Land Rights in Viet Nam - An Incomplete Revolution
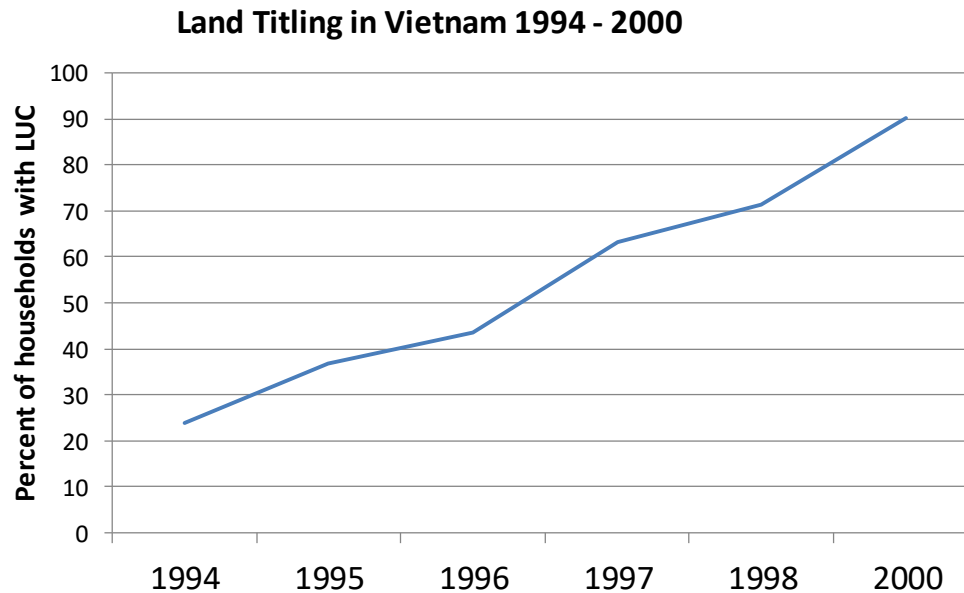
Thomas Markussen

UNIVERSITY OF COPENHAGEN

Introduction

- Viet Nam experienced revolutionary change in land rights during the 1980s and 1990s

Land Titling in Vietnam 1994 - 2000

Source: Iyer and Do 2008

- We investigate what happened **next**

- Results show continued benefits of the initial reforms, but also point to:
  - *Continued tenure insecurity*
  - *Corruption in land administration*
  - *Incomplete land titling and restricted crop choice*
 - *Continued land fragmentation*

Literature

- ## Do and Iyer (2008)
  - Rapid land titling
  - Positive effects on investment on perennial crops and on off-farm labor supply.

- ## Ravallion and De Walle (2004, 2006, 2008a,b)
  - Post-reform land distribution both egalitarian and close-to-efficient. Remarkably few signs of corruption.
  - Rising landlessness, but not necessarily a problem

- ## Deininger and Jin (2008)
  - Efficient land rental markets

- ## Newman, Tarp and Van den Broeck (2015)
  - Positive effects of land titles on yields

- ## See also Brandt (2006).

VARHS data set

- Vietnam Access to Resources Household Survey (VARHS)
  - Every second year from 2006 – 2016
  - Funded by Danida and UNU-WIDER

- Rural areas of 12 provinces

- Uses sample from national living standards survey (VHLSS) + supplementary sampling to keep sample representative

Survey results summarized in Tarp, F. (ed.): Growth, Structural Change and Rural Transformation in Viet Nam, OUP
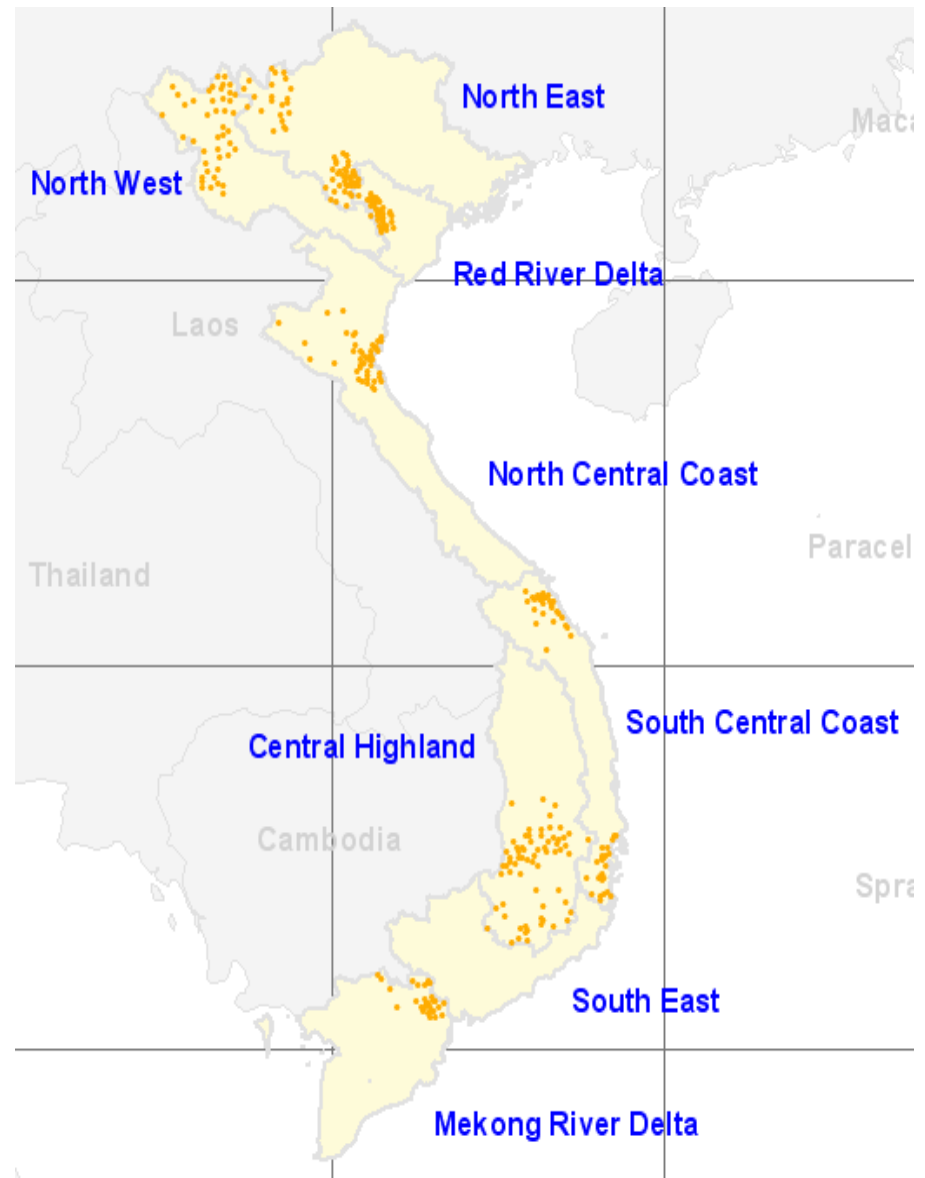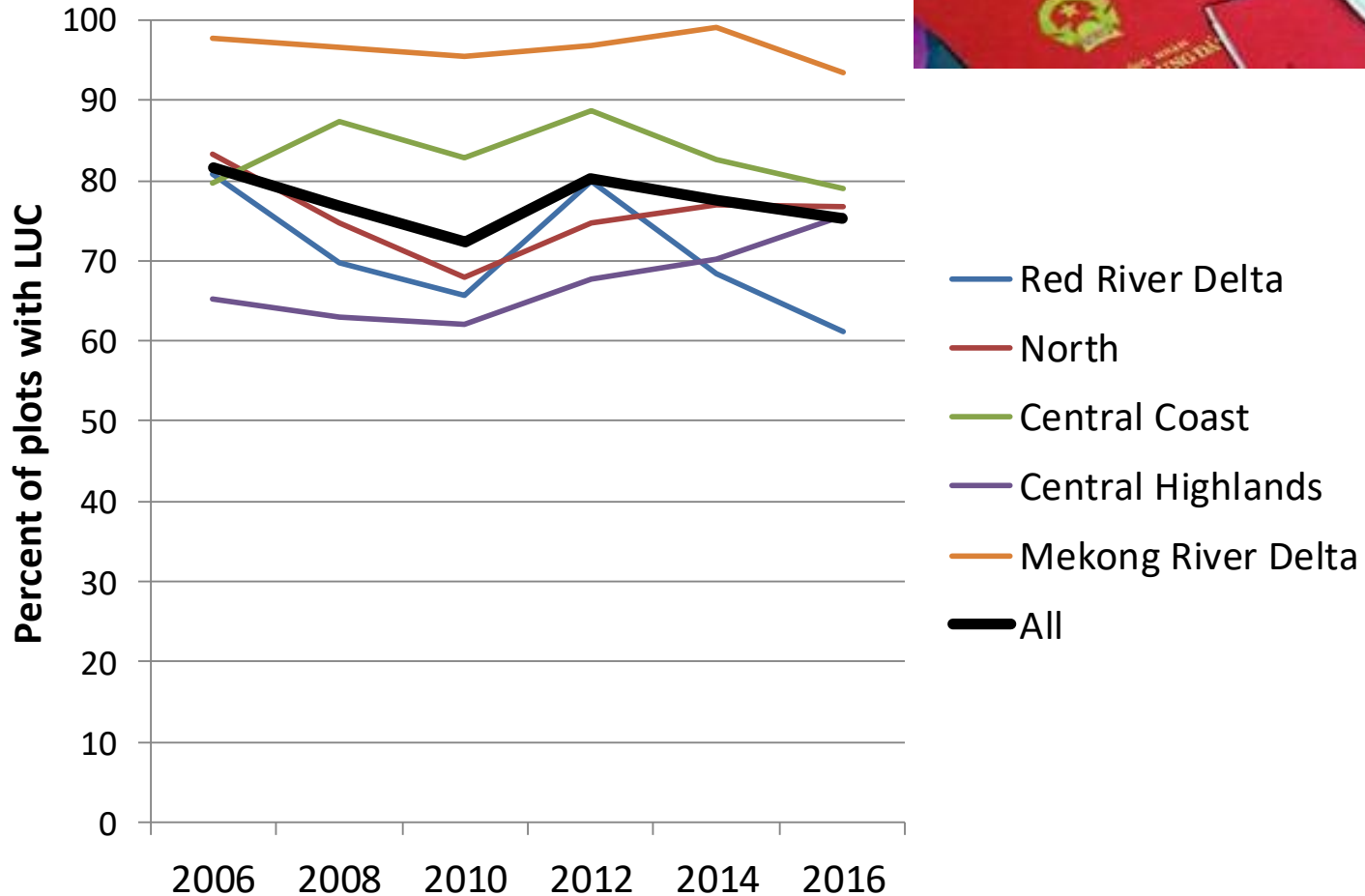
Land titles and investment

Property rights and agricultural investment - plot level regressions

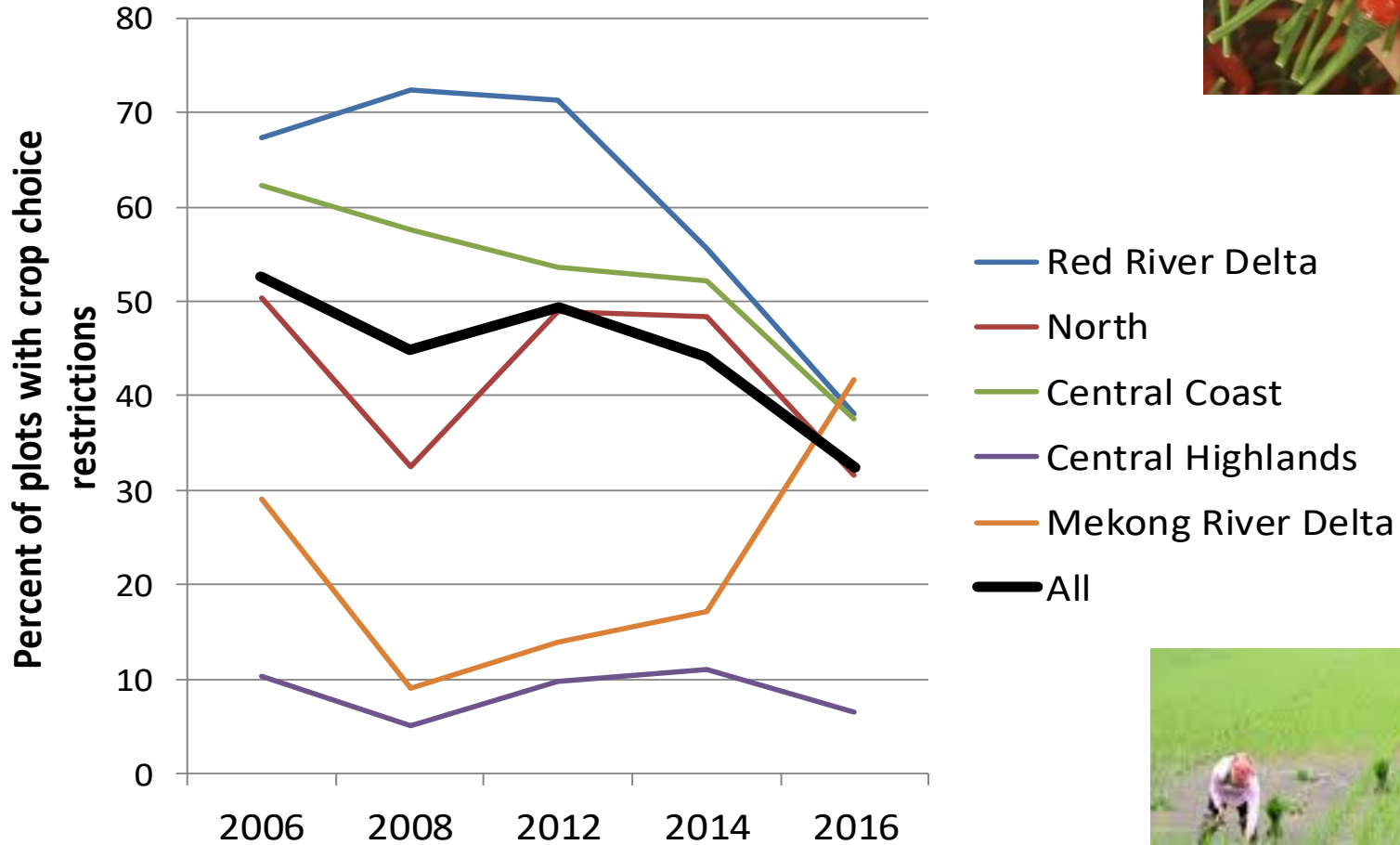|	Plot irrigated	Plot planted with perennial crops	Plot has soil and water conservation infrastructure	Plot irrigated from canals	Plot irrigated from well	Plot irrigated from spring, stream or lake
	(1)	(2)	(3)	(4)	(5)	(6)
LUC	0.064***	0.0003	0.049**	0.030*	0.006	0.028*
	(0.018)	(0.006)	(0.019)	(0.016)	(0.006)	(0.015)
Crop choice restricted	0.124***	-0.022***	0.124***	0.139***	-0.003	-0.012
	(0.012)	(0.005)	(0.013)	(0.016)	(0.004)	(0.011)
Working age hh members, log	0.040**	-0.007	0.012	0.029	-0.003	0.014
	(0.017)	(0.010)	(0.018)	(0.019)	(0.008)	(0.016)
Plot fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	30,125	29,409	30,001	30,125	30,125	30,125

Dependent variable:

Level of analysis: Plot. Linear probability models. Standard errors in brackets. Standard errors adjusted for commune level clustering. Only plots with constant area included. *** $p<0.01$, ** $p<0.05$, * $p<0.1$. Source: Markussen 2017.

Land titling

Percent of plots with LUC (y-axis, 0–100)

x-axis: 2006, 2008, 2010, 2012, 2014, 2016

Legend:
- Red River Delta
- North
- Central Coast
- Central Highlands
- Mekong River Delta
- All

Source: Markussen 2017

Crop choice restrictions

Percent of plots with crop choice restrictions (y-axis, 0–80)

Years (x-axis): 2006, 2008, 2012, 2014, 2016

Legend:
- Red River Delta
- North
- Central Coast
- Central Highlands
- Mekong River Delta
- All

Source: Markussen 2017

Farm size

Median operated farm area, sqm.

- Red River Delta
- North
- Central Coast
- Central Highlands
- Mekong River Delta
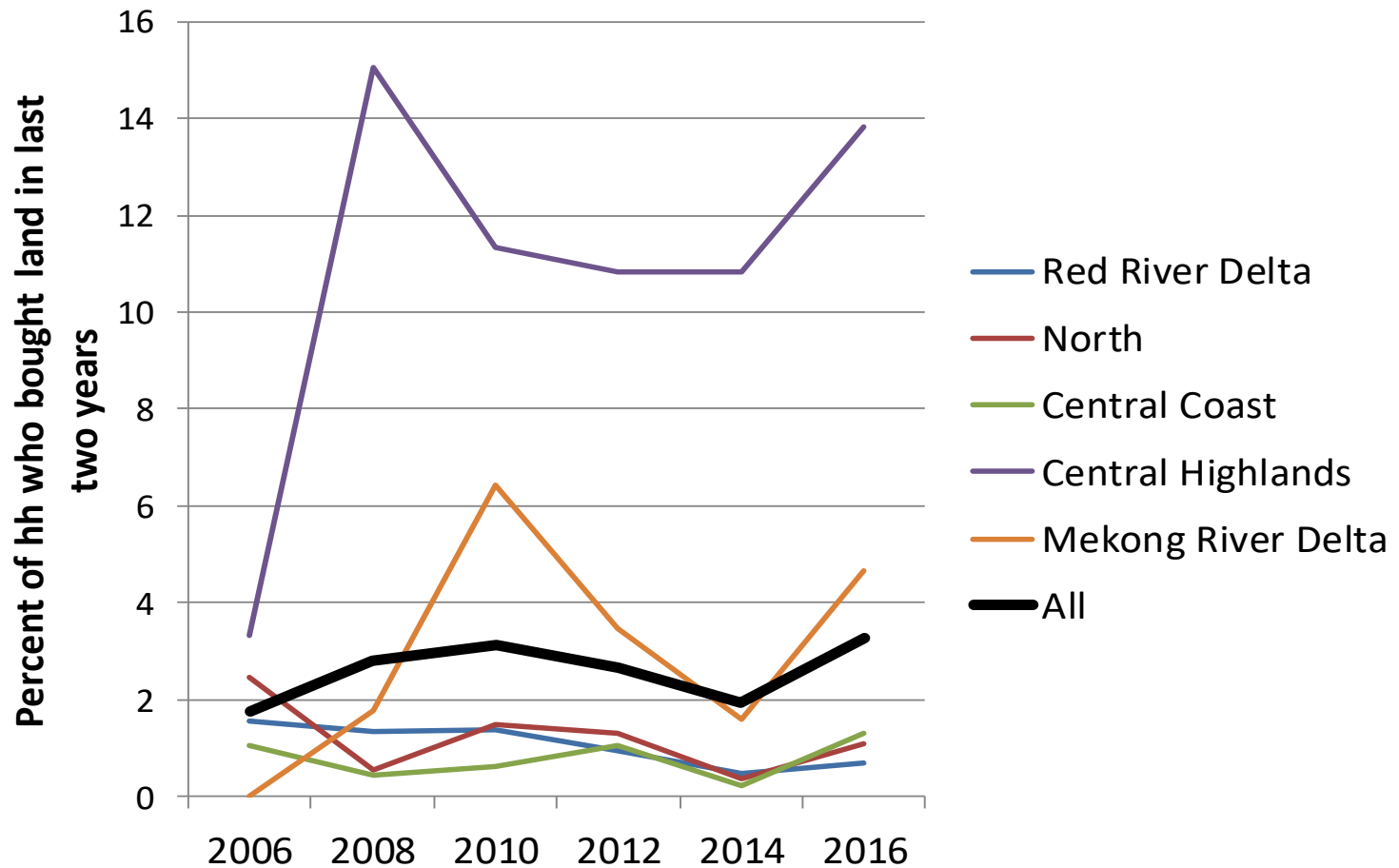- All
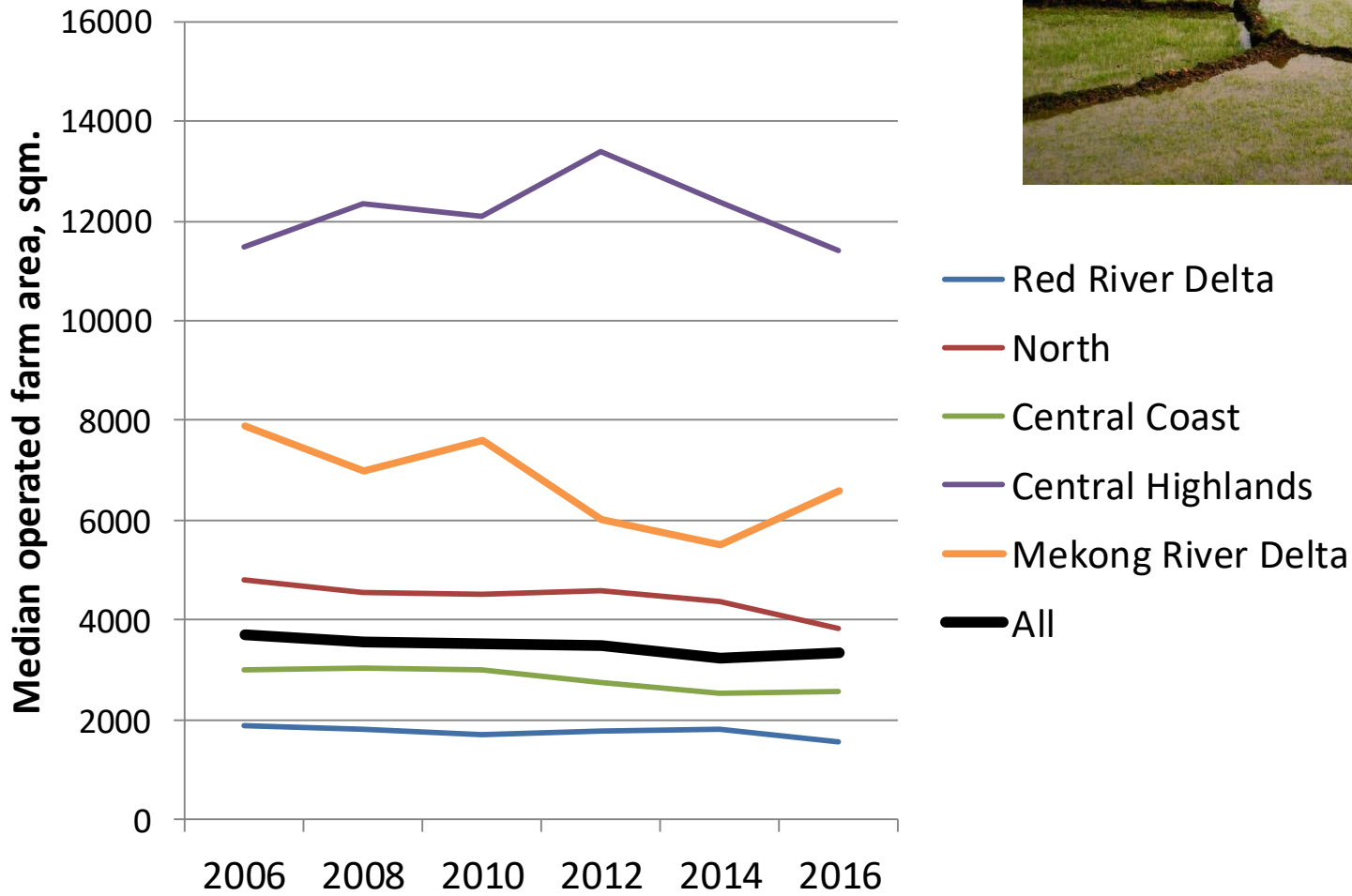
Source: Markussen 2017

Land sales markets

Source: Markussen 2017

Land sales and expulsions

	Mode of parting with land (2016)
Exchanged	19,5
Sold	17,2
Gave	32,1
Expelled	19,0
Of which by the state: 94 percent	
Abandoned	5,0
Other	7,3

Note: N = 1,509.
Source: UNU-WIDER/Zille and Markussen 2017

Political connections and tenure security

	Dependent variable:	
	Share of land with LUC	Expelled from land by the state in last two years
	FE	FE-LOGIT
Relative with public office	0.008	-0.633**
	(0.69)	(2.30)
Age of head	-0.007	-0.391
	(1.34)	(1.34)
Age of head, squared	0.0001*	0.003
	(1.7)	(1.26)
Years of general education of head	0.002	0.09
	(0.67)	(1.35)
Female head	0.009	0.882
	(0.35)	(1.23)
Year fixed effects	Yes	Yes
Household fixed effects	Yes	Yes

N = 5,885. Robust z statistics in brackets. Standard errors clustered by commune. Households with officials are excluded. significant at 10%; ** significant at 5%; *** significant at 1%
Source: Markussen and Tarp 2014.

Political connections and land-related investment

	Dependent variable: ln(total land-related investment + 1)			
	(1)	(2)	(3)	(4)
Relative with public office	0.588***	0.461**	0.537***	0.477**
	(4.09)	(2.35)	(3.73)	(2.23)
Age of head	0.056***	-0.013	-0.011	-0.06
	(2.59)	(0.19)	(0.45)	(0.86)
Age of head, squared	-0.001***	0.000	0.000	0.000
	(3.62)	(0.01)	(0.15)	(0.77)
Years of general education of head	-0.003	0.03	0.030*	0.045
	(0.20)	(0.81)	(1.87)	(1.12)
Female head	-0.494***	0.083	-0.034	0.287
	(3.97)	(0.22)	(0.28)	(0.71)
Additional control variables	No	No	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Random or fixed effects (RE or FE)?	RE	FE	RE	FE
Observations	5,939	5,939	5,422	5,422
Number of households	2,187	2,187	2,057	2,057

Note: Linear regressions. Absolute value of t statistics in brackets. Households with officials are excluded. Random effects models include province indicators. Standard errors clustered at commune level. * significant at 10%; ** significant at 5%; *** significant at 1%

Conclusions

Leon Trotsky: Believed in "permanent revolution".

- Viet Nam's land reforms were far-reaching and had a number of positive effects

- But the reform process was never completed
  - Tenure insecurity remains
  - The source of tenure insecurity is largely the government
  - Tenure security depends on political connections
  - Farms remain extremely small

- So:
  - Lack of political reform constrains economic reform, after all.