AUSTRALIA-WORLD BANK GROUP STRATEGIC PARTNERSHIP IN VIETNAM

Gender Theme

BENEFITS OF

JOINT LAND TITLING

IN VIETNAM
Acknowledgements

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BENEFITS OF JOINT LAND TITLING IN VIETNAM

Key Points

- The 2003 Land Law mandating joint titling for married couples has increased the share of joint land titles in Vietnam, but men continue to control a disproportionate amount of land and assets because before this reform, rights were regularly issued to only one member of a household—usually the husband. The rate of converting singly titled land certificates to jointly titled ones has been low due to a lack of awareness about the possibility of and advantages to conversion, concerns about paperwork and costs, and sociocultural sensitivities. Demand should be increased for converting existing singly titles to joint ones.

- Households benefit from having jointly titled land rights, increasing their expenditures by an average of 1.6 percent for agricultural land and 2.5 percent for residential land.

- Individuals benefit from having explicit land use rights. People named as holders of residential land use rights increase their use of health care services by around 15 percent; and women named as holders are 2.33 percentage points more likely to have held a nonfarm job in the previous year.

- A policy to convert remaining singly titled LURCs to jointly titled ones would yield net gains of 0.319 percent of the 2014 gross domestic product and would raise household expenditures enough to reduce the national poverty rate by 0.1 percentage points.

CONTEXT

Land is a social and an emotional issue, deeply intertwined with personal concerns of security, status, and identity. It is also a key economic asset in deciding the status of both men and women. Like many countries with large rural populations, landholding is an important form of property ownership in Vietnam. Most notably, a person who holds land use rights can use them as collateral, increasing their access to credit, which can then in turn reduce poverty rates (Nguyen 2008; Swain, Sanh, and Tuan 2008; Lensink and Pham 2012; Van den Berg 2014).

In Vietnam, land use rights for agricultural (e.g., cropland) or residential land are granted by local authorities through land use rights certificates (LURCs), which can be issued to an individual or to a household. For the latter, the LURC can be issued as a single or joint title, although in either case the land is considered the common property of all household members. The 2003 Land Law mandates that all new LURCs for married couples be issued to both husband and wife. Nonetheless, men continue to control a disproportionate share of Vietnamese land and assets because many certificates issued before July 1, 2004, remain in the name of a single spouse, usually the husband.

According to article 98 (4) of the Land Law (2013) the full names of both husband and wife must be included on a LURC for common property unless both parties agree to...
record only one name. According to this article as well as decree 43/2014/ND-CP of May 15, 2014, which guides the implementation of the land law, a LURC with only one name can be revised at the request of the current holder of the land use rights. The process is not very complicated, and does not require the issuing of a new certificate; rather, a note of conversion can be added for cases that the land registry finds eligible. In principle, therefore, legislation and guidelines for promoting gender equality in access to land are well in place. In practice, however, the process of conversion depends entirely on the initiative of an individual landholder and his or her spouse. A spouse might not see the need to initiate a conversion or might find it awkward or otherwise difficult to discuss this potentially controversial topic.

Yet previous studies have shown that the inclusion of both spouses on a LURC is crucial to increasing gender equality. In Vietnam, the fact that women are less often named in LURCs makes them less likely to have access to formal capital (MPDF 2016); and women from ethnic minorities are awarded a smaller proportion of land in divorce cases than men (Do and Hoang 2005; Nguyen 1999; Oxfam 1997). Married women without land use rights are more economically dependent on their husbands, more fearful of getting a divorce, and more likely to suffer from domestic violence (World Bank 2008). Women whose names are included on LURCs, either as sole or joint owners, have higher per capita expenditures, lower poverty rates, and higher self-employment rates compared with women whose names are not included (Menon, Rodgers, and Kennedy 2016).
WHAT WE DID

This study assesses the impact of different types of LURCs on individual and household welfare, expanding on the previous research of Menon, Rodgers, and Kennedy (2016), which assessed the effects of LURCs on agricultural land on household welfare. This study considers more recent data from the Vietnam Household Living Standards Survey (VHLSS) of 2014 in addition to VHLSS data from 2002–08, and includes an analysis of LURCs for agricultural as well as residential land.

The study findings are presented below in three sections. The first is an analysis of land use and LURC distribution trends based on the VHLSS data. The second draws on a group of impact evaluations that compares the effects of having different types of LURCs. We regress individuals’ employment and health care outcomes on whether their name was included on a LURC. The treatment variables are whether one has been issued an agricultural or residential LURC, with controls for age, education, ethnicity, urban residence, household consumption, land area, and district. We also regress household-level outcomes—expenditures, credit levels, and incomes—on whether the household’s LURC is singly or jointly titled. Notably, the distribution of LURCs is not randomized, making it difficult to estimate the causal effects of LURC status and thereby limiting the conclusions that can be drawn. The third section, using 2014 demographic data and LURC distributions, offers a cost-benefit analysis of efforts to convert and reissue all remaining singly titled LURCs to jointly titled ones. We estimate the benefit as the impact difference between single- and jointly titled LURCs as calculated in the impact evaluation section and estimate costs as those of reissuing a LURC.
WHAT WE FOUND

This study presents four key findings suggesting that an increase in joint titling has a positive impact on the empowerment of women and the health and economic outcomes of individuals, and it increases a household’s access to credit and its expenditures.

1. There has been a remarkable increase in jointly titled LURCs since 2004, but the percentage of LURCs that are singly held by a woman is still much smaller than those singly held by a man.

In accordance with the 2003 Land Law, the share of jointly titled LURCs has risen over the last decade. From 2004 to 2014, the share of jointly titled cropland rose from 11.6 to 38.3 percent, while the share of jointly titled residential land rose from 15.7 to 55.6 percent. Meanwhile, the share of singly titled LURCs that were held by men fell as more of their wives gained explicit land rights. Nonetheless, a man remains more likely than a woman to hold a land title as an individual or head of household (figure 1). In 2014, 46 percent of LURCs for cropland were held by men compared with only 15.7 percent by women. Women who are named on individual LURCs are more likely than men to be single (unmarried, widowed, or divorced). Of the residential LURCs issued to married couples (households), 39 percent were titled to a male head of household compared with 6.2 percent to a female head of household, underscoring how, absent a requirement to convert relevant existing individually held land titles to joint ones, married women are less likely than their husbands to hold explicit land use rights.

2. Joint land titling improves household outcomes, increasing access to credit and raising per capita expenditures.

Joint titling is found to yield significant benefits to both individuals and households. The most recent data that are included in this analysis confirms that when a woman’s name is included on a LURC, her household has a higher than average household loan (figure 2). In 2014, the average formal loan levels for households with a jointly titled residential LURC (VND 6.65 million) or residential LURCs titled to individual women (VND 5.49 million) were higher than those to households with residential LURCs titled to individual men (VND 4.09 million) or those without a LURC (VND 2.55 million). However, these trends do not indicate a causal relationship. We therefore ran a regression that finds that having a jointly titled LURC for residential land led to a 35.1 percent increase in the amount of a household’s formal credit and an 18 percent increase in the amount of informal credit. Notably, an agricultural LURC, which is less valuable than a residential one, does not lead to more credit. In addition, having a jointly titled LURC has no impact on microcredit, which does not require collateral.

Having a jointly titled LURC, particularly for residential land, improves other household outcomes as well, including per capita expenditures and income structure (table 1). Having a jointly titled LURC rather than a singly titled one increases household per capita expenditures by 1.6 percent for agricultural land and 2.5 percent for residential land. While there is no significant effect of having a jointly titled agricultural LURC on credit levels or income structure, a jointly titled LURC for residential land increases formal credit levels by 30 percent and informal credit levels by 17.3 percent. A jointly titled LURC for residential land also increases the share of nonfarm business income by 1.8 percentage points, suggesting an increase in the share of loans used in nonfarm businesses. These are important changes because increased per capita spending indicates that households are getting wealthier.
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**FIGURE 2. Average Loan of Household by Titling Status, 2014**

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2 VND = Vietnamese dong.
Individuals named on the LURC have better health care and employment outcomes (table 2). Named inclusion in residential LURCs increases an individual’s health care utilization by 15 percent, suggesting that land titling can increase the decision-making power of individuals within the family.

### TABLE 1. Regression of Household-Level Outcomes, Residential Land Use Rights Certificate

<table>
<thead>
<tr>
<th>Explanatory Variables</th>
<th>Log of Formal Credit</th>
<th>Log of Microcredit</th>
<th>Log of Informal Credit</th>
<th>Share of Nonfarm Income in Total Household Income</th>
<th>Share of Wage Income in Total Household Income</th>
<th>Log of Per Capita Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jointly titled residential land certificate</td>
<td>0.3008⁸⁺</td>
<td>0.1733⁸⁻</td>
<td>-0.0843 (0.0798)</td>
<td>0.0177 (0.0090)</td>
<td>-0.0153 (0.0101)</td>
<td>0.0247 (0.0122)</td>
</tr>
<tr>
<td>Control variables</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Constant</td>
<td>6.8456 (1.2965)</td>
<td>1.1266 (0.9931)</td>
<td>1.1375 (0.6846)</td>
<td>-0.0140 (0.0893)</td>
<td>0.8563 (0.2233)</td>
<td>8.5186 (0.6145)</td>
</tr>
<tr>
<td>Observations</td>
<td>9,648</td>
<td>9,648</td>
<td>9,648</td>
<td>9,648</td>
<td>9,648</td>
<td>9,648</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.255</td>
<td>0.227</td>
<td>0.261</td>
<td>0.289</td>
<td>0.387</td>
<td>0.796</td>
</tr>
</tbody>
</table>

Note: Robust standard errors are in parentheses. 
⁸⁺ p<0.01 ⁸⁻ p<0.05 ⁷ c p<0.1
LURC = land use rights certificate.
Source: Estimation from VHLS2 2004 and 2014.

### 3. Joint titling improves health care outcomes and increases women’s employment in nonfarm jobs.

Named inclusion in LURCs can also affect women’s employment. Women named in LURCs for agricultural and residential land are more likely to have held nonfarm jobs in the previous year by 1.76 and 3.12 percentage points, respectively. For a woman in an ethnic minority, being named in an agricultural LURC increases her likelihood of having wage employment by 3.74 percentage points and nonfarm employment by 3.62 percentage points.

### TABLE 2. Regression of Individual-Level Outcomes

<table>
<thead>
<tr>
<th>Explanatory Variables</th>
<th>Had Wage Job in Previous 12 Months</th>
<th>Had Nonfarm Job in Previous 12 Months</th>
<th>Number of Health Care Contacts in Previous 12 Months</th>
<th>Log of Health Care Spending in Previous 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entire study sample</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Named in agricultural land certificate</td>
<td>0.0130 (0.0080)</td>
<td>-0.0024 (0.0081)</td>
<td>0.0977 (0.0697)</td>
<td>0.1489 (0.0656)</td>
</tr>
<tr>
<td>Named in residential land certificate</td>
<td>0.0014 (0.0097)</td>
<td>0.0114 (0.0105)</td>
<td>0.2012 (0.0697)</td>
<td>0.2076 (0.0773)</td>
</tr>
<tr>
<td><strong>Study sample of women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Named in agricultural land certificate</td>
<td>0.0099 (0.0096)</td>
<td>0.0176c (0.0105)</td>
<td>0.0866 (0.1009)</td>
<td>0.0711 (0.0980)</td>
</tr>
<tr>
<td>Named in residential land certificate</td>
<td>-0.0045 (0.0120)</td>
<td>0.0312b (0.0139)</td>
<td>0.0915 (0.0952)</td>
<td>0.2085b (0.1052)</td>
</tr>
</tbody>
</table>

Note: Robust standard errors are in parentheses. 
a p<0.01  b p<0.05  c p<0.1
LURC = land use rights certificate.
Source: Estimation from VHLS2 2004 and 2014.
4. A policy effort to convert the remaining singly titled LURCs into jointly titled ones would reduce poverty rates and yield a net benefit.

An effort to convert the remaining singly titled LURCs into jointly titled ones could lead to a small but notable reduction in poverty because it would result in an increase of household expenditures. Such conversions of agricultural and residential LURCs could lift an estimated 184,000 and 735,000 households, respectively, above the poverty line, reducing the poverty rate by 0.10 percentage points. However, the impact of this shift would be limited because the increase in expenditures is only large enough to alter the poverty status of households living just below the poverty line, even though others would also receive personal gains.

Based on the estimated benefits of jointly titled LURCs, the net benefit of reissuing existing singly titled LURCs as jointly titled ones would be about VND 970 billion (US$46.1 million) for agricultural land and VND 11,606 billion (US$555.2 million) for residential land—0.025 and 0.294 percent of the 2014 GDP, respectively.
POLICY IMPLICATIONS

- Jointly titled LURCs contribute to increases in access to credit and household expenditure levels, which can increase consumption and investment in production and reduce poverty rates. Evidence suggests that being named in a LURC increases a person’s decision-making power in the household. Thus, the net benefits of reissuing singly titled LURCs as jointly titled ones for married couples are positive, suggesting that the Vietnamese government should consider more actively converting and reissuing the certificates.

- The government should prioritize converting residential LURCs, which yield substantial benefits. Case studies in Vietnam demonstrate that conversion requests are not being made due to a lack of awareness around women’s rights regarding land, concerns about complicated and lengthy procedures and related costs, and sensitivity within households and communities when a spouse requires joint titling. The government could use a mass campaign to increase awareness of the reissuance campaign, ensuring that households are aware of the procedure for changing their LURC status. The campaign should aim to present an opportunity and limit the risk of stigmatization for converting current LURC into joint titles. Provincial authorities should assist households seeking to undertake this process.

- Ethnic minorities disproportionately make up poor households in Vietnam, and local studies show that cost represents a barrier to their requesting applications. Because the reissuance costs can be close to the monthly per-capita income of a poor household, the government should consider financial aid schemes that would assist such households with the process.

- Provincial authorities should continue their efforts to modernize their land-related databases and improve the accuracy of data on the progress of reissuing LURCs.

- Lastly, the government should monitor and evaluate the enforcement of women’s land rights. Successful land access projects have demonstrated the critical role that communication plays in raising citizen demand, enabling women to benefit from joint titling and avoid the risk of economic loss in cases of inheritance or divorce. The government could work with communes and village representatives to strengthen communications around women’s land rights, especially in rural and remote areas.

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