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Livelihood Diversification Strategies of Khmer and Kinh Farmers in the Mekong Delta since the 1993 Land Law

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Abstract- With the introduction of the 1993 Land Law and other economic reforms in Vietnam, land has effectively become a commodity, the distribution of which is controlled by market mechanisms. As a result, both ethnic Khmer and Kinh (ethnic Vietnamese) farmers in the Mekong Delta have responded by diversifying their livelihood strategies. This study finds that: (1) The better-off Kinh households had more capital to expand their land for their farming and business. Therefore, more the Kinh households bought land than Khmer households did. Vice versa, more Khmer households sold their land than Kinh households did. In both Khmer and Kinh households, the better-off households bought land and the poor households sold land. Nowadays, the land sizes per household have shrunk and are not large enough for farming; (2) Intensification and diversification were implemented within various groups. Those who own land try to intensify rice farming and to combine farm activities with off-farm and non-farm activities, but those who are landless have to rely on hiring out their labor in both the farm and non-farm activities; and (3) Externally driven forces have shifted the sources of local labor and hired labor for agricultural production in the local area. Thus, hired laborers required from outside the local areas are acquired through labor market networking between farmers and the poor hired laborers in the region.

Keywords: land law, market mechanism, commodity, livelihood, diversification strategies

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Nguyen Quang Tuyen

Abstract- With the introduction of the 1993 Land Law and other economic reforms in Vietnam, land has effectively become a commodity, the distribution of which is controlled by market mechanisms. As a result, both ethnic Khmer and Kinh (ethnic Vietnamese) farmers in the Mekong Delta have responded by diversifying their livelihood strategies. This study finds that: (1) The better-off Kinh households had more capital to expand their land for their farming and business. Therefore, more the Kinh households bought land than Khmer households did. Vice versa, more Khmer households sold their land than Kinh households did. In both Khmer and Kinh households, the better-off households bought land and the poor households sold land. Nowadays, the land sizes per household have shrunk and are not large enough for farming; (2) Intensification and diversification were implemented within various groups. Those who own land try to intensify rice farming and to combine farm activities with off-farm and non-farm activities, but those who are landless have to rely on hiring out their labor in both the farm and non-farm activities; and (3) Externally driven forces have shifted the sources of local labor and hired labor for agricultural production in the local area. Thus, hired laborers required from outside the local areas are acquired through labor market networking between farmers and the poor hired laborers in the region. The poor landless Khmers in Soc Trang province have found alternative ways to cope with the risks they face in terms of survival. Consequently, the hired labor from the poor Khmers in Soc Trang contributed effectively to the rice harvest seasons in Thoi Lai, Can Tho, comprising 20 percent of the laborers for the rice production and contributing 70 percent of the total hired laborers for harvesting rice in the hamlet in 2009.

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I. INTRODUCTION

This study attempts to understand changes in the rural area of Can Tho, in the Mekong Delta region of southern Vietnam, after the implementation of the *Doi Moi* economic reforms of the 1980s and 1990s, the impacts of which have been different for the various Kinh (ethnic Vietnamese) and Khmer household groups that inhabit the region. To examine this, my study used the example of Kinh and Khmer landowning households and poor landless households in Thoi Thuan B hamlet in the Mekong Delta and the changes to their landownership and livelihood strategies. In order to understand

the influence of *Doi Moi*, I have attempt to examine: (1) how landownership decreased and landlessness increased among the Kinh and Khmer landowning households and poor landless households;¹ (2) how the landowning households intensified their rice cultivation by increasing the number of rice crops they produce or by integrating rice-based farming together with new cultivation technologies, in order to maintain the farmers' status and to cope with smaller land sizes which have arisen concurrently with the competition and expansion of the agricultural market, and diversified their livelihoods to engage in the diversification of on-farm activities and other occupations such as off-farm and non-farm activities in their strategies for increasing their incomes; and (3) how the local landowning households accessed the labor market by employing seasonal laborers from outside the hamlet, made up of poor Khmer landless households from Soc Trang province, in order to supplement the shortage of local labor forces for rice intensive production caused by local labor migration to the industrial area or city, particularly during the rice harvest season.

To support this study, I use an analytical framework for the livelihood strategies of Kinh and Khmer landowning households and poor landless households in response to the market reforms of the 1993 Land Law (the political aspect), the influence of agricultural markets and intensive production (the economic aspect) and changes to hired labor forces (the social relations aspect). The livelihood approach is considered an analytical means of understanding the accessibility of resources and management abilities of a household or individual, in terms of the five vital types of capital (Carney 1998). The concept of livelihood diversification is used to demonstrate the multiple relations between households' inputs (i.e. five types of capital) and outcomes (Ellis, 2000), through their interactions with the 1993 Land Law, the agricultural market economy and hired labor relations.

These premises can be illustrated by showing multiple types of information and empirical data. The first premise can be verified through empirical information on land reform changes, in particular the

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¹ Each of these social categories includes both Kinh and Khmer households.

impacts of the 1993 Land Law on the various household groups. The second premise can be evaluated using empirical data on the different livelihood strategies of the various household groups since the opening of the market economy. The final one can be demonstrated using data and information on changes to household labor for intensive rice production, in particular on the rice harvest season, including the hired labor forces from within the hamlet and the poor landless Khmer households hired from Soc Trang province.

The main findings of this study have emphasized both the positive and negative impacts resulting from the change of incorporation into the global neoliberal economy, particularly the impacts of land law and agricultural economic liberalization on the livelihood strategies and hired labor relations of the different Kinh and Khmer household groups living in the hamlet. These results can contribute to the study of agrarian policy, household livelihood diversification strategies and changes to hired agricultural labor in the Mekong Delta of Vietnam.

II. THE CONCEPTUAL ANALYSIS

In the context of the land policies of Vietnam, especially the 1993 Land Law, the five rights of land users (i.e. the right to lease, transfer, exchange, inherit, and mortgage) (Kerkvliet 1995:65-96) and market forces (i.e. markets for land, labor and agricultural production) affect the livelihood diversification strategies of the Kinh and Khmer farmers and landless farmers in the Mekong Delta, especially in my research site of Thoi Thuan B hamlet. The Kinh and Khmer households' existing livelihood strategies inside and outside of the hamlet, such as farming, off-farm and non-farm work, are investigated and understood based on the assets that are available to them under their social relations and networking. Moreover, my study is focused not only on the two ethnic groups of Kinh and Khmer, but also their sub-groups based on socio-economic differentiation: the better-off, medium and poor farm households and the poor landless households. These household groups are classified using the knowledge of local hamlet leaders, together with the experience of elders in the hamlet. They based the classifications on the households' livelihood resources, or livelihood capitals, such as land, family labor, credit, equipment and on-farm, off-farm and non-farm work, etc., through my facilitation (Group Discussion 2007). I tried to understand how these groups of people organize their social relations and networks in order to gain access to assets and adapted their livelihood strategies, through intensification of farming, diversification of farming and diversification/articulation of livelihoods, such as combining farming with off-farm or non-farm activities. I examined how they do so in order to cope with general market forces, the 1993 Land Law and, particularly, the

transfer, mortgage, lease and inheritance of land and the shortage/redundancy of the labor force in my research site.

I paid closer attention to the livelihood diversification strategies of the poor farmers and poor landless people than I did to the other household groups. The five capitals (i.e. livelihood assets) were explored in order to understand how these people adapted their livelihood strategies to cope with changes including scarcity of valuable land, land concentration/redistribution, labor force problems and an unstable market for agricultural products. I looked at the main components of each form of capital as being: land-owning for natural capital; the quality and quantity of the labor force, especially for the young, for human capital; productive resources (e.g. water pumps, tractors, hand tractors, threshers, dryers and boats), reproductive resources (e.g. houses) and luxury items (e.g. televisions, vehicles, telephones and mobile phones) for physical capital; agricultural production, cash, savings and loans/credit for financial capital; and kinship networks, relations among social actors and associations in Kinh and Khmer communities for social capital. Besides the available assets necessary for their livelihood strategies, the households and people were also influenced by external factors such as government policies, markets, and a general context of vulnerability. I also considered how these conditions changed over time in order to understand the livelihood changes that resulted. I observed the diversification of their livelihood strategies and tried to understand how they thought and acted through their social relations (i.e. kinship and networking) in their real lives and their work.

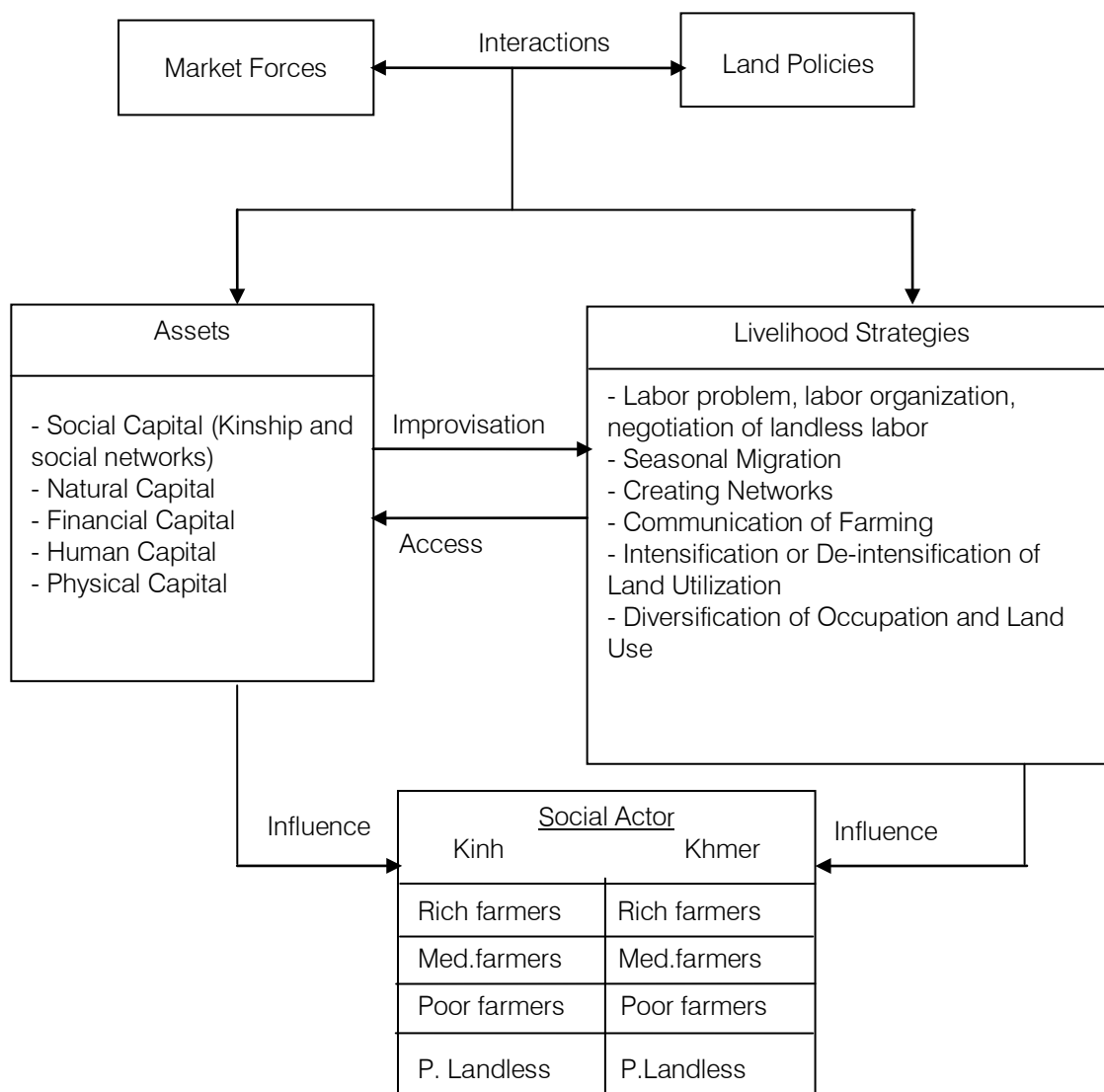


Figure 1 : Conceptual Framework of the Study

III. PRINCIPAL FINDINGS

a) Landholdings of the Households

Landholdings are an important concern for an agrarian society like Vietnam. I have shown that the Vietnamese government, from the pre-socialist to the socialist period, attempted many land reform policies to solve the problems of unequal landholdings.

During the socialist period, the government set up a collective farming program in South Vietnam in order to offer farmland to the households which were landless or did not have enough farmland. In my study site, Thoi Thuan B, both Kinh and Khmer communities received distributed farmland for production.

The phases of the “Doi Moi” began at the very start in 1981 with the “Contract 100” or “*Khoán 100*” (Kerkvliet 1995); then in 1988, after the first Land Law in 1987, came the “Contract 10” or “*Khoán 10*.” Later on, further improvements were promulgated by the 1993 revision of the Land Law (Tuan 2001, Marsh et al. 2006).

After 1988, the process under the amended land policies allowed land negotiations to take place among the farmers and, as a result, those farmers who received land due to the land reforms were powerless and became landless during this negotiation process. Gradually, many land recipients returned the land to the original landowners. In fact, the socialist land policy did not successfully distribute land equally.

Doi Moi (renovation policy) was the result of a reconsideration of Vietnam’s economic policy (Vien 2003). In agricultural policy, one such attempt is reflected in the Land Law policy issued in 1993, by which the old collective farm was totally dissolved and land became a commodity that can be legally and freely exchanged in the market.

In the transactions done by Kinh and Khmer households under the 1993 Land Law, the better-off Kinh households had more capital to use to expand their land for their farming and business. Therefore, a higher percentage of Kinh households bought land than Khmer households did. In contrast, a higher percentage

of the Khmer households sold their land than Kinh households did. In both Kinh and Khmer households, the better-off households bought land and the poor households sold land.

Land is still an important form of natural capital for both the landowning and landless households. Nowadays, the land sizes per household have shrunk and are not large enough for farming.

b) Diversification and Differentiation in the Globalized Era

Another impact of the Doi Moi policy is that it expanded urbanization and industrialization and gave farmers greater opportunities to produce rice seeds on contract, although for only a few years, and to diversify within agriculture and out of agriculture.

The different farm households and poor landless households practice different livelihood diversification strategies as a means of generating income. They do this in response to the many changes in state policy and the global changes which have had a dramatic affect on their resources and their livelihoods in recent years. The incomes of many members of Kinh and Khmer farm households now come from farming, off-farm work and non-farm work.

The livelihood strategies of Kinh and Khmer households with large farmland sizes were quite similar, pursuing the main activities of on-farm rather than non-farm and off-farm jobs. Livelihood strategies of Kinh households with small farmland sizes also focused on on-farm jobs as their main activities, rather than non-farm and off-farm jobs. However, the livelihood strategies of Khmer households with small farmland sizes focused on the main activities of off-farm and on-farm jobs, rather than non-farm jobs.

Better-off Kinh and Khmer households in the hamlet diversified their activities to include many on-farm, non-farm and off-farm jobs, with different capacities for investment to increase their savings. The poor Khmer, poor Kinh farming and poor Kinh landless households diversified their various activities to increase their incomes, but the poor Khmer landless households engaged primarily in off-farm jobs for their incomes.

With the shift towards a market economy and the reforms of the 1993 Land Law, a portion of Kinh and Khmer households have generated higher incomes than before using their available resources. The better-off Kinh and Khmer farm households have the capacity to generate higher incomes than the medium and poor ones. In contrast, poor Kinh and Khmer farm households lack in all asset categories; many are limited small farm sizes, limited cash, higher debts, health problems, and by the farming techniques available to them. The farmers adapt to diversify their livelihoods in order to respond to state policies on agrarian transformation, especially toward the accumulation of large farmland holdings for more efficient agricultural

production. As a result, there was a polarization of the better-off and the poor households, both Kinh and Khmer (Individual Interview 2008).

In sum, diversification took place within various groups. Those who own land try to combine farm activities with off-farm and non-farm activities, but those who are landless have to rely on hiring out their labor in both the farm and non-farm sectors.

c) Trans-local Labor Mobility

The expansion of urbanization and industrialization in nearby Can Tho City, coupled with intensive agricultural production in Thoi Thuan B hamlet, has led to a situation where there is a lack of labor during the peak agricultural season. As a result, landowners in Thoi Thuan B had to rely on hired labor from other localities to fulfill the labor demand for the rice harvest when a portion of the local laborers migrated to work in industrial factories and big cities such as Can Tho and Ho Chi Minh (Household Group Discussion 2007). Both Kinh and Khmer farm households used more hired labor than family labor for harvesting rice; in both cases, only middle-aged men and women were available to look after farming because the younger family members had migrated to work in the cities.

Externally driven forces have shaped the networks and sources of local labor and hired labor for the agricultural production in the local area, particularly for rice production. Therefore, the hired laborers required from outside the local area are acquired through labor market networking between farmers and the poor hired laborers in the region. Soc Trang is the province with the highest number of poor landless Khmers to supply additional hired labor for the rice harvest seasons throughout the year. The poor landless Khmers in Soc Trang are active and have found alternative ways to cope with the risks they face in terms of survival, such as using professional hired labor to harvest rice outside their village and diversifying into many off-farm work activities at home. As a result, the hired labor from the poor Khmers in Soc Trang contributed considerably to the rice harvest seasons in Thoi Lai, Can Tho, comprising 20 percent of the laborers for the rice production and contributing 70 percent of the total hired laborers for harvesting rice in the hamlet in 2009 (Individual Interviews 2010).

IV. CONCLUDING REMARKS

This study has analyzed the livelihood strategies of both the Kinh and Khmer households in the Mekong Delta after the time of Doi Moi in 1986, in the context of the changing policies on land, market economy, labor market, urbanization, industrialization and rural agricultural development, following the adoption of neoliberal open-market policy. My study has found that the different Kinh and Khmer landowning and poor

landless households have adopted either similar or differing livelihood diversification strategies, depending on their five types of household capital and external factors which direct the process of transition.

This study has shown that rural household livelihoods have transitioned from on-farm jobs to off-farm and non-farm jobs, but that land has remained important for household livelihoods. It also shows that local production is now more connected to the global market. Nevertheless, the results of this study on changes in landownership, agricultural production, local labor demand and household livelihoods are situated in the specific context of the Kinh and Khmer in this hamlet. Hence, the results are in some ways different from other studies.

First, as a result of land reform, landownership became fragmented and farmers became polarized. The 1993 Land Law made land transactions possible, allowing farmers with capital to expand their land, while poor farmers had to sell their land, a situation that occurred among both Kinh and Khmer. Land sizes per household became smaller than before. A higher percentage of Kinh households bought land than Khmer households did, while a higher percentage of the Khmer households sold their land than Kinh households did. The percentage of land mortgaging that took place in Khmer households was greater than that in Kinh households. This reflects the fact that the Khmer households were impacted by the Land Law and market economy more than Kinh households were.

Secondly, the social networks of Khmer households have grown more than they did in the previous periods, although the households still face many life difficulties. The livelihoods of Kinh and Khmers are now based on landownership, together with other jobs to cope with declining land sizes. However, the labor-dependent group illustrates the significance of social and human capital for the poor landless Kinh and Khmers in obtaining paid employment through their social networks. Better-off households have larger social networks and closer kinship relations than the poor households do.

Thirdly, intensive rice production increases the rice yield and plays an important role in maintaining the livelihoods of the Kinh and Khmer farm households. This study has shown that their livelihood diversification strategies help these households to reduce the risks of the market and production influences when they combine on-farm activities with off-farm and non-farm jobs, within and outside the village. The rice farming of the farm households in the hamlet still earns more net income than the other non-rice crops, livestock and off-farm and the non-farm activities. Many state policies aim to enhance the development of sustainable agriculture for ensuring food security, increasing rice export and raising farm incomes, although farm incomes are still

very low compared to the average incomes in other sectors of society.

Fourthly, my findings are similar to recent research by Viet (2005), who found that the process of labor transference from agriculture to other sectors has occurred to a significant degree in the Mekong Delta and this has led to a shortage of agricultural labor during the peak farming season, due to migration of young laborers to the urban area, leading to an increase in wages for agricultural laborers and a reduction in competition in terms of the price of farm products. Similarly, my study has found that rural labor migration to the city impacts the direction of the rural changes, for example, by creating labor shortages at the peak time of the rice harvests. This also represents an opportunity to attract hired laborers from other places in the Mekong Delta region to this area to do off-farm jobs. In particular, a hired labor force comprised of poor landless Khmers from Soc Trang province comes to Thoi Lai to participate in the harvests throughout the annual rice seasons. The demands of the labor market in the Mekong Delta region have led both Kinh and Khmer farm households to engage in all three types of livelihood activities: on-farm, off-farm and non-farm jobs.

Lastly, this research has found that economic transition has changed Can Tho City from being fundamentally agricultural to non-agricultural, although agricultural production remains a core source of food security and export products. Additionally, connections at the local, regional and global levels have impacted the labor market and the neoliberal market economy has pushed the agricultural production from subsistence-based to commodity and export-based intensive production, from extensive to intensive rice crops, from mono-cropping to farming diversification, from using local labor to using outside labor and undertaking multiple jobs.

In sum, the process of agrarian change is very complex and dependent upon the specific historical, social, cultural and even political contexts within which it takes place (Eder 1999, Kitahara 2004). What I found in this study is that small intensive farming has still persisted together with the diversification of farming and diversification towards non-farm occupations. However, in the context of the neoliberal market competition in agriculture, small farmers have had to organize into farmer groups and forge close connections with other actors in the chain of production, consumption and export of agricultural products, in order to diminish risks and increase profits.

V. CONTRIBUTION OF STUDY AND RECOMMENDATIONS

My study has demonstrated the process of rapid agrarian transition in the Mekong Delta, where rapid urbanization and industrialization have attracted a

number of young workers from the rural area to find employment in the urban sector; resulting in seasonal shortage of labour in agricultural production and reliance on the use of mechanization and hiring of labour of ethnically poor people from poor area. Despite the fact of out-migration of younger generation, older people, both Kinh and Khmer, where possible, still try to cling on to their land where they combine farming with non-farm occupations.

To improve the efficiency of production and the lives of the Kinh and Khmer farm households and poor landless households, the state has to invest sufficiently into infrastructure, credit, job creation, healthcare and good, free education, as well as facilitate the operations of the "Four Houses"² system in the production process.

The state should set up a policy to provide career training and other subsidies for maintaining the livelihoods of those poor laborers.

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² "Four houses" involves Farmer, Business, Researcher and Government [Bốn nhà gồm Nhà nông, Nhà doanh nghiệp, Nhà nghiên cứu và Nhà nước].