

Summary

During Vietnam's transition from a socialist to a market economy, household's property rights over agricultural land were considerably strengthened through a land certification program. This resulted in active formal credit and land markets, either of which potentially affects consumption levels and volatility. This article evaluates the program impact with respect to consumption outcomes. In particular, it identifies the channel of impact through which improved property rights affect consumption volatility. We find that land certification increases consumption levels for rural households, but also consumption volatility for a subgroup of households identified by an instrument. We show that the certification program affects consumption outcomes of this subgroup through, presumably more risky, credit-based agricultural investment at the intensive margin.

Key words

- consumption volatility;
- land certification;
- Vietnam