From “Land to the Tiller” to the “New Landlords”? The Debate over Vietnam’s Latest Land Reforms

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Abstract: Between Vietnam’s independence and its reunification in 1975, the country’s socialist land tenure system was underpinned by the principle of “land to the tiller”. During this period, government redistributed land to farmers that was previously owned by landlords. The government’s “egalitarian” approach to land access was central to the mass support that it needed during the Indochinese war. Even when the 1993 Land Law transitioned agricultural land from collectivized to household holdings with 20-year land use certificates, the “land to the tiller” principle remained largely sacrosanct in state policy. Planned amendments to the current Land Law (issued in 2013), however, propose a fundamental shift from “land to the tiller” to the concentration of land by larger farming concerns, including private sector investors. This is explained as being necessary for the modernization of agricultural production. The government’s policy narrative concerning this change emphasizes the need to overcome the low productivity that arises from land fragmentation, the prevalence of unskilled labor and resource shortages among smallholders. This is contrasted with the readily available resources and capacity of the private sector, together with opportunities for improved market access and high-tech production systems, if holdings were consolidated by companies. This major proposed transition in land governance has catalyzed heated debate over the potential risks and benefits. Many perceive it as a shift from a “pro-poor” to “pro-rich” policy, or from “land to the tiller” to the establishment of a “new landlord”—with all the historical connotations that this badge invokes. Indeed, the growing level of public concern over land concentration raises potential implications for state legitimacy. This paper examines key narratives on the government-supported land concentration policy, to understand how the risks, benefits and legitimacy of the policy change are understood by different stakeholders. The paper considers how the transition could change land access and governance in Vietnam, based on early experience with the approach.

Keywords: land consolidation; smallholders; company; land reform; Vietnam

1. Introduction

After the twelfth Communist Party Congress Meeting of January 2016, the Vietnamese government issued an official statement (a “Party Principle Document”) that signaled a need to “restructure the agricultural sector towards large-scale commodity production through the intensive deployment of high-technology methods” [1]. To realize this objective, the document envisaged a move from household-based (smallholder) production, which was seen as “backward” and “low in productivity” to company-based production, which could better mobilize the capital, technology, and resources held by the private sector. The government acknowledged that such a transition could only be realized if the existing land policy was amended to enable land holdings to be transferred from smallholders to companies. This development marked a significant transition from the government’s long-standing “land to the tiller” policy (người cày có ruộng) to land accumulation and concentration (tich tự, tập trung...
The latter approach enables an individual entity, such as a company, to occupy a large area of land. Critics are dubbing these large land-owning entities “the new landlords” (địa chủ mới), to describe their emerging role vis-à-vis smallholders.

The Communist Party’s guiding document has triggered intense debate over the pros and cons of land concentration. These typically center on what this dramatic shift in land holdings could mean for “the tillers”—the 14 million small households that each cultivate less than a hectare of land [2], but together comprise almost half of the country’s total labor force [3]. In addition to the social risks associated with this proposed change, land concentration has ideological dimensions.

Since the country’s independence in 1954, the government has cited “land to the tiller” as its guiding principle. This approach was crucial in mobilizing villagers’ support during the Indochinese wars and to secure state legitimacy after the conflict [4], as land previously owned by landlords was redistributed to local households. Shortly after this development, inspired by reforms in China and Eastern Europe, the government nationalized farmland and established collectives to cultivate it. Between the 1960s and the 1980s, farmers were required to work on collective farms. However, challenges with food production created food shortages in rural areas, as well as local resistance to collectivized farming [3,5,6]. In response to these challenges, by the end of the 1980s, the government dismantled the cooperative system and installed the current system of long-term leases known as “red books,” which provide 20-year rights for annual crops and up to 50 years for perennial crops. These land rights can be exchanged, bequeathed, transferred, leased and mortgaged. Enshrined in the 1993 Land Law, this system emphasized the equal distribution of land among local households and has served as the foundation for agricultural production. Such land rights have been cited as instrumental in taking millions of poor farmers out of poverty [7–9]. Although the land law has gone through various amendments since its inception in 1993, the “land to the tiller” principle has largely remained sacrosanct. Indeed, the most recent revision of the Land Law in 2013 extended lease periods for all agricultural land to 50 years.

In contrast with its previous emphasis on smallholders, the 2016 Party Principle Document portrays land concentration under the private sector as the engine of modern agricultural production. Consequently, revision of the Land Law has once again been placed on the National Assembly calendar for its 2019 sessions [10]. As noted above, efficiency and productivity are key rationales for this shift. Yet for a socialist country, this major shift in land governance has raised heated debate over social risks. Combined with other political pressures around corruption and land conflicts, heightened public concern has raised important questions concerning state legitimacy.

In order to better understand the issues at stake around this policy debate, our paper examines key narratives on the proposed land concentration policy, to understand how key stakeholders represent the risks, benefits and legitimacy of the policy change. Using the powers of exclusion framework [11], we suggest that although the policy is founded in regulation and market pressures, its weak legitimacy may undermine the policy’s implementation and state authority more broadly. In addition, prioritizing the private sector raises the risk of smallholder exclusion and further marginalization of Vietnam’s many landless people. It also provides new opportunities for collusion and corruption [12–15], issues for which the state is already receiving public criticism. We therefore call for a more nuanced debate around land concentration issues in Vietnam where, like many other Southeast Asian countries, land continues to hold value for smallholders, even while many youth are turning to urban employment.

The paper draws upon a detailed document review regarding the land concentration policy, which covered media reports, online articles, legal documents, government papers and publications by other key government-affiliated research centers in Vietnam. In addition to historical background, these documents provided insights into the government’s rationale for the policy change and the arguments raised in response by key opponents. Media and online reports cover the period from 2013 to the present. We also interviewed some key Vietnamese informants who have a detailed knowledge of land governance and the land concentration policy.
The paper is organized around five sections. Section 2 reviews relevant literature on policy narratives, property rights and the powers of exclusion framework. Section 3 presents a historical account of Vietnam’s land policy, and Section 4 outlines the specifics of the land concentration policy and government narratives associated with it. Section 5 analyzes key themes and logics in the opposition to the policy. Section 6 draws together the implications of this policy reform.

2. Policy Narratives and Land Exclusions

We define a policy narrative as a story or argument that simplifies a complex situation or problem in order to generate consensus over a course of action to address it [16,17]. For instance, the notion that land registration will promote increased agricultural productivity is a policy narrative that gained global currency, and gave rise to many development interventions that implemented “blueprint” approaches to land formalization; but these largely overlooked the role of other complicating factors such as farmers’ knowledge, credit and other intervening factors in agricultural production [18,19].

Another example is the narrative that swidden cultivation is a driver of forest destruction. This narrative melded with other socio-political agendas, vis-à-vis ethnic minorities, to promote sedentarization policies in many countries including Vietnam [20]. Thus, by “framing” and giving meaning to specific problem situations (such as forest loss), narratives can over time become institutionalized in formal rules as well as social practices [21]. By their nature, narratives can persist in the face of contradictory empirical evidence. Thus, Hajer observes that those wanting to challenge a policy narrative may need to resort to the creation of engaging counter-narratives or tactics to subtly redirect policy narratives in directions that are less objectionable [22].

By casting the Vietnamese government’s land concentration initiative as a policy narrative, we can unpack the logics that drive the policy and their limitations, and why the government is failing to build a consensus for change. Similarly, the counter-narratives proposed by the critics of the policy can be assessed to understand their competing logics and tactical maneuvers to shift the government’s stance. Unpacking the underlying assumptions and the issues that are at stake for different groups creates greater scope for dialogue, and can potentially “reframe” the analysis of problems and potential actions [16,17,20]. By examining counter-narratives, the role of competing political and economic interests can be better understood, together with their role in shaping policy and its outcomes [22]. In Vietnam and elsewhere, policy narratives around land have particular social resonance. This is in part because of the land’s value as a fixed and finite resource, which differs fundamentally from moveable and renewable resources such as water or forests [23]. Land is often the locus of deep attachment, and has also been a central facet of state regulation and state legitimacy in the country [23,24]. These factors mean that land reforms and the narratives that support them, are often contentious.

Furthermore, current policy narratives intersect a long history of land contests in Vietnam through changing political and economic conditions that are elaborated in Section 3. These framing conditions can be understood in terms of Hall et al.’s four “powers of exclusion” and their potential outcomes [11]. The state’s power of regulation was exercised, for instance, in mediating the type and amount of land that could be accessed by farmers, the drawing of boundaries, types of land use permitted within those boundaries, the nature of rights (e.g., ownership, usufruct) associated with particular land use, and the designation of property holders (e.g., households, individuals, or collective entities). The second “power”—force—has come into play, for instance, to exclude villagers who do not hold formal rights to land, which has also been a source of conflict. The third “power” of markets is significant in Vietnam, where reforms have broadly followed a trajectory towards marketization through fundamental shifts in property rights. Gregory et al.’s land formalization narrative has been prominent here [16], but the outcomes and benefits have been moderated by a complex socio-political and cultural milieu [24–26] that shape whether local actors can actually derive benefits from the land to which they hold rights. The last “power” of legitimation is seen in diverse justifications of what is considered fair and moral in relation to land access and use [26]. The latter power is prominent in shaping the government’s discourse to justify the shift towards land concentration.
Thus, in considering policy narratives around an entity as socially embedded as land [27], we need to acknowledge, firstly, that sentiments are likely to run high. Second, in the Vietnamese context, it is important to understand how policy narratives around land intersect with state authority, regulatory powers, markets and legitimation.


Vietnam’s land reforms broadly reflect a transition from highly inequitable land distribution under colonial rule to land redistribution to farming households (1954–1955). This was followed by collectivization (1956 to the mid-1980s) and the establishment of household agricultural leases (under the 1993 Land Law), which has opened the way for land commodification. These developments are elaborated in Table 1 and the next section.

<table>
<thead>
<tr>
<th>Period</th>
<th>Property Rights and Access</th>
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<tbody>
<tr>
<td><strong>Feudal</strong></td>
<td>Peasants held individual and communal use rights.</td>
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<tr>
<td><strong>French colonial rule</strong></td>
<td>Farmland owned by French plantation owners or large Vietnamese landlords; more than 60 percent of farmers landless in mid 1940s.</td>
</tr>
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<td></td>
<td>North Vietnam: Major land reforms; collectivization in 1950s; cooperative farming by 1960.</td>
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<tr>
<td></td>
<td>South Vietnam: Persistence of highly differentiated land holdings post-French; 1970 “land to the tiller” law passed to win popular support when civil war started.</td>
</tr>
<tr>
<td><strong>Reunification (1975–1986)</strong></td>
<td>Land collectivization efforts in South have limited success (5.9 percent of farmers in Mekong delta; 20 percent in Southeast region compared with 85 percent in central lowlands).</td>
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<td>Reforms in 1981 (Contract 100) permit farmers to keep agricultural surplus.</td>
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<tr>
<td><strong>Doi Moi</strong></td>
<td>Reforms in 1988 (Contract 10) and 1988 Land law: Control of land transferred from collectives to households via 10–15-year leases; land market does not develop as leases are not tradeable.</td>
</tr>
<tr>
<td>(Economic liberalization; 1986–present)</td>
<td>1993 land law (and subsequent amendments): enable land use rights that can be transferred, exchanged, inherited, rented, mortgaged; lease is for 20 years (annual crops) and 50 years (perennial crops).</td>
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<td></td>
<td>2003 amendments further promote establishment of land markets.</td>
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<td></td>
<td>2013 amendments extend duration and scope of rights (50 years for both annual and perennial crop land), and land holdings for farming households. The maximum permitted size of holdings depends on geographical location.</td>
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<td>2018–2019: the government makes plans to revise the 2013 land law to enable large-scale land concentration.</td>
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3.1. Post-Independence Land Policy

Following Vietnam’s independence in 1954, the second Indochina war (1955–1975) divided the country’s northern and southern regions. During this period, the (northern) Democratic Republic of Vietnam (DRV) pursued significant land reforms that were imposed over the entire country after its “reunification” in 1975. Land policy in Vietnam has seen three major reforms since the country’s independence [33]. The first reform occurred in 1953–1956, when the Northern government withdrew all the land previously owned by French-backed landlords and distributed it to households under a policy called “land to the tiller” [34]. The 1959 constitution in the North recognized private ownership of this land, with the phrase “the state . . . protects the ownership of agricultural land and means of production for farmers.” The Republic of Vietnam (Southern) government also applied the “land to the tiller” policy, but only did this later—in 1970.

Private land ownership in the DRV was short-lived. Following socialist China and Eastern Europe, the government nationalized land and placed it under collective farming [5,33,35,36]. This process, undertaken during the late 1950s and early 1960s, constituted Vietnam’s second major land reform. About 95 percent of the agricultural land in the north was placed under cooperatives. Under the collective system, all practices on this land were directed by the government through collective
management boards, with harvest from the land (e.g., rice) considered collective property managed by the board [37]. The government distributed the remaining 5 percent of the land to individual households and allowed them to work independently on the land, and to keep all the resulting harvest [37]. Land ownership, however, still belonged to the government. After the North-South reunification, the government tried to collectivize the land in the south. However, local households in the south strongly resisted the policy, with far fewer farmers in the south joining collectives than in the central lowlands and the North.

After Vietnam’s reunification in 1975, the constitution amended in 1980 reasserted state ownership of the land by stating: “land belongs to the people and is managed by the state.” No private property was permitted, and under the collective farming system, farmers worked collectively on the land and gained a share of the harvest. However, collectivization faced severe problems due to mismanagement, widespread corruption, and a lack of resources for investment [5,38,39]. Under this system, a member’s share of agricultural outputs was in proportion to the amount of land, livestock and farm machinery they initially contributed [37]. Poverty reached unprecedented levels during the 1960s–1970s [39], triggering unrest in many rural areas [37].

Food deficits and local unrest under collective agriculture forced the government to change its approach. In 1981, the Party’s Directive 100 (also called Contract 100) allowed farmers to make a contract with their cooperative to retain a proportion of the harvest from the land they were farming [33,37]. Under these agreements, after households had contributed a quota from their harvest to the cooperative, they could retain the remaining share of the harvest. Contract 100 thus allowed a shift from fixed wages to a fixed rent, and was credited with a substantial increase in agricultural production during the 1980s [37]. The success produced by Contract 100 was not sustained, however, because of the top-down nature of cooperative governance. Farmers typically had little choice over land use and crops [5,37]. Furthermore, the cooperatives maintained tight control over inputs, were sluggish to pay farmers for their produce, and there was a lack of land tenure security that discouraged farmers from investing in land improvements [5,37].

A weak national economy and sluggish agriculture sector, which still employed 70 percent of the country’s population, elicited the market-oriented reforms that started in the 1980s. At the Sixth Party Congress in 1986, the government decided to shift from a centrally-planned economy to a market-oriented one, which was known as Đổi Mới (open door or economic renovation). Đổi Mới significantly impacted the agricultural sector as Contract 100 was replaced by Contract 10, which permitted the liberalization of input and output prices. The new arrangement also prolonged land use rights to 10–15 years, and gave farmers the freedom to choose crops and buyers for their produce [37,40].

The 1993 land law, the country’s third major land reform, marked a substantial change in land governance. With the cooperative system dismantled by the late 1980s/early 1990s, the law prescribed the distribution of the collective land to individual households. It distinguished, however, between ownership and usufruct rights. Ownership was retained by the government, while farmers were granted use rights. The law permitted five legal rights, namely the rights to transfer, exchange, lease, mortgage and inherit land. These were provided to landholders for a 20-year period. The government formalized these rights with land use certificates known as “red books”. The 1993 land law also specified that, if the land was withdrawn by the government (for instance, for economic development, or national security purposes), households were entitled to compensation at a rate set by the government. Equality was a key principle in land distribution, with each household given plots with a mix of land quality and distance [3]. The size of the holding given to each household was determined based on the number of household residents. However, this approach contributed to land fragmentation over time, as holdings were subsequently divided among family members.

In 2003, the government revised the land law in order to provide more secure tenure and to facilitate land markets. Under the amended law, each household was allowed to lease no more than 3 hectares of land. The leases were limited in duration to 20 years for annual crops such as rice and 50 years for perennial crops such as fruit trees. Unlike the 1993 law, the 2003 revision allowed red book
holders to sell their land rights to others. This commercialization of land use rights implicitly allowed the establishment of a land market that could cause the concentration of land ownership in fewer hands. From 2001 to 2010, nearly one million hectares of agricultural land were converted to industrial or commercial use in both public and private economic development projects [41]. According to past studies, as many as 11 percent of Vietnamese have been displaced by land conversion [42]. Not surprisingly, conversion of land from agriculture to other uses has been a primary cause for most major land disputes in recent years [43].

However, in order to prevent large-scale concentration, the government maintained limits on the maximum land area allowed to each household and the duration of agricultural land leases. To encourage landholders to invest in land, the Communist Party’s Resolution 19-NQ/TW in 2012 sought to “continue to allocate and lease agricultural land to local households and individuals . . . [and] to extend the duration of land use rights to encourage land users to stay on the land and invest . . . To expand the land ceiling for individual households . . . and to create conditions for land concentration that would enable the gradual establishment of large-scale production areas . . .” The move towards large-scale agricultural production and land concentration appeared for the first time in this resolution.

The most recent amendments to the land law (2013) further broadened the scope and duration of land rights. Specifically, in addition to the five rights in the 2003 law, the new law allowed landholders to transfer land as gifts to others, or to use land use rights as a share in a joint venture. For example, households could use their land to enter into an economic relationship with a rubber or coffee company to establish a plantation. The law enabled individuals and households to accumulate land by buying land use rights from other landholders. However, a cap of 30 ha was applied for annual crops and 300 ha for perennial crops. The law also extends the duration of rights from 20 to 50 years for both annual and perennial crops. Furthermore, to address fragmented land holdings, the government pursued a policy of land consolidation, encouraging farmers to exchange land parcels with each other to promote greater efficiency – a policy that has shown mixed results [44]. With the larger area, scope and duration of rights for landholders, the government intended for the 2013 land law to underpin land concentration and land markets. At the same time, the household remained at the center of land policy and as the foundation for agricultural production.

3.2. The Logic of Land Concentration

The government observed limited success with its early move towards household-based land concentration and land market development. A survey by the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD) and Copenhagen University [45] revealed the persistence of land fragmentation. The survey showed that in 2006 the surveyed families held an average of 4.9 plots of land, which in 2010 became 4.6 plots and in 2012 was at 4.4 plots. Another study by IPSARD [2] showed that in 2001–2005, only 2.5 percent of the households who received land sold their use rights to others, and that this proportion increased only a small amount, to 4 percent, in 2006–2010. These figures show that the expected land markets did not emerge. In the words of a senior official in the national land administration, land rights were “frozen” [46].

This lack of change underpinned the recent shift in the government’s approach to agricultural sector development. Previously, households were considered the drivers of agricultural production, but this was shifting to an emphasis on private and state-owned companies. The change became clear in the Twelfth Party Congress of 2016, which directed “the speeding up of restructuring in the agriculture sector, to develop it towards large-scale commodity production and the adoption of high-tech.” To meet this objective, the Party recommended three main policies and measures. First, it recommended replacing household-based/small-scale and uncoordinated production with company-based, large-scale, commodity-driven production. Second, it advocated for a modern agricultural sector based on high-level science and technology so that yields and productivity could be maximized. Third, it advocated to develop agriculture into a highly competitive sector that could integrate effectively into
global markets. To this end, the Party made it clear that the business sector would drive the future development of agriculture.

Placing companies at the heart of agricultural development raised important implications in a country where 90 percent of the 10 million ha of agricultural land was held by individual households [45]. Land concentration has called for the reassignment of such land from households to companies.

4. The Land Concentration Narrative

The Party’s intention to promote land concentration in 2016 showed a progression from subsistence-oriented agriculture to the end point of company-facilitated agriculture, as imagined in a diagram presented in the Party’s leading ideological journal, *Tap chi Cong san* (Figure 1).

![Figure 1. Government’s logic of land accumulation and concentration. Source: [47].](image)

Coming from a senior advisor and an official in the General Department of Land Administration, the figure reveals the logic that underpins the land concentration narrative. Agricultural production by local households has been important for local livelihoods and poverty alleviation. Yet—as a primarily subsistence-oriented system—it allegedly constrains agriculture from “taking off” because the vast number of households with small land plots hampers market-oriented, large-scale agricultural production. To move the system toward commodity production, land needs to be converted into larger blocks, beyond the swaps enabled by the earlier land consolidation policy described above. To achieve what the authors of Figure 1 describe as “accumulation”, farmers who are “more experienced” and “use land more effectively” are permitted to accumulate larger plots of land. This approach aims to reduce their costs of production and improve their capacity to adopt new cultivation techniques and technologies. However, the model recognizes that such farmers would still be limited in their land availability and capital to adopt large-scale production using high-tech methods. Agribusiness production is therefore put forward as the ultimate means to overcome these constraints by mobilizing resources and technical capacity in agricultural production for domestic and global markets [47]. Such an approach envisages a larger area of land under the control of the investing company than can be mobilized through individual farmer plantations. We now analyze each element of this narrative and the government’s efforts to win support through pilot activities.

4.1. The Limits of Household-Based Agricultural Production

Government assumptions about household-based agricultural production system are evident in the words of this senior government official, who stated that the country’s agricultural system reflected the “many problems of a country that is left behind: It is a backward mode of production and management, small-scale production largely dominated by smallholders, unable to mechanize and to adopt high-tech [ ... ] resulting in low productivity, weak competitiveness and low value addition.” [3].

The land concentration narrative thus frames a household-based production system and associated land fragmentation as key underlying problems that have held back the development of the agriculture sector. This claim is supported by statistics that show that the country’s 10 million ha of agricultural land...
are divided into more than 70 million plots, cultivated by approximately 14 million households. More than 80 percent of local households have less than one ha of land [48]. As a result of this fragmentation, Trịnh Đình Dũng, the Deputy Prime Minister in charge of the agricultural sector states, “a large area of land is ineffectively used” [49]. The Deputy PM continues, “in industrialization and modernization with market principle, household-based production with land fragmentation is not suitable for a large-scale and high-quality agricultural production system” [48]. Similar statements have been made by other leading officials such as the Minister of Natural Resources and Environment (MONRE) to emphasize that “the country cannot achieve industrialization and modernization, improved land use effectiveness and productivity if we maintain a fragmented, sketchy and self-developed system of production” [50].

4.2. Re-Situating Agriculture

Following this logic, a shift in land policy and land use represents a pathway for Vietnam to raise the agricultural sector to perceived international standards. This was a prominent argument at a national conference on “Solutions for Land Concentration for the Development of a Large-scale Agricultural Sector, Industrialization and Modernization of Agriculture” organized by MONRE and MARD in April 2017. At that event, the Deputy Prime Minister Dũng highlighted: “Land has to be concentrated in order to create a large area for the adoption of science and technology, for the production of homogenous crops, for the implementation of industrialization and modernization of rural areas, and to improve the capacity, quality and competitiveness of the agricultural sector in particular and the national economy in general.” The concentration of land was therefore seen as “an urgent task” by the Deputy Prime Minister [50]. The competitiveness and technological improvement logic has thus been supplemented by the argument that small landholdings can no longer sustain rural livelihoods. Land fragmentation has been cited as a problem that diminishes both the productivity of the agriculture sector and local livelihoods.

This internal state critique extends to the long-standing “land to the tiller” policy, which was once considered the key to moving millions of rural households out of poverty. Increasingly, this policy has been publicly criticized by key government actors for constraining the development of a modern, large-scale and market-driven agricultural production system. For example, some officials have emphasized that “there exists a paradox in the agricultural sector . . . priority is given to households but not to companies that want to invest in agriculture . . . the agricultural policy is on the wrong track. Households are not ready to leave to the land even though they know that clinging to the land will not enable them to escape from poverty” [51].

For the government, the solution for these challenges lies in land concentration, with agribusinesses, not households, taking the lead in agricultural production. Speaking at the national conference on land concentration mentioned above, the Deputy Prime Minister pushed for the acceleration of land concentration strategies as a fundamental requirement to improve agricultural productivity and competitiveness [52]. He particularly highlighted the role of companies in this process: “companies are in a driving seat because they have the capital to support smallholders, they can transfer science and technology to smallholders, they can supply inputs for cultivation and take responsibility for marketing the outputs.” The move away from smallholders is a first since the country’s independence, and reflects a deeper realignment of policy to promote agricultural trade rather than rural development. The director of IPSARD encapsulated this with the sentiment that “it is about time for the agriculture sector to be restructured . . . we need to drop the mentality of “land for the tiller”, as this leads to land fragmentation . . . the country needs a revolution in agriculture sector by creating space and institutions for those who want to accumulate land for large-scale production” [53]. The statement highlights the perceived nexus between agricultural productivity, the need to change land policy and the particular role of the private sector in these reforms.
4.3. Models for Land Concentration

While the preceding section highlighted the narratives that are driving state policy away from smallholder agriculture, we turn now to the arguments put by state actors for company-based land concentration. Several terms recur in this discourse, including “high productivity”, “low cost”, “large scale production”, “market access”, “capital”, “technology”, and “control of supply chains”. Arguably, these reflect the language of neoliberal market engagement, and a distinct shift from the rural development logic that underpinned the “land for the tiller” policy.

Government records for 2016 show that only 1 percent of businesses in Vietnam are currently investing in agriculture—a figure that is regarded as far too low [53]. The lack of private sector investment has been put forward as a reason for Vietnam’s inability to undertake value addition for export markets. MARD’s minister, for instance, told news agencies that the agriculture sector has 10 main products with export revenues of over USD 1 billion, but most of these were raw materials [54]. Weak private sector investment in agriculture is often cited as the reason that Vietnam is unable to effectively brand its export products, which is perceived as restricting international market access. According to the Ministry of Science and Technology, approximately 80 percent of Vietnam’s agricultural commodities are exported under the names of foreign companies. This statistic, together with the lack of Vietnamese branding on domestic products, has underpinned a push for corporate engagement—with a logic of developing a distinctive Vietnamese brand that signifies high quality [54]. Land concentration is cited as a prerequisite for this, as seen in this statement by the IPSARD director, who argues that corporate involvement will allow the development of Vietnamese brands for agricultural products, along with well-organized and well managed supply chains that provide value addition: “removing the existing regulations [on land holdings] and ceilings [on company engagement] will help to prepare the “runway” for Vietnamese agricultural products to take off” [54].

In preparation for amendment of the land law by the National Assembly in 2019, government agencies and research institutes have been busy with preparatory work through pilot projects. These seek to demonstrate the role that the private sector can play in strengthening the sector, along with supportive information campaigns. In early 2017, during a visit to the WinEco company’s “safe vegetable” farm (see below), the Prime Minister announced that the government would allocate USD 500 million in concessional loans for investment in similar high-tech agriculture production activities. This decision was formalized in the Prime Minister’s Resolution 30/NQ-CP in February 2017, with four large government-owned banks responsible for the preparation of the loans [55]. At present, these banks are working on loan eligibility criteria, but it is likely that only large companies with strong government connections will gain access to such loans.

Both central and local government agencies have supported the piloting of land concentration models on the ground. Three examples of company-centric land concentration pilot schemes follow.

WinEco’s safe vegetable production in Ha Nam province [56]

WinEco is a registered company that produces “safe vegetables” (i.e., safe from residual pesticides) for the domestic market. It is owned by the wealthiest businessman in Vietnam, Pham Nhat Vuong, who has been ranked by Forbes Magazine as 453rd of the 500 wealthiest people in the world, with a total net worth of nearly USD 5 billion [57]. In Vietnam, Mr. Vuong has heavily invested in many sectors, with most of his wealth lying in real estate holdings in major Vietnamese cities. The company’s new investment in “safe vegetable” production is reportedly based on cultivation techniques developed in Israel and Japan.

The project is being implemented in In Ha Nam, one of the 11 rural provinces of the densely populated Red River Delta. Here, in 2016, WinEco invested about USD 30 million in safe vegetable production on 227 hectares of agricultural land. This land previously belonged to farmers, who gained red books after decollectivization in the second half of the 1980s for about 5–6 sào of land per farmer (1 sào is the equivalent of about 360 m²). To aggregate 227 hectares, WinEco needed land from more than a thousand households. The company was supported by the government in this process.
Rather than expecting the company to negotiate directly with farmers to gain their land, the provincial authority acted to withdraw land rights from the farmers with the payment of financial compensation. The land was then rented to the company. Local authorities were therefore instrumental in the land concentration process. An order from the provincial authority to the district and commune authorities urged them to “quickly get the land” from local farmers. On receiving this order, district and commune officials went to every household in the area to persuade them to give up their land. Here, local people were not giving the land directly to the company, but rather to local government authorities. Then, to provide further incentives to the company and expedite this investment, provincial authorities agreed to build a road, an irrigation system, and install electricity and water access to the project area. The project also received special attention from the central and provincial governments. The project, launch in February 2017, included many high-level guests, notably the Prime Minister, Ministers for MARD and Ministry of Science and Technology (MOSTE), and the Chairman of Ha Nam People’s Committee. Media commentary on the project and local discourse suggested that the project received so much government support because of Mr. Vuong’s strong personal relationships with many senior officials. This was also key to WinEco’s rapid access to land. Yet, the government holds up the case as a model for private sector investment in high-tech agriculture, that may be followed by other investors.

**Joint-venture rubber plantation in Son La province [58,59]**

The Son La rubber company belongs to the Vietnam Rubber Group—one of the largest and most influential state-owned corporations in Vietnam. In the first half of the 2000s, a high international price for natural rubber (latex) triggered a frenzy of rubber expansion. At that time, there was a shortage of available land for rubber plantation, and the Prime Minister facilitated access to land in Son La, the northwestern province where the rubber company was established in 2007.

To mobilize land for rubber, the company established a model for collaboration with farmers, which was referred to as a joint venture. Under the joint venture, local households contributed their land for the project to plant rubber. On average, each household contributed 0.6–2 ha of cultivation land. This land contribution was counted as a capital investment in the joint-venture. The agreement between the company and the households who contributed land enabled these households, at the time of harvest, to receive a share that was proportional to the land that they contributed. If a household contributed 2 ha or more to the joint venture, then it gained the additional benefit of having one adult family member employed in a salaried position with the company. Those contributing less than 2 ha were not eligible for such employment. The joint venture started in 2007 with 70 ha of locally contributed land, but by 2008 the plantation area grew to 2009 ha. By 2012, the total plantation area under the joint venture totaled 6664 ha. This area was contributed by 6786 households across 130 villages.

Similar to WinEco, the national, provincial and local government actors were vital in aggregating land. In 2009, for example, the Prime Minister approved the master plan for the rubber sector that enabled the expansion of rubber in the northwest region, which included Son La [60]. District and commune officials went to local households to persuade, and sometime coerce villagers to join the project. To incentivize this process, the company gave cash bonuses to local authorities, with payments scaled according to the area of land that they helped to aggregate. In addition, with financial support from the company, the district authority supported with the boundary demarcation and measurement needed for land use certificates, and then issued these certificates (red books) to the company for the lands that village households had contributed to the project. These were issued directly to the company to ensure that “villagers do not run away from the joint venture,” to quote the company’s director.

Problems subsequently emerged, particularly on the part of local households. As these families had signed over most of their cultivation land to the project, they were left with insufficient land for cultivation. They started to enter the neighboring protected forest for swidden cultivation, which was viewed as an illegal forest conversion practice. In addition, as the global market for natural rubber has been in recession since 2012, the company decided not to tap rubber, and therefore no revenues
were paid to households. Furthermore, as labor requirements for the joint venture decreased over time, many villagers lost their jobs. Facing these constraints, many households wanted to leave the joint venture, and tried to reclaim their land to plant other crops. However, they were prevented by their legally binding 20-year agreement with the company, and because their red books were held by the company.

**Woodsland’s acacia plantation in Tuyen Quang [61]**

Woodsland is one of Vietnam’s largest wood product export companies. The company’s 2017 export revenues reached USD 54 million (pers. comm., deputy CEO in 2018). In 2014, Woodsland became one of the major wood product suppliers to IKEA and their wood products have reached global markets. IKEA requires all of their suppliers—including Woodsland—to use sustainably certified wood for their products. Woodsland has therefore started collaborating with smallholders in Vietnam on “sustainably produced” timber (mainly acacia, grown in 6–7 year cycles). Similar to the rubber joint venture in Son La, here too households have contributed land for acacia production. Woodsland provided technical support and covered costs of timber certification by the Forest Stewardship Council (FSC), as well as the ongoing costs of compliance with certification requirements. For each hectare contributed by a household, the company provided the household with 4 million VND (roughly USD 180) as an interest-free loan. According to the company, this loan was to maintain their plantation for a longer cycle, to produce larger trees with a good timber yield and opportunities for value addition. If not, households might have cut the trees early and only produced lower value wood chips. Households needed to pay back the company loan when they harvested the timber. In return, the company guaranteed them a purchase price that was 10 percent higher than the market rate. The company’s project in Tuyen Quang province (northwest Vietnam) was a collaboration with 197 households that brought 848 ha of land into acacia production. This area achieved FSC certification in December 2016, and the timber was due for harvest in 2018–2019.

Woodsland’s director credited the government as playing an instrumental role in the company’s collaboration with smallholders. To initiate the project, Woodsland had to invite senior officials from MARD and the national timber association to the province to meet with provincial leaders. After multiple banquets and gifts to the delegation leaders, Woodsland secured the group’s strong support. The provincial authority issued an official directive to relevant provincial departments (e.g., Department of Agriculture and Rural Development, Department of Industry and Trade), district and commune authorities to support the company. This resulted in a number of meetings and training for villagers organized by these agencies, often with technical and financial support from the company. Officials at the commune office visited villagers to persuade them to contribute their land to the project. Similar to the Son La project, district authorities helped households who collaborated with the company to formalize any informal land holdings with official red books. The costs associated with this process were covered by the company; unlike Son La, however, the company did not keep the red books. Farmers’ keeping their red books was a precondition for the certification of the timber being legally produced, and therefore essential for international market access. Whether or not farmers were able to keep hold of red books was thus an important point of difference between these cases, and the extent to which farmers benefited or lost out from land concentration projects [62,63]. The Woodlands model, while still an agribusiness-based land concentration initiative, posed somewhat fewer risks for local farmers than the WinEco or Son La examples discussed earlier.

5. The Pro-Poor Counter-Narrative

Given the government’s dramatic shift towards pro-land concentration narratives, groups within and outside government—alarmed by potential risks for rural landholders—have actively promoted a counter-narrative. We characterize this as a “pro-poor” counter-narrative, which was mainly being promulgated by actors who had witnessed early experiments in land concentration. These included government officials working in government research organizations; as well as retired senior
government officials (such as former MONRE vice-minister Dang Hung Vo) and government officials working within ministries and local government agencies. The counter-narrative was also supported by some Vietnamese non-governmental associations including the approximately 20 members of the “Land Alliance” (LANDA), and also by international organizations and programs such as Oxfam and the Mekong Region Land Governance Project [64]. The Vietnam Farmers’ Union, a Party-sponsored mass organization with more than 10.5 million members [65], has been notably absent from the debate so far.

A key argument in the pro-poor narrative is that land fragmentation is only one of many factors that constrain Vietnam’s agricultural sector. These broader factors include weaknesses in the markets that distribute agricultural inputs, and the limited investment by government in agricultural infrastructure and extension, reflecting the state’s neglect of the sector [66]. A senior government official shared that although land concentration facilitates the adoption of mechanization and economies of scale, more was needed. Improving production quality and competitiveness also required capital investment, the adoption of high-tech production systems, better collaboration between stakeholders, and improved logistics and marketing [3]. Others cited examples of household-based agricultural production in South Korea and Japan to illustrate that high productivity did not require large-scale production [65] p. 18. Land concentration has therefore been framed as one of several factors that require attention to improve agricultural productivity and market access [67].

Another important thrust of the pro-poor narrative relates to the vulnerability of farmers. A national researcher observed: “A company can invest here or there and can do this or that, but farmers cannot do that . . . when collaborating with a company, farmers are always on the weak side . . . It is important to protect farmers first.” Similarly, Trinh Thi Minh Chau, a professor at the Ho Chi Minh National Political Academy explained the importance of protecting farmers as a matter of national importance: “agriculture and farmers are very important for the stability of the economy, political system and society . . . This suggests that any intervention related to agriculture and farmers [referring to the government’s land concentration policy] has to be carefully calculated” [68]. Another senior official emphasized that local livelihoods were far more important than interventions to promote export agriculture: “Even if farmers have not used the land effectively, if the land helps them to avoid hunger, then giving the land to them is tens of thousands times better than privatizing the land” [66]. For these commentators, concentrating land for companies might increase productivity, but only at the cost that many farmers would lose access to land. The government’s private sector emphasis was particularly attacked with the argument that “land is integral to the country’s formation and protection, we cannot let some lucky people who have money own it privately” [69]. These arguments, which value local livelihoods and small-scale production over concentrated, company-centric modes of production, have gained some currency in public discourse.

Advocates of this counter-narrative have accused land concentration advocates of looking away from the widespread landlessness afflicting rural Vietnam, particularly among ethnic minorities. A report from the National Assembly Standing Committee on land law enforcement, for instance, highlights that a shortage of cultivation land is the major cause of widespread poverty among ethnic minorities in mountainous areas, seen in this excerpt from its report: “One of the reasons for landlessness among ethnic minority groups is the acceleration of land concentration for large scale agricultural production” [69]. To fight poverty, the committee recommended that the government allocate land to 340,000 households in the 2002–2011 period, which would cost about USD 1.15 billion to implement. Although the government promised that by 2010 the land shortage problem would be addressed, the problem remains significant, with more than 300,000 households in mountainous regions lacking cultivation and residential land [69]. In this context, land concentration to even fewer entities would further marginalize the poor in these areas of high poverty.

The role of companies in the government’s land concentration plan has been a particular bone of contention. Several advocates in the pro-poor camp have cautioned that land concentration by companies would enable these entities to accumulate wealth at the expense of the poor [70]. They also questioned companies’ motivations for accumulating land, seen in this warning from a senior
government official about subsequent land conversion away from agriculture: “We cannot rule out the fact that there are people who wanted to gain a large area of land and then convert it into urban land or industrial land.” [70] Another senior official raised similar risks about land speculation and re-allocation by asking: “what is the real purpose of companies in accumulating land? . . . There are some real estate companies investing in agriculture . . . they rent for 20 years and after this farmers will find it difficult to work the land. If the land is left with the companies, they will use it for other purposes.” [3] According to the current land law, the market value of agricultural land is far lower than urban or industrial land. The law allows that under some certain conditions (e.g., for public purposes, national security, economic development) agricultural land can be rezoned as urban/residential land, after which its value increases dramatically. There are many cases where the government has confiscated agricultural land from local households, compensated them at the very low agricultural land price, but then rezoned it and allocated it to private companies to redevelop as residential or industrial areas [33,71–73]. Such actions have fueled land conflicts, accounting for 80 percent of all recorded conflicts in Vietnam, particularly over compensation rates [33,70].

Finally, the pro-poor counter-narrative points to the risk of collusion between government officials and companies [66]. In Vietnam, official corruption associated with land conversion and land grabbing has been widespread, with farmers typically on the losing end [12,14,74,75]. Some have cautioned that transferring land from farmers to companies could easily lead to “pauperization” (bần cùng hội) of farmers [76]. According to them, the current ceiling on land holdings was the only way to ensure equity in land access and to prevent “the formation of new landlords” (hình thành địa chủ mới) [76]. To avoid this risk, one advocate suggested “we should not drop the land ceiling . . . if we drop it . . . the rich will grab all the land in the country” [74]. Another added “if we drop the regulation on ceiling area . . . we need to have alternative mechanism for preventing the formation of ‘new landlords’” [35].

6. Discussion and Conclusions

Proposals under discussion to revise Vietnam’s 2013 land law reflect a fundamental shift from the historically dominant “land to the tiller” narrative to a new dominant discourse of land concentration, with agribusinesses as the primary vehicle to increase agricultural production. The preceding sections show the logic underpinning both the pro-concentration narrative and pro-poor counter-narratives. At its root, this debate demonstrates a shift from a logic of rural development and poverty reduction to one of neoliberal agricultural production where small farmers are seen as a hindrance. Furthermore, the land concentration narrative positions large-scale land holdings for agribusiness investment as a necessity for the development of a “modern” agricultural system that will enable Vietnam to fully engage in global trade. This approach reflects the assumption that weaknesses in the existing smallholder-based agricultural system are due to low capacity and capital. Support for smallholder farming through the “land to the tiller” policy, to promote rural development and social equity, has now shifted focus to trade and market facilitation.

In terms of the exclusionary potential of land concentration, all four of Hall et al.’s powers of exclusion were relevant [11]. Hybrid arrangements facilitated by state actors often saw the transfer of land use certificates to companies. Regulatory change was also needed to remove existing ceilings on land holdings, and to expand usufruct rights enable a longer duration for those rights. These regulatory amendments will therefore be a key mechanism through which the land concentration policy will be enacted, enabling formal transfer of land that is currently held by farmers to companies. However, as with other circumstances of exclusion, these manipulations were not without conflict and consequence. As the counter-narratives highlighted, negative impacts were anticipated for farmers’ livelihoods, and land conflicts could be expected to proliferate [33,72,73]. Often, such conflicts are not only about people losing the land, but about what is considered just. Ultimately these local perspectives on land therefore speak to local perceptions of fairness and state legitimacy [76].

The strong market logic that runs through the land concentration policy provides a key exclusionary driver [11]. For the government, private sector (or state-owned agribusiness) investment equates with
“large-scale production”, “high tech”, “strong capital and capacity”, “added value” and “global market access”. In other words, the logic of markets now appears to drive the government’s approach to land, in a clear departure from its past developmental agendas. Another dimension to this market dynamic is the growing influence of the private sector in this policy process, whether in seeking land to produce agricultural commodities such as vegetables, rubber and coffee, or working with state actors to aggregate land and capital. The government has therefore become an important contributor to land accumulation, through its concessionary loans and other incentives, and facilitation of land aggregation from smallholders to serve the private sector.

As Gurel observed in China [76], at times this involved “active consent,” where local authorities could persuade farmers to give up their land to companies. But at other times, land was taken through “passive consent” or, more starkly, force [11] in the form of eviction. A large number of rural households have been evicted from land for property development [73,76–79]. Private and state-owned business sectors have played important roles in such processes, pressuring the state to use its power through collusion and corruption, often disguised under “national development” or “national security” objectives. The future implementation of land concentration policy could therefore intensify these forms of dispossession and associated land conflicts [79].

In Vietnam, the private sector’s exercise of influence over government policy to further their own interests is typically referred to as nhóm lợi ích (“interest groups”). The term implies corruption, and the collusion of government officials with companies for private gain [12,74], however this language is often used generically to obscure the actual companies and elites involved in specific cases. The establishment of the new rich has often been implicated in land dispossession and land grabbing [78,79]. These are the experiences that motivate a strong counter-narrative, to counter the possibility of land concentration becoming another fertile venue for the rich to accumulate wealth from the land. Such developments would intensify the exclusionary potential of the market, and with active state facilitation.

The logic of land accumulation and concentration portrayed through a deliberately-constructed narrative of “progress” from household-based production systems to large-scale agribusiness has been important to the legitimation of land concentration. The state contrasts the low productivity and quality of smallholder production, due to unskilled labor and resource shortages, with the ready capital and capacity of the private sector. The private sector is also framed as having better market access and access to high-tech production systems. Through the state-run media, this narrative has gained traction in policy debates. Resistance to the logic of large-scale land concentration is sometimes portrayed as an argument against “development” and progress, but remains significant.

Like many countries in Southeast Asia, Vietnam has seen a shift away from smallholder farming towards urban and industrial employment. Rigg et al. [80] find, for instance, that agriculture contributes a diminishing share of national GDP in Southeast Asia, yet the number of farms and farm size is not dramatically changing [80], p. 327. Instead, they observe a “truncated agrarian transition”, as younger generations move to off-farm work and the older generation remains on the farm. While farm income can become less significant in such cases, continued ties to farmland have remained important for “legal, institutions, agro-ecological, historical, emotional, and cultural reasons” [80], p. 333. Their findings help to contextualize the vociferous resistance that the government’s land concentration policy has elicited.

Accordingly, the pro-poor counter-narrative continues to assert the value of the rural development goals of the “land to the tiller” approach. In this camp, advocates challenge the position of smallholders as “failures” and as holding sole responsibility for the sector’s under-performance. They cite evidence where smallholders have been found more productive per hectare of land than large farms, such as research by FAO, IFAD and other international agencies [81,82]. The pro-poor narrative points to the plethora of other factors—beyond land fragmentation—that hinder the agriculture sector. A particular point of concern has been the risk that large-scale private holdings will return Vietnam to the French era of landlords, or promote corruption in government. These counter-narratives
emphasise the risks associated with land concentration, especially for the poor. So far, the evidence suggests that this counter-narrative has been unable to gather sufficient momentum to shift the land concentration agenda, however. The very real risk exists, therefore that future implementation of land concentration policy may indeed facilitate the formation of a new landed elite in Vietnam, accumulated from smallholders’ land.

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