# **Fact Sheet 4: Digging Deep into Land Governance**

Local land governance, particularly the hot button issues of land seizures and compensation, has emerged as a high-profile story line and a source of spirited public debate in recent years in step with Viet Nam’s dynamic socio-economic development.

This discourse has now spilled over into ongoing revisions to the 2013 Land Law, the overarching legal document that regulates land transactions, acquisitions, seizures and compensation. To help inform these policy discussions, PAPI in 2022 explored citizens' perceptions and experiences with local land governance and whether current regulations provide a level playing field.

Set against the national context of property as a driver of economic growth, encroaching urbanization and industrialization eating away at once productive rural land, pressing infrastructure needs and the cultural importance of land to Vietnamese, PAPI in 2022 harvested data to gain insights into land seizure rates, differences between market and official land prices used for compensation, public awareness and engagement in land planning and how citizens acquire land.

Land Seizure Rates

While the level of residential land seizures remains low, **a key headline is farmland seizures reportedly increased in 2022**. About 4.1 percent of respondents in 2022 disclosed they had farmland seized. This percentage is far more significant when considering the context of rural populations, for whom this is a high-profile issue, where land is a determinant of livelihoods and prosperity for many households. **In villages where at least 30 percent of residents work in agriculture, 6.5 percent reported having farmland seized in 2022 – up from 5.4 percent in** 2021. While reported land seizure rates declined dramatically until 2022 since the most recent revision of the Land Law in 2013, seizures of farmland in rural areas remains a **salient issue which should be addressed by stronger regulations in the Land Law on transparency and equal access to land information**. This contrasts with more low-profile residential land seizures at 1.4 and 1.67 percent in 2021 and 2022, respectively.

## **Differences between Market and Official Land Compensation Rates**

A common source of friction underpinning the land seizure process is the perceived low levels of compensation offered by authorities to citizens. To explore reasons for this apparent disconnect, PAPI in 2022 set out to discover citizens’ knowledge of market and official land use rights prices and how they influence perceptions of compensation. To achieve this, PAPI conducted a unique experiment by asking each half of survey respondents about the official market price and market rate for a square metre of land in their locality. **The results underlined a distinct divergence in prices.** In more rural areas, there was little difference. However, in urban areas where land prices are higher, there were substantial differences: the average estimated market price for a square metre of land was VND 57.7 million compared to an average estimated official price of VND 42.2 million – a difference of VND 18 million. **This suggests that local governments are perceived to not take into account market rates when setting land seizure compensation.**

Drilling deeper, PAPI’s survey points to **citizens’ low awareness of land prices in general, with up to 70 percent of respondents unable to estimate a market or official land price**. This knowledge gap is compounded by the finding that many people were only aware of the official land price when personally impacted by a land seizure. These findings have policy implications**, with the necessity for more frequent changes in official prices, rather than every four years, to keep up with rapidly changing market prices** – **particularly in urban areas.**

## **Citizens’ Engagement in Land Planning**

**Citizens’ limited awareness is also evident in engagement in local land use planning**. The survey also explored how informed citizens were about land plans that may result in land seizures. Notably, the percentage of respondents who reported having been invited to provide comments on and being informed about local annual land use plans in 2022 remained low at 28.5 percent and 17.7 percent respectively, a slight 3 percent increase from 2021. One possibility is that citizens were less likely to demand information about land plans if they were less concerned about the possibility of having land seized. Another possibility is that many local governments did not update and disclose annual local land plans.

The findings spotlight **the need for greater transparency in land values and policies to inform citizens of actual land prices** to prepare them if land is acquired. Furthermore, once expectations for compensation for land seizures come closer to everyday land transaction prices, there is a high likelihood that public dissatisfaction and petitions in instances of local government land acquisitions will diminish.

## **How Citizens Acquire Land**

Finally, PAPI in 2022 also examined how citizens acquired the land they live on. As land in Viet Nam is leased from the State in the form of land use rights certificates (LURCs) rather than “owned”, we explored how these rights are transferred, traded and purchased across urban and rural areas. In 2022, most Vietnamese were found to live on land with LURCs from different sources, with more than one-third (37.19 percent) inheriting the rights from previous generations, with land inheritance the most popular source in urban and rural areas. Overall, only a small percentage (5.18 percent) rented land or resided in a dwelling owned by a landlord, more prominent in urban areas (6 percent) than rural ones (2 percent)./.

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| *The Viet Nam Provincial Governance and Public Administration Performance Index (PAPI) is a policy monitoring tool that assesses citizen experiences and satisfaction with government performance at the national and sub-national levels in governance, public administration and public service delivery. Following the initial pilot in 2009 and a larger survey in 2010, the PAPI survey has been implemented nationwide each year since 2011. For the 2022 PAPI Report, 16,117 randomly selected citizens were surveyed. In total, 178,243 Vietnamese citizens nationwide have been directly interviewed for PAPI since 2009.*  *PAPI measures eight dimensions: participation at local levels, transparency, vertical accountability, control of corruption, public administrative procedures, public service delivery, environmental governance and e-government.*  *PAPI is the result of collaboration between the Centre for Community Support and Development Studies (CECODES), the Centre for Research and Training of the Viet Nam Fatherland Front (VFF-CRT), Real-Time Analytics and the United Nations Development Programme (UNDP).*  *During its 14 years in existence, PAPI has been generously funded by the Government of Spain from 2009 to 2010; the Swiss Agency for Cooperation and Development (SDC) from 2011 to 2017; the Department of Foreign Affairs and Trade (DFAT) of Australia from 2018 to 2025; the Embassy of Ireland from 2018 to 2023; and the UNDP in Viet Nam since 2009.*  *The full 2022 PAPI Report and more in-depth analysis of the findings are available at:* [*www.papi.org.vn*](http://www.papi.org.vn)  *Scan the QR code to download the 2022 PAPI Report to your smartphone:*  **#PAPIvn #PAPI2022**  For more information, contact:  Nguyen Viet Lan UN Communications Lead  Mob: (+84) 91 4436 769 Email: nguyen.viet.lan@undp.org |