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Potential negative impacts of non-farm activities to rural households and communities in Viet Nam

The rural transformation in Viet Nam during the past decades has been regarded as a success in terms of economic development as a result of land and market reforms. From being one of the poorest countries in Southeast Asia, and with a risk of famine in the mid-1980s, the country has successfully transformed into a lower middle-income country and is now well integrated into the global economy.

The transformation has brought opportunities for livelihood diversification in rural areas of the country. Livelihood diversification can be defined as an active social process of individuals or households to maintain or continuously adapt to diverse income opportunities to secure food security and improve living standards. It has been increasingly recognized as an important strategy to substantially improve livelihoods in vulnerable populations and to increase their ability to cope with crises or shocks.

Livelihood diversification can be broadly categorized as farm and non-farm activities. Non-farm activities are defined as “all income-generating activities other than the production of primary agricultural commodities. Examples include mining, manufacturing, production of utilities, construction work, commerce, transport, government services, among others. They also include agro-processing, transport or trading of unprocessed crop, livestock, forest and fish products”. Farm activities are

Key messages

- Apart from bringing additional incomes to rural families, non-farm activities can potentially lead to negative impacts that relate to labor, land, environment, or social issues.
- To address these potential negative impacts, solutions include exchange or hire of external labor for farm activities, increased awareness of young people on their culture heritage and village identity, and law-enforcement for environmental protection.
- Local authorities need to facilitate non-farm activities and investments and at the same time anticipate potential negative impacts from these activities, by considering the potential solutions identified by local stakeholders, that otherwise can lead to serious household, social and environmental problems.

production of unprocessed crops, livestock, forest, or fish products from natural resources as well as farm wage labor, sale of farm output and consumption-in-kind of own farm output.”

A case study in Quang Nam province of Viet Nam

To address the knowledge gap of the potential negative impacts of non-farm activities, such a study was conducted in the Quang Nam province of Viet Nam. Ta Bhing, the commune under study, is located about 125 km from Tam Ky, the capital of the province.

Majority of the farm households in the commune are native to the commune and classified as poor households, with a low education level. The local households participated both in farm and non-farm activities, but most (more than 90%) of households had no land certificate. The main industry in the district is a cement company located in Thanh My town, about 30 km from the commune. A focus group discussion with two groups of farmers and one group of authorities was conducted to explore the perspectives of farm households and authorities in the commune on the potential negative impacts of non-farm activities. The authorities were represented by staffs from Song Thanh Natural Reserve.

The participants were exposed with the definition and scope of non-farm activities as compared to farm activities and were subsequently asked to share their perspective on the potential negative impacts of non-farm activities at household or commune level, as well as expected solutions to anticipate the potential impacts.

Existing studies have reported determinants and positive economic contributions from non-farm activities ranging from a 5-20% increase in household income. However, there are potential negative impact of non-farm activities on farm activities that have not yet been well investigated. Such impacts can be, for example, less engagement in farming, and a decrease in social cohesiveness in rural communities due to more intensive working time and change of working location. In addition, there are potential environmental concerns as new industries and factories emerge that can have negative impacts on sanitary and health condition of the rural communities.

Potential negative impacts of non-farm activities

In Table 1, a summary of responses from the two groups of farmers in the focus group discussion is provided, which represents potential negative impacts either at communal- or household-level. The impacts are also related to land, labor, social, or environmental issues. Between the communal- and household-level, more concerns relate to the former.

Table 2 provides a summary of responses from the representatives of local authorities.

Compared to the responses from farmers, all concerns indicate potential negative impacts at commune level, and some relate to the absence of policy or policy implementation. For example, the concern on financial issues, which was not identified in the group of households, likely relates to the absence of policies that aim to provide financial support for household investments in non-farm activities. The group of authorities also emphasized the need of law enforcement, strengthened inspection and sanctions to anticipate negative impact to the environment, while the group of farmers highlighted the need of enhanced awareness and improved waste management.



Group presentations where participants share their perspective on potential negative effects of non-farm activities.

Table 1. Potential negative impacts of non-farm activities according to farmers

Potential Impacts*	Level	Category of Issue	Main Solutions
Labor shortage for farm activities	Household	Labor	Hire or exchange labor for farm activities, develop forest plantations which are less labor-intensive and reduces risk of plot exploitation by others
Lack of time to take care of family (including parents) that can affect harmony in the family, and less participation in the communal works	Household, communal	Labor	Need of non-farm jobs located within or nearby commune
For households without Red Book**, participation in non-farm activities will bring risk of losing agricultural land due to claim by others because of their lack of time to manage the land	Communal	Land	The local government needs to issue the Red Book for those households
Factory establishment by larger private actors increases the risk of smallholders losing their land	Communal	Land	NA***
Tourism, as a non-farm activity may lead to degrading environmental qualities, degrading natural resources e.g. firewood for barbecue service that also increases the risk of forest fire, and affect village's security due to increasing number of foreign people in the village	Communal	Environment	Need to increase awareness amongst all stakeholders involved in the tourism service on environmental protection, and establish waste management to reduce air, water and land pollution
Young people leaving their rural village have no time and willingness to maintain their cultural heritage including traditional clothing, songs and dancing, as well as indigenous skills and customs such as knitting and worshipping the ancestors	Communal	Social	Provide regulations that obliges these young people to return to hometown regularly, to remind and preserve their village custom and identity, and organize monthly cultural events in the village

* Does not indicate ranking/degree of importance, ** Certificate of land-use right, *** No solution provided by the group

Table 2. Potential negative impacts of non-farm activities according to authorities

Potential Impacts*	Level	Category of Issue	Main Solutions
Negative impact on family economy due to risks in investing in non-farm activities	Communal	Financial	Financial support for poor households, and training on non-farm investment
Farmers may be displaced from land due to establishment of new factories or businesses	Communal	Land	Land leasing with fair price
Lack of productive labors in the village for farm activities	Communal	Labor	Need to develop less labor-intensive non-farm activities
Lack of time and attention to family that can lead to serious family problem and conflict	Communal	Labor	Providing opportunities and access to non-farm activities nearby or within the commune
Risk of losing local culture and custom, and traditional handicraft village due to less attention and lack of labor to manage	Communal	Social	Regularly organize traditional festivals, encourage and facilitate young people to maintain traditional handicraft villages
Increasing risk of social crimes in the villages which will affect the life of local people and their family	Communal	Social	NA**
Some industries like sand and gold mining, and cement factory cause air, water, and land pollution	Communal	Environment	Need of law-enforcement, strengthened inspection and sanctions to industries that ignore environmental qualities

* Does not indicate ranking/degree of importance, ** No solution provided by the group



The participants were exposed with the definition and scope of non-farm activities and were subsequently asked to share their perspective on the potential negative impacts from those activities.

Conclusion and way forward

This case study in the Ta Bhing commune revealed that non-farm activities, apart from bringing additional incomes to rural families, can potentially lead to negative impacts, that relate to labor, land, environment, or social issues.

Both the farmers and authorities could identify possible solutions for most of the potential impacts that were identified in the focus group discussion. However, the two groups experienced the potential impacts of non-farm activities at different scales, which also result in that they identify different solutions to the problems at hand. This highlights the importance of studies such as the case study in Ta Bhing, that contribute to better understanding between practitioners and policy and decision makers and identify solutions at multiple scales.

The local authorities need to encourage and provide opportunities for rural households to participate in non-farm activities, and at the same time anticipate potential negative impacts from such activities. The list of possible solutions identified by the farmers and authorities in the focus group discussion can provide guidance for the anticipation.

To further understand the potential negative impacts of non-farm activities in rural areas of Viet

Nam, similar studies in other sites with different demographic and socio-economic conditions compared to the current study site, are necessary. Furthermore, since the current study did not focus on gender aspect, further studies need to understand different perspectives between male and female farmers.

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