

# Vietnam Land Administration – Views from Poverty Alleviation & SME Development

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# Paper presentation introduction

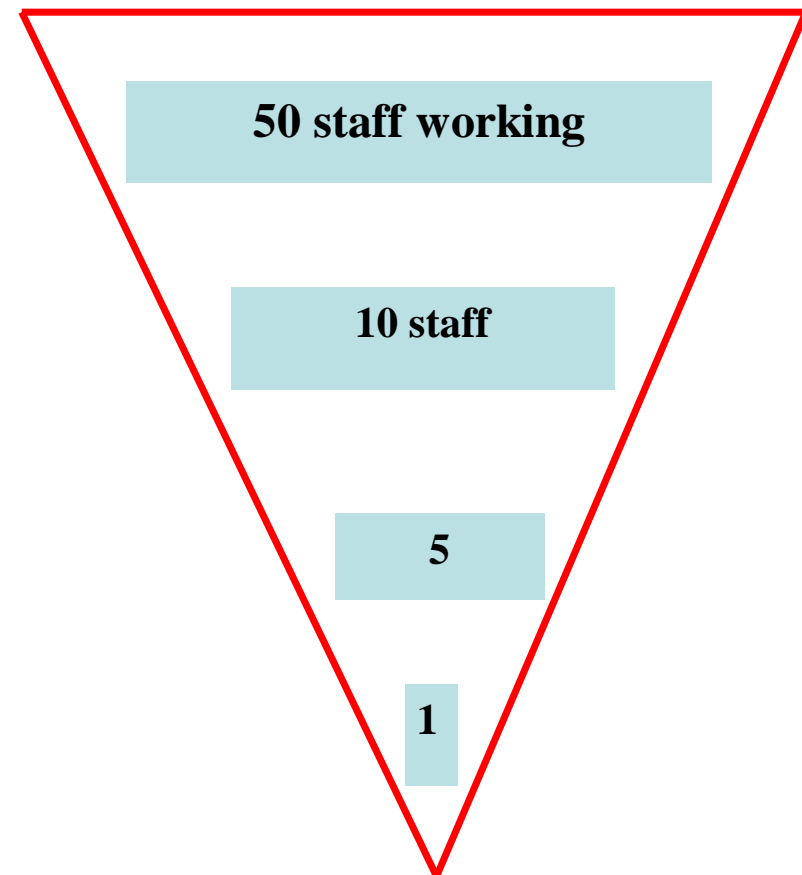
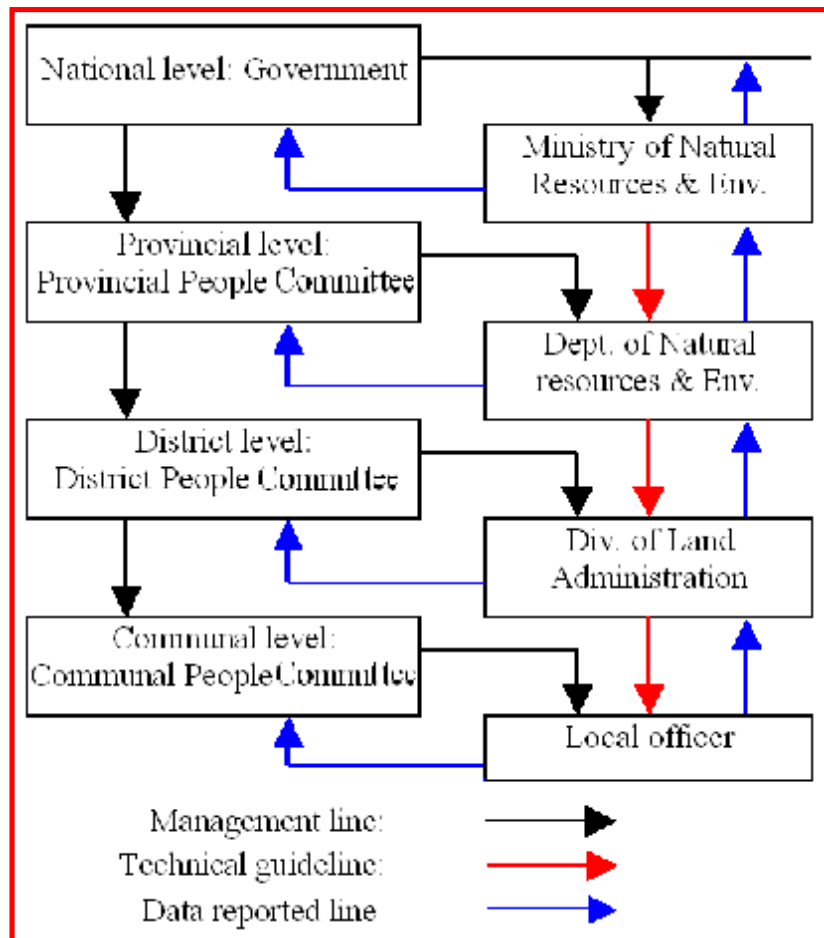
- I. Vietnam land administration
- II. Poverty alleviation view
- III. Small&Medium Enterprise view
- IV. Conclusions

# I - Vietnam Land Administration (LA)

- Open door policy, land to individual use 1988
- Land Law 1993 recognized 5 land use rights
- Further development to Land Law 2003
- Speed up by setting up Land Titling Office
- LA is more requested for socio-economic development plans
- Organizations structure

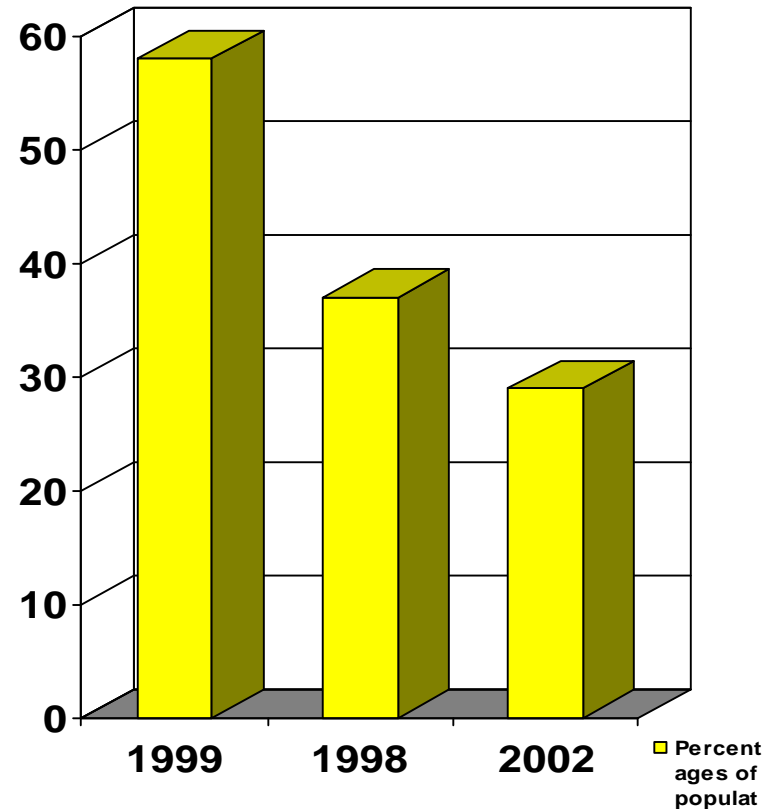
# I - Vietnam Land Administration

Institutional & Organizational structure at 64 provinces, 615 districts & > 10000 communes



## II - View from poverty alleviation Literature review

- Vietnam land allocation does favor the “land-poor”. There is no obstacle from local government.
- The impact of land allocation in poverty alleviation



Percentages of people living under poor line

## II - View from poverty alleviation

### Literature review

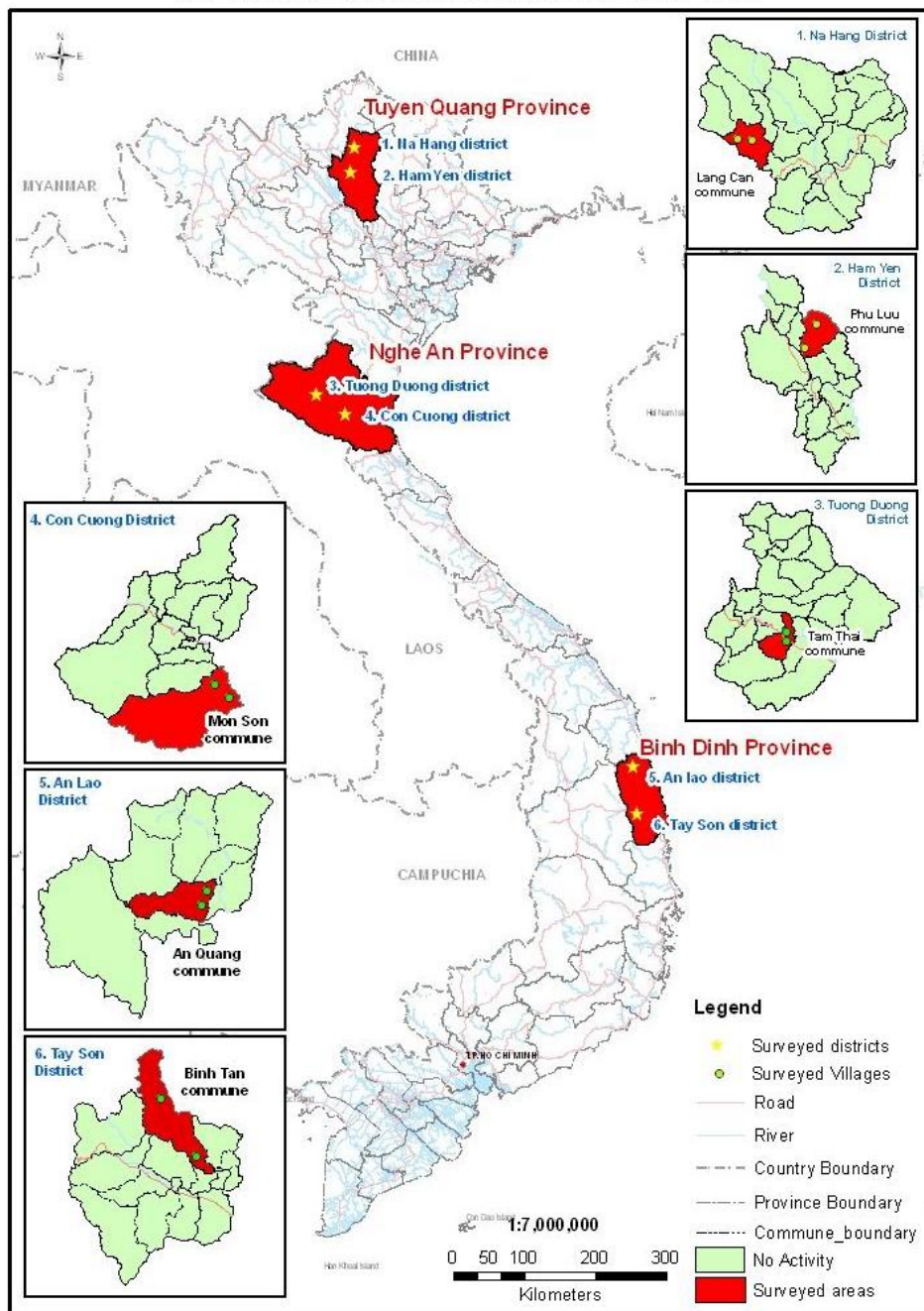
- New policy in forestland does not clearly affect but strongly impacts the hungry household, because, the hungry household relies deeply on slash & burn
- Progress of forestland & upland registration with LTC are limited in both ha & number LTC.
- To 2004, 97.4% agricultural land granted has LTC. Whereas, only 35% of allocated forestland area received LTC.

## II - View from poverty alleviation

### PEN II – Study objectives

- Funded by WB from Jul04-Jul05, implemented by a Vietnamese consultant TECOS. First main findings were published in Jul05.
- Obj 1: Analyze the linkages between poverty & environment in association with land management & land use change
- Obj 2: Assess the need for environment & poverty impact monitoring on the Land Law, & to foster the commencement of monitoring work.
- Obj 3: Support in the implementation of Land Law 2003 & the preparation of the future land code.

## AREAS SELECTED FOR FIELD SURVEYED PEN II



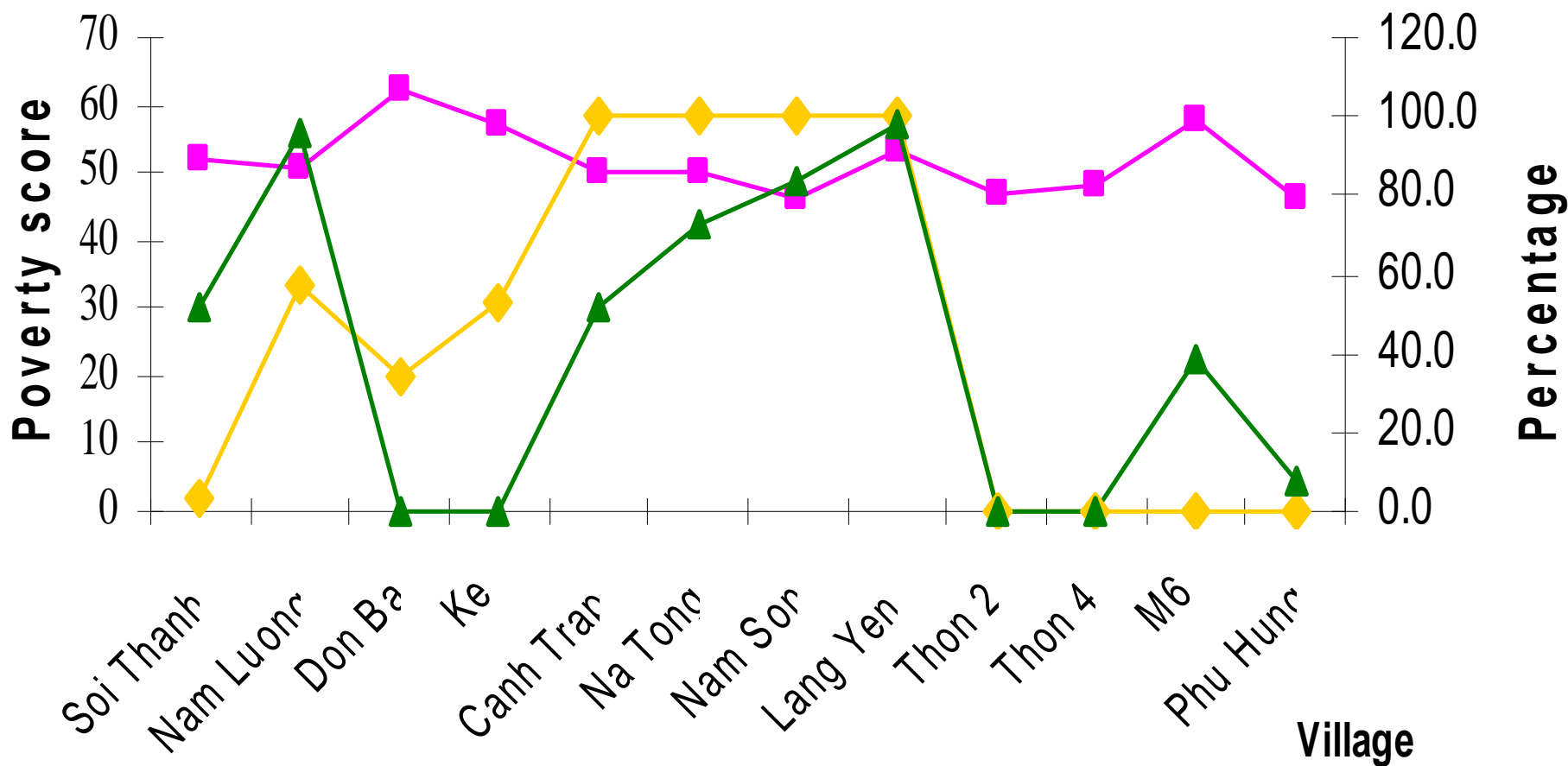
- Study at national & local level.
- DB of land, socio, poverty & other relevant data to land, poverty, & env. at district & provincial level for whole country.
- Case study: 3 provinces, 6 upland districts, 6 communes, 12 villages & 261 households in-dept interviewed.
- Qualitative & quantitative analysis.



# Findings (only in 3 case study provinces) 1: There is various results of forest land allocation for poverty alleviation

- Limited & varied in implementation & outcomes.
- Tuyen Quang: Forestland was allocated with forest book in 1994. No plan to convert these books to LTC. Forest officers & State Forest Enterprise (SFE) are key.
- Nghe An: Forestland was allocated with forest book since 1992, completed in 2004. Has plan to convert all these books to land title, land officers is key
- Binh Dinh: Forestland was not fully allocated to local people. SFEs, land officers & forest officers are key.

Proportion of forest land and HHs have LTC for forest land



- Total poverty score of P-E indicators
- ◆ Proportion of HHs with LTCs on forestry land (green book)
- ▲ Proportion of forest land per total area

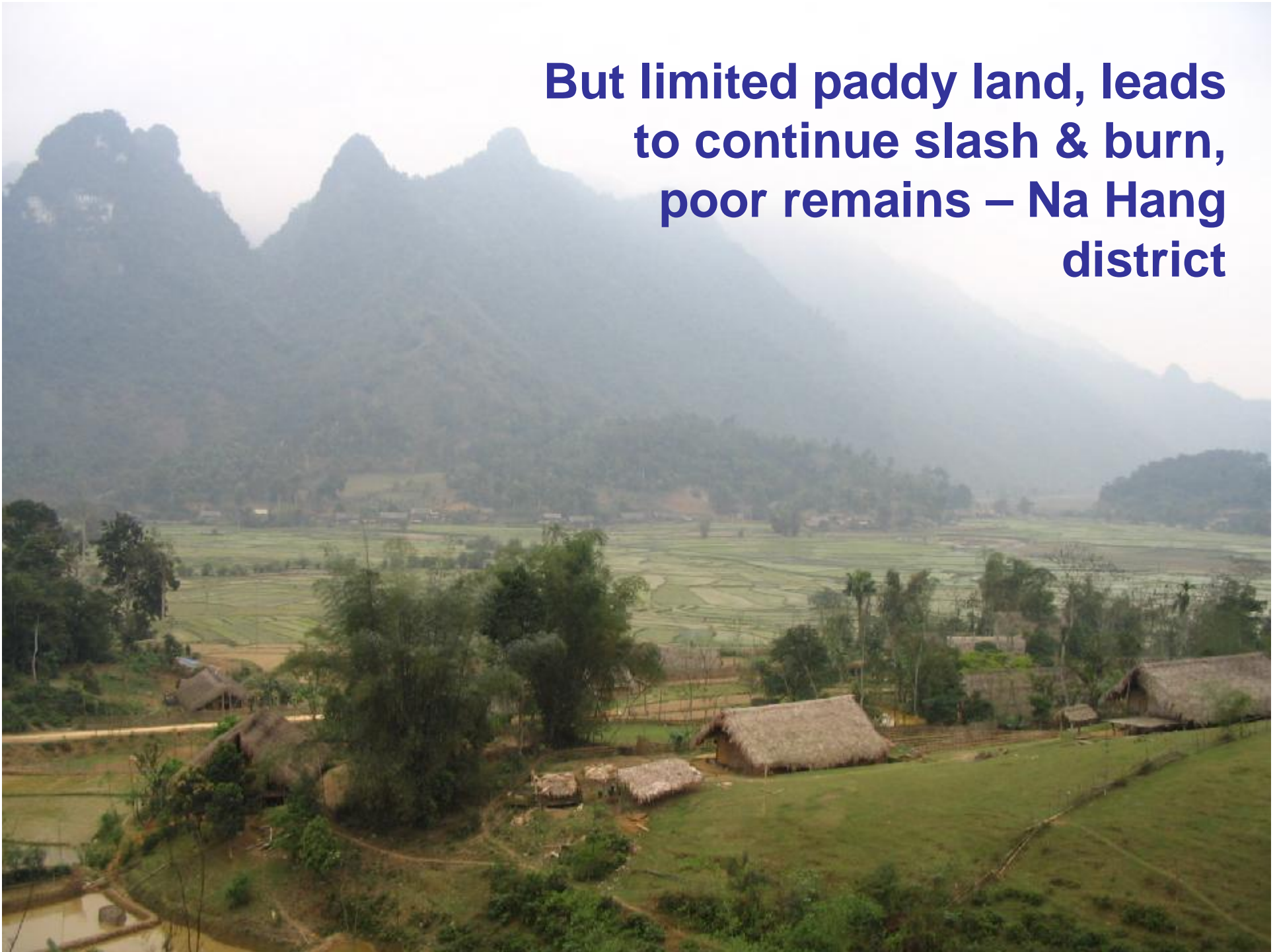
## Findings (only in 6 districts case study) 1:

- Na Hang: Forestland allocated but having little paddy land, Dzao group continues slash & burn
- Ham Yen: Forestland allocation creates positive impact on poverty alleviation but creates negative impact on env.
- Con Cuong & Tuong Duong:
  - Become a good tool to restrict slash & burn & to manage the conversion from forest to non-forestland
  - But, poor people is facing more challenges
  - Facilitating the rotational cultivation, but limited area allocated leading less results.
- An Lao & Tay Son: whether allocated or not, local people still continue the slash & burn cultivation

## Forestland in Na Hang district



**But limited paddy land, leads  
to continue slash & burn,  
poor remains – Na Hang  
district**

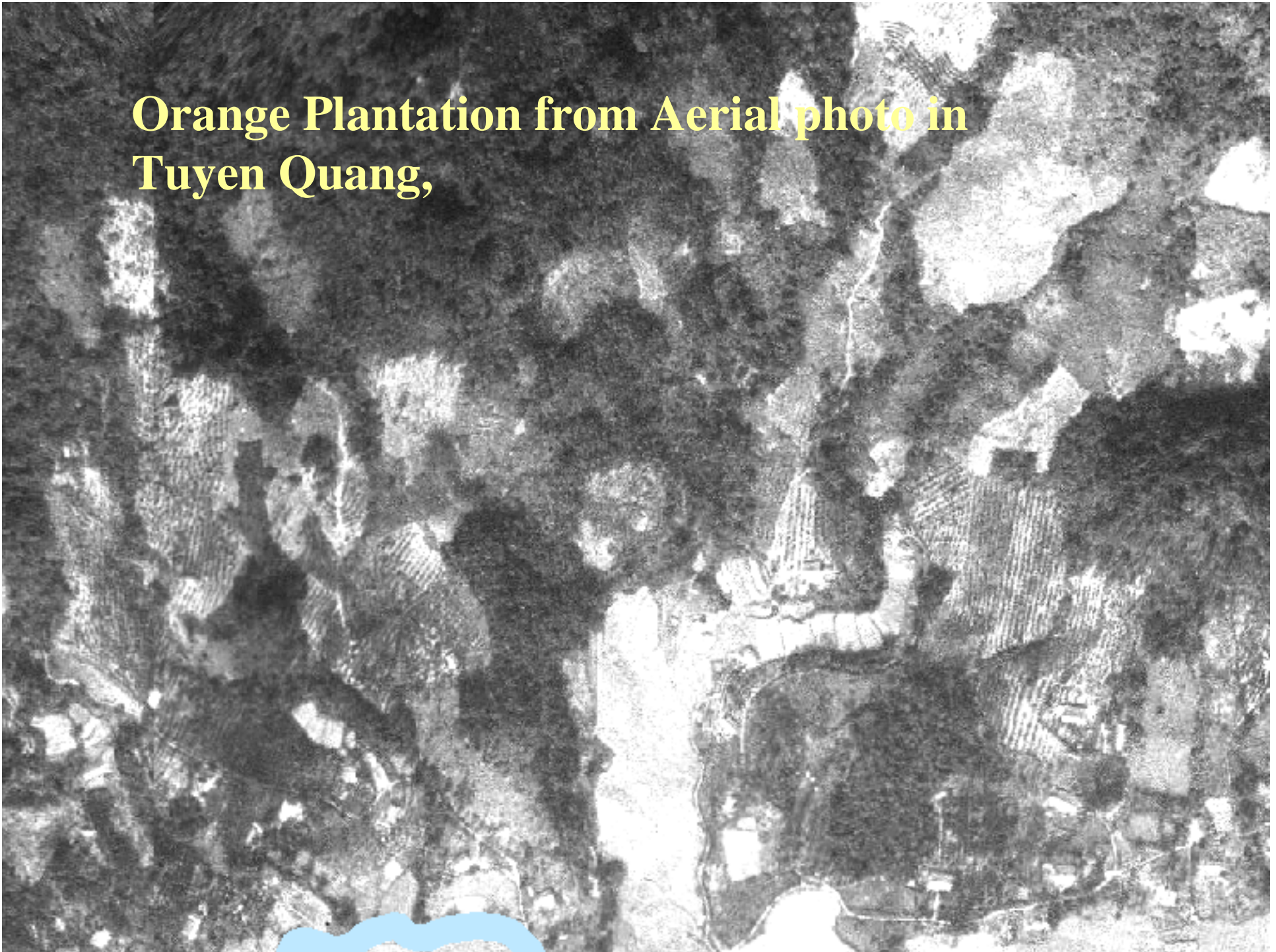




**Orange plantation**

**Nam Luong – Phu luu – Tuyen Quang**

**Orange Plantation from Aerial photo in  
Tuyen Quang,**



Whether allocated or not, local people still continue slash & burn cultivation/ An Quang – Binh Dinh





## Findings (only 6 case study districts) 2: Land registration does not yet fully play a key role in poverty alleviation at upland area

- LTC issuance encourages people in reclaiming land.
- Local people have a better awareness of LTC. But considers LTC just means for obtaining loan mortgages from the bank.
- The poor people cannot refund the first loan - the role of LTC is terminated.
- This leads no opportunity to land market & land rental market development.

## Findings (only 6 case study districts) 3: Land use planning is still win-win situation for poverty alleviation

- In principle, LUP is prepared, verified, monitored & implemented with local people participation
- However, current LUP is limited in both quality & quantity in case study areas.
- Furthermore, the participation of local people is hardly observed in the case study area. The ability of implementation LL2003 at local level is still a question.
- Different results of LUP in case study districts

Low quality of forest land use plan

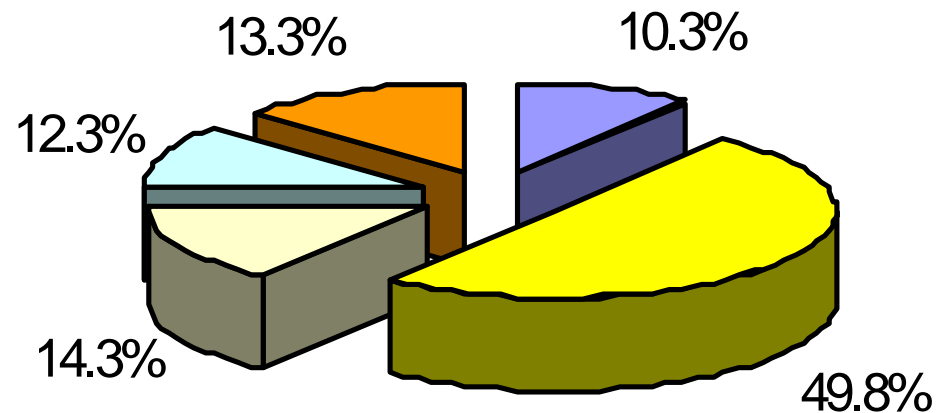


### III – View from Small & Medium Enterprise

#### Analysis the feedback from SME on LL2003

- May 2005, > 130,000 registered SME (97% of total business enterprises).
- Annually, SME contributes 26% of GDP & creates jobs for about 25% of total labor
- What areas & to what extent does SME have questions?
- What are main reasons & to what extent can those question be solved in the future?
- Collect data from internet & 2 workshops answering the complains on land. 154 SME with 203 complain questions on land issues.

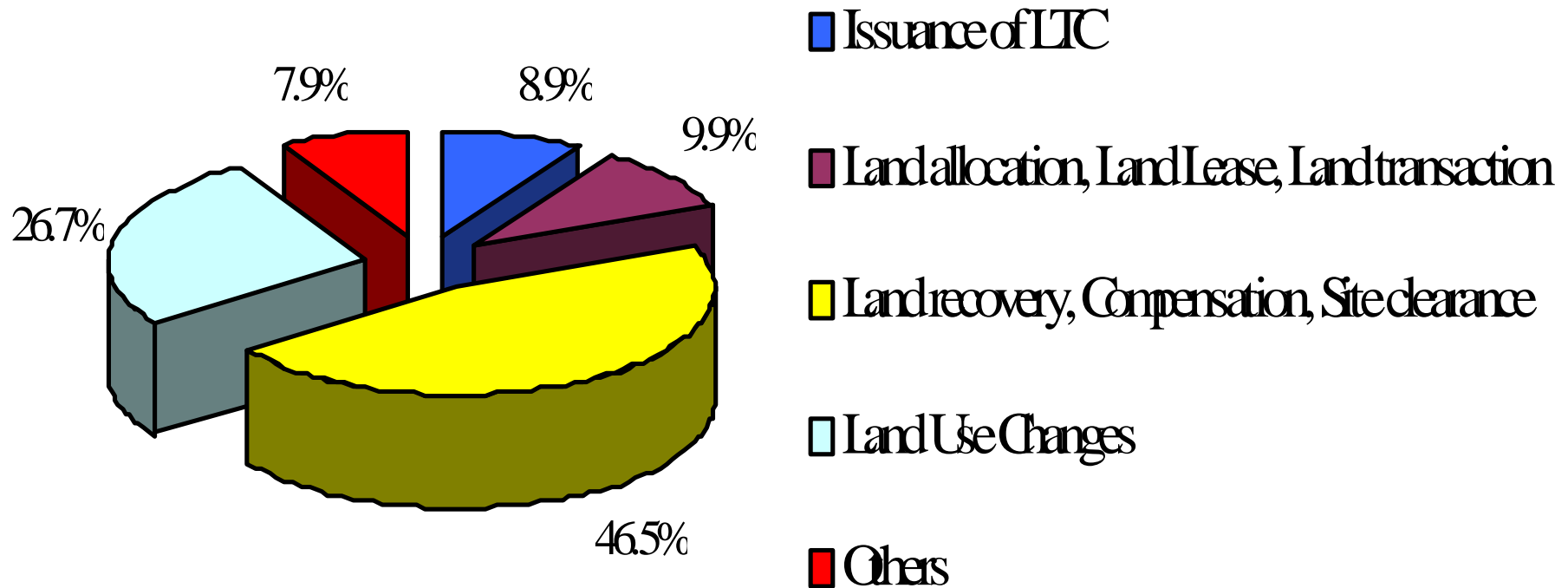
# What areas and to what extent does SME have questions?



■ Land demand ■ Adm procedures ■ Land price ■ Policy ■ Others

Answer: SME has questions mainly on five groups & its percentages in the figure

More detail in administrative procedure group, SME has questions & its percentages as the below chart



What are main reason and to what extent can those question be solved in the future?

## For administrative issue

- There is still some cumbersome processes in the legal framework, & in the technical guidelines for LL2003 implementation – Could be solved in near future with new versions.
- Depend on the ability of local agencies for implementation of LL2003 – More difficulties for Vietnam is diversity conditions, limited capacity at local level.

What are main reason and to what extent can those question be solved in the future?

## For Land price issue

- LL2003 has increased the land price (toward the open market) – eg. from 11M VND to 47MVND/m<sup>2</sup> of renting in Hanoi. Increase 57%of government budget from land.
- Question from a command system to open market
- If it is market value then let market decide it
- How far Vietnam be firmied with the market direction



What are main reason and to what extent can those question be solved in the future?

For land demand

- Difficult to answer in near future
- At moment it is not a biggest number (only 10%) but near future could be more
- Questions on administrative issues will be reduced & this will correspondingly increase.
- The need for a proper LUP in urban area

## IV - Conclusions

- The above studies contribute some results but impossible to generate a solid conclusion for these issues – more study needed.
- Vietnam LA has achieved significant results in reform process, poverty alleviation in upland, & supported SME development.
- In upland, LUP has more important role > land registration in poverty alleviation.

# IV - Conclusions

- The quality & quantity of LUP are obviously needed for poverty alleviation & SME development.
- Administration reform only is not enough LA establishment, but need to be carried out in related other fields.
- Vietnam should continue their work in LA development. Innovative as Land Law 2003 (toward an open market direction, to the needs of local levels), are encouraged to be continued.