Land Conflicts in Emerging Suburban Areas in Viet Nam: Causes and Effects

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Abstract
This research takes the initial steps toward understanding the causes and effects of land conflict in Viet Nam after the enactment of the 2003 Land Law and its subsequent amendments in 2013. It examines institutional arrangements that govern land rights security but may have created biases toward different land users when there are conflicting land use purposes. The paper draws upon data from two large sample surveys in Viet Nam (the citizen-perception-based Vietnam Provincial Governance and Public Administration Performance Index and the firm-perception-based Provincial Competitiveness Index) in informing potential treatments towards citizens and firms as land users. The findings presented in this article imply more work needs to be done to improve land transparency for citizens, who play critical roles in securing regime legitimacy and contributing to the sustainable development of Vietnam. It also suggests the need for a more level playing field for the society and the market in relation to the State in land governance to mitigate potential conflicts in Vietnam.

Keywords
Land conflict, land governance, land institutions, land policy, Vietnam Provincial Governance and Public Administration Performance Index, and Provincial Competitiveness Index
Background

Land has become a heated issue in contemporary Vietnam since the country embarked on robust economic reform in the early 1990s. The rapid pace of economic development over the past two decades, in tandem with fast modernization and urbanization across the country, has made land a hotspot for rent-seeking among government officials and real-estate developers (NEU and UNDP, 2016). Correspondingly, land acquisition for ‘development purposes’ has become a looming source of frustration and discontent among conventional land users, who too often are farmers and the poor living in the suburban areas. Complaints and denunciations regarding land confiscation, clearance and compensation are reported to account for nearly 68 percent of 28,428 complaints and denunciations the Government of Vietnam received in the first nine months of 2019, an increase by nearly 6 percent from 2018 (Dai Bieu Nhan, 11 November 2019; Phap Luat, 12 October 2019). Misappropriation of land was the second most prevalent type of wrong doing in 2019, according to the Government Inspectorate upon their investigations into complaints and denunciations (Hanoi Government Portal, 13 January 2020). The 2003 Land Law and the 2016 Law on Access to Information require that master land plans and annual land plans be consulted before being approved and must be publicized for public access. Also, by law, any adjustments to land plans must be announced for public consultation and consent. However, according to the Viet Nam Provincial Governance and Public Administration Performance Index (PAPI) in 2019, which captured the voice of over 14,100 randomly selected respondents in all 63 provinces in the country (CECODES, VFF-CRT, RTA and UNDP, 2020), less than 20 percent of the population was able to access information about local land use plans and less than five percent had opportunities to provide comments on land plan revisions.

Vietnam has had a long history of land conflict and land-related conflict (Kerkvliet, 2015; Kerkvliet, 2019). In response, generations of Vietnamese governments have attempted to implement land reforms. Over the past 20 years, as Vietnam has further integrated into the world economy, land reform has always been on the table to promote increased political legitimacy, business interests, and public concern. With its economic growth rates ranging between 6.8 percent and 7 percent from 2000 to 2019, and foreign direct investment increasing by more than 12-fold from 1.298 billion USD in 2000 to 20.4 billion USD in 2019, while the population growth has increased from 80 million people to nearly 96.5 million people by 2019 (General Statistics Office of Vietnam 2019), land for different socio-economic development purposes has become ever more scarce.

Regarding land reform, since the 2003 Land Law, more land tenure protection mechanisms have been introduced. The most recent amendment to the Land Law was in 2013, when the distinction between land for perennial crops and land for annual crops and aquaculture was lifted so that farming households and individuals can use land for farming for up to 50 years...
cumulatively for both types of land. This differs from the previously defined terms of only 30 years for perennial crops and 20 years for annual crops. Under the 2013 Constitution and the 2013 Land Law, land remains under the entire population’s ownership, but under the State’s management (or owned by the State in a practical terms), and the State retains the power to seize or lease land for socio-economic and national defense purposes.

However, such land tenure protection mechanisms have rarely been implemented, as proven in the rising contemporary discontent with land policy and local government those who have experienced land seizures and other citizens. Worse still, land conflict involving violence and clashes between land users and the government and land users and businesses are on the rise in terms of their scope and scale over the past decade. Based on the Armed Conflict Location and Event Data Project (ACLED) (2020) dataset, since 2010 there have been 20 large cases of land conflict that have attracted the international media. Of these, seven have taken place in the capital city of Ha Noi, one in the southern economic and commercial hub of Ho Chi Minh City, while others have occurred in newly-industrialized provinces like Bac Ninh in the north and Binh Duong in the south. The most recent large-scale land conflicts involved four people killed in Ha Noi (BBC World News, 16 January 2020; Vietnam Plus, 13 January 2020) and important government officials in Ho Chi Minh City facing court charges for land mismanagement (Hanoi Times, 9 January 2020) in a massive land confiscation project for urban development that resulted in 15,000 people losing their land rights (Asia News, 28 May 2018). These, among other large- and small-scale land clearance projects for industrial and specialized export zones across Viet Nam, may explain why many central government officials and the public alike fear that Viet Nam’s political stability and sustainable development are at risk (The Economist, 15 June 2017; Kien Thuc, 18 January 2020).

The root causes of land being misappropriated and land conflict vary and will be explored through this study’s literature review and data analysis. There may be information asymmetry from both the government’s and the market’s sides (i.e., the lack of transparency in land planning and acquisition schemes), low state-defined land compensation schemes, government-business collusion in real-estate development/industrial zoning, and corruption. Nevertheless, the volatile land governance environment is visible through conflict-prone risks as a result of fiercer competition for more scarce land resources between industrial and urbanization development sectors and social and livelihood considerations.

Research Objectives

The objective of this research is to bring new evidence to bear on the following primary research questions:
(1) What are the institutional arrangements in securing land tenure in Viet Nam since 2004 after the 2003 Land Law took effect? How do formal and informal institutions interact where land rights security is concerned?

(2) What are main causes and effects of land conflicts? Why are land conflicts rising? What are the types and prevalence of contemporary land conflicts, especially over land tenure? Which political, social, and economic factors have driven land conflicts?

(3) How can available analytical work and data inform current policy debates and reforms to mitigate land conflicts in Viet Nam?

The research is done through analysis of survey data from two prominent citizen and business surveys in Viet Nam. These data sources include the citizen-perception-based Vietnam Provincial Governance and Public Administration Performance Index (PAPI)\(^1\) and the firm-perception-based Provincial Competitiveness Index (PCI\(^2\)). This study also involves a review of PAPI and PCI data from four land conflict-prone provinces, including Ha Noi and Bac Ninh in the North, and Ho Chi Minh City and Binh Duong in the South (see Appendix A for briefs about the four selected provinces). This research seeks to provide evidence-based policy options for ongoing land reform discussions, which should aim to mitigate land conflicts in Viet Nam as well.

**Research Methodology**

This study applies three primary research methods. First, it reviews Viet Nam’s contemporary legal and institutional arrangements for land governance, in which the State, the market, and the society interact to govern land tenure. It also situates the review in broader global policies and practices that influence Viet Nam’s land administration since 2004. In this section, land conflicts happening over the past two decades will be reviewed to better understand what factors have led to land conflicts in Viet Nam from the institutional perspective. International and domestic literature about land conflicts in Viet Nam and other countries will be examined to inform the selection of factors to investigate further in the study.

Second, the study uses available large datasets to examine which factors motivate or hinder the application of land tenure protection mechanisms, thereby leading to land conflicts and/or peaceful land seizures in Viet Nam. The attributes may be political, social, economic, or cultural in nature. To obtain possible findings about those factors, this study will use UNDP Viet Nam’s 2011-2019 Provincial Governance and Public Administration Performance Index (PAPI) datasets that collect citizen experience and perceptions and the Vietnam Chamber of Commerce and Industry’s 2011-2019 Provincial Competitiveness Index (PCI) datasets that collect domestic and foreign invested businesses’ perceptions. In addition, where possible, Viet Nam’s 2019 Census on Housing and Population (General Statistics Office, 2019) will be cross-referenced.
Finally, a case study approach will also be employed to understand land tenure and land conflicts in Viet Nam. For this study’s investigation of suburban land problems, the four most populated and fastest industrializing provinces were selected. Ha Noi, Bac Ninh, Ho Chi Minh City, and Binh Duong were selected because they have been more prone to frequent land conflicts due to conflicting use of land for development (i.e. housing, industrial, and farming) in suburban areas.

**Institutional mechanisms in securing land tenure in Viet Nam after the 2003 Land Law**

This section provides a snapshot of formal institutions framing land tenure protection after the 2003 Land Law took effect in 2004 and was revised in 2013. It briefly describes how the 2013 Constitution and the effective Land Law define land ownership and de-jure mechanisms in securing land rights for users in the single-party, authoritarian state of Viet Nam. It also reviews available literature about the interplay between formal constraints and informal norms regarding the understanding of land tenure security by different stakeholders.

Under the latest constitutional definition of land ownership by the 2013 Constitution and the 2013 Land Law (National Assembly of Vietnam 2013), land in Viet Nam remains a type of “public property, owned by all the people, and represented and uniformly managed by the State” (Article 53, 2013 Constitution). As further defined by Article 54 of the 2013 Constitution,

“1. Land is a special national resource and an important resource for national development, and is managed in accordance with law.

2. The State shall allocate or lease land to, and recognize land use rights of, organizations and individuals. Land users may transfer land use rights, exercise their rights, and perform their obligations in accordance with law. Land use rights shall be protected by law.

3. The State may recover land currently used by organizations or individuals in case of extreme necessity prescribed by a law for national defense or security purposes; or socio-economic development in the national or public interest. Land recovery must be public and transparent, and compensation must be paid in accordance with the law.

4. The State may requisition land in cases of extreme necessity prescribed by a law to perform national defense and security tasks or during a state of war or a state of emergency, or in response to a natural disaster.” (emphasis in bold added)

Although individuals and organizations have an equal right to access and acquire land use according to the Constitution, there is variation by groups of land users. State organizations (including state-owned enterprises), which are formally defined as legitimate users, can access land use nearly automatically, as state bodies representing the public interest. In contrast,
individuals need to apply for land use rights certificates (LURCs) for farmland or residential land use for a certain period. For farmland, users can use a plot of land for up to 50 years (Article 129 of the 2013 Land Law). Meanwhile, for residential land, users can lease land as long as they wish but need to apply for LURCs (Articles 100 and 101). State agencies are treated as long-term users, similar to ordinary citizens leasing land for housing.

According to the 2013 Constitution’s (Article 53) and the 2013 Land Law, businesses can hold long-term leases up to 70 years and, in some special cases, up to 99 years in the form of LURCs which allow them to sell, exchange, lease, and mortgage the land. Foreign businesses can obtain LURCs by partnering with a Vietnamese company (state-owned or privately-owned) that provides the LURC as part of its joint venture contribution. They can also lease directly from state-permitted lessors, such as a national or provincial government authority. The LURCs vary in their tenure length but often last between 50 and 70 years and can be renewed after expiration. In addition, foreign-direct investors obtain their business premises through short-term rental or leases that are renewed on an annual or biannual basis.

As Pham, D. N. (2017) observes, the 2013 Constitution took a step towards a free market economy by recognizing the decisive role of the market in the national economy. The Constitution emphasizes the importance of the private sector and promises that the once-secondary sector is treated fairly among all other economic sectors, as opposed to how it was previously defined. That said, the 2013 Constitution also reaffirms the leading role of state-owned enterprises and preserves the ambiguous “ownership of the entire Vietnamese people of land and natural resources.” This makes it challenging for organizations and individuals to feel secure about their property rights, including rights to land as a property for long-term investment, lease, transfer, mortgage, and/or collateral.

Such reforms have been, in part, responsive to international development agendas introduced by development banks like the World Bank. The World Bank’s agenda in 2008 in their Vietnam Land Administration Project, for instance, included improvement in land administration, land tenure coverage, land administrative services, and access to loans through titles as mortgages (The World Bank, 2015; The World Bank, 2011). As a follow-up, in 2016 the World Bank and the Government of Viet Nam launched the Improved Land Governance and Database credit project with the objective of improving the efficiency and transparency of land administration services in the Project Provinces through the development and implementation of the national Multipurpose Land Information System.

The interplay between such land policy reforms and informal norms in urban and suburban areas remains an area of interest for empirical research. One study conducted by Nguyen Van Thang et al. (2017) and commissioned by the United Nations Development Program in Viet Nam in 2016, presents five case studies of the interface between formal mechanisms in land
seizures and informal reactions from those who had their land seized. The study found corrupt norms among public officials at different levels and firms involved, as well as reactionary practices among those affected by land acquisition for land development under government-private partnerships—a rapidly growing type of land investment in Viet Nam.

Specifically, four types of corruption were found: village norms, black market, bid collusion, and policy corruption. “Village norms” arise when discretion is low and firms are forced or volunteer to pay informal charges to get access to land for their development projects. This type of corruption mostly involves bribery, which is used to bypass administrative procedures. The “black market” type happens when public officials have used the power of discretion for private gain. “Bid collusion” happens when public officials collude with their private sector partners to nullify policies, i.e., by implementing the policy artificially or by delaying tendering activities. The study also found “policy corruption,” where local government officials colluded with their partners to develop policies for their private gain. These types of corruption are a main cause for land conflicts in the case studies the research investigated, particularly in the Greenpark nuclear city [sic] near Ha Noi.

**Land Conflicts: Causes and Effects**

What triggers land conflicts in Viet Nam? This section aims to answer a set of questions. First, what are the main causes and effects of land conflicts? Second, why are the number of land conflicts increasing in recent years? Third, what are the types and prevalence of contemporary land conflicts especially over land tenure? And, fourth, at which scope and scale have land conflicts occurred, over both residential and farmland in suburban areas?

In this paper, the definition of the term ‘land conflict’ presented in USAID’s 2013 paper by John Bruce and Karol Boudreaux (2013) is used. It defines “‘land conflict’ as involving competing claims to large areas of land by groups, of a breadth and depth not easily resolved within existing law. There is often no consensus on the rules to be applied, and the parties may have quite different understandings of the nature of the conflict.” That paper further explains that “‘conflict’ implies tension and the danger of violence, but not violence unless this is specified. Longstanding potentials for conflict based in structural or other fundamental problems may be the result of “trigger” events turned violent.” Since this paper focuses more on human-made rather than natural triggers and catalysts, it adopts USAID 2013’s explanation. Also, natural calamities are beyond policy-makers’ control, apart from, perhaps, making and implementing more environment-friendly policies.
### Table 1: An Analysis of Causes and Effects of Land Conflicts in Viet Nam

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Causes</th>
<th>Immediate Effects</th>
<th>Long-term Effects</th>
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<tbody>
<tr>
<td>Political</td>
<td>Land as everyone’s property under the State’s ownership by 2013 Constitution</td>
<td>Pressure for political legitimacy of the Communist Party-State in securing its socialist-oriented market economy approach</td>
<td>Political legitimacy and stability</td>
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<td></td>
<td>Land confiscation with lack of transparency, public consultation, and accountability</td>
<td>Vested interest and corruption among state agencies and civil servants</td>
<td>Increasing political distrust and discontent</td>
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<td></td>
<td>Policy priorities given to businesses and investors in access to land</td>
<td>Collision between State and business actors</td>
<td>Tensions between businesses and citizens</td>
</tr>
<tr>
<td>Economic</td>
<td>Economic growth as a national and individual priority</td>
<td>Land as a scarce good in localities with good infrastructure</td>
<td>Tensions and disputes with both State and market forces</td>
</tr>
<tr>
<td></td>
<td>Fast industrialization to catch up with the world</td>
<td>Fierce competition for farming substance and food security</td>
<td>Narrower farmland for food security</td>
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<tr>
<td></td>
<td>High demand for farmland for food security and agricultural exports</td>
<td>Internal migration to industrial provinces causing higher demand in industrial and economic hubs</td>
<td>Insecure land access for residents in industrialized localities and economic hubs</td>
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<td></td>
<td>High demand for residential land for housing</td>
<td>Diminishing investors’ interest due to limited access to land in overpopulated localities</td>
<td>Diminishing investors’ interest due to limited access to land in overpopulated localities</td>
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<tr>
<td>Social</td>
<td>Low compensation for land seizure by both the State and private actors</td>
<td>Lack of access to public services in industrialized provinces and economic hubs due to overpopulation</td>
<td>Slower economic growth</td>
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<td></td>
<td>Rising modernization and urbanization pressure</td>
<td>Left-behind farming and poorer population</td>
<td>Social unrest and instability</td>
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</table>

Note: The researcher’s own literature review and research with NEU and UNDP (2016).
Answers to the questions posted at the beginning of this section are summarized in Table 1, which provides an analysis of what has triggered land conflicts in Viet Nam. The analysis starts with the root causes of land conflicts, from deep down to surface causes as gathered from various research papers and reports (e.g., Conrad, D. A. 2014; Do, Q., & Iyer, L. 2008; Dao, M. Q. 1993; Hendry, J. B. 1960; Kerkvliet, B. J. 2015; Le, N. P. 2018; Pincus, P. 2015, Open Development Mekong 20 March 2019; Prindex 2018; Sasaki, Y., Suzuki, A., Yamaji, E., & Vu K. C. 2016; Vietnam Briefing 25 June 2019) as well as the author’s own research in the field in Viet Nam (NEU and UNDP, 2016). Table 1 also summarizes negative short- to medium-term political, institutional, economic, and social effects of land conflicts that require investigation by Viet Nam’s political and government agencies.

Land conflicts since 2004 and later have been triggered by the fact that land has become increasingly scarce and valuable due to Viet Nam’s increasing population size, industrialization, and modernization. As a result, concern about tenure insecurity is emerging because of conflicting demands for land, which is the State’s authority to allocate or lease to users through administrative measures, e.g., making it compulsory for every land user to apply for land use rights certificates. Residential or farmland, which has been owned and used by households even before 1945 when Viet Nam liberated itself from the French colonists, now is “a special national resource and an important resource for national development” as stated in the 2013 Constitution. As a result, anyone challenging the definition of land ownership might be seen as someone that is against the State’s laws and regulations and can be punished depending on how much they react against the Vietnamese Communist Party’s political stake, as in the infamous and deadly Dong Tam case in Ha Noi in early 2020 (BBC World News, 16 January 2020; Vietnam Plus, 13 January 2020; Le, H. H. 14 January 2020).

Nonetheless, one of the root causes of land conflicts is closely associated with how different or similar the State behaves with the market and the society. As summarized in Table 1, because of the need for economic growth and national development, the market forces have been given more access to land compared to residential users. In many cases, and as shown in Figures 1, 2, and 3, below, households using residential and farmland seem to be more prone to land confiscation than private firms. Although the proportion of households losing residential land was decreasing up to 2019, as shown in Figure 1, the proportion reporting that they lost farmland was on the verge of increasing (the PAPI research started collecting data about citizens’ experiences with farmland seizures in 2018).

Often, suburban farmers are pushed to become urban dwellers or inter-provincial migrants living on alternative livelihoods that are much less sustainable. As the PAPI survey findings have shown, since 2015 when the question about what top three issues of greatest concern for citizens are, it has always been poverty and hunger that was ranked first (CECODES,
Historically, poor farmers and peasants were those who fought for access to land and for national security. People working in the farming sector still account for the largest share of Viet Nam’s population. For the party-state, this sector is clearly one to count on, as well as to watch over (see Kerkvliet, 2015 for an account of how Vietnamese peasants transformed national policy during the central planning era.)

**Figure 1: Citizens’ Experience with Land Seizures (PAPI)**

Among the four selected provinces, more respondents in Binh Duong and Ha Noi reported having their residential land seized by the State (Figure 2a). By contrast, in Bac Ninh, significantly fewer reported having their land confiscated in 2019 than in 2014. The same pattern was evident for Ho Chi Minh City. The trend for farmland seizure in the four provinces cannot be traced to 2014 as PAPI started tracking this from 2018. However, as shown in Figure 2b, the percentage of respondents reporting they did not lose farmland in Bac Ninh and Binh Duong, two industrial provinces, decreased noticeably over the two years from 2018 to 2019.

Figure 2a: Percentage of Citizens Who Have Not Experienced Loss of Residential Land, 2014 vs. 2019

Figure 2b: Percentage of Citizens Who Have Not Experienced Loss of Farmland, 2018 vs. 2019

Figure 2: Citizens’ Experience with Land Seizures (PAPI) in Four Selected Provinces
Source: 2014 and 2019 PAPI data. (N=196-200 for Bac Ninh and Binh Duong; N=700-720 for Ha Noi and HCMC)

Meanwhile, as Figure 3 shows, land expropriation risks that businesses faced were on a downward trend, from a higher likelihood (2.9 points) in 2011 to a lower likelihood (1.58 points) in 2019. The numbers indicate that the situation has improved since 2015 for private firms, since the drop from 2.34 (which still is not relatively high) down to below 2 points for the past 4 years seems to indicate that firms feel relatively secure in their tenure.
A key trigger of contemporary land conflicts in Viet Nam is inadequate compensation for both farming and residential land confiscated by the State for other purposes. When asked about compensation through the PAPI surveys over the past 11 years, inadequate compensation has been the key indicator that has lowered provincial scores for the land transparency sub-index. As shown in Figure 4, the trend for citizens’ experiencing compensation that was around the market price was rising during 2013 and 2014 and then became steady towards 2019. Private firms were happier with compensation prices than citizens before 2014 but shared the same observations since 2014.

Figure 4: Firms’ and Citizens’ Satisfaction with Compensation for Seized Land
Of more than 3,000 land-related complaints and denunciations that the Ministry of Natural Resources and Environment received and addressed within its national authority between 2014 to 2018, 21 percent were about compensation. The case studies conducted by UNDP in Viet Nam and the National Economic University (2016) also provide real-life stories about upset citizens who have had their land seized who kept staying in their houses to demand ‘close-to-market land prices’ for their land being converted into a satellite urban city near the capital city of Ha Noi or the commercial hub of Ho Chi Minh City. Widespread community resilience in the case of the Ecopark City near Ha Noi, the violent and deadly demonstration in Dong Tam commune of Ha Noi, the large-scale community protests in the case of Thu Thiem urban area in Ho Chi Minh City, which remain lingering challenges for the State to resolve, have all been about compensation.

Map 1: Provinces receiving largest inter-province migrants (GSO, 2019)

Map 2 shows the PAPI survey results for this land compensation indicator in these provinces in two years; 2014 as the baseline for the effectiveness of the 2013 Land Law and 2019 as the latest PAPI survey. Among the four provinces that are populous and receiving large numbers of FIEs and inter-provincial migrants, Ha Noi and Bac Ninh (in the North), and Binh Duong and Ho Chi Minh City (in the South) (see Map 1), the two in the South saw a sharp rise in citizen dissatisfaction with land compensation. Ha Noi maintained the status quo, while Bac Ninh seems to have better satisfied land losers’ expectations. More importantly, Ha Noi and Ho Chi

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Minh City stood out as provinces where citizens have been much less satisfied with compensation for land confiscation for other purposes.

Easy or difficult access to LURCs is another source of land conflict between different groups of users. Foreign and domestic investors are being welcomed with easy access to land as one of the tactics of provinces in their competition to lure domestic and foreign investment, which is expected to yield higher economic growth and job creation. As findings from PCI (Malesky, E. & Pham, N. T. 2020) over time show (Table 2), domestic firms have stressed the importance of easy access to land through their increasing level of satisfaction with how local governments have responded to their need for land for industrial production or real-estate development.

An examination of the common indicators between PAPI and PCI on the number of days that private firms and citizens could obtain LURCs shows different behavior by state agencies in charge of granting LURCs. Figure 5 shows that, after 2014, when, on average, firms had to wait up to 190 days for their LURCs, there was a huge drop in the waiting time for firms to barely 40 days. Meanwhile, citizens’ experiences were consistent over the nine years, despite a fall from the peak in 2015 (89 waiting days on the national average) and now citizens had to wait longer than firms to obtain LURCs (more than 50 days since 2013). This means that it has taken citizens more time, on average, to obtain LURCs than firms. Meanwhile, by the 2013 Land Law’s by-law Decree No. 01/2017/ND-CP, both types of applicants should obtain LURCs in, at most, 30 days (Article 2.40).

**Table 2: Businesses’ Perception of Land Access and Tenure**

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<tbody>
<tr>
<td>Percentage of firms that own land and are in possession of an LURC</td>
<td>65.55</td>
<td>73.96</td>
<td>69.74</td>
<td>55.38</td>
<td>60.14</td>
<td>54.96</td>
<td>59.24</td>
<td>50.12</td>
<td>59.55</td>
</tr>
<tr>
<td>Percentage of firms that have completed land procedures in the last two years and have encountered no difficulties in land-related procedures</td>
<td>47.54</td>
<td>39.10</td>
<td>44.04</td>
<td>41.62</td>
<td>24.30</td>
<td>39.13</td>
<td>42.42</td>
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<tr>
<td>Percentage of firms that want to have LURCs but don’t have LURCs because of complicated procedures and troublesome officials</td>
<td>26.52</td>
<td>27.06</td>
<td>32.95</td>
<td>28.34</td>
<td>18.42</td>
<td>15.00</td>
<td>14.63</td>
<td></td>
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</tbody>
</table>

Source: 2011-2019 PCI data
Map 2: Changes in Percentage of Respondents Agreeing that Compensation for Land Seizures was Close to Market Value, 2014 vs. 2019

Figure 5: Mean Numbers of Days Firms and Citizens Waited to Obtain Land Use Rights Certificates
Such differential behavior by the State has led to public scrutiny of the motives and intentions of institutions that are mandated with legislative, judicial, and executive functions. Those who have had their land seized for other purposes may think the State and the market have been in collision for someone else’s interest, not for their own or the national development interest. Since 2013, findings from PAPI surveys have shown that bribes for land use rights have been steady (see Figure 6). This is also the case for domestic firms wishing to gain access to land leases, as is evident in the PCI findings. For foreign direct investment firms, it seems fewer of them have had to pay bribes for LURCs. This might be attributed to a better bribe-controlling mechanism from the 2015 Penal Code that took effect in 2018 with a new ban on bribing foreign public officials (Article 364.6).}

![Figure 6: Bribes for LURCs by Citizens and Businesses](image)

Figure 7: Percentage of Citizens Informed about Local Land Use Plans
(Source: PAPI data, 2011-2019)

Information asymmetry about local land plans is an important trigger for land conflicts, and goes hand in hand with the lack of transparency in land use plans and land price norms and bribes for LURCs (also reflected in Communist Party of Viet Nam 28 May 2019; the World Bank 2014; ). By the 2013 Land Law and 2016 Law on Access to Information, local land plans must be posted for public view at all levels and online. However, access to local land plans remains limited, with about one-fifth of national respondents answering that they were aware of local land plans since 2011 as evidenced in PAPI findings at the national aggregate level (Figure 7) and by province in 2019 (see Figure 8). In particular, the percentage of citizens knowing about the 2019 land plans ranged from 3 percent (in Hai Phong) to 33 percent (in Quang Ninh).

Figure 8: Citizens’ Access to Local Land Use Plans by Province in 2019
Source: 2019 PAPI Data

Among the four provinces in this study, in 2019 only 15.5 percent of Ha Noi citizens were informed about local land plans. The proportion in Binh Duong was 17 percent; in Ho Chi Minh City 19 percent; and in Bac Ninh, 21 percent. Also, none of these four provinces improved much in making land plans better known to more than a quarter of the local population after five years. Figure 9 presents how each of the four provinces changed between 2014 to 2019 upon citizens’ feedback through PAPI in terms of the transparency of local land plans and how the new land plans impacted on their households. It shows that Bac Ninh and Ho Chi Minh City did a better job in disclosing the information about land plans to citizens than Ha Noi and Binh Duong (see Figure
9a). Binh Duong, a heavily industrialized province with the highest inter-province migrants for labor and the largest investment inflows, was rated poorer in terms of land plan transparency, while the impact of local land planning on citizens in 2019 was much less beneficial than in 2014 (see Figure 9b). This might explain, though indirectly, about land conflicts involving large projects in Ha Noi and Binh Duong in recent years.

Knowing where to get the official government land price frames is also important for citizens to evaluate whether the prices being offered for land being transferred to other users are equivalent to the market value. It is also a measure of whether local governments fix land prices for their own advantage or at real market prices. Findings from 2014 and 2019 PAPI surveys (see Figure 10a) show that fewer than half of all provinces made improvements in making the information accessible to citizens. Among the four provinces, only Bac Ninh made some improvement, with about 15 percent more of the citizens knowing where to get information about local land price frames than five years ago (see Figure 10b). In Binh Duong, fewer people were able to get access to the information in 2019 than in 2014. Ha Noi and Ho Chi Minh City had little improvement over the five years.

**Figure 9a:** Percentage of Citizens Informed about Local Land Plans in Four Selected Provinces

**Figure 9b:** Impact of New Local Land Plans on Respondents’ Household (1=No Impact; 2=Negative Impact; 3=Positive Impact)

**Figure 9:** Citizens’ Access to Local Land Plans and Citizens’ Assessment of Impact of New Land Plans

Source: 2014 and 2019 PAPI Data
As discussed earlier, customary rights to land are not constitutionally recognized in Viet Nam at present. The society, as represented by individual and household users, does not have a say, except for occasional opportunities to provide comments on the land use plans. The 2011-2019 PAPI survey results in Figure 11 show that the percentage of respondents that had a chance to provide comments on local land plans dropped dramatically in 2015 after the 2013 Land Law. That law stipulated that land planning shall be done at the district level, not at the communal level as before. After peaking at 35.2 percent, the percentage declined again to 27.7 in 2019. The trend depicted in Figure 10, reflects how the society has much more limited power than other two stakeholders in terms of access to land information.

The findings presented above depict preferential treatment of private firms as well as the information asymmetry experienced by both firms and citizens. These are two of the causes of tensions among the State, citizens, and firms where land governance is concerned. In fact, tensions between the State and citizens, or between firms and citizens, have been well-documented (The Asia Foundation, 2013; NEU and UNDP, 2016; Phan & Vu, 2016; and, Kerkvliet, 2019 for instance).
Such differences have generated either political, social and/or economic consequences (as discussed in the background section and depicted in Table 1). For the State, the effect may be distrust and/or political unrest as tensions with citizens escalate. Social unrest and instability occur, as has happened in the past and more recently in Ha Noi and Ho Chi Minh City. These, in return, challenge the political legitimacy and stability of the Viet Nam Communist Party (Bao Chinh Phu, 30 December 2019). For the party-state government, slow economic growth is a threat, apart from political instability (see The Economist, 15 June 2017). Once integrated further into the world economy, if investors lose interest in investing, Viet Nam’s efforts in attaining middle-income status would be at risk.

For private firms, land conflicts can pose serious risks for investors in terms of the cost of doing business and investment viability. This can be a result of social unrest and/or political instability in the medium- and long-term if firms fail to negotiate with local land users as required by the 2013 Land Law. In many cases, firms try to avoid land conflict with citizen users by requiring the provincial government to provide them with ‘clean and cleared’ land as a pre-requisite for investment (VietNamNet, 17 December 2019). Many provinces have welcomed investors for economic growth and political interests of local government officials by offering clear land plots, after confiscation of land from individual land users. This discriminating behavior by provincial governments (as evidenced earlier) speaks to the preference given to investors, which, in return, is being seen as collusion between the State and businesses for land appropriation from farming users for vested interests (see also Nguyen et. al., 2017). Without government backing, investors, especially foreign-investment enterprises, would choose another location with more incentives, including

**Figure 11**: Percentage of Citizens Providing Comments on Draft Local Land Use Plans

Source: PAPI 2011-2019
favorable land rental schemes. As PwC’s Report on ‘Doing Business in Vietnam’ indicates, by 2020, the National Assembly plans to pass an amendment to the 2013 Land Law to address land access issues for foreign investors and residential projects (PwC and VCCI, 2019).

Fast economic growth for Viet Nam to become a middle-income nation remains a top national policy priority, as the discussions on the 2021-2030 Socio-Economic Development Strategy continue (Vietnam Plus, 6 December 2019; VietNamNews, 20 September 2019). A new threat emerged in 2020 with the sudden outbreak of Covid-19, which is now a global pandemic. Whether the market forces will take over the development agenda in the socialist-oriented market economy is a question for further exploration, possibly a deep dive into government and market failures in land governance in Viet Nam is necessary. State and market failures in land governance are classic, as has happened in water governance in the country (Do H., 2007). According to the 2013 Constitution and the 2013 Land Law, land tenure and property rights are not yet in place in socialist Viet Nam. Instead, good plots of land in and near big cities are kept for cartels like VinCom (The Financial Times, 27 June 2019) that develop real estate or big firms like Samsung Electronics in Bac Ninh (The Wall Street Journal, 3 July 2017). It is not a coincidence that the 2015 Penal Code now includes anti-corruption in the private sector and penalties for bribes of foreign public officials. Conflicts must be addressed to promote sustainable development for all parties involved, including the State (as represented by the public sector), the market (as represented by the private sector) and the society (as represented by individual citizens).

Conclusions and Implications

The results from the descriptive analysis of PAPI and PCI data regarding land governance suggest that information asymmetry in terms of land planning and acquisition schemes, low compensation for land seizures, and potential preferential treatments from the State towards private firms may have been key causes of land conflicts in suburban areas in Viet Nam. Because of fast urbanization and industrialization across the country (in particular in the four selected provinces of Ha Noi, Bac Ninh, Ho Chi Minh City, and Binh Duong), farmland is increasingly being acquired for industrial zones, export processing zones, and real-estate development projects for firms and businesses, especially after the 2013 Land Law. Too often, investors bargain with local governments for clean and cleared land in return for their investment to avoid direct negotiation with individual users as provided for in the Land Law. As a result, the State issues below-market land price frames for everyday land rights transactions between users, especially residential land rights. This has made citizens unsatisfied, as indicated in the PAPI data.

Institutional arrangements that govern land rights security may have created biases towards different land users based on conflicting land use purposes. Although available PAPI and
PCI data are insufficient to prove this directly, findings from this research show that bribery for land use rights certificates tend to be more prevalent among domestic firms and citizens than foreign-investment enterprises, especially after 2015. That may be because foreign investors often come in pursuit of clean and clear land while local governments have had to compete to lure them to their provinces to attract investment. It may also have been attributed to the 2015 Penal Code that criminalized foreign firms’ acts of giving bribes to public officials in Viet Nam.

Available data also highlight factors that predict potential land conflicts. These factors include reduced citizen access to land use plans and local price frames, even in highly urban and industrial provinces like the four provinces in this study, which were in the average group in terms of land plan transparency in 2019 PAPI findings. Having few opportunities to provide comments on local land plans represents another reason for citizens’ frustration in many cases of land conflict.

The findings presented in this article imply that more work needs to be done to improve land transparency for citizens, who play a critical role in securing the regime legitimacy and contributing to the sustainable development of Viet Nam. Better law enforcement, better government responses to citizens’ expectations and feedback, robust evidence-based policy making and implementation, and, more importantly, active leadership from all government levels in civil service inspection will help create a more level playing field for the society and the market in relation with the State in land governance to mitigate potential conflicts when Vietnam attempts to enter a higher-middle-income status.

Of note is a limitation of this study. Many political and social aspects of land conflicts have not yet been captured well enough in the quantitative surveys to identify the key socio-political triggers of land conflicts. In Viet Nam, doing mass surveys like PAPI is extremely difficult and politically sensitive. Currently, PAPI asks indirect questions to construct proxy variables for analysis of correlation rather than cause-effect relationships. How to ask similar questions in both PAPI and PCI surveys to better capture the triangulation of power between the State, the market and the society in land governance is another matter of concern, as private firms and citizens have different interests and approaches when interacting with the State. Another important question that needs further study is the scope and scale of State capture in land administration by firms. Research into this problem will be useful for Viet Nam to help inform the path forward to better manage land conflict and ensure political stability and socio-economic development.

Disclaimer

This paper is based on the author’s assignment, submitted as part of the Political Economy course on Land Governance toward her non-degree certificate on international development policy at Duke Sandford School of Public Policy, Duke University, North Carolina,
USA in May 2020. The analysis and views expressed in the paper are those of the author’s and may not represent those of the United Nations Development Programme, where the author has been working as the Policy Analyst on Governance and Participation since 2008. The author is managing the research program “The Viet Nam Provincial Governance and Public Administration Performance Index at UNDP Viet Nam” at UNDP Viet Nam.

References


Land Conflicts in Emerging Suburban Areas in Viet Nam.


## Appendix A: Key Administrative Statistics about Ha Noi, Bac Ninh, Ho Chi Minh City and Binh Duong in 2019

Below are key socio-economic statistics about of the four case studies presented in this paper.

<table>
<thead>
<tr>
<th>Key Administrative Statistics</th>
<th>Ha Noi(^{\text{iii}})</th>
<th>Ho Chi Minh City(^{\text{iii}})</th>
<th>Bac Ninh(^{\text{x}})</th>
<th>Binh Duong(^{\text{x}})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Number)</td>
<td>8,053,663</td>
<td>8,993,082</td>
<td>1,368,840</td>
<td>2,426,561</td>
</tr>
<tr>
<td>Urban (%)</td>
<td>49.2%</td>
<td>79.25%</td>
<td>27.5%</td>
<td>79.87%</td>
</tr>
<tr>
<td>Rural (%)</td>
<td>51.8%</td>
<td>20.75%</td>
<td>72.5%</td>
<td>20.13%</td>
</tr>
<tr>
<td>Immigrants (persons)</td>
<td>8.8%</td>
<td>21.4%</td>
<td>18.3%</td>
<td>52%</td>
</tr>
<tr>
<td>Density (persons/km(^2))</td>
<td>2,398 persons/km(^2)</td>
<td>4,363 persons/km(^2)</td>
<td>1,664 persons/km(^2)</td>
<td>901 persons/km(^2)</td>
</tr>
<tr>
<td>Average population growth rate (%)</td>
<td>2.2%</td>
<td>2.28%</td>
<td>3.08%</td>
<td>4.93%</td>
</tr>
<tr>
<td>Per capita GRDP (USD)</td>
<td>5,200 USD</td>
<td>6,862 USD</td>
<td></td>
<td>5,989 USD</td>
</tr>
<tr>
<td>Total GRDP (2019 estimates, billion USD)</td>
<td>41.85 billion USD</td>
<td>61.7 billion USD</td>
<td>5.1 billion USD</td>
<td>14.7 billion USD</td>
</tr>
<tr>
<td>Sectoral contribution to total GRDP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture (%)</td>
<td>1.99%</td>
<td>0.65%</td>
<td>2.6%</td>
<td>2.98%</td>
</tr>
<tr>
<td>Industry and construction (%)</td>
<td>22.69%</td>
<td>25.43%</td>
<td>75.7%</td>
<td>64.07%</td>
</tr>
<tr>
<td>Services (%)</td>
<td>64.02%</td>
<td>61.18%</td>
<td>17.6%</td>
<td>25.05%</td>
</tr>
<tr>
<td>Taxes (%)</td>
<td>11.3%</td>
<td>12.73%</td>
<td>4.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Investment (2019, USD)</td>
<td>5.85 billion USD</td>
<td>19.9 billion USD</td>
<td>3 billion USD</td>
<td>4.9 billion USD</td>
</tr>
<tr>
<td>State investment (%)</td>
<td>37.5%</td>
<td>11%</td>
<td>8.76%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Domestic non-state investment (%)</td>
<td>51.1%</td>
<td>74.4%</td>
<td>40.15%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Foreign direct investment (%)</td>
<td>11.4%</td>
<td>14.6%</td>
<td>51.1%</td>
<td>48.35%</td>
</tr>
<tr>
<td>Contribution to central government budget (2019, %)(^{\text{x}})</td>
<td>65%</td>
<td>82%</td>
<td>17%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Endnotes

i See http://papi.org.vn/eng/ for information about PAPI. PAPI measures citizens’ experience with local government performance in governance, public administration, and public service delivery. Its sample size is around 14,000 citizens per survey cycle, which has been nation-wide and every year since 2011.

ii See http://eng.pcvietnam.org/ for information about PCI. PCI measures local government performance in facilitating economic development and business environment. PCI’s sample is around 10,000 domestic and foreign firms each year.

iii The objective was to simplify the standard operating procedures and guidelines and to improve business processes for the Land Registration Offices, among other objectives. See The World Bank (2016)

iv The name of the nuclear city was changed to protect informants.


viii See http://www.pso.hochiminhcity.gov.vn/c/document_library/get_file?uuid=5ee2d375-3ef7-4dc1-92cf-53b0e67c1c7e&groupId=18

ix See http://bacninh.gov.vn/documents/135051/22070595/27-KTXH_T12_2019+-TT.pdf/2a6d3dc4-2b58-4e7a-825d-310e0ee6d9d0


xii See https://www.gso.gov.vn/SLTK/Menu.aspx?xid=8f161760-9ba0-4c6d-8898-fdef1a92c072&px_db=02.+D%C3%A2n+v%C3%A0+lao+%C4%91%E1%BB%91+v%C3%A0+lao+%C4%91%E1%BB%99ng&px_type=PX&px_language=vi