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“Bridging the gap between increasing knowledge and decreasing resources”

Determinants of Land Use Allocation in Rural Areas of Vietnam and Thailand

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Abstract

Land use allocation is an important driver of poverty alleviation, food security and environmental change in rural areas of developing countries. This paper aims at exploring potential determinants of land use allocation taking Vietnam and Thailand as case studies. The analyses build on data obtained from a comprehensive survey of 1,806 households in Dak Lak, Hue and Ha Tinh provinces, Vietnam, and 1,760 households from Buriram, Ubon Ratchathani and Nakhon Phanom provinces, Thailand, in 2013. By using Seemingly Unrelated Regressions (SUR), underlying factors were identified that drive land use choices in the selected regions. The perception of respondents to risks related to climate change (RRCC) has a significant impact in case of Vietnam reflected by a declining share of field crops and an increasing share in perennial crops. This pattern could be associated with a higher vulnerability of field crops to climate variability suggesting that perennial crops were considered as an alternative coping strategy to climate change related risks. In the case of Thailand, RRCC shows a positive impact on the share of forest areas indicating the regional awareness of forest conservation. Moreover, holding a land title provided further incentives for households to increase agricultural land areas. However, Vietnamese households favour perennial crops at the expense of field crops once land titles are secure. This could be explained by the excess supply of rice production leading to lower market prices, hence providing numerous incentives to invest into perennial cropping systems in the long-run. In contrast, Thai households holding a land title rather allocated their land parcels to field crops, especially paddy rice. This could be attributed to a national rice policy subsidy programme offering financial incentives to farmers, and also the fact that rice production is still a major income source of rural households in the study region. As a common phenomenon in both countries, poor infrastructure (e.g. dirt road, far distance to the district town, unavailability of public water supply) fostered a land allocation towards perennial crops especially in the upland areas.

Keywords: Climate change, land title, land use allocation, Thailand, Vietnam