



## BACKGROUND

- To February 20, 2021, the whole country has 33,215 projects with a total registered capital of 388.8 billion USD.
- 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  
(Source: 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.

## RESEARCH OBJECTIVES

This study leaves its focus on (i) Identify the factors affecting the changes of farm household's income after land acquisition; and (ii) Policy implications to improve farm household income.

## CONCEPTUAL FRAMEWORK

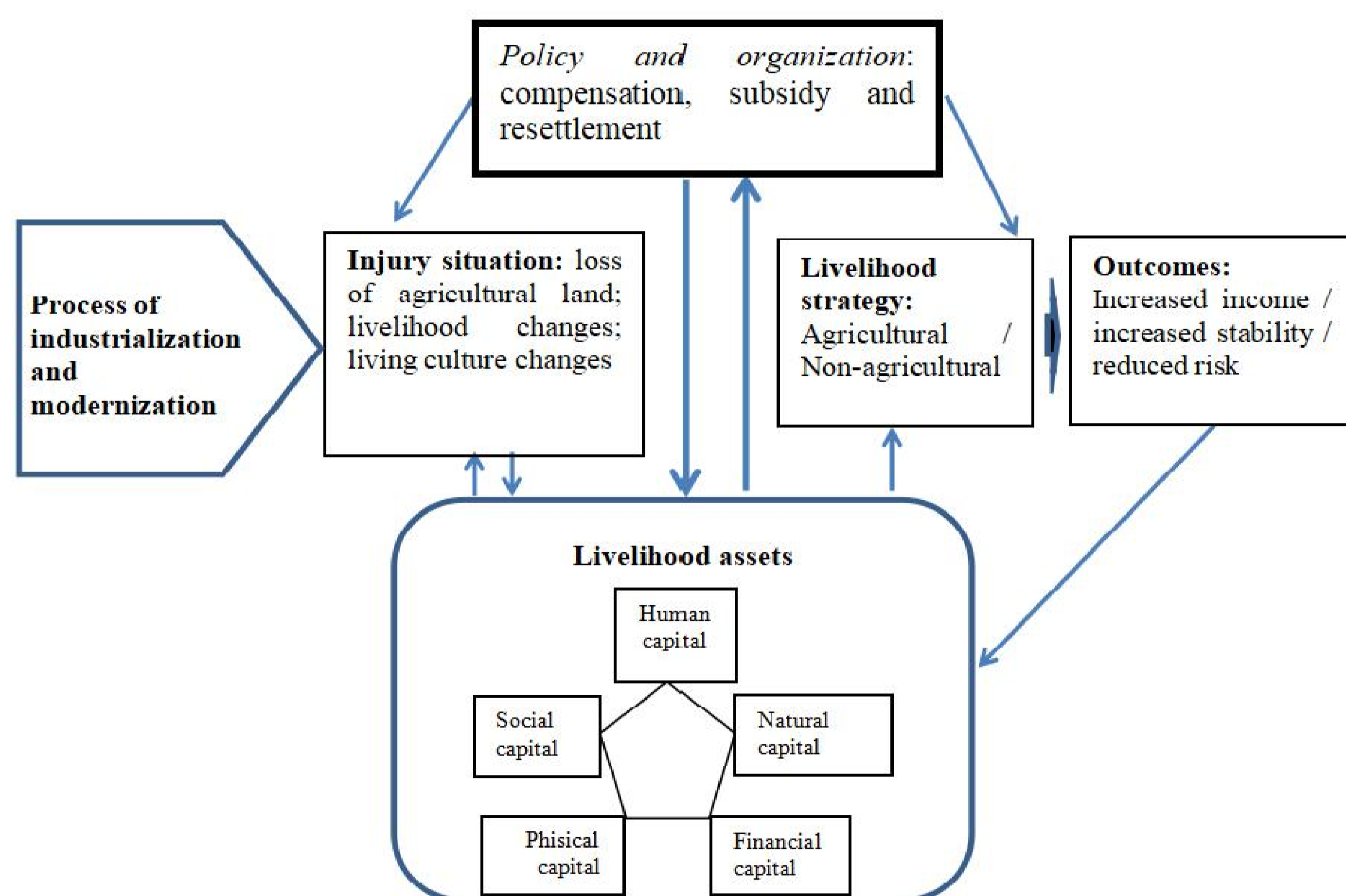


Figure 1: Sustainable livelihood model

Source: Based on the sustainable livelihood framework of DFID (1999)

## HYPOTHESES

- H1: The educational attainment of the household head enhance the ability of the household to increase income;
- H2: The gender of the household head has effect on the ability to increase income;
- H3: Age of household head impacts the ability to increase income;
- H4: Dependency ratio of household affects the ability to increase income;
- H5: Number of labor in the household influences the ability to increase income;
- H6: The area of land to be acquired affects the ability to increase income;
- H7: Use compensation money for investment in production and business increases income;
- H8: Labors allowed to work in the industrial park increases household's income;
- H9: Borrowing money from formal financial institutions encourages household's income.

## CONCLUSIONS AND IMPLICATIONS

- Policy makers need to take some actions to support farmers whose land was acquired:
- Assist farmers in their investment projects for production and business to ensure households to make right decision to invest.
  - Provide free vocational training for the workforce to change jobs due to reduced agricultural land and support them in finding jobs.
  - Encourage and facilitate children of those families to go to school by tuition fee exemptions and reductions for children of poor families.
  - Consult young household heads with high dependent members in implementing production-business investment projects.

## SAMPLE AND RESULTS

The Mekong Delta accounts for 12% of the area and 19% of the country's population, the largest agricultural production center of Vietnam, contributing 50% of rice production, 95% of rice exports, 65% of farming output. Aquaculture, 60% of the country's fish exports and 70% of the country's fruits, are important areas in ensuring security, politics and economic development of the country.

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 provinces in the Mekong Delta.

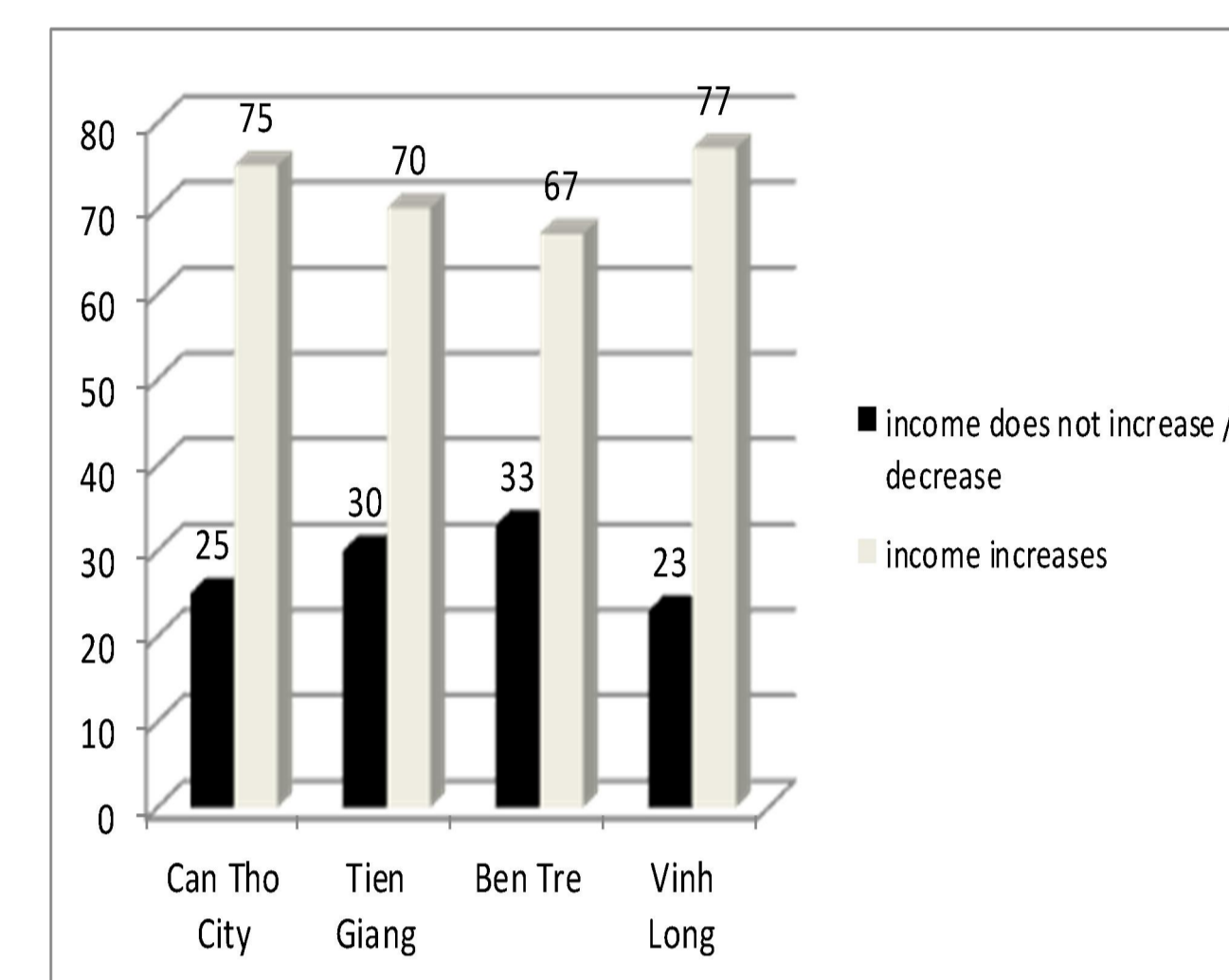


Figure 2: changes in income after land acquisition (%)

Table 1: Describe qualitative variables (numbers in percentage)

Variable	Yes	No	Skewness
Borrowing money from formal financial institutions	46.7	53.3	-0.134
Using compensation money to invest in production and business	46.7	53.3	-0.151
The gender of the head of household	Male: 90.4	Female: 9.6	2.763
Household labors are allowed to work in the industrial park	36.7	63.3	-0.557

Table 2: Describe quantitative variables

Variable	Min	Max	Mean	S.D	Skewness
Acquire agricultural and non-agricultural land (m <sup>2</sup> )	100	14,003	2762,97	2284,876	2.542
Labor in the household (People)	1	5	2.85	1.003	0.055
Dependency ratio (%)	0	40	17.40	18.317	-0.115
Age of household head (Year)	20	59	39.15	10.285	-0.416
The educational attainment of the head of household (Schooling year)	1	12	6.3	3.457	0.486

Table 3: Binary Logistic Regression Results (only significant variables)

Variable	B	S.E.	Wald	Sig.	Exp(B)
Head's Edu	0.822	0.213	14.949	0.000	2.275
Head's age	0.119	0.051	5.398	0.020	1.126
Dependency	-0.194	0.036	29.259	0.000	0.823
Investment	4.932	1.268	15.124	0.000	138.633
Employed	2.731	1.054	6.711	0.010	15.347
Borrowing	2.887	0.893	10.456	0.001	17.939
Constant	-9.144	4.218	4.699	0.030	

Table 4: Forecast scenarios with the impact factors

Variables	Coefficient (B)	Values of Variables	
		Scenario 1	Scenario 2
Head's Edu	0.822	1	12
Head's age	0.119	20	59
Dependency	-0.194	80	0
Investment	4.932	0	1
Employed	2.731	0	1
Borrowing	2.887	0	1
Constant	1.844		
LogOdds		-4.856	34.897
e <sup>LogOdds</sup>		0.007782	143078 <sup>10</sup>
1 + e <sup>LogOdds</sup>		1.007782	143078 <sup>10</sup>
P(Y/X <sub>i</sub> ): Probability that Y = 1 occurs is when the independent variable X has a specific value X <sub>i</sub> (%)		0	100

## REFERENCES

- Economic Zone Management Department, Ministry of Planning and Investment (2021). *Foreign investment attraction in Vietnam*. Available at < <https://fia.mpi.gov.vn/Detail/CatID/457641e2-2605-4632-bbd8-39ee65454a06/NewsID/ac0e9077-fb5b-4521-b37e-00c1a8380de8/MenuID>>.
- Dinh Long (2010). *Leaving farmers to be shallow but disgruntled*. People's Deputies (Voice of Congress, Forum of National Assembly deputies, People's Councils and voters). Available at < <http://daibieunhandan.vn/default.aspx?tabid=75&NewsId=39917>>.