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**Industrialization and Urbanization in Vietnam:
How Appropriation of Agricultural Land
Use Rights Transformed Farmers' Livelihoods in a
Peri-Urban Hanoi Village?**

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Summary

Since *đổi mới*, Vietnam witnesses a rapid urbanization and industrialization, which leads to conversions of a large area of agricultural land and other types of land, and this has forced thousands of farmer households to change their traditional livelihoods and even their lives. Using the lens of a sustainable livelihoods framework, this study analyzes and explains the questions of how, in what ways and to what extent agricultural land conversions have been affecting farmer livelihoods in one peri-urban Hanoi village. I argue that the state's appropriation of agricultural land use rights have created essential socio-economic impacts on the farmers whose agricultural land have been appropriated for purposes of industrialization and urbanization. In coping with the new situation, while the party-state's policy on vocational training and job creation shows limited impacts, many farmers in my case study rely on their natural capital in the form of residential land use rights to not only escape poverty but also to shift to new strategies of livelihoods. However, this transformation process consists of social differentiation and diversification of livelihood strategies among farmer households in the community, and more importantly, although having temporarily attained higher living standards, many farmers still feel their livelihoods are not sustainable because they lack work.

Key words

Industrialization, Urbanization, Land Tenure, Agricultural Land Appropriation, Farmers, Livelihoods, Vocational Training, Contemporary Vietnam.

1. Introduction

1.1. Objectives

Since *đổi mới* in the 1980s, Vietnam has achieved a high pace of industrialization and urbanization, which has led to conversions of a large area of agricultural land and other types of land for non-agricultural purposes. My previous studies have analyzed how, in what ways and to what extent conflicts have occurred over such appropriations of agricultural land use rights for industrialization and urbanization, and highlights the burning issue of what to do when the farmers have little or no agricultural land.¹ This study aims to further document agricultural land appropriations and examine various impacts on the affected farmers, especially on their livelihoods, in a peri-urban Hanoi village since the late 1990s. Within this scope, I want to examine a series of questions:

- 1) Are rights to land an important source of livelihood security for the farmers? How is land appropriation administered through national, regional, and local levels, and what impacts has it had on farmer livelihoods?
- 2) How and in what ways does the Vietnamese government provide male and female farmers with economic compensation, vocational training? Is such compensation money and additional support able to secure farmers' livelihoods or help them form alternative businesses?
- 3) How do agricultural households respond after their agricultural land use rights are ceded for urbanization and industrialization projects? Do they rent in agricultural land use rights to farm? Do they intensify their land area left? Do these farmers migrate to find work elsewhere or change their residential location? If so, where and how? Are there any gender differences in seeking stable employment? For those who cannot find work, what prevented them from doing so?
- 4) What proportions of affected farmers are in a better economic position since their land was appropriated? What proportion are the same or worse off?

¹ See, for example, Nguyen Van Suu 2007. "Contending views and conflicts over land in the Red River Delta." *Journal of Southeast Asian Studies*, Vol. 37: 2, pp. 309-334; 2004. "The politics of land: Inequality in land access and local conflicts in the Red River Delta since de-collectivization". In: *Social Inequality in Vietnam and the Challenges to Reform*, edited by Philip Taylor, ISEAS-Singapore; 2003. "Land compensation and peasants' reactions in a Red River Delta village". Paper presented to the Regional Center for Social Science and Sustainable Development's International Conference on Politics of the Commons: Articulating Development and Strengthening Local Practices, Chiang Mai, Thailand.

- 5) Besides employment changes, what other impacts has agricultural land appropriation had on farmers and rural communities?

1.2. Methodology

The past two decades have seen a growing number of development practitioners and scholars experiment with an increasing repertoire of participatory research tools for more effective policy research and local-level planning for rural development. Among the most widely recognized are participatory rural appraisal and participatory learning and action techniques.² Often Participatory Poverty Assessments and other diagnostic studies of rural poverty in Vietnam take for granted existing land access and land rights, and only examine access to agricultural extension, credit, or social services such as health and education.³ This study instead applies a sustainable livelihoods framework to analyze land access, land appropriation and its impacts on Vietnamese farming households. Sustainable livelihoods approach is a holistic method of addressing development issues that centers the discussion on people's livelihoods. It has its roots in Amartya Sen's analysis of entitlements in relation to famine and poverty⁴ and has recently been promoted by the UK's Department for International Development⁵ and widely adopted by development agencies and scholars.⁶

The term 'livelihood' can be used in different ways. UK's Department for International Development defines: "A livelihood comprises the compatibilities, assets (including both material and social resources) and activities required for a means of living".⁷ A livelihood is sustainable when it can cope with and recover from stresses,

² Robert Chambers 1994. "The origins and practice of participatory rural appraisal". *World Development* 22: 953-969; Thomas-Slayter, Barbara, Rachel Polestico, Andrea Esser et al 1995. *A Manual for Socio-Economic and Gender Analysis: Responding to the Development Challenge*. Clark University: ECOGEN.

³ Ministry of Agriculture and Rural Development (MARD) and United Nations Development Programme (UNDP) 2003. *Farmer Needs Study*. Hanoi: Statistical Publishing House; Asian Development Bank 2001. *Human Capital of the Poor in Vietnam*. Manila: ADB.

⁴ Amartya Sen 1981. *Poverty and Famines: An Essay on Entitlements and Deprivation*. Oxford: Oxford University Press.

⁵ Diana Carney (ed.) 1998. *Sustainable Rural Livelihoods: What Contribution Can We Make?* London: Overseas Development Institute and Department for International Development.

⁶ Anthony Bebbington 1999. "Capitals and Capabilities: A Framework for Analyzing Peasant Viability, Rural Livelihoods, and Poverty." *World Development*, 27: 2012-2044; Koos Neefjes 2000. *Environments and Livelihoods: Strategies for Sustainability*. Oxford: Oxfam; Frank Ellis 2000. *Rural Livelihoods and Diversity in Developing Countries*. Oxford: Oxford University Press.

⁷ DFID's Sustainable Livelihoods Guidance Sheets. Available online: <http://www.nssd.net/references/SustLiveli/DFIDapproach.htm#Guidance> (accessed 4 September 2006).

shocks and maintains or enhance its capacities and assets both now and in the future, while not undermining the natural resource base.⁸

Underlying the sustainable livelihoods approach is the theory that people draw on the ‘pentagon’ of five types of capital assets, or forms of capital, which can be drawn upon to reduce poverty and secure their livelihoods, including: physical, financial, social, human and natural, which may serve as both inputs and outcomes.⁹ The sustainable livelihoods approach also recognizes that policies, institutions, and processes influence access to and use of assets, which ultimately affects livelihoods.¹⁰

The sustainable livelihoods framework treats land as a natural asset central to rural livelihoods. Land rights play multi-positions and create a basis for farmers to access other assets and livelihood options.¹¹ For example, secure access to land can be a livelihoods objective. Land is also a natural asset through which other livelihood objectives, such as gender equality and sustainable use of resources, may be achieved.¹² In some countries, lack of access to land is a major livelihood constraint for many people and people with insecure tenure rights are often forcibly removed from their land without fair compensation or due process.¹³ For instance, insufficient access to land is a significant factor in the improvement of thousands of rural people, particularly in certain

⁸ Tim Hanstad, Robin Nielsn and Jennifer Brown 2004. *Land and livelihoods: Making land rights real for India's rural poor*. LSP working paper 12 (Food and agriculture organization of the United Nations), p. 1. Also see: Diana Carney 1998. *Sustainable rural livelihoods*. Nottingham: Russell Press Ltd, p. 4.

⁹ DFID's Sustainable Livelihoods Guidance Sheets defines these five types of capitals as follows: (1) Physical capital consists of the basic infrastructure and producer goods needed to support livelihoods; (2) Financial capital denotes the financial resources that people use to achieve their livelihood objectives; (3) Social capital means social resources upon which people draw in pursuit of their livelihood objectives, includes connections, networks, group membership, relationships of trust, reciprocity, and exchange that provide for important informal safety nets; (4) Human capital represent the skills, knowledge, ability to work and good health that together enable people to pursue different livelihood strategies and achieve livelihood objectives. At a household level, human capital is the factor of the amount and quality of labor available; this varies according to household size, education and skill levels, leadership potential, health status, awareness of formal and customary tenure structures (rights, law, norms, authority structures, procedures); and (5) Natural capital is all natural resource stocks from which *resource* flows and services useful for livelihoods are derived. There is a wide variation in the resources that make up natural capital, including land resources.

¹⁰ Paulo Filipe 2005. *The right to land a livelihood: The dynamics of land tenure systems in Conda, Amboim and Sumbe municipalities*. Norwegian People's Aid, p. 3.

¹¹ Tim Hanstad, Robin Nielsen, and Jennifer Brown 2004. *Land and Livelihoods: Making Land Rights Real for India's Rural Poor*. Rome: Food and Agriculture Organization Livelihood Support Program.

¹² Paulo Filipe 2005. *The right to land a livelihood: The dynamics of land tenure systems in Conda, Amboim and Sumbe municipalities*. Norwegian People's Aid, p. 2.

¹³ DFID 2007. *Land: Better access and secure rights for poor people*, p. 16. Available online: <http://www.dfid.gov.uk/pubs/files/LandPaper2007.pdf> (accessed 4 September 2008).

parts of the Democratic Republic of Congo, which have high population densities.¹⁴ In Vietnam, land use rights contain various values and meanings, including a means of production, a source of income and a form of valuable property.¹⁵ For the farmers who live in rural and peri-urban communities particularly, land is the most valuable asset and a crucial means to achieve sustainable livelihoods. Therefore, changes in the land tenure systems or land access will most likely have proportional effects on farmers' livelihood security. This shows a closed and direct relationship between land access and livelihood security, therefore, "better access to land can play a large part in addressing the four big challenges for growth: ensuring faster growth, tackling inequality, making growth sustainable and enhancing mobility".¹⁶

1.3. Central Arguments

In this study, I argue that large-scale appropriations of agricultural land use rights for purposes of industrialization and urbanization during the past 10 years or more have created significant socio-economic impacts on farmers in term of insecure employment and livelihood vulnerability. In coping with the new situation, while the party-state's policy on vocational training and job creation shows limited impacts, many farmers in Phú Điền¹⁷ rely on their natural capital in the form of residential land use rights to not only escape poverty but also to shift to other strategies of livelihoods. However, this transformation process consists of social differentiation and diversification of livelihood strategies among farmer households in the community, and more importantly, though having temporarily attained higher living standards, many farmers still feel their livelihoods are not sustainable because they lack work.

2. Land Rights and Appropriations of Land Rights for Industrialization, Urbanization in Vietnam

2.1. Land rights

¹⁴ Chris Huggins, Prisca Kamungi, Joan Kariuki, Herman Musahara, Jonstone Summit Oketch, Koen Vlassenroot and Judi W. Wakhungu. *Land, conflict and livelihoods in the great lakes region: Testing policies to the limit*. Nairobi: African Centre for Technology Studies (Ecopolicy 14), pp. 6-7.

¹⁵ Fore a detailed discussion of Vietnamese farmers' material and non-material perceptions of land, see Nguyen Van Suu 2007. "Land tenure reform and the question of private property in Vietnam: The case of agricultural land." Paper presented to the Conference: Modernities and Dynamics of Traditions in Vietnam: Anthropological Approaches, 15-18 December 2007, Ba Ria – Vung Tau, Vietnam

¹⁶ DFID 2007. *Land: Better access and secure rights for poor people*, p. 5.

¹⁷ The name of the studied village has been changed.

During the past century or more, land tenure structure in Vietnam has experienced significant changes. Research in Vietnamese on land tenure during pre-colonial period often analyze systems of land ownership, in which, one view argues that Vietnam had three systems of land ownership: state ownership (*sở hữu nhà nước*), communal ownership (*cộng hữu*) and private ownership (*tư hữu*).¹⁸ Another view states that, for centuries, Vietnam had two systems of land ownership: state ownership and private ownership, because alongside the private ownership of land, the state ownership already contained communal land and land areas, which were directly controlled by state institutions. The state granted the village communal land to control and allocate to villagers for use, and it collected fees and taxes from the village as a whole, not from individual villagers who used plots of communal land.¹⁹ Both of these views indicate a great variation in the scale of ownership systems, especially communal land and private land, among different regions and the expansion of private land resulted in a reduction of village communal land.

However, the division of land tenure arrangements into two or three systems of land ownership as such has touched only one level of land ownership, not yet reflected the level of ultimate ownership of the king. Therefore, I emphasize that under the king's ultimate ownership is another level of land ownership, which I call practical ownership of various state and society entities in the form of two or three above systems of ownerships, in addition to non-used land (open-access).

During the colonial rule, the ultimate ownership of the king did not disappear, however, the level of practical ownership of villagers, villages, and non-used land, had been appropriated by the French and rich Vietnamese. The land reform during 1953-1956 in the North had reallocated 810,000 hectares of agricultural land to more than 2 million peasants,²⁰ which laid the foundation for agricultural collectivization program later. Meanwhile, in the South, from 1954 to 1975, the Republic of Vietnam Administration and National Liberation Front also carried out land reforms, with different aims, in their occupied rural areas. After the Vietnam War, the agricultural

¹⁸ Vũ Huy Phúc 1979. *Tìm hiểu chế độ ruộng đất Việt Nam nửa đầu thế kỷ XIX*. Hà Nội: Nxb. Khoa học Xã hội.

¹⁹ Trương Hữu Quýnh 1982, 1983. *Chế độ ruộng đất ở Việt Nam thế kỷ XI-XVIII*. Hà Nội: Nxb. Khoa học Xã hội (2 vols); Phan Phương Thảo 2004. *Chính sách quân điền năm 1839 ở Bình Định qua tư liệu địa bạ*. Hà Nội: Nxb. Thế giới.

²⁰ Trần Phương (chủ biên) 1968. *Cách mạng ruộng đất ở Việt Nam*. Hà Nội: Nxb. Khoa học Xã hội.

collectivization program in the North had been introduced to the South. Analysis of land tenure during this period shows that the level of ultimate ownership belonged to the state although the concept of the entire people ownership appeared in Vietnam earlier, at least since the 1960s.²¹ Under the ultimate ownership were systems of state ownership, collective ownership, private ownership and non-used land.

Since the early 1980s, Vietnam started to reform agricultural sector and then other economic sectors. Similar to Laos and China, this was the time when Vietnam began to clarify the issues of ownership, control and use of land in the state land tenure policy and legislation. A profound point of this new land tenure regime in Vietnam is the state's division of three key rights to land, which are held by different entities: ownership rights (*quyền sở hữu*) belong to the entire people, controlling rights (*quyền quản lý*) of the state and use rights (*quyền sử dụng*) to be allocated to individuals, family households and organizations for a certain period of time.²²

This means three key rights have been imposed on different types of land. Specifically, according to 1988 Land Law,²³ land in Vietnam was divided into 5 types: (1) agricultural land; (2) forest land; (3) residential land; (4) special-used land; and (5) non-used land. A revised version of the Land Law in 1993 re-divided land into six types: (1) agricultural land; (2) forest land; (3) rural residential land; (4) urban land; (5) special-used land; and (6) non-used land.²⁴ Revision made in 2003 re-divides land into 3 groups, including agricultural land, non-agricultural land, and non-used land, of which agricultural land has been further classified into 8 different types: (1) annual crop land; (2) perennial crop land; (3) forest-used land; (4) protected-forest land; (5) special-used-forest land; (6) aquatic land; (7) land for salt production; and (8) other types of land in accordance with the government regulations.²⁵

²¹ The Central Party Committee's Conference in July 1962 (Session III) had mentioned this form of ownership (Chú Văn Lâm và các tác giả khác 1992. *Hợp tác hóa nông nghiệp Việt Nam: Lịch sử - vấn đề - triển vọng*. Hà Nội: Nxb. Sự thật, trang 19). However, the concept of the entire people ownership has only been applied to the state's land tenure policy and legislation since the 1980s.

²² I will sometime use agricultural/residential land instead of the full phrase of agricultural/residential land use rights.

²³ Land Reform Law of the Democratic Republic of Vietnam, passed by December 1953, created the legal foundation for the appropriation, purchase and allocation of land (and some other properties) during 1953-1956, did not mention the issue of land ownership and management in Vietnam. In 1988, although its uncomplicated shape, the 1988 Land Law showed clearly the state's point of view toward the question of how land in Vietnam should be owned, controlled and used.

²⁴ *Luật Đất đai* [sửa đổi 1993]. Hà Nội: Nxb. Chính trị Quốc gia, 1995.

²⁵ *Luật Đất đai* [sửa đổi 2003]. Hà Nội: Nxb. Chính trị Quốc gia, 2003, trang 20-21.

Although the process of agricultural reform started since the early 1980s, land use rights was only clarified and had been allocated to family households since 1988 in accordance with the 1988 Land Law and Resolution 10.²⁶ In 1993, land use rights has been officially reallocated in accordance with the 1993 revised Land Law. This Land Law also regulates a reallocation of agricultural land use rights in 2013.²⁷

In the viewpoints of the state land tenure policy, when the state appropriates agricultural land, it only pays economic compensation for the use rights on agricultural land, which the state has allocated to the villagers for use for a certain period of time, alongside other materials that the holders of use rights have cultivated or constructed on their fields. This is often the key point of creating critical disputes between the state officials who in charge of land appropriation and the villagers who hold use rights on the appropriated land over a reasonable level of economic compensation for the seized land.

2.2. Appropriations of Land Used Rights for Industrialization and Urbanization

The beginning of *đổi mới* in Vietnam signifies an ambitious scheme of industrialization. Since the early 1990s, *công nghiệp hóa* (industrialization) appears to have been a slogan for the state to enforce its policies in various sectors and areas to make Vietnam become an industrialized economy by 2020.²⁸ Going alongside industrialization is urbanization.²⁹ Vietnamese historians argue that cities in Vietnam

²⁶ This is a general start for the whole country. In practice, a number of locales started to allocate agricultural land use rights before 1988 and some others carried out this after 1988.

²⁷ One question poses is how will the state authorities reallocate agricultural land use rights, especially in the locations like urban, peri-urban areas and communities where there is a big population with a limited area of agricultural land. In such areas, is it possible to reallocate the current holding of agricultural land use rights of villagers to other villagers, whether those villagers whose agricultural land use rights have been appropriated and compensated will receive land use rights? If yes, whether the villagers whose agricultural land use rights not being appropriated content with this? Which methods will the state use to reallocate agricultural land use rights? Another question is that the 1988 allocation and 1993 reallocation of agricultural land use rights witnessed various claims to ‘old’ plots of land, whether such claims occur again in 2013 reallocation? Alternatively, maybe the party-state will extend the term of use for another 20 years like those that the Chinese counterpart has done in 1998.

²⁸ In Vietnam, the term “*công nghiệp hóa*” (industrialization) is often used in combination with “*hiện đại hóa*” (modernization) creating a common phrase of “*công nghiệp hóa, hiện đại hóa*” (industrialization and modernization). However, I think this use entails a repetition, because “*công nghiệp hóa*” has partly meant “*hiện đại hóa*”. Therefore, in this study, I use the concept of “*công nghiệp hóa*” instead of “*công nghiệp hóa, hiện đại hóa*” as Vietnamese politicians and scholars often use.

²⁹ In addition, the building of gold courses, urban residential areas, tourism sites, and other infrastructure occupy for a large area of converted land. In 2008, Vietnam has 140 gold courses, with an area of over 38,000 hectares of land in 51 in the total of 63 provinces and cities. There is a common saying that thousands of Vietnamese farmers have to satisfy their agricultural land, their main traditional means of production, for the play of a few hundred wealthy people. Since the early 2008, when the inflation hits a

appeared since the medieval times or even earlier, however, Vietnam remains an agricultural economy with the population domination of farmer class in rural areas. Urbanization only rapidly grows since the early 1990s. Among the urban centers, Hanoi is the capital city of Vietnam since 1010. In the 19 century, it was an administrative and market town of 37 streets, the name of each indicates the traded products. By early 2000s, Hanoi had four urban districts and five rural districts. From August 2008, administrative boundary of Hanoi Capital has been expanded to include the whole Hà Tây province, the whole district of Mê Linh of Vĩnh Phúc province and four communes of Hòa Bình province.³⁰

Like in China, industrialization and urbanization in Vietnam during the past years have encroached a large area of agricultural land. However, to this date, Vietnam has no accurate figures on the total area of land, especially agricultural land, which have been appropriated since the late 1980s for purposes of industrialization and urbanization nationwide. The piecemeal data show that on the national scale, from 1990 to 2003, 697.417 hectares of land have been seized to build processing zones, industrial zones, infrastructure and for other purposes.³¹ In 2005, *Nhân Dân* newspaper, the Vietnam Communist Party's mouthpiece, reported that approximately 200,000 hectares of agricultural land were appropriated each year for non-agricultural purposes nationwide.³² Various other reports provide complementary figures. One source, which has been commonly quoted, reveals that during the period of 2001 to 2005, 366,000 hectares of agricultural land have been converted into urban and industrial land by the central government. This amount accounted for four percent of the total area of Vietnam's agricultural land. Of which, 16 provinces and cities have converted a sizeable area include, for example, Tiền Giang (20,380 hectares), Đồng Nai (19,752 hectares), Vĩnh Phúc (5,573 hectares), Hanoi (7,776 hectares). Considering economic regions,³³ the Red River Delta leads the way as 4.4 percent of its agricultural land has been

two-figure rate, threatening the national food security, Vietnam government started to limit the issuing of new golf course building in Vietnam.

³⁰ This study focuses on Hanoi prior to its expansion only.

³¹ Lê Du Phong 2005. "Thực trạng thu nhập, đời sống, việc làm của người có đất bị thu hồi để xây dựng các khu công nghiệp, khu đô thị, xây dựng kết cấu hạ tầng kinh tế - xã hội, nhu cầu công cộng và lợi ích quốc gia". Trường Đại học Kinh tế Quốc dân: Đề tài độc lập cấp nhà nước, trang 9.

³² According to "Tìm lối ra cho nông dân không còn đất" [Finding a pathway for landless farmers], dated 16 August 2005. Available online: www.nhandan.org.vn (accessed 20 June 2007).

³³ Currently Vietnam government divides the country into 8 economic regions, including: North West, North East, Red River Delta, North Central Coast, South Central Coast, Central Highlands, South East, and Mekong River Delta.

converted into urban and industrial land, while the South East Region accounts for 2.1 percent.³⁴ Since 2005, the expropriation of land conversion continues, but no accurate figures on land conversions since at the national scale are available.

In the case of Hanoi, during the past over ten years, economic development, industrialization and urbanization have been quickly expanding Hanoi urban city. As having been planned, for a period of ten years, from 2000 to 2010, 11,000 hectares of land, mostly annual cropland in rural Hanoi, is planned to be converted into industrial and urban land for 1,736 projects, and it is estimated that these conversions will result in the loss of traditional work of 150,000 farmers.³⁵ In practice, from 2000 to 2004, Hanoi has converted 5,496 hectares of land for 957 projects, and this impacts critically the life and works of 138,291 households, among them 41,000 are classified as agricultural households.³⁶

Among the mentioned purposes, the land appropriation for industrial zone building is the most important. Having started since 1990, Vietnam in 2005 has built hundreds of industrial zones, including 130 large industrial zones in operation, which use 26,517 hectares of land,³⁷ alongside hundreds of small-medium industrial zones in 47 provinces and cities nation-wide. From 2005 to 2010, the government's plan is to build 128 new industrial zones on an estimated area of 22,813 hectares.³⁸ By early 2008, Vietnam marked its 20 years of Foreign Investment Law (1987-2007) with a celebration of an outcome of 9,500 investment projects from 82 countries and territories with a total sum of USD 98 billion investment capital.

3. The Studied Village of Phú Điền

³⁴ Khoa Minh - Lưu Giang 2007. "Vẫn là câu hỏi việc làm?" *Lao Động*, số 218, ngày 20/09/2007.

³⁵ Meanwhile, various sources issued by Ministry for Agriculture and Rural Development indicate that the appropriation of such agricultural land in Vietnam during from 2001 to 2005 have affected 950,000 agricultural laborers in particular and around 2.5 million rural people at large (Văn Hoài 2007. "Tìm lối ra cho nông dân mất đất. Bài 11: Bộ trưởng Bộ NN&PTNT Cao Đức Phát "Cần làm rõ hiện trạng chuyển đổi đất nông nghiệp". *Nông thôn Ngày nay*, số 177, ngày 25/7/2007, trang 39).

³⁶ Hồng Minh 2005. "Hà Nội giải quyết việc làm cho lao động khu vực chuyển đổi mục đích sử dụng đất". *Lao động & Xã hội*, số 270 (22-23 và 39).

³⁷ Vũ Đình Tôn, Nguyễn Thị Huyền, Võ Trọng Thành 2007. "Thách thức đối với sinh kế và môi trường sống của người nông dân vùng chuyển đổi đất cho khu công nghiệp". *Nghiên cứu Kinh tế*, số 351 (49-56), trang 50.

³⁸ Lê Văn Học 2005. "Định hướng phát triển các khu công nghiệp ở Việt Nam đến năm 2010". *Thông tin Khu Công nghiệp Việt Nam*, số 5 (8-11), trang 8.

The special focus of this study is Phú Điền, a peri-urban village in the South-West of Hanoi, which since the late 1990s experiences a large-scale conversion of agricultural land for industrial and urbanization purposes.³⁹ Having been established at least since the 17th century, Phú Điền was considered an agricultural community, which in comparison with other Red River Delta villages, had a high area of agricultural land per agricultural person. According to the village's 1805 land book, Phú Điền had a total of 984 *mẫu*, 3 *sào*, 11 *thước* and 4 *tấc* agricultural land,⁴⁰ equals to 353 hectares.⁴¹

This area of agricultural land included private land of the farmer households and communal land of the village as a whole. The village communal land was often divided into several portions for various purposes. The largest portion of 100 *mẫu* was reserved to allocate to 5 *giáp*,⁴² each had 20 *mẫu*. A small portion was allocated to the 15 eldest persons in the village, who Phú Điền villagers called *các cụ tam bàn* in the communal house.⁴³ Another area was allocated to the village officials as a kind of salary for their services to the village. As some villagers recalled, the village head often attained three *mẫu* and his deputy had two *mẫu*.

The land reform in the mid 1950s shook Phú Điền community. Like what happened in other villages in Bắc Ninh province where I did fieldwork in 2002, the land reform is often the story that not many villagers today want to tell. When they do tell, they are often *dè dặt* and *e ngại* (reluctant), because this still relates to the living people in their community. In the land reform, Phú Điền was chosen for a pilot conduct of land reform in rural Hanoi. My informants still recalled that in the mid 1955, the land reform team of five officials arrived in the village. Having relied on poor farmers to collect information on land areas, land taxes, money lending, the rich and the poor, etc. in the village, the

³⁹ Phú Điền has 6,708 inhabitants in 2006.

⁴⁰ 1 *mẫu* = 3,600 square meters; 1 *sào* = 360 square meters; 1 *thước* = 24 meters, 1 *tấc* = 2.4 square meters.

⁴¹ Phan Huy Lê, Vũ Minh Giang, Vũ Văn Quân, Phan Phương Thảo 1995. *Địa bạ Hà Đông*. Hà Nội: Trung tâm Hợp tác Nghiên cứu Việt Nam, trang 346. However, during agricultural collectivization period, some of Phú Điền agricultural land had been allocated to a neighbouring village. When the district authorities established its capital town in the 1980s, another area of Phú Điền's agricultural land had been taken away. These appropriations decreased Phú Điền's agricultural land.

⁴² Including *giáp Nhất*, *giáp Bắc*, *giáp Chánh*, *giáp Đông* and *giáp Đoài*. *Giáp* is a voluntary institution which gathered adult men according to residential area within the traditional Vietnam villages.

⁴³ The traditional Phú Điền had a custom regulating that among the elderly, 15 eldest men had their seats in the upper – front seats in the communal house. Each of these 15 elderest men received a plot of communal land. When one of them died, the next enter the group.

team classified Phú Điền population into several categories: landlords, upper – farmers, middle farmers, poor farmers and landless farmers, with the holdings of agricultural land shown in Table 1.

Table 1: Agricultural Land Holdings in Phú Điền in 1955

| Holders | Area of Holdings (mẫu) |
|---|-------------------------------|
| – One external landlord ⁴⁴ | 300 |
| – Landlords | 150 |
| – Upper-peasants | 100 |
| – Medium and poor peasants (accounted for 50 percent of the village population at the time) | 100 |
| – One-fourth of Phú Điền’s population | None |
| – Village communal land | 200 |
| – Other holders: village pagoda, lineages, etc. | 50 |
| Total | 900 |

Source: Ủy ban Nhân dân xã Mỹ Đình 1999. *Lịch sử cách mạng xã Mỹ Đình - huyện Từ Liêm thành phố Hà Nội*, trang 98.

This classification was conducted on the basics of land holding, renting out land, renting in farmer labor and lending money for high interest. Accordingly, Phú Điền had 10 landlords, on average, each held around 15 mẫu. Five of them were even charged as *địa chủ chủ gian ác, nợ máu* (blood debt and cruel landlords) and one of them had been jailed and finally died in the prison. All agricultural land in the village, including confiscated land and communal land, were equally allocated to villagers, each received four sào and two thước, equals to 1,448 square meters.⁴⁵

⁴⁴ This landlord also held a position of *Chánh tổng* of the colonial administration (a position that more or less equals to the President of a commune – the lowest level of government structure in contemporary Vietnam). He held a large area of land in the region, including the land area of Phú Điền village. The elderly in Phú Điền told me that this man had taken the land of many poor villagers by first lending them money with a high interest rate, and as in many cases the borrowers could not pay the debt, he then took the agricultural land of his money borrowers. This was a common way of landlords’ taking of agricultural land of the poor farmers in colonial Vietnam.

⁴⁵ Ủy ban Nhân dân xã Mỹ Đình 1999. *Lịch sử cách mạng xã Mỹ Đình - huyện Từ Liêm thành phố Hà*

Due to incorrect classification, shortly then, the error correction had reclassified Phú Điền 10 landlords and reduced the charges on some of them. One villager told me: “My family was classified as landlord, our six *mẫu* agricultural land and other properties had been confiscated. After the error correction, we got back the house, but not other properties”. Another villager said: “My family was first classified as landlord, but later, they re-examined and moved us down to upper-farmers.” One even said his family had only been corrected and received confiscated properties a few years later when a family member of his died in the battle against the Americans.

After the land reform, in 1958, numerous working teams (*tổ đổi công*), each consisted of between 5 and 10 households, were set up. Based on these working teams, in 1959, four low-level agricultural cooperatives (*hợp tác xã nông nghiệp bậc thấp*) were established in the village’s four hamlets, with 400 households. However, at this stage, those families who were previously classified as landlords were not allowed to join the cooperative. For those villagers who joined the cooperative, besides their labor, they had to contribute their means of production, including land and production tools into the cooperative. Then, the division of produce often took this amount of contribution into consideration. In addition, during the low-level cooperative, each villager received three *thước* of farming land as the five percent land (*ruộng năm phần trăm*). In 1961, these four cooperatives were merged into one village-sized cooperative, called high-level agricultural cooperative (*hợp tác xã nông nghiệp bậc cao*) with the participation of all households in the community. By 1977, this village cooperative had been merged with three other village-sized cooperatives to make up one commune-sized cooperative,⁴⁶ with 2,000 households.

Phú Điền villagers still recalled their lives during this collectivization period with popular images of many thatch-roof houses. Only a few tiled-roof houses. What they produced in the fields were not enough for them to eat. Therefore, de-collectivization of the agricultural production since 1980s marked a major change to them, as it allocated land use rights for farming on their own. If during the land reform, each Phú Điền villager received four *sào* and two *thước*, in 1988 allocation, each labourer received four *sào* ration land and one *sào* of the five-percent land. The ‘social-policy’ households received

Nội. Hà Nội, trang 98-99.

⁴⁶ Ủy ban Nhân dân xã Mỹ Đình 1999. *Lịch sử cách mạng xã Mỹ Đình - huyện Từ Liêm thành phố Hà Nội*. Hà Nội.

better location plus one additional *sào* in comparison with ‘ordinary’ households. In 1993, while many rural communities in Vietnam reallocated agricultural use rights in accordance with the revised-Land Law, which first passed in 1988, agricultural land in Phú Điền remained un-allocated. Since, holders of agricultural land use rights started to receive a land certificate, but the issuing of land certificates had been ceased since 2000 due to the large-scale appropriations of agricultural land in the village.

By 2000, Phú Điền had 147.7 hectares of agricultural land, 1,088 agricultural households, each held 1,350 square meters on average. However, to this date, three-fourths of village agricultural land has been appropriated for the building of various offices, apartments, villas, schools, roads, trading areas, bus station and parking area, etc. As a result, by the end of 2007, the village agricultural land decreased to 40 hectares: two hamlets lost all farmland, one has 27 hectares, another has over 10 hectares, and this remaining area will be seized in the coming years. The appropriated agricultural land of over 100 hectares has been allocated to more than 70 projects. This means all the area of agricultural land in Phú Điền are changing to other types of land resulting in the fact that Phú Điền agricultural households have to transform their traditional livelihoods. In what ways and how have they changed are the issues of my analysis in the following section.

4. The Transformation of Phú Điền under Urbanization

4.1. The in-flow of financial capital

The state’s seizure of land use rights in Vietnam during the past years has often been conducted in several ways. The first is classified as the land seizure for purposes of the state and collective. In this way, the state authorities directly decide the location, area, level of compensation, and implement the seizure to meet targeted purposes of the state and collective. This originates from a rationale that all land in Vietnam belong to the entire people, which is represented by the socialist state, and the state allocates land-use rights to individuals, villagers and organizations for use in a certain period of time.⁴⁷ When the state needs land-use rights, it has power and right to seize and offer the holders of land-use rights a level of compensation for land-use rights and other constructed properties on the land.

⁴⁷ Use-time varies from one type of land to another.

When appropriation of land increases and serve the purposes the non-state and private entities, that is to to transfer land-use rights from one holder to another, mostly from farmers to entrepreneurs, the second way of land seizure has been designed. In this way, state authorities remain the institution that have a final decision on land seizure, including the location, area of land, level of compensation, etc., however, the seizure is only being conducted once the entrepreneur has achieved the agreement from the holder of land-use rights, i.e. the farmer. Despite these, conflicts over appropriations of and compensation for land-use rights remain a burning question in Vietnam. In 2008, therefore, the Government employs a pilot way of land seizure: Establishing a Company of Land Seizure and Compensation in the hope to build a mediate institution between the holders of land use rights and other parties who want to use the land to smooth the expropriation of land.

In Phú Điền, the seizures of agricultural land-use rights have solely been conducted in accordance with the first way. In the process of land appropriation, two important issues, which became the central of villagers' discussion, are the level of compensation and works for farmers after the seizure of their land. In this section, I analyze how the loss of agricultural land use rights in Phú Điền during the past years has resulted in a large flow of financial capital pouring into this community.

This money flow comes from two sources. One is compensation money for agricultural land use rights. If the average level of compensation for one *sào* of agricultural land in 2000 was 30 million *đồng*, it doubles in 2007, including four items of compensation and assistance (see Table 2).

Table 2: Compensation for Agricultural Land Use Rights in Phú Điền in 2007

| ITEMS OF COMPENSATION AND ASISTANCE | AMOUNT(<i>đồng</i>/m²) |
|---|--|
| 1. Agricultural land use rights | 108,000 |
| 2. Vegetables and other annual fruits on the land | 35,000 |
| 3. Supports for job shifting | 25,000 |
| 4. Rewards for quick conduct | 3,000 |
| TOTAL | 171,000 |

Source: The author's synthesis of fieldwork data.

For a number of households, compensation money even increases as they cultivated perennial trees prior to the seizure to *ăn điền bù* (eat the compensation). This originates

from the fact that the state's compensation policy pays differently the different kinds of trees and plants on the seized land. Therefore, when villagers probe the state's plans of land seizure, some start to plant perennial trees like willow and guava trees, etc., which easily plant and quickly grow, to enjoy a larger amount of compensation money. For example, one villager compare that the compensation for vegetables and other annual fruits like rice, *rau muống*, etc., on the land was 12,000 *đồng* per square meter in 2004 (in 2007 compensation for these crops in Phú Điền was 35,000 *đồng* per square meter) while the compensation for annual crops such as *liễu* and *ổi* in the same year was 30,000 *đồng* per square meter.

Besides the compensation for land use rights and trees, in many projects the private entrepreneurs that use the appropriated land assist a large amount of money, which often goes through the commune authorities to the village. In Phú Điền, no accurate records on this amount are available, but one village cadre estimates that over 10 billion *đồng* has been invested into the village's infrastructure such as communal house, cultural house, pagoda, playhouse, clinics, kindergarten and especially the village roads during the past years.

However, many Phú Điền farmers thought that such levels of economic compensation have not yet been fair, as put together they are lower than the 'real prices' that they expect. No violent actions occurred as sometimes I witnessed in other villages elsewhere, but the farmers often complaint and non-violently resist such levels of compensation, especially when in several projects they witness that their agricultural land, after having been seized, are being sold for apartment, house, villa building, etc., with a many times higher price. One Phú Điền farmer angrily said:

The compensation price for agricultural is not reasonable. The unreasonablity here is that this is a peri-urban area, close to the urban district, but the compensation price for our agricultural land is much lower than that of the neighbouring urban district. In the same project, same area of agricultural land, but the compensation price for us is just half of the amount for compensation money for agricultural land of those households who administratively belong to the urban district. For one *sào*, in 2007, we receive only 62 million *đồng*, while in the neighbouring communes the prices varies from 140 to 180 million *đồng*. More importantly, we are afraid that they seize the land to build apartments to sell. While they paid us around 60 million *đồng* for one *sào*, the land area has then been filled to sell with the price of 40-60 million *đồng* per one square meter for house and villa building. The villagers said the state *trấn lột* (confiscates) their property. Actually they [the entrepreneurs who use the appropriated land] are private, not the state, the state does not do

so. The private does this in the name of the state. The price for job shifting is also too low. Currently, one area of 300 square meters of agricultural land can be enough for one laborer to farm *rau muống* to earn two million *đồng* a month. However, when the state seizes the land, they assist us only 25,000 *đồng* for one square meter for job shifting. This means that 300 square meters of agricultural land gives us the assistant money of only 7.5 million *đồng*. However, with such a small amount of money, how we farmers can change our work and business. (Interviewed Mr. Q., 60 years old, 11 September 2007)

Despite of such complaints, the compensation money for the villagers' agricultural land during the past years amounts to a large volume of financial capital: many billion Vietnamese *đồng*. The seizure of agricultural land use rights means a removal of farmers from their natural capital; however, the compensation for this loss for the farmers is often a large amount of financial capital. With the current level compensation and in the context of current living standards, farmers received a large amount of money for the seizure of their agricultural land in a short period. In the district as a whole, a report by the district authorities highlights that within 5 years, 2002-2007, the compensation money for land appropriation in the district reaches 800 billion *đồng*.

The second source of financial capital comes from the selling of residential land use rights. As previously noted, the rapid urbanization in the area has increased the value of Phú Điền villagers' natural asset in the form of residential land use rights. Before 2000, Phú Điền people enjoyed lots of space. One family usually had a house, garden with fences and many trees. However, the village has become crowded. Many households' residential land has been divided into two or several pieces to partly sell to different people, many of them come from the outside.

In a study on agrarian transition in Vietnam during the 1990s, Akram-Lodhi noted "the average price of crop land per hectare, in current Vietnamese dong, jumped from VND 11.9 million in 1992 to VND 26.1 million in 1998, a period in which inflation was very low."⁴⁸ For residential land, the price has even increased much faster. A study by one research team from Harvard University's John Kennedy School of Government has shown that in Vietnam at large, land price in the urban area and locations to become urban area is very expensive, equal to land price in comparable places of Japan, a densely populated country with the average income per head of 50 times higher than that

⁴⁸ A. Haroon Akram-Lodhi 2005. "Are 'landlords taking back the land'? An essay on the agrarian transition in Vietnam". *The European Journal of Development Research*, Vol. 16, No. 4 (757-789), p. 767.

of Vietnam.⁴⁹ In the peri-urban Hanoi respectively, Nghiem Lien Huong's study of land fever in Cỗ Nhuế, a village which is just several kilometers from Phú Điền, provides a good example about the increase of land price: One holder "bought a piece of 200 sq.m of land in 1991 at the price of around 0.02 ounce of gold per sq.m. In 2001, the price fluctuated between 2 and 3 ounce. Only one year later, by the end of 2002, it rose tenfold to around 30 ounces. In other words, the exchange value of the plot has increased a thousand times in more than a decade."⁵⁰

In Phú Điền, many villagers indicate a rapid increase of residential land price since the late 1990s. In the early 1990s, there were a few transactions of residential land and the common price of residential land at the time in Phú Điền was less than 3 million *đồng* per one square meter in the best location, i.e., near entrance roads and commercial areas. However, since the late 1990s, the price of residential land soars. The most expensive plots of residential land in the village in 2007 cost 60 million *đồng* per one square meter, equal to around USD 3,750 per one square meter; the cheapest plots range from 13 to 15 million *đồng* per one square meter. This makes Phú Điền becoming one of the hottest locations of land buying and selling in Vietnam.

By the time of my fieldwork, about 80 percent of Phú Điền villagers have sold part of their residential land to the buyers many of them come from urban Hanoi, some were born in rural areas but have acquired works in Hanoi capital. The district authorities reported that in a 5-year period, 2002-2007, 2,752 households have sold part or all of their residential land use rights. These figures are much lower than number of transactions in practice, however, they partly indicate how a large amount of money the villagers in this area have received through the selling of their residential land use rights.

4.2. The out-flow of financial capital

At the same time, however, a large amount of money has gone out of villagers' pockets. In other words, many farming households of Phú Điền have spent a large amount of money during the past several years for different purposes. For many villagers, their compensation money and residential-land selling money have commonly

⁴⁹ John Kenedy School of Government 2008. *Lựa chọn thành công: Bài học từ Đông Á và Đông Nam Á cho tương lai của Việt Nam*. Chương trình Nghiên cứu châu Á, Đại học Harvard, trang 39.

⁵⁰ Nghiem Lien Huong 2007. "Sot dat (land fever) in Hanoi: Ruralization of the urban space". In: *Globalizing cities: Inequality and segregation in developing countries*, Ranvinder S. Sandhu & Jasmeet Sandhu (eds). India: Rawar Publications (206-229), p. 209.

been divided into several portions, among them a big portion has been used to build new houses. The building of new houses in many cases consumed almost all their compensation money and part of the money they acquired from selling part of their residential land. The construction of new houses and upgrading the old ones in the village in a several-year period have not only physically turned the village into a ‘construction field’ but also socially changed the village image from an ordinary community to a wealthy one.

Another portion, for a number of households, has been used to pay debts that they owed the agricultural cooperative in the past. One cooperative cadre said: “Except the local cadres, over 90 percent of the village households were in debt [with different amount] to the cooperative. The debt increased since the 1980s, and for the whole commune, it amounted up to 1,000 tons of rice. The biggest debt one household owed was four tons of rice. All compensation money is paid in the commune headquarters, therefore, cooperative cadres often wait there to collect the debt. From 2000 to 2007, they have collected over 700 tons, however still need to collect 228 additional tons, including 125 tons of Phú Điền villagers.

The rest of their money, villagers use for various purposes. However, it is common to see they purchase furniture and vehicles like motorbike, each usually cost USD 1,000 to 3,000 or more, lend to the bank for interest, and cover their daily living expenses.

4.3. The transformation of local livelihoods

The rapid urbanization and industrialization has forced villagers to almost end their traditionally agricultural production. In the 1990s, for most of Phú Điền farmers, agricultural farming and animal husbandry offered them more than half of their annual income. This had been added by income from sideline works like retailing, constructional work and services for the urban Hanoi or elsewhere. A survey in 2005 shows that among 300 farmer households under the survey in Hanoi area,⁵¹ prior to their land seizure, 69.3 percent spent most of their working-time on the fields, 30.7 percent used most of their working-time on non-agricultural works.⁵²

⁵¹ The survey of these households in Hanoi area is a part of a larger assessment study in 8 provinces representing the North, Centre and South of Vietnam in 2005. In each of the selected provinces, 300 households and 100 governmental officials have been chosen for interview.

⁵² Lê Du Phong (chủ biên) 2007. *Thu nhập, đời sống, việc làm của người có đất bị thu hồi để xây dựng các khu công nghiệp, khu đô thị, kết cấu hạ tầng kinh tế - xã hội các công trình công cộng phục vụ lợi ích quốc gia*. Hà Nội: Nxb. Chính trị Quốc gia, trang 153.

After various land conversions, most of agricultural laborers in Phú Điền no longer have land for farming. As I previously mentioned, by early 2008, Phú Điền has had only 40 hectares of agricultural land left, however, the irrigational systems supporting agricultural production have been destroyed by a variety of constructions on the seized land. This makes the farming work in the remaining plots of land impossible. In some plots where water is available, a few villagers cultivate *rau muống*, a type of vegetable that can be easily grow and sell in the local market to earn 30,000 to 40,000 *đồng* a day, just enough for their daily subsistence. In the second half of 2007, around 40 households in Phú Điền whose middle-age female members often engaged in this work. In other plots where natural water is not often available, they grow perennial trees to eat compensation when the land is seized. Some plots of land are simply left idle to wait for seizure.

The conversions of agricultural land for building of new residential areas, roads, etc., have shortened the distance between Phú Điền and the urban area of Hanoi. Various new roads have been built, old roads have been upgraded, connecting Phú Điền and the surrounding areas. This enables the flow of peoples coming to the village to hire accommodation. At the same time, Phú Điền villagers lost their agricultural land, have no more farming work, therefore, need to form alternative or find new sources of livelihoods. Taking this opportunity, they started to invest their money into the building of houses, which in most of cases includes a good house for their living and simple houses with as many room as possible for lease. Many of the lodgers are students and immigrant laborers, who look for cheap accommodation in the village. To this date, over 80 percent of households in the village lease accommodations. Most of the houses for rent in Phú Điền are designed as one-story longhouse, with numerous small, simple rooms with modest furniture. Only a few households built two-storey houses, also with many rooms of higher quality for leasing. The accommodation simplicity as such originates from the simple demand of the lodgers. It also stems from the fact that Phú Điền villagers do not see this as a long-term strategy for livelihoods, therefore many are still hesitant to invest more financial and natural assets in this type of business for long-term livelihoods.

I should note that building simple houses for lease has appeared since the early 1990s in other communities closer to the urban Hanoi. Nevertheless, the nearer to the urban centre the more it cost. Therefore, many students and poor migrant laborers

choose peri-urban communities like Phú Điền village for temporary residence. According to a village security official, since the late 1990s the number of people go to Phú Điền for temporary residence increase rapidly. In general, a group between two and four persons rent one small room. To rent a room, beside a financial arrangement with the host, lodgers need to register their ‘temporary residence’⁵³ with the village security officials and pay a small fee. The accommodation rental fee, by the second half of 2007, often ranges from 300,000 to 400,000 *đồng* per small room per month exclusive water and electric expenses. For a small number of higher-standard rooms, rental fee varies between 500,000 to 600,000 *đồng* per room per month. Since early 2008, the inflation reaches a two-figure rate forcing the accommodation rental fees a slight increase in the village.

Accommodation rental fee is now considered the most essential and ‘stable’ source of income for many Phú Điền villagers, many of whom no longer have any farming work. Overall, many households have more or less than five rooms for rent to attain a monthly income of over 1.5 million *đồng*. A few tens of households, who have a large area of residential land, have had between 20 and 50 rooms for rent, therefore these households’ income from room lease alone adds up to 30 million *đồng* per month. At the same time, however, it is estimated that around 20 percent of households have no room for rent. This has shown not only how natural capital in the form of residential land-use rights has become an important source of livelihoods but also significantly contributed to social differentiation in the village.

In addition, the seizure of agricultural land in Phú Điền results in a pressing need to find new sources of livelihoods and this in turn has forced many villagers into informal retailing and selling basic foodstuffs, household goods and other services for those who reside in the community. The retailing occurs in two main locations. One is in the village’s new market of 500 kiosks that was built in 2003 to create a local trading site for Phú Điền land-lost farmers. Some villagers told me that some local cadres bought two and three kiosks for later selling with higher prices, while they have to compete to get one. The second, which is a more important location of retailing, is along the village main roads. This type of retailing and services include numerous small shops, bars, etc., encroaching the village public space.

⁵³ This is *cư trú tạm thời*, applying for those who do not have permanent *hộ khẩu* in the area of current residence.

Besides, only a few households have successfully arranged some kinds of stable non-agricultural jobs for the family's adult members. In most of these cases, taxi-drivers seem to be the most accessible to them. This originates from villagers' poor social and human capitals, which in turn, limit their access to skill-required and high-paid works. This explains why many villagers in Phú Điền engage into self-paid and simple work, which do not require a higher level of education, working skills, personal connections, but offer them a source of work and modest income.

In short, after the seizure of agricultural land, besides leasing accommodation, many Phú Điền villagers have engaged in various simple non-agricultural work and services for livelihood objectives, and all these depend greatly on the emigrational laborers, students, etc. One farmer even told me that their main income source is students and they would die if no more students living in the village.

4.4. The increase of instability, risks and inequality

The seizure of agricultural land enables Phú Điền villagers to entail a higher level of income in general in comparison with that during the time of agricultural production. Their former income was essentially from agricultural production and had often been converted in paddy (*tính bằng thóc*), not cash money. In fact, the farming work did not bring villagers a good income to make them economically rich, because after a deduction of expenses for seeds, fertilizers, etc., they entail between two and three *tạ* (equals to 100 kilograms) of paddy per *sào* per season. If in 2001 the paddy were 2,500-3,000 *đồng* per kilogram, then one ordinary household would get 3,000,000 *đồng* per *tạ* or less per season and 6,000,000 *đồng* or less per *tạ* per year. In 2007, the average income from accommodation lease for the majority of Phú Điền households is around 1,500,000 *đồng* per month. This is not to mention other sources of income and the compensation money and money from residential land selling. This shows a general increase in Phú Điền villagers' living standards in comparison with their during years previously.

However, many villagers feel that their livelihoods are more fragile, un-sustainable in comparison with that of the past years when they farmed the land: Many of them could prepare themselves daily foodstuffs, like rice, vegetables, etc. After the appropriations of agricultural land, however, the villagers have to buy most of the things they need for their daily living. This enables them to access more into but also makes

them more dependent on the market. In addition, like in China, a rapid urbanization since the 1980s-reforms has resulted in a ‘desakota’ pattern of living, an Indonesian term indicates the area mixing of urban and rural,⁵⁴ therefore their living expenditures have much increased than when they lived in a more ‘rural’ community. For example, villagers often compare the payment of their children’ school fees, as one said “we paid only a few tens of thousand before, but now we pay several hundred thousands”.

Many villagers also worry about the increase of social evils in community since the late 1990s. From a community free of heroin drugs, Phú Điền gradually witnesses various types of social evils entering their living area. The most common and dominant is gambling. This is not a new thing in the village, but the question is it strongly increases during the past several years. During my fieldwork, it was common to encounter a group of several people, of both genders and at different ages, participating in the play of *tá lả*, *mạt chược*, *lô*, *đề*, etc.,⁵⁵ in either public space or private houses. The main reasons for this, as villagers explained, due to not only the increase of cash money but also more importantly the too-much free time they have. This is not yet to mention the increase of residential land price also leads to disputes among members of households. Prior to the late 1990s, when the value of residential land was low, the division or allocation of family’s residential land among family members seems to be an easier task than that of today. The disputes as such during the past 10 years in Phú Điền have often resulted in the courts for resolutions.

To some extent, the new businesses they have engaged involve risks, which the villagers did not see before. Villagers often lack of experience and knowledge in new businesses like accommodation lease. One example many Phú Điền villagers find hard to forget happened to Mr. T. On an October evening, 2007, Phú Điền villagers were shocked when two boys killed Mr. T and his wife to rob 200 million *đồng*. Mr. T, at his forties, received a large amount of land compensation money. To form a new livelihood, he invested the compensation money in addition to the money he borrowed from the bank in building a guesthouse, the first one in the village. After the commencement of this new business for a few months, two guesthouse guards he hired have killed him and his wife to rob the money that they thought add up to 200 million *đồng* storing in a steel

⁵⁴ Gregory Eliyu Guldin 1996. “Desakotas and beyond: Urbanization in Southern China”. *Ethnology*, Vol. 35, No. 4, pp. 265-83.

⁵⁵ These are popular types of gambling in Vietnam.

safe (*kết sắ*t). After the incident, the two guards have been arrested, however, villagers still discuss about reasons for this sad incident. Some villagers said Mr. T encroached the land of the village's communal well to build this guesthouse,⁵⁶ but this is a *thiêng* (sacred) and *độc* (poisonous) well, therefore resulting in this consequence. Nevertheless, many others said the main reason is that this couple lacked experience to do this kind of business. They thought guesthouse business people should be *kẻ có máu mặt* (blood-face and hardhead persons), because their clients often involve various types of lodgers, including robbers and prostitutes. Mr. T, however, had worked in the field for years, had little experience and knowledge to avoid this consequence.

Another issue is the stability of new livelihoods. Accommodation lease, retailing, etc., are new livelihoods Phú Điền villagers have been engaging since their loss of agricultural land. Nonetheless, whether these alternative livelihoods are sustainable or not, and how long are they able to maintain such livelihoods, are key questions in their minds. They have witnessed the city authorities' plans to move major universities in the in close proximity to rural and peri-urban locations of Hanoi, far from Phú Điền village. When students no longer come to rent their houses in the village, which directions will their lives move toward? They may have to again find new livelihoods, and if so, what livelihoods are accessible are not answered. Villagers' concerns as such are not for the adults but also for their children' future. One elderly villager relates: "I think urbanization has good things, but thinking about the future it is so fragile. We do not know how the state policy will be".

Changes in farmers' livelihoods have also resulted in social inequality among local people. In a study on impacts of urbanization on poverty and inequality, Nguyễn Duy Thắng argues that the conversion of agricultural land to other types of land has resulted in the lost of farmers' traditional livelihoods, forcing them to find alternative livelihoods. However, this has increased inequality among farmers and created a poor group in the urban context.⁵⁷ In Phú Điền, inequality increases mainly due to different holdings of capitals among households. From an agricultural community, which had a low level of rich-poor gap, there appear several factors contributing to increase social

⁵⁶ In the old days, Phú Điền villagers used four communal wells in four hamlets for daily water. However, they no longer used them for a couple of decades when the households have their own wells. Nevertheless, the communal wells still belong to the community at large.

⁵⁷ Nguyễn Duy Thắng 2004. "Tác động của Đô thị hoá đến nghèo khổ và phân tầng xã hội: nghiên cứu trường hợp vùng ven đô Hà Nội." *Xã hội học số 3* (87), trang 62-70.

inequality since the expropriation of agricultural land. The first is the level of land compensation money. Following the party-state's instruction on equal distribution in the late 1980s, annual cropland in Phú Điền was rather equally allocated to farmer households for use. After 20 years, however, similar to other villages in the Red River Delta, holdings of agricultural land use rights have been differentiated among households, because young people who were born after the allocation of land-use rights do not receive any agricultural land since. I find a similar situation in Lộc village⁵⁸ of Bắc Ninh province. In 2002, among 2,768 inhabitants of 689 households, 472 children who occupied 17.05 percent of the village population, have no land after 10 years of agricultural land distribution.⁵⁹ This indicates that the economic compensation for agricultural land use rights in Phú Điền is not equally distributed among village households.

The second factor is residential land. Due to the increasing values of residential land use rights results in the fact that residential land has become a valuable form of property of the households. Therefore, having had one or few pieces, or none, of residential land, large or small area, means a lot to the villagers in terms of not only property but also the means of livelihoods. Because, in the case of Phú Điền, residential land is not only a piece of property for selling but also a means to make a livelihood. An area of several tens of square meters can be enough for one household to build a house for lease to earn a small living, which in the current situation many villagers would hardly achieve from other works. The question here is that while many households in Phú Điền have around five rooms for rent, several tens of households have more than 20, some even have up to 50 rooms for rent, and around 20 percent households have no room for rent.

Finally, to some extent, the business ability of households also contributes to widen the rich-poor gap.⁶⁰ Among these, the most fundamental one is land trading, which brings some Phú Điền villagers a source of financial capital. Prior to the seizure of agricultural land, there were a few agricultural land transactions in Phú Điền. The price of agricultural land ten years ago was only 3,000,000 *đồng* per one *sào*. Since 2000,

⁵⁸ Name of the village has been changed.

⁵⁹ My fieldnotes in 2002.

⁶⁰ One factor contributing to inequality in this case but I do not have enough materials for analysis is local cadres' corruption. Several villagers report that one of the key cadres of the commune, which Phú Điền is a part, holds several apartments and one villa (in addition to his large house in residence), which worth billion *đồng*, an amount a local cadre cannot accumulate through the salary income source in the current context of Viet Nam.

however, the number of transaction increases and the price for agricultural land also soars. In the past few years, over 20 households in Phú Điền bought agricultural land to wait for the state's seizure to earn benefits, because in most of the cases, the price is usually around two-thirds of the state's compensation price. Some villagers mentioned a purchase of 40 million *đồng* per *sào* and later receive 60 million *đồng* for one *sào* from the state's compensation. A few villagers also start to 'cò' land buying and selling, i.e. to mediate between the potential sellers and buyers of land to earn tips, which are often offered by both sellers and buyers. During the hot years of land trade in Phú Điền, some villagers could make a few tens of million Vietnamese *đồng* per year.

5. Urbanization, Industrialization and the Question of Work for the Land-Lost Farmers

My above analysis raises an important question of what farmers are going to do after the seizure of their traditional means of production: Agricultural land use rights. In Phú Điền, many of them critically face this question after the requisition of their agricultural land. Many farmers often said they *mất đất*, literally meaning they lost their agricultural land. Of course, villagers in Phú Điền have received economic compensation, as previously noted. However, the large-scale seizure of agricultural land has critically transformed the labor structure of village households. Phú Điền farmers have lost their 'nông dân' (farmer) class trademark because their living location is transforming from rural to peri-urban and urban in the coming years. More importantly, they no longer hold and access to agricultural land and have to change to non-agricultural works, which are often not their field of expertise. In practice, many villagers cannot find stable work and income as they expected, especially those young adults.

Currently, Phú Điền farmers still have money, which come from different sources of land, to live on. Extra money from other work also enables them to sustain. In fact, in comparison with their lives in the past, the living standards have been improved. Villagers often told me that they now look fatter, more beautiful, and they buy more new cloths than *ngày xưa* (in the old days). One villager said: In the old days, we bought one set of new cloth per year, but now, we have three or four. Another told: In the old days, we used merely salt, but now we use *bột canh* (soup powder) in daily meals.

However, they also feel they are forced to transform from a more or less subsistent life to the one that greatly integrates into and depends on the market, in which they feel

much more risky and unstable. Some villagers recall that in the past years, they produced most of the materials for their living such as rice, vegetables, therefore they often bought little. Nevertheless, today, many things they use they have to buy, including the tiniest thing that mostly mentioned in the village is tooth sticks. More significantly, many villagers do not know what to do. I often heard a phrase that our farmers' thousand years of concerns is what to do to survive. Renting out accommodation to students, immigration laborers and outsiders needs only one member of the household, mostly the old, to do the work, what other members of the household do. Among workless or near workless farmers, many of them are young, below 35 years of age. Considering about their future, they see many unstable things in the time to come.

This is not a specific situation of Phú Điền village. Tran Duc Vien and his collaborators pointed out that one of the challenges of urbanization and industrial development in Hanoi during the past ten years is strongly reducing area of agricultural land while farmers do not attach much to non-agricultural production sectors.⁶¹ One study on the socio-economic changes in rural Hanoi under impacts of urbanization indicates that most of the surveyed households desire their adult children to work in the non-agricultural sectors after the appropriation of their agricultural land. Nevertheless, the practice is far from ideal, as many households whose agricultural land has been seized do not have stable works.⁶² Other studies indicate that the appropriation of agricultural land have not only destroyed the traditional livelihoods of the farmers but also created social disruption (*hụt hẫng về xã hội*) because many of them do not know what to do. Among 330 farmers who the author interviewed in Hà Tây and Vĩnh Phúc provinces, only 15 persons obtained works in industrial zones.⁶³ In Hoàng Sơn commune, Từ Sơn district, Bắc Ninh province, during the past 10 years, 200 in the total of 390 hectares of agricultural land of the commune have been appropriated for industrial zone building. Among 4,000 farmers lost their agricultural land use rights,

⁶¹ Tran Duc Vien, Nguyen Vinh Quang, Nguyen Van Dung 2005. *Rural-urban land use changes in peri-urban hanoi*. SEARUYN. EU5th Framewok INCO2 funded research project, contract.: ICA4-CT-2002-10025. Available online: <http://www.cares.org.vn/webplus/attachments/62d94386b1e0df9c74e73125e45331b9-04.pdf>, p. 26 (accessed 12 May 2006).

⁶² Nguyễn Hữu Minh và các cộng sự 2003. “Biến đổi kinh tế - xã hội ở ven đô Hà Nội trong quá trình đô thị hóa”. Đề tài nghiên cứu tiềm năng, Viện Xã hội học.

⁶³ P.V 2007, Thị trường đất công nghiệp và đất thương mại và tác động đối với người nghèo, *Tạp chí Khu công nghiệp Việt Nam số 78* (114), Tháng 3/2007 (22-23 và 29), trang 23.

only 500 have achieved new works in the industrial zone.⁶⁴ In the case of one commune in Hải Dương province, 220 hectares of agricultural land have been acquired for a company to use. In return, the company promised to employ 11,000 laborers of the local commune. However, it ended up employing only 48 workers; many others have to find works themselves.⁶⁵

In 2004 alone, 63,760 farmers in northern Vietnam had become jobless due to their agricultural land being appropriated for state programs, a MOLISA's report revealed.⁶⁶ At the larger scale, many investors are only able to use between three and five percent of labor forces of those whose land has been appropriated.⁶⁷ In the Red River Delta, many farmers were reluctant to give up their agricultural land because they worried about their insecure livelihoods and especially employment opportunities for family members. This is one of the reasons why many farmers often demanded a higher compensation price for the seizure of their land: in the hope that a larger amount of compensation money would better secure their future livelihoods.

We are aware that Vietnam's rural population continues to increase, while the increased application of machines, new varieties of seeds, fertilizers and chemicals alongside the development of irrigation systems have not only improved agricultural productivity but also increasingly reduced the size of the labour force required on a given area of farmed land. During the past years, Vietnam annually appropriates a large area of land, mostly agricultural land for non-agricultural purposes nationwide while Vietnamese population still increases rather fast; it reached 83,305,000 in mid – 2005,⁶⁸ of which over 72 per cent living in the rural areas. Demographic increase puts greater pressures on agricultural land per capita, especially in the Red River Delta where the very high percentage of population versus the limited area of agricultural land has been a burning issue for a century or more. Waiting for the next round of land use rights

⁶⁴ Lê Hân 2007. “Tìm lối ra cho nông dân mất đất. Bài 1: Bốn người dân, một người mất đất”. *Nông thôn Ngày nay*, số 165, ngày 11 July 2007, trang 6.

⁶⁵ Xuân Quang 2004. “Câu chuyện quản lý: Hai cái “ngắn”” [The story of management: “two short things”], issue 219, dated 06 August 2004. Available online: www.laodong.com.vn, (accessed 21 June 2007).

⁶⁶ Quoted in Xuân Quang 2004. “Câu chuyện quản lý: Hai cái “ngắn”” [The story of management: “two short things”], issue 219, dated 06 August 2004. Available online: www.laodong.com.vn (accessed 10 May 2004).

⁶⁷ According to “Tìm lối ra cho nông dân không còn đất” [Finding a pathway for farmers ... who have no more land”], dated 16 August 2005. Available online: www.nhandan.org.vn (accessed 9 May 2005).

⁶⁸ Information collected at <http://www.prb.org/datafind/datafinder6.htm>

redistribution may take them years. All these factors result in greater redundancy among the rural labour force. So what are they going to do?

In China, the seizure of agricultural land for industrialization and urbanization since the 1980s has led to not only a decrease of cultivable land, from 130 millions hectares in 1996 to 122 millions hectares in 2005, but also a loss of 40 millions farmers' agricultural land. It is estimated that in the 5 years to come, additional 15 million farmers will face the seizure of their agricultural land. Such land appropriations threaten the national food security of a country with 900 millions farmers, 12 millions households.⁶⁹ Kathy Le Mons Walker argues that because such seizures destroy farmers' livelihoods and basics for their survival, many farmers have resisted the appropriation of farmland and their struggle has usually ended in failure. The reasons for their struggles include, among many, their worries of how to live without farmland or become the new class of "three nothing": no land, no work and no social security.⁷⁰

In the Philippines, drawing on field research, Philip F. Kelly's study on urbanization and the politics of land in Manila region during the 1990s analyses two aspects of land appropriation for purposes of urbanization: The choice of policies pertinent to land use reflect the development aims and the promotion of land appropriation through the use of power relation to circumvent the laws and regulations. The analysis was made at three levels that closely relate to each other: The policy formation in the centre, policy implementation at the local, and the everyday power interaction among individuals. Kelly argues that both the state policy formation and its implementation at the local level support the conversion of land for urbanization. The tenant farmers have to accept this transformation because they have no ownership rights to the land. In addition, they are hesitant to deny the landlords' decision to sell the land. Finally, the party who lost in the process of land conversion for urbanization is the tenant farmers who do not hold ownership to the land to receive economic compensation but their lives greatly rely on

⁶⁹ According to "Urbanisation leaves farmers landless". Available online: http://www.chinadaily.com.cn/china/2006-04/07/content_5626000.htm (accessed 20 May 2006); Cao Desheng 2006. "Inspectors to stem loss of farmland." Available online: http://www.chinadaily.com.cn/china/2006-07/25/content_648335.htm (accessed 15 August 2006); 2006 "Farmland loss raise food security fears". Available online: http://www.chinadaily.com.cn/china/2006-04/07/content_562600.htm (accessed 18 October 2006).

⁷⁰ Kathy Le Mons Walker 2008. "From covert to overt: Everyday peasant politics in China and the implications for transnational agrarian movements". *Journal of Agrarian Change*, Vol. 8, No 2 and 3, pp. 462-488.

agricultural production and they do not have good social capital to find job opportunities in the industrial urban economy.⁷¹

The question of work for the land-seized farmers has actually not only been heatedly debating in the local communities, which faced a large-scale seizure of agricultural land like Phú Điền, but also in the public involving various parties: mass media, mass organizations, policy-makers, development professionals, and academic scholars. How should this problem of landless farmers be viewed and resolved in the context of an economy of multi-sectors under socialist orientation in Vietnam? There are different perceptions and perspectives.

One perception at the macro-level indicates that the existence of a number of landless farmers is the matter of fact in an market economy. For example, Nguyễn Thế Nhã argues that the farmer households of no or little agricultural land have increased in the Mekong delta, but this is a necessity suitable to the rules of economic development. According to him, any resolution for landless farmers should concentrate on the retraining and creating new jobs for them, not on equalizing the holding of land use rights among farmers because it is the time for the state to replace its traditional slogan of “land to the tillers” with “jobs to workers”.⁷² Besides that, other studies argue that inequality in land access in some areas does not affect economic security of farmer households because the landless farmers can rely on betty industries in local communities for alternative incomes.⁷³ Having examined the case of Thailand, Rigg and Nattapoolwat have same remarks. They observe that in the context of increased interaction between rural and urban areas, commercialization and integration of local economy into the global one, land is no longer a strategic resource to the farmers.⁷⁴ This argument comes from the perception that land is a source of income, and in the context of increase of non-agricultural works many farmers have participated into non-

⁷¹ Philip F. Kelly 2003. “Urbanization and the politics of land in the Manila region”. *Annals of the American Academy of Political and Social Science*, Vol. 590, Rethinking Sustainable Development. (170-187), p. 178.

⁷² Nguyễn Thế Nhã 1998. “Thực trạng sản xuất và đời sống của hộ nông dân không đất và thiếu đất ở vùng đồng bằng sông Cửu Long”. *Nghiên cứu Kinh tế*, số 247 (35-46), trang 45.

⁷³ Nguyễn Xuân Nguyên 1996. “Khuyh hướng phân hóa hộ nông dân trong phát triển sản xuất hàng hóa. Hà Nội: Nxb. Chính trị Quốc gia, trang 70.

⁷⁴ Jonathan Rigg 1996. “Agricultural Transformation in Thailand: From Rice Farm To Non-Farm”. Proceedings of the 6th International Conference on Thai Studies. Chiang Mail, Thai land, 14-17 October 1996, pp. 243-263; Jonathan Rigg and Sakunee Nattapoolwat 2001. “Embracing the Global in Thailand: Activism and Pragmatism in an Era of Deagrarianization”. *World Development*, Vol. 29, No. O (945-960), p. 952.

agricultural works for better income, therefore agricultural land is no longer important as it was before.

In addition, the problem of landless farmers is nothing new in Vietnam. Historical research shows that prior to the colonial times, Vietnamese society had already been differentiated into different classes: intellectuals, farmers, businessmen and workers. Among the farmer class, there was a gap between the landlords and tenants. During the colonial rules, social differentiation increased due to the colonial policy. The 1950s land reform in North Vietnam equalized the holding of land among many farmer households. In the following years, in the context of the centrally-planned economy at large and agricultural collectivization in particular, although social differentiation did not disappear, North Vietnam was seen as a rather equal society. In South Vietnam (1950s-1970s), land reform programs were also carried out by the Republic of Vietnam that favored the rich peasants during Ngô Đình Diệm administration and middle peasants under Nguyễn Văn Thiệu regime.

However, a different view can be found in various sources. Vietnamese state's mass media often reported cases and situations in which farmers facing this problem with titles "When the tillers jobless", "Finding a way out for the land-lost farmers", etc. On 17th March 2008, Vietnam Television's Channel 1 (VTV1) even reported that the appropriation of a large area of agricultural land would threaten to decrease Vietnam's agricultural production and consequently likely destroy the wet-rice farming culture of Vietnamese people. In addition, one survey shows that most surveyed farmers responded that new projects, which used their agricultural land, bring improvement in services, including electricity, water supply and roads, but their income suffers.

A number of state officials endorse this view. One high-ranking official at the Ministry of Agricultural and Rural Development states that many farmers in the area of agricultural land conversion facing difficulties in finding work because a large number of them cannot meet the working-skill requirements of the employers, because only 27.23 percent of the land-appropriated farmers have completed class 12, the highest level of high school education in Vietnam, 14 percent have been trained with vocational work and higher degrees. In many locations, among thousands of agricultural land appropriated farmers, only 10-20 percent have been vocationally trained.⁷⁵ Another

⁷⁵ Phong Lan 2005. "Việc làm cho nông dân khi thu hồi đất". *Thời báo Kinh tế Việt Nam*, số 138, ngày

official from Ministry of Science and Technology concludes that farmer were losing out in the country's rush to industrialization and urbanization. Those farmers over 35 years of age, who are often responsible for their parents and children, have found difficulties in finding jobs because of their age. Others even point out the fact that the lack of works after land appropriation often links to immigration and social evils like HIV, prostitution, drug addition and thieves.⁷⁶

In the view of the party-state at large, in theory at least, the government has to assist those farmers whose agricultural land use rights are ceded for purposes of industrialization and urbanization to find work or form new occupation. Such assistance and support often includes: (1) a financial subsidy to find or form alternative works; (2) vocational training; and (3) job creation for the land-lost farmers. In some locations, funding is also available to lend to some of the farmers in need. Among these, the most common way is to give the land-lost farmers a sum of money to find alternative work. The amount of money increased through the time. In Phú Điền, this amount in 2007 accounts for 25,000 *đồng* per square meter of appropriated agricultural land, however, it was much less in five or six years before. The entrepreneurs who use the acquired land are required to employ part of their labor forces to work in their industries. A Decree in 2006 (17/2006/ND-CP) even stipulates that farmers required making way for development projects must be compensated with land, not cash.⁷⁷ In addition, Vietnam has also planned to export labour forces to foreign countries.

Among these, the most promising to many farmers is the state's policy on vocational training to those who lost agricultural land use rights. In other words, the concept of *đào tạo nghề* (occupational training) has been propagandized as an effective means to 'rescue' the land-lost farmers and the responsibility as such must be laid on the hand of government institutions and those who use the appropriated land, not on the shoulders of affected farmers. State officials and its-controlled mass media sometimes draw a beautiful vision in which job training and job creation will help to change "farmers" who work in fields to become "workers" who work in industrial and service sectors. This means vocational training plays an essential role in helping land-lost farmers to find alternative works outside agricultural sector. At the national level,

13/7, trang 3.

⁷⁶ For example, see the interview of official at Bộ Lao động - Thương binh - Xã hội over the question of works for the land-lost farmers published on *Thời báo Kinh tế Việt Nam*, số 165, ngày 19 August 2005.

⁷⁷ See report in *Viet Nam News*, Feb. 9, 2006, p.15.

Vietnam has formed 2,182 training centers, but still not yet able to provide skilled workers to meet industrial sector's demands.⁷⁸ According to one source, among which, from 2000 to 2007, only 47 training centers have been established under the umbrella of Vietnam's Farmer Association, which is dedicated to offer training courses to farmers.⁷⁹

In practice, however, the training and retraining as such have not yet offered optimistic solutions to the targeted aims. In the commune that Phú Điền administratively belongs to, the Centre for Training and Information Development was established in 2003 to offer vocational training to land-lost farmers of the commune in order to find work in non-agricultural sectors. Training courses often take 5-6 months, focusing on simple works like sewing, cooking, make-up and hairdressing, etc. In the first place, a number of farmers eagerly paid tuition fees to join training courses. After a year, however, they realized that they could not find paid-jobs with such trainings. A few did attain work, but the salary they earned is low, not enough for their livings. After several courses, farmers rejected the training with the main reason that they could not find work after having completed such courses; some even turned to accuse local cadres and state officials of cheating them on the subject of vocational training and job creation. On the other hand, some local cadres, who I have talked to, often claim that farmers' low level of education preventing them from attaining paid-works in industrial and service sectors.

One report on the vocational training by Từ Liêm district authorities also noted that due to urbanization, a large area of agricultural land has been seized between 1999 and 2005, leading to the loss of the means of production of farmers, therefore vocational training is essential in the sense it provides farmers with possibilities to find new works. However, it also notes that there are many constraints, such as scale of these training programs are small, fragmented; lack of infrastructure, teachers; the training period is too short; and the training curricula focus on simple works. Therefore, while entrepreneurs operate in the local area do have demand of labor force, most of local laborers cannot meet their requirements about working skills, thus fail to obtain available jobs.⁸⁰ Meanwhile, one survey shows that in the surveyed communities in

⁷⁸ See <http://www.thanhniennews.com/features/?catid=10&newsid=39163> (accessed 20 September 2008).

⁷⁹ Kông Lý 2007. "Đào tạo nghề cho lao động nông thôn". *Thời báo Kinh tế Việt Nam*, số 171, ngày 18 July, trang 13.

⁸⁰ Nguyễn Thị Kim Chi 2005. "Đào tạo nghề ở huyện Từ Liêm hiện nay: Một số mâu thuẫn và phương hướng giải quyết nhằm phát triển nguồn nhân lực của địa phương". Báo cáo nghiên cứu. Trường Đại học Khoa học Xã hội và Nhân văn, Đại học Quốc gia Hà Nội.

Hanoi, 57.3 percent of those who have been asked responded that training curricula are not suitable, 55.3 percent said the training quality is low.⁸¹ Many farmers who have completed such training courses are not able to find work, because what they have learned are very simple works.⁸²

Considering the broader context, since the mid 1990s, every year Vietnam has 830,000 people joining the working force,⁸³ among them, the percentage of trained workers have been doubled, from 12.5 percent in 1996 to 25.2 percent in 2005,⁸⁴ but this rate remains low and unequal between urban and rural areas. Specifically, the percentage of workers who have been trained between 1996 and 2005 in urban areas accounts for 51.4 percent of the total number of laborers, while this rate of rural areas amounts to only 16.8 percent.⁸⁵ In the rural agricultural area alone, in 2007, Vietnam has more than 12 million rural households, with nearly 33 million people of working age, accounting for 72 percent of the country's labor force. Only 3 percent of them have been trained.⁸⁶

Despite the fact that some views say the unemployment rate in Vietnam during the past 15 years has remained stable and relatively low, and unlike other developing countries, Vietnam have not yet faced mass un-employment because a large number of private and joint-venture entrepreneurs have been established and created works and jobs for them,⁸⁷ various sources of data I have collected show that joblessness and/or becoming-free-workers is a popular image of farmers in their post-appropriation of agricultural land. It is hard to deny that conversions of agricultural land into industrial and urban land have enabled a fast development of industrial, service sectors and the national economy at large. However, the size of jobless farmers in various locales shakes our consideration. An ADUKI Pty Ltd's research⁸⁸ on the situation, aspirations and

⁸¹ Lê Du Phong (chủ biên) 2007. *Thu nhập, đời sống, việc làm của người có đất bị thu hồi để xây dựng các khu công nghiệp, khu đô thị, kết cấu hạ tầng kinh tế - xã hội các công trình công cộng phục vụ lợi ích quốc gia*. Hà Nội: Nxb. Chính trị Quốc gia, trang 155.

⁸² Xem *Nông thôn Ngày nay*, số 170, ngày 17 July 2007, trang 6.

⁸³ Vietnam Development Report 2008 provides a figure of 1.4 million.

⁸⁴ Bộ Lao động – Thương binh và Xã hội (MOLISA) 2006. *Số liệu thống kê việc làm và thất nghiệp ở Việt Nam giai đoạn 1996-2005*. Hà Nội: Nxb. Lao động – Xã hội, trang 36.

⁸⁵ Bộ Lao động – Thương binh và Xã hội 2006. *Số liệu thống kê việc làm và thất nghiệp ở Việt Nam giai đoạn 1996-2005*. Hà Nội: Nxb. Lao động – Xã hội, trang 38.

⁸⁶ According to VUFO-NGO Resource Centre (accessed 25 June 2007).

⁸⁷ Vietnam Development Report 2008. *Social Protection*. Joint Donor Report to the Vietnam Consultative Group Meeting, Hanoi, 6-7 December, pp. 35-36.

⁸⁸ ADUKI Pty Ltd 1998. "Vulnerable groups in rural Vietnam: Situation and policy response - A report based upon sample survey". Canberra

livelihood strategies of vulnerable groups in Vietnam's rural population in 1998 was not yet able to recognize this vulnerable farmer group.

In short, approaching the current situation of landless farmers from the sustainable livelihoods framework, one will soon recognise a real need to form a better and more effective policy to assist the landless farmers. Various sources of data show that many landless farmers lack jobs. Among them, those farmers who lost their agricultural land use rights to make way for the state's industrialization and urbanization are the ones who really need jobs.

6. Conclusion

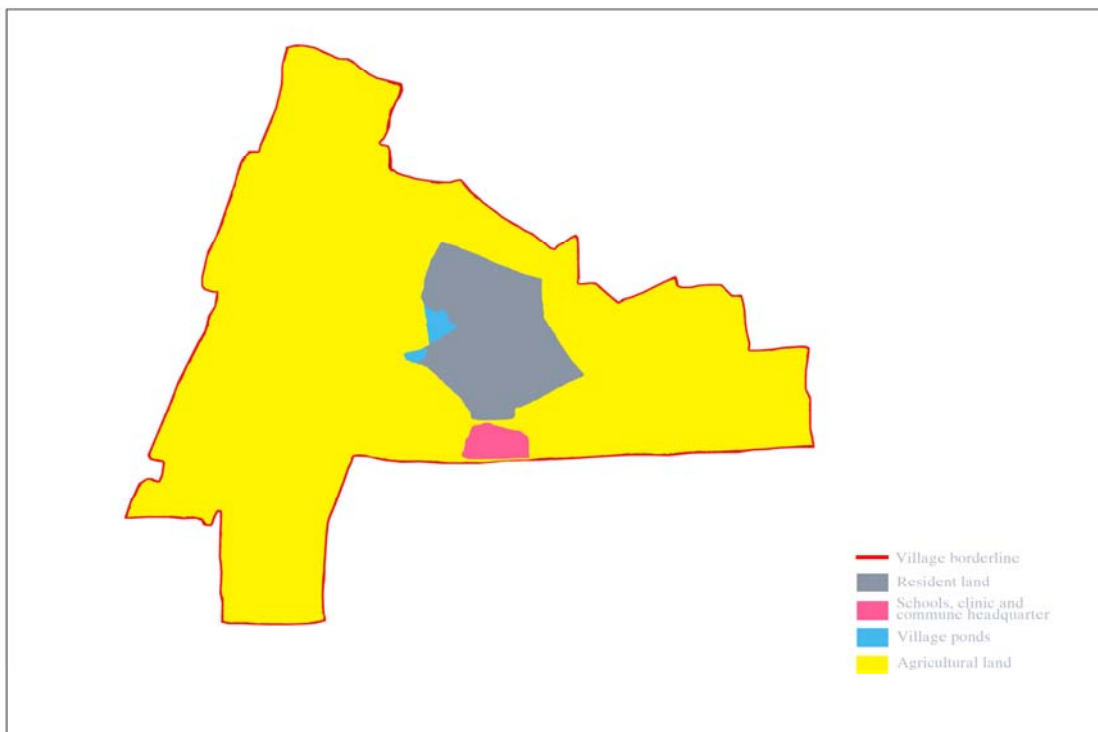
The rapid process of industrialization and urbanization in Vietnam since the 1990s have led to conversions of a large area of agricultural land into the land for non-agricultural purposes. On the one hand, such conversions make way for transforming Vietnam's agricultural-based economy into an industrial and service-based one, as the party-state expects. However, on the other hand, it critically affects the social lives of many rural and peri-urban farmers whose culture comprises of what is called the wet-rice civilization and who for a long time greatly rely on agricultural land and agricultural production for livelihoods.

In this period of transition, for many farmers in Phú Điền village, the seizures of almost all agricultural land use rights for urbanization and industrialization have brought the farmers a large amount of compensation money, which they might have never ever dreamed of before, in addition to the fast increase of the values of residential land in the area, making Phú Điền villagers among those who hold important amount of financial and natural assets. More importantly, this transition has transformed their traditional livelihoods, from the one that heavily relied on agricultural production to the one that relies on a variety of sources, including accommodation lease and retailing, etc.

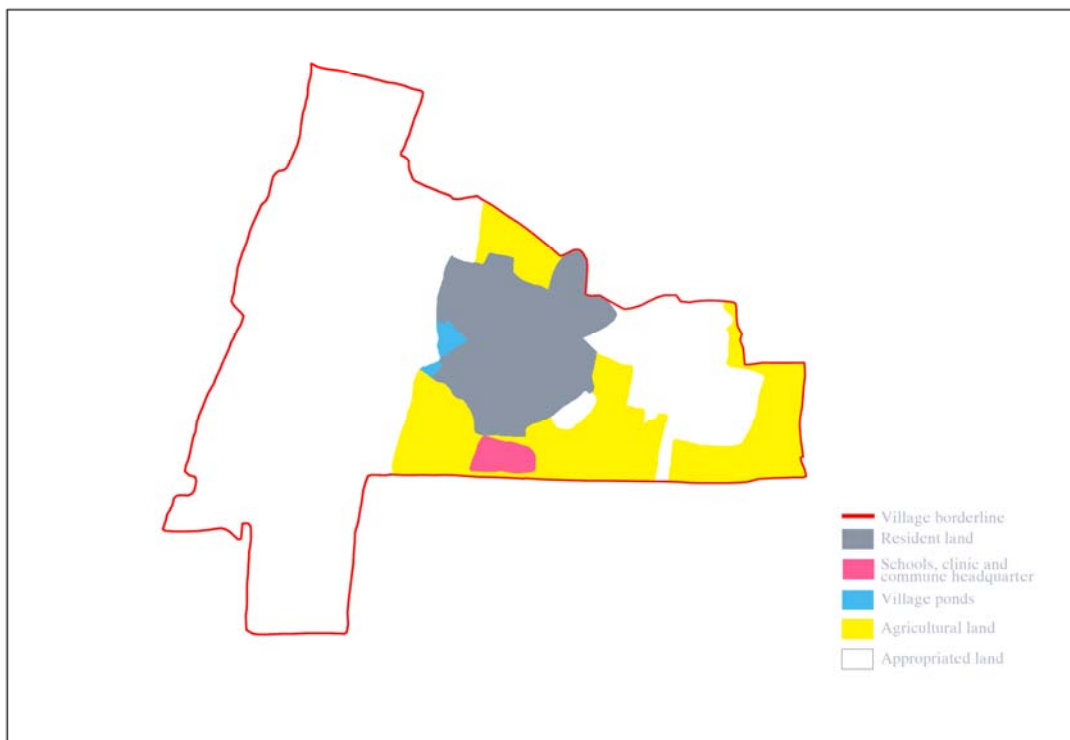
However, many farmers cannot find work, or do not have enough work to do, to ensure their sustainable livelihood strategies in the context of limited impacts of the state's vocational training and job creation for them. Therefore, beside the positive things they have received, many villagers feel their lives consist of various risks and unstable things. Information on this case study, in addition to various other cases I have

encountered, prove that this widespread problem needs be better documented and addressed through appropriate policy measures.

Map 1: Land Use in Phú Điền in 1998



Map 2: Land Use in Phú Điền in 2008



Photos 1 and 2: New Apartments, Houses and Villas (in 2007) in the Area of Appropriated Land



Photo 3: Phú Điền Village Gate



Photo 4: A Corner of Phú Điền village in 2007

