

LAND COMPENSATION AND POLICY ENFORCEMENT IN VIETNAM: A CASE STUDY IN DANANG

Nguyen Tran Tuan

*Faculty of Real Estate and Resources Economics
National Economics University in Hanoi, Vietnam
e-mail: nguyentrantuanhvu@gmail.com*

Gábor Hegedűs

*Department of Economic and Social Geography
University of Szeged, Hungary
e-mail: hegedusg@geo.u-szeged.hu*

Abstract

The land is a natural resource which is rich in diversity, and its value tends to increase over time. Therefore, compensation in cases when the State acquires land, is an issue of concern. Using data from 100 surveyed households and ten interviews (including 5 households indirectly affected by land acquisition, 3 relevant experts, and 2 village headmen) in Da Nang, the article aims to answer two research questions: (1) assessment of landless households on land compensation policy, and (2) an assessment of outstanding issues in this policy in Vietnam. The results show that the local government has strictly followed the regulations and procedures of the State on land acquisition and compensation for economic development purposes under the 2013 Land Law. However, affected people feel dissatisfied with what they had received when they lost land. The first reason is the significant difference between the compensation prices households received and the market price, as determined by a real estate broker. Second, concerns about the future arise when a family's means of production are acquired by the state. In addition, the policy also lacks support measures for households located in affected areas. These shortcomings lead to dissatisfaction among families.

Key words: *land acquisition, Vietnamese land law; land-use change; land price; Danang.*

JEL Classification: *O10, Q01, R00, R28.*

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1. Introduction

There are many concerns about land acquisition in Vietnam, both academic and practical (Nguyen et al., 2019). Land confiscation indicates that many farmers lost their land at the same time. Along with rapid urbanization, many developed economic regions in Vietnam are facing a problem with the size of built-up land having reached the "ceiling". This expansion has caused several problems, including significant disparities between land supply and demand, a dispersed layout of construction land layout, and inefficient use of reserved land for development (Tuan, 2021). Urban sprawl also causes unsustainable social and ecological impacts (Tien et al., 2019). All of these problems indicate that unrestrained urban expansion cannot be sustained. Another critical issue involves compensating those who had had traditional ways of living taken away from them by replacing agricultural land with current industrial projects. If the State's welfare is zero, the unemployed, due to industrialization, is

"helpless" under the market forces' mercy (Tuan, 2021).

One of Vietnam's most painful problems is that land compensation prices built under a planned economic system are insufficient to offset land values in the market economy (Tuan, 2021). In particular, natural capital in the agricultural sector is vital because it plays various roles, from food production functions to maintaining biodiversity (ADB, 2015). Inadequate compensation also raises concerns about the sustainability of such a development policy (Phuc et al., 2015). However, studies have not yet shown how land acquisition policies are applied in Vietnam, and landless households' opinions about these policies are still a shortcoming. As a result, the purpose of this article is to find the answers to some of the following questions:

- Has land acquisition and compensation policy received high approval from households?
- What issues need to be addressed during land acquisition and compensation?

The next section of the article will review documents related to land compensation methods in the world and how to compensate land in Vietnam. A study in Da Nang will be conducted to assess households losing their land properties as a result of land acquisition. This writing also points out the shortcomings of this policy. Finally, the authors will answer the research questions and reach a conclusion.

2. Literature review

2.1. Land compensation in the world

The heart of land acquisition is compensation, whether compensated in finance or an alternative product (FAO, 2009). The loss of land and means of earning living is the result of such government actions. Hence, compensation is a form of payment which the State uses to pay for these losses suffered by households; It needs to be based on equity principles so people whose land had been acquired do not lose out (Keith et al., 2008). "How much does the government have to pay to get land from its people?" is a common question in every country. Before deciding to invest in land, such as improving the quality of land, the land owners realized that their land could be confiscated by the government and converted to public goods. This means that the State will also recover investments made by previous land users. Without any compensation, land owners will make calculations to prevent their assets from being lost and only focus on exploiting the maximum benefits brought by that land (Sihlobo & Kapuya, 2018). If the payment is only related to the land's value, and not the assets as well, then the owner will stop thinking of "overinvesting", because the landowner may underestimate the return involved in investing in this land. Thus, these changes make it difficult for the landowners to optimize land use, and the absolute land rent may also decrease.

"Just compensation" is a stable theory in the United States (Turnbull, 2010), and has also been used in other countries like Germany, Poland, and Norway (Voss, 2010). In this view, the terms of compensation compel governments to guarantee total damages to owners if the government seizes property (Stoher, 2018). However, according to some authors, the reality is that compensation in this form is ineffective (Miceli & Segerson, 2007). This conclusion arose because paying full payment created a greater incentive for owners to use more capital than efficient (Blume et al., 1984). Using more capital also means they will be compensated more under this method. This problem has also begun to arise in some countries like Korea. When households know the information that their land is about to be acquired, they begin to "invest" in outrageous things on the land to receive more money (Lee et al., 2012). This situation causes losses to the State, and it is challenging to verify compensation rates for households whose land had been acquired. In other words, the full compensation approach allows landowners to bypass private improvements to increase the social value if the property is used for public purposes (Steve, 2003). Adequate compensation also falsifies private owners' decisions about developing the land (Adlers et al., 2017), and it skews the market for inefficient land development. Again, this inefficiency grows as owners are fully compensated regardless of the possibility of their land investments having no social value if their land is used for public purposes in the future (Robert, 2001).

The land compensation modes in Eastern and Central European countries also show differences according to the type of land management in each country. For instance, in Romania, compensated people have an interest in the property seized and not just someone who has a title (Grover et al., 2008). In Hungary, land expropriation can be initiated by the State, local municipalities, or any organization serving a public interest purpose (if this is specified in the law). The amount of compensation is determined based on an independent expert report (Flachner, 2007). This too can

cause controversies in Hungary, as well. In the Czech Republic, former owners of land acquired by the State can reclaim land or property in kind. This compensation is taken from the State's property and administered by the Land Administration (Renee & David, 2001). In Poland, residents are compensated not only for the loss of property but also for the loss of profit on that property. In other words, the compensation value of a real estate in Poland shows a strong connection with the market value (Belej & Walacik, 2008).

There are also differences between developed and developing countries regarding adequate compensation for those whose land is acquired. For example, in Bangladesh, the villagers complained that the government ignored the land classification factor when implementing compensation (Atahar, 2013). Meanwhile, Pakistan has applied a fixed amount of payment to prevent speculation through which land-expropriated people take more land for more settlement (Hull, 2008). In some African countries, like Mozambique, Ghana, and Tanzania, the difference between conventional and legislative processes is huge, and hence has limitations in compensation (German et al., 2013). India's land acquisition process shows no transparency, and the compensation and resettlement packages offered to former landowners are often outdated, incomplete, or based on artificial low land values. This situation is under fierce controversy (Pal et al., 2020). In China, compensation lacks partial social security support to help land-acquired people improve their labor market competitiveness (Hui et al., 2013). In Vietnam, the policy and practice in compensation and resettlement policies show a large gap, with inadequate procedures implemented (World Bank, 2011). Malaysian law requires the State to provide adequate compensation, but its fairness is not well defined (Rohani et al., 2019). These examples are a small part of the many ways in which compensation is paid in many countries. However, this has also shown much controversy about making compensation payments reasonable (Olanrele et al., 2017).

2.2. Compensation for compulsory land acquisition in Vietnam

Land is a topic that always receives attention from researchers and the public. In particular, whenever the issue of land acquisition arises, people are always interested in the amount of compensation they will receive. In Vietnam, the principle of compensation for land taken over by the Vietnamese State is: *"Compensation is made by allocating land with the same purpose of use as the type of recovered land; if there is no land for compensation, compensation will be made in cash"* (Cl.2, Art. 74 of the 2013 Land Law). One of the bases for determining compensation for land is the land price, which is determined through the following 6 steps in Figure 1.

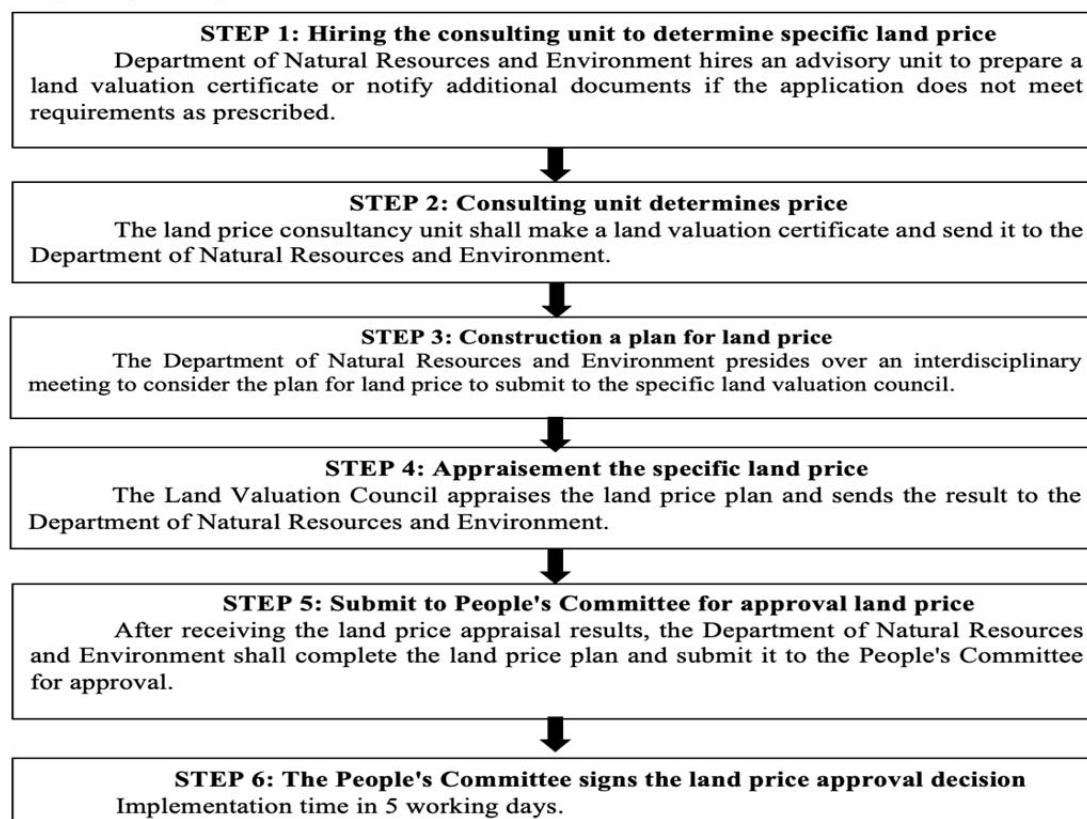


Fig. 1. The procedure of determining the land price in Vietnam. Source: authors' compilation from Land Law of 2013.

The current land price determination mechanism for compensation calculation does not fully comply with objective regulations from a management perspective in Vietnam. Although the Land Law 2013 has an amendment and supplement to renew a specific land price determination mechanism to calculate compensation when the State recovers land, the final decision still belongs to the Provincial People's Committee (PPC). By law, exact land prices are determined by an independent consulting organization on land prices. However, a valuation council is established by the PPC, and this agency is also competent to consider and submit to its valuation the PPC for decision. This situation is a bit like "kicking the ball and blowing the whistle". The PPC has the authority to issue land recovery decisions, and it is they who decide on specific land prices as a basis for calculating land compensation. This agency also approves the plan of payment, support, and resettlement for people whose land is acquired. Thus, to a certain extent, it does not guarantee objectivity when the PPC is the one who sets the land price and also the person who takes the land from the people.

3. Data and Methods

3.1. Study area background

Danang, one of five exceptional urban areas in Vietnam, is a city with high mountains, deep rivers, steep hills, and midlands interspersed with narrow coastal plains. Danang city has a natural area of 1,284.88 km² (Truong Sa island district accounts for 305 km²). In terms of geographical location, Danang is located in the central part of Vietnam, on the North-South arterial road. From 2007 to 2017, Danang had many projects which involved the conversion of land use purposes land use purposes (Figure 2). These projects tended to develop on the fringes of cities. The conversion rate was also different when Danang focused on developing areas near the city center, and then gradually expanded southward. The converted land is taken from agricultural land, mostly from rice fields, cropland, and forest land. In notably, Orchard's land witnessed the most remarkable change. However, the further away the city center is, the more changes in other land types' conversion rate. Especially in Hoa Vang district, west of the city, crops and grassland land converted to urban land was higher than that in other localities (Figure 2). This situation is shown in the land use statistics in Danang; agricultural land decreased from 75,706 ha in 2010 to 69,566 ha in 2018, in which rice cultivation land decreased from 4,348 ha to 3,605 ha. Concurrently, the area of non-agricultural land increased sharply from 50,844 ha to 55,209 ha in the same period. Thus, the agricultural sector's structure declined from 9.7% in 1997 to 2.1% in 2018 (data collected from Danang Department of Planning and Investment). These numbers prove that the city has created a breakthrough in economic restructuring. The proportion of service, industry, and construction sectors will increase gradually, while agriculture, forestry, and fishery sectors will decline.

3.2. Research site and data collection

Danang Hi-Tech Park was established under Decision No. 1979/QĐ-TTg dated October 28, 2010, of the Prime Minister on establishing Danang Hi-Tech Park under the People's Committee of Danang city. This project covers an area of 1,128.4 ha in the Hoa Vang district. In 2016, the City People's Committee approved the first detailed planning of the ground level's level's first adjustment. Then, the State once again adjusted the project's planning in 2019. There are six main functional subdivisions, including a high-tech manufacturing zone, research area, administration - area, residential area, key technical infrastructure area and Logistics and logistics and high-tech services. The project's goal is to attract domestic and foreign high-tech resources. It is intended to motivate the process of technology development and contribute to improving economic efficiency.

Data used in this study were collected from a survey of 100 households with acquired land. Families participating in the research were underwent two methods, i.e. the "stratified random" and "snowball" method. According to the plan, the project is located in 2 communes of Hoa Lien and Hoa Ninh. With most of the project land in the Hoa Lien commune, the authors chose this locality for the survey process. Moreover, this locality has five villages with households losing land for the project. The number of land-expropriated homes for this project is mainly concentrated in two towns, namely 4 and 5. Therefore, based on the stratified method, the authors filtered out the survey's final location. Ten interviews were conducted, including five households whose land is located next to the project but not acquired, three relevant experts, and two village headmen. Interviews were performed using a semi-structured approach combining in-depth interviews with staff on the land compensation council,

deputy director of the Danang Hi-Tech Park Project Management Board, and the Hoa Ninh Commune People's Committee. Moreover, this topic is quite sensitive in Vietnam, especially in Danang. If the interviews are recorded, it may lead to incorrect answers, affecting the interview results. Therefore, the authors decided to interview the form of written notes. The collected data were processed through SPSS software.

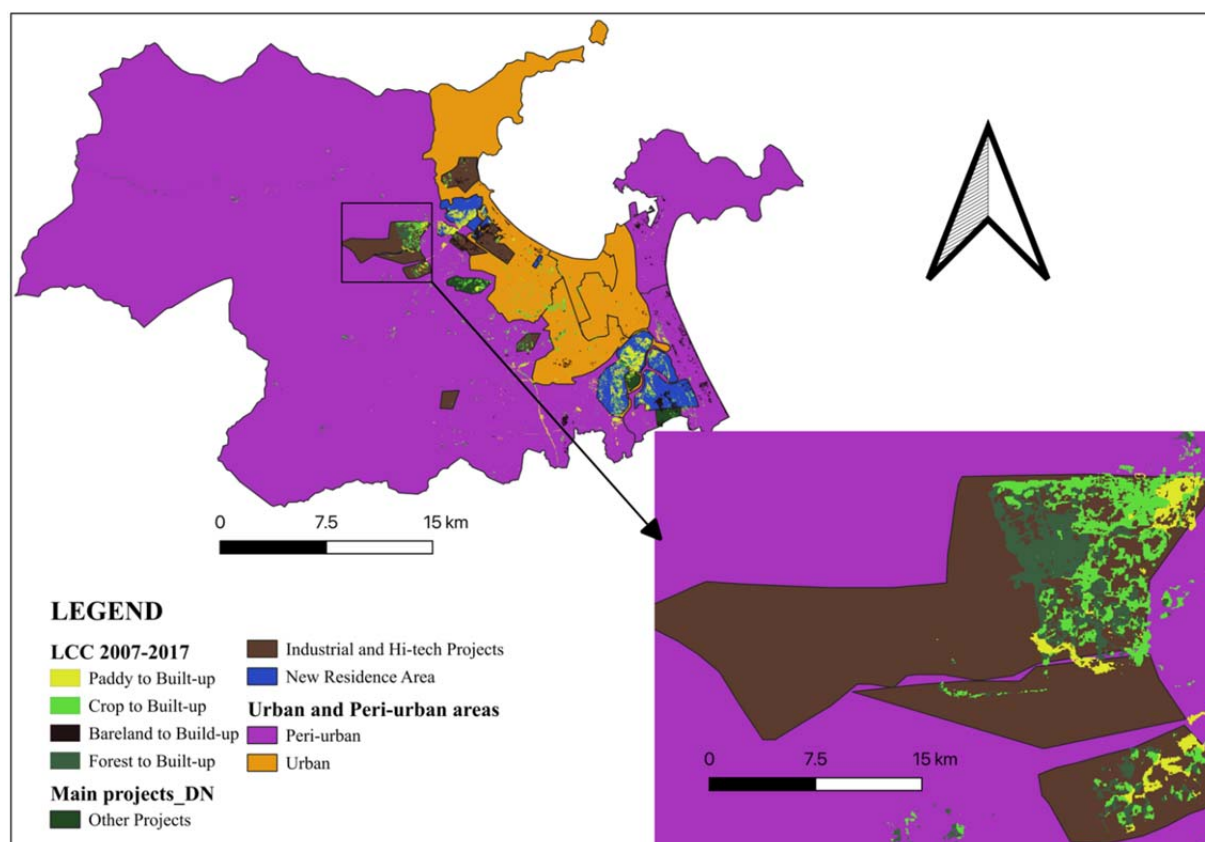


Fig. 2. Land cover change in Danang 2007-2017 and Danang Hi-tech Park. *Source:*(authors' compilation by using raw data from JAXA).

Moreover, in order to help readers have a more detailed view of the study area, the authors used QGIS 3.10 software to create maps. Raw data was downloaded from ALOS Research and Application Project of EORC, Jaxa. The land use map's overall accuracy in Danang for 2007 and 2017 was 90.5% and 90.6%, respectively. In addition, these land cover maps have a resolution of 10 m. These figures show high accuracy in analyzing satellite images. Moreover, data was also collected on the Google Earth software. It helps the authors to have as intuitive of a view as possible of the changes in the project's land acquisition process and construction progress. Data was observed on Google Earth on March 19, 2015, and November 17, 2020.

4. Empirical results

The Danang Hi-Tech Park project is located in Hoa Vang district, with a total planned area of 1,129.76 ha divided into 3 phases. The first phase is 406 ha, of which pure land to allocate for the project is 272.81 ha. 217 ha is located in the second phase of the project, of which land for enterprise allocation is 92.76 ha. In the final step, the project will acquire 506 ha, of which land for housing experts is 68.49 ha. The project's total investment is 8,841 billion VND (386.1 million USD), including the state budget capital and other capital. The state budget accounts for half (Data obtained from the interview with the deputy director of the Management Board of Danang Hi-Tech Park, 2020). Table 1 presents that most of the land acquired for project implementation is agricultural land (81.7%). Land for perennial plants and the production of forest land accounts for the most extensive area, with 39.9% and 34.8%, respectively. Therefore, this project will have specific impacts on the lives of households whose land is acquired because the State has recovered the "source of living" of these households for local economic development.

Danang Hi-tech Park has acquired most of the land as planned (88.7%) on paper, but not much of it has been built as of yet. Figure 3 shows the changes in the area of land built and acquired by this project between 2015 and 2020. The project was approved and announced for planning in 2010, but the Hi-tech park infrastructure started construction in 2012. The capital resources arranged for the project from 2010 to 2019 is 2,510.2 billion VND (108.8 million USD). However, the first phase of project implementation faced many funding difficulties, leading to delays in the land acquisition plan. In 2016 and 2017, the project's total investment was low, about 68 and 45.6 million USD, whereas the following two years saw a dramatic change to the tune of 157.5 and 181.1 million USD, respectively. Thus, the project implementation process is accelerated. As of 2020, most land has been recovered on paper but has not been used in practice. Danang Hi-Tech Park has just cleared land, creating 400 ha of land ready to supply to investors¹. It is to say that the cultivated land has been taken away but is still under transition for nearly ten years. Up to now, the new project focuses on building infrastructures such as electrical systems and roads. This situation causes a waste of land, and the people's desire to work near home and in high-tech zones also extends. The project's prolonged construction certainly has a significant impact on people's lives in general, and landless households in particular.

Table 1

Statistical table of land acquisition for Danang Hi-Tech Park project

No	Categories	Code	Hoa Lien (ha)	Hoa Ninh (ha)	Total (ha)	Percent (%)
1	Agricultural land		602.6	215.9	818.5	81.7
1.1	Annual cropland	CHN	44.4	19.8	64.2	6.4
1.2	Land for perennial crops	CLN	205.2	195.0	400.2	39.9
1.3	Aquaculture land	NTS	1.7	0.1	1.8	0.2
1.4	Production forest land	RST	347.5	1	348.5	34.8
1.5	Freshwater aquaculture land	TSN	3.8	0	3.8	0.4
2	Non-agricultural land		140.7	8.8	149.5	14.9
2.1	Cemetery land	NTD	3.0	0.5	3.5	0.4
2.2	Resident land in the rural area	ONT	5.8	8.3	14.1	1.4
2.3	Defense land	CQP	11.9	0	11.9	1.2
2.4	Land with specialized water surface	MNC	119.7	0	119.7	11.9
2.5	Land for construction of offices	TSC	0.2	0	0.2	0
2.6	Non-agricultural business land	SKC	0.1	0	0.1	0
3	Unused land	BCS	12.0	21.8	33.8	3.4
TOTAL			755.3	246.5	1,001.8	100

Source: Da Nang Hi-Tech Park Management Board, 2020.

Meanwhile, Table 2 shows general information about the surveyed households. It can be seen that men are the leading human resources in homes. However, these households' educational attainment is mostly from secondary school (nearly 50%), followed by the number of people who only completed primary school (29%). This issue can make it difficult for families to recover quickly when most of their main job is farming (89%). Households' work is diverse after losing their livelihoods, and the primary job choice for homes is unskilled labor (42%). The people are willing to work for whoever hires them, which leads to unstable sources of income for the households. The number of employees working in factories is also higher than before, though increasing only slightly by 10%. The unemployment rate has also risen relatively high (18%), whereas 6% of households said they are still trying to find new jobs. These numbers create pressure on local authorities when they need policies to ensure people's livelihoods. Thus, ensuring equity in land compensation is critical in creating stability for households affected after this shock.

¹ Data are collected from interview with staff of the Da Nang Hi-Tech Park management Board.

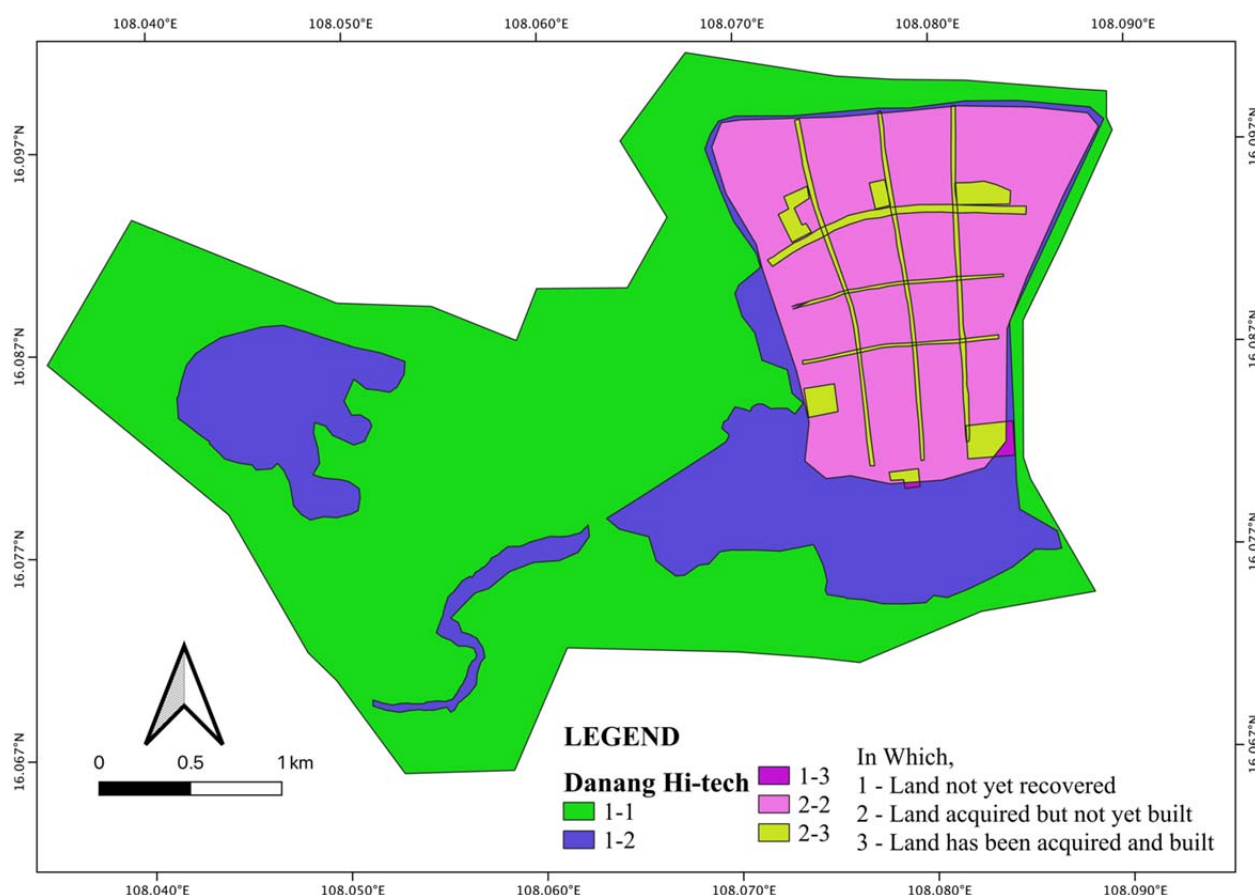


Fig. 3: Construction area changes in Danang Hi-tech Industrial Park (2015-2020). *Source:* authors' compilation by using raw data from Google Earth.

Table 2

Demographic of samples from questionnaires				
No	Categories		Frequency	Percent
1	Sex of household head	Female	17	17%
		Male	83	83%
2	The academic level of the household head	No grade	2	2%
		Primary	29	29%
		Secondary	47	47%
		High school	17	17%
		Vocational	1	1%
		Bachelor	4	4%
3	Job before land acquisition	Farming	89	89%
		Government official	2	2%
		Waged-worker	5	5%
		Casual labor	3	3%
		Old/Retired/Illness	1	1%
4	Job after land acquisition	Farming	11	11%
		Business/trade	6	6%
		Government official	1	1%
		Waged-worker	15	15%
		Casual laborer	42	42%
		Job seeking	6	6%
		Old/Retired/Illness	18	18%
		Other	1	1%

Source: Household survey, 2020.

Table 3 shows the compensation rates land-expropriated households have received. As is well known, Vietnam adopts a two-land price mechanism determined by the project's purpose (Tuan, 2021). Since Danang Hi-Tech Park is a project aimed at socio-economic development in the South Central Coast and the Central Highlands, its compensation rate is applied based on the State's land price list. This price list has a significant difference compared to the real estate market's actual prices. According to the State price bracket, households are compensated at 4.22 USD/m² for annual cropland. However, the price after recovery is leased by the State to businesses is 2 to 3.7 million VND/m² (86.6 to 160.7 USD/m²). This figure is also much lower than the amount quoted by real estate brokers (5 million VND/m² = 217.1 USD/m²). This disparity causes dissatisfaction in households. Moreover, what needs to be considered beyond the compensation price is the households' source of income after losing productive land. Instead of organizing training courses or job referrals for families who have lost their land, the government has chosen to support the conversion of jobs in cash.

Table 3

Compensation price for Danang Hi-Tech Park

No	Categories	Compensation price
1.1	Agricultural land	Annual cropland 98,000 VND/m ² (4.22 USD/m ²)
1.2		Land for perennial crops 49,000 VND/m ² (2.11 USD/m ²)
1.3		Production forest land 14,000 VND/m ² (0.6 USD/m ²)
1.4		Aquaculture land 56,000 VND/m ² (2.41 USD/m ²)
2.1	Resident land in rural area	Hoa Ninh commune 1,060,000 VND/m ² (45.62 USD/m ²)
2.2		Hoa Lien commune 2,230,000 VND/m ² (95.98 USD/m ²)
3.1	Supporting employment transformation	Annual cropland 2 times the compensation price (196,000 VND/m ² = 8.44 USD/m ²)
3.2		Land for perennial crops 0.5 times the compensation price (24,500 VND/m ² = 1.05 USD/m ²)
3.3		Production forest land 0.5 times the compensation price (7,000 VND/m ² = 0.3 USD/m ²)
3.4		Aquaculture land 0.5 times the compensation price (28,000 VND/m ² = 1.21 USD/m ²)
4	Support for livelihood stabilization	11,000 VND/m ² (not pass 2ha/household) (0.47 USD/m ²)

Source: Danang Hi-Tech Park Management Board, 2020.

Land is a finite resource, and land fund for investment and development is increasingly narrowed. Therefore, land acquisition is required to meet the land use demands of large and important projects. According to Article 67, Land Law 2013, before deciding to recover land, the competent state agency must notify the land acquisition of the person whose land is recovered. Content of land acquisition notification includes a land acquisition plan, investigation, survey, measurement, and inventory. Land acquisition notices are sent to each person, and widely disseminated. This activity is a crucial timeline to determine the time to decide on a specific land price for calculating compensation. Land acquisition notification regulations help people whose land is acquired grasp timely information to ensure their rights. If the notification of land acquisition is not done well, it can cause harmful effects. That is one of the core reasons for the persistent lawsuit situation in Vietnam. Table 4 shows the implementation of the notification of land acquisition by the local government to the households transferring their land-use rights to the Danang Hi-Tech Park project. Almost 100% of households received the complete notification of local authorities through the People's Committee's official messages, public announcements from the People's Committee, to community meetings from local authorities. Therefore, the first task in the sequence of land acquisition and compensation has been carried out well by Danang's local authorities. There is not a single household unaware of their land being acquired. Thanks to that, the site clearance process is faster.

Table 4

How to know the information of land acquisition

No	Categories	Frequency	Households	Percent
1	Receiving an official notice from the People Committee	99	100	99%
2	Your neighbors/cousins/friends	95	100	95%
3	Public announcement posted at local the People Committee	91	100	91%
4	Community meetings and public announcement from local authorities	94	100	94%
5	You know nothing until the land acquisition was implemented	0	100	0%

Source: Household survey, 2020.

After receiving the notification of land acquisition, each household will have different feelings about the family's situation in the upcoming time. Figure 4 shows, in detail, the thoughts of homes losing land and their assessments of the implementation of land acquisition by local authorities. Most families are concerned about both the present and the future. Worries stem from a fear of returning hunger and poverty to their families. They have not confidently established a way of making a living. *"Losing land for farming, I do not know how to live because my family has only a farming job"* (Respondent T). If they do not have a job, what will they do to support themselves and their family? *"Afraid of not having income from cultivation and animal husbandry"* (Respondent Tr). They feel that they and their family will have to start over, but these households do not know where to start. *"Afraid of running out of farmland, worrying about starting from scratch while being old and weak, only know how to work in agriculture from the past until now"* (Respondent Th). (These citations come from the most common opinions of the surveyed households).

Furthermore, there is concern over whether the cost of land compensation that the State implements is adequate or not. Accompanying this is the disappointment when life may have to change. When there was agricultural land, people could cultivate, raise livestock and poultry, and be self-sufficient. Without a job, they are not afraid of food problems. *"What should we do after losing land? Losing agricultural land, necessities that we cannot produce, we have to buy everything, which is quite expensive"* (Respondent P). However, now, they are struggling with the question, "What should I do to have money to buy food?". That is the cause of the pressure leading to the insomnia of some households. *"I have lost sleep. I do not know what I will do"* (Respondent Hu). The families also mention one reason: ancestors leave the acquired land. The State takes it away, making them feel like they have lost a good memory. *"It was ancestral land, but I could not keep it"* (Respondent S). More profoundly, they worry about the future when they are old; agricultural land is lost, they have no money to live. *"What to do when the qualifications are not available, the health is not available, and the age is already high"* (Respondent H). Social reality has shown that social subsidies in Vietnam are not enough to support the elderly. Besides, with high self-esteem, they feel like a burden to their children when they have to depend on them. *"Without farming, there is no income. I do not know what to do except in agriculture. It is not easy to start over because of my old age. So, I feel ashamed because I am a burden for my children in the future"* (Respondent B).

Nevertheless, a small number of households felt happy (8%) when Vietnamese State acquires land to build Danang Hi-tech Park. They explained that they wanted to move to a new place to live or to make repairs to their house. *"I am glad to change my life"* (Respondent Ut). Thanks to the compensation of the government, their family has an additional source of funding to cover their needs. A few are also happy because the family has the other capital source to start their business campaign. *"Thanks to the recovery, I have money to move a more open place to do business"* (Respondent B). They can move away from agriculture, a job that requires a great deal of labor, but the income is not high. *"I got out of hard work"* (Respondent D).

In order to recover land from households, the State and local authorities need to have meetings to discuss methods and funding for compensation and damage support for these families. Up to 80% of the households answered that they had discussions with the local authorities about this issue, but 20% of households said that they did not have any communication with the State about methods and

fundings for compensation. How the State announced it and how they followed. *"What is my neighbor's opinion? I follow"* (Respondent Lo). Although most households said they had made arrangements with the State to accept land leaving, more than half of the surveyed households said they did not receive any assistance except land compensation costs. *"My family sent an application to the People's Committee to get more support but received nothing. We are only offered jobs in steel factories"* (Respondent Lu). Perhaps the households still do not clearly understand about the level of compensation they are entitled to when the State acquires their land. *"I claimed a higher price but the issue has not yet been resolved"* (Respondent Th).

However, when we interviewed the local authorities and the Danang Hi-Tech Park project's management board, it was verified that all households had received all support according to Vietnam's government regulations. There are some households that have land disputes and some document deficiencies in the compensation process, so the payment is somewhat delayed compared to the rest of the homes. From the authors' point about these controversies, the local government has adequately implemented the set principle if considering the legal regulations. It is just that homes still feel that the support level is low and cannot meet the needs of these households. These supports seem to make households feel that the State has not fulfilled its responsibilities when it does not help them stabilize their lives after a significant change.

According to the above analyses, 44% of households agreed with land acquisition for the project, but they were also dissatisfied with the compensation level from the government. The number of satisfied people but still wondering about the difference between the compensation and the market price was equal to those who fully support the project and amount to 20%. A considerable percentage (15%) of households disagreed with the land acquisition activities for the Danang Hi-Tech Park project. They argue that there is no fairness in compensation prices between the recovery phases. *"My family wanted to be more compensated because latecomers were compensated more, unfair for those who were compensated first"* (Respondent V1). Furthermore, when the State has taken away productive land with a stable job, they have to find new jobs, but they have not done so until now. *"My job is stable, now I have to look for another job, but I still have not found it"* (Respondent Ha). Some households are still in the process of land disputes, leading to late payments by the State in the compensation process. *"My land has 1,200 m² that has not been compensated for due to the lack of a land use right certificate. The People's Committee promised to resolve it, but it has not been resolved for my family"* (Respondent V2). That is one of the causes why families disagreed with the land acquisition process. *"I see much unreasonable compensation. My family still has 500 m² of agricultural land that has not been compensated, although this has been promised many times"* (Respondent Hi).

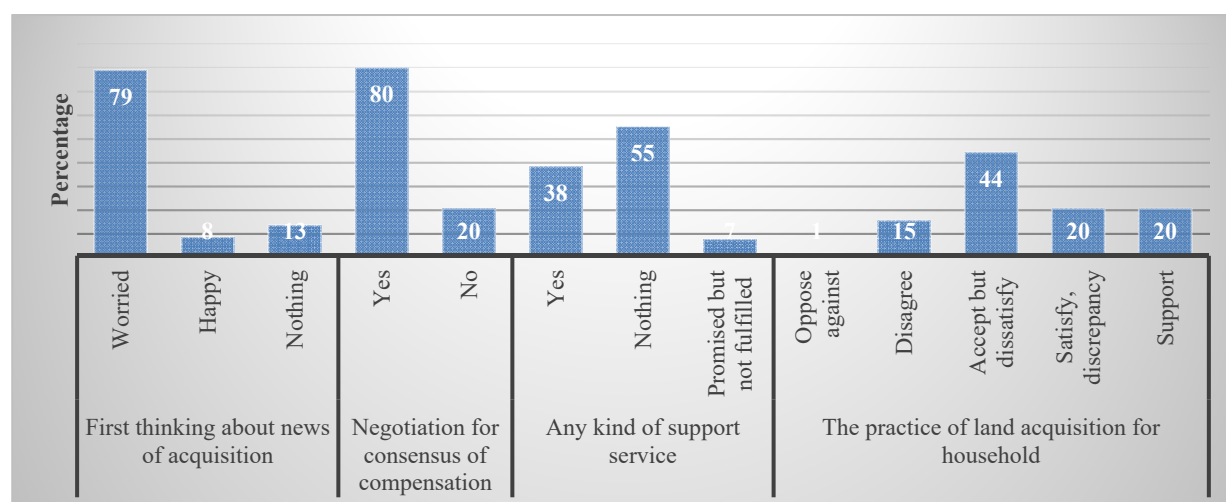


Fig. 4: Assessment of land-expropriated households on land acquisition and compensation. *Source:* Household's survey, 2020.

In addition to the surveyed landless households, we interviewed five families in the affected areas that are not eligible for any assistance or compensation. All homes have the same opinion when they felt that they are being treated unfairly. Even though they still have land to cultivate, their productivity is not as good as before. Agricultural production also faced more difficulties due to

drought, lack of water, and dust clinging to rice leading to low crop yields. *"Our family has more difficulties in the agricultural production process. Due to the polluted environment, the rice plants get dusty. Since then, rice has grown long; Rice output has not been as much as before"* (Respondent V, female, 43). Not only agricultural production but the quality of life of these households are also affected. Land acquisition, which involves mostly forest land, leads to heavy air pollution, especially during project construction. *"Currently, my family always lives in the dust. The garbage is left around the living area. Rice is polluted with air, so it grows and yields low"* (Respondent Tr, female, 43). The trucks carrying soil and rock run back and forth every day, obstructing the household's travel traffic. *"The travel process is also more difficult than before due to the high volume of vehicles entering and leaving the Hi-tech park. The roads are severely damaged"* (Respondent Ch, male, 33). Thus, according to these interviewees, there are severe economic sustainability and other problems for them.

During the survey, the authors found that the fields adjacent to the project were abandoned while preparing for summer-autumn rice seeding. According to Hoa Vang District People's Committee statistics, the total area of non-productive agricultural land or land that cannot control water sources in the area is 537.4 ha, of which, 126.13 ha is affected by the project. When we interviewed this question for the land clearance and valuation specialist of the Department of Finance, we received the same answer: *"Currently, there is no supporting policy in the locality for households with agricultural land next to the project but not being acquired"* (Respondent, planner, male, 32). This shortcoming seems to be an issue that has not concerned the local government and, in particular, the State.

From the above analysis, it can be concluded that the local authorities have adequately handled the land acquisition and compensation process in Hoa Vang district, Danang, for the Danang Hi-Tech Park project according to the current land law. However, there are still many unsatisfactory issues between local authorities and land-recovered households. The compensation price is not considered high when compared to the market price. In other words, the dissatisfaction of households with their land acquisition primarily comes from the price of land compensation and government support. After land production is acquired, employment is still a topic of discussion among households. Households indirectly affected by the project construction without any support always suffer shortcomings. The above issues took place in Da Nang as well as occurring in many parts of Vietnam, such as Vinh city and Quang Binh (Nguyen et al., 2019; Nguyen, 2021). The problem shows that the State should have more specific and detailed regulations on the issues mentioned earlier to solve these shortcomings.

5. Conclusions

Land acquisition and compensation for industrial development by the Vietnamese government is the source of heated debates throughout society in recent times. In order to provide basic scientific knowledge of whether the land acquisition and compensation policies in Vietnam meet the satisfaction level of land-recovered households, this article surveyed 100 families and conducted ten interviews (including 5 households indirectly affected by land acquisition, 3 relevant experts, and 2 village headmen). The results have pointed out the problems that households are pondering, worrying about when they have agricultural land acquired, and outstanding issues with the government's rural land acquisition.

For the first research question, households were confused and worried by the following two core issues. Firstly, the compensation price is paramount and has the most crucial influence on households' levels of satisfaction. Although nearly 50% of households accepted government compensation, these farmers are still paying much attention to the difference in the two compensation rates, which are being applied in Vietnam (prices according to the State price bracket and the market price). Amendments to the land law have been enforced, but there are still significant gaps between these two prices. That is not considering the price differences between the different recovery periods. This disparity causes inequity for households to be withdrawn over additional years.

The second concern is what these households will do when they do not have land to cultivate. Among the surveyed households, up to 89% of households consider agriculture as their primary source of income. Concurrently, the education level of the heads of households is mainly high school graduation. This issue makes it difficult for these farmers to find a new job, especially in employment that requires practicality and advanced degrees. To find solutions to this problem, instead of assisting people to find new jobs or open new craft villages that match their capacity, the government uses the monetary support method. The government uses this approach so that people can find new jobs on their own. From the perspective of people who have lost their land, they will feel happy because they

have more money to serve their individual needs. Nevertheless, if the land-recovered households do not use compensation money for the economic purposes, these households will soon run out of money. Moreover, they will once again struggle with the story of rice and money. Therefore, the government needs to have a specific measure and ensure more safety in the future for households who have lost their means of production.

For the second research question, in addition to the shortcomings outlined above for landless households, the land compensation policy misses an object that is also affected significantly. These are the households living around the project area. Although not directly affected as are households losing land, other people also suffer adverse impacts on their lives, especially during the project's construction phase. Roads were damaged and dusty. Although land for production remains, changes in the irrigation systems have dramatically reduced productivity. This omission is a huge gap that the land compensation policy in Vietnam needs to consider and supplement to fairly meet all people's needs.

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