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Land Acquisition for Industrial Parks Anh Household Income: A Study from the Mekong Delta, Vietnam

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Abstract

In recent years, the process of forming and developing industrial parks (IPs) has created a new modern infrastructure system, contributing to the rapid expansion of capital and becoming an important contributor to GDP growth, economic restructuring, job and income generating in Vietnam. To serve this process, land acquisition has been taking place strongly throughout the country. Up to February 20, 2021, the whole country has 33.215 projects with a total registered capital of 388,8 billion USD. The country had 326 industrial zones established with a total natural land area of nearly 93,000 hectares, of which the industrial land area was nearly 64,000 hectares, accounting for about 68 % of the total natural land area (Economic Zone Management Department, 2021). If each hectare of acquired land for industrial zone development affects 10 agricultural workers (Dinh Long, 2010), the acquisition of agricultural land affects the lives of 640,000 workers. Industrial parks are crucial to attract investment, however, for sustainable economic development, attention needs to be paid to the quality of life and income of farming households after land acquisition. Although many studies have been done, changes in life of land users after land acquisition have not been fully noticed, especially income change. Therefore, identifying the factors influencing income change of people whose land was acquired is necessary for researchers and policy makers. This study leaves its focus on (i) the factors affecting the changes of farm household's income after land acquisition; and (ii) policy implications to improve farm household income. This study conducted a direct survey of 280 households whose land was acquired in industrial parks in Can Tho City, Tien Giang, Ben Tre and Vinh Long in the Mekong Delta to apply and test the model. Binary Logistic regression model is applied to analyse the data. The results show that there are six factors or activities influencing income changes; they are (i) whether or not investing the compensation money on production and business, (ii) whether or not borrowing from formal financial institutions, (iii) working in the industrial parks, (iv) educational attainment, (v) dependency ratio and (vi) age of household head.

Keywords: Industrial park: Land acquisition: Household Income: Binary Logistic Regression