



Agricultural Land Policies in Vietnam

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As land is the main input for agricultural production in Vietnam, land policy holds a very special interest in the Vietnamese Government and stakeholders in the agricultural sector of Vietnam. Land policies have been reformed over the past three decades.

With the issuance of Directive No. 10 of the Vietnamese Communist Party (CPV), a household, for the first time, is recognized as an autonomous unit in economics. Directive No. 10 replaced the mandatory quota system for land use tax and is indexed to productivity. It has greater motivation for agricultural production because it recognizes farm families as the main unit of agricultural production instead of maintaining the central role of cooperatives and state farms ineffective. This reform helped Vietnam from a rice shortage country to become one of biggest rice exporters in the world.

Then the land policies were amended and the continuous reform land laws were introduced in 1993, 1998, 2001 and 2003, respectively, many of which were modified to institutionalize land policy as well as to regulate and adjust the the socio-economic relations towards the long-term vision .

After the issuance of the current Land Law in 2003 and its related legal documents, the Government focused on developing and launching under law documents in order to enhance the land-use right issuance process and to fortify the implementation of the land-related rights, the preferences related to land resource usage for agricultural production and food security.

The Decree No. 84/2007/ND-CP dated on 25th May, 2007, and No. 88/2007/ND-CP dated 19th October, 2007, including the detailed provisions on land-use certificate issuance and land

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seizure, have been the forward step in terms of land policies, given the rationale role of the land-use right certificates, the ownership rights on land-related properties and other properties in implementing the rights of land disposition, exchange, inheritance, rent, and collateral. Therefore, the regulations have been promoting the development of the land market, thereby encouraging the growth of agricultural production.

In order to offer more favors to agricultural production, in November 2010, the National Assembly approved Resolution No. 55/2010/QH12 on agricultural land-use tax exemption and reduction, and in March 2011, the government issued the Decree No. 20/2011/ND-CP on the detail provisions and implementation guidance for Resolution No.55. The Decree No.20 comprised favorable provisions on land accumulation, such as the reduction by 50% of agricultural land use tax recorded annual revenue for the area of agricultural land in excess of quota of allotted agricultural land but not exceeding the limit on receipt of agricultural land use right transfer for households, and individuals. The reduction targeted to decrease the input costs of agricultural production, thereby enhancing its production.

Since the important role of rice in the agricultural production, land for paddy is among the interesting issues. Indeed, during the last 20 years, paddy production in Vietnam experienced high and steady growth rates due to the expansion of paddy area, intensive cultivation and yields increase. Indeed, a huge attention has been paid to keeping paddy areas, when the global food crisis boomed in 2007-2008 and the share of rice in total agricultural exports has been increasing. Therefore, Resolution No.63/2009/NQ-CP dated on 23rd December 2009 on national food security stated that the paddy land acreage shall be kept at 3.8 million ha and the paddy area to be kept and strictly protected will be specified for each locality (province, district and commune), and maps on current paddy land use by households will be drawn. Similarly, Decree No.42/2012/ND-CP dated on 5th November 2012 on management and usage of paddy farming land emphasized again the importance of keeping paddy cultivation area.

However, due to the increase in the rural population and inherit land policy, agricultural land has become increasingly fragmented in accordance with international standards. Approximately 34.7% of rural households have less than 0.2 ha of agricultural land, while only 6.2% own more than 2 ha. Land fragmentation is more severe in the North than the South. Approximately 45.1% of rural households have less than 0.2 ha and 0.1% of rural households have more than 2 hectares located in the Red River Delta, while figures in the Mekong Delta are 19% and 10.1% respectively.

Therefore, in order to innovate the land policy system, in 2013, the National Assembly approved the Revised Land Law (adopted version Nov, 2013) extending agricultural land tenure for household to 50 years from the previous 20 years. For paddy land, the State supports infrastructure investments, science and modern technology application for the paddy rice to increase yield and quality. Individuals or organizations who are allocated land for non-agricultural purposes from land used for growing rice have to pay a sum of money to supplement land for rice cultivation or to increase efficiency in paddy land under the provisions of the Government.

Table 1. The review of legal documents related to land policies from 2007-2013

No.	Legal Code	Issuing date	Issue entity	Policy name
1	84/2007/ND-CP	May 2007	Government	Additional provisions on issuance of land use right certificates; on land recovery; on exercise of land use rights; on order and procedures for compensation, assistance and resettlement when the state seizes land; and on resolution of complaints about land.
2	391/2008/QD-TTg	April 2008	Government	Review and supervision of the situation of land planning, management and usage from 2006-2010 at the national level, particularly for agricultural land and paddy land.
3	88/2009/ND-CP	October 2009	Government	On provision of certificates of land-use rights and house and land-attached assets ownership.
4	63/2009/NQ-CP	December 2009	Government	On national food security.
5	55/2010/QH12	November 2010	National Assembly	On agricultural land use tax exemption and reduction.
6	20/2011/ND-CP	March 2011	Government	On detailing and guiding the implementation of the Resolution No.55/2010/QH12 of the exemption from, reduction of tax of agricultural land use.
7	42/2012/ND-CP	November 2012	Government	On management and use of paddy-farming land.
8	The Revised Land Law	November, 2013	National Assembly	Extending agricultural land tenure for household to 50 years from the

	(adopted version Nov, 2013)			previous 20 years.
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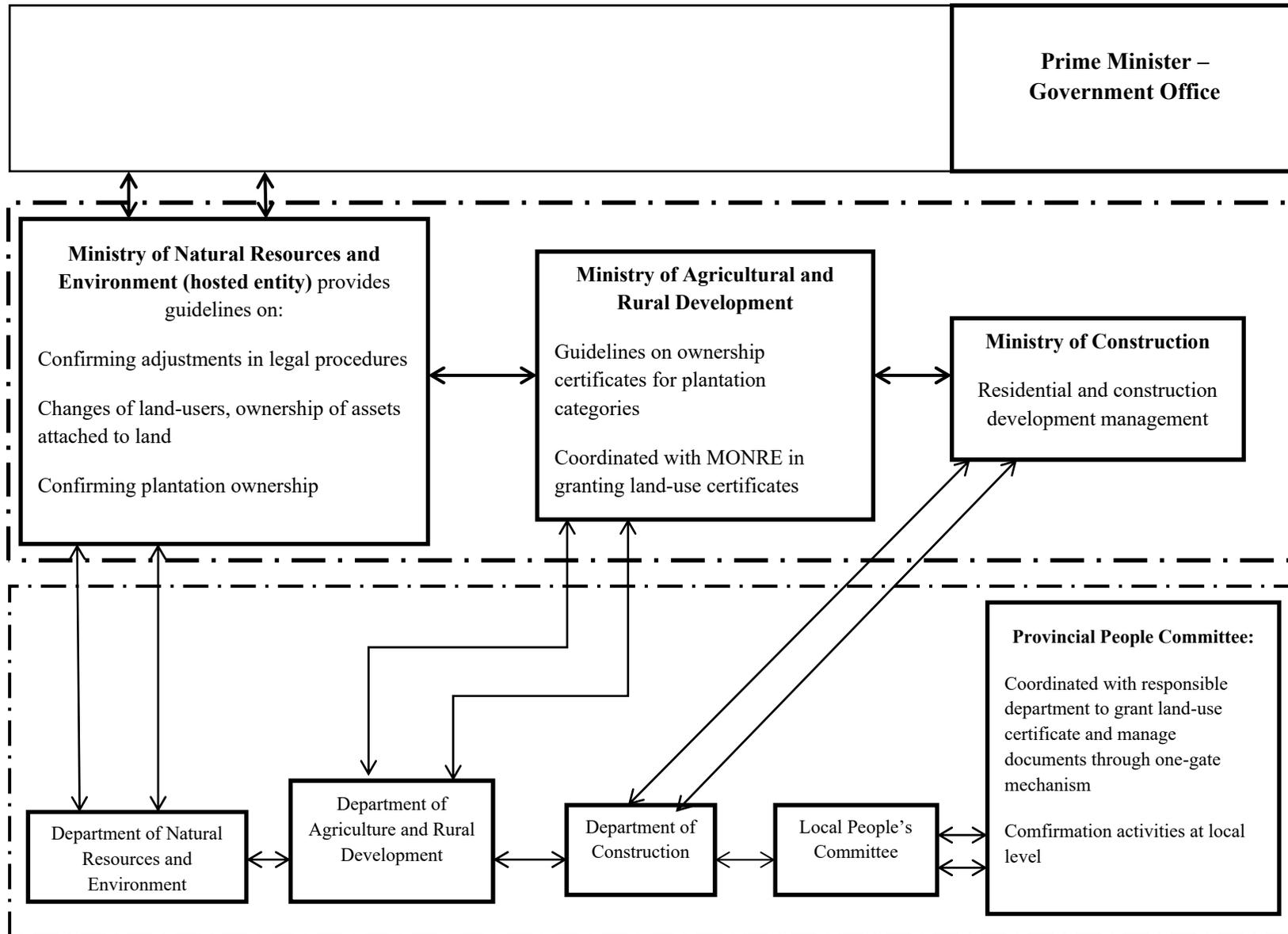
Mechanism of land policies

As mentioned above, land is one of most important inputs for agricultural production; the system of land policy and land use planning process have been particularly strongly focused. The implementation mechanism has worked through the coordination of multi-central agencies and local administrative units.

At the central level, three ministries including the Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), and Ministry of Construction (MOC) coordinate in functioning the implementing mechanism of land policy; in which, MARD combined with MONRE, have been responsible for drawing-up land planning and developing essential infrastructure for various economic industries, when MOC has been in charge of building development plans for environmental – social – economic infrastructure, developing residential areas.

At the local level, the People's Committees at various levels have been obliged to implement land policies. The committee has been granted for the land planning and land management as well land seizure to serve not only national security but also urban and infrastructure development. The power scope may vary across different levels, leading to problems in the supply and land confiscation, especially when the authority has been decentralized to the provincial level and People's Committees and communes.

Figure 1. The general mechanism of land policies related to grant land-use right, property-ownership rights



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