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Land Use Change and Agricultural Growth in Rural Vietnam

HUONG NGUYEN THI LAN, HERMANN WAIBEL, SABINE LIEBENEHM

Leibniz Universität Hannover, Institute of Development and Agricultural Economics, Germany

Abstract

In spite of success in poverty reduction on a national level, poverty in some rural areas in Vietnam remains high. Especially in remote and mountainous areas agricultural productivity growth has been low due to poor physical and social infrastructure including limited access to credit and extension advice. In addition land market restrictions have constrained the expansion of land rental markets. However change in agricultural land use is pivotal for agricultural productivity growth and rural poverty reduction. In this study investigate land use change among rural households in three provinces in Central Vietnam. We have organised our study around three questions: (i) what was the extend of agricultural land use change during the past decade; (ii) how much did productivity of land increase during the same period; and (iii) what is the impact of land use change on household income and poverty. Our analysis is facilitated by long-term panel data set established by the Thailand-Vietnam Socioeconomic Panel (TVSEP) which has collected comprehensive household data from about 2000 households in 220 villages in the provinces of Ha Tinh, Thua Thien Hue and Dak Lak over the period of 2007 to 2016. We estimate land productivity at the corresponding changes in agricultural land use patterns and measure vulnerability to expected poverty based on land patterns and productivity changes and controlling for other household covariates.

Our initial results show that agricultural land has declined shifting land to other uses including residential use. We also find that households, with less land tend to invest in perennial crops albeit with limited success based on productivity and income growth. We suggest that our final results have important implications in improving our understanding of the interlinkages between land use, productivity and poverty, especially given the recent trend of declining agricultural land in rural areas in Vietnam.

Keywords: Agricultural land, poverty, productivity, Vietnam