessarily have to be, depending on how difficult or easy it is for poor to enter these institutions. Though the annual flow of their physical capital is likely to be modest, it increases the physical capital available to the poor and to the financial institutions. This can allow the poor to invest in their properties and improve their economic development.

However, there is also an end to the potential of this capital the poor possess. More criticism by Ahiakpor on De Soto's focus on the lack of proper property regulations and entitlements deals with the role of the savings of the poor as a potential asset for their development. According to Ahiakpor it is savings that matter, and the right kind of savings. "Rather than the lack of titles to property, the problem is the inadequacy of their domestic savings to finance investment" (Ahiakpor, 2008, p. 58). In economic terms, capital is a factor of production, and is only a means to an end, the end being the production of income. To be able to invest more capital and increase economic growth having enough capital stock alone is not sufficient: capital flows, defined as the capital additions made to the current stock as savings or otherwise, are as or even more important. If the poor have capital stock but no flow, this is a major hindrance towards their economic development (Ahiakpor, 1995, p.65). Capital flows and financial capital are the grease that keeps the system running because it serves a facilitating role, rather than being the source of productivity itself (Pretty, 2008, p.167). Without grease, the motor cannot run. Moreover, Ahiakpor maintains in his criticism that the way that De Soto measured capital is not representative of its true value for financial use. A large part of the properties that the poor own according to De Soto and the ILLD includes properties that are not in such a state that it can be used as collateral. Therefore, the actual significance of De Soto's estimation of the worth of the capital owned by the poor is overrated.

Lastly, there is criticism by Culpepper<sup>6</sup> that private property policy would be biased against those who do not own assets such as land. Moreover, simply giving titles to property so that they can be used to obtain funds does not necessarily lead to an increase in the probability for the poor to receive funds. Without enough capital flows to finance funds available, credit will simply be rationed with higher interest rates and the poor will still be left out, as investors will prefer those people with better assets, or a better chance for profit-making. Existing lending to small scale business might not even rely to much on titles as collateral, but might rely more on profitability of enterprises and their abilities to pay back their loans. Many micro-credit institutions such as the Grameen Bank who focus on the really poor, have a completely different system and rely instead on social groups to increase the likelihood that people pay back their loans (Grameen Bank, 2011).

Does this criticism undo De Soto's contribution to a strategy for pro-poor development of land and land markets on a macro-economic or theoretical basis? The answer is no, not completely; though caution of the downsides of private property policies should be part of any policy response. First, though Ahiakpor's criticism of De Soto's lack of attention to the aspect of the importance of saving and capital flow in an economy is correct, it does not mean that De Soto's ideas do not bare relevance. It does mean that the effect that De Soto is expecting will be more modest than expected. Second, valid or not, the ideas that De Soto's represent are still (partially) applied in many countries, even if they are far from the ideal that the ILD pursues. Lastly, it is not only an economic issue, but also a social-political one. Any kind of change that is so fundamental as to want to incorporate the poor into the legal and financial institutions of a country is bound to be challenging. That does not take away the need for reform. Though certainly not all workers in the informal sector are underpaid workers forced to live in the margin of society, the poor in the extra legal or informal sector are more vulnerable to the use of power by asset-rich people with access to the governing legal and financial institutions. That particular problem cannot be solved without equal access to legal and financial institutions for all. Ownership rights are the bed rock of these institutions, but they should be implemented with care as to not make it a change benefiting the rich instead of the poor. Therefore, a reflection on the debate or discussion surrounding the effects of implementing legalisation of (land) ownership by the poor should be broadened beyond the role of capital and its effects on the macro-economy. This broadening of the debate will be the concern of rest of the chapter.

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<sup>6</sup> Ahiakpor cites Culpepper in his article "Mystifying the concept of capital" published in The Independent Review, saying that: "*De Soto's suggested solution of a massive titling program by the governments of these countries would be a wasteful diversion from what needs to be done in them to promote their economic prosperity*" and that: "*this point is implicit in Culpepper's criticism of de Soto's property-titling project as "flawed" and "inherently biased against the landless and propertyless tenants," although his book "purports to speak on behalf of, and to empower, the poor and disenfranchised" (2002).*" Ahiakpor (2008) citing Culpepper (2002).



## §2 Paradigm shifts in land policy

In the previous paragraph the positions taken by different policy makers and academics in the debate on the role of land reform in economic development were discussed. In that paragraph the role of property rights in macro-economics is most important. Another way of looking at the same discussion is to leave the economic arguments for what they are and focus on how land reform and property rights actually are.

### **Looking through: the legal culture and political dimension behind land relations**

At the basis of the debate about the role of private property rights in land reform are different notions about land relations. Assumptions of what property rights are and what the function(s) are for economic and social development, are informed by these notions and the legal view or culture attached to it. To fully understand what private property rights mean for socio-economic development, it is essential to understand where they come from, and what the implications are for its use in specific situations.

In De Soto's work the notion of land relations as an evolving fluid process is visible in his description of the origin of contemporary private property rules and regulations in North America. These rules and regulations developed based on the needs of Western migrants in North America who entered and penetrated the lands for their own socio-economic development. Together with the advancement of the settlers and their evolution came also different practices of property rights. At first, there was a discrepancy between the way society and property rights developed in practice on the ground and property rights as practiced by the government and elites. By combining all elements of society private property laws in North America eventually managed to match developments in society. This process took a long time; the rules and regulations governing asset management and property only fully existed for the past 100 years. But it was this development that formed the basis for the economic growth of America and in the view of De Soto the reason that "the West" has been able to profit from capitalism and other countries have not. The product of that process is the private property regulations belonging to the Western legal view. This product has been exported across other societies to form the basis for the capitalist oriented economy that now governs most of the world (De Soto, 2000).

This export has not been even, there are even still some pockets in the world where the Western legal constructs might not exist at all. Where these cultures meet, like in the contemporary *façades* of the major cities in developing countries, discrepancies exist between inside and outside the economic bubble. For normal citizens to be able to access the legal system, it needs to be designed in a way that matches their legal culture as well as the legal culture belonging to the upper class citizens, the same as it happened in countries like the United States (De Soto, 2000, p. 109).

In other words, De Soto recognises the differences between different legal cultures and systems. The Western legal culture differs from the non-Western culture in its reliance on the importance of legal constructs as the basis of society. According to this view, legal cultures differ all across the world, even within the same system. For instance, French and British law is not the same, nor is it culture though they do both belong to an overarching Western culture.

The view that Hernando de Soto is taking in the property rights debate has been characterised by authors such as Daley & Hobbey as belonging to the Western legal view. They contrast this against the anthropological view. They see the development of approaches to land policy and administration as marked by a high degree of historical continuity with some assumptions about the nature of property and property rights. These assumptions do not change: any of the major shifts that have occurred still fitted in the framework of these assumptions. The two sets of assumptions are the "Western-legal" view and the "anthropological" view. The Western-legal view focusses on land rights as rules governing the ownership of physical things and de-emphasises the social and political relationships that are connected to it. The anthropological view on the other hand, focusses on land rights as belonging to social contracts. Not the individual ownership is most important, but the linkage between land rights, social processes and structures and political and economic organisation (Daley & Hobbey, 2005, p.2). In other words, the collective consequences of holding properties.

According to Daley and Hobbey, the Western-legal view has dominated the actual policy arena, and important institutions such as the World Bank. This is also largely true for the debate on the role of land reform for economic develop-

ment discussed in paragraph two. According to this view, registration and titling of land rights is seen as the way forward to promote agricultural growth and allow poor people access to credit institutions. This should be so because only formal land rights are secure enough to have these effects and speed up the process of land ownership development from informal land ownership to private property systems. Land ownership is already changing in many places under the influence of land pressure and commodisation. Introducing formal ownership systems to communities can speed up this evolutionary process to allow for greater agricultural gain faster. This greater agricultural gain can, according to this view, contribute to socio-economic development (Daley & Hobbey, 2005, p.10). This angle is different from the one De Soto takes, but his theory can be fitted into it. De Soto writes that if people can unlock their already existing capital (ownership) with the development of culture appropriate private property rules and regulations this will allow people to flourish because they can then access the market institutions including for example credit institutions and transfer of property for their benefit. In his description of the workings of property rights De Soto keeps within the borders of the Western-legal view by taking a primarily legal approach to economic development and land relations. However, despite his Western-legal view, De Soto does argue that what is needed for change is more a political--or attitude-changing--challenge than anything else. This angle makes it possible to relate his ideas to the ideas of other writers who take a more anthropological approach towards land relations.

Looking at land ownership as belonging to a broader web of social and political ties makes it easy to step away from it as a neutral concept, but to conceive it as a form of territorialisation. If (property) rules and legal constructs are a product of society, territories can be conceived as a set of nested hierarchies to which land ownership can be related. Territories are first and foremost human social creations. Through territoriality cultures, societies and other forms of associations organise themselves in space. Though every society incorporates a form of territorialisation, how this is done can vary enormously through different cultures. Territorialisation is more than just land ownership. Territory governs and is on its turn governed by relations and structures of power that are part of human organisations. Territory is organised both horizontally and vertically. Humans can also be described through their (multiple) territorial role(s) and function(s): i.e. forest dweller, squatter, house owner, farmer, foreigner, native (Delaney, 2005, p. 10-13). Part of particular territorial configurations are rights and duties. This has been developed by Gluckman<sup>7</sup> who described the concept of landed property as also embodying a set of rights. Claimants to land have different sets of rights, including the right to work the land which is called "estate of production", while other claimants have what he termed "estates of administration" which are nested layers of control over land. Estates of administration are then also a form of vertical territorialisation. According to Gluckman, estates of production and estates of administration refer to specific resources such as soil, trees or wild animals. Property claims based on these estates may therefore overlap geographically. This analysis by Gluckman is especially applicable to socialist property and land relations (Sikor, 2004, p. 77; Sikor, 2006, p. 618).

Most of the time, people tend to take the basic principles of territoriality for granted, though there are often disputes about particular territorial arrangements. When the basic principles and workings of territoriality are disputed, this can lead to (serious) clashes and reveal territoriality as a political, social and cultural ongoing process of power (Delaney, 2005, p. 10-13). Instituting a (different) private property system is a powerful tool of territorialisation, often initiated by vertically higher up agencies and governments. The effects of introducing a private property system are multi-dimensional. Vertically, it gives national government more control over lower governments. Potentially, this can also happen the other way around if people or groups of people are able to use their rights as a new leverage tool over political decision making. It also has profound social and cultural effects, such as encouraging the loss and creation of particular social and cultural arrangements. If this happens within a certain group of people this can influence their role and function in a national society. Horizontally, it can lead to boundaries being contested or redefined between persons and groups of people. It may even change the territorial role and function that people have. And more importantly, it may affect the web of social and political ties that is associated with a particular territorial arrangement. Different processes of surveying, classifying, mapping and registering land helps legitimise these processes. The real power of territory lies in its power to close off or obscure questions of power and meaning through the tendency to take them for granted as self-

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<sup>7</sup> Gluckman (1972, original in 1965) is cited by Sikor as being the original source of the terms "estate of production" and "estate of administration" (Sikor, 2006, p. 618).

evident and non-problematic. Territory is then reified again and is not being called into question (Delaney, 2005, p. 18; Sowerwine, 2004, p. 125-127).

The legal culture surrounding particular instances of land reform is also influenced by its political and ideological history. Broadly, land reforms were or are done based on different ideological backgrounds, broadly headed under capitalist and socialist oriented reform. Though in reality quite diverse, in theory capitalist oriented reform is based on using private property rights to further capitalist development while socialist oriented reform is based on the liquidation of private property rights to strengthen socialist development driven by the state (Borras Jr et al., 2007, p. 5). A third category of post-socialist land relations can be added to this list. To this category belong the countries of the former socialist economies of Central and Eastern Europe and the former Soviet Union as well as still existing socialist countries such as China and Vietnam. Under pressure of respectively the fall of the Berlin wall in 1989, the collapse of the Soviet Union and necessary economic reform, many socialist countries have been experimenting with new land policies to replace the collective farms and other agrarian policies originally established under socialist oriented reform (Ho & Spoor, 2006, p. 580).

The latter category of post-socialist land relations has originated from the meeting of capitalist and socialist land relations, and as a consequence are characterised by conflicts between the notions underlying socialist and new capitalistic land legislation. Sikor<sup>8</sup> outlined several of these from literature studies. First of all, privatisation policy is characterised by the bundling of different rights (estates) to allow complete control over a resource. In contrast, socialist property laws divided control over a resource between different actors, allowing different claims for land use and control on the same piece of land. This can lead to conflicts for the balance of power in post-socialist settings. Secondly, capitalist land reforms are set up to distinguish land rights from their social context, eliminating the influence of political and social status on land rights and duties. In social land relations, different social actors often have different legal positions. This means that individual property owners can hold different rights from those awarded to state units. In post-socialist land relations this can lead to tensions between abstract and socially-embedded positions. For example, in many cases new land legislation may officially allow outsiders to acquire land while people or local state officials tie land ownership to village membership or citizenship. Thirdly, the interpretation of law in socialist property laws is instrumental and often subject to broader socio-economic goals and can be reinterpreted or changed by government or lawmakers to fit those goals. In capitalist systems on the other hand, property laws are formal and consistent. In post-socialist systems, the tension between instrumental and formal use of property laws can lead to conflicts. The fourth notion shows how legal cultures and territoriality interlink to produce different geographies. In the case of post-socialist land relations, it is necessary to change more socially-embedded flexible geographical boundaries to boundaries that are fixed in space and time (Sikor, 2004, p. 78-79). Sikor's analysis shows how exactly different legal cultures can clash but it is not universally applicable as specific differences in legal culture can influence the outcome of land relations in a country. Any case study should therefore look at how the legal culture both in the past and the present influences current land relations instead of blindly following the ones mentioned already.

### **A livelihood approach to land reform**

What both De Soto and many of his critics have in common, is a focus on the poor. De Soto tells a compelling story about the power that the poor can have when they and their capital are allowed to enter the market when barriers towards access are removed from the economy. Many of his critics in turn focus on how the poor might not profit from introducing private property rules and regulations, due to a variety of factors. Clearly, it is necessary to establish what a pro poor approach to introducing private property rules and regulations entails, while trying to take both the anthropological and the Western-legal view of land relations into account in such a way that they complement each other.

The sustainable livelihood framework is in this context a useful tool. This allows for a focus on the poor, and the effective analysis of a legal framework for pro poor property rules and regulations and the effect thereof for the poor without hav-

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<sup>8</sup> T. Sikor, T. (2004). *Conflicting concepts: contested land relations in north-western Vietnam*. Conservation and Society, vol. 2, p. 75-95.

ing to conform to a specific conceptual approach on private property rights and the poverty aspect of land ownership development. The sustainable livelihood framework has achieved much recognition in the development community in a relatively short amount of time. As an approach it offers a way for researchers and development professions to look at poverty and to find a way to eliminate it. As an analytical tool, which is of primary concern here, it can be used to analyse the livelihood priorities of people and how they are affected by government policy (Ashley, 2000, p.27). The livelihood approach is not a static approach, but is fluent. It is a bottom-up approach that approaches people as having both *livelihood assets* and *livelihood strategies*. It is a multilevel approach because problems cannot be solved by only looking at the micro or the macro, it must be a combination (MacKeigan, 2004, p.4). The livelihood approach also gives a more holistic understanding of livelihoods, showing that it is about more than only material well-being and also includes non-material well-being (Zoomers, 2008, p.147).

If seen from this perspective, property rights influence the livelihood assets of people, thereby influencing also their livelihood strategies. Property rights are designed and implemented from multiple levels, both on micro and macro and in between. Their effects are not static - they are fluent and they are attached to broader socio-economic processes and they have a profound impact upon people's livelihood assets and strategies. Land is also more than just an asset and the means through which a person makes his or her living. Land also helps to shape a person's being and his or her sense of meaning in the world. Assets, such as land, empower people and give them the capability to influence the world around them, which can even lead to institutional change given enough momentum and weight (Zoomers, 2008, p.147). The livelihood approach therefore fits together nicely with the position of (human) actors in social and ecological systems in the way that it will be explained in paragraph 4.

### §3 Land (market) reform and property regulation, how to make it pro-poor?

#### Introduction

The “legal apartheid” between the rich and the poor in developing countries, and its negative affect on the poor is one of the main pillars described in De Soto’s work. Where for rich people it could be relatively easy to register a business so that it existed in the formal economy, it would take many more days for poor people to do the same. De Soto’s observations are resembling off findings of other researchers. For example Chant noted that even if informal entrepreneurs want to become legal by obtaining legal recognition, prohibitive costs and complicated bureaucratic procedures cause many such entrepreneurs to fail in doing so. Moreover, indirect discrimination such as state subsidies or other measures benefiting the formal sector and harassment of informal entrepreneurs negatively affect entrepreneurs in the informal sector (Chant, 2008, p. 221). However, how easy it is for businesses to be registered is only a minor part of a much more complicated puzzle where changes in the legal system are connected to land reform. More important for land development are factors influencing its transferability and productivity. This means that land reform through private property regulation is very closely intertwined with the creation and existence of land markets. This paragraph will look at private property regulation as a whole as well as the role of land markets in land reform.

Land reform has been defined by Griffin (2002, p. 279-280)<sup>9</sup> as an effort to redistribute land ownership from “large private land owners to small peasant farmers and landless agricultural workers” and is “concerned with a redistribution of wealth”. Land reform can be market-based, such as is the case in market-led agrarian reform (MARL), or state-led. Though property rights are a necessary element of the former, they also feature in the latter (Cypher & Dietz, 2009, p. 379). For that reason a theoretical discussion on the pro’s and con’s of property rights for the poor should not be led based on an antagonism between MARL or other market-led reforms and redistributive state-led land reform policies.

Introducing private property rights as a form of land tenure reform can be done for multiple purposes, depending on the context of land ownership in a country and the political motivation. Historically, not all countries have engaged in land reform or have done so in the same period. Moreover, though land reform is of all ages, market oriented reforms as they are now are relatively recent (Borras Jr et al., 2007a, p. 2-4). According to Akram-Lodhi, ultimately the larger history of land reform describes how shifting access to land during the last era of neoliberal globalisation helped to restructure rural production processes in either more capital intensive or more labour intensive ways. This altered the nature and rate of capital accumulation in the export and agricultural sectors. These changes in turn affected the development of (in)equality and poverty. This process was affected by different variables, including to what extent in these processes backward and forward linkages between export and agricultural sector occurred. At the start of restructuring processes it is the equal distribution of assets, income and resources that is one of the most important variables for predicting the impact of the process on poverty (Akram-Lodhi, 2007, p. 387). Land tenure reform can be undertaken for different purposes, either to remedy mistakes from the past or to start agrarian reform. In both cases, different types of land tenure reform can be identified.

Meinzen-Dick et al.<sup>10</sup> identified four types of land tenure reform: registration, redistribution, restitution and recognition (see table 1). What type of reform is undertaken defines whether the goal of the reform is to strengthen or to transfer rights, what bundles of rights can be used, what the role is of potential decentralised bodies, what links to democratisation can be made, and what care needs to be taken to make the reform pro-poor. Land ownership before reform can be highly unequal as in the case of redistribution or restitution or it can be more egalitarian, as is more likely the case for registration or recognition. A political dimension is involved in the cases of redistribution, restitution and recognition, though in different forms. Redistribution as type of reform aims to transfer land from large land owners to the landless in case of highly skewed land ownership and is by its very nature politically motivated. Conflict resolution is therefore necessary. In the case of restitution the political dimension is defined by the need to reform due to a history of expropria-

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<sup>9</sup> From Borras Jr (2005, p. 92) citing Griffin (2002, p. 279-280).

<sup>10</sup> Meinzen-Dick, R., M. Di Gregorio, S. Dohrn (2008). *Decentralization, pro-poor land policies, and democratic governance*. CAPRI working paper no. 80.

tion or conflict. This is highly political as it is essentially part of a shift of power. The rightful owners have to be determined, and there is likely to be conflict regarding what defines who is a rightful owner. The political dimension is of a different character in the case of recognition where the rights of indigenous people and ethnic minorities need to be recognised. This can be part of a more elaborated political emancipation of indigenous people and ethnic minorities that involves them into the political system without large shifts of power. This analysis by Meizen-Dick et al. illustrates shows how the earlier mentioned territorialisation of land is actively at work within each of these types of land tenure reform, and is even necessary to achieve the objectives set out for land reform.

**Table 1 Comparison of different forms of land tenure reform**

Type of reform	Registration	Redistribution	Restitution	Recognition
<i>Strengthen existing or transfer rights</i>	Strengthen existing rights	Transfer from large land-owner(s) to landless	Transfer land back to original holders	Strengthen existing rights
<i>Context</i>	Customary tenure	Highly unequal landholdings	History of expropriation or conflict	Indigenous people, others using forests, rangelands, etc.
<i>Common bundles of rights</i>	Ownership	Ownership	Ownership	Use, some management rights
<i>Individual/collective</i>	Usually individual	Usually individual	Usually individual	Usually collective
<i>Potential role of decentralised bodies</i>	Identify right holder, keep local registry, conflict resolution	Identify recipients (and sellers if market-based), conflict resolution	Identify rightful claimants, conflict resolution	Identify claimants, manage resource on continuing basis
<i>Links to democratisation</i>	Less critical than in other reforms; providing recognised status can integrate claimants into policy	Facilitates political will to distribute; redistribution should facilitate inclusion of citizens into the political system	Facilitate equal access to courts and acceptance by elites; restitution can broaden participation of marginalised groups into political life	Facilitates legal recognition of indigenous people and ethnic minorities; recognition signals move toward social inclusion
<i>Care needed for pro-poor outcomes</i>	Include recognition of secondary rights important for poor and marginalised groups, including women	Support (e.g. credit, marketing) to enable poor to access land and use it productively	Avoid exclusion of poorer sections without restitution rights, but who have been investing in land	Safeguard women's rights in patriarchal systems
<i>Pro-poor role of land market</i>	Support efficient land use and development of off-farm activities	If non market based: to support efficient land use and development of off-farm activities. If market based: motor for redistribution by favouring more efficient owner-operated farms over large landholdings	Ex ante, address mistakes in restitution practices when land is not or inefficiently used after restitution	Often limited due to government restrictions on use and transfer rights

Source: Adapted from Meizen-Dick et al., 2008, p. 8; Deininger, 2005, p. 176

What type of land reform is undertaken will obviously have consequences not only for the character of the land reform but also what kind of measures will need to be taken to make the land reform pro-poor. This is influenced by the type of land reform in both a political or paradigm sense and a functional sense. In table 1 the analysis by Meizen-Dick et al. (2008, p. 8) on the role of property rights in land reform is displayed, extended with the role of land markets in land reform based on Meizen-Dick et al. (2008) and Deininger (2005, p. 176). The binding factor in all types of land reform is that

appropriate care needs to be taken to avoid harming poor and/or marginalised groups in society. How this is accomplished and which groups are more likely to be in a marginalised position depends on the type of reform and situation. In the case of registration of land rights it is important that secondary rights important for poor and marginalised groups are included; in the case of redistribution the poor need to be supported to allow them access; in the case of restitution those who invested in land but without restitution rights need to be supported; and in the case of land rights recognition of especially patriarchal societies women rights need to be supported (See table 1 above). How exactly private property regulation affects marginalised or poor elements of society is the next topic of discussion.

### **Effects of introducing private property regulation for the poor**

From both a macro and a micro economic perspective, enhancing private property regulation can increase economic development. Private property regulation can positively affect investment, investment climate, credit market access, local government revenue, efficiency-enhancing land transfers and others (Deininger, 2003). These effects rest on the link between land markets and poverty, this link is relatively straightforward. Introducing private property rights increases tenure security, and in so doing also cuts transaction costs. Having enforceable property rights means that a formal institutional framework can be created which governs market-based land allocation. The formal land market then created increases the efficiency of land allocation through competition between the most efficient users for land. One of the most important aspects of increasing efficient land use is the increase of land-related investment, in turn increasing productivity, competitiveness, profit and income. The use of collateral (which makes financial markets a necessity) and reinvestment of profits in farms is an important part of this process. This chain is responsible for the creation of increased rural welfare and income (Akram-Lodhi, 2007, p. 164). The aforementioned effects are largely micro- and macro economic in nature, but from a household based point of view, land is also an important asset for households welfare. Since land occupies a large part of the possessions of the poor in rural areas, giving land rights to land they already possess can greatly improve their net wealth. Moreover, through land, wealth can be inherited to the next generation. Introducing land rights can therefore affect households through one of their most important assets.

Positive effects for household welfare noted by proponents of private property rights include among else the following: (a) it can affect households in their ability to produce both for subsistence and for the market, (b) it can improve their social and economic status, (c) it can change their incentive on how to use their land, possibly increasing their incentive to use it in a sustainable manner, (d) it can improve their access to financial and insurance markets (Deininger, 2003, p. xx; De Soto 2000). A review of two studies reporting such results, including one by the aforementioned Deininger (2000) and one by Reyes (2002), found that it was right to conclude from their studies that income did increase and that this was largely due to productivity (Borras Jr et al, 2007b, p. 141). On the other hand, Daley and Hobbey<sup>11</sup>, proponents of the anthropological view, in their report refute many of the assumptions that have been made in the Western legal approach to land rights, and some of those criticisms have also been taken up by proponents of Western-legal approach to land rights. In sum, they pose that many of the positive effects of land titling have failed to mobilise, informal local tenure has not necessarily proved to be a problem for agricultural production or poverty, formal titling and allocation in some places has come at a high cost, and that the privatisation and commodification land has in many places led to rising concentration of land and inequality.

Where does this discrepancy between these two views come from, apart from aforementioned differences in paradigm approach? Borras Jr et al. have outlined some aspects in their study. One aspect is the quality of research promoting a positive link between private property rights and poverty. For example, there are "some conceptual and methodological flaws" in both the Deininger and Reyes study which allows space for alternative views on the topic of land rights reform. Firstly, the distribution of respondents is lopsided. The majority of respondents come from more easily accessible rice and corn agriculture. Coconut, sugar and root crop agriculture is underrepresented while these sectors are economically and demographically at least as important. The latter sectors are however those that would find most problems with land reform, as they are more dependent on structures of production, processing and trade. More upland agricultural

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<sup>11</sup> Daley, E., M. Hobbey (2005). *Land: Changing Contexts, Changing Relationships, Changing Rights*. Paper commissioned by the Urban-Rural Change Team, DFID  
Chapter 2 Theoretical framework

sectors such as coconut and root crop sectors also suffer from poor physical infrastructure for farm input and output goods and services. Secondly, the Deininger and Reyes studies did not specify between the modalities of land transfer, meaning that the studies cannot tell whether respondents actually and not just formally gained control over land and the earlier reported surpluses gained from land reform. Another aspect of the Deininger and Reyes studies is that though they both found positive effects for (new) land owners, they both also found negative effects for non-beneficiaries of land reform programs, including share tenants and farm workers. Since a large part of the poor are share tenants or farm workers or in other ways non-beneficiaries, this side effect can hardly be called pro-poor. But thirdly and most importantly, the major problems that the property right school faces in its support of land titling is that a positive outcome for such policy hinges on too many mitigating factors. The obstacles faced due to these problems could lead to a lack of equitable distribution of land (Borras Jr et al, 2007b, p. 141). Some of these factors, like the role of financial services, will be explored in more detail below.

One of the hotly debated and most important effects of introducing land rights is the theoretical improvement of credit markets as researched and theorised upon by proponents of private property land regimes (De Soto 2000; Deininger, 2000, p. xix) The failure of financial services to be created by market forces alone has been acknowledged by several studies, in both rural and urban settings. At least one study has shown an absence of these credit markets in a case study on land titling in a suburban setting in Buenos Aires (Galliani & Schargrodsky, 2009, p. 29). More indications and instances where access to credit has not increased with registration and titling programmes in a rural setting is provided in a literature study by Daley and Hobbey (Daley & Hobbey, 2005, p. 8). More empirical studies also show that access to financial services, especially a combination of credit and savings institutions, remains to be the bottleneck of many land reform studies (Spoor, 2007, p. 210-211).

Financial services are however not in all cases a problem. The advance of credit markets is subject to the characteristics of the land titles. For example, according to Deininger the size of landholdings is a differentiating factor in predicting the increase of financial markets, whereby smaller holdings have a negative effect. In areas with traditional land management systems, smaller holdings will be relatively more abundant. Therefore, the equity effect will not necessarily automatically arise in all cases. In such cases it can be better to adopt a more gradual conversion to securing land and property rights (Deininger, 2000, p. xxvi). However according to for example Akram-Lodhi and Borras Jr., if a rural-agricultural path towards development is followed, small family land-holdings are the norm for development and large land holdings are unwanted. If the absence of large land holdings is an obstacle for the formation of credit markets and other financial services, this might prove troublesome. This would mean that in particular instances, other paths need to be followed than market-led development of financial institutions.

According to Laiglesia (2004), granting property rights to land may also have the effect of raising the market price of land that has been documented. However, this is only true if titling has had the effect of increasing the credit ration and enhancing the liquidity of the property in case of trade. In this case the property could be seen as having been given a premium. Since the credit effect is by no means an automatic process, as showed by other authors above, the liquidity effect alone might not be strong enough to raise the price, as liquidity also depends on the rights that people have. For example in the case of land tenure reform through recognition (table 1), rights may be limited. Nevertheless, increase in land values has been confirmed by some research, among which a research by Deininger and Chamorro (2004). The prices of land also have an effect on the ability of poor to access land. A study done in Vietnam shows how prices for



land increased sharply<sup>12</sup> compared to both inflation, per capita income or per capita expenditure. This also has consequences for how poor households operate on the land market, this will be elaborated on further on in this paper (Akram-Lodhi, 2007, p. 166). Other factors that significantly influence the price of land include for example location, presence of water, distance to roads and distance to land owner's homes (Gould et al., 2006).

As noted before, there is also a political dimension to land allocation. Allocating land that has previously been controlled by the local leaders and authorities to households can improve the local governance structure. Increasing households and individuals amount of control over land can empower them and give them a voice and increase participation of households in the governance of their community, thus advancing local democracy. This can eventually also shift the balance of public good provision and reduce corruption (Deininger, 2000, p. xxi).

When looking at private property institutions, it is also important to consider the alternative. Some part of the literature focusses on common property regimes as a way forward, instead of individual ownership. Access to resources via common property regimes has been noted to sustain and even enhance the livelihoods of the rural poor, both through subsistence and commercial use of the resources. From a gender point of view, especially poor women can benefit from access to resources through common property regimes. In instances where there are multiple users and activities concentrated in the same resource, common property regimes can be beneficial for regulating access and can even help to take advantage of the economies of scale in the provisioning of services and infrastructure to such areas (Fuys, 2008, p. 11). Private property institutions can and have been used to regulate such common property regimes. How these function and what their role can be for resource management depends on local circumstances and ambitions, but clearly there would be significant differences from when resources and land are owned privately.

The role of property institutions in common property regimes is similar to their role in individually-owned property regimes in the sense that it is also to give rights to a group of users, and to define the rights and responsibilities attached to ownership of that resource. Similar to individual rights, such communal rights can provide tenure security to make investments but the individuals response is tied to the group and his livelihood assets are tied to the group. When the available socio-economic environment or assets change, the individual response and his livelihood strategies are also connected to the group and therefore not as straightforward as in a purely individualistic reasoning. In practice collective rights are usually only used in the context of the recognition of land rights belonging to indigenous people and/or ethnic minorities. Often their lands are located in areas claimed by the government for natural resource management purposes. Acknowledging their rights can help against outside interest in resources located in their territory. Nevertheless, research has shown that despite legislation designed to protect indigenous rights, commercial exploitation of resources often overrides indigenous rights to resources. Ownership rights granted in this fashion are also more likely to be incomplete. Ownership is often limited concerning use and transfer rights; land use is often conditional. In this case, efficiency enhancing processes might not occur as one would expect in more traditional private property regimes (Meinzen-Dick et al. 2008, p. 19-22).

In sum, it is difficult to address the structural inequalities that are faced by disadvantaged groups in society. Obstacles such as a lack of information, capital and technology and so on can limit access to legal logging permits, credit and markets, despite the best policy intentions concerning fairness and neutrality (Larson et al, 2008, p.2). In addition to that, assessing the outcomes of introducing private property rights is complicated because never are resulting property rela-

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<sup>12</sup> Prices for cropland per hectare in Vietnam increased from VND 11.9 million in 1993 to VND 26.1 million in 1998. "In 2004 the average price of a hectare of unirrigated cropland was VND 30 million", and irrigated cropland cost an average price of 85 million. This is: "an astounding 14 times the value of average per capita GDP". Land prices increased while inflation was "low, very low or negative" and the growth in land prices was also "faster than the growth in either per capita income or per capita expenditure". (Akram Lodhi, 2007, p. 166). The information in the article by Akram-Lodhi was in turn retrieved from the Joint Donor Report to the Vietnam Consultative Group Meeting, available only by visiting the Vietnam Development Information Center in Hanoi (Joint Donor Report to the Vietnam Consultative Group Meeting, 2004). The Joint Donor Report is an annual development policy review report by the World Bank, publicly available online (World Bank & Asian Development Bank, 2004).

tions uniform over space or time. Neither are they always an exact mirror of the neo-liberal property rights implemented and imagined by academics and policy makers. Instead, they are influenced by local and national political legacy, unexpected local responses to (market) opportunities, micro-political struggles over resources and meaning, mechanisms of access and ecological specificity (Sowerwine, 2004, p. 126).

### **Land markets for the poor**

Land markets are for a large part comparable to markets for other commodities but there are also some major differences inherent to the commodity land. Land markets, like any market, function based on an equilibrium between supply and demand. Land markets can arise in situations where land reforms are introduced in urban, peri-urban and other densely populated areas. In these areas, there is sufficient demand for land. If there is sufficient demand, the price that the market can offer to land owners can become big enough for land transactions to become a viable option to land owners. Land markets are influenced by several land market mechanisms, including budget constraints, competition, strategic behaviour and neighbourhood effects (Robinson et al., 2010).

Though land markets are not specifically meant to be pro-poor or pro-rich or anything in between, they do not offer the same opportunities and threats to the poor and the rich. For poor people to be able to participate in land markets in a meaningful way they need to have secure tenure and market information. Even then, formal land markets can present severe financial and administrative barriers that prevent the poor from accessing land markets (DFID, 2002, p.13). Aside from the discussion going on in the literature, policy wise, there are two opposing types of land reform with different roles for the land market, market-led agrarian reform and state-led land reform (Borras, 2005). This begs the question, what are pro-poor land markets? How do pro-poor land markets fit into pro-poor legislation?

Our economics text books tell us that efficiently functioning markets are markets that function without market distortion and with the assumption of perfect information. In an efficient market, an equilibrium where all goods are distributed and nobody would have anything to gain from changing the situation is reached through supply and demand (Case & Fair, 2007, p. 344). To have a well functioning economically efficient land market it is necessary that: (a) land is accepted by the entire society as a tradeable commodity, (b) there are spatially and legally well-defined titling or registration procedures and indexes guaranteed by the state, (c) there are well-established information canals to function for the market, (d) there is a functioning exchangeable capital market (ESO, 1996<sup>13</sup>).

However, even if all of these points are satisfied land markets are inherently not perfect. Traditionally economists assume zero transaction costs for a perfectly functioning market. However, because land is inherently an immobile resource, transaction costs in land markets can never be zero and markets therefore never perfect. The other effect of land as an immobile resource is that it makes land spatially limited. Though there is some flexibility, supply cannot be raised above a certain limit. According to Holden et al. (2006) "this spatial dimension of land markets cause their functioning to be location-specific and land prices to depend on more than land characteristics and exogenous prices".

Besides the observations made by Holden above, there are more problems with land markets related to the various mitigating factors surrounding the link between land markets and poverty. Land markets can be constrained by other constraints in other markets such as credit (or financial) and output (or product) markets as well as labour markets, all of which need to be functioning for land markets to be perfectly functioning as well. Credit and output markets can help owner-operated farms to be more competitive and can stimulate the demand for land. Labour markets are a necessary element to helping to facilitate labour movement, both the movement of labour out of agriculture as well as the release of agricultural land (Swinnen et al., 2006, p. i). However, in reality these conditions are rarely met. The development of credit markets, as discussed just before, especially is a concern shared by many authors. According to the theory of the second best, removal of one (or probably more) optimal conditions means that the welfare effect of a removal of market distortions will make it hard to foresee the effects this should have had in optimal conditions (Akram-Lodhi, 2007, p. 164).

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<sup>13</sup> Proceedings from a rural development international workshop held by the Economic and Social Department of the Food and Agricultural Organization (FAO) in 1996, for link check the literature list.  
Chapter 2 Theoretical framework

Including the ones mentioned above, Holden et al. (2006) named all the following as possible factors influencing the development of land markets: “land scarcity and unequal distribution of land; imperfect markets for non-land factors of production; risk, seasonality, shocks and imperfections in intertemporal markets; government policies and projects; and traditional institutions that substitute for, stimulate or hinder land markets formation”.

Government failures can originate because badly designed government intervention and/or big and corrupt bureaucracies can hinder efficient economic development as well as livelihood development. Corruption and bureaucracy can refrain starting small enterprises and non-farm employment from access to the market. It can both restrict access to land as well as prevent landlords from renting their land for maximum efficient land use, reducing overall efficiency and profitability (Case & Fair, 2007, p.263).

Market failure in the form of imperfect markets, public goods or externalities can also occur easily (Case & Fair, 2007, p.263). Small farmers in rural land markets are especially vulnerable to market failure or imperfect markets and they are often only partially integrated into land markets. Missing or partly missing markets because of seasonality or rationing, thin markets because of lack of competition and interlinked markets are all typical market imperfections in rural areas (Holden & Binswanger, 1998, p. 50). Furthermore, in rural areas instances of asymmetric information and uncertainty are deeper and more pervasive than in urban areas (Vogelgesang, 1996). When markets are missing or incomplete the option of informal or personal land transactions can preclude the ability to take advantage of the positive aspects of improvement in the operation of the land market (Akram-Lodhi, 2007, p. 165).

The market failures and imperfections associated with land markets in rural areas pose several challenges and opportunities for small and poor farmers. First, small and poor farmers are more likely than big and rich farmers to be rationed out of credit markets. Second, small and poor farmers are also less likely to have coping strategies sufficient to deal with shocks. This may cause them to rely on ex-ante income strategies rather than consumption strategies (Vogelgesang, 1996). High transaction costs for land outside the community can both reduce productivity and investment opportunities as well as hinder the credit markets or require them to develop collateral substitutes (Deininger, 2003, p. xix). Third, in land markets with few sellers and many possible buyers the poor are often unable to identify or obtain suitable land because they do not have information about possible sellers and prices. Lack of education can worsen this problem (Meinzen-Dick et al, 2008, p. 15). Fourth, developing land markets can raise prices such that relatively poorer households would not be able to finance the purchase of land (Akram-Lodhi, 2007, p. 166). For these households, renting might be a better option.

In the end though, the development of land markets is determined mainly by regional factors. This makes generalisations not only difficult but also dangerous. What may be true in one case does not have to be true in another. A study done on the rise of land markets in Europe concluded that it was the wider structure of the economy and society that determined development. Another problem is that though it is easy to refer to “the” land market, in reality there is no such thing. Instead, the function, nature and mobility of land differs for each social group. Related to the territorialisation of land discussed earlier, it is the distribution of landownership and power relations between different social groups that is one of the most important determinant of the functioning of the land market(s) in a region (Van Bavel, 2008, p.46).

#### **Effects of land markets on poor and marginalised elements of society**

Taking into account the way that land markets function and the challenges and opportunities met by different households, there are several effects that land markets can have on the social and economic position of small farmers. An important effect includes the effect of land markets on land distribution. Different authors have found and emphasised different effects that land markets can have. On the one hand there are those who see land markets as essentially contributing to good land distribution, Deininger is one of these authors. On the other hand, there are those who emphasise that land markets can also have negative consequences for the poor.

The general theory on land markets, property rights, productivity and poverty as told by Deininger and many authors tells us that land markets will favour those who are more productive over those who are less productive and therefore having private property regulations and land markets will theoretically lead to an increasingly productive use of land.

This can even work in favour of small land owners, who are also more likely to be the poor. In many countries, there are huge land inequalities where tracts of land are either unused or in the hands of large landowners. Research shows however that large land owners are not necessarily more productive than smaller land owners. This is because the need to closely supervise hired labourers implies that owner-operated farms are more efficient than intermediate farms that rely predominantly on large numbers of permanent wage workers. Though more productive than intermediate farmers, even large agribusiness holdings with enough capital to employ machinery and equipment are not as productive as smaller owner-operated farmers. The consequence of land markets, if controller for the tendency of credit markets to favour larger land holders, would therefore be a redistribution of land in favour of owner operated and smaller land holdings. This would benefit both small farmers and agricultural development (Deininger, 2005, p. 176). Therefore, in part of the literature, better enforcement and exchangeability of land rights is seen as positive, as it is conducive to both efficient land use and redistribution of land in favour of a bigger group of smaller land holders. Another element of the exchangeability of land is that it can coincide with the development of off-farm economic activities, which would ask for a redistribution of land that is no longer used by economic actors (Deininger, 2000, p. xxix).

These findings have been collaborated by some other studies. A study in Vietnam found for example that land markets have been pro-poor in the sense that land, comparing data from 1993, 1998 and 2002, has been distributed in favour of the "relatively poorer per capita expenditure quintiles" (Akram-Lodhi, 2007, p. 162). A sidenote to these findings is that the study did not discriminate between the causes of redistribution but the author emphasized land markets as leading cause of land redistribution. However, despite that land markets are an important medium for redistribution, in that period Vietnam was also implementing land allocation programs. Since land allocation programs can have strong redistributive effects, it would therefore be interesting to see to what extent land markets processes or policy-guided allocation efforts are responsible for equitable land distribution. More doubt can be cast on the status of land markets in Vietnam as pro-poor based on a study that found that land size correlated with other wealth indicators including productive assets, non-productive assets, income, food consumption and poverty status. In Vietnam, these doubts have been confirmed by case studies in multiple locations in Vietnam that showed in each case that the emergence of land markets served to foster unequal access to land (Akram-Lodhi, 2007, p. 169).

In addition to that, it is also legitimate to have doubts whether it is possible for the advantage of owner operated farms asserted by Deininger to occur everywhere. In reality there is a difference between deliberately small owner operated farms with enough knowledge and capital and small owner operated farms by necessity with insufficient knowledge and capital to compete with other richer farms. They can both be considered as small farmers but the latter will have a larger chance to be economically successful than the former. Moreover, though owner-operated farms with just enough land are more productive than intermediate or even large landholdings, smaller micro holdings would be at a disadvantage. There is therefore a limit to the advantage of small owner operated farms (Cyper & Dietz, 2009, p. 380-381). In cases where the areas of land allocated to households is too small or inheritance causes the fragmentation of farm land, a relative amount of concentration is necessary to achieve optimal use of land. This can lead to a vicious circle that leads to further concentration of land in the hands relatively richer households, despite the advantage of small over large landholdings.

Looking at these contradictions and the challenges for poor people to enter the market described earlier, it is no surprise that many researchers found that land markets, emerging in places where customary ownership rights have been replaced by private property, can have perverse effects on vulnerable groups. After studying the effects of conversion of customary tenure to titling and development of land markets in Malawi, Holden found that women, in particular, had lost land rights in the process (Holden et al., 2006). A gender differentiation was also found in a study based on Vietnamese household surveys from 1998 where women owned both significantly smaller amounts of land per adult and in total on female-led farms (Akram-Lodhi, 2007, p. 167). An explanation might be found in the role of women in different cultures and the way that this role has been institutionalised in institutions such as for example the cadastre. Demands made by women activist groups often include that women should be included in official documentation. These documents are necessary for women to be able to access both credit and land. However, even in countries that have an official policy line to include women and other marginalised groups, resistance by institutions to change current practices can

undermine policy intentions. This has for example been the case in Brazil, where efforts to include women are undermined by the resistance within the INCRA (*Instituto Nacional de Colonização e Reforma Agrária*), the Brazilian land reform agency, to change practices to enter only one name in information systems on beneficiaries of agrarian reform. This makes it impossible to make out if couples are both joint beneficiaries (Deere & Medeiros, 2007, p. 108). Poverty reduction benefits of improved land markets therefore also do not necessarily have to be distributed equally between men and women within the household.

A side note to the finding by Akram-Lodhi that female led households are worse off concerning the amount of land owned, should be that, surprisingly, despite this, female-led households are financially better off on average. The explanation behind that can be found in diversification as a household strategy. Increased landlessness in Vietnam is accompanied in Vietnam by a trend for relatively richer rural farm households first to become rural non-farm household enterprises and secondly to practice wage labour as a means of diversification to raise income and living standards. Female headed households rely less on farm-related income and more on these diversification strategies and this can explain the apparent discrepancy between the amount of land owned and income raised (Akram-Lodhi, 2007, p. 168). Diversification as a household strategy is practiced and promoted by donors and government officials as a way to increase income for the rural poor and the landless. However, this also leads to a vicious circle with an even deeper concentration of land in the hands of a few.

### **Sale and rental markets**

What so far has not been mentioned in greater detail is how land markets can be differentiated between sale and rental markets. Though both imply a transfer of land rights between parties, their characteristics affect how pro-poor they can be. Rental markets in particular are more easily accessible for poor people. They are characterised by low transaction costs and more flexibility and versatility concerning legal procedures. The initial financial investment necessary to rent land is therefore much lower compared to the option of buying land. This makes renting land for many poor households a much better option, when buying land is not yet (Deininger, 2005, p. 176; Holden et al., 2006, p.35). In light of this it is worrisome that research shows that in actuality sharecroppers and land labourers can be worse off after land reform, compared to land owners (Borras Jr et al, 2007b, p. 141).

It is therefore important that land reform does not only target land owners but also considers how sale and rental markets should be balanced against each other. Though it is important that poor and disadvantaged land owners are supported after land reform, it is also important to prevent a new subclass of landless and land labourers from being created. Moreover, sale and rental markets should be flexible enough to be efficient without being so flexible that local elites can take advantage of it. To create and support such efficient land rental markets, better information about transactions to enhance their bargaining position as well as trusted mechanisms for resolving contract disputes should be provided to small land owners (Swinnen, 2006, p. i).

### **The properties of private property rights**

If private property rights are introduced, what kind of attributes should they have that make them both economically and socially efficient as well as pro-poor? There is not one set of characteristics that is necessarily right because what is conducive for the above mentioned goals depends on what view of property rights is prevalent. However, seen from a livelihood perspective, the primary concern is that property rights should enhance a person's assets.

Choosing for private property rights already means a switch away from customary rights. Nevertheless, the acknowledgement by policy makers of the failure of previous World Bank policies has led to a new call for more decentralised systems of land titling and land allocation, and more respect for customary land tenure systems (Daley and Hobbley, 2005). This model of land policies is also a proper description of Vietnam's recent policies regarding land allocation and decentralisation.

Deininger in his book mentions multiple characteristics that private property rights should have from a liberal point of view. From an economic perspective, land rights should be of a long enough horizon to be interesting enough for investments. They should also be defined in such a way that they are easy to follow, observe, exchange and enforce. Rights

and duties should be clear both from an individual and communal perspective. The value of the resource and the precision with which the property rights are defined are likely to have a positive relation. Institutions administering and enforcing the property rights should be able to adjust to the needs that private property owners have because they are likely to evolve over time (Deininger, 2005, p. 173-174).

From a social perspective, it is necessary that property rights for land are easily inheritable as land is one of the main ways to transfer wealth in rural areas. For land to be easily inheritable, institutions need to be functioning well and should be easily accessible to all (Deininger, 2005, p. 174). On the other hand, simplifying laws and procedures to divide land among heirs also serves the purpose of preventing further land fragmentation and complicated land ownership arrangements, improving efficient land distribution (Swinnen et al., 2006, p. i).

To achieve secure property rights and efficient land markets and ownership, institutions are key. Without successful institutions, there is no basis for private property rights. The most important characteristic of private property rights over customary rights is that those holding private property rights can call upon the state to enforce their rights. With equitable access to private property rights and private property institutions, this characteristic can help to empower poor and small landholders. The boundary between defining and enforcing land rights is where legal power meets social legitimacy (Deininger, 2005, p. 174).

Enforcement of land rights is not possible without legitimacy. Legitimacy arises from social legitimacy combined with legal backing (Deininger, 2005, p. 174). At the local level, lack of financial resources and of institutional capacity in government agencies, lack of legal awareness and, often, lack of perceived legitimacy of official rules and institutions all contribute to limit the outreach of state regulation in rural areas. On the other hand, customary rules are perceived to gain their legitimacy from tradition and tend to be more accessible (Cotula, 2007, p.39). Modern private property institutions therefore need to develop social legitimacy. In cases where customary practices were well defined and locally legitimate, establishing titling for property has had little effect on existing rights (Hayes, 2007). There are multiple ways to create social legitimacy for private property institutions. Developing private property institutions in a decentralised way is one of them. Incorporating customary institutions in private property institutions is another. Social legitimacy is also gained from involving local people into the design of private property institutions. On the other hand, well intentioned decentralisation or devolution can cause more uncertainties when there are ambiguities in the legislation concerning the roles and responsibilities of the local and/or customary authorities (Fuys et al., 2008, p.6). If institutional change, such as the creation of cadasters, is initiated without the ability to create social acceptance for it, the state risk creating an empty institution rather than a credible institution. Under unfavourable circumstances, such as under conditions of low economic development and with a substantial portion of the rural population dependent on small scale farming, this risk is even bigger (Ho & Spoor, 2006, p. 584). Resistance towards land titling can also originate from the disability of policy makers to accommodate existing land relations. For example, in post-socialist land relations land rights are made exclusive while in socialist land relations multiple layers of control existed. In communes in North-western Vietnam, this led to resistance towards land titling, despite that land titling would have strengthened the legal rights that villagers have (Sikor, 2006, p. 627).

From a physical point of view, a study on land demarkation in the US found that clear land demarkation using a centralised rectangular system, opposed to a system based on metes and bounds<sup>14</sup> increased the market for land resulting in more land transactions, that it raised land values and that in situations where a rectangular system was used, investment in public infrastructure such as roads were higher (Libecap & Luec, 2008, p. 4). Clearly, land allocation alone is not enough, but the physical system that is used for allocation is also an important factor in creating land markets. Deininger notes that this is especially the case when land transactions happen between parties that are not connected to each other

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<sup>14</sup> The meters and bounds system is described in this study as being a demarcation system where “ claimants define property boundaries by defining the perimeter of the parcel with a survey not governed by a standardized method of measurement or parcel shape” and therefore land rights are open to interpretation, insecurity and conflicts. For more information on the different systems, read the report “The Demarcation of Land - Patterns and Economic Effects by Libecap and Luec (2008).

by way of kinship, community or other customary canals. Though in customary practices commonly accepted land marks such as rivers, trees or others might be accessible, low cost and efficient, the quality of the land demarkation needs to be higher when transactions occur outside the community. The same is true for when conflicts over land are likely to occur due to demographic pressure, increased value of land or other factors. Though Libecap & Luec and Deininger agree in their papers that the physical system for demarkation is important, the identification of cause and consequence that these authors make are exactly opposite to each other. Instead of a clear relation between the system used for demarkation on the one hand and land value, land transactions and investment on the other hand, there is a reciprocal relation where these factors are constantly being influenced by each other as well as external factors such as socio-economic climate, government investments and others (Libecap & Luec, 2008; Deininger, 2003, p. xxiii).

In sum, land rights and land rights institutions are closely intertwined; land rights alone without the institution to back them up have no power outside the community, or even within. Instead, institutions have to be matched to the existing (legal) culture and circumstances. This paragraph attempted to identify desirable characteristics for private property rights as well as private property institutions. Though if anything has been made clear, it should be that there is no clear cut recipe for successful land reform, but it is still realistic to identify factors that contribute to a healthy land market. A summary of these characteristics split out between characteristics desirable for land rights and characteristics desirable for institutions, has been made and is displayed in table two.

**Table 2 Properties for pro-poor property rights and institutions**

Land rights	Land right institutions
<ul style="list-style-type: none"> <li>• Have to be commonly accepted as such</li> <li>• Long enough investment horizon</li> <li>• Easy to follow, exchange and enforce; rights and duties should be clear on all levels</li> <li>• Land rights should be inheritable</li> </ul>	<ul style="list-style-type: none"> <li>• Spatially and legally well-defined titling or registration procedures and indexes guaranteed by the state</li> <li>• Clear legislation concerning the roles and responsibilities of the local and/or customary authorities</li> <li>• Should have ability to evolve together with the needs of the people</li> <li>• Backed up by legal <i>and</i> social legitimacy</li> <li>• Well-established information canals to function for land market</li> <li>• Functioning exchangeable capital market</li> <li>• Vulnerable groups should be represented and supported</li> <li>• Respect and pay attention to customary systems</li> </ul>

*Source: (Deininger, 2005; ESO, 1996; Daley & Hobbey, 2005; Cotula, 2007; Fuys et al., 2008; Libecap & Luec, 2008)*

Alternatively, to protect the poor from the negative effects that land markets could have on land distribution, some countries have followed alternative non-market led routes towards the protection of poor farmers. For example, both Uzbekistan and China have avoided the creation of private land markets. In China, this has proved to be a good solution in the sense that it has not been a negative factor for agricultural development. However, in these cases active local management of land is necessary to accommodate household and demographic changes (Khan, 2007, p. 243). This in itself might prove as much of a problem as this requires well-organised decentralisation or even devolution of power. It is also possible for local relations of power to distort the functioning of a decentralised system of land management so that local

elites get more access to land. Considering the importance of well functioning institutions for pro-poor development from both a macro and a micro perspective, it therefore remains a big problem that: “in many developing countries, public property systems and particularly land administration institutions such as cadasters and public registries are imperfect and mistrusted” (Laiglesia, 2004, p. 2). However, this is true for both paths, with or without land markets, and is therefore not a reason to reject an alternative non-market led approach.



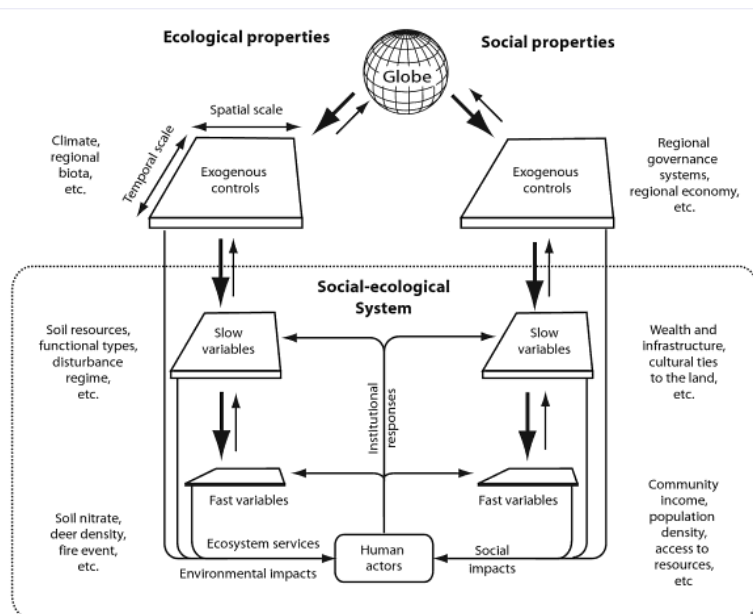
## §4 Forest resource management and land ownership development

The purpose of this paragraph is to elaborate further on the link between land allocation or land titling and natural resource management. Many of the poor in developing countries live in areas that are still relatively underdeveloped and highly forested. Though there is no direct causal relation between forest cover and the creation or existence of poverty, there is a strong correlation between them, as can be seen in for example Vietnam where poverty is located in the mountainous and forested areas. While poverty lingers in these fringes of the world, major cities around the world symbolise progress and attract people searching for employment and wealth.

Though in the cities it is not immediately obvious, there is a complex linkage between social and ecological systems. Forested and remote areas are in fact connected to the major cities around the world by visible and invisible ties. Chapin et al. describes in a diagram (figure 2.1) “a social-ecological system (the rectangle) that is affected by ecological and social properties”. In both subsystems, ecological and social, there is “a spectrum of controls that operate across a range of temporal and spatial scales” (Chapin et al., 2009, p.7). Exogenous controls at the regional scale are affected by global trends, which affects slow variables at the scale of management and this in turn affects fast variables that change more quickly, such as access to resources, population characteristics or environmental characteristics. If changes in fast variables become more permanent over a bigger area, there is a feed back loop to affect the slow variables, regional scale and eventually global scale. At last, the slow and fast variables on the social and ecological spectrum together influence environmental and social impacts which affects human actors. Human actors in turn can also drive institutional change, which can affect the slow and fast variables (Chapin et al., 2009, p.7).

With advancing demographic and socio-economic developments, the capacity of forested areas to provide both local and regional environmental services as well as the ability to contribute to local livelihoods is under pressure. For example biodiversity, watershed functionalities and prevention of erosion and degradation of soil cover all contribute to local livelihoods. When the accumulated changes in slow or vast variables lead to change such as modifying customary resource use practices, it is possible that the changes lead away from sustainable use to unsustainable use of resources. This is the case when for example land pressure or forced settlements lead to a shorter fallow period for agricultural ground in vulnerable areas which leads to soil degradation. It is in order to cope with these types of problems that natural resource management has become more important.

**Figure 2.1 The social ecological system**



Source: Chapin, 2009, p. 7

Private and/or communal property rights can also have a role to play in natural resource management. For example, in Vietnam and Laos land allocation is part of policy instruments intended to increase forest cover and protect natural forests. Communal or private property rights are granted to residents who before could make no official claim to their land. In return, specific demands are made concerning treatment and planting of forest. This also changes the territoriality of forest lands, increasing the influence of the government over (remote) forest land. The Vietnamese situation concerning land allocation will be elaborated upon more in the next chapter.

For now the question is, how are slow and fast variables in the social ecological system affected by instituting private

property rights, and how can it affect the livelihoods of those who participate in such a scheme? How does this compare to areas where private property rights are not connected to natural resource management? A review of the available literature will try to answer these questions, part of which have already partly been answered in the previous paragraphs.

### **Livelihoods, private property rights & natural resource management**

Debates concerning the relation between property regimes and natural resource management have been plentiful. Citing Baland and Platteau (1996) and Ostrom (1990), Agrawal poses that the conceptual foundation of privatisation for improved natural resource management is often supported by juxtaposing an “idealised fully efficient private property system and the anarchical situations created by open access” (Agrawal, 2001, p.1653). Together with writings on the relation between property rights and economic efficiency, the writings of Gordon on over exploitation of resources under open access regimes can even be said to be the beginning of the modern property rights school<sup>15</sup>. The property rights school maintains that allocating land to households and individuals can generate more environmentally sustainable development, as households and individuals then have a stake in maintaining what is their property and resource base (Deininger, 2000, p. xxi). At the same time, the success of natural resource management depends on if it is also to provide sustainable socio-economic growth for the local population, especially in areas where there are many people living in or around the conservation area.

Situations of open access, as described by Ostrom and others are regulated by customary resource practices. Customary resource practices are shaped by a large variety in supporting cultural and natural environments. What all customary resource use practices have in common is that they are shaped by custom or tradition, and are not bound by law. On the other hand, modern natural resource management is based on law that is crafted on different and higher geographical and political levels. Implementation of private property rights together with modern natural resource management can therefore be affected by local responses, especially in areas where previously resource management was fully based on customary resource use. These effects can be less than straightforward as people oppose and change government policies on the ground, through both direct and indirect means (Sowerwine, 2004, p. 126). Economic growth that is equitable enough to include everyone can increase the capacity of households to improve their land use and respond to environmental issues such as soil degradation. It will also help to enforce and increase their capacity to adhere to the land management practices set within property rights. If this reasoning is set in reverse, a lack of equally distributed economic growth as a result of corruption or poorly executed or designed reform can have a detrimental impact on the sustainable use of private property rights (Mitchell, 2005, p. 10).

Though it is at least very likely that increasing the feeling of ownership over land will stimulate land owners to practice more sustainable agriculture, not all types of conservation are suitable to be combined with private property ownership. One of the problems can be that part of the socio-economic enhancing effects of private property rights lie in the productivity gain expected with it. However, common sense tells us that there is a limit to which natural resource management and agriculture or forestry can be combined. If rules related to natural resource management are too restrictive, this can impede the effective use of land for financial profit.

Looking at the problems detailed above, it is obvious that privatisation of natural resources is not the only right approach to the issue of land relations in natural resource management but there is also a role to play for common property systems. Classically, open access is compared with “an idealised fully efficient private property system” to show the benefits of private property systems. However, according to Agrawal regulated common property systems can be considered equally equally efficient regarding resource use. This is true as long as information is perfect or equal in both and transaction costs are equal and nonexistent (Agrawal, 2001, p. 1653). For example Nepal has reversed its problem of the

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<sup>15</sup> Gordon (1954) is credited together with Coase (1960) by Ho and Spoor to have been the traceable beginnings of the property rights school. Coase wrote about the relationship between “property rights assignments and Pareto-optimal outcomes”. Hardin (1986) later repeated a similar argument to Gordon based on pastoral resources (Ho & Spoor, 2005, p. 584).

commons by reversing its system of open access to forests by strengthening village and commune control over them (Cypher & Dietz, 2009, p. 378).

In paragraph four it was established that perception and enforceability of ownership rights is one of the most important requirement for positive effects such as investment to occur. In common property regimes, individual benefit must also be clear to farmers despite its characterisation as common. Some research suggests that the type of resource might affect to what extent incentive systems in common property systems have to be adjusted to make sure that positive effects still accrue. A study done by Otsuka & Place suggests that minor forest products are especially suitable for common property while high value tree production is less suitable for community management. In these cases, solutions have to be sought in different incentive systems that also provide incentives to individual farmers. For example, tree ownership rights could be granted to individual farmers while community management is maintained for protection management (Otsuka & Place, 2001).

Writings by Deininger suggest that other research than his own has proved that in many cases of private property enabled natural resource management, there is no clear connection between allocating land to households and improved resource management. Therefore, regarding resource management, granting land to communities instead of households can be more beneficial if this is in accordance with traditional resource management structures and there are no major conflicts regarding land use within the community (Deininger, 2005).

Other factors influencing the success of common property regimes are population size, social capital and distance to markets such as input- and output markets. Areas with intermediate population with high social capital and large distances to markets are more suitable for common property regimes than areas with greater market access, large population sizes or high wealth heterogeneity. The latter area might be more suitable for a private property approach to natural resource management (Gebremedhin et al., 2003, p.25).

While investigating the role of property rights, it is easy to forget that others factors can matter as well or have an even bigger impact on natural resources. A case study by Sikor showed how during the 1990's in three villages in North-western Vietnam forest expanded despite that at the same time the implementation of land use rights was resisted by the local population. In these villages the liberalisation of agricultural output markets and the availability of new technology urged farmers to intensify the crop production which reduced the agricultural pressure on land, benefitting forest expansion (Sikor, 2001). In Sikor's case, the causes of positive change were not related to the titling of land, either internally or externally. This example should warn other researchers to have an open mind and to not be guided in their research by a tunnel effect.

### **Land markets, private property rights and natural resource management**

In comparison to the relation between property rights and natural resources in general, the topic of the role and functioning of land markets in natural resource management has not received much attention in the academic literature concerning land titles. Nevertheless, there is a strong link between land titling and natural resource management. Even more so, market based instruments to govern natural resource management are now widely used in many countries. Market based instruments to govern natural resources are not limited only to land and the resources attached to it such as forests and watersheds but also include for example carbon-gas emission and bio-diversity. Market based instruments can be price-based, quantity-based or can address market friction. Price-based market based instruments attempt to influence behavioural change by changing prices, while quantity-based market based instruments attempt to influence behavioural change by for example cap and trade. Market friction instruments are very simply used to make markets work better (Commonwealth of Australia, 2004).

Market friction can be a major problem because if land markets do not function properly, this may prevent land from being allocated to its most sustainable use (Mitchell, 2005, p. 9; Benin et al., 2006). As the private property approach is essentially a market based approach it is important that land markets do function, or else be replaced to achieve the same result of sustainable use (Cypher & Dietz, 2009, p. 378). In paragraph four it was established that rural land markets are very vulnerable to market distortions, and especially to imperfect markets or market failure in the form of public goods

or market externalities. The main elements that are part in creating efficient land markets are low transaction costs and tenure security. Transactions costs can be kept low if land rights have characteristics that keep them low and if the institutions surrounding land markets facilitate low transaction costs.

Such characteristics for land rights include the following: (a) land rights should have a long enough horizon to make investment interesting and (b) land rights should be transparent and easy to follow, observe, exchange and enforce, (c) land rights should be easily inheritable. For the land market institutions to function well it is necessary that (a) land rights have to be enforced by the government; land rights institutions should give legal backing to land rights as well as be grounded in social legitimacy, (b) land demarkation is of a high enough quality to prevent disputes and promote outside investment, (c) there are well-established information canals to function for the market, (d) there is a functioning exchangeable capital, output and labour market.

Does combining natural resource management with land ownership affect the factors mentioned above and therefore the functioning of land markets? If natural resource management policies have the effect of increasing transaction costs or reducing tenure security the goal itself of sustainable land management may be jeopardised. This goal can be jeopardised because the result of either increased transaction costs or reduced tenure security can be that land is not allocated efficiently anymore and private or communal incentives for sustainable investment in land are lost. Transaction costs may be high because it requires different and additional tools to support decisions. Eventually transaction costs may decrease as the market for natural resources matures and more efficient tools are developed to support markets (Queensland Department of Environment and Resource Management, 2008).

Land market dynamics can also create a unique and unintended side-effect to established biodiversity conservation practices. One of the approaches of wild life conservation societies is to buy land to create protected private lands. However land purchases can influence the price ratio around these areas and create feedbacks which undermine the original goal of conservation of biodiversity. This is because either development can be replaced towards ecologically valuable areas or it can be accelerated by the purchase of large quantities of land for conservation (Armsworth et al., 2006, p. 5403). In areas where natural resources are actively sought after and bought by large international corporations, the opening up of land markets can create effects that are equal to the ones described by Armsworth et al. for areas surrounding conservation areas. Though their observation shows no direct causal relation between local land markets and natural resource management, it shows how they can be a medium through which ecological properties of an area can change under influence of exogenous controls and slow variables operating in the social ecological system.

# Chapter 3 Regional context: the development of Vietnamese land policies and ownership

## §1 Introduction

Decentralisation and market oriented processes have been an important feature in economic reforms all around the world. During a national congress held in December 1986 in Vietnam, Vietnam sought to embark on its own version of a market economy called the Doi Moi (meaning renewal or renovation in Vietnamese) reforms. The Doi Moi reforms were basically the Vietnamese take on a socialist-oriented market economy and consisted of six pillars which were the basis of the changes that would affect the country deeply. These pillars were (1) the decentralisation of state economic management, (2) introduction of a market oriented monetary policy and other economic measures, (3) an outward oriented attitude towards external economic relations, (4) agricultural policies that gave long term use rights to farmers and more freedom to decide on agricultural decisions, (5) a greater reliance and investment on the private sector as the engine of economic growth, (6) allow state and market enterprises to deal directly with the foreign market for import and export. These reforms essentially entailed a free market reform while still retaining the autonomy and importance of the state (Murray, 1997, pp. 24-25).

These reforms have also had important consequences for rural areas and users of land in forest areas. Though agriculture is the motor of change in Vietnamese land relations, forest land is also affected. One of the major consequences of the Doi Moi reform was the land allocation process that was started in Vietnam (Murray, 1997, pp. 24-25). The land titling processes that accompanied land allocation meant that both agricultural land and forest land was given to households, along with the rights to sell, buy, mortgage, inherit and transfer their rights. Although typically allocation concerns plain agricultural or forest land, allocating land to households is also part of the governance process in and around national parks. These parks encompass an area in which people have been living in and with the forest for a long time and therefore need to be accommodated in their land use.

In view of this background, a problem recently detected by field researchers in the communes of the Bach Ma National Park is that low resource households who have been entitled to forest land under forest land allocation (FLA) have to sell their land to high resource households on newly emerging land markets because they do not have enough resources to invest in their land. A consequence of this could be an unexpected land redistribution that caters more to the rich than the original pro-poor intentions foresaw, creating inequality. The same problem has also been recognised in the literature. A literature study by Sunderlin and Ba recognised that FLA has contributed to deepening the socio-economic divide between rich and poor households. Evidence from Lao Cai, Yen Bai, Ha Giang and Tuyen Quang provinces shows that low resource households tend to give up their land use rights temporarily due to lack of resources to invest and instead become wage earners on their former lands. They hope to gain enough to buy back their land and invest in better land management but this is usually impossible as the land has then increased in value (Sunderlin & Ba, 2005, p. 22).

Why is it important to look more into land redistribution and social-economic divide as a consequence of emerging forest land markets, especially in Bach Ma National Park? Land markets and improved land rights are after all often assumed to make agricultural production more efficient as those who are best able to develop land get the ownership, leading to more agricultural production and economic development (Do & Iyer, 2003, p.2). This issue touches on broader debates on the link between land markets and poverty. Reasons for concern are valid both from a theoretical point of view and a policy-driven point of view. The previous chapter has already shown us how there are academic concerns to land titling. Pro-poor government policies should take these concerns seriously as well. This chapter and the practical part of this thesis will be concerned with exploring this issue in the regional and local context.

### Forests and forest cover in Vietnam

Forest cover throughout Vietnam has been damaged by the America-Vietnam war and is threatened by the social-economic development of Vietnam. As of 2008, forest cover stands at 38.7 percent. In 2003 this was still standing at 30.1

percent (GSO, 2008a, p. 300). This is a sharp increase nationally in times that forest covers are generally declining globally. Part of the reason for this increase in forest cover can be found in government policy.

The piece of legislation that is responsible for the increase in forest cover is called the 5 Million Hectare Reforestation Program (5MHRP). The 5MHRP was started in 1998 and ended in 2010. It had the aim of increasing forest cover from 9 million hectares (28 percent of total land cover) to 14.3 million hectares (43 percent of total land cover). The 5MHRP had three objectives: (1) an environmental objective to protect and rehabilitate watershed functions and fighting soil erosion and water discharge fluctuations, (2) an economic objective to improve the role of the forest sector, (3) a social objective to promote livelihood security among the most vulnerable groups in society (Sunderlin & Ba, 2005, p.4). These objectives have been replicated in the objectives pertaining to the creation of the Forest Sector and Support Program & Partnership (FSSP&P), a broad framework for collaboration founded in order to improve collaboration between the government of Vietnam and international development partners working in the forest sector. The FSSP&P was preceded by the 5 Million Hectare Reforestation Partnership.

According to the 5MHRP, reforestation and livelihood development should be linked. If FLA does not lead to livelihood development, but only satisfies the environmental and / or the economic objective, than it is important to know what the causes behind this problem are, especially since many of the poorest households in Vietnam live in rural areas and forests. Unfortunately, there has not yet been a full evaluation of the program as it has ended only relatively recently. There have however been other (progress) reports so some information is available .

The 5MHRP has been partly successful for several reasons. Firstly, it has undoubtedly managed to increase forest cover, but the quality of the forest cover is debatable. Because the 5MHRP has focussed mostly on the creation of plantations instead of regeneration of natural forest, many new "forests" now consists of monocrop exotic tree plantations. Obviously, these forests have a low environmental value in terms of biodiversity and do not therefore contribute much to environmental regeneration overall. Secondly and ironically, the barren hills that were targeted for reforestation were in many cases in reality not unused but economically important to mostly poor household and women who collected non-timber forest products on these hills. In addition in many communes in Vietnam, most of the forest land *classified* as not used was also used for food production. This means that changing the land use in these circumstances can adversely affect the livelihoods of especially the poor. The completion of the social objective is then dependent on the success of FLA (McElwee, 2009). The last reason that the 5MHRP has only been partly successful is because the socio-economic value of forest plantations is hindered by several problems. Field work in two communes in the North Central Coast of Vietnam revealed several of these issues. First, some households report disappointing harvests from tree plantations caused by a variety of factors. Second, farmers are often reliant on traders to harvest and trade their trees, this decreases the profitability to the extend that some trees cannot even be collected. Third, the amount of investment and knowledge necessary for some more economically valuable trees, such as rubber, is too high for some poor households. As a result, the final economic value of these products may be lower than expected. Research in different communes is likely to yield more problems that are comparable to these.

The reasons for many, though not all, of these problems can be found in the planning process. Planning data, which feeds expectations, is not based in reality but is created through negotiations. As a result policy is often unrealistic, and may suffer from unintended side effects. Moreover, the realisation of policy can be hampered by unforeseen problems that could nevertheless have been avoided in the planning process (Ohlsson et al., 2005, p. 248).

## §2 Government policies and legal framework in Vietnam

### History of land reform in Vietnam

In the previous chapter registration, redistribution and restitution were identified as three types of land reform that are usually associated with full ownership rights, as opposed to less complete bundles of rights associated with recognition as type of land reform (Meinzen-Dick et al., 2008, p.8). In Vietnam, post-socialist land reform has been a mix of registration, redistribution and recognition (in the case of ethnic minorities). Before the Doi Moi reforms in 1986 Vietnam had known a system of socialist land relations that determined land use. The Doi Moi reforms were the start of a series of land reforms that would give long term use rights to farmers. With the Doi Moi reforms Vietnam entered a period of post-socialist land relations with the associated difficulties of balancing socialist and capitalist land relations (Sikor, 2006). In the rest of this paragraph, the history of land reform in Vietnam and the evolution of government policies will be discussed in more detail.

The allocation of (forest) land and other measures in the Doi Moi reforms were among else a response to the food crisis that was happening in Vietnam due to declining agricultural production and food shortages. Vietnam had already some time before recognised that its collective agriculture had severe weaknesses, and the Doi Moi reforms were in fact the second wave of agrarian reform that attempted to deal with the problems resulting from these weaknesses (Akram-Lodhi, 2007, p. 154). Before the Doi Moi reforms, Vietnam's agricultural system was a dual system of cooperatives and individual plots on hillsides. The cooperatives were based mainly in the fertile lower parts of the land in which people collectively owned and produced in rice paddy's while individual plots on the hill slopes were accessible on a free-access basis. This was possible because sloping land was not integrated in the cooperatives by law. In times of shortage people focussed more on these private agricultural areas to earn a supplementary income. This however also caused massive deforestation as the cooperative system failed to supply enough income and food (Castella et al, 2006, p. 147). In acknowledgement of these problems the Vietnamese government had already done some local some experimentation to increase rural productivity in the 1960's and 1970's, far before the Doi Moi reforms were fact. The success of these experiments lead to a first wave of agrarian reform. As a result of the Directive 100, between 1981 and 1987 household contracts spread through the country. This early form of land allocation allocated land to households based on their adult workforce, in return for a specific output quota. Anything produced in excess of the quota could either be kept for household consumption or sold on output markets. However, despite introducing new incentives it did not abolish the cooperative system and did not create market prices. Despite an initial boost to the agrarian production a second drop in output therefore followed, as efficiency gains wore out. A realisation among the government that real change was necessary to achieve durable economic and agricultural growth created the preconditions for the national congress that led to the Doi Moi reforms in 1986 (Akram-Lodhi, 2007, pp. 154-155).

Two years later, with the path opened up by the Doi Moi reforms, on April 5th 1988 the Vietnamese Government Politbureau adopted Resolution 10 (resolution 10-NQ/TW). Resolution 10 changed the agricultural organisation of the country. It recognised the primacy of the farm households and changed the cooperative system to a system of private property rights (Castella et al, 2006, p. 147). Farmers and land users who were previously cooperative members could now become owners of their land. With this change, they now had absolute rights to their land and the yield it produced. This resolution is a turning point in the Vietnamese agricultural development and marks Vietnam's transition to post-socialist land relations.

Though it marked the beginning, the initial Resolution 10 did not establish complete ownership rights as they are now. Subsequent laws and directives further developed and increased farmers rights to land. Government policy in the 1990's saw reforms to the original Resolution 10 that were twofold. First it entrusted the village community with protection of the forests and second it promoted more intensive farming through more secure land ownership (Ducourtieux & Castella, 2006, p. 1) While in the beginning land could only be used and not transferred, this was changed as the Vietnamese governments started to actively encourage land markets as a positive process elevating poor households from poverty (Murray, 1997, pp. 24-25).

After Resolution 10, the next land-use rights related piece of legislation was the 1993 Land Law that was built on Resolution 10. It extended use rights to 20 years for annual crops and 50 years for perennial crops. The 1993 Land Law also allowed for the first time the (1) exchange, (2) transfer, (3) lease, (4) inheritance and (5) mortgaging of land use rights, these were called 'the 5 rights'. These rights were the beginnings of a land market, but still left it in an embryonic state. Progress in land allocation was still slow after the 1993 Land Law because of a "lack of adequate finances, a lack of trained cadres, a lack of interest and enthusiasm on the part of officials, a lack of proper direction and supervision and disputes among the cadres" (Do & Iyer, 2003, p. 8). Revisions to the Land Law in 1998 further solidified land markets by allowing for and actively encouraging large-scale farms of more than five hectare. These processes were strengthened in subsequent legislation by further encouraging land allocation and land markets.

The latest laws affecting land ownership include both the 2003 Land Law and the Forest Protection Development Law 2004. The 2003 Land Law (which was executed in 2004) formally recognised land markets as a legal and institutional reality, by simplifying buying and selling procedures. It did this by adding five more rights to the already existing ten. These five rights were (6) the right to re-rent land use rights, (7) the right to grant land use rights, (8) the right to use land use rights as collateral, (9) the right to use land use rights with others to generate capital and (10) the right to be compensated at market prices if land was repossessed by the government. The latest law that has been enacted for forest protection is the Law on Forest Protection and Development 2004, executed in force since 1 April 2005<sup>16</sup>. The laws' intention is to provide for forest protection and development. It establishes and it provides for the management, protection, development and use of forests and forest owners' rights and responsibilities. The Law on Forest Protection and Development 2004 and the 2003 Land Law also for the first time recognise the rights of community ownership, opening up the way for recognition of land rights as they have always been practiced by ethnic minorities.

Despite all these reforms, land is still always owned by the people of Vietnam, or in other words the government. Land registration in Vietnam is therefore called land use rights registration instead of simply land registration which would imply unconditional ownership. References to ownership in the context of Vietnam and the process of land allocation and land titling refer to these laws. Because land use rights in Vietnam are very close to private property ownership, the holders of these Land Use Certificates in this thesis are interchangeably referred to as land owners or land users.

### **Organisation and rights of land holders in Vietnam**

The institutional environment that is now surrounding land use and development in Vietnam has created a rich plethora of actors all involved in the management and use of forest land. Households are only one of the many different actors involved. Moreover, the law has created different categories of forest land so that not all forest land is the same.

The definition of forest owners according to the Law on Forest Protection and Development 2004 is 'organizations, households or individuals that are assigned or leased forests or land for afforestation and have their forest use rights as well as the ownership right over planted production forests recognized by the state; or that are transferred forests from other forest owners'. For the purpose of this research is referred to article 5 of the law in which it states that forest owners are classified as being one of the following: (1) protective forest or special-use forest management boards, (2) economic organisations which are assigned or leased forests or land for forest development or which have their forest use rights and ownership right over planted production forests, (3) domestic households and individuals that are assigned or leased forests or land by the state for forest development or which have their forest use rights and ownership right over planted production forests, (4) people's armed for units which are assigned land for forest development, (5) organisations involved in forestry-related scientific research, (6) Overseas Vietnamese, (7) foreign organisations and individuals.

Land according to the land law is divided in three main classes and several subclasses. The three main classes, in no particular order, are protection forests, special use forests and production forests. In each of these classes, different purposes and therefore different rules and frameworks apply to ownership and use of land. Design and implementation of forest protection and development plans is organised in a bottom-up way, with the lowest unit being the People's Committees

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<sup>16</sup> Order no. 25/2004/L-CTN of December 14, 2004 promulgating the Law on Forest Protection and Development (no. 29/2004/QH11). Source: Government of the Socialist Republic of Vietnam  
Chapter 3 Regional context



of commune/ward or townships. This unit is accountable to the vertically closest higher unit, up until the Prime Minister. Therefore, the design of forest protection and development plans can be said to be decentralised mainly in a bureaucratic manner (ICEM, 2003).

*Protection forests* are mainly intended to protect water sources and land and to prevent environmental degradation. *Special use forests* are intended mainly to contribute to conservation of nature, biodiversity and historical and cultural relics. It is also intended for scientific research and recreation and tourism in combination with environmental protection. Special use forests includes the subcategory of national parks such as Bach Ma national park, nature conservation zones, landscape protection areas and scientific research and experimentation forests. The third category, *production forests* are as their name suggests mainly intended for production and trade of timber and non-timber forest products in combination with protection (ICEM, 2003).

Legally special-use forest can only be assigned to special-use forest management boards, scientific research and technological development institutions and forestry-training and vocational establishments. These in turn can however create subsidised protection contracts into which households can enter. Only production and in a more limited fashion protection forests can be assigned to households as well. It is not possible for people in other areas to relocate to special-use forests (ICEM, 2003).

Owners rights depend on what kind of forests it concerns. In this case, special use forest is the appropriate classification for land located inside the core area of Bach Ma National Park. In these areas development and use of the forest is possible only in a sustainable manner. National gardens and nature conservation zones must be divided between strictly-protected zones, ecological restoration zones and service-administration zones, and are surrounded by buffer zones. These subcategories again influence the possibilities for use of the forest (ICEM, 2003).

Land that is located in buffer zones is classified as either production or protection forest, these are special categories different from special-use forest. It is not possible for people to live in the strictly-protected areas of special-use forests. In such cases, the population will be relocated to other areas. In ecological restoration zones, special-use forest can be assigned to local households and individuals based on contracts for protection and development. In buffer zones of special-use forest, land can be assigned to organisations, households or individuals for use according to forest management regulations that apply to the area (ICEM, 2003).

The property rights of different types of forest resource holders are outlined in table three. While households who enter into subsidised protection contracts in special-use forests have very few rights, the rights of protection forest holders are better established and include not only the right of access and withdrawal but also management and exclusion. However, protection forest holders and special use forest holders right of withdrawal and right of exclusion is limited. Withdrawal means the right to enter a specific area and obtain and withdraw resources from that area. Rights may be limited in this respect as not all types of resources are allowed to be withdrawn from the area or there can be a limit up to which resources can be withdrawn (Agrawal & Ostrom, 2001, p. 491; Coe, 2008, p.5).

The right of exclusion means the right to determine who will have rights of withdrawal and how that right may be transferred. This right may also be limited as guidelines are set by the government on transfer rights and who can apply for withdrawal rights. For instance, withdrawal rights can be limited to a certain group of people though who in person has the right of withdrawal may be up to the contract holder. Special use forest holders do not have the right of exclusion at all. Only protection forest and production forest holders have management rights, i.e. the right to regulate internal use patterns and transform the resource by making improvements such as planting seedlings (Agrawal & Ostrom, 2001, p. 491; Coe, 2008, p.5).

**Table 3 Typology of property rights of forest resource holders in Vietnam**

	Owner	Proprietor	Authorised claimant	Authorised user	Authorised entrant
<i>Land classification</i>	Production forest	Protection forest			Special use forest
<i>Type of right</i>	<i>Long-term use for agro-forestry production</i>	<i>Long-term use for limited agro-forestry production</i>			<i>Subsidised protection contract</i>
<i>Enforcement</i>	X	X	X	X	X
<i>Access</i>	X	X	X	X	X
<i>Withdrawal</i>	X	i	X	X	i
<i>Management</i>	X	X	X		
<i>Exclusion</i>	X	i			
<i>Alienation</i>	X				

*Source: Adapted from Coe, 2008, p. 5, adapted from Agrawal & Ostrom, 2001, p. 491. "X" denotes full rights while "i" indicates a limited or informal version of that right*

Importantly, though households officially have management rights to land they own, in practice the rights of Red Book holders may be limited as to their freedom in crop choice and when to plant crops. In total, in 2008 49.1% of all non-residential plots had formal restrictions on the choice of crops. This is especially the case for water paddy land, compelling farmers to grow rice. Farmers owning a Red Book are more likely to be met with these kind of restrictions than farmers owning land informally. Crop choice limitations are more prevalent in the South than they are in the North; the statistics show large differences between different provinces (BSPS, 2009, p.220).

The right that is most important to the research question is the right of alienation. The right of alienation has been defined as the right to sell or lease the other rights, including withdrawal, management and exclusion rights (Agrawal & Ostrom, 2001, p. 491). Production forest holders are the only kind of forest land holders to have this right, as well as a full version of access, withdrawal, management and exclusion rights. Since alienation rights are indispensable for the existence of (legal) land markets, it is this group of land holders that is targeted in this thesis.

After looking at this description of the elaborate legal framework and institutions surrounding land ownership in Vietnam, it is no surprise that there are also difficulties associated with it. Specifically regarding buffer management, a review from Gilmour & Nguyen, 1999, found several issues affecting its success including the following. Objectives of buffer zone management are ambiguous and institutional responsibility is confusing, overlapping and sometimes contradictory. This review dated from before the 2003 Land Law and the Forest Protection Development Law 2004 and things could therefore have changed. However, the institutions surrounding land in buffer zones have not changed so are still likely to have limitations. New reviews of the 2003 Land Law and the Forest Protection Development Law 2004 found similar problems.<sup>17</sup> Land allocation and administrative management of land transfers can therefore still be lacking in practice. Enforcement rights in particular are an elemental part of ownership rights, the meaning being to enforce ownership's rights and as such being a necessity for all other rights. Institutional inadequacies can also interfere with the

<sup>17</sup> For example a review by Dinh, T.D. from 2005 for the Forest Sector Support Program & Partnership (FSSP&P) found several problems in forest sector projects related to forest development and land allocation. These problems concerned among else lack of proper guidelines, unreasonable assumptions concerning effects of policy on land use, lack of resources, etc.

right of state enforcement of ownership rights. An additional problem in some places, especially in areas with natural forest, is that though property owners were granted several rights there are no guidelines to implement these rights. Therefore in practice only the rights to exchange and inherit can be exercised in these areas (Dinh, 2005, p. 32).



*On the left, local government institutions, the CPC in Thuong Lo, Nam Dong district. On the right, an agroforestry landscape in Thuong Lo, Nam Dong district.*

*Photo: Charlotte Kratz, 2010.*

### §3 Land markets in Vietnam and the consequences for forest land based livelihoods

What have all these laws done for current land relations in Vietnam and associated livelihoods? It is clear from the history describing the development of land use rights that households have been greatly affected in their ability to use forest land for their own development. However, though studies have been done on land markets, land efficiency and poverty development, there is as yet no conclusive conclusion as to the precise impact of government policy on land markets. One of the main reasons for this is that many studies have attempted to shed light on the subject from their own point of view, but there is no integrated study that can combine all those points of view and therefore some results will also remain open for question. For example, though studies by Deininger versus Akram-Lodhi are on the other side of the debate in terms of how they look at the relation between land markets and land accumulation, they both look at the issue from a comparable point of view. They look mainly at the land market as a buyers and sellers market, while in fact other types of informal transfer are at least equally or even more important because along with "legal" land markets, other kinds of markets are created at the same time. These markets can be termed as "informal", "non-market" or "customary" modes of exchange. See for examples studies by the BSPS and Promsopha.

#### The development of land markets in Vietnam

Land markets in Vietnam have undoubtedly increased in accordance with the space offered for land markets by the different policy measures. The 1993 and 2003 Land Law has created a definite increase in the amount of land transferred through land markets. First it increased the amount of land up for sale in land markets and secondly the simplification of buying and selling procedures helped to deepen the land market(s). It is therefore no exaggeration to say that the land market in Vietnam is now more active than it has ever been (Akram-Lodhi, 2007, p. 157).

Yet at the same time, the share of land switched through land market transactions is very low compared to the total area of land that changes owner each year. State re-allocation, mortgages, gifts and loans account for a much higher percentage of that total. This detail has not yet received much attention among those interested in the Vietnamese land market and is despite the fact that policy changes attempted to accommodate and integrate informal practices established by rural households. An overview of the Vietnamese land market would be incomplete without taking this into account and elaborating on it, this will be done later on in this paragraph.

According to Akram-Lodhi the land market in Vietnam remains highly partial due to a variety of reasons. The government still has continued administrative and regulatory oversight on land. This contributes to the capacity of local government officials to interfere in market operations, assisted by a particularly weak formal institutional environment<sup>18</sup>. There are still significant transactions costs involved with land markets, especially when matching supply and demand beyond old social networks. Weak institutional environments also contribute to another factor. Terms and conditions under which land is accessed and utilised continues to be influenced by informal, non-market, social networks. As a result of this transactions costs for informal land transfer activities may be significantly smaller than transaction costs for formal land transfers. Institutional environment and transactions costs are both two major determinants for the development of land markets, as was shown in the theoretical framework. Added to this is the fact that the land market in Vietnam suffers under spatial fragmentation over comparatively short distances (Akram-Lodhi, 2007, p. 158).

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<sup>18</sup> For example. The article 130 of the 2003 Land Law included among else a provision dealing with "registering and de-registering of land-related secured transactions". This meant that from that moment on registration documents for land transactions must be send to the relevant CPC for further lodging at one of the newly formed "land use rights registration offices". Land use rights registration offices are responsible for dealing with registration of land use rights, management of land files and carrying out administrative land formalities. This means that not only has an extra layer been created for land transactions, but also does it create institutional insecurity as it is not clear whether or not new land-use rights registration offices will take over the existing duties of the land registry offices and their existing registers (Reinold, 2004). Conversations with the Dutch NGO SNV, done during field work in Bach Ma National Park and Thua Tien Hue province, confirmed that there were still problems related to lack of resources and knowledge in these new institutions, originating from this policy change.

In addition to these land market efficiency related problems, there is also a socio-economic element to the problem. In Vietnam there is a strong believe in the need for rural households to retain connection to land as an insurance policy. Land acts as a source of food-security and a hedge against inflation in addition to being an insurance policy. In this respect, the characteristics of selling versus other types of transfers increase the likelihood of the informal route being preferred over the formal one. Selling represent a break from social networks, cutting ties to them and is the only type of land transfer where land rights are irrevocably lost. Other transfers, including both renting and informal transfers on the other hand allow households to keep ties to the social networks connected to the land. Social networks and ties are an important element of the social capital employed by households. In environments where social networks play an important role for people's livelihoods, this may prove to be a powerful motivator for informal land transfers (Promsopha, 2011).

The development of land ownership patterns and land markets is further diversified by the extent to which territorialisation is a factor in land allocation, for example because land allocation can be met with local resistance. In Vietnam, land relations have developed in a post-socialist setting. Current land relations in Vietnam reflect this fact; land relations are more socially embedded and land policy has seen many changes in its recent history that reflect changing perceptions on the socio-economic function of land. In a case study by Sowerwine that was focusing on forest reform in two highland Dao villages in northern Vietnam, the conclusion was that state territoriality had not succeeded to create a uniform scenario with forest property arrangements in private control. Rather, in one village, successions of new legislation and projects created an environment that allowed the elite to take advantage of their power, creating conflicts between those who feel that they also have right to land and forcing households to expand into the adjacent national park to satisfy their needs. In the second village the inhabitants were less influenced by Kinh culture and relied more on old patterns of kinship. They were more resistant to land titling and continued their swidden practices on plantation land, unenforced by the state. Though those households connected more closely to the commune leadership were better able to take advantage of land allocation, the result was more egalitarian than in the first village. In addition to this, high value cardamom fields exist as a parallel set of land relations in the village, beyond the vision of the state. In both villages, new property rights were thus unsuccessful in creating new state-imagined land relations, but instead even led to disputes as old and new land relations clashed (Sowerwine, 2004).

When considering all these factors it is no wonder anymore that informal types of transfer are still a predominant factor in rural land transfers; a study from 2004 showed that as much as 32 percent of all land market transactions were informal (Akram-Lodhi, 2007, p. 158). In the two Dao villages, inheritance and land exchange associated with marriage were an important factor in creating land ownership patterns. When land relations are contested like they are in these cases, kinship and social networks become an important factor discouraging households from selling land on the market, as security can be found within the social network.

### **The size and composition of land markets in Vietnam**

Earlier the factors influencing the formation of the land markets in Vietnam were discussed. Now the size and composition of land markets according to different statistical databases will be the topic of discussion. Vietnam's own statistical agency (GSO) is responsible for the creation of the Vietnam's Living Standard Measurement Surveys (LSMS) consisting of the Multi-purpose Households Survey (MPHS), the Vietnamese Living Standard Survey (VLSS) and the Vietnam Households Living Standard Survey (VLHSS). The MPHS was implemented every one or two years since 1994. However, the GSO acknowledges that there were several factors that contributed to it not being fit for statistical analysis. The VLSS stems from 1993 and 1998 and was done in collaboration with UNDP and Sida. It was qualitatively better than the MPHS but because of its long and detailed questionnaire only a small sample could be reached and its frequency of once every five year was deemed to infrequent. Therefore the VLSS and the MPHS have been joined in the VLHSS which is now a biennial survey that started in 2002 with a core and a rotating module household survey. Land and non farm activities is one of the rotating modules in the VHLSS (GSO, 2011). However, there are still factors discrediting the validity of the VHLSS. For one, due to high labour mobility and the need for sampling units to reside in a permanent structure the VLHSS and the VLSS surveys are not statistically representative of the population. Second, labour force surveys built into the LSMS are often inadequately completed, though this point has less to do with land markets. Third and most

important, there are reports that the protocols governing the surveys are badly implemented. In 2001, the first implementation of the VLHSS, protocols and the responsibility to execute them were given to local authorities. These authorities further distributed the surveys to senior members within the communities. They however completed these surveys often without interviewing the actual households. Results of the survey were then returned to the (local) authorities where they were even checked to ensure that they matched data relayed to provincial statistical offices. Even if these might be isolated incidents, these kind of practices obviously can generate large and/or significant mistakes in data (Akram-Lodhi, 2007, p. 157).

In sum, since mistakes were made in multiple editions of the LSMS, any kind of analysis or policy recommendation based on such data risks making false arguments or even the wrong conclusions. Research using this data should be very much aware of this, and be supplemented with and analysed against a broader understanding of the topic at hand resulting from other data sources, own experiences or case studies. Observers have suggested that in the 2001 VHLSS, in particular the extent of rural diversification and rural non-farm employment was significantly overstated. In addition, results from the LSMS suggest that land is often rented out at no cost. However, in field work by Akram-Lodhi, he has never witnessed land being rented out without reciprocity involved in the transaction, whether that be monetised or in kind (Akram-Lodhi, 2007, p. 158). A factor related not to the quality of the survey but relevant for this research is that the VHLSS and its predecessors only provide information on market transfers. It therefore lacks the information necessary to also include non-market transfers, which are a very important factor for the total of all land transfers done in Vietnam.

Luckily, there is some statistical data available against which the results of the LSMS can be matched. VAHRS stands for Vietnam Access to Resources Households Survey. It was started in 2002 in two provinces in Vietnam and though it is complimentary to the VHLSS, it provides more in depth information on access to resources such as land, labour and credit. The two reports that have been published present data from 2006 and 2008. Though the sample size of these surveys is much smaller, the depth of information it provides makes it very suitable for this research. The major downside of using the VAHRS data is that the sampling units are not distributed equally over all provinces in Vietnam but instead come from only 12 provinces (out of a total of 58 provinces), located in different parts of the country (BSPS, 2009).

**Table 4 Acquisition modes of plots in percent of total plots owned(VAHRS 2006 & 2008)**

Acquisition mode	2006	2008
<i>Allocated by State/commune</i>	69.2	66.6
<i>Inherited</i>	11.3	12
<i>Bought</i>	7.1	9
<i>Cleared and occupied</i>	11.9	11.8
<i>Rented in or borrowed</i>	0.6	0.6
<i>Total</i>	100	100

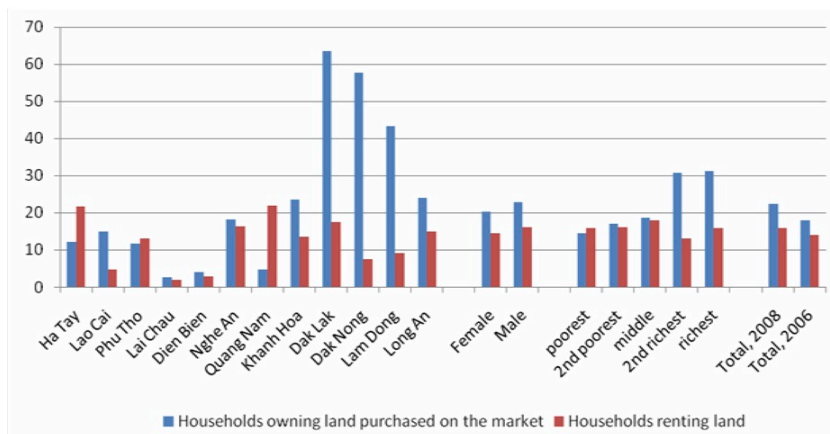
*Source: Adapted from BSPS, 2009.*

The data obtained from the VAHRS show how land ownership in Vietnam is undergoing a slow but increasingly faster shift from state-based to market-based land ownership. Table 4 shows how households acquired their plots according to data from the VAHRS. By comparing 2006 to 2008 a shift in acquisition mode is visible. The state as a source of land is declining from respectively 69.2 of all plots owned in 2006 to 66.6 percent of all plots owned in 2008 while the role of the market is increasing. However, fifteen years after the 1993 Land Law which legalised land markets, the overwhelming majority of households still have the state to thank for their plots and land sales represent only 9 percent of all plot ownership in 2008. Table 5 shows that between 2006 and 2008, 12.7 percent of all households who parted with their land did so through selling. This means that 87.3 percent of all land was parted with through other means. Only 4.8 percent of

all land was abandoned, which leaves 82.5 percent of all plots that were departed between 2006 and 2008 were departed with through either exchange, gifts or expulsion by the state.

This trend is also visible in figure 3.1, showing the participation in rental and sales markets. Overall, participation in both rental and sales markets is limited. However, compared to 2006, 2008 shows a higher percentage of households who either rented or borrowed land.

**Figure 3.1 Participation in rental and sales markets 2008 (VAHRS 2006 & 2008)**



Source: BSPS, 2009. "The bars show the share of households who currently own or operate land which they have acquired through sales or rental markets. Households who do not own or operate agricultural land have been excluded as well as plots used for residential purposes. Plots borrowed for free are not considered as rented." Note that while at the right end of the figure, the total participation in rental and sales markets in 2008 is compared to the total participation in rental and sales markets in 2006, all other bars show data from the 2008 VARHS.

Formal rental agreements are often more long-term. Households not able to afford the expenditures necessary to buy land can use these long-term formal rental agreements to get access to land. The fact that figure 3.1 shows that the share of households with land purchased on the market increases with every quintile suggests that increased capital availability leads to increased participation in sales markets. There is also a turning point visible (between the middle and 2nd richest quintile) where the share of households renting land decreases compared to the lower quintiles and the share of households with land purchased on the market sharply increases. This seems to illustrate how at this point the option of renting land is replaced by buying land on land markets. Both rental and sales market participation increase again for the last quintile, suggesting that renting does not exclude buying but rather complements it. This proves the earlier statement that the land market is expanding as a larger percentage of the total land areal is pulled into it.

So, though overall buying land is more popular than renting it, an active sales market does not seem to prohibit an active market for rental land. To prove this point, the highest scoring province in sales markets also has a larger than average participation in the rental market. The two provinces that score lowest in sales markets also show a very small participation in rental markets. This would be logical considered that factors making (formal) sales markets more efficient could also foster active rental markets. A lack of factors benefiting sales markets could also be to the detriment of rental markets. However, between these two extremes there are also exceptions. Quang Nam province has a much smaller than average percentage of households who bought land, but a much bigger than average percentage of households who rented land. The two provinces with the second and third highest percentage of households that purchased land on the market show a smaller than average rental market for land. These instances illustrate how though sales and rental markets (can) coexist, this is not necessarily the case everywhere and there is a great amount of regional differentiation. There may be particular reasons or circumstances why either sales or rental markets could be more beneficial for households. These could be related to the institutional environment, but do not have to be as they could also be related to the economic, cultural or political environment.

**Table 5 Modes of departing with plots between 2006 & 2008 (VAHRS 2006 & 2008)**

Departure mode	Percent of total plots
<i>Exchanged</i>	22.8
<i>Sold</i>	12.7
<i>Gave away</i>	39.3
<i>Expelled</i>	20.4
<i>Abandoned/other</i>	4.8
<i>Total</i>	100

Source: Adapted from BSPS, 2009.

Lack of equity enhancing effects in rental markets could be counterbalanced by other modes of land exchange. Table 5 shows how between 2006 and 2008, the most predominant mode of departure was to give land away. In 76.1 per cent of the cases, land was given away to a child while the remainder of the land was given away to a relative (23.9 per cent of all cases) (BSPS, 2009). This type of land exchange was also observed during field work for this thesis, and is an important part of securing access to land for young families. Not unsurprisingly, given the theoretical knowledge available, are the richest and second-richest household those best able to acquire land through sales markets, see figure 3.1. These households are also less likely to rent land than poorer households though the difference is only small; all types of household rent land but richer households do both renting and buying of land. Added together, relatively rich households have a larger share in land markets. On the other hand, rich households are more likely to lose land through confiscation by the government than the poor. An explanation could be the location of the land owned by richer households, which is often situated in attractive locations close to roads and urban areas. Such land is more likely to be confiscated for the purpose of infrastructure and other development plans. In return, rich households do receive more compensation. The lowest quintile receives 400 VND per square meter while in the highest quintile it is an average of 19,000 VND per square meter (BSPS, 2009).

Interestingly, the pattern of regional differentiation in land ownership just observed shows a North-South divide. For example, the geographic dispersion of land and rental markets as show in figure 3.1 shows large differences seen between different provinces. Sales markets are more prevalent in the southern provinces of Vietnam than in the central and northern provinces. In contrast, exchanging plots is a practice much more common in lowland provinces of the North. Instead, land loans are practiced more often in the North, occurring almost twice as frequently as in the South. In sum, transfers with a shift of legal ownership documents occur more in the South while in the North there is a greater concentration of shifts with no ownership papers attached to the deal (BSPS, 2009; Promsopha, 2011). Of the land sold in the North, the seller is often the government (Akram-Lodhi, 2007, p. 163). An explanation is not readily apparent but can be found in political history and the historic degree of government involvement in land matters (Promsopha, 2011). Another source of local variance could be exposure to Kinh culture in the case of ethnic minorities and the cultural significance and role of land in social networks.

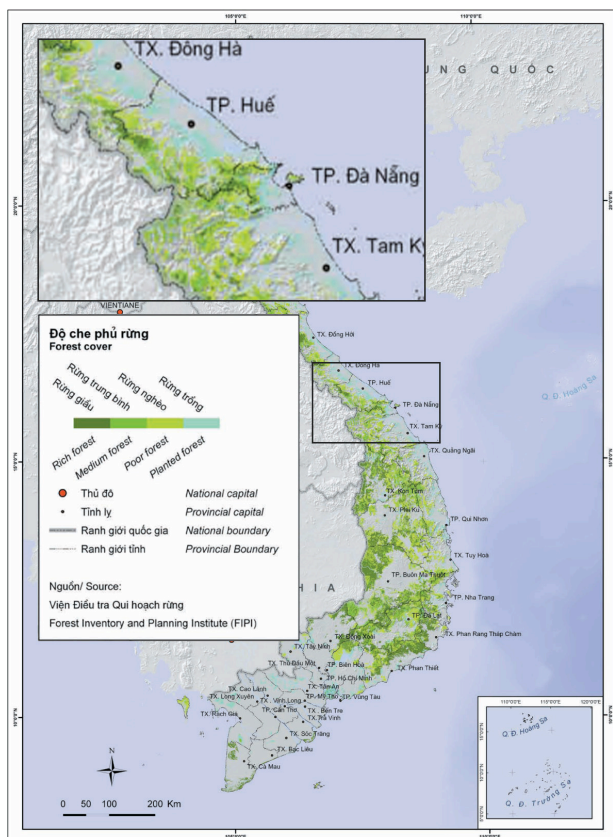
#### **Land related poverty and (in)equality in Vietnam**

The link between forest land ownership and poverty is clear. Forest land based livelihoods are more likely to be located in those areas where poverty incidences are also higher than average. Much of the remaining poverty in Vietnam is concentrated in the Northern and Central highlands and forests of Vietnam. This can be shown by overlaying a map of the remaining forest area with a poverty map (figure 3.2 and 2.3). It should be noted however that though there is a high correlation between forest cover and poverty, this does not prove any direct causal link in the sense that high forest cover causes poverty. There are however some linkages between forest cover and poverty alleviation in Vietnam. First of all,



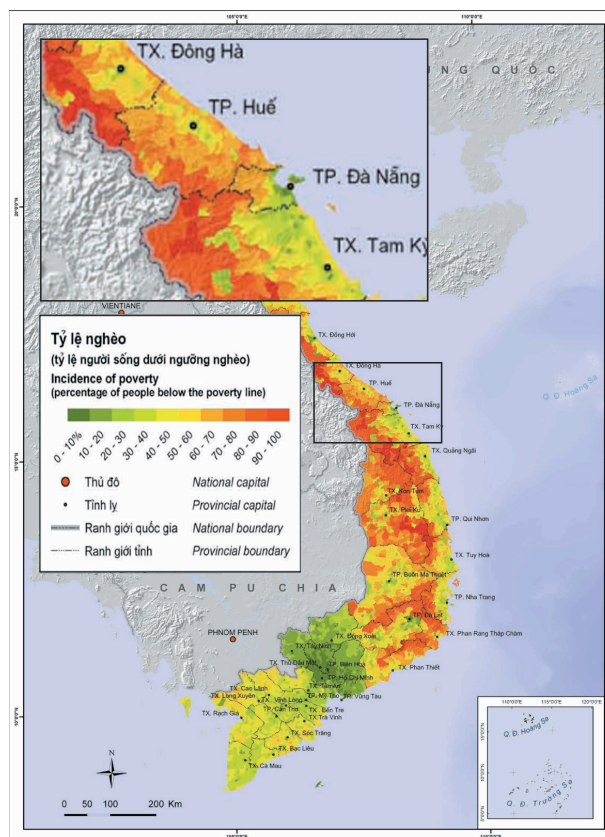
because forests and people share the same geographical space, the transformation of local livelihoods and changes in forest cover share some cause and effect relationships.

**Figure 3.2 Forest cover (2001 Rural, Agricultural and Fishery Census)**



Source: Eprecht, M. and Robinson, T. P. (Eds.) 2007.

**Figure 3.3 Incidence of poverty (2001 Rural, Agricultural and Fishery Census)**



Source: Eprecht, M. and Robinson, T. P. (Eds.) 2007.

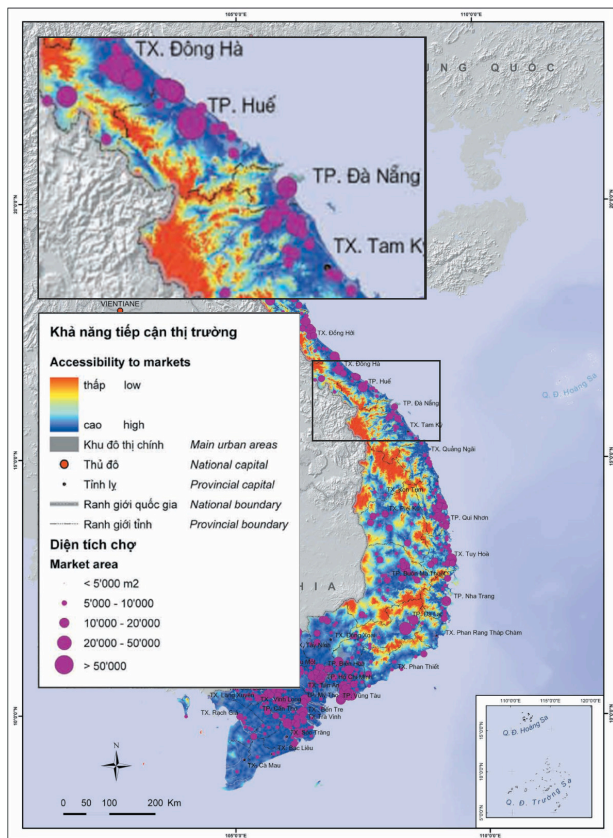
For example, the highly forested areas are more remote from markets for forest and other products as can be seen by comparing figure 3.3 and 2.4. Proximity to markets (labour, product, etc.) is an important prerequisite for successful use of the benefits that can be gained from land markets. Lack of access to markets is therefore an extra obstacle for these households that is hard to overcome in other ways. Other difficulties these households have to contend with include lack of infrastructure, poor soil or even discrimination. As a result of difficult circumstances such as large distances to economically important cities these areas have a comparatively low population pressure that reduces pressure on forest cover. It is therefore also in these areas that forest cover can thrive (Sunderlin & Ba, 2005, p. 4).

Nevertheless, access to forest in these areas is a source of income for poor households without which their livelihoods would be made more difficult. Natural resources are easily exploited, this is especially true for forest products such as non forest timber products (NFTP). Especially poor people have a large dependency on forest products and environmental services for their daily needs. Sometimes this exploitation can lead to degradation of natural resources and as a result ethnic minorities and other highland dwellers are often accused of being the source of declining forest covers (Sunderlin & Ba, 2005, p. 4).

Poverty is also concentrated by ethnicity, and this gap is even widening. Specifically, in all provinces of Vietnam, the Kinh majority and Chinese population is much less poor than the Co-tu minority. This coincides with the fact that much of the remaining minority people live in the more remote areas that already suffer a higher rate of poverty. The central highlands especially have known an explosive population growth after the revolution in 1945 and the Doi Moi reforms in 1986. This growth is due to both natural growth and inward migration from both the northern mountainous regions

and the Red River Delta. As a result, ethnic minorities in the Central Highlands who were a regional majority before have become minorities again, and the Kinh people have increased from 5 percent in 1945, to 50 percent in 1975, to more than 70 percent nowadays. The increase in population has also led to a further pressure on resources in the Central Highlands (Ba et al., 2002, p. 8). These areas have therefore now become a place where social, environmental and economic problems all come together with the added problem of ethnicity and inequality.

**Figure 3.4 Accessibility to markets (1999 national market census)**



Source: Epprecht, M. and Robinson, T. P. (Eds.) 2007.

Because provinces are responsible for executing land allocation procedures, progress of land allocation in Vietnam has not been even across the country. The map in figure 3.5 dates from the 2001 Rural, Agricultural and Fishery Census and therefore does not show current land allocation patterns.

However, it does show the uneven pattern of land allocated in Vietnam. In Hanoi and Ho Chi Minh city the percentage of allocated forest land is low. By comparing figure 3.4 and 2.5 it is obvious that those areas further removed from markets also have a lower incidence of allocated land. Results from the 2008 VHLSS show that in Vietnam on average 47.4 percent of all forest land had useright certificates. As a general rule, rural areas with higher accessibility are those most likely to have more complete land allocation patterns. Remote areas on average had 43 percent of their forest land allocated, while non-remote areas on average had 55.9 percent of their forest land allocated. Non-remote areas include many delta's as well as low mountain areas (respectively 51.4 and 56.7 percent of all forest land allocated). On the other hand, midland-hilly land as well as high mountain areas have a lower than average percentage of allocated forest land (respectively 35.4 and 43.1 percent in 2008). Use right certificates for forest are less common than for other types of land; all other types of land had a higher percentage of allocated land. 84.6 percent of all annual crop land, 82.5 percent of all perennial crop land, 80.6 percent of all water surface and 77.2 percent of all residential land was allocated in 2008 (GSO, 2008b).

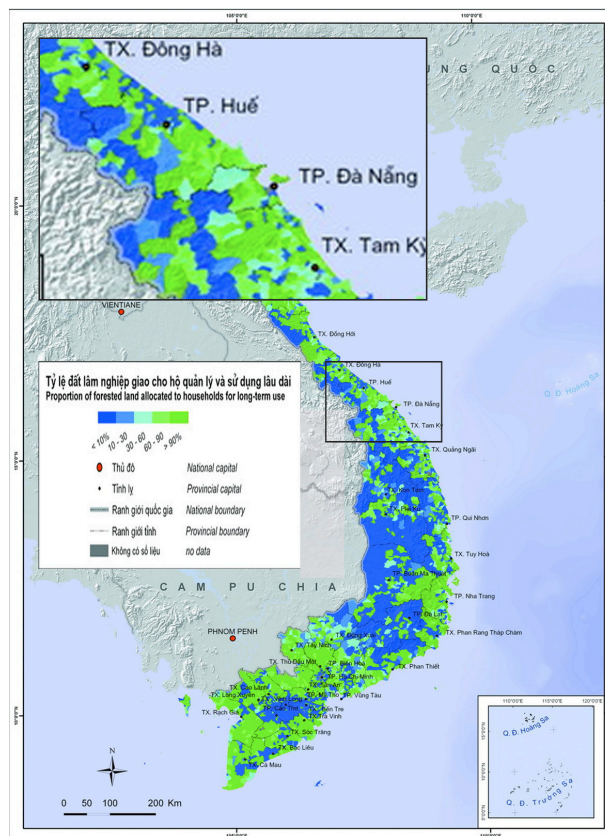
Just as the progress of land allocation is uneven across Vietnam, the land allocation procedures across Vietnam are not uniform either but depend on local circumstances. Broadly speaking, land allocation for production forest can be based on past-use rights or redistributive methods. With past use rights, local people can get a Land Use Certificate or Red Book for land currently in use by them. Due to land scarcity, this means that in this process (relative) newcomers are excluded from land use rights. This type of land tenure reform could also be identified as registration (in the context of customary tenure) or recognition (in the context of indigenous people and other forest users). Another method includes the indexing and redistribution of land among all productive households according to a lottery system. This method caters to a more equitable distribution of land, if well executed. This type of land tenure reform could also be identified as redistribution<sup>19</sup>. During the allocation process, the Commune People's Committee usually takes a pro-poor stance. FLA in Vietnam is, at least initially, not marked-based. After land allocation it is possible for market forces to create new allocation patterns as there are no formal legal restrictions on land transfers for production forest.

<sup>19</sup> See the diagram adapted from Meinzen-Dick et al. on page 10 for further details.  
Chapter 3 Regional context

Efforts are made to distribute land in Vietnam in a fair and equal manner. Land ownership among ethnic minorities and Kinh people are therefore rather equal in terms of quantity and size. However, though ethnic minorities typically own large plots of lands comparable to the Kinh majority, this also includes sloping maize land, which has a much lower quality. When looking at the quality of land as a characteristic for equal land distribution, the picture is therefore much less positive. Nation-wide, only 14% of ethnic minority farmers have access to cropland that is gravity or pump irrigated, compared to 54% of the majority Kinh farmers. Nation-wide, an ethnic bias is therefore obvious in the land distribution (Swinkels & Turk, 2006).

The ethnic bias is mostly due to the tendency of policymakers to prefer people who are able to invest in their land, both with labour and capital. Since ethnic minorities are generally much poorer than the ethnic Kinh, this results in an ethnic bias in land ownership (Swinkels & Turk, 2006). On average, land plots owned by farmers in Vietnam are small. Land held under Land Use Certificates might therefore not meet the needs of the farmers or even be below subsistence level. Both land rental and land sales have a potential to change this in the form of land consolidation which could benefit household welfare (Akram-Lodhi, 2007, p. 161).

**Figure 3.5 Proportion of forest land allocated to households for long term use (2001 Rural, Agricultural and Fishery Census)**



Source: Epprecht, M. and Robinson, T. P. (Eds.) 2007.

#### §4 Conclusion: are land markets in Vietnam pro-poor?

This question is also the question that the case studies and research done for this thesis aim to answer. Many other studies have been done on the general topic of land allocation in Vietnam, some of which also focussed on the topic of land markets. Evidence of the effect of land markets on poverty is available but not conclusive in Vietnam and will greatly benefit from more in depth-case studies.

Some of the more elaborate studies done after the effect of land markets on poverty reduction include among else studies based on data from the VLSS and the VLHSS by for example A. Haroon Akram-Lodhi and K. Deininger and studies by G. Promsopha and the Business Sector Program Support (BSPS)<sup>20</sup> using data from the VARHS. Unfortunately, no comparable statistical research has as yet been done on the topic of forest land markets and poverty, this means that studies based on agricultural land have to be used instead. There are however some downsides to this, the most important of them that agricultural land markets have had by far more chance to develop as allocation of agricultural land has been faster and sooner than other types of land. Moreover, agricultural land has different geographic characteristics; most forest is located in less accessible regions. This adds to the idea that there cannot yet be a conclusive position on the pro-poor qualities of forest land markets. An upside of this problem is that to some extent the agricultural land market and its effects on the poor can show us what might happen to forest land markets, as long as we do not forget the differences either.

In general, the studies done in Vietnam reflect the current academic discourse on land markets and poverty as discussed in the first chapter. On the one hand there is the view that land markets in Vietnam are pro-poor. This idea is supported by research from among else Deininger. On the other hand, there is the view that land markets in Vietnam are not pro-poor but in fact contribute to a relative concentration of land.

Land markets in Vietnam could be said to be pro-poor for a variety of reasons. First of all, land sales are not necessarily concentrated among the poor, and demand for land for rent is strong especially among the lowest quintiles who have low levels of assets (figure 3.1). Land distribution after allocation has also been in favour of the lower per capita expenditure quintiles, both in terms of per household and per worker. This has led different researcher to conclude that emerging lease and sales land markets in the 90's served to decrease inefficiencies in favour of lower per capita households and land-poor households. Selling and buying land helped to normalise land ownership among those who either had too much or too little land after land allocation. Farmers who lease land use this to supplement their normal income and more efficiently use their assets, including land, labour and capital (Akram-Lodhi, 2007, pp. 158-164). So far this confirms the claims of property rights enthusiast that private property rights can contribute to both efficient as well as equitable land ownership and use.

On the other hand, it could also be said that land markets contribute to a relative concentration of land. First of all statistical data shows that larger landholdings are more likely to have larger non-land assets, working capital expenditures, labour forces, value of total farm output, total income and household expenditure. Moreover, this data shows that between 1993 and 2002 the percentage of farms owning little >0.5 hectares of land has decreased while the percentage of larger farms has increased. The average size of the largest farms has also increased, as well as the different inputs, outputs and income they hold. These findings were replicated in a statistically representative study done in the Mekong River Delta. Landlessness is also an increasing phenomenon in rural areas in Vietnam, and it is concentrated mostly among the poorest. In 1993, 8.2 percent of rural households did not own land. In 2002 this had risen to 19.9 percent. The factors contributing to landlessness include on the one hand the diversification of relatively richer rural farm households and on the other hand shocks forcing households into selling their land. These facts together point to an increasing concentration of agricultural land (Akram-Lodhi, 2007, pp. 171-174).

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<sup>20</sup> The BSPS is a Danida funded program designed to foster economic growth through development of the business sector's competitiveness.

In addition, results from field work both published and unpublished by Akram-Lodhi also demonstrate that emerging land markets foster unequal access to land, both within and between communities. This process reinforces and is reinforced by inequalities in non-land assets. Though the process is related to all of Vietnam, it was witnessed in particular provinces, districts, communes and even households. For example, the concentration of land in the form of farms exceeding five hectare is a phenomenon that, especially in the beginning, occurred mostly in the densely populated Mekong River Delta (Akram-Lodhi, 2007, pp. 171-174).

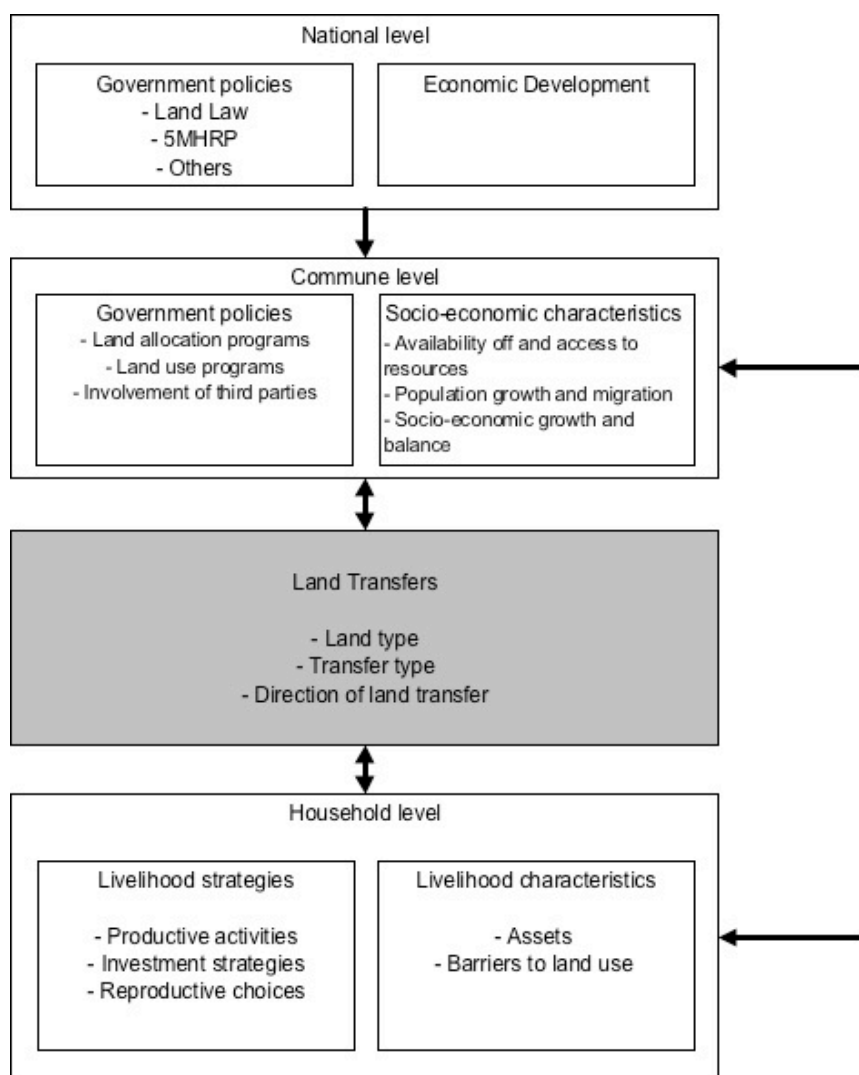
A side-note to all of this is that the role of land markets in all of this is still relatively limited, as selling of land occurred in only 12.7 percent of all transfer between 2006 and 2008. However, formal land transfers have a reinforcing and eventually increasingly important role in land allocation patterns in Vietnam. Selling as a land related activity is highest for both the poorest and richest quintile of society, but it is the richest and second richest quintile who have the best access to land sold in the land market. This process on its own would eventually lead to further concentration of land in the hands of the richest households (Promsopha, 2011, p.21). Though market-led FLA patterns are not yet as far developed as agricultural land patterns, forest land is not immune to it either. However, the circumstances that led to for example large concentration of agricultural land in the Mekong Delta are not as easily replicated for forest land.

## §5 Conceptual model and research questions

### Conceptual model

The conceptual model used in this research is based on the information derived from the theoretical framework and the regional context. The conceptual model consists of different layers. On the one hand the institutional level: the household level, commune level and national level. In between the national and the commune level, the province also has a role but this is important for the research only to the extent that it affects the commune level. The national level affects the commune level mainly in a topdown way, but there is a reciprocal relationship between the commune and the household level. The actors driving land market development are part of the different institutional levels.

Land transfers are included as a separate layer instead of being incorporated into the institutional layers. This layer could also be considered to be the land market, but it is described only functionally in terms of the land type transferred, the transfer type and the direction of the land transfer. This layer affects and is affected directly by both the household and the commune level. The legal framework and allocation programs that drive the land market are part of the government policies described at the national and communal level.



There are some elements that are not explicitly present in the conceptual model but that are heavily featured in the literature on land relations. These are, among others, territoriality and social networks. These have not been incorporated into the model because they are not fully tangible factors. Instead, these elements are always present in the background. Social networks influence land transfers on both the household and commune level, while territoriality is something present on all levels.

## Research questions

The purpose of this research is twofold: First, to find out if formal land markets are created after the allocation of forest land and second, to find out if these land markets are pro-poor or not. This is captured in the main research question as follows:

Have land allocation programs in Bach Ma National Park led to the creation of land markets for forest land, if so, to what extent are these land markets pro-poor?

The subquestions that follow from that can be seen as being part of three phases belonging to the main research question.

- Forest land allocation is the starting point of the research both chronologically and logically. The ownership situation of forest land needs to be determined and the mechanisms of forest land allocation need to be known. (Question 1+2)
- Forest land livelihoods. In order to find out the logic behind land transfer activities, the role of forest land in local livelihoods needs to be examined, and the way that forest land can or cannot contribute to households strategies. (Question 3)
- Land markets. Finally the land markets situation itself can be examined. This includes questions about the land markets themselves, and the consequences of them for the poor. (Question 4+5)

Keeping that in the back of our minds, these are the subquestions and their subtopics:

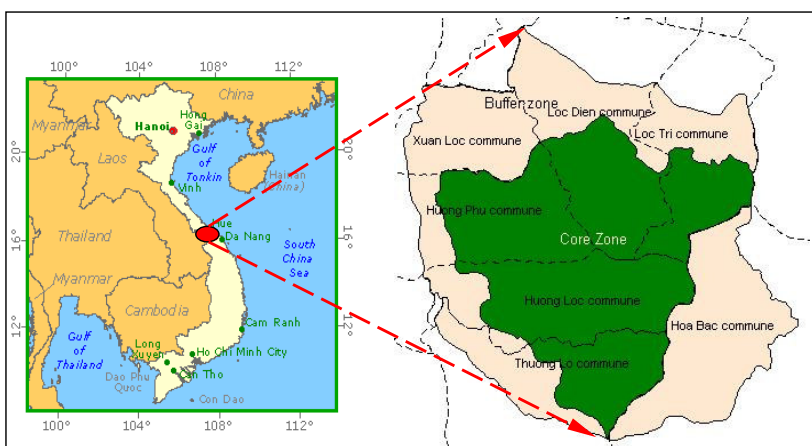
1. How is land allocation and land distribution organised in Bach Ma National Park?
  - Which actors are involved in forest land allocation?
  - Who is forest land allocated to?
  - How is forest land allocation intended to influence ownership patterns?
  - What kind of land is allocated to households, and which lands can be sold or transferred?
  - How is land allocation organised at the provincial level?
2. What kind of supporting (governmental) services or programs are attached to forest land allocation and how are they used by farmers?
3. Which barriers can be identified for exploiting the land allocated to low income households in a sustainable way?
4. How are the land market processes in Bach Ma National Park organised and what are the characteristics of land transfers in Bach Ma National Park?
  - What kind of land is demanded and offered on forest land markets?
  - Who are buyers and sellers on forest land markets?
  - What are motivating factors for sellers to sell their land to others?
  - What are motivating factors for buyers to buy forest land on these markets?
5. What are the socio-economic and environmental consequences of land market processes
  - How do markets for forest land influence ownership patterns?
  - How do market processes influence forest land use?
  - What are the socio-economic and environmental consequences of changing land ownership patterns?

# Chapter 4 Research context and methodology

## §1 Bach Ma National Park

Some introduction to the regional and local context of the research site has already been given previously in the introduction. This chapter will follow up on that information by focussing on two environments. One the one hand the Bach Ma National Park, and on the other hand the multiple layers of district, communes and villages in which research was done. The main sources of reference used for information on the management of Bach Ma national park is the Proposed Second Revision of the Bach Ma National Park Management Plan and the Bach Ma National Park homepage (WWF/EC, 1997; Bach Ma National Park Homepage, 2010).

Figure 4.1 Bach Ma National Park

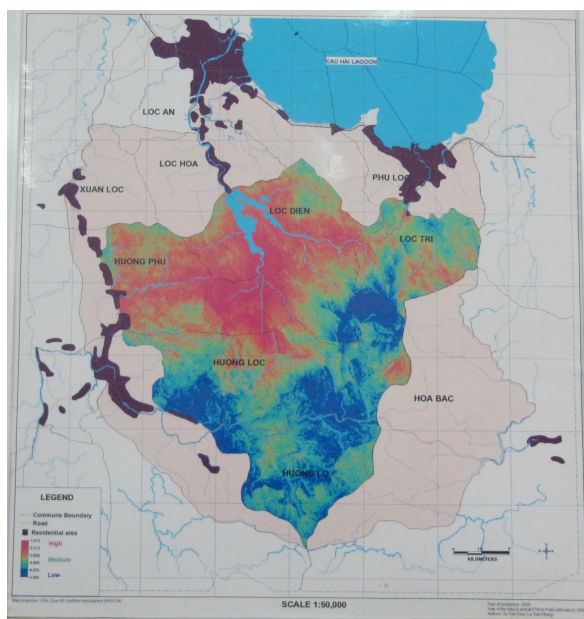


Source: Phong, 2004

The Bach Ma National Park is located in the Thua Tien Hue and Quang Nam province and more specifically the Phu Loc, Nam Dong and Dong Giang districts and was created in 1991. It is located in the middle of Vietnam on the border between the North Central Coast and South Central Coast regions. The current aim of the Bach Ma National Park management board is to form an eco corridor all the way from the border with Laos to the sea near to Hue. An extension of the park that incorporated new areas in order to be able to form this corridor has been implemented only as recently as in 2008 and as a result,

many different communities are now located within the borders of Bach Ma National Park and/or have been incorporated into the borders of the National Park fairly recently (Bach Ma National Park Homepage, 2010).

Figure 4.2 Susceptibility to forest degradation 2003



Source: Dien & Phong, 2003

Bach Ma national park is divided in three sectors: sector 1,2 and 3. Sector one is the core zone where full protection applies. Sector two is a zone for reafforestation and protection. Zone three is a zone for administration and management. Additionally there is the buffer zone surrounding the park, which is under administration of the province while the third zone is a collaboration between Ministry of Agriculture and Rural Development (MADR) and the Thua Tien Hue Province. The first and second sector are the core responsibility of MADR. In the Bach Ma national park all the households live in the bufferzone surrounding the core area of the park, there are no more households living in the core area of the park.

Figure 4.1 shows that within Bach Ma National Park forest areas are still susceptible to degradation, especially in conjunction with high population pressure and accessibility to the forest. The main threat comes from the North, where large settlements have formed around the river leading into the park.



## §2 The social and geographic context of the research site

Both Nam Dong and Phu Loc district are located in Thua Thien-Hue province in the North Central Coast while Dong Giang district is located in Dong Giang province in the South Central Coast (figure 4.1 and 4.3). The research communes are located in Nam Dong, Thua Thien-Hue province. The population in Thua Thien-Hue is mainly concentrated in its capital city, Hue and the coastal plains (Thua Thien-Hue Provincial Working Group, 2002, p. 8).

The total area of forest in Thua Thien-Hue province is 293 thousand hectares, or 55 percent of the total area. Of the total forested area, natural forests takes up 204 thousand hectares (69,50%). Planted forest takes up 89 thousand hectares (30,5%), of which 14 thousand hectares (16%) is newly planted (GSO, 2008a, p. 300). On average, households use 1.70 ha of forest, of which 1.67 is actually planted with trees. This is considerably less than both the average plot on the national and regional level, respectively 2.91 ha and 3.55 ha (GSO, 2007, p. 318).

Thua Thien-Hue province is a diverse area. Parts of it rise up as high as 1,500 meter (in the case of Bach Ma Peak) with mountain ranges averaging an elevation of 1,000 meter. Most of the rich forest is concentrated on these mountain ranges. On the other hand it also consists of big lagoons and sandy coastal areas. In between that lie hilly areas mostly covered with bare hills and plain area where the highway is located. Nam Dong district, the main research site, is part of the highlands of Vietnam. Nam Dong district forms a valley surrounded by mountains in which different communes are located, among which the two research communes (Thua Thien-Hue Provincial Working Group, 2002).

The poverty rate in Thua Thien-Hue is 13.7 percent. This is considerably lower than the poverty rate in the rest of the North Central coast, which stands at 23.1 percent, and only a bit higher than the national average of 13.4 percent. In terms of inequality, since there is a large urban-rural divide, within Thua Thien-Hue those areas farther away from Hue are more likely to be poor (GSO, 2008b).

### Huong Loc and Thuong Lo

Within Nam Dong district, the two communes that represent the research site (Huong Loc and Thuong Lo) are located next to each other, on the opposite sides of a river. But, while the geographical characteristics of the two communes are very similar, this is not represented in the demographic data. The population in Thuong Lo is much smaller compared to Huong Loc, leading to less population pressure on natural resources in the Thuong Lo commune compared to the Huong Loc commune.

The current day demographic situation in Huong Loc and Thuong Lo has its origins in historical differences in demographic and administrative backgrounds.. Bach Ma National Park has long been an area where land users were mainly the ethnic minorities that had been living in the area. The relevant history of institutional-administrative changes began when after the unification of Vietnam, the government started to look for chances and areas for the people of Vietnam to develop, and Bach Ma National Park qualified for this. Customarily, land was used extensively with mainly swidden agriculture by the original ethnic minorities. As such, they did not use all the land, and it was perceived that this land

Figure 4.3 Map of management and protection of forest fire in Nam Dong district



Source: Photo taken from map hanging at the wall of the Forest Protection Unit, Khe Tre

could therefore be used by immigrants from other areas to develop<sup>21</sup>. At the same time, the Vietnamese government had a policy oriented towards converting the subsistence swidden agriculture based livelihoods of the ethnic minorities towards sudden agriculture. As such, the major origins of the demographic makeup of the two research places have been relocations of people. Since the ethnic makeup of the two communes are different, the nature of the relocations have also been different. The majority of the Kinh people in Huong Loc have moved there from Phu Loc in order to exploit the forests in the Huong Loc area. The majority of the Thuong Lo commune are Katu or Co Tu<sup>22</sup> people who were ordered to migrate towards this area but who before were living in the mountains, away from the violence of the war, living from subsistence swidden agriculture<sup>23</sup>. In the research questionnaire, 91% of the people in Thuong Lo responded that they have been born there, while only 3% of the people in Huong Loc responded the same. While allowing for the fact that children were not represented in this question, this still means that of the current second and more generation, there is a large difference between the communes concerning birthplace and ethnic origin.

The forest land in Thuong Lo and Huong Loc is located in the hilly areas, while the residential and agricultural areas are located in the flatter valley. The forest cover is generally poor; because of the steep slope and high rain fall (3,000-3,500 mm per year but 70 percent of this is in the wet season) soils are eroded. An important part of the people face food shortages, in Thuong Lo more than in Huong Loc. An interesting note is that the people in Thuong Lo also do shifting cultivation in an area outside their commune (named Chamong). In 2000, this area still provided an important part of their food production, as much as 55 to 60 percent of the total food production, and as many as 44 percent of the households had land in use in Chamong (on average 1 ha per household). Because slash-and-burn practices are officially banned, the local authorities turn a blind eye and this area is not considered in the FLA activities (Gomiero et al., 2000, p. 130).

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<sup>21</sup> Note that the usage of the term “unused land” is still a widespread practice in Vietnamese land administration and censuses, despite that this term often does not represent the actual use of land. Many areas deemed “unused” are used unofficially for various types of NFTP’s collection.

<sup>22</sup> Katu being the name given to them by the Kinh majority, and Co Tu being their name in their own language

<sup>23</sup> Information derived from interviews with village leaders and households in Huong Loc and Thuong Lo during field-work in Vietnam

### §3 Land allocation in Bach Ma National Park

Land allocation is implemented in every province according to centrally set guidelines. However, considerable leeway has been given to provinces to implement land allocation in their own way and as a result variation in land allocation progress is significant. The area in question, Nam Dong district, is no exception to this rule.

Within Bach Ma National Park, as in all of Vietnam, three different kinds of forest have been identified. This being special use forest, protection forest and production forest. Both Huong Loc and Thuong Lo are partially located in the Bach Ma National Park special use forest zone, though they have no control over the land located there and there are no households living there (anymore). There are differences in uses and allocation measures depending on which type of forest is allocated. Production and protection forest is allocated according to different procedures, often NGO led, with strict guidelines as to land use management. However, some land allocated as forest land is informally used for agricultural production (Sunderlin & Ba, 2005, p. 19). For all types of forest, different types of ownership arrangements can be in place, including private property, state property, common property and forest contracting. Private property is the ownership type mostly associated with production forest, while common property or forest contracting is mostly associated with respectively protection and special use forest.

This thesis deals specifically with private property by households, which is accidentally also the widest spread of all types of ownership arrangements in Vietnam (18%). What kind of land is allocated to whom is an important denominator in predicting if households will be successful in using their land for developing their livelihoods (Tan, 2006). Like in the rest of Vietnam, FLA progress has been uneven.

#### Land allocation in Huong Loc

The first attempts at FLA in Huong Loc were carried out between 2000 and 2005 by the non-governmental organisation SNV. SNV's allocation method is termed Land Use Planning and Land Allocation or, in short, LUPLA. LUPLA was carried out on request of the Forest sub-Department, who approached SNV in 2000. The initial activities concerned six communes, but because the project was so successful five more communes were added to this list. In total more than 16,000 hectares of forest land have been allocated with the LUPLA method (Tam & Doets, 2011).

Because previous attempts at land allocation have met with several problems due to lack of participation and a lack of follow-up and training, the LUPLA method was going to be different. LUPLA is characterised by a participatory approach. Local authorities and people were not only consulted, but they also had decision-making capabilities. Though it was obligatory to reforest barren hills, it was up to the local people to decide how. In addition, it was the goal of SNV to ensure true ownership of the communal authorities and beneficiaries of the process, so that those involved in the LUPLA method could continue their activities afterwards. Ultimately this would achieve their larger goal: promoting more effective and sustainable forestland use and management, conserving and developing the available forest resources, and improving living conditions of local people (Tam & Doets, 2011).

The LUPLA method consists of seven steps: (1) preparation, (2) land surveying and mapping, (3) land use and allocation planning, (4) demarcation in the field, (5) completion of administrative procedures, (6) issuance of official Land Use Certificates, (7) facilitation of land development. In step one, surveys are done on land use patterns and the socio-economic conditions and land use needs. An independent land allocation council is also made with representatives from different stakeholder groups: villages, farmer's unions, women's unions, etc. In step two, farmers and local households are invited to village meetings where they declare their needs and land allocation plans are made. During the last stage land recipients are also connected to credit providers, extension services and tree growers (Tam & Doets, 2011).

Between 2000 and 2005 in Huong Loc, 117 households have received Land Use Certificates for 186 hectare of barren land and plantation forest and 60 households received Land Use Certificates for 351 hectare of natural forest. In all the LUPLA method communes together 3,223 households and 6 villages have received 16,212 hectare. The LUPLA method has been reviewed by provincial authorities and, because of its success, will be replicated in the rest of the province (Tam & Doets, 2011).

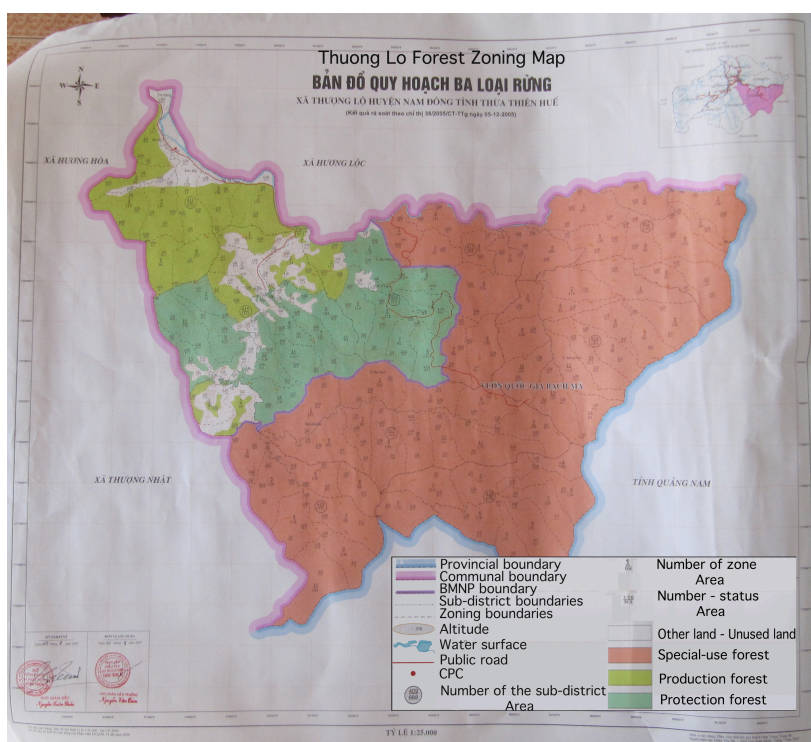
## Land allocation in Thuong Lo

The map in figure 4.4 shows the legal forest zoning map. It shows clearly how a very large percentage of the land in the commune is outside the hands of the commune (the entire pink area). The protection forests forms a buffer between the village and the special-use forest area. The production forests is mainly located around the residential area. This map is not static, as more forest land belonging to the national park can be allocated to the commune in the future, after which it will be located to the households.

The agency in charge of FLA in Thuong Lo is the Forest Protection Unit (FPU). Initial distribution of forest land was uneven, the size of plots allocated to households differed from more than 1 hectare to only 0.1 hectare. The cause of this uneven land allocation pattern is that initially allocation was based on past-use, that is to say the indigenous traditional pre-collectivisation land ownership rights. Land allocated was bare or fallow land. Land allocation was part of the resettlement programme which was also headed by the FPU. The resettlement and FLA program included several extension activities such as homegardens, animal raising and bare lands reforestation with mostly acacia (*acacia mangium*) and the river red gum (*eucalyptus camaldulensis*) (Gomiero et al., 2000, p. 129).

The farmers involvement in the allocation process was minimal. Furthermore, farmers had no voice in the tree species selection (Gomiero et al., 2000, p. 129). In other words, land allocation in Thuong Lo severely lacked participation, especially compared to the FLA process in its neighboring village Huong Loc.

**Figure 4.4 Thuong Lo Forest Zoning Map 2005**



Source: Thuong Lo CPC

After the first land allocation was already finished in Thuong Lo, equality criteria were introduced. Farmers had to be given all types of land: upland, mid-land and foothill land. Where households could not reach an agreement, impasses were reached. Several problems with production forests in Thuong Lo led to poor development of trees. There was a lack of technical knowledge because no test had been done on how the tree species selected would react to local conditions. Pest plagued the leaves of trees and finally, because in the early growth phases the tree has not matured enough to protect the soil, forest plantations led to soil degradation (Gomiero et al., 2000, p. 129).

#### §4 Introduction to the research methodology

Before going over to practical considerations of doing fieldwork, it is important to spare a few words on the position that this research ideally will take on the spectrum of quantitative, qualitative and participatory research. First, none of these research methods is necessarily a complete approach. Each of them has its own limitations vis a vis the characteristics of the area and the population and the available resources and knowledge. Therefore, a phased combination of research methods was used during the fieldwork.

The resources available to this research are more limited in comparison to some of the other research done on this topics. Therefore, the research must be practical. An assessment has to be made between going for either a broad scope but shallow information finding, or a smaller scope with “deeper” research. With these constraints, “deep” research that aims to be representative is most likely to lead to satisfying and interesting research.

The type of data that is looked for is both quantitative and qualitative in nature. Quantitative data is necessary both for judging the scope of the research phenomena and for describing the ongoing processes. Qualitative data is especially useful for answering the why questions and questions on the socio-economic consequences of land market processes. Both quantitative and qualitative data gathering can be done throughout the research and is not confined to a single research method.



*Household interview in Huong Loc, Nam Dong district.*

*Photo: Charlotte Kratz, 2010.*

## §5 Planning and research process

The total time available for research was three months, and in this period all field work had to be finished. Three months was a relatively short time considering that in that time visits to the research area was dependent on the availability of many other people. The planning was divided in an exploratory phase, a phase focussed on getting structured data answering the research questions, and a reflective phase.

In reality, this planning had to be let go, as circumstances dictated that many things had to be done in the same time-frame. See for the exact activities the time schedule in appendix 1. This was not a big obstacle for getting answers to the research question(s), but since especially the results of the questionnaire were not yet available by the end of the research period and there was a lack of time, a reflective phase was not considered useful enough anymore and was therefore let go. Instead, some form of participation and reflection was build into the research process by asking for the opinions of people on the research. Usually this was done by asking the respondents at the end of interviews and focus groups what they thought of the questions asked and if there was something else that they would like to contribute. However, overall people did not have many remarks or opinions on this matter.

### Selection of research locations

The selection of research locations and research sample was a three-step process, in which the steps were determined by the information available. The first step was selecting the region in which research would be done. This step was already pre-determined by the research question and was Bach Ma National Park and the communes located in and around Bach Ma National Park. The entire population at this level are poor households in Bach Ma National Park who practice production activities on forest land that has been allocated to them through the FLA programs

The second step consisted of choosing the research communes. Because the research was done in cooperation with a host organisation, access to the population could only be achieved through the possibilities presented by the host organisation. Possible research locations are therefore limited. This is not necessarily a problem for the quality of the research. The different possibilities presented by the host organisation are four communes, with different ethnic groups and different administrative attributes (see table 6). Regarding the legal framework that is applicable to the research locations, it is very important that the research communes are located in the same zone. However, the forest land in the chosen research location should also contain production forest, as this is the only type of forestland that is allowed to be transferred.

Huong Loc and Thuong Lo are neighboring villages that are both located partly in the protected zone and partly in the bufferzone. The dominant ethnic characteristics of these communes are respectively Kinh and Ko Tu. A comparison between the two villages therefore already automatically incorporates one of the most important characteristics that can explain differences within the research population, namely ethnicity.

Apart from ethnicity, the other characteristics of the communes in geographical terms are very convenient for allowing a matched sample, as both communes are located on different sides of the same river in Nam Dong province, relatively close to each other. Accessibility, an important factor in success for administrative changes en market success, is expected to be relatively comparable. The social-economic characteristics and the land use characteristics of the communes on the other hand are expected to be different in the two communes because of the ethnic characteristics. For these reasons, Huong Loc and Thuong Lo were chosen as research communes.

<b>Ethnicity/Location</b>	<b>Majority (Kinh)</b>	<b>Minority (other)</b>
Outside of protected area	Loc Bon	Thuong Quang
Inside of protected area	Huong Loc	Thuong Lo

The third step concerned the villages in which semi-structured (household) interviews and a questionnaire would be done. These choices were based on several factors. The villages chosen in Thuong Lo and Huong Loc should be comparable to each other based on their distance to Khe Tre (the district capital) and size. The distance to Khe Tre was important because this could influence accessibility. The size of the villages was important because this could influence the amount of forest land that is available for local people. Another factor was that to avoid overlap with interviews from other students which could influence results or the willingness of people to cooperate in research, overlap in villages was avoided as much as possible.

The eventual research village chosen for the qualitative and participatory research were Mu Nam village in Thuong Lo, and village 2 in Huong Loc. These are both located relatively close to the district capital, and relatively comparable in size. The questionnaire was done in neighboring villages, Doi village in Thuong Lo and village 3 in Huong Loc. Comparisons between the results from the questionnaire and the household interviews should be relatively good as all villages are located in the zone closer to Khe Tre than to the park. The only problem is that the land situation in village 3 is more unequal than in other villages, because of the size of the landholdings of one man in the village. The reason that the questionnaire and the interviews were held in different communes were mainly because the questionnaire was done in cooperation with other students and not enough funds were available to do research in all villages. It was therefore agreed that it would be best to do the research in the biggest villages which meant Doi village and village 3.

## §6 Operationalisation

The main elements of the theory as they are summarised in the conceptual model as well as the context of the research and the research questions translates into the following operationalisation of the main research questions. No operationalisation was made specifically for subquestion 1 and 5, and they are therefore not represented in table 7.

<b>Table 7 Operationalisation research questions (number refers to question)</b>		
	<b>Variable</b>	<b>Indicators</b>
2. Participation in financial services	Role of banks in investment strategies	% of households with loans Total amount of money borrowed by poor households Source of loans Main investment target for loans % of households that have trouble paying back their loan
2. Participation in programs and training	Role of trainings for livelihood building	Participation in trainings Main result of trainings
3. Improved role of forest land in livelihoods of the poor	Decrease of barriers to land use for poor households	Legal and administrative barriers Governmental and policy barriers Socio-economic barriers Financial barriers Natural barriers
	Improved role of land in livelihood strategies	Productive activities Investment strategies Reproductive choices
	Improved role of land in livelihood characteristics	Social capital Human capital Natural capital Physical capital Financial capital
4. Increase of land transfer activities for forest land	Increase of land transfers, both for rental and sale	Legal land transfers between households Illegal land transfers between households
	Increased value of forest land	Increased price per ha
4. Development of pro-poor land markets for forest land	Better legal framework for land rights	National legislation for land rights National legislation for land use
	Progress of implementation of government policy	Issuance of Red Books Amount of forest land allocated to households Participation of households in programs for social and forest development



## §7 Research methods

The methodology of the field research involved a q-squared approach, that is to say both qualitative, quantitative and participatory methods were used. The research activities carried out involved questionnaires and interviews in which both qualitative and quantitative information was collected and focus groups in which participatory methods were used. The research units in this research are the households engaged in forest land use and ownership in the buffer zone area of the Bach Ma national park.

The research methodology combines a livelihoods approach with the topic of land ownership. Land can therefore in this context be seen as one of the assets that belong to households. These assets, together with the policies, institutions and processes that are affecting households influence the possible spectrum of people's livelihood strategies.

The purpose of this research however, is not to focus completely on household's livelihoods, but to focus on the role of land in people's livelihood, and how land is affected by the choices (livelihood strategies) people make after land allocation. Specifically, this research is interested in land transfer processes that can or cannot occur as a consequence of the choices that households make. Data gathering is therefore focused on researching the role of land in the livelihoods of people, and of the factors that influence the value of land as an asset for households.

### Qualitative methods

Regarding qualitative data gathering, the research is focussed on two things. First, it focusses on households with forest land, even if there are many (poor) households who do not own forest land. The other part of the qualitative data gathering focusses on researching the policies, institutions and processes that affect household's livelihood strategies.

#### Semi-structured in-depth interviews

The primary data gathering tool used throughout most of the research were semi-structured in-depth interviews with different types of stakeholders. On the research site, respondents included the local population in the form of household-interviews, village leaders/ head of villages, commune officials, banks and government officials. For each type of respondent separate topic lists were made to structure those interviews, even though these had to be adapted to the available time during interviews. The final topic lists used for the interviews can be found in appendix 3. During all research with Vietnamese-speaking respondents, one or more translators were present.

In total, 17 household interviews were done, 11 based in Huong Loc and 6 based in Thuong Lo. At the very beginning of the research, the interviews were done in collaboration with other students. However, as the research progressed interviews were done separately from the other students with the aid of a translator. The household interview aimed to be representative of the population in the sense that every household type (poor, average, rich) should have been targeted at least once. Forest land ownership was the second selection criteria. The objective was to have spoken with people with no land, little land and large amounts of land. There was no household list available beforehand, and targeting methods therefore relied either on selection by the village leader or random walk. In the end, both of these methods have been used depending on the circumstances. Often, it was not possible to avoid guidance by the village leader as the village leader was the first person addressed in each village. During random walk the selection was based on the appearance of the house (size, details, condition) as a proxy for wealth.

Other types of key stakeholders interviewed in the course of the research includes village leaders, head of villages, officials and NGO's. These interviews were also prepared, except for two interviews with the Policy Bank and Agribank. These interviews were unprepared because they were actually planned and executed by my research colleague, Astrid Bos.

An interview was also done with the Office of Agriculture and Rural Development (OARD). Due to time limits, about halfway this interview was continued by e-mail, but sadly there was never a reply to the e-mail (despite agreement on this during the interview). This interview was therefore cut short compared to the original topic list. An interview was also planned with the Office of Natural Resources and Environment (ONRE) but when the interview should have happened according to prior agreements on time and place, nobody could be found willing to do the interview. Likewise

they agreed to do the interview by e-mail instead, but likewise they also did not reply to this. The respondent list could therefore be considered not fully complete, as both the OARD and ONRE are important stakeholders in the district, though the OARD is the most important.

**Table 8 Interview respondents**

Commune	Households	Village leader/ head of village	Commune official	Banks	Government officials	NGO
Huong Loc	11	2	0	NA	NA	NA
Thuong Lo	6	3	1	NA	NA	NA
Other	NA	NA	NA	2	1	1

See appendix 2 for the topic lists used during the interviews.

#### Commune meetings

One of the problems of doing research was that at the start of the research little information was available regarding the socio-economic condition of the communes Huong Loc and Thuong Lo. In addition, it was not known who the stakeholders were in the communes/villages and what their roles would be in our research. In order to obtain this information and meet the different stakeholders, two commune meetings were organised by our supervisor in each commune at the start of the research, before anything else was done. At these commune meetings different stakeholders were present, including the chairman of the Commune People’s Committee (CPC), the head of the farmer’s association, women union, heads of villages, agricultural staff, land management staff and a representative of the party. Not all of the people fulfilling these roles were present at both the commune meetings. For example, we have met a member of the land management staff in Thuong Lo but not in Huong Loc.

#### District workshop

In the later stages of the research we had the opportunity to participate as observers in a one-day district workshop. The district workshop had the goal of uniting several important stakeholders in the district to discuss the FLA process in the district. During the workshop several stakeholders had the chance to speak and workshop exercises were organised in the afternoon. The district workshop was valuable for several reasons. It reflected how the district stakeholders thought about land allocation, and it brought together several people with whom it had been difficult to get an interview separately. Because we were there just as observers, we could not ask many questions or influence the conversation in a major way but a limited amount of input was possible. All together the workshop provided us with quite a lot of information and a new insight into the relations between institutions and stakeholders in the area.

#### **Quantitative methods**

In quantitative data gathering a choice was made for a questionnaire that covered a sample of the whole population as this was both helpful in establishing the socio-economic characteristics of the research area and establishing information about the target group itself as a part of that bigger group. The most important element of the survey was the focus on land transfers which would give a representative picture of land market activity in the two villages. The original plan involved doing a questionnaire in two villages in each commune. This was abandoned as the total amount of questionnaires we could do was limited to 60. To retain a proper sample, the population from which the sample would be taken was therefore reduced to one village per commune.

The questionnaire was held among 60 randomly chosen households in Huong Loc, village 3 and Thuong Lo, Doi village. 9 additional questionnaires were taken among the population of Phu Loc, Khe Su village but these results were not used in the statistical analysis. A statistical tool was used to completely randomly choose households from household lists that were obtained from the commune administration. The only downside to using these list was that they described differ-

ent years, but no better alternative was available. From each village's household list a sample of approximately 20% of the households was randomly chosen, with the expectation that even a fairly large non response of 25% would still mean that 15% of the households were included in the survey.

The restrictions on the maximum possible amount of surveys (60 for Huong Loc and Thuong Lo together) meant that two villages were chosen from Huong Loc and Thuong Lo, and one village from Phu Loc, which was dealt with separately in the taking of the questionnaire.

The villages chosen were Doi village in Thuong Lo and village 3 in Huong Loc. Unfortunately, these are not the same villages as were chosen originally as the research villages for this research. This is so because the questionnaire was done together with another student, Astrid Bos, and therefore some concessions had to be made. Between Doi village and Mu Nam village and village 3 and village 2, Doi village and village 3 were both the largest villages in the communes and were therefore the most obvious choice for a questionnaire. See appendix 3 for the questionnaire format as it was used in the field (in Vietnamese) and the English translation.

**Table 9 Questionnaire data**

Commune	Village	Total pop commune (2009)	Total pop village (2009)	Year household list	Total pop village on list	Sample size	Response	Non-response rate
Huong Loc	3	480	194	2009	194	37	33	10.8%
Thuong Lo	Doi	247	137	2007	120	23	22	4.3%
Phu Loc	Khe Su					9		

The choice of the sample also has a downside. Because it is representative it is able to tell us something about the whole village in which it was done. However due to the limited number of poor households in the questionnaire, data on poor households is very vulnerable to outliers. Where there was therefore not enough data to give a reliable answer, results have not been used or have been cross checked with qualitative research results. Therefore, the results of this research are expected to be reliable.

### Participatory methods

A modest amount of participatory methods was used at commune level and village level, to assess mostly factors influencing land use and availability where this was to difficult for individuals.

Together with participants of the commune meeting in Huong Loc, a resource map was drawn. In focus groups in Thuong Lo and Huong Loc with rich and poor households Venn diagrams, fish bone diagrams of fostering and hampering factors for land use, as well as fish bone diagrams for increased and decreased demand and supply of land were made. The focus groups were done with 8-10 participants and were organised by the village leader of the respective village. In Thuong Lo, rich and poor households each had a separate focus group. In Huong Loc, only a focus group with rich households was done, as during the time that the focus group for poor households should have been done, all households were busy with the rice harvest.

### Reliability and validity

A large part of research depends on effective communication. Because the language spoken by almost all respondents was Vietnamese, translators were a necessary evil in this research. Having a translator had several consequences. First of all information was lost in the communication between respondent, translator and researcher. When a question was asked through a translator, the translator would form his own answer based on what the respondent would say in response, instead of translating directly what the respondent said. Many times the answer of the respondent would be very long, but the answer given by the translator very short, or visa versa. Sometimes the translator would even ask multiple questions in a row, only to condense this to one answer.

Second of all, the translators in the research were students from the University of Foreign Languages in Hue. Because they were still studying, they did not know some of the more specific words. In most cases this was not a problem, but in some cases the consequences would be more severe. For example, in a focus group exercise that intended to a fish diagram on factors influencing land access, the translator instead understood this as factors influencing land use. This led to confusion and eventually lack of time to deal with what should have been the topic of the exercise. In an interview with an official of the OARD the translator did not know the meaning of "land market". This again led to confusion, time loss and frustration on the part of the translator.

Language and translation were also a problem in the questionnaire. The questionnaire was done in the field with the help of students from the Hue University of Agriculture and Forestry. These students were informed in a meeting prior to the questionnaire on the protocol they should follow. However, since most of them spoke English poorly, communication was not effective. This caused some problems with the questionnaire in the field. In the end all problems were solved adequately, but not without time lost trying to fix problems resulting from miscommunications.

## §8 Research limitations

### Practical concerns

This research has hardly been the first one done in Nam Dong district. Because of its favourable location (middle of Vietnam, province capital Hue is not too far away), and characteristics (communes involved in pilot exercise for FLA, close to national park, communes with different ethnicities, varied) Nam Dong has been chosen as a research location before by other researchers. In addition, the communes in Nam Dong have been researched in the context of the Bach Ma National Park forestry programs. Research has also already been done in the area by the Dutch NGO SNV who assisted multiple land allocation programs in Nam Dong. Former Dutch minister of Development Cooperation Bert Koenders even paid a visit to Doi village in Nam Dong as part of a mission in Vietnam (SNV, 2008). Finally, in the years before other students have also done their research in Nam Dong on land allocation for the Tropenbos institute.

Because of all the research already done, many of the households in both Huong Loc and Thuong are familiar with the concept of focus groups and qualitative research methods such as resource mapping. All households are also part of one or more stakeholder organisations such as the Farmers Association. These organisations often organise their own meetings. Because households are familiar with the concept and many ideas have already been talked about before in other meetings, focus groups can be relatively productive, and most participants know their role in the process.

There are however also negative aspects of the research already done. One of the greatest negative aspects is that despite all this research, there is no central point where all this knowledge has been collected. For instance, in the second commune meeting a resource map was drawn by the participants. Resource maps just like it had however already been created many times before on the request of other researchers but they were not in possession of the commune anymore. Time could have been saved and more information could have been created by using an older map as a starting point for a new one. Or, if there had not been significant changes, no complete new map would have had to be drawn at all.

Besides these problems, there were some moments in the research where there some considerable practical problems or limitations. Mostly, these were the result of insufficient planning or (un)familiarity with research. These problems manifested themselves in for example the commune meetings and district workshop.

The commune meetings were very useful in the sense that they provided us with a broad framework upon which we could base our further decisions concerning research locations. However, these meetings were not mentioned to us in advance. They therefore lacked consistency and thoroughness. Another problem is that though at both the meetings many important stakeholders were present, the meetings lacked enough time to ask questions to all of them. This could be considered a missed opportunity.

During the entire research translators were needed to be able to speak with Vietnamese speaking persons. Not only did this have some negative effects on the reliability of the research but it also provides for practical problems. The downside for example in the case of the district workshop was that it was organised as a Vietnamese speaking event. We therefore had to have assistance from translators during the entire workshop. Because we did not have enough translators, we had to “share” the ones we had. We therefore missed quite a lot of information. The workshop also put a large demand on the capabilities of the translators. At other times the necessity to have a translator at all times also meant that time dedicated to field research had to be shared.

### Ethics

Participation is an important element of development research nowadays. Research is not anymore solely a top-down affair but should be informed by local concerns and insights, preferably already from the start to finish. However, the initial problem guiding this research had already been determined before a foot was set on Vietnamese soil. The research design was also already partly finished. The finish of the research has also not been participatory. There was no time to reflect on research results with the households and institutions afterwards. An interim report has been created and send to the organising institution (Tropenbos Vietnam). However, it is highly unlikely that any of the results will make it back

to local households who participated in the research. Despite best intentions, it is therefore not possible to speak of a real participatory research.

Some of the research methods have been participatory, and during the focus groups people were free to speak their minds. However, in general it seemed that people did not take the initiative to talk about their own problems. Instead, they allowed themselves to be led towards the topics that were of interest to this particular research. This could also be attributed to the phenomenon of research fatigue.

Because households have already been subject to multiple research efforts, as researchers we must be wary for a certain amount of research fatigue among the population. It is however hard to judge to what extent this is apparent. In the areas where the fieldwork was done, it is an established practice to give a relatively small fee (10,000 for households and 20,000 dong for organisers of focus groups) to each participant regardless of whether this is for an interview, a focus group or a questionnaire. Because the average income is low in this province this fee can be considered a welcome supplement to their normal incomes, especially for poor households. This makes it hard to judge whether people were genuinely interested in participating in the research or if they participated mainly or even only for the remuneration they would get.

Whether or not respondents should be given financial remuneration at all is another ethical dilemma in which there was no choice but to go along with established practices. In this respect it should be pointed out that a considerable part of the household interviews and all focus groups were organised by village leaders. Since financial remuneration was part of the interview practice, village leaders might have had reason to steer us to specific households but there is no way to control for this ex ante.

## Chapter 5 Research findings

### §1 Introduction: a short overview of Thuong Lo & Huong Loc

The findings from the research confirmed the information already discovered during the literature study, but with some more detail. Thuong Lo and Huong Loc are located close together, each on the opposite border of one river that flows through the area. Both communes are located in the buffer zone of the National Park and therefore share some common elements, such as the geographical, institutional and administrative environment. However, there are also strong differences, the largest of which is the ethnic make-up of the two communes.

When looking at socioeconomic data, Thuong Lo has a much lower average income (6 million VND versus 9.1 million VND) and more poor households (23.8% versus 17%) as well as more children with low nutrition levels (32% versus 17%). This is striking as Thuong Lo on paper is much richer in natural resources. It has a larger land area for agricultural use while its population is much lower.

	<b>Thuong Lo (2009)</b>	<b>Huong Loc (2009)</b>
Average income	6 million dong per year	9.1 million dong per year
Agricultural production	1,059 Tons	-
Various investments	2.7 Billion	-
Poor households as % of commune total	23.8%	17%
Population	1080 people, 247 households	2426 people, 480 households
Children with low nutrition levels as % of total	32%	17%
Population growth ratio	1.8%	0.8%

Source: Commune Huong Loc & Thuong Lo

	<b>Thuong Lo (2008) (in ha)</b>	<b>Huong Loc (2012) (in ha)</b>
Total natural area	10,661	6633
Agricultural area	9,725	5,565
Land paddy area	394	94
Forest land	9,374	5,471
Unused land	776	1063
Land classification	Agricultural land, non agricultural land, unused land, waterface	

Source: Commune Huong Loc & Thuong Lo

## S2 The organisation of land allocation and land distribution in Bach Ma National Park

### Institutional organisation and allocation of forest land allocation

#### Actors involved in forest land allocation

Forest land allocation in Vietnam concerns multiple user groups. In the research area the main stakeholders are the households. The formal process of land allocation involves a chain of government bodies, from the central government down to the local community management boards, see figure 5.3 on page 63. The main body that is in charge of the land allocation is the Office of Natural Resources and Environment (ONRE) at the district level. Applications for land that are filed from village and commune level go to ONRE for approval, after which land is allocated to the commune, then to the village and to either household groups or households, depending on the mechanism used for allocation and the type of Red Book.

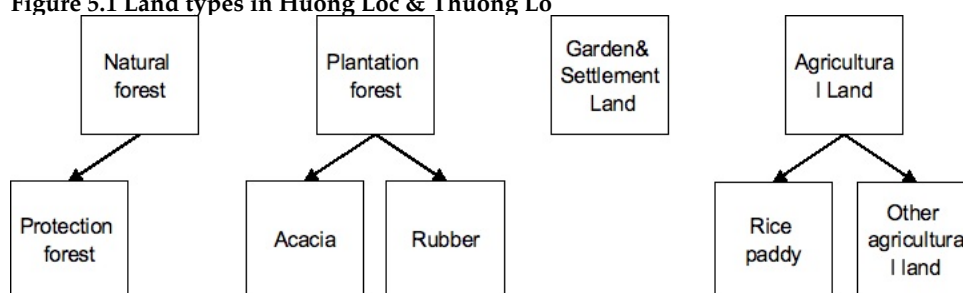
However, the mandate of the ONRE is relatively new, so there is a lack of capacity to implement land allocation properly. As a consequence, land allocation has slowed down. Since before it was the FPU who was practically the main body in charge (though not officially), ONRE asks for support from the FPU. Help is however constrained by the resources the FPU has available, and they are limited. The main body in charge of land use is the Office of Agriculture and Rural Development (OARD) at the district level. This office is also recognised by the households as being one of the most important stakeholder for land use.

At the provincial level, forest land management is in the hands of the Provincial People's Committee. The offices that are concerned are the Forest Department and the Department of Agriculture and Rural Development (DARD). Recently, the Forest Department has been transferred to DARD. The expectation was that a restructuring of the department would increase the efficiency of the department.

#### What kind of land is allocated to households, and which lands can be sold or transferred?

Land that is allocated to the commune can belong to a certain land use, for which households are obliged to follow the land use designation. See figure 5.2 for more details. In practice however, these categories are more of a guideline than a strict system. In this thesis, unless otherwise specified, the different land types used refer to the system outlined in figure 5.2.

**Figure 5.1 Land types in Huong Loc & Thuong Lo**



In principle the legal framework that applies in Huong Loc and Thuong Lo commune is the same as in the rest of Vietnam. This means that plantation forest, garden & settlement land and agricultural land can be sold or transferred to others, as long as the household has the Red Book for that land. Without a Red Book it is not possible to sell or transfer legally. There are further limitations if land is allocated to groups of households or a commune. In that case, land cannot be sold either as it belongs to a group. In Thuong Lo and Huong Loc, only protection forest has been allocated in this manner.

However, some restrictions do apply even to normal production forest that are in theory transferable. This is because in other areas there have been problems with people who received forest land through FLA. People would then sell their land to others in order to gain profit. However, this would cause problems because in this way people had no more access to forest. In these cases, the government would have to buy the land back to return it to the people in the villages. To



avoid this type of situation, forest land cannot be sold without the approval of the commune. If people sell their land, they cannot get land allocated to them anymore. This functions as a heavy restriction for household's behaviour pattern and livelihood strategies.

#### Local policy objectives

Policy objectives on the communal level are very straightforward. Local development focusses on the productive use of local resources. Prior and during forest land allocation, local government policy is to allow access to forest land for long term household use of the land only to households who are able to make use of the land in a productive and effective way. This is all according to forest land allocation policy, which strives to combine efficient and fair use of the natural resources available. Among the productive users of land, access to new land is organised in such a way that it should be equitable. Extension services are provided which are intended to help farmers make use of their new land. The people who do not get any forest land allocated are those who are not considered to be able to take care for the forest. That means that households where there is no labour available because the members are either too old or too young or ill, cannot get any land allocated. As a consequence, in each commune there is also a part of the population that does not own forest land.

In contrast to the implementation of land allocation, the policy discourse concerning the implementation and effects of land allocation is complicated and divided over multiple actors and is mainly happening at the district level and above. The main body in charge of policy development at the district level is OARD. Both the district and communal stakeholders see the development of forestry in terms of productivity, but lack vision on how land ownership patterns should develop, or how this could possibly develop based on current practices. This is problematic because the land situation is expected to worsen because of population pressure inside and outside the villages. At both the district level and within Huong Loc and Thuong Lo commune other development strategies are therefore considered in tandem with forestry and diversification as a development strategy is considered to be more beneficial than a focus on forestry alone. Diversification is especially seen as a strategy that can help to ease the lack of productive land compared to the population growth.

#### Allocation of forest land in Thuong and Huong Loc

Forest land is allocated to the people through the different governmental actors that are listed above and in figure 5.3 on page 63. Once land is allocated to the commune, the commune has the freedom to decide what kind of system will be used for land allocation. In the Thuong Lo and Huong Loc, forest land allocation is organised based on two different system, depending on if land is already in use or if land is newly allocated to the commune. For land already in use the system differs between Thuong Lo and Huong Loc. In Thuong Lo a past use system allowed people to make claims based on their past use of the land based on indigenous land use. This means that some households might have more land than others. In Huong Loc in theory a lottery system is applied for most land, though some of the oldest parts of allocated land are allocated based on if land was already in use.

Table 12 Forest land claims		Huong Loc, village 3		Thuong Lo, Doi village	
		Acacia	Rubber	Acacia	Rubber
Forest land allocated with Red Book	% of total households	27.3%	0%	72.73%	63.64%
	Average size plots per hh	1.4 ha	NA	1.5 ha	1 ha
Forest land in use without Red Book	% of total households	9%	0%	9%	4.6%
	Average size plots per hh	0.5 ha	NA	0.5 ha	1.2 ha

Source: Questionnaire

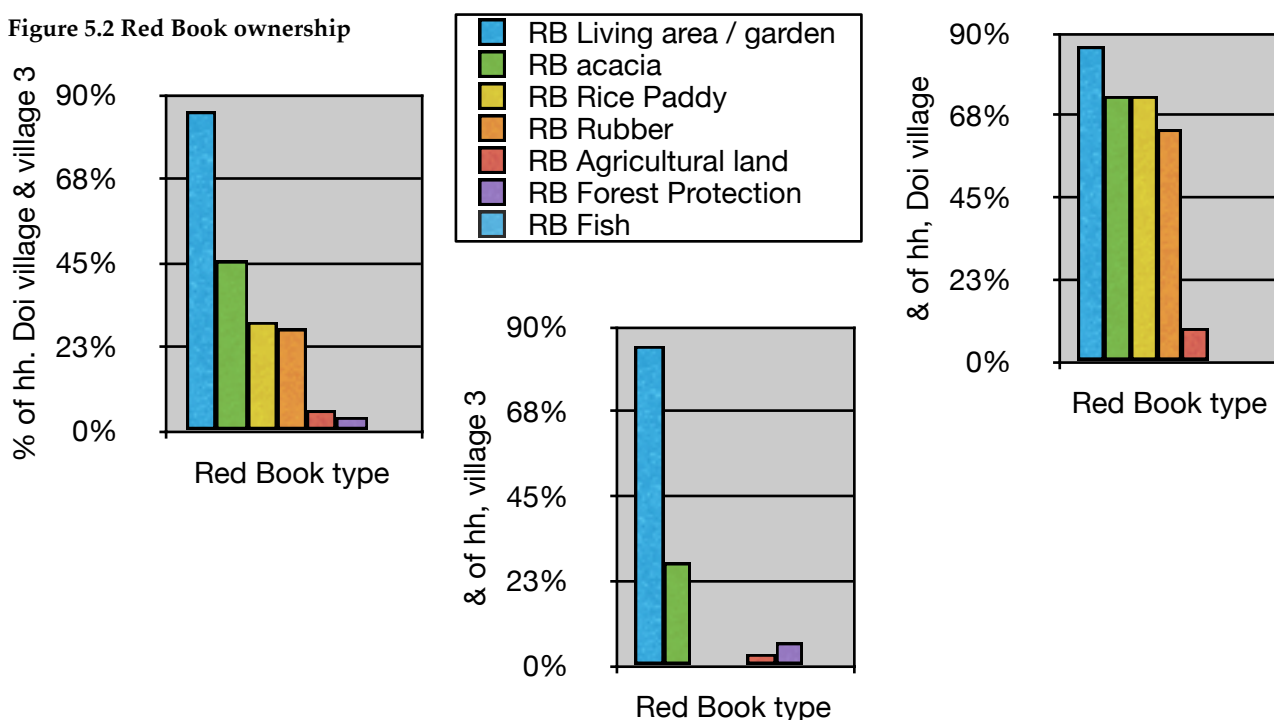
Second, in both communes newly available land (land that is taken from people for reallocation or for land that becomes newly available to the communes through the national park), is allocated using a lottery system. Households who are

able to make use of the land can make a claim for this land in advance. Together these households can make a group claim in the village. The commune then allocates land to the villages that made a claim. Within the villages, a lottery system is designed to help to divide land equally and in a fair way between those households who applied.

### Land ownership and inequality in Huong Loc and Thuong Lo

Earlier studies on ethnicity and land related inequality in Vietnam point to inequality in land ownership between the majority ethnicity, Kinh, and minorities. Kinh people, who have a longer history of sedentary agriculture and therefore more prior land ownership, have in general during land allocation in Vietnam been able to acquire qualitatively better land because of these advantages (Swinkels & Turk, 2006). In contrast, field research in Thuong Lo and Huong Loc point to a more favourable position for ethnic minorities, at least concerning the amount of land owned. Village 3 in Huong Loc, which is Kinh dominated, has in comparison to Thuong Lo, which is dominated by an ethnic minority, on average less land allocated relative to the total amount of household in the village, the absolute plot size per household and the total area of land available to the commune. This is not only true for production forest but also for natural forest as well as rice paddy and other types of agricultural land. An explanation for this discrepancy with the literature may be that the different ethnicities are concentrated per commune, and the ethnic make-up in each commune is relatively homogenous. Therefore inequalities within the communes or villages are not based on ethnicity but on other factors. The fact that most residents in Thuong Lo have a longer history in the area and have settled in the area when land pressure was lower could have benefitted them and explain the relatively and absolutely better availability of land in Thuong Lo, though this has not been confirmed as such specifically during field work.

Figure 5.2 Red Book ownership

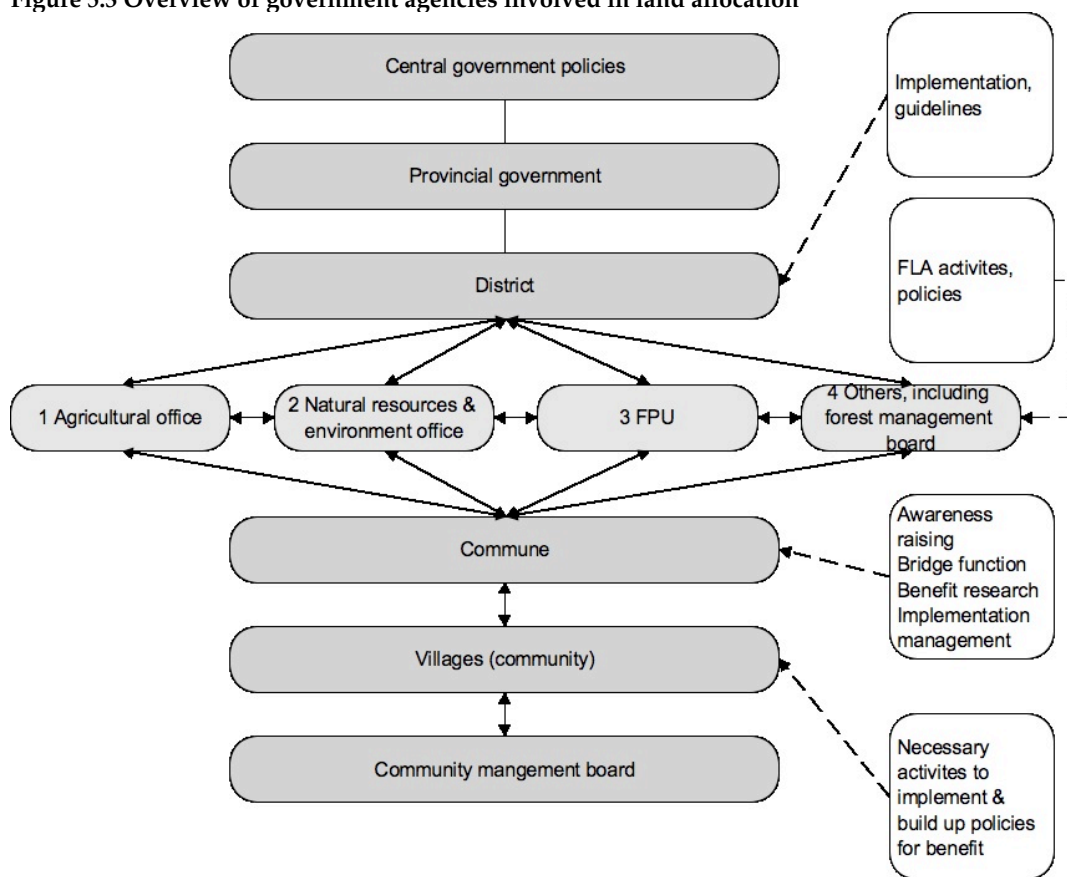


However, supporting the argument that past-use land allocation systems and historic patterns of land acquisition can contribute to unequal land ownership in the present is the fact that in village 3 in Huong Loc land ownership is concentrated in the hands of one household. This household owns a large part of the land available in the village, in total 55 hectare. Thirty hectare of this was allocated to him based on past use rights, the rest he was able to buy with the profit from his other production forests. Considering that on average, households do not own more than 1.4 ha of forest land per household in Huong Loc this greatly influences land distribution in the village. The fact that profits from forest land are often used for long term investment in intensive or extensive investment in forestry means that initial imbalance on the whole is likely to worsen if the imbalance is big enough.

Current ownership patterns in the commune are the result of a mix between several phases and methods for land allocation, unofficial land use and transfers between households. In addition, the perception among households in both Thuong Lo and Huong Loc is that some people are also able to use their social capital and connections with the commune government to get more land allocated to them than others. This would also explain how some households in Huong Loc have in the past acquired more land through land allocation based on past-use, while officially land in Huong Loc was allocated through the LUPLA method (Tam & Doets, 2011).

In sum, figure 5.1 and table 11 and 12 show how a combination of the aforementioned factors can lead to entirely different land ownership patterns in different communes and even villages. The result is that the questionnaire done in Doi village in Thuong Lo and village 3 in Huong Loc shows that forest land ownership in Doi village in Thuong Lo is relatively widespread. However, village 3 shows evidence of a concentration of forest land ownership among fewer households, despite earlier more equal land distribution.

**Figure 5.3 Overview of government agencies involved in land allocation**



Source: District meeting

### §3 Forest land allocation and (governmental) services or programs

Several services or programs are active in attempting to help farmers to make effective use of their land. These services can be seen as being part of two categories:

- Financial: Banks and several programs working through the banks that offer financial support to people. This includes funds for initial investments into forest land, and funds for other purposes. Several types of loans exist for multiple target groups with flexible rates.
- Technical: Different programs oriented at increasing the technical skill to grow acacia, rubber, or animal raising.

#### Options for technical training

According to questionnaire data and interviews, trainings by the commune are seen as being important for farmers to increase their knowledge of agroforestry. Most households have had training in one form or the other (33% in Huong Loc, village 3 and 73% in Thuong Lo, Doi village). Not all households however are able to use their knowledge of the training well enough to implement it in practice. This means that training alone is not enough. A good mix of technical and financial programs are necessary to allow poor households to invest in their forest. Very important for most farmers are those programs that help people to make initial investments in their land. For many people, the initial investment would otherwise be too high. Assistance can come in the form of the provision of seedlings or fertiliser after allocation, or in the form of a loan to make investments in seeds and/or fertiliser. It is therefore a limitations for some households that some programs and loans only provide money for the seeds and not the fertiliser.

The organisations that are responsible for most of the trainings are a mix of community based organisations such as the Women Union and the Agricultural organisation and governmental organisations such as the FPU. All forest development programs however are commune based, these programs are often also connected with land allocation.

Indicators	Huong Loc, village 3	Thuong Lo, Doi village
Role of trainings for livelihood building		
Participation in trainings as % of total households	33.3%	72.7%
Kind of training	See fig. 5.5a, 5.5b in appendix 4	
Main result of trainings	See fig 5.5c in appendix 4	

Source: Questionnaire

Participation of households in government programs for social and forest development	Huong Loc	Thuong Lo
Types of government programs and participation	WB3 --> Acacia plantation project Village 3, >50 ha	2008: 80 ha, 2009: 60 ha, 2010:30 ha, 2011: 20 ha, 2012: 80 ha
	327 project --> To help people grow different kinds of rattan Yes, >30% of households	Yes

**Table 13 Participation in programs and training**

Indicators	Huong Loc, village 3	Thuong Lo, Doi village
661 project --> Follow up for 327 project. Small scale pilot for rubber plantations with Agribank.	Yes	No
Project 134135 --> Government allocation program	Yes	No
ADB, project for developing the forest, raise pigs and chickens	Unknown	Yes
ECHO, raise pigs and chickens	Unknown	Yes
135 project, invest in infrastructure	Unknown	Yes

*Source: Interviews*

### Financial support

The main actors offering loans to people are the Policy Bank and the Agribank. The Policy Bank specifically is oriented towards helping poor people to escape poverty. This bank has no profit objective, and attempts to lower their barrier for poor farmers to access. One important aspect of the Policy Bank, reminiscent of for example the Grameen Bank, is that all loans are group oriented. Farmers have to apply for a loan with a group, and the group is then responsible for paying back the loan and the interest. The Agribank is a non-poor bank. The difference between the Agribank and other banks is that people are also able to make individual loans at the Agribank. Both the Policy Bank and the Agribank are government institutions and operate on a top down basis with the central government. Both the Policy Bank and the Agribank adopted the use of the Red Books as a form of collateral, though there are some types of loans at the Policy Bank that do not require a Red Book. One of the main benefits ascribed by farmers to land allocation, both in Thuong Lo and Huong Loc, is the ability to get a loan with the Red Book.

Table 13 shows several indicator for the participation of households in financial services, partially also divided between poor (<200,000 VND per person per month) and non-poor (>200,000 VND per person per month). Clearly, access to loans is important for many households. 61% of all households in Huong Loc and 45% of al households in Thuong Lo have taken up a loan in the past 12 months. Moreover, in the next 12 months respectively 30% and 50% of all households in Huong Loc and Thuong Lo are planning on taking another loan. Most households are going to invest this in activities that will strengthen their livelihoods off farm and on farm.

It is noticeable that though the poor as a group have less loans, they still have access to loans and are also planning to lend more money in the future. This shows how important loans can be for developing people's livelihood. Access to loans is therefore very important. It is good to notice therefore that more than the separate banks themselves, the Women's Union plays an important intermediary role for households. Due to the weight and importance of the Women's Union, the Women Union is able to arrange favourable loans for its members and as such membership of the union is an important asset for households. This also reinforces the perspective of social networks as an important livelihood asset.

<b>Table 14 Participation of households in financial services</b>			
<b>Indicators</b>		<b>Huong Loc, village 3</b>	<b>Thuong Lo, Doi village</b>
<b>Role of banks in investment strategies</b>			
% of households with loan in past 12 months	Non-poor	60.6%	45.5%
	Poor	33.3%	66.7%
% of households with loan in next 12 months	Non-poor	30.0%	50.0%
	Poor	0.0%	100.0%
Average size of loan	Non-poor	16,450,000 VND	21,700,000 VND
	Poor	20,000,000 VND	6,000,000 VND
Source of loans (as a % of all loans)	Women's Union	40.0%	40.0%
	Policy Bank	35.0%	30.0%
	Agribank	15.0%	30.0%
	Agricultural Organisation	10.0%	0.0%
Top 4 investment targets for loans (as a % of all investments)	Off-farm / micro enterprise	32.14%	10.53%
	Farming / animal raising	21.43%	21.05%
	Rubber / acacia	7.14%	36.84%
	Education	21.43%	10.53%
% of households that have trouble paying back their loan	Non-poor	75.0%	100.0%
	Poor	100.0%	0.0%

*Source: Questionnaire*

#### §4 Barriers for exploiting land allocated to low income households

After looking into the institutional environment that deals with land ownership, land allocation and forest land development, the third subquestion deals with the actual topic of forest land livelihoods. Based on the theory of Hernando de Soto, the hypothesis was that increased ownership of land would enable the poor to improve their livelihoods. Therefore, three variables are important. First, a decrease of barriers to land use for poor households, second, an improved role of land in livelihood strategies of the poor and finally also an improved role of land in the livelihood characteristics of the poor.

##### Barriers towards land use

Several barriers exist for people to exploit their land, that is to say, the barriers that people perceive as standing in their way towards using their land effectively. These are summarised in table 15.

Table 15 Schematic summary of barriers for sustainable land use		
	Hampering	Fostering
<b>Legal/administrative</b>	Limited legal character of Red Books	Possibility to renew Red Book after good use of land
<b>Governmental/policy</b>	<ul style="list-style-type: none"> <li>- Elements of project program (land, capital, techniques, seedlings) are not provided for enough in reality</li> <li>- When following the project program farmers will get a lower price for their products than if they would sell it on the regular market</li> </ul>	<ul style="list-style-type: none"> <li>- Rules and regulations of project program. High productivity if following the rules</li> <li>- Advice of OARD on land use (rubber / acacia)</li> </ul>
<b>Socio-economic</b>	Lack of capital	Economic growth
<b>Financial</b>	Lack of capital (at first project program gives capital, but the procedures are too slow)	Profitability of land (under influence of good care, extending land area, high income)
<b>Natural</b>	<ul style="list-style-type: none"> <li>- Diseases</li> <li>- Vulnerability area to natural disasters</li> <li>- Bad quality of the land. In Thuong Lo, land close to the commune is difficult to cultivate due to granite underground.</li> </ul>	

*Source: Focus groups and households interviews*

For many poor households, the barriers against effective land use are large and difficult to overcome without outside help, either from collaboration in the community or with (governmental) agencies from outside. Legal, governmental and financial barriers can worsen already existing natural barriers towards effective land use by specially the poor. In 2009 in both Thuong Lo and Huong Loc commune a storm caused damage to many rubber and acacia plantations. In Doi village in Thuong Lo for example, the storm destroyed in total 80% of all plantations. Restart of plantations has been difficult as WB3 support has been requested but not delivered. The strategies that people use to cope with these shocks depends partly on their capital. The different assets people have to translate into strategies can be greatly expanded if it is supported by the institutional environment. In a case like this, the natural disaster is worsened by a lack of governmental strength. Interviews with different types of households showed that it were mostly the richer households who were able to make a restart while poor households lagged behind. Generally, both poor and rich households found that there were many elements of the projects and programs (land, capital, techniques, seedlings) that were lacking in reality. But if properly executed, households greatly valued these programs for their capacity to increase income from forest

plantations. Similarly, the OARD plays an important role in the region in helping farmers to develop forest plantations and other livelihood activities such as animal breeding and agriculture.

Interestingly, in financial terms, households consider forestry to be profitable, despite the many obstacles that are present. Theoretically, because there are no linear economics in agriculture, small size agricultural holdings between 5 to 20 hectares are considered to be the most profitable. The average size of a plot in Huong Loc and Thuong Lo is however smaller than that. The average yield achieved could therefore still grow as farmers would acquire more land, though plots should also not increase so much as to destroy their benefits. Intermediate farmers would be at a double disadvantage because they would be too large to obtain all labour from the family and would therefore have to pay wages, but would be too small to effectively use machinery (Cyper & Dietz, 2009, p.380-381). Increased concentration of land in Huong Loc and Thuong Lo could therefore be beneficial for agricultural development and is also wished for by individual farmers in the sense that they would like to acquire more land, but is hindered because other farmers are not willing to sell their land. It is also questionable whether increased concentration of land would be socially desirable.

One thing that is especially striking, is the absence of other outside agencies or commercial organisations that people can depend upon. To a large extent, the local and district government is the only independent actor who is really visible and present in multiple ways. Outside agencies, such as NGO's, have been present in the area but always in cooperation and on invitation of governmental actors. This reinforces a territoriality oriented towards the government, though this state-oriented territoriality is on its turn mitigated by local social networks and bonds of kinship.

An obstacle that has not been identified in the focus groups but which was reported to be a problem in many households interviews is that the infrastructure for production forest is largely dependent on traders from outside the commune. Especially households with low resources are dependent on these traders for the harvesting and transport of their trees, as this requires machinery that they do not possess. However, their dependence on these traders has led to price fixing practices among the traders, who come from outside the communes. Obviously, this negatively impacts the price farmers receive for their harvest. The price that households get for their trees is even lower if they are farther removed from roads and extra costs are added to the price demanded for harvesting the trees. These kind of market failures can also negatively impact the development of land markets, as land markets are also dependent on the functioning of related markets such as product markets (Swinnen et al., 2006, p.i).

### **The role of forestry in local livelihoods**

First of all, it is necessary to comment that poor households were not included separately in the numbers in table 16 because the low amount of cases made the numbers for poor households too unreliable to publish without context. In Thuong Lo, Doi village, all of the poor households are also engaged in forestry, while in Huong Loc, village 3, none of the poor households are. Regarding the effect of receiving Red Books for households, of the two cases in Doi village, one of them reported positive effects and one no effect. Because of the low numbers of cases, it is difficult to make a comparison of the results between poor and non-poor.

There is a clear difference between village 3 in Huong Loc and Doi village in Thuong Lo where it concerns the role of forestry for household strategies. People in village 3 in Huong Loc in general depend on other activities for income and forestry takes up only 4.26%<sup>24</sup>. The amount of people involved (21%) and investments done using loans in the past 12 months (7.14%) are both much lower than in Doi village in Thuong Lo, where forest land is much more important for households productive activities and investment strategies.

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<sup>24</sup> See for more details on income composition by source of income figure 5.5a and 5.5b in appendix 4  
Chapter 5 Research findings



<b>Indicators</b>		<b>Huong Loc, village 3</b>	<b>Thuong Lo, Doi village</b>
<b>Role of land in livelihood strategies</b>			
Productive activities	% of value of forest production as a total of all income activities	4.26%	9.85%
	% of all households involved in forest production related income activities	21.21%	54.55%
Investment strategies	Forest production related loans as a % of all loans	7.14%	36.84%
<b>Improved role of land in livelihood characteristics</b>		<b>Huong Loc</b>	<b>Thuong Lo</b>
Effect of Red Book on household as a % of all households with Red Book	Positive	88.89%	94.12%
	Negative	0.00%	0%
	No effect	11.11%	5.88%
Income effect of Red Book on households as a % of all households who responded positive effects	Higher income	0.00%	12.50%
	More stable income	12.50%	18.75%
	More diverse income	0.00%	0.00%
	Improved access to loans	62.50%	93.75%
	Feeling of ownership	50%	100%
	Other	0.00%	0%

Source: Enquete

Table 14 shows us, among else, the top investment targets for loans taken. Since loaning money is risky because of the danger that the household in question is not able to pay back the loan, investment targets are in all likelihood considered to be durable investments by most people. On the one hand there is village 3 in Huong Loc. In village 3 land ownership is uneven and the total amount of land available to households is therefore also limited. Though 7 percent of all investment still goes to forestry, by far the largest target for investment is off-farm or micro enterprise (32 percent). In Doi village in Thuong Lo commune, 37 percent of all investments financed by loans are forestry related.

Interestingly, the amount of loans invested in farming or animal raising is comparable in both villages but the percentage of loans used for education is 21 percent in village 3 compared to only 11 percent in Doi village. In other words, while Doi village in Thuong focusses on farm-based livelihoods (farming/ animal raising and forestry), is village 3 busy diversifying towards off-farm based livelihoods.

Regarding income effects, both in village 3 in Huong Loc and Doi village in Thuong Lo, respectively none to only a small percentage (12%) of the households reported a higher income as a consequence of receiving the Red Books. Still a modest amount of households (respectively 12.50% and 18.75%) reported a more stable income and non reported a more diverse income.

More differences exist in households access to credit and their feeling of ownership. In both matters village 3 in Huong Loc scores much lower than Doi village in Thuong Lo. Regarding access to loans, this can be an effect of the more modest amount of programs active in the commune or the higher availability of capital in the form of savings, but an explanation for the much lower feeling of ownership (50% in village 3 against 100% in Doi village) is harder to find.

## §5 Organisation of land market processes in Bach Ma National Park

To assess the development of land markets it is important to focus two elements: is there a favourable environment for the development of pro-poor land markets and is there an increase, decrease or no change in land transfer? To that end some indicators have been explored in the tables below.

Table 17 Favourable environment for development of pro-poor land markets for forest land			
Indicators		Huong Loc	Thuong Lo
Development of conditions for pro-poor land markets for forest land			
Better legal framework for land rights	National legislation for land rights	Yes	Yes
	National legislation for land use	Yes	Yes
Are land rights complete?	Full ownership, yes or no	No: Plantation > 40 years	No: Plantation > 40 years
Red Book effect on transferability land hh	Positive or negative effect?	Positive	Positive
Sources positively influencing access to land (agriculture and forestry)	Allocation	57.6%	18.2%
	Buying	15.2%	4.6%
	Renting	6.1%	18.2%
	Family	33.3%	68.2%
Factors influencing access to land	See table 5.9		

Source: Questionnaire and Interviews

Table 18 Factors influencing access to land for households in Huong Loc and Thuong Lo		
	Hampering	Fostering
<b>Legal/administrative</b>	Land use rules and regulations (restrictive)	Land allocation
<b>Governmental/policy</b>	BMNP, widening the area belonging to the bufferzone	- Training of commune (knowledge) - Commune's influence (Agricultural office, women union, farmer union)
<b>Socio-economic</b>	- Population pressure/increase - Bad relationship with commune	- Household capital - Good relationship with commune
<b>Financial</b>	- Low capital in commune decreases transferability of land - Development of land prices increases investment barrier	Availability of loans
<b>Natural</b>	Erosion of land	

Source: Focus groups and household interviews

Indicators		Huong Loc, village 3		Thuong Lo, Doi village		
		Acacia	Rubber	Acacia	Rubber	
Increase of land transfer activities for forest land	Legal land transfers forest land between households last 15 years	Leasing out	6.06%	3.03%	18.18%	13.64%
		Leasing from	0%	0%	0%	0%
		Selling Red Book	0%	0%	0%	0%
		Buying Red Book	0%	0%	0%	0%
		Joint Business Activity	3.03%	3.03%	4.55%	4.55%
		Inherit to	6.06%	0%	4.55%	4.55%
		Mortgage	3.03%	3.03%	22.73%	59.09%
Illegal land forest transfers between households last 15 years	Informally selling land	0%	0%	0%	0%	
	Informally buying land	3.03%	3.03%	4.55%	0%	
Legal forest land transfers between households next 5 years	Leasing out	0%	0%	0%	0%	
	Leasing from	0%	0%	4.55%	0%	
	Selling Red Book	0%	0%	0%	0%	
	Buying Red Book	0%	0%	0%	0%	
	Joint Business Activity	0%	0%	0%	0%	
	Inherit to	3.03%	3.03%	13.64%	9.09%	
	Mortgage	0%	0%	9.09%	0%	
Illegal forest land transfers between households next 5 years	Informally selling land	0%	0%	0%	0%	
	Informally buying land	3.03%	3.03%	4.55%	0%	
Previous ownership status of transferred land	Red Book	100%		85.71%		
	Allocated but no Red Book	0%		6.76%		
	Unofficial	0%		0%		
Increased value of forest land	Increased price per ha					

Source: Questionnaire

### Land demand and supply on land markets

In the villages, the main kinds of land offered and demanded on land markets can be divided into three groups. First, residential and garden land, second agricultural land and third plantations. Generally, the supply of land in the village is constrained. Though garden and residential land are easy to get for households, agricultural land and forest land are

scarce and therefore high in price, if households are at all willing to sell them. In the villages, the only kind of actors buying forest land are other household from the same commune, the neighbour commune or Khe Tre. SFE and other business actors are not present on the land market in the villages, though they used to be present as in the past a considerable amount of household had a joint business activity.

Households are hold back from selling their forest land because the perception is that forest land offers households a way to invest in the future and decrease their poverty. Also among low income households, there is therefore a demand for more forest land. If land is sold, in most cases this

Regarding getting new land, poor households do have a chance because land is still being allocated to new households in the village. It is interesting to see that the percentage of household who see allocation as a source of access to land is much lower in Thuong Lo (18.2%) than in Huong Loc (57.6%).

#### **Motivating factors for households to sell forest land**

Sometimes land is sold by poor households if they need capital to solve problems in the family (16.7% of all sales and cases of leasing in Huong Loc and 25% in Thuong Lo). Other factors include a poor perception among factors about how to invest in their land, or an inability to invest in their land, but only 12.5% of the households in Thuong Lo, Doi village and none of the households in Huong Loc, village 3 sold or leased out land because it was too difficult to use. The far majority of land transfers however, (75% in Huong Loc, village 3 and 62.5% in Thuong Lo, Doi village) were in order to support other households.

Normally households, if they need to do so, prefer to rent their land to others over selling it. In this way households can invest in their land in the future, when they are ready for it. Another method for gaining capital from land is to sell young forest to others, though there was no evidence for this in the questionnaire itself.

#### **Motivating factors for households to buy forest land**

In village 3 in Huong Loc, including residence and garden land, respectively 3 out of 5 sales were for residence purposes, 2 land transfers were for income purposes. In Doi village, no land was bought or rented. Some factors for individual households to invest in land for themselves are the profitability of forest land. Namely, forest land offers: (1) A steady income and a steady life, (2) ability to invest in the education of their children, (3) work satisfaction from working with forest land.

Another important reason for households to buy land, though this usually only covers garden land, is to buy the land for their own children to work on. If a young couple moves out of the house, it is usual for households to support the new household. One way of supporting is to buy garden and settlement land for their children. Households might however also buy forest land for their children to use, though this activity is more limited than buying garden and residential land.

Another activity which is identified by household in Huong Loc is the swapping of land between households, to decrease the distance of households to their land. In this way, land transfers increase the efficiency of land use in the village.

In all cases for the selling of forest land counts that in general households are hold back in their decision to sell their land by the rules and regulations of the commune. If households want in the future to get land allocated to them, they are not allowed to sell their current land. As land is in high demand, it therefore makes no sense for households who stay in the same commune after they sell their land, to do so. Results from the questionnaire even show that in the next 5 years illegal buying of forest land is expected to be larger than legal buying of land. When taking into account also other kinds of transfers, transferring land to family for inheritance is by far the largest activity, especially in Thuong Lo. Of the land sold, half of that was also in order to help others, including family. It can therefore be concluded that for a large part, land transfers are still family oriented, and not business oriented. The only other considerable activity was mortgaging the Red Book, which implies no loss of land on either side.

### **Development opportunities for land markets in Huong Loc and Thuong Lo**

The results of the questionnaire as well as interviews with households show that forest land markets are still very fragmented both in Huong Loc and Thuong Lo, and the amount of land switched through legal land markets is very limited. On the one hand this is a result of the recent nature of the land titling in the area, land markets have not had more than a few years to develop. On the other hand there are also other factors responsible which are not necessarily a consequence of the recent nature of land titling.

As already remarked by Holden et al., the essential difference between land markets and other types of markets, is that land markets are spatially limited, and supply cannot be raised above a certain maximum. This makes land market location specific (Holden et al., 2006). The forest land market in Huong Loc and Thuong Lo is negatively influenced by a limited supply, and high demand. As a result from that and increased socio-economic development in the region, land prices have increased. There are however very few households who are able to pay the price for this land. Because demand is largely internal and not external, the forest land market in both Thuong Lo and Huong Loc is now locked for most households, and especially poor households.

Land markets in Thuong Lo and Huong Loc also suffer from both institutional as well as socio-economic problems and market failures. In the literature the importance of institutional clarity, well-established information canals and supporting financial, labour and product markets were emphasised (ESO, 19996; Swinnen et al., 2006, p. i). In both Huong Loc and Thuong Lo institutional development of land markets suffers from a lack of institutional clarity. Not all Red Books have been issued yet, though farmers have already been allocated with forest land, and there is legislation that actively holds back the supply side of forest land. Moreover, due to recent changes in institutional organisation the capacities of institutions surrounding forest land are not sufficient, which is also the cause for problems with the issuance of Red Books, or Land Use Certificates.

Information canals in Huong Loc and Thuong Lo are unofficial and undeveloped. During the research, all households were asked what they knew of possible sellers and buyers of land in their area. However, only very few households knew more than just vague rumours. In addition, households had little knowledge off the value of their land. This was especially true for poor households. For many households, having a good relationship with the commune is therefore an important factor that influences their access to land.

Eventually, land markets in Huong Loc and Thuong Lo are likely to develop further as the market matures. Other research on the development of land markets in Europe has shown that it is mainly the wider structure of economy and society in combination with locally specific patterns of land distribution and power relations that influences development (Van Bavel, 2008, p.46). The development of land markets in Thuong Lo and Huong Loc also shows how differences in socio-economic development, supply and demand can cause differences over very small geographical spaces. Despite their proximity and shared institutional environment, land use and distribution is different in each village in Huong Loc and Thuong Lo. The land distribution pattern in village 3 in Huong Loc furthermore shows that with a limited supply of land, small imbalances in initial land distribution can have pervasive effects in the future.

## **§6 Socio-economic and environmental consequences of land market processes**

### **Effects of forest land markets on ownership patterns**

In the paragraphs before some of the effects of land markets on land ownership distribution have already been discussed. Because land ownership is limited for forest land such as plantations, and there is no interest in protection forest, forest land ownership is relatively stable. However, land is increasingly being chopped up into little pieces because forest owners now also have the right to inherit their land to their children. As the future supply of land that is profitable to use will run out, the commune might have to reconsider their stance towards land ownership. Outmigration is already a factor in the commune as many households have children working in the South. If this would continue, this could decrease the pressure on forest land.

At the same time, there is a gradual conversion of forest land to rich households. This trend is relatively new, since land allocation has only been implemented for a limited time and is still being implemented for “new” land. Nevertheless, it is so be expected that richer households will be able to gather more land. This is the view of both households in Huong Loc and Thuong Lo. Right now, land market processes are still being held back by the influence of the CPC by the previously named rule on selling forest land and land allocation, but if this is not applicable anymore because there is no more suitable land to allocate, poor households might be more willing to sell land, even if it means that they will not have new land available anymore for them.

### **The socio-economic and environmental consequences of changing land ownership patterns**

In general it is perceived by households that if market processes take a hold, rich households will be able to take up a greater place in land ownership. When households were asked about their opinion on this, the general response was that if such a thing would occur, this would be unfair to the community. In contrast to that, it was the opinion of the land manager in Thuong Lo however that such a development would not necessarily be bad as according to him, poor households did not succeed in taking care of their land, and let their land deforest.

So, though the influence of market processes on official forest land use is limited because households when buying land also have to take over the land use characteristics of that land, actual land use could be more efficient when market-processes favour more resourceful households to acquire more land. Market processes also allow households to swap land between each other without any of the households losing land, as both household are getting land that is more suitable to them. These findings confirm neo-liberal theory on the link between market-processes and efficiency. One of the necessary items that would be necessary to facilitate such a change, without making the poor worse off, would be the development of labour markets. Labour markets would facilitate the movement of labour out of agriculture, and would also facilitate the release of land (Swinnen et al, 2006, p. i). In Huong Loc and Thuong Lo these changes are already visible. In many households part of the household has moved away to a larger city to work there. Additional income is sent home to support the family. Because land is limited in the commune, the additional income they earn by moving is often quite large, and they would not have been able to earn the same type of income by staying home. In village 3, where land is more limited than in Doi village, the wage component of the average income is much higher than in Doi village, while other types of income are also much more diversified (see figure 5.6a, b & c in appendix 4).

Regarding the environment, neoliberal theory also suggests that land titling could have the power to increase the value that people put on land and land ownership. This in addition to an increased value of forest land combined with improved knowledge about environmental concerns could lead households to take better care of their land (Cypher & Dietz, 2009, p. 378). Most households interviewed in Thuong Lo and Huong Loc report that as a result of training on sustainability issues their perception of the importance of taking care of the forest has increased. However, as the area of forest land allocated to household is not very large, most households still have a demand for more plantation forest. If demand for land increases and land becomes more valuable, the pressure from households on the natural forest that is left unused might also increase. To judge the improvement or decline of the forest cover in Huong Loc or Thuong Lo, it is most important to distinguish whether barren land or natural forest is converted into forest plantations. This could lead

to households transferring natural forests into forest plantation, which would mean a qualitative decrease of the value of the forest.

While looking at what is happening to land ownership and development in Thuong Lo and Huong Loc commune, it is also necessary to look at what is not happening. In a regional study on land administration, land markets and collateralised lending in East Asia, Childress reported that in Vietnam since the liberalisation of the market economy in the land-scarce lowlands in the early 1990's there has been a steady migration towards the central highlands. The new migrants rented or bought land from indigenous people and cleared the forest for agricultural use at a rate much higher than the traditional shifting cultivation would (Childress, 2004, p.39). Land market development in Thuong Lo and Huong Loc is driven mostly by demand from local households, while demand for land from outside the village is almost non-existent. Moreover, it would not be possible for migrants to convert existing forest to agricultural land. The situation in Thuong Lo and Huong Loc can therefore not be compared to the development of land markets in the rest of Vietnam, but is driven instead by locally specific land-use arrangements and conditions.

Nevertheless, Huong Loc and Thuong Lo are not immune from change. Due to increased socio-economic development, land prices have already increased. One of the households who bought production forest land in 2004 for 5 million per hectare, now estimates that the value of his land has increased to 20 to 30 million per hectare. Since the average income has not increased as fast as the price for production forest, it is now more difficult to buy this land than it was at the time, and especially for poor households this is simply more than they can afford. It is therefore also telling that buying as a possible source of access to production forest and agricultural land is more popular in village 3 in Huong Loc where the average income per year per households is higher than in Doi village in Thuong Lo (respectively 17.8 million in village 3, Huong Loc and 11.7 million in Doi village, Thuong Lo). It is therefore not surprising that according to the village leader of village 1 in Huong Loc, which is located the farthest away from the district capital Khe Tre, there are simply no instances of buying or selling production forest, as the price is too high to be able to afford and the distance to the markets even greater.



*A poor household in Thuong Lo, Nam Dong district with garden land.*

*Photo: Charlotte Kratz, 2010.*

## Chapter 6 Discussion

The main purpose of this chapter is to discuss and relate the research findings to the research question and the theory behind it. The research question leading this research asked whether or not land allocation programs in Bach Ma National Park led to the creation of land markets for forest land and if so, to what extent these land markets are pro-poor?

The literature alludes to the emergence of land markets as one of the responses to land titling. Though this is a simplification of the reality, making it easier for people to transfer land between them could lead to an increase in land transfers. An increase in legal transfers however, does not have to mean that in fact there is an increase in transfers, as it could only be an increase on paper. When there is enough stability and trust in land use unofficial land transfers can already occur before people have the official right to do so.

The smaller issue of land markets and livelihood development is connected to the broader debate on land governance and sustainable livelihood development. In other words, how to reach a land governance system that combines equitable social and economic growth with environmental sound policy. Introducing forms of land titling can contribute to this goal. Eventually, this thesis asks only whether one of the possible effects, the creation of land markets, is occurring, and whether this contributes to poverty reduction.

Results from other reports already show that land markets have been developing rapidly in the rest of Vietnam, and there has been a sharp increase in the amount of land transferred through them. There have been two primary reasons for this. One, the simplification of selling and buying procedures has served to deepen the land market, furthermore, land markets have been expanded by the increase of land up for sale. Despite these changes, land markets in Vietnam have not developed uniformly across the country and remain highly partial and fragmented (Akram-Lodhi, 2007).

This means that the development of land markets in Thuong Lo and Huong Loc should not automatically be assumed to mimic the development of land markets in the rest of Vietnam. Rather, its development is influenced by local circumstances and land relations. One of the most important aspects from an economic point of view is the administrative transferability of forest land as well as the local demand and supply. The political and institutional development of land relations will also have important consequences for the development of land markets.

The second part of the research question involves the pro-poor qualities of land market development in Huong Loc and Thuong Lo. In the literature it was established that there are significant obstacles for poor people to participate in land markets. Their livelihood assets, including participation in social networks as well as other assets, affect what effect changes in local land relations will have on their livelihoods. In the literature, some attention was also given to the improved participation of poor households in local governance structures as a result of improved land rights.

### **Land rights and access**

The starting point in the literature concerning the effects of property rights, and the role and development of land markets, is the nature of land rights. Both land rights and land use in Huong Loc and Thuong Lo are heavily influenced by the institutional environment offered by the local government. Especially land use in the research area is heavily influenced by the land use plans developed by the local commune. This is in contrast with the fact that in most theory concerning the effects of property rights the assumption is that land use is relatively free and land rights complete. This is not the case in the research area because the institutional and environmental context is different.

The limited character of land ownership rights in Vietnam expresses itself in three ways. First, the length of the right to use land is limited to a period of 40 years for forest land. After that period, the government has the right to take away the land for redistribution though in effect the land will be given again to the household if it was used well. Second, during the allocation process, the government has the right to select households who apply for ownership of land, depending on criteria set by the governmental bodies which state who is able to manage the land and who is not. Effectively this can mean that household who lack capital or labour are excluded. These households are often also the poor. Third, the government can take land away from a household if it is not used well.



Considering these limitations, how the commune deals with land ownership in practice becomes very important for the feeling of security that households have about their land. This can explain when asked about the benefits of receiving a Red Book, 100% of the people in Thuong Lo against 50% of the people in Huong Loc report an increased feeling of ownership. This difference could be due to various factors, but among those are failing government programs and restrictive rules and regulations that people do not feel to be suitable. Households in Huong Loc are also far less involved in trainings by the commune or other actors. Households participation in Huong Loc is only 33% opposed to 72% in Thuong Lo. If people do not feel secure about their ownership, they are less likely to invest fully and more likely to evade the official channels.

Sustainable land use in the bufferzone off Bach Ma National Park is important on both local and national scale. Locally, environmental concerns for the sustainability of human activities and the effects of human activities, such as landslides or forest fires, are important. On a national scale, the national park contributes to the national ecosystem. Ideally, these two interests can be combined. In reality, while most farmers understand the environmental concerns, some farmers also view that they are held back by environmental concerns. For instance, farmers in village 2 in Huong Loc reported that they were not satisfied with their rights to the land, as the government had restricted them in the past from using and accessing land for agricultural purposes. Though forestry gives important long-term benefits to households, agriculture and not forestry is still the largest source of income in both Huong Loc and Thuong Lo. The influence of the national park in the bufferzone also negatively affects their ability to access land for household use in general, including forestry. Though environmental causes and the development of forestry is not necessarily ad odds with the development of local livelihoods these grievances are still felt by local households as a loss.

#### **Institutional environment and administrative transferability**

The relationship between commune and district at times can be complicated. Households consider both the commune and the district very important for influencing their ability to use land and to have access to land. The commune and district influence both the administrative transferability of land, and the actual supply and demand.

Officially, the transfer process for land is efficient, and is divided between the commune and the district. It takes 15 days in the commune and 15 days in the ONRE on district level. In practice, experience with land allocation and land transfer is mixed. While for some households it was very easy to transfer land and get the Red Books switched, others are still waiting for their Red Books from the land allocation process. Actors on district level and related NGO's report that this is mainly a consequence of limited availability of resources in the related departments and recent reorganisations. Due to this, especially low resource households find it more difficult to make use of their rights to transfer land if this fits their situation.

The influence of the commune and the district on supply and demand is complicated as the government influences both land use and land availability in the region. Most importantly, the district and commune influence what kind of land is available to farmers. Since land allocations are still going on now and in the future, this affects the preferences of household. As households are excluded from gaining more land from land allocation in the future if they sell their land, this is a strong negative influence on their willingness to sell land. This in combination with a high pressure on land and a lack of financial resources among households works to lock up the market for buying and selling forest land.

The influence of the commune and district on the renting of forest land between households is less strong. As regulation does not affect this kind of transferability, many households who need cash therefore prefer to rent out their forest land to others, instead of selling it. Households who rent out their forest land to others see this as a temporary solution, until they have enough capability to invest in the land that is now rented out to others. Nevertheless, even the forest land available for rent is limited, as land pressure is high and availability of good quality forest land low.

#### **The development of land markets in Huong Loc and Thuong Lo**

In Huong Loc and Thuong Lo development of land markets is both slow and limited, The causes are both the recent nature of the introduction of land use rights, the remoteness of the region from economic activity, household attitudes and the limited possibilities of land development in the region.

The results from the research show that evidence of forest land transfers is limited. To get forest land, most households are still dependent on either land allocation or support from their family. Buying land is only seen as an option by a minority of the households both in Huong Loc and Thuong Lo, though the number was higher in Huong Loc (15.2%) than in Thuong Lo (4.6%). Even more so, results from the questionnaire done in two villages found that in the next five years, households are more likely to buy land illegally than legally.

### **Socio-economic effects of introducing land use rights in Huong Loc and Thuong Lo**

Both Thuong Lo and Huong Loc see development of the forestry sector as a way towards the social economic development of the commune. Under the influence of social and economic development the needs of the commune can change, and then it is relevant that land can be sold or transferred to those who both need and can take care of the land. For that, households need to have the confidence that they can do with their property what best fit their life, so the commune should not be too much involved. On the other hand households should be supported so that these new freedoms and changes do not rob them of their livelihoods and this asks for control of the commune on these processes.

To what extent the government should be involved is therefore a continuously evolving problem. As both Huong Loc and Thuong Lo only recently (2004) allocated their forest land to the households, the preference of the government of freedom with boundaries is understandable. Many of the allocated lands are supported by a government program, such as the WB3 program or program 327. These programs are highly valued by households as they contribute to increased knowledge and the programs also help with initial investment into forest land, which are often too costly for households. Many households also report that in reality the programs often lack quality, as seedlings or capital are not provided as promised. Nevertheless, without these programs poor households in particular would not have been able to profit from land allocation.

In his theory, Hernando de Soto describes a few effects, the most important of which is the effect that land ownership should have on the improvement of credit markets (Soto 2000; Deininger, 2000, p. xix). Other research has also shown that these credit markets do not always arise (Galliani & Schargrodsy, 2009, p. 29). In this case, the credit markets were created by the government. This is both a strength and a weakness. The fact that two banks are necessary, one for the poor and one for the nonpoor, reflects that under normal circumstances, credit markets would have probably not arisen so fast and the poor would have most likely not been included. This might be because of the remoteness of the area relative to more economically affluent cities and because of the recent nature of introducing land rights.

Though they also acknowledge that land titling can possibly have positive effects of land ownership, critics of De Soto also point to the negative effects of introducing land titling and land rights: lack of benefits, high costs and rising concentration of land and inequality (Daley and Hobbley, 2005). After land titling in Huong Loc and Thuong Lo, some negative effects have failed to mobilise. This is largely because the government stepped in where market forces would not arise fast enough or at all to be of use for everyone, including the poor. Other effects, such as high costs, have mobilised. Prices for forest land in both Huong Loc and Thuong Lo have increased together with but also at a higher rate than the socio-economic development of the region, and the rise of other living costs in Vietnam. As a result, buying forestry land is becoming something that is only accessible to the richer households. The end result would be a rising concentration of land, such as was already witnessed in the case study done in village 3. Whether it would also lead to inequality is another factor that also depends on the broader socio-economic development of the area.

Despite that, the case studies done in Huong Loc and Thuong Lo support the argument that land rights alone are not good enough. Land rights for the poor can have many positive effects, as long as greater freedom does not mean greater ability of rich households to use those freedoms to the detriment of the poor. In most cases however, though the very poor have been endowed with the same rights as they relate to the buying and selling of forest land, their actual entitlements are very different from more asset-rich households (Sikor & Nguyen, 2007).

Most likely future supply restrictions in available and suitable land for land allocation for household based forest production together with further development of the region will mean that demand for forest land from other households will become higher and more urgent, leading to more household activity on local land markets and a redistribution of

the land in favour of high income households. To what extent and how this happens depends mainly on household strategies and the success of government programs to include the poor.

### **The political dimension behind land allocation in Huong Loc and Thuong Lo**

The literature concerning land reform alludes not only to the importance of socio-economic factors, but also to the importance of a political dimension concerning land relation. While some authors speak of the possible effects of land titling on good governance, authors like Sikor see land reform and the history of land reform as a struggle between different kinds of land relations, capitalistic, socialist and even post-socialist, the latter being where Vietnam fits (Sikor, 2004; Ho & Spoor, 2006; Borras Jr et al., 2007).

The topic of good governance is closely related to the territorialisation of forest land, both on a horizontal and a vertical level. Though the set up of forest land allocation has been surprisingly egalitarian, old relationships of power after allocation seem to find their way back during and after allocation. On a horizontal level, both kinship and membership of (communist) community organisations are important for household development. Access to these social network increases one chance of obtaining access to land, information and government services. According to Sikor (2004), the role of social networks in land relations is one of the characteristics that sets away socialist land relations from capitalist land relations. The resulting struggle between on the one hand rules favouring land relations that are not socially embedded and on the other hand the current practice, which does show the social embeddedness of land relations, is typical of the post-socialist character of land relations in Vietnam.

Though other examples of forest devolution have shown instances of conflict between different communes on the land that was allocated and used<sup>25</sup>, resistance to and conflicts over land allocation in Huong Loc and Thuong Lo and between other communes or villages seemed minimal, if even not non-existent. This may be because the perceived entitlements of household have not had a long time to develop because of the relatively recent nature of their migration towards the area. In addition, most households who were interviewed who previously had land in contested areas reported that they had been moved to receive land elsewhere. Those households who did report conflicts with other households or local government could therefore be characterised as isolated incidents.

This also shows the importance of the state in developing local land relations. Traditionally strongly centralised, the central government is behind the allocation programs, behind the credit, and the central government also has a strong influence on land use due to the proximity of the area to the Bach Ma National Park. In addition, the district government also has its own forest land development programmes which strongly influence local development. Interest from outside investors however, is non-existent, even if some villages are looking for them. This means that the central government, through its several projects and programs to aid local households, has a monopoly on investment in the commune.

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<sup>25</sup> For example in a case study by Sikor and Nguyen (2007), where land allocation in Vietnam's central highlands encouraged conflicts between households who felt that they were entitled to land that was endowed to households from another commune.



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# Appendixes

Appendix 1 Activity schedule	98
Appendix 2 Topic lists interviews	99
Appendix 3 Questionnaire	104
Appendix 4 Tables and figures	111

## Appendix 1 Activity schedule

Visit (day)	Location	Activities
2 March 2010	Thuong Lo, Dui village	- Commune meeting - Interview with village leader - Interview with household (poor)
10 March 2010	Huong Loc, village 3	- Commune meeting - Interview with village leader - Household interview (rich) - Household interview (poor) - Household interview(average)
11 March 2010	Huong Loc, village 2 and 1	- Household interview (average), village 2 - Household interview (poor), village 2 - Household interview (rich), village 2 - Interview with village leader, village 2 - Household interview (rich), village 1
18 March 2010	Thuong Lo commune, Mu Nam and Doi village	- Household interview, Mu Nam village - Interview with land manager of Thuong Lo - Household interview, Doi village
19 March 2010	Thuong Lo commune, Mu Nam and Cha Mang village	- Interview with village leader, Mu Nam - Household interview, Cha Mang village
31 March 2010	Thuong Lo commune, Cha Mang, Mu Nam village	- Interview with head of village, Cha Mang - Household interview, Mu Nam village
1 April 2010	Thuong Lo commune, Mu Nam village	- Focus group, Mu Nam village - Household interview, Mu Nam village
9 April 2010	Huong Loc & Thuong Lo	- Questionnaire testing (5 households)
14 April 2010	Khe Tre	- Interview with Policy Bank - Interview with Agribank
15 April 2010	Khe Tre	- District workshop
26 April 2010	Hue	- Interview with Mr. Le Viet Tam, SNV
31 April 2010-2 May 2010	Huong Loc, village 3 & Thuong Lo, Doi village	- Questionnaire by students from HUAF (60 households)
1 May 2010	Huong Loc, Thuong Lo	- Focus group, Mu Nam village - Focus group, village 2
2 May 2010	Huong Loc, village 2	- Households interview (4)
12 May 2010	Khe Tre	- Interview with official of OARD - Questionnaire
16 May until now		- E-mail interview with OARD & ONRE

## Appendix 2 Topic lists interviews

### Interview with village leader

#### Topic 1: Socio-economic data

- Households and inhabitants
- Poor and non-poor households
- Ethnic distribution of the village
- Man/Woman
- Household groups
- What are the major sources of income in the village?
- Outmigration, problems and causes

#### Topic 3: Data agriculture and forest production

- Division and proportion of land use designations (agricultural land, non agricultural land, unused land, waterface area) and within agricultural land (arable land, forest land and aquaculture) and within forest land (protection forest, production forest, special-use forest).

#### Topic 3: Land ownership in the village

- Is land ownership in the village equitable? (proportion of poor and nonpoor households who have access to land)
- Are there problems with access to land in the village? (Quality, quantity)
- History of land ownership in the village?
- Have there been land transfers between households within or outside the village, legal or informal, in the community since the land has been allocated to people?
- If so, what kind of land has been transferred and how has it been transferred? (location, classification, quality) (legal, informal) (between whom)
- How much of the land in the village is used by people from outside the village? What are the major motivations for the land transfers in the village? (both for buyers and sellers)
- If there are no land transfers (buying, selling or renting) in the village, why is this?
- What is the opinion of the village on renting land to outsiders?
- What is the opinion of the village on land transfers (buying or selling of land)?
- What are the (possible) consequences for the village?

#### Topic 4: Land and forest use in the village and local livelihoods

- What kind of land use (agriculture, plantations, protection forest, pond, home garden, other)
- What kind of plantations and what proportion of total plantation area? (acacia, rubber, betel nut, other?)
- Are there difficulties in developing the forest plantations?
- What is the role of outside investors in forest development in the village?
- What is the role of government and other institutions (World Bank, NGO's) in forest development in the village? (projects: 661, 327)
- Are there needs in the village that are not met?

#### Topic 5: Relationship with commune level

- To what extent is the village represented on the commune level?

### Interview with household (semi structured household interview)

#### Topic 1: Household characteristics

- Household size and composition
- Household income
- Land ownership and location and characteristics of land (location, quantity, when obtained, how obtained, Red Book)
- Did you own more or other land in the past? (location, quantity, when obtained, how obtained, Red Book)
- Have you migrated to this place, and if you did, when did you move to this village/household group?

#### Topic 2: Livelihood characteristics and forest land activities

- What are your sources of income, and how important are they to you? Quantify
- What are your priorities for developing your livelihood? What kind of possibilities are open to you? Plans, hopes & dreams
- What role does forest land play for your livelihood?

#### Topic 3: Land ownership and development

- What are the difficulties you come across in using your land? (Legal administrative, governmental/ policy, financial)
- Have you invested money in your land?  
--> If yes, for what, how much, and how did you finance it?  
--> If no, why not?  
--> If you had difficulties to invest, how did you overcome them?
- Do you organise your own planting, harvesting and transport?
- How do you bring your products to the market?

- Do you use people from outside the village to invest on or harvest your land?
- Are you renting out your land or selling the forest on your land to gain capital? If yes, for what do you use this money?
- Have you sold land in the past? If yes, for which reasons?
- Do you know how much your land is worth now and in the past?
- Has land become more or less valuable to you, compared to the past?
- >If it changed, what are the causes for this?
- Are you planning to acquire more land in the future?
- > If yes, how and to what purpose?
- > If no, are you planning to sell or rent out your land in the future?
- Do you know people who have bought or sold land?
- >If yes, what were their reasons for doing so?
- > Who are they?
- Do you work on the land of others?
- > If yes, when and for whom? How much do you earn working on other people's land?
- > If yes, why? Lack of own land?
- Do you think renting, buying or selling of land has a positive or negative influence on the village?

#### Topic 4: Forest land services

- Have you used or are you familiar with any kind of government program or project that is helping farmers to develop their forest land?
- And in the past? During allocation?
- Are they successful? Limitations?
- Services (loans, government programs -661 project Agribank, project 327-, training, etc (Women's Union - Policy Bank).

#### Topic 5: Knowledge and usability of the legal framework

- Are you aware of the different land classifications and the rules and regulations that are in place in your village?
- Are there elements of the rules and regulations in your village that are unclear or fuzzy?
- Are there elements of the rules and regulations in your village that are positively or negatively influencing your life and your ability to use your land for your own development?
- If Red Book is present. Has the actual ownership of land enlarged the possibilities that are open to you for livelihood development? Do you feel more secure than before about using your land?

### Interview with household, other

*4 Interviews in Thuong Lo, Doi village with random households as a supplement to the focus groups*

- Household situation (size, labour, income, migration)
- Land ownership situation (land, Red Book, when, programs)
- Past land ownership
- Interest in more land? (Yes, no --> why?)
- Interest in any kind of land transfer?
- Engaging in any kind of land transfer? (Yes, no --> why?)
- Obstacles for engaging in any kind of land transfer?
- Other households?
- Clarity, usefulness and influence of rules and regulations on land use / ownership?

#### Changed ownership rights.

- Positive/negative
- Is RB important? What benefits can be gotten from RB?
- Has land become worth more or less to you, or did it not change, and why?

#### Obstacles for land use?

- Legal/regulations
- Financial
- Environmental
- Physical/ geographical
- Governmental/policy (programs & services)
- Effects of becoming part of the bufferzone?

### Interview with land manager

Conversation topics:

- Distribution of land between villages, is it fair, are there large differences between communes? Does this have consequences?
- Interaction between Thuong Lo and Huong Loc
- Success of the land law in creating both efficient and fair land distribution and land use. Interaction between social equality and markets.
- Informal use of land, to what extent do the rules match local needs and desires?
- Outmigration as a problem or a chance. Consequences for land use?
- Land ownership in the past, and its connection to land ownership in the present. Are richer households better able to take possession of land based on past use rights?

## Interview with Agricultural Office / OARD

### Role Agricultural Office

- What is the major role of the Agricultural Office regarding land use in the district?
- How does the Agricultural Office contribute to economic development?
- How does the Agricultural Office contribute to poverty reduction?
- Which outside parties does the Agricultural Office work with, and what is the working relationship?
- How does the Agricultural Office communicate and work with households?

### Sustainable economic development

- Which actors are most important in realising sustainable economic development?
- What does the future socio-economic situation in Nam Dong look like?
- What is the role of migration for the region? For the communes and villages?

### Land ownership before land allocation

- *What was the overarching goal of land allocation in Nam Dong?*
- *What is the benefit of allocation based on past use versus allocation based on equal land ownership (lottery)?*

### Land use before FLA

- Who were the major owners of forest land before FLA?
- How was forest land mainly used before FLA?
- Was land used effectively before FLA?

### Land ownership after land allocation

- How did FLA change ownership patterns in respectively Huong Loc and Thuong Lo?
- If there are differences, what are the causes of the differences? And between communes?
- Who are the major landowners in Nam Dong? And Huong Loc / Thuong Lo?
- Is land ownership in Huong Loc and Thuong Lo different from land ownership and use in the rest of Nam Dong?
- Did increased ownership of land increase people's welfare? Why?
- Does the Agricultural Office have any role to play regarding organising the socio-economic equity of land ownership after land allocation?

### Land use after land allocation

- What is considered effective land use by the district?
- Is land use after land allocation effective?
- What influences whether or not land is used effectively?
- Is land use after FLA sustainable? Socially, economically, environmentally?
- What is the role of the Agricultural Office in promoting effective land use?

### Land transfers

- Does the Agricultural Office have anything to do with land transfers or any knowledge about the subject? -->
- *Are there people engaging in land transfers?*
- *If yes, what are the characteristics of these households?*
- *What are the major drivers behind land transfers in Nam Dong?*
- *Has the amount of land ownership changes due to land transfers between households in Nam Dong increased or decreased since the start of FLA?*
- *If no, why not?*
- *If yes, why?*
- Can land transfers between households be positive or negative for economic development? If yes or no, why?
- Can land transfers between households be positive or negative for poverty reduction? If yes or no, why?
- Can land transfers between households be positive or negative for the environment? If yes or no, why?

### Rules and regulation

- Are the rules and regulations on ownership rights clear?
- Are rights and duties well balanced for households?
- Are people constricted in practicing their ownership rights?
- Is the legal framework for land allocation clear?
- Is it clear who is responsible for land allocation?
- Is there a gap between the theory of land allocation and the practice? If yes, why?
- What is the role of the buffer zone for the rules and regulations affecting the land use of households?

#### Cooperation with other offices

- Which other offices does the Agricultural Office work with? (ONRE, FPU)
- Does the Agricultural Office works with other outside agencies?
- Is it clear who does what?

### **E-mail interview with OARD, remaining questions**

#### Land ownership after land allocation

- How did FLA change ownership patterns in respectively Huong Loc and Thuong Lo?
- If there are differences, what are the causes of the differences? And between communes?
- Did increased ownership of land increase people's welfare? Why?
- Does the Agricultural Office have any role to play regarding organising the socio-economic equity of land ownership after land allocation?

#### Land use after land allocation

- Is land use after FLA sustainable? Socially, economically, environmentally?
- What is the role of the Agricultural Office in promoting effective land use?

#### Land transfers and land use

- Can land transfers between households be positive or negative for economic development? If yes or no, how?
- Can land transfers between households be positive or negative for poverty reduction? If yes or no, how?
- Can land transfers between households be positive or negative for the environment? If yes or no, how?

#### Rules and regulation

- Are the rules and regulations on ownership rights clear?
- Are rights and duties well balanced for households?
- Are people constricted in practicing their ownership rights?
- What is the role of the buffer zone for the rules and regulations affecting the land use of households?

#### Cooperation with other offices

- Is the legal and organisational framework for cooperation with other government bodies (ONRE, FPU) clear enough?
- Which elements are unclear?
- How could cooperation between government bodies be improved?

### **Email interview with ONRE**

#### Role of ONRE

- What is the role of the ONRE?
- Which outside parties does ONRE work with, and what is the working relationship?
- How does ONRE communicate and work with households?

#### Land ownership before land allocation

- What was the overarching goal of land allocation in Nam Dong?
- What is the benefit of allocation based on past use versus allocation based on equal land ownership (lottery)?

#### Land use before FLA

- Who were the major owners of forest land before FLA?
- How was forest land mainly used before FLA?
- Was land used effectively before FLA?

#### Land ownership after land allocation

- How did FLA change ownership patterns in respectively Huong Loc and Thuong Lo?
- If there are differences between the two communes, what are the causes of the differences?
- Who are the major landowners in Nam Dong?
- Is land ownership in Huong Loc and Thuong Lo different from land ownership and use in the rest of Nam Dong?



- Did increased ownership of land increase people's welfare? Why?
- Does the Office of Natural Resources & Environment have any role to play regarding organising the socio-economic equity of land ownership after land allocation?

#### Land use after land allocation

- What is considered effective land use by the district?
- Is land use after land allocation effective?
- What influences whether or not land is used effectively?
- Is land use after FLA sustainable? Socially, economically, environmentally?
- What is the role of the Office of Natural Resources and Environment in promoting effective land use?

#### Land transfers

- Are there people engaging in land transfers?
- If yes, what are the characteristics of these households?
- What are the major drivers behind land transfers in Nam Dong?
- Has the amount of land ownership changes due to land transfers between households in Nam Dong increased or decreased since the start of FLA?
- If no, why not?
- If yes, why?
- 
- Can land transfers between households be positive or negative for economic development? If yes or no, why?
- Can land transfers between households be positive or negative for poverty reduction? If yes or no, why?
- Can land transfers between households be positive or negative for the environment? If yes or no, why?

#### Sustainable economic development

- Which actors are most important in realising sustainable economic development?
- What does the future socio-economic situation in Nam Dong look like?
- What is the role of migration for the region? For the communes and villages?

#### Rules and regulation

- Are the rules and regulations on ownership rights clear?
- Are rights and duties well balanced for households?
- Are people constricted in practicing their ownership rights?
- What is the influence of the changed ownership rights for land (Red Books) on people's wish to transfer land between each other?
- Is the legal framework for land allocation clear?
- Is it clear who is responsible for land allocation?
- Is there a gap between the theory of land allocation and the practice? If yes, why?
- What is the role of the buffer zone for the rules and regulations affecting the land use of households?

#### Cooperation with other offices

- Which other offices does the Office of Natural Resources & Environment work with? (OARD, FPU)
- Is it clear who does what?
- Does the Office of Natural Resources & Environment have enough capacities for the implementation of FLA?
- Does this have a negative or positive effect on the process of FLA?
- What are the benefits of having a new Office of Natural Resources & Environment over the previous arrangement?

Appendix 3 Questionnaire

If necessary, please contact Astrid (01697651575/astridbos@gmail.com) or Charlotte (01225230041/eternally.me@gmail.com)

Code (initials.date.nr questionnaire) For example: ABB.08April.02	
Status of questionnaire	<input type="checkbox"/> Complete <input type="checkbox"/> Did not reply <input type="checkbox"/> Partially replied <input type="checkbox"/> Other:

Name respondent	
Village	
Commune	
District	

Dear Sir/Madam. We, Charlotte and Astrid, are thanking you for your help with this questionnaire. We are students from the Utrecht University, the Netherlands. We are in Vietnam to do research for our studies. We are working together with the Hue University of Agriculture and Forestry for our research in Nam Dong and Phu Loc district. With this questionnaire, we hope to get a better understanding of forest depending livelihoods, focusing on forest land transfers after allocation and on small holder plantations (acacia and rubber).

**HOUSEHOLD QUESTIONNAIRE**

All information contained in this questionnaire will be kept strictly confidential. Data obtained will never be published together with the respondent's name.

Background information	
1	Sex <input type="checkbox"/> Male (1) <input type="checkbox"/> Female (2)
2	Ethnic group <input type="checkbox"/> Kinh (1) <input type="checkbox"/> Katu (2) <input type="checkbox"/> H'Mong (3) <input type="checkbox"/> Other: _____ (4)
3	Age _____ years old
4	Is your household poor or non poor? (poor income < 200.000VND per person per month) <input type="checkbox"/> Poor (1) <input type="checkbox"/> Non poor (2)
5	How many years have you gone to school? _____ years
6	Relation to head of the household <input type="checkbox"/> I am the head (1) <input type="checkbox"/> Wife/husband (2) <input type="checkbox"/> Son/daughter (3) <input type="checkbox"/> Parent (4) <input type="checkbox"/> Other: _____ (5)
7	How many members does your household have? _____ members <ul style="list-style-type: none"> <li>• Include all people that live outside the household temporarily (to study etc) and still depend on the household for money and/ or material support.</li> <li>• Include (grand) parents, (grand) children or other relatives living in the house.</li> <li>• Exclude people (children) that have their own house/family and those who do not depend on the household's capital (anymore).</li> </ul>

History	
8a	Are you born in this commune? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
8b	If no, how long have you lived in this commune? <input type="checkbox"/> ≤5 yrs (1) <input type="checkbox"/> 6-10 yrs (2) <input type="checkbox"/> 11-15 yrs (3) <input type="checkbox"/> 16-20 yrs (4) <input type="checkbox"/> >20 yrs (5)
8c	If yes, is at least one of your parents born in this commune? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)

Red Book																									
9a	Do you have any Red Book <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)																								
9b	If yes, what kind of Red Book do you (or your household) have? Please fill in the form.																								
	<table border="1"> <thead> <tr> <th>Red Book type</th> <th>Size of land</th> <th>Year of Red Book</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> 1. Living area/garden</td> <td>m2</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 2. Acacia</td> <td>ha</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 3. Rubber</td> <td>ha</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 4. Forest Protection</td> <td>ha</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 5. Rice paddy</td> <td>m2</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 6. Fish</td> <td>xx</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 7. Agricultural land</td> <td>m2</td> <td></td> </tr> </tbody> </table>	Red Book type	Size of land	Year of Red Book	<input type="checkbox"/> 1. Living area/garden	m2		<input type="checkbox"/> 2. Acacia	ha		<input type="checkbox"/> 3. Rubber	ha		<input type="checkbox"/> 4. Forest Protection	ha		<input type="checkbox"/> 5. Rice paddy	m2		<input type="checkbox"/> 6. Fish	xx		<input type="checkbox"/> 7. Agricultural land	m2	
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<input type="checkbox"/> 7. Agricultural land	m2																								
9c	If Red Book, are you satisfied with the amount of land that is allocated to you? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)																								
9d	If no, why not? _____																								
10a	What kind of land do you or your household own <i>without</i> a Red Book? Check all that apply.																								
	<input type="checkbox"/> only have land with Red Book <input type="checkbox"/> Acacia _____ ha <input type="checkbox"/> Rice paddy _____ m2 <input type="checkbox"/> do not have any land <input type="checkbox"/> Rubber _____ ha <input type="checkbox"/> Fish _____ <input type="checkbox"/> Living area/garden _____ m2 <input type="checkbox"/> Forest Protection _____ ha <input type="checkbox"/> Agricultural land: _____ m2																								
10b	If you have land without Red Book, what is the reason you do not have the Red Book? _____																								
11a	If you own land without Red Book, do you want to have (more) Red Book(s) for land that you already own? Check all that apply. <input type="checkbox"/> No, I don't want to have (more) Red Books <input type="checkbox"/> Living area/ garden <input type="checkbox"/> Acacia <input type="checkbox"/> Rubber <input type="checkbox"/> Forest Protection <input type="checkbox"/> Rice paddy <input type="checkbox"/> Fish <input type="checkbox"/> Agricultural land																								
11b	If no, why not? Check all that apply. <input type="checkbox"/> I do not have money for investments <input type="checkbox"/> I cannot get any loans <input type="checkbox"/> I do not have enough labour forces <input type="checkbox"/> Land not available <input type="checkbox"/> Other: _____																								

12a	Do you want to have new land, with Red Book?	<input type="checkbox"/> No, I don't want to have (more) Red Books <input type="checkbox"/> Living area/ garden <input type="checkbox"/> Acacia <input type="checkbox"/> Rubber <input type="checkbox"/> Forest Protection <input type="checkbox"/> Rice paddy <input type="checkbox"/> Fish <input type="checkbox"/> Agricultural land																																																																													
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13a	Do you want to have new land, without Red Book?	<input type="checkbox"/> No, I don't want to have (more) land <input type="checkbox"/> Living area/ garden <input type="checkbox"/> Acacia <input type="checkbox"/> Rubber <input type="checkbox"/> Rice paddy <input type="checkbox"/> Fish <input type="checkbox"/> Agricultural land																																																																													
13b	If no, why not?	<input type="checkbox"/> I only want land with Red Book <input type="checkbox"/> I do not have money for investments <input type="checkbox"/> I cannot get any loan <input type="checkbox"/> I do not have enough labour forces <input type="checkbox"/> Land not available <input type="checkbox"/> Other _____																																																																													
14a	Did you in the last 15 years engage in one of the following courses of action regarding land transfer(s)/use and if yes, in which year? Please check the appropriate box.																																																																														
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14b	<b><u>If a.c.f.h.j:</u></b>  If you sold, leased or otherwise transferred land (temporarily) to others, for what reason?  Please choose 1 main reason	<input type="checkbox"/> Land was not productive (1) <input type="checkbox"/> Land was too difficult to use (to far away, to hard to access by trucks, other) (2) <input type="checkbox"/> Did not have enough capital to invest (3) <input type="checkbox"/> Did not have enough knowledge to invest (4) <input type="checkbox"/> Did not have enough labour (5) <input type="checkbox"/> To support others (children) (6) <input type="checkbox"/> Money was directly needed for something else (7) <input type="checkbox"/> A shock happened due to which I could not take care of the land anymore (8) <input type="checkbox"/> Other _____ (9)																																																																													
14c	<b><u>If a.c.f.h.j:</u></b>  If you sold, leased or otherwise transferred land (temporarily) to others, what was your previous ownership status of that land?	<input type="checkbox"/> I had a Red Book (1) <input type="checkbox"/> Land ownership was allocated but I did not have the Red Book in my possession (2) <input type="checkbox"/> I was using the land unofficially (3) <input type="checkbox"/> Other _____ (4)																																																																													
14d	<b><u>If b.d.i:</u></b>  If you bought, rented or otherwise gained possession of more land, for what reason? Please choose the main reason.	<input type="checkbox"/> To generate more income (1) <input type="checkbox"/> To diversify my income (2) <input type="checkbox"/> To live on (3) <input type="checkbox"/> For future investment (4) <input type="checkbox"/> To give to my children (5) <input type="checkbox"/> Other _____ (6)																																																																													
14e	<b><u>If b.d.i:</u></b>  If you have bought, leased or otherwise gained possession of more land other than by land allocation, where was this land located?	<input type="checkbox"/> Own village (1) <input type="checkbox"/> Different village in the same commune (2) <input type="checkbox"/> Other commune (3)																																																																													

15a	Are you planning to engage in the following 5 years in one of the following courses of action regarding land transfer(s)/use?						
	Living area/ garden	Acacia	Rubber	Rice paddy	Fish	Agricultural land	
	a. Leasing out the Red Book to others						
	b. Leasing the Red Book from others						
	c. Selling the Red Book						
	d. Buying the Red Book						
	e. Joint business efforts with forest enterprises						
	f. Transferring land to children						
	g. Mortgaging the Red Book (deposit for bank)						
	h. Informally selling or renting out land						
	i. Informally buying or renting land						
	j. Selling the young forest						
15b	<b>If a,c,f,h,i:</b>  If planning to sell, rent out or otherwise transfer land to others, for what reason? Please choose 1 main reason	<input type="checkbox"/> Land is not productive (1) <input type="checkbox"/> Land is too difficult to use (to far away, to hard to access by trucks, other) (2) <input type="checkbox"/> Do not have enough capital to invest (3) <input type="checkbox"/> Do not have enough knowledge to invest (4) <input type="checkbox"/> Do not have enough labour (5) <input type="checkbox"/> To support others (children) (6) <input type="checkbox"/> Money is directly needed for something else (7) <input type="checkbox"/> Other _____ (8)					
15c	<b>If b,d,i:</b>  If you buy, rent or otherwise get more land, for what reason? Please choose the main reason.	<input type="checkbox"/> To generate more income (1) <input type="checkbox"/> To diversify my income (2) <input type="checkbox"/> To live on (3) <input type="checkbox"/> For future investment (4) <input type="checkbox"/> To give to my children (5) <input type="checkbox"/> Other _____ (6)					
15d	<b>If b,d,i:</b>  If you will buy, lease or otherwise get more land other than by land allocation, where is this land located?	<input type="checkbox"/> Own village (1) <input type="checkbox"/> Different village in the same commune (2) <input type="checkbox"/> Other commune (3) <input type="checkbox"/> Do not know (yet) (4)					

**Answer question 16 only if you own/use forest plantation, rice paddy or other agricultural land (not garden land!)**

16a	Has the value of your land per ha increased or decreased in the last 10 years?	<input type="checkbox"/> Increased (1) <input type="checkbox"/> No change (2) <input type="checkbox"/> Decreased (3) <input type="checkbox"/> I do not know (4)
16b	If it increased or decreased, what is the main cause for the change? Please tick only one box.	<input type="checkbox"/> Increased land pressure (1) <input type="checkbox"/> Increasing cost of living (2) <input type="checkbox"/> Increased value of forest products (3) <input type="checkbox"/> Increased productivity (4) <input type="checkbox"/> Better legal framework for land ownership (Red Books) (5) <input type="checkbox"/> Better awareness among local households (6) <input type="checkbox"/> Infrastructure development (7) <input type="checkbox"/> Other _____ (8)
17	Which factors are positively influencing your ability to access forest and agricultural (rice paddy and others) land for your households use? Check those that apply	<input type="checkbox"/> Land quantity available for allocation in the village <input type="checkbox"/> Land availability for buying in the village / outside the village / outside the commune <input type="checkbox"/> Land availability for rent in the village / outside the village / outside the commune <input type="checkbox"/> Land availability through family <input type="checkbox"/> Other _____

**Note: if no rubber/ acacia plantation, continue to next section (question 23)**

18	If you have a rubber and/or acacia plantation Red Book, in which year did you get it?	<input type="checkbox"/> Acacia year _____ <input type="checkbox"/> Rubber year _____
19	If you have a rubber and/or acacia plantation, how many hectares (in total)?	<input type="checkbox"/> Acacia _____ ha <input type="checkbox"/> Rubber _____ ha
20a	If <u>acacia</u> (with or without Red Book), in which year did you to planted the first acacia trees?	Year _____
20b	Have you already harvested the acacia trees at least once?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
20c	If yes, after how many years do you harvest the trees?	_____ years
20d	If yes, what price did you get per hectare harvested? (most recent sale)	_____ VND
20e	Have you harvested at least twice?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
20f	If yes, was the price that you got for the latest harvest different from the harvest before?	<input type="checkbox"/> Yes, latest harvest price p ha was higher (1) <input type="checkbox"/> Yes, latest harvest price p ha was lower (2) <input type="checkbox"/> No, the price was the same (3) <input type="checkbox"/> I do not know (4)
21a	If <u>rubber</u> (with or without Red Book), in which year did you plant the first rubber trees?	year _____
21b	If <u>rubber</u> , have you already started harvesting the rubber?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
21c	If yes, after how many years (after planting) did you start harvesting?	_____ years
21d	If yes, are the prices that you get for your rubber changing?	<input type="checkbox"/> Yes, the price I get is increasing (1) <input type="checkbox"/> Yes, the price I get is decreasing (2) <input type="checkbox"/> Yes, the prices are going up and down (3) <input type="checkbox"/> No, I get always the same price (4) <input type="checkbox"/> I do not know (5)
22a	If <u>Red Book</u> , what has been the effect on your household of getting a plantation (acacia/ rubber) Red Book?	<input type="checkbox"/> Positive (1) <input type="checkbox"/> Negative (2) <input type="checkbox"/> No effect (3)
22b	If positive, can you explain? Check all that apply.	<input type="checkbox"/> Higher income <input type="checkbox"/> More stable income <input type="checkbox"/> More diverse income <input type="checkbox"/> Improved access to loans <input type="checkbox"/> Feeling of ownership <input type="checkbox"/> Other: _____

Livelihood activities		
23	What is the estimated annual income of your household?	_____ VND
24	What are the sources of income in your family? Please check all that apply and give the annual income	
	Source:	Income or hh consumption?
<input type="checkbox"/>	1. Agriculture (cereals, beans, cash crops, fruits, vegetable sale)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	2. Forest (forest product timber/firewood sale)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	3. Non Timber Forest Products (NTFP)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	4. Wage labour (skinning acacia, charcoal making etc.)	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	5. Fishing	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	6. Occupational work (Shoe-making, tailoring, ironwork, etc.)	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	7. Business (shop keeping) Profit only	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	8. Micro-enterprise/Handicrafts Profit only	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	9. Livestock (pig/ cow, milk, meat, etc.)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	10. Poultry	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	11. Beekeeping/ honey	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	12. Service/Pension (e.g. army )	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	13. Remittances within Vietnam (=money from family/relatives)	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	14. International remittances	<input type="checkbox"/> (Estimated) Income: _____ vnd
<input type="checkbox"/>	15. Nursery garden (vegetable, fruit, acacia, rubber seedlings)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	16. Herbs / spices (pepper etc)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	17. Seed (cereals, vegetables, herbs)	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	18. Rice wine	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)
<input type="checkbox"/>	19. Social welfare support (help for poor, etc)	<input type="checkbox"/> In goods and services (food etc) (1) <input type="checkbox"/> Both goods and services and money: _____ vnd (2) <input type="checkbox"/> Only money, income: _____ vnd (3)
<input type="checkbox"/>	20. Other:	<input type="checkbox"/> For hh consumption only (1) <input type="checkbox"/> Both hh consumption and selling: _____ vnd (2) <input type="checkbox"/> Only selling, income: _____ vnd (3)

Livelihood capital (Financial)	
25a	Have you borrowed (loan) any money during the past 12 months? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
25b	If yes, how much in total? _____ VND
25c	If yes, what is your monthly interest rate? (if more than 1 loan, take the biggest loan) _____ %
25d	If yes, where did you get the money? (Check all that apply) <input type="checkbox"/> Womens union <input type="checkbox"/> Agricultural organization <input type="checkbox"/> Agri Bank <input type="checkbox"/> Policy Bank <input type="checkbox"/> Friends/relatives <input type="checkbox"/> Other _____
25e	If yes, for what purposes? Please check all that apply <input type="checkbox"/> Farming/ animal raising <input type="checkbox"/> Marriage <input type="checkbox"/> Consumption <input type="checkbox"/> Investment in forest <input type="checkbox"/> Housing <input type="checkbox"/> Household products (vehicles, small/big machines etc) <input type="checkbox"/> plantation (rubber/acacia) <input type="checkbox"/> Foreign employment (migration) <input type="checkbox"/> Education <input type="checkbox"/> Other _____ <input type="checkbox"/> Off-farm/micro-enterprise <input type="checkbox"/> Health
25f	If no, why not? (main reason) <input type="checkbox"/> I want to loan, but I cannot loan (more) (1) <input type="checkbox"/> I do not need (another) loan (2) <input type="checkbox"/> I do not want to loan (more) (3) <input type="checkbox"/> Other _____ (4)
26a	Do you have plans to loan (more) money in the next 12 months? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
26b	If yes, for what purposes? Please check all that apply <input type="checkbox"/> Farming/ animal raising <input type="checkbox"/> Marriage <input type="checkbox"/> Consumption <input type="checkbox"/> Investment in forest <input type="checkbox"/> Housing <input type="checkbox"/> Household products (vehicles, small/big machines etc) <input type="checkbox"/> plantation (rubber/acacia) <input type="checkbox"/> Foreign employment (migration) <input type="checkbox"/> Education <input type="checkbox"/> Other _____ <input type="checkbox"/> Off-farm/micro-enterprise <input type="checkbox"/> Health
27a	If loan, do you have any problems with paying back your loans, including your interest rate? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
27b	If yes, what are the causes? Please check 1 main reason <input type="checkbox"/> High interest rate (1) <input type="checkbox"/> Unproductive investment of the money (2) <input type="checkbox"/> Other _____ (3)

28a	Do you have any savings (at home or at the bank?) <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
28b	If yes, how much in total? _____ VND

Livelihood capital (Human)																									
29a	Have you or any member of your household undertaken any agriculture or forestry-related training, or attended any exposure visits? <input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)																								
29b	If yes, explain																								
	<table border="1"> <thead> <tr> <th>Training nr.</th> <th>Type of training (code!)</th> <th>Who ran the training? (code!)</th> <th>How did you benefit (see code!)</th> <th>Duration (number of days)</th> </tr> </thead> <tbody> <tr> <td>I</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>II</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>III</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Training nr.	Type of training (code!)	Who ran the training? (code!)	How did you benefit (see code!)	Duration (number of days)	I					II					III								
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Livelihood capital (Relations)																																																																																																		
30	With whom of the following people or institutions did you have contact during the last 12 months?																																																																																																	
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Livelihood capital (Natural)		
31a	Are you living in the buffer zone of Bach Ma National Park?	<input type="checkbox"/> No (0) <input type="checkbox"/> Yes (1) <input type="checkbox"/> I do not know (2)
31b	Do you know where the boundaries of the National Park are?	<input type="checkbox"/> No (0) <input type="checkbox"/> Yes (1)
32a	How do you think that the creation of the Bach Ma National Park and its buffer zone has affected you?	<input type="checkbox"/> Negatively (0) <input type="checkbox"/> Positively (1) <input type="checkbox"/> I have not been affected (2)
32b	If positive or negative, please explain	   

Livelihood capital (Physical)		
33a	Do you irrigate your land?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
33b	If yes, what type of irrigation system do you use? Check all that apply	<input type="checkbox"/> Community canals <input type="checkbox"/> Privately owned canals <input type="checkbox"/> Stream/river <input type="checkbox"/> Well <input type="checkbox"/> Water pump <input type="checkbox"/> Other
33c	If yes, which types of land do you irrigate? Check all that apply	<input type="checkbox"/> Garden <input type="checkbox"/> Agricultural field <input type="checkbox"/> Rubber <input type="checkbox"/> Acacia <input type="checkbox"/> Rice paddy <input type="checkbox"/> Other

34a	Did you use any fertilizer (manure or chemical) on your land during the last 12 months?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No(0)
34b	If no, why not? Please check 1 main reason	<input type="checkbox"/> Not necessary (1) <input type="checkbox"/> Lack of knowledge (2) <input type="checkbox"/> Unavailable in time(3) <input type="checkbox"/> Expensive (4) <input type="checkbox"/> Fear of soil degradation (5) <input type="checkbox"/> Other (6)
34c	If yes, what kind of fertilizer?	<input type="checkbox"/> Only natural (manure)(1) <input type="checkbox"/> Only chemical (2) <input type="checkbox"/> Both (3)
34d	If yes, for what type of land? Check all that apply	<input type="checkbox"/> Garden <input type="checkbox"/> Agricultural field <input type="checkbox"/> Rubber <input type="checkbox"/> Acacia <input type="checkbox"/> Rice paddy <input type="checkbox"/> Other
34e	If chemical, how many kilograms in total?	kg
34f	If chemical, what was the total cost?	vnd

35a	Did you use pesticides during the last 12 months?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
35b	If no, why not? Please check 1 main reason	<input type="checkbox"/> Not necessary (1) <input type="checkbox"/> Lack of knowledge (2) <input type="checkbox"/> Unavailable in time (3) <input type="checkbox"/> Expensive (4) <input type="checkbox"/> Fear of soil degradation (5) <input type="checkbox"/> Fear of food getting unhealthy (6) <input type="checkbox"/> Other (7)
35c	If yes, for what type of land? Check all that apply	<input type="checkbox"/> Garden <input type="checkbox"/> Agricultural field <input type="checkbox"/> Rubber <input type="checkbox"/> Acacia <input type="checkbox"/> Rice paddy <input type="checkbox"/> Other
35d	If yes, what was the total cost?	vnd

36a	If <u>plantation</u> (rubber/ acacia), how long does it take to get from your house to your forest plantation? (Note: if more than one, take the plantation that is most far away)	minutes
36b	How do you go to this forest plantation?	<input type="checkbox"/> Walk (1) <input type="checkbox"/> Bicycle (2) <input type="checkbox"/> Motor bike (3) <input type="checkbox"/> Car (4) <input type="checkbox"/> Other (5)
36c	Is it possible for a truck to access (all) your plantation(s)?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)

37	Do you have electricity in your house?	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)
38	Which of the following assets/products do you have? Check all that apply.	<input type="checkbox"/> Radio <input type="checkbox"/> TV <input type="checkbox"/> Telephone <input type="checkbox"/> Plough <input type="checkbox"/> Grass chopper <input type="checkbox"/> (pesticide) sprayer <input type="checkbox"/> Bicycle <input type="checkbox"/> Motor bike <input type="checkbox"/> Tractor <input type="checkbox"/> Car/jeep <input type="checkbox"/> Truck/ bus <input type="checkbox"/> Other 1 <input type="checkbox"/> Other 2

Please continue at the next page.

<i>Shocks and coping strategies</i>			
39a	<b>During the last 12 months, have you or has your household suffered from any of the shocks listed below? How did you cope with that?</b>		
	Type of shock	Major coping strategies (see codes below!)	
		Strategy 1	Strategy 2
	<input type="checkbox"/> 1. Inundation of House (Flood)		
	<input type="checkbox"/> 2. Fire		
	<input type="checkbox"/> 3. Damage of house due to bad weather		
	<input type="checkbox"/> 4. Damage of trees due to bad weather		
	<input type="checkbox"/> 5. Poor agricultural production or harvest failure		
	<input type="checkbox"/> 6. Death/loss of livestock/poultry		
	<input type="checkbox"/> 7. Major illnesses in family		
	<input type="checkbox"/> 8. Death of HH member		
	<input type="checkbox"/> 9. Arrest of HH member		
	<input type="checkbox"/> 10. Divorce or Separation		
	<input type="checkbox"/> 11. Loss of job		
	<input type="checkbox"/> 12. Theft		
	<input type="checkbox"/> 13. Conflict inter/intra community		
	<input type="checkbox"/> 14. Loss of land		
	<input type="checkbox"/> 15. Force migration due to security		
	<input type="checkbox"/> 16. Irregular remittance		
	<input type="checkbox"/> 17. Others, specify _____		
39b	<b>Rank the 3 major shocks mentioned above (shock 1= most important)</b>	Shock rank 1	Shock rank 2
			Shock rank 3
	Coping strategies codes:	6. Sold small animals	13. Occupation change
	1. Use savings	7. Sold jewellery	14. Migrated to sell labour
	2. Cash Loans	8. Sold large livestock	15. Help from family/relatives
	3. Grains Loans	9. Sold standing crops	16. Help from (international) organization (e.g. Red Cross)
	4. Adjustment to meals	10. Sold acacia	17. Help from government (CPC etc)
	5. Farmland mortgaged/ leased out	11. Sold farm land	18. Migration
		12. Sold human labour	19. Do nothing
			20. Others, specify: _____
<i>Future plans</i>			
40a	Do you have any plans for the next 5 years?	<input type="checkbox"/> Yes (1)	<input type="checkbox"/> No (0)
40b	If yes, please explain:		
	_____		
	_____		
	_____		
<i>Further information</i>			
41	If necessary, can I contact you for further information?	<input type="checkbox"/> Yes (1)	<input type="checkbox"/> No (0)
42	Do you have any comments on this questionnaire?		
	_____		
	_____		

Thank you for your participation!



Appendix 4 Tables and figures

Figure 4.4a Types of training followed by hh's in Thuong Lo and Huong Loc

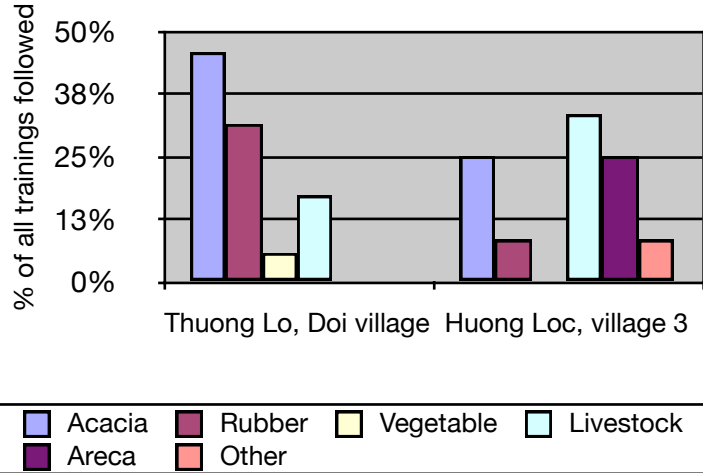


Figure 4.4b Organisations responsible for training

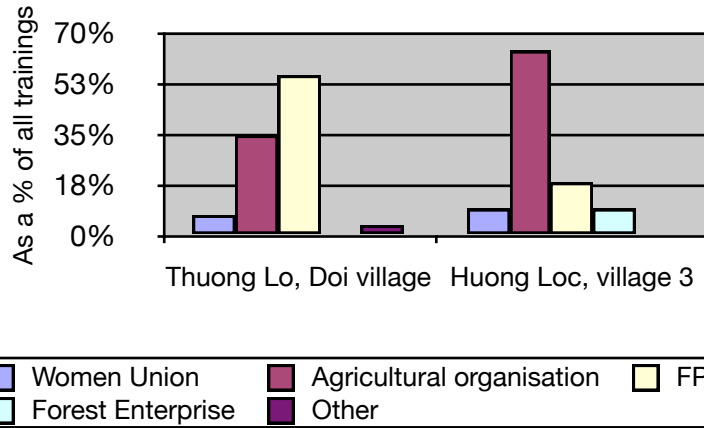
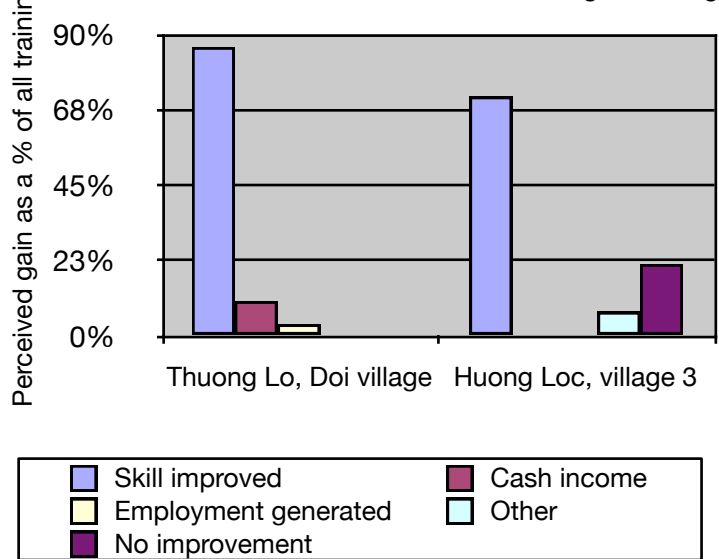
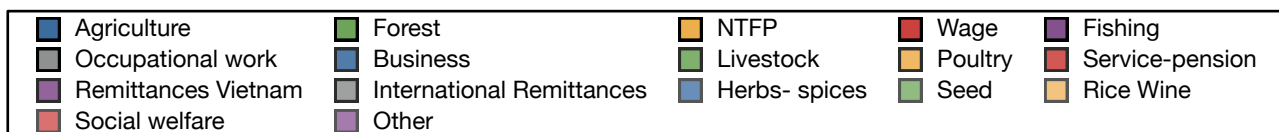
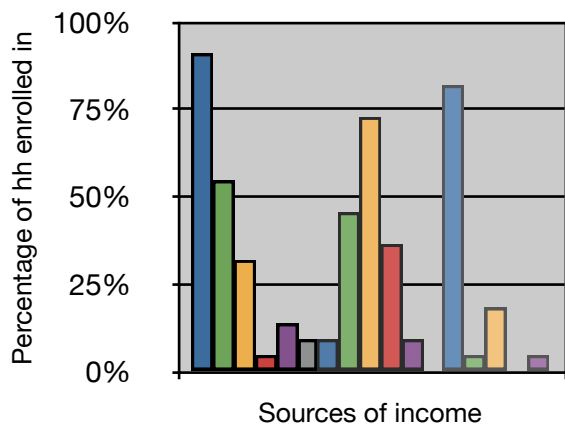


Figure 4.4c Perceived benefits from forest related training in Thuong Lo and Huong Loc

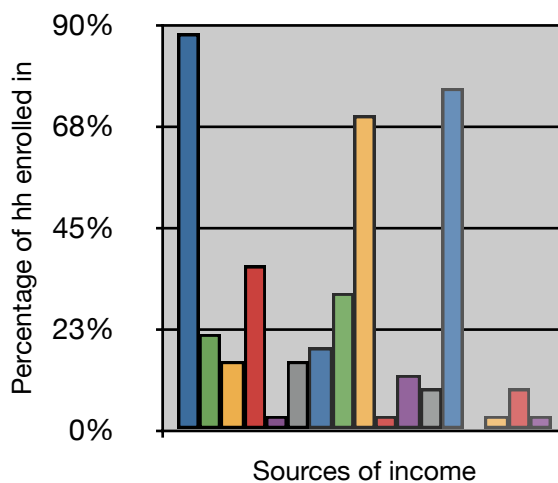


Source: Questionnaire

**Figure 4.5a Sources of income in Thuong Lo, Doi village**

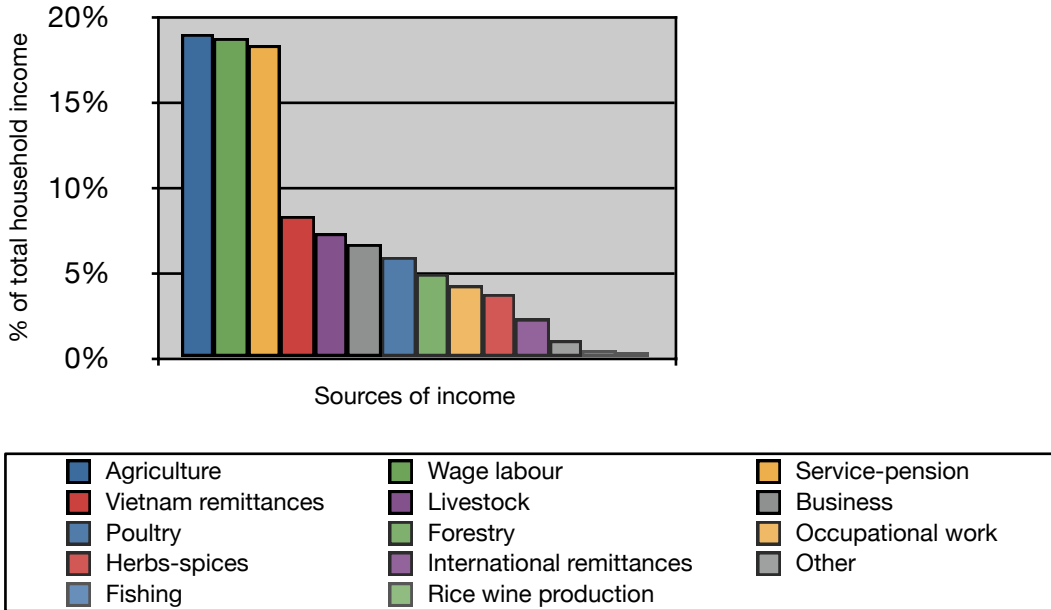


**Figure 4.5b Sources of income in Huong Loc, village 3**

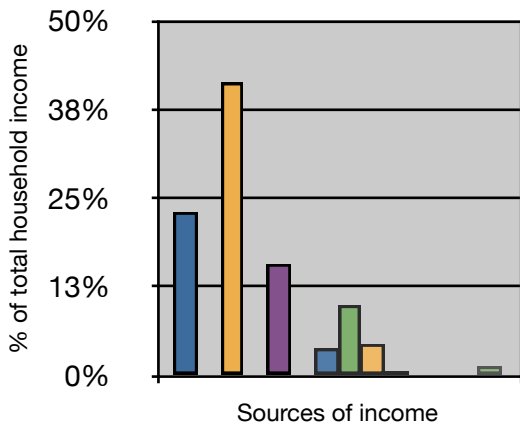


Source: questionnaire, note that the scale used in each figure is not the same.

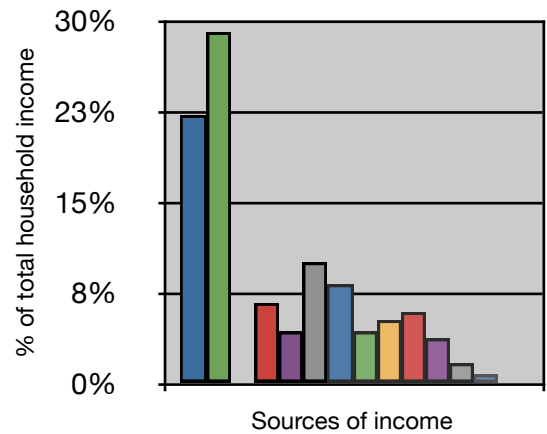
**Figure 4.6a % of total household income in Thuong Lo, Doi village & Huong Loc, village 3**



**Figure 4.6b % of total household income in Doi village**



**Figure 4.6c % of total household income in village 3**



Source: Questionnaire. Note that the scale used in each figure is not the same. For example, where it seems that the agricultural part of the total income is much higher in village 3 (Thuong Lo) than it is in Doi village (Huong Loc), this is not the case. Instead, they are relatively comparable, though there is still a small difference.