



# Participatory Poverty Monitoring in Rural Communities in Vietnam

May 2011

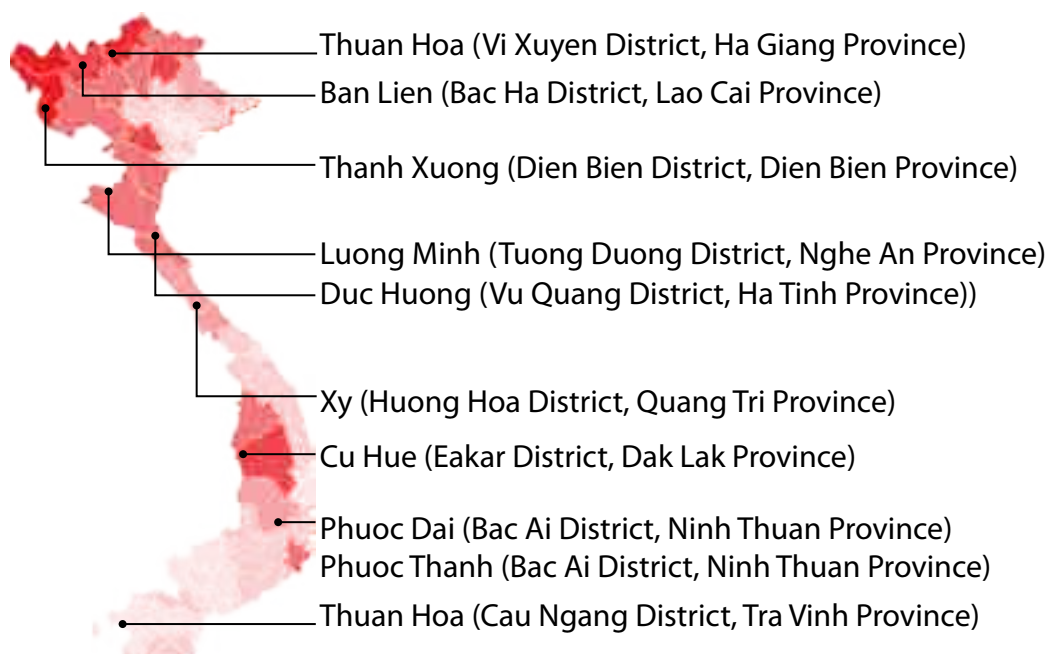






# PARTICIPATORY POVERTY MONITORING IN RURAL COMMUNITIES IN VIETNAM

Synthesis Report Round 4 - 2010 \_ May 2011









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# PREFACE<sup>1</sup>

In early 2007, Vietnam was admitted as the 150th member country of the World Trade Organization (WTO). This has brought many opportunities to Vietnam but also poses continuing challenges, particularly in ensuring that the full benefits of WTO membership are shared by all, especially the poor and vulnerable.

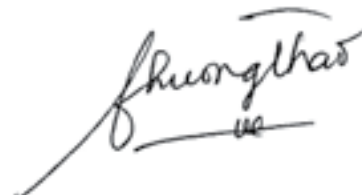
In this context, and as organisations with a long history of working to support the poorest and most marginalised groups in Vietnam, ActionAid Vietnam, Oxfam Great Britain, and Oxfam Hong Kong, in cooperation with local partners, started an initiative for “participatory poverty monitoring” in early 2007.

This initiative involves an annual study of poverty outcomes and how those outcomes are linked to changes in livelihoods and market access of poor and vulnerable groups in selected communities throughout Vietnam. Our intention is to provide recommendations for policy discussion at a national level, as well as for the adjustment and design of programmes of ActionAid and Oxfam in Vietnam.

We hope you find this report on the fourth round of our poverty monitoring initiative interesting and useful.



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<sup>1</sup> Many organisations and individuals contributed to this study. The opinions, standpoints, conclusions and recommendations expressed in this study do not necessarily represent the policy position of Oxfam, AAV, or the organisations or researchers whose work is cited below.







# ACKNOWLEDGEMENTS

This fourth-round synthesis report on rural poverty monitoring for 2010 is a collective effort that could not have been completed without the valuable contributions of many people.

We would like to thank the leadership and staff of ActionAid Vietnam, Oxfam Great Britain, and Oxfam Hong Kong for their valuable comments throughout the whole design process and in field work, workshops, and report development. Some staff of Oxfam and AAV took part in field work and contributed their knowledge and depth of experience to the research methodology and contents.

We are grateful to the People's Committees, Departments of Foreign Affairs, and various government departments at provincial and district levels for approving and creating favourable conditions for our work. We thank the members of the nine provincial core groups including officials in the departments involved, mass provincial and district level organisations, and commune officials who devoted their time and effort in working with us to complete field work and poverty monitoring in each province. We especially thank the village officers who accompanied and supported us during field work in the 20 villages of the monitoring network. The active participation and smooth coordination among AAV's and Oxfam's local partners, including coordinators, members of Development Programme Management Units at the district level, and staff from other Vietnamese NGOs such as HCCD, CCD, and ACEP, have also been critical to the success of the initiative.

Last but not least, we would like to sincerely thank the men, women, and children in the villages selected for sharing with us in discussion and in-depth interviews their difficulties, achievements, plans, and future expectations. None of this work could have been achieved without their lively and active participation.

We would appreciate receiving comments <sup>2</sup> from interested readers and would like to thank you in advance.

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# ABBREVIATIONS AND TERMS

AAV	ActionAid International in Vietnam
ACEP	Centre for Advancement of Community Empowerment and Partnership
ADB	Asian Development Bank
CBDRM	Community-Based Disaster Risk Management
CCD	Centre for Community Development of Dien Bien province
CDF	Commune Development Fund
CEMA	Committee for Ethnic Minorities Affairs
CAFW	Committee for the Advancement of Women
CFM	Community Forest Management
DARD	Department of Agriculture and Rural Development
Decision 1002	A government programme on improvement of community awareness and community-based disaster management (based on Decision No. 1002/QD-TTg dated 13 July 2009)
Decision 112 and Decision 101	A government policy that supports poor students (based on Decision No. 112/2007/QD-TTg dated 20 July 2007 and Decision No. 101/2009/QD-TTg dated 5 August 2009)
Decision 157	A government policy that offers disadvantaged students preferential loans (based on Decision No. 157/2007/QD-TTg dated 27 September 2007)
Decision 167	A government policy that supports poor households with houses (based on Decision No. 167/2008/QD-TTg dated 12 December 2008)
Decision 1956	A government policy that supports vocational training for rural labourers (based on Decision No. 1956/QD-TTg dated 27 November 2009)
Decision 30	List of communes classified as difficult areas (based on Decision No. 30/2007/QD-TTg dated 5 March 2007)
Decision 74	A government policy that supports productive and residential land for local ethnic minority households in the Mekong river delta (based on Decision No. 74/2008/QD-TTg dated 9 June 2008)
Decree 02/CP and Decree 20/CP	A government policy that supports the development of trade in mountainous, island, and ethnic minority areas (based on Decree No. 02/2002/ND-CP dated 3 January 2002 and Decree No. 20/1998/ND-CP dated 31 March 1998)



Decree 67/CP and Decree 13/CP	A government policy that supports beneficiaries of social welfare assistance programmes (based on Decree No. 67/2007/ND-CP dated 13 April 2007, and Decree No. 13/2010/ND-CP dated 27 February 2010)
DOLISA	Department of Labour, Invalids, and Social Affairs
DPI	Department of Planning and Investment
EM	Ethnic minorities
FFS	Farmer Field School
GOV	Government of Vietnam
GSO	General Statistics Office of Vietnam
HCCD	Ha Tinh Center for Community Development
HH	Household
HIV/AIDS	Acquired Immune Deficiency Syndrome
LUC	Land use certificate
MDGs	Millennium Development Goals
MOLISA	Ministry of Labour, Invalids and Social Affairs
NGO	Non-Government Organisation
NTP-PR	National Target Programme on Poverty Reduction
OGB	Oxfam Great Britain
OHK	Oxfam Hong Kong
PC	People's Committee
PRA	Participatory Rural Assessment
Programme 134	A government programme that supports production and residential land, and water for domestic consumption for ethnic minority people (Based on Decision No. 134/2004/QD-TTg dated 20 July 2004)
Programme 135	A government programme that supports socio-economic development for especially difficult communes (Based on Decision No. 135/1998/QD-TTg dated 31 July 1998)
Programme 30a	A government programme that supports sustainable poverty reduction in 61 poor districts (Based on Resolution No. 30a/2008/NQ-CP dated 27 December 2008), now in 62 districts due to changes in administrative borders
Programme 661	A government programme that supports planting and improving 5 million hectares of forest (based on Decision 661/QD-TTg dated 29 July 1998)
PTD	Participatory technology development



Reflect	Regenerated Freirean Literacy through Empowering Community Techniques (implemented by AAV and its local partners)
SPB	Social Policy Bank
TV	Television
UNFPA	United Nations Population Fund
VHLSS	Vietnam Household Living Standards Survey
WB	World Bank
WTO	World Trade Organization

1 USD  $\approx$  20,900 VND (as of April 2011)







## EXECUTIVE SUMMARY

Vietnam continues to make striking achievements in poverty reduction that are highly recognised by the international community. Over the last two decades, some 30 million Vietnamese people have been lifted out of poverty, an achievement which lays a solid foundation for the early completion of the poverty reduction goal of the Millennium Development Goals (MDGs) to which Vietnam has committed.

However, poverty has not been reduced evenly across rural areas. Food shortages, particularly between harvests or at times of epidemic outbreak or natural disaster, remain a significant challenge. The lives of people in “poverty pockets” and “poverty cores” in remote mountainous and ethnic minority areas, and the lives of people belonging to specific social groups, are still difficult. A “wishing-to-remain-poor” mentality is becoming more prevalent due to the availability of direct support policies focusing on the poor. Households just above the poverty line face a high probability of remaining there or falling below the poverty line.

By the end of 2010, poverty rates had increased considerably according to the new government income poverty line. The poorest communes in the monitoring points have poverty rates of over 70 percent according to the new poverty line, posing big challenges for poverty reduction in these communities in the near future.

The livelihoods of the poor have been gradually improved, with improved access to infrastructure, education, health services, credit, agro-forestry extension services, and housing support. However, disparities across ethnic groups, regions, and between the rich and poor within communities remain large, as wealthier households have better livelihood capital and can pursue a greater range of livelihood strategies to generate a higher income.

Natural disasters that are becoming increasingly devastating and unpredictable pose the greatest challenge to poverty reduction efforts observed at most of the monitoring points in 2010. Prices of food and other essential items and services have risen sharply, resulting in a decline in overall purchasing power and particularly affecting food security among poor people in non-subsistence communities. In addition, the poor face overhanging risks of epidemic, disease, and other ailments, such as frailness. The poor may also be affected adversely by enterprises’ investment projects.

Progress on gender equality has been made as poverty reduction efforts continue. However, women still suffer in many ways. Traditional, gender-biased labour division arrangements remain common. Men continue to play a dominant role in making decisions on access to and use of resources and services. The proportion of women in politics has improved over the last four years, but the extent of improvement remains modest and uneven among the monitoring points.

It is commonly felt that people recognise the progress that has been made in their civic participation and empowerment. Awareness of policies, programmes, and



projects has improved thanks to the availability of diverse communication channels, consultative mechanisms, and the increased capacities of grassroots cadres. Many policies, programmes, and projects have been designed to increase the participation of poor people and poor communities. However, a gap remains between policy and reality. Better-synchronised and more concrete implementation arrangements allowing genuine participation and empowerment are needed, as are increased capacities and supervision at the grassroots level.

This fourth-round synthesis report presents in more depth recommendations from previous reports on sustainable poverty reduction in rural areas, as follows:

1. To undertake comprehensive investment in poverty reduction programmes at the commune and village levels via a decentralised financing mechanism (i.e. “block grant”), along with substantial and continued assistance in enhancing participatory socio-economic planning, financial management, and community-based supervisory capacities. Recommendations obtained in participatory planning exercises at the grassroots level should be consolidated and reflected in plans to deliver public services (e.g. agro-forestry extension, education, health, and water supply services).
2. To formulate more vigorous support policies in favour of specific disadvantaged groups such as the “chronic” poor, people living in isolation, people living in disaster-prone areas, poor communities having no or limited productive land, and drug users. Studies and analyses of the characteristics of these target groups intended to serve as input to support policies should pay more attention to the multi-dimensional nature of poverty, by including income and non-income criteria.
3. To review and re-formulate direct support policies for the poor towards increased “conditional support” and “refundable support”, in order to encourage ownership. Introduce direct support policies through “integrated support projects” in individual communes and villages to ensure coordinated resources, clarify the roles and responsibilities of stakeholders, and shift from uni-sectoral to cross-sectoral support or from one-off support to systemic support that is more effective and sustainable.
4. To create a supplementary support-policy system that is more accessible to near-poor households and those who have just escaped from poverty; review and adjust the policy on voluntary health insurance cards for near-poor households; continue to provide households who have just escaped from poverty access, for a certain period of time (two to three years), to the same credit and agricultural extension services offered to poor households.
5. To improve the effectiveness of some support policies in Programme 30a, such as through increasing support of “software” elements (i.e. communication, monitoring, supervision, and hands-on guidance) in



agricultural extension training and models; enhancing the capacities of the established village extension network; linking vocational training classes with employment opportunities in the locality; intensifying communication on labour export; designing concrete guidance on forest land allocation to villages and household groups, and on community forest management mechanisms; ensuring a continuous link between the old Programme 661 and the new Programme 30a with respect to forest land protection; adjusting support for land reclamation and soil improvement to better suit local conditions; and so on.

6. To include in the design of a social security system for rural residents corporate social responsibility provisions for business enterprises implementing investment projects; develop concrete roadmaps and measures to raise awareness and implement community-based disaster management as part of the social security system; and more strongly encourage informal social security initiatives in order to enhance capacities of existing community-based social security institutions. The agricultural insurance policy that is being piloted should pay special attention to ensuring the participation of poor people.
7. To promote activities of community groups with the participation of both men and women (such as the “illiteracy elimination and community development -- Reflect” groups), in order to gradually increase awareness and change attitudes about gender equality in families and communities; improve training and communication on gender equality with more practical, “hands-on” support geared towards remote mountainous areas inhabited by ethnic minority peoples; consolidate and strengthen the meaningful operations of commune-level Committees for the Advancement of Women (CFAWs) from annual work planning, budgeting, and gender integration in socio-economic plans and sectoral/departmental plans, to the development and implementation of capacity-building plans for women cadres.
8. To strengthen community capacities through enhanced support for existing rural institutions serving community-based, socio-economic functions and that deliver self-help services in favour of poor and marginalised groups, with the aim of increasing participation and empowerment and to lay the foundation for sustainable poverty reduction in rural areas of Vietnam.







# INTRODUCTION

## Objectives of the Report

Vietnam has changed rapidly over the last 25 years. Once one of the world's poorest nations, Vietnam has made tremendous achievements in economic growth and poverty reduction. In 1993, 58.1 percent of the Vietnamese population were living in poverty. In 2008 only 14.5 percent were<sup>3</sup>.

The Government of Vietnam (GOV) has undertaken comprehensive reforms for the 2007-2012 period, with the objective of moving the country out of under-development and lifting the remaining poor households out of poverty. Vietnam's full accession to the WTO in late 2006 as part of its economic plan marked an important milestone in the country's integration into the global economy. The country's new role in the world economic order brings both opportunities and challenges, especially to poor communities and to ethnic minority peoples in mountainous areas.

In order to monitor the changes that Vietnam experiences over the next few years as WTO accession takes hold and economic transformation deepens, a group of international NGOs has decided to collaborate to track these changes and their impacts over time. The group, including ActionAid Vietnam (AAV), Oxfam Great Britain (OGB), and Oxfam Hong Kong (OHK), in cooperation with local partners in provinces where these NGOs have established programmes, has set up a participatory poverty monitoring network, whose goal is to:

***"Carry out periodical poverty monitoring of vulnerable groups in specific communities, in the context of WTO accession and the government's projected reform policies up to 2012, to provide analysis and recommendations for policy dialogue and implementation of programmes and projects by AAV, Oxfam, and their partners."***

The goals of the **annual poverty monitoring** exercises are to:

- Provide qualitative information on poverty and development, for use in conjunction with statistical and survey data collected from other sources, such as the government and other stakeholders.
- Establish an 'early warning' network to identify any negative impact, especially on poor and vulnerable people, following accession to the WTO.
- Improve local capacity and enhance people's participation in monitoring, with a view to making poverty alleviation more effective and equitable.

<sup>3</sup> GSO, "Vietnam Household Living Standards Survey 2008", Statistics Publishing House, Ha Noi, 2010.



# Methodology

## Study Site Selection

After discussion among local partners and AAV and Oxfam, nine provinces joined the monitoring network. One typical commune in each province was selected for fieldwork, with the exception of Ninh Thuan province where two communes were selected. In each commune two villages were chosen, one near the commune centre, and the other further away and in more difficult conditions. (Previous involvement in an AAV or Oxfam project was not a precondition for a commune’s being chosen.) A total of 10 communes (20 villages) were selected (see Table 1). The goal of the monitoring network is not to generate representative statistical data; rather, the goal is to provide qualitative evidence, including people’s own testimony, as a platform for policy dialogue and development programme formulation. Monitoring points were specifically chosen to sample typical livelihoods and poverty status and to reflect the complex diversity of conditions across the sites surveyed.

TABLE 1: The monitoring points

Commune	District	Province	Main ethnic groups	Distance to district centre (km)	In Programme 135 phase 2	In Programme 30a	Commune poverty rate by end of 2010 (%)
Thuan Hoa	Vi Xuyen	Ha Giang (HG)	Tay, H'mong	42	Yes	No	62
Ban Lien	Bac Ha	Lao Cai (LC)	Tay, H'mong	28	Yes	Yes	82.7
Thanh Xuong	Dien Bien	Dien Bien (DB)	Kinh, Thai	3	No	No	11.7
Luong Minh	Tuong Duong	Nghe An (NA)	Thai, Kho Mu	17	Yes	Yes	94
Duc Huong	Vu Quang	Ha Tinh (HT)	Kinh	10	No	No	52.5
Xy	Huong Hoa	Quang Tri (QT)	Van Kieu	36	Yes	No	73.5
Cu Hue	Eakar	Dak Lak (DL)	Ede, Kinh	2	No	No	15.4
Phuoc Dai	Bac Ai	Ninh Thuan (NT)	Raglai	0,3	Yes <sup>4</sup>	Yes	64.2
Phuoc Thanh	Bac Ai	Ninh Thuan (NT)	Raglai	14	Yes	Yes	77.2
Thuan Hoa	Cau Ngang	Tra Vinh (TV)	Khmer, Kinh	2	No	No	32.7

Source: Commune information sheets.

Note: - The commune poverty rates by the end of 2010 are based on the new GOV income poverty line for the period of 2011-2015.

- The maps used in the various tables of this report are from “Poverty Map of 2008”, based on 2008 VHLSS data. Darker colours indicate higher poverty rates (by the GSO-WB expenditure poverty line). Source: “Poverty Reduction in Vietnam: Achievements and Challenges”, Poverty Assessment Synthesis Report 2008-2010, Vietnam Academy of Social Sciences, October 2010.

<sup>4</sup> Phuoc Dai commune was not included in Programme 135 2nd phase in 2007. Most of its villages were put back into the programme, however, from October 2008.



The communities chosen for poverty monitoring are in areas with severe difficulties and reflect the great diversity of rural Vietnam. For example:

- Geographical diversity and topography: The monitoring points span the length of the country, from the northern mountainous areas, through the north-central and coastal south-central regions and the central highlands, and down to the Mekong Delta. A range of topographies are represented, including high mountain (Ban Lien-LC, Luong Minh-NA, Thuan Hoa-HG), low mountain (Thanh Xuong-DB, Duc Huong-DT, Xy-QT, Phuoc Dai and Phuoc Thanh-NT), highlands (Cu Hue-DL), and delta areas (Thuan Hoa-TV).
- Ethnic diversity: The monitoring areas include numerous ethnic groups, such as Kinh, Tay, Thai, H'Mong, Kh'mu, Van Kieu, Ede, Raglai, and Khmer.
- Remoteness: The monitoring took place both near district centres and at distant sites, some 30 to 40 kilometres from the centre.
- Poverty situation: The monitoring points include some communes with good poverty reduction results, as assessed against the new poverty line introduced by the Government for the 2011–2015 period, with poverty rates around 15 percent (Thanh Xuong, Cu Hue), and also some extremely poor communes with poverty rates above 70 percent.

It is noteworthy that nine out of 10 communes in the monitoring network belong to difficult areas designated so by Decision 30 of the Prime Minister (with the one exception being Thanh Xuong-DB). Four communes (Ban Lien-LC, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT) are included in Programme 30a, which was initiated by the Government at the end of 2008 and aims at rapid and sustainable poverty reduction for the 61 poorest districts of the country (the number of districts has subsequently been changed to 62 due to administrative re-division).

A core poverty monitoring assessment group of 15 to 20 people was established in each selected province, comprising:

- Representatives of provincial departments: Foreign Affairs, Planning and Investment, Agriculture and Rural Development, Committee for Ethnic Minorities, Statistics Office, Farmer's Association, Women's Union, and Youth Union.
- Representatives of district divisions: Labour, Invalids and Social Affairs; Agriculture and Rural Development; Finance and Planning; Statistics; Fatherland Front; Farmer's Association; Women's Union; Youth Union; and field staff of AAV and Oxfam programmes in the localities.
- Representatives from communes and villages selected for survey.

Core groups were responsible for monitoring in their own locality, and were involved in organisation as well as data collection and the drafting of field reports. They received technical support from consultants of Truong Xuan (Ageless) Company and Programme Officers from AAV and Oxfam.

### **The framework: themes and hypotheses**

The core groups formulated a data collection framework around four key questions, articulated as four themes and hypotheses. The report is structured around these four key themes.



**THEME 1: The gap between the rich and the poor.** Poverty, disadvantage, and inequality in the form of exclusion, being “sidelined”, or simply lacking opportunity are often a result of power imbalances that poor people face. The gap between the rich and the poor can be defined quantitatively on differences in income, expenditure, and assets, or qualitatively based on differences in people’s voice and representation and their access to resources, services, and markets. This poverty monitoring hypothesised that *in the context of global economic integration and government reform, people who are better educated and better skilled, and who have access to social networks and supporting services, are more likely to progress faster than those who do not enjoy such advantages.*

**THEME 2: Vulnerability.** Poor people and communities often face serious and sustained risks. Poverty is often linked to lack of food security and unstable livelihoods caused by market changes, insecure employment opportunities, lack of social security support, and natural disasters and disease. This poverty monitoring hypothesised that *with larger cash-commodity production and better access to markets, some people can take better advantage of market opportunities and cope with changes in prices and other risks and shocks. Other people who cannot adjust in this way are likely to encounter difficulties or fall back to, or below, the poverty line.*

**THEME 3: Gender Relations.** Poor women have roles and voices different from men’s. They face challenges in rights, the division of labour, discussion and negotiation with men during decision-making, access to services, participation in community activities, and in their children’s education. This poverty monitoring hypothesised that *a general improvement in living conditions is associated with significantly improved roles for women in decisions about their children’s education, in decision-making generally, in community activities, and in the division of household labour.*

**THEME 4: Participation and Empowerment.** Strengthening the role and voice of poor people is essential to enabling them to access information, participate, and even take the lead in all stages of development-including in the monitoring and evaluation of local poverty alleviation programmes and projects. This poverty monitoring hypothesised that *in the new economic conditions, local authorities will face challenges in bringing higher levels of decentralisation, participation, transparency, and accountability to bear on managing and monitoring sustainable poverty alleviation.*

### **Annually-repeated surveys**

A distinctive characteristic of this poverty monitoring initiative is that the survey shall be repeated annually. The core groups shall visit the same surveyed communes and villages each year, using the same household questionnaire, conducting in-depth interviews with the same households, and classifying households by economic strength using the same list.

This fourth round of poverty monitoring took place from August to December 2010. Participatory field monitoring at each site took six to seven days. The main tools used for data collection were:



Household questionnaires: In each village 30 households were selected for the annual survey (in total, 60 households from two villages in each commune). A simple random technique (e.g. random card drawing) was used to select the households for interview. The questionnaire focused on background information about household members, some indicators of the households' living standards, changes in household's livelihood, and assessed their access to services, markets and degree of their civic participation. **600** household questionnaires were completed at 10 monitoring points, providing data from **241** poor households and **359** non-poor households (as determined by the GOV poverty standard at time of survey). Of the 600 respondents, **352** were male, **248** female, **147** Kinh, and **455** from other ethnic groups such as H'mong, Thai, Tay, Kh'mu, Van Kieu, Ede, Raglai, and Khmer.

The core groups revisited all households interviewed in 2009 to maintain a panel sample. However, of the 600 households sampled in 2009, **13** households had to be replaced due to change of residence or absence from home at the time of this survey. In order to check the reliability of 2010 data against that of previous years, the research team ran a data analysis for **587** panel households and obtained a result with little difference from data obtained from 600-household samples. Data used in this report comes from the sample of 600 households.

Data obtained from household interviews are presented in the form of descriptive tabulation and disaggregated into poor and non-poor households using results from the poverty review in each locality at the time of the survey. Two exceptions are Thanh Xuong-DB and Cu Hue-DL, which have no disaggregated data for poor households because the number of poor households in the sampling was too small (only 4 poor households out of the 60 households surveyed in Thanh Xuong-DB, and only 6 poor households out of the 60 households surveyed in Cu Hue-DL). In addition, some linear regression exercises were undertaken to check the correlation between the poverty rate variable and household character variables in the survey samples at the 20 villages.

In-depth interview for case studies: Eight to 10 typically poor and near-poor households from each village were interviewed to obtain detailed information about trends of poverty, disadvantages and risks faced, gender relations, and their voice and level of participation in programmes and projects. **694** in-depth interviews were conducted with households.

Group discussions: These were conducted with commune officials, core groups from villages (including village officials, representatives from mass organisations, and knowledgeable villagers), and local resident groups including men's groups, women's groups, poor groups, and children's groups. Participatory Rural Assessment (PRA) tools-such as household wealth ranking, timelines, cause-effect diagrams, mobility mapping exercises, and so on-were used to gain a deeper understanding of poverty gaps, community history, livelihood trends, and risks, and to gain feedback about the implementation of local programmes and projects.

**186** group discussions were held involving **916** villagers (adults and children) and commune and village officials. Of these people, **515** were men, **401** women, **294** Kinh, and **622** members of ethnic minorities.



Information sheets: Monitoring personnel provided statistical data about the communes and villages selected. On-site observation and photographs taken (with permission where necessary) provided additional information.

Interviews with local officials and other stakeholders: In addition to the above methods, 30 interviews were carried out with officials from provincial and district departments in the nine provinces.

The qualitative research tool of “information triangulation” was applied throughout the report in order to provide evidence-based statements that are supported by various sources of information, such as local reports, household questionnaire interviews, groups discussions, in-depth interviews, and observations by the study team.

This fourth-round report summarises all survey results from the nine provinces studied in 2010. It stresses the *recognisable changes* and *policy implications* arising from a consideration of the different factors affecting poverty trends at monitoring points over the last 12 months<sup>5</sup>. In addition to deep analysis of the vital issues, a brief discussion of the main themes in poverty reduction work is also provided to make this an independent report on rural poverty<sup>6</sup>.

Table 2 summarises survey data at the end of 2010 of 20 monitored villages, based on information sheets at the village level and results from household surveys.

<sup>5</sup> Secondary information is quoted with sources. Primary information with no source listed in this report comes from nine component reports and the field diary for fourth-round poverty monitoring in the nine provinces in 2010.

<sup>6</sup> See also “Participatory poverty monitoring in rural communities in Vietnam – First Round Synthesis Report”, Nov. 2008. Oxfam and ActionAid Vietnam; “Participatory poverty monitoring in rural communities in Vietnam – Second Round Synthesis Report 2008/2009”, November 2009. Oxfam and ActionAid Vietnam; and “Participatory poverty monitoring in rural communities in Vietnam – Third Round Synthesis Report 2009”, April 2010. Oxfam and ActionAid Vietnam.







Province	Ha Giang	Lao Cai	Dien Bien	Nghe An	Ha Tinh	Quang Tri	Dak Lak	Ninh Thuan				Tra Vinh			
District	Vi Xuyen	Bac Ha	Dien Bien	Tuong Duong	Vu Quang	Huong Hoa	Eakar	Bac Ai				Cau Ngang			
Commune	Thuan Hoa	Ban Lien	Thanh Xuong	Luong Minh	Duc Huong	Xy	Cu Hue	Phuoc Dai	Phuoc Thanh	Thuan Hoa					
Village	Mich B	Doi 1	Pa Dong	Cham Puong	Huong Tho	Troan O	Xy La	Dong Tam	M'Hang	Ta Lu 1	Ma Hoa	Ma Du	Da Ba Cai	Thuy Hoa	Soc Chua
Households using electricity % (*)	100	53	100	97	100	100	93	100	100	97	97	80	100	97	93
Households using piped water % (*)	47	50	0	100	63	0	53	100	0	93	57	63	0	70	27
Households with manual/automatic flush toilet % (*)	17	0	7	0	63	40	0	7	33	17	7	3	7	27	23
Households with radio/Cassette % (*)	13	13	10	3	17	23	3	0	10	7	17	0	10	17	17
Households with TV % (*)	83	47	97	66	90	80	77	60	100	83	70	73	77	97	87
Households with motorbikes % (*)	50	83	90	40	60	63	50	50	87	50	40	37	63	47	60
Households with telephones % (*)	90	80	97	52	93	80	40	47	90	70	50	50	43	50	77
Households with members engaged in local wage labour % (*)	23	19	67	30	3	7	30	13	10	33	33	13	17	50	57
Households with remittance from migrant labourers % (*)	17	3	0	10	47	50	3	3	3	10	10	7	10	57	47
Households with income from trading and services % (*)	10	3	3	3	13	0	3	7	13	7	7	0	17	7	7
Households selling products in the last 12 months % (*)	63	77	72	17	83	87	53	93	93	67	40	73	48	20	53
Households buying materials in the last 12 months % (*)	90	97	73	10	93	93	20	50	93	37	37	10	21	33	57
Households benefiting from agri. extension services in the last 12 months % (*)	30	67	40	27	90	87	57	70	7	30	23	23	47	7	30
Household members with no schooling % (*)	8	15	21	15	5	5	37	41	6	23	36	57	50	18	11
Household members who have not completed primary education % (*)	20	40	34	25	10	10	30	28	11	40	35	30	25	48	41
Poverty rate by the end of 2009 in the study sample of 30 households % (*)	27	27	13	80	33	37	43	33	7	13	60	53	37	57	33

(\*) Data obtained from the random household questionnaire survey at the end of 2010

Source: Village information sheets





## **PART 1: An Overview of Poverty Trends and Poverty Reduction Efforts**



## 1. OVERVIEW OF RURAL POVERTY TRENDS

The third round synthesis report states that poverty declines slowly as it has gradually reached its “hard-core” level and because of risks faced by the poor, although certain groups of poor people can handle these risks better than others. This fourth-round synthesis report will update the poverty trends presented in the third-round report and highlight challenges to poverty reduction efforts in the new context of Vietnam becoming a middle-income country.

### 1.1 Poverty trends

*Poverty is multi-dimensional and can be measured in different ways*

Poverty is multi-dimensional and can be measured in income (or expenditure) and non-income terms. To date, the status of poverty in Vietnam has often been measured using expenditure poverty lines defined by the WB together with GSO or the income poverty line set by the Government. The Government has increased the income poverty line for the 2011-2015 period, resulting in a sharp rise in many places in the proportion of poor households.

#### **Expenditure poverty lines of the WB and GS**

*Of the MDGs, Viet Nam has achieved the poverty reduction goal earlier than expected*

The expenditure poverty lines of the WB and GSO have primarily been used for research and policy planning purposes. These poverty lines have been set at the same level since 1993 and updated according to price fluctuations observed in the Vietnam Household Living Standards Survey (VHLSS). According to these expenditure poverty lines, Vietnam has continued to reduce poverty impressively, for which it has been recognised by the international community. In the period 1993-2008, national poverty incidence declined from 58.1 percent to 14.5 percent while the “poverty gap”<sup>7</sup> was also drastically narrowed, from 18.5 percent to 3.5 percent and access to basic social and infrastructure services (education, health, electricity, road, portable water, environmental sanitation) significantly improved<sup>8</sup>. Over the last two decades, some 30 million Vietnamese people have been lifted out of poverty, an achievement which lays a solid foundation for the early achievement of the poverty reduction goal among the MDGs to which Vietnam has committed<sup>9</sup>.

*Poverty reduction has slowed down and been uneven across regions and ethnic groups*

Table 1.1 shows how the pace of poverty reduction has slowed notably, however, in recent years. Rural poverty incidence has declined only slightly at an average of less than one percentage point annually between 2006 and 2008, compared to three to four percentage points in previous years. Poverty incidence among ethnic minority groups remains very high, estimated at more than 50 percent in 2008. The fact that poverty reduction has slowed down and been uneven across regions and ethnic groups presents a significant challenge to the pro-poor, broad-based development approach, specifically Programme 30a for the 62 poorest districts and the National Target Programme on Sustainable Poverty Reduction 2011-2015.

<sup>7</sup> The “Poverty Gap” Index indicates the gap between the average expenditure of the poor group and the poverty line.

<sup>8</sup> Source: “Poverty Reduction in Vietnam: Achievements and Challenges”, Poverty Assessment Synthesis Report 2008-2010, Viet Nam Academy of Social Sciences, October 2010.

<sup>9</sup> The National Target Programme on Sustainable Poverty Reduction 2011-2011, currently being formulated by MOLISA.



**TABLE 1.1. Percentage of people living in poverty in Vietnam, 1993–2008 (%)**

	1993	1998	2002	2004	2006	2008
<b>All of Vietnam</b>	<b>58.1</b>	<b>37.4</b>	<b>28.9</b>	<b>19.5</b>	<b>16.0</b>	<b>14.5</b>
Urban	25.1	9.5	6.6	3.6	3.9	3.3
Rural	66.4	44.9	35.6	25.0	20.4	18.7
Kinh and Hoa	53.9	31.1	23.1	13.5	10.3	9.0
Ethnic minorities	86.4	75.2	69.3	60.7	52.3	50.3

## SOURCE:

- GSO, "Results of Vietnam Household Living Standards Survey 2008". Statistical Publishing House, 2010.
- Poverty rate estimated for 2008: "Review: Vietnamese economic development updates", World Bank Report, Consultative Groups Meeting for Donors for Vietnam, Hà Nội, 3-4 December 2009.
- "Poverty Reduction in Vietnam: Achievements and Challenges" Report, Poverty Assessment Synthesis Report 2008-2010, Vietnam Academy of Social Sciences, October 2010.

***The Government's national income poverty line***

*The national poverty reduction programme for 2006-2010 has achieved its poverty rate targets*

The Government adopts a new income poverty line every five years, as part of a national review of poor households that serves as a basis for developing social protection policies appropriate to the living standards and price fluctuations observed in each period. The Government's poverty line for the 2006-2010 period is up to 200,000 VND per person per month in rural areas and up to 260,000 VND per person per month in urban areas. Using this poverty line, MOLISA announced the national proportion of poor households to be 12.3 percent in 2008, 11.3 percent in 2009, and 9.45 percent projected by the end of 2010<sup>10</sup> in line with the poverty rate targets of the NTP-PR for 2006-2010.

*Poverty reduction has been very uneven between monitoring points over the last four years*

Poverty reduction was uneven at the monitoring sites over the period (2006-2010). A number of communes with commodity production capacities have been able to generate diverse sources of income (Thuan Hoa-HG, Thanh Xuong-DB, Xy-QT, Cu Hue-DL, Thuan Hoa-TV) and alleviate poverty rather rapidly, at an average annual rate between four and five percent. By contrast, several communes in remote mountainous and ethnic minority or disaster and epidemic prone areas (Ban Lien-LC, Duc Huong-HT, Phuoc Dai and Phuoc Thanh-NT) have experienced a slow pace of poverty reduction at an average annual rate around two percent. One commune, Luong Minh-NA, saw an increase in poverty incidence over the period, according to the former poverty line. It suffered frequent natural disasters, resulting in extensive crop failures. This situation suggests that the design and implementation of disaster response and compensation policies have been inadequate for poverty reduction in such communities.

*The new poverty line adopted by the Government is double the former poverty line...*

At the end of 2010, the Government adopted a new poverty line for the 2011-2015 period, according to which rural households with an income per capita less than or equal to 400,000 VND per month are considered poor; the threshold is 500,000 VND for urban households<sup>11</sup>. The income poverty line for rural areas for the 2011-2015 period is apparently double that for the 2006-2010 period.

<sup>10</sup> Source: <http://giamngheo.molisa.gov.vn>

<sup>11</sup> Prime Minister's Directive # 1752/CT-TTg dated 21 September 2010. The new poverty line was officially effective as of 1 January 2011, according to Prime Minister's Decision # 09/2011/QĐ-TTg dated 30 January 2011.



...resulting in a sharp increase in poverty incidence in agriculture-based mountainous ethnic minority communes

The proportion of households at the monitoring points classified as poor by the new poverty line at the time of review in late 2010 increased sharply relative to that of the previous year, which used the old line. Table 1.2 indicates that remote mountainous ethnic minority communes relying on agricultural production (Ban Lien-LC, Luong Minh-NA, Xy-QT, Phuoc Thanh-NT) have a very high proportion of poor households (more than 70 percent), according to the new poverty line. At the monitoring points, most of the households not considered poor according to the new poverty line are those with regular monthly salary income or which are engaged in business or services. Those who are considered poor tend to be those exclusively involved in agricultural production. The new survey policy of “screening all households having resided in a particular locality for at least six months, regardless of status of residence” has also resulted in an increase in measured poverty incidence in certain places.

TABLE 1.2. Poverty rates at monitoring points, 2005-2010 (%)

Commune	Main ethnicity	Poverty rate according to former poverty line					Poverty rate according to new poverty line
			2006	2007	2008	2009	2010
Thuan Hoa	Tay, H'mong	78.7	69.5	58.3	42.8	35.0	62
Ban Lien	Tay, H'mong	65.9	61.0	60.7	59.9	54.5	82.7
Thanh Xuong	Kinh, Thai	33.9	22.8	14.7	11.2	8.2	11.7
Luong Minh	Thai, Kho Mu	77.4	74.7	72.5	78.7	83.6	94
Duc Huong	Kinh	39.6	39.6	31.6	40.6	28.4	52.5
Xy	Van Kieu	81.5	71.1	54	49.8	42.2	73.5
Cu Hue	Ede, Kinh	28.1	24.7	16.8	11.9	8.7	15.4
Phuoc Dai	Raglai	68.8	51.7	44.2	58.4	58.2	64.2
Phuoc Thanh	Raglai	74.3	69.2	58.1	56.5	52.8	77.2
Thuan Hoa	Khmer, Kinh	41.1	32.7	37.2	33.9	28.5	32.7

SOURCE: Annual poor household data reviews, provided by surveyed communes

Perception on life changes

Natural disasters have adversely affected people's lives

Poor people had strong feelings about the impact of natural disasters, diseases, price fluctuations, and changes in income on their lives over the last year. In 2010, prices for most key agricultural produce were considered favourable. Furthermore the recuperation of labour-intensive businesses in the wake of the global financial crisis has brought a high demand for labour.

Table 1.3 shows that the proportion of respondents who thought their lives over the prior twelve months were “better” is relatively high in monitoring points that are able to produce commodities (Ban Lien-LC, Thanh Xuong-DB, Cu Hue-DL) or have people working away from home (Thuan Hoa-TV). Some points with a high proportion of respondents who felt their lives over the prior twelve months were “worse” suffered from severe natural disasters in 2010 (Luong Minh-NA, Duc Huong-HT).

Ethnic minority groups’ opinions about their living conditions tend to be grounded more concretely, via the “food shortage” status of the household (defined by a “cut



The proportion of households “short of food” has considerably declined overall, yet remains relatively high in remote mountainous communes

in the number of meals per day” or a “lower quality of meals”). There are virtually no “chronically hungry” households, and there has been a substantial improvement of the “food shortage” situation since 2007. However, the proportion of households short of food in 2010 remains relatively high in remote mountainous communes (Luong Minh-NA, Xy-QT, Phuoc Dai and Phuoc Thanh-NT). The proportion of households who thought they had “often” been short of food (meaning in several months of the year), particularly prior to crop harvests, is also relatively high in villages with limited wetland rice farming and that rely on unstable upland/sloping-land farming.

TABLE 1.3. Feeling about life changes and food shortage, 2010 (%)

Commune	Household life over the last 12 months			HHs with food shortage over the last 12 months	Food shortage frequency over the last 12 months (among those who reported food shortage)			
	Better	Same	Worse		Once	Several times	Sometimes	Often
Thuan Hoa	17	73	10	10	0	80	20	0
Ban Lien	48	28	22	23	0	7	22	71
Thanh Xuong	38	48	12	15	0	0	22	78
Luong Minh	22	33	43	78	0	0	6	94
Duc Huong	30	32	38	23	7	43	36	14
Xy	13	58	27	53	0	56	22	22
Cu Hue	31	47	20	3	0	50	50	0
Phuoc Dai	23	61	16	63	3	5	41	51
Phuoc Thanh	20	68	10	72	0	5	40	55
Thuan Hoa	31	51	19	2	0	0	0	100

SOURCE: Household interviews

Notes: Food shortage frequency categories is defined as follows: “once” means once in the year, “several times”several times in the year, “sometimes” means several times within the month and “often” means several months in the year.

1.2 Poverty Challenges

This fourth-round synthesis report will follow previous rounds in highlighting a number of key challenges which require fundamental changes to the approach to rural poverty reduction in the new context.

Gradual elimination of “poverty pockets” and “poverty hard cores” among ethnic minority groups in remote mountainous areas

Results of the four rounds of poverty monitoring from 2007 to 2010 confirm the large gap in poverty incidence between certain ethnic minority groups living in remote mountainous areas and those living in lowland and delta areas where there is better access to infrastructure, markets, production support services, and social services. The pace of poverty reduction is different between villages and ethnic groups in the same commune.

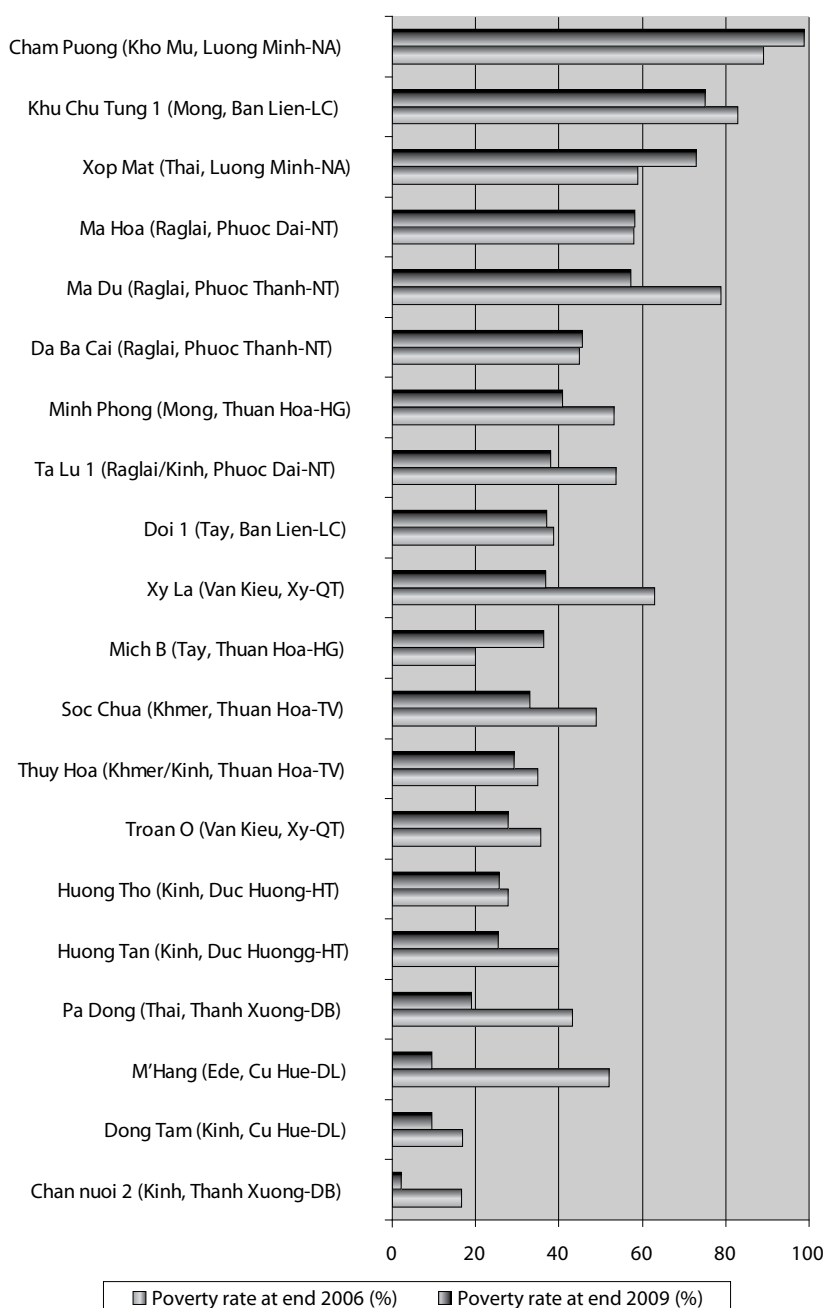
The gap in living standards between ethnic groups and geographical areas is expanding



*“Pockets” and “hard cores” of poverty are found in remote mountainous areas*

A clear distinction is evident among the 20 villages surveyed to date. The “pockets” and “hard cores” of poverty were found, at the end of 2009, among Kho Mu, Mong, Thai, and Raglai villages in remote mountainous areas, with poverty incidence ranging from more than 40 percent to more than 70 percent (Figure 1.1). Most of these villages rely on unstable agricultural livelihoods that are often affected by weather conditions, and on underdeveloped non-agricultural incomes. Basic food security (i.e. just having enough food to eat) remains a challenge to these villages. Each of them also has its own additional difficulties: no electricity supply, a location dozens of kilometres away from the main road, a lack of rice land, or drug use, for example.

**FIGURE 1.1. Poverty rates in 2006 - 2009 period at 20 surveyed villages (%)**



SOURCE: Village data sheets, 2007 - 2010



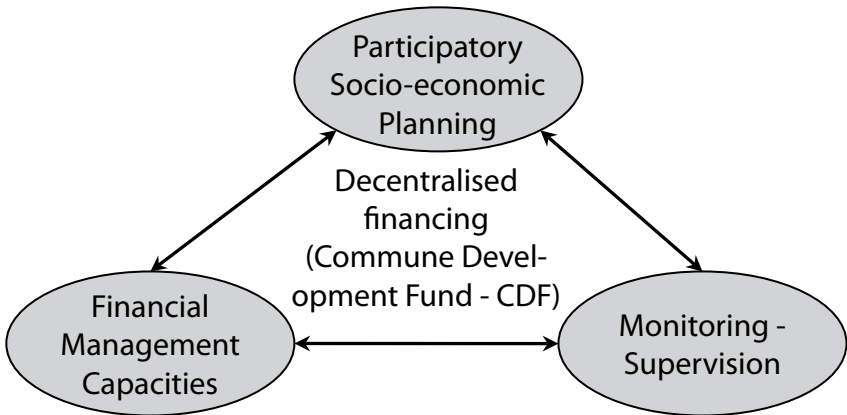
*Decentralised public investment mechanisms are expected to help develop poverty reduction solutions appropriate to specific areas*

The Government has made major investments in the most disadvantaged areas through national target programmes and such programmes as Programme 30a, which provides socio-economic infrastructure to communes and villages facing especially difficult circumstances in the 62 poorest districts. What are lacking in the pockets and “hard cores” of poverty, however, are poverty reduction programmes and projects that involve a high level of investment and which offer solutions appropriate to individual regions, areas, ethnic groups, villages, and even households, via decentralisation and empowerment at the grassroots levels. There is still limited application at the commune and village levels of decentralised investment under the “block grant” mechanism like the **commune development fund (CDF)** which aim to encourage community-based initiatives and pro-poor empowerment in decision-making.

*Participatory planning, financial management, and monitoring and supervision capacities help to enhance the effectiveness of decentralised finance*

Experiences from various sustainable development and poverty reduction projects in disadvantaged areas<sup>12</sup> indicate that investment-package policies providing decentralised financing can be more effective when integrated with strong and continuous support in participatory socio-economic planning, financial management, and monitoring and supervision at the commune and village level (Figure 1.2). The decentralised financing mechanism can provide the districts and lower levels more space for designing their poverty reduction plans according to their own situation and needs<sup>13</sup>. In addition, recommendations produced in the participatory planning process can become more feasible when fed back into and consolidated in higher-level sectoral plans, particularly those concerning the delivery of direct public services (agro-forestry extension, education, and health).

**FIGURE 1.2. Three pillars supporting effective use of the decentralised funds**



**Development of specific policies for specific disadvantaged groups**

There is a lack of specific support policies targeting specific disadvantaged groups. Unlike policies targeted by geographical area, those aimed at specific

<sup>12</sup> These include projects focusing on improving socio-economic planning, implementation arrangements, and monitoring and evaluation at the commune level and on operationalising commune development funds in the provinces of Hoa Binh, Cao Bang, Ha Giang, Son La, Quang Tri, Quang Ngai, Nghe An, Quang Binh, and Dak Nong. They were supported with financial and technical assistance by various organisations including SIDA, SDC, JICA, GTZ, AusAid, Helvetas, Plan International, and OHK.

<sup>13</sup> See more discussion on decentralisation in the “Modern Institutions,” Vietnam Development Report 2010, Joint Donor Report at the Annual Consultative Group Meeting for Vietnam, Ha Noi, 3–4 December 2009.



*Multi-dimensional poverty analysis lays the foundation for targeting specific disadvantaged groups*

disadvantaged groups of the population must reflect their unique characteristics in order to offer superior solutions. Addressing specific disadvantaged groups means addressing the “**multi-dimensional nature of poverty**” by taking into account both income and non-income criteria. Most existing policies still rely on “income poverty” criteria, which likely results in a levelling-out of support and inadequate resources to improve the quality of life of the specific groups. At the monitoring points, these groups include the chronic poor, people living in isolation and in disaster-prone areas, poor people with limited or no productive land, and people entangled in drug use (see also Section 3.2, Chapter 3 – Vulnerability).

### ***Alleviating the “wishing-to-remain-poor” mentality***

*The “wishing-to-remain-poor” mentality originates from the availability of numerous direct support policies for the poor*

A very large obstacle to poverty reduction programs is what we might call a “wishing-to-remain-poor” mentality that is currently very prevalent. At all of the monitoring points, people reported having been “[honourably] considered poor”. None of them said they had been “[embarrassingly] listed as poor” or “[honourably] lifted out of poverty”. The main cause of such a mentality that does not report being listed as poor as embarrassing is the availability of numerous direct support policies for poor households, including, for example, the provision of subsidised health insurance cards; concessional loans; seedlings; support to eliminate temporary housing (Decision 167); financial allowance for kindergarten, primary, and secondary school children in communes in especially difficult circumstances (Decisions 112 and 101); and cash transfers for poor households in disadvantaged areas (Decision 102).

*Direct support for the poor should be balanced with investment in rural institutional development*

In discussions of the pro-poor, broad-based development approach, **investment in institutional development and direct support for poor households** are both considered very important, as they reflect the two essential aspects of supply-side development (indirect support for the poor via improved public services and community-based or self-help services) and demand-side development (direct support for the poor to enable better access to services), respectively. Institutional development can improve communities’ self-reliance and work to reverse the “wishing-to-remain-poor” mentality. There is also a need, however, for appropriate direct support to ensure better access to services.

*There is currently a lack of policies in support of the poor that are based on the principles of conditional support and refundable support*

At present, government support of rural institutional development that focuses on providing pro-poor community and self-help services is not strong enough. Many direct support policies still lack robust sanctions, transparency, supplementary measures (“**conditional support**”), and withdrawal mechanisms (“**refundable support**”) that would increase investment effectiveness and the accountability of recipients. Vietnam has not yet created the conditional cash transfer programmes in support of the poor seen in many other countries. Table 1.4 presents a number of recommendations on how direct support policies can be adjusted in favour of conditional and market-based support, for more sustainable poverty reduction.



**TABLE 1.4. Improvement of “conditional support” policy for the poor**

Type of direct support policy	Current condition	Recommendations for the improvement of “conditional support” policy
<ul style="list-style-type: none"> <li>Concessional loans through Social Policy Bank</li> </ul>	<ul style="list-style-type: none"> <li>General provision of “using funds for the right purpose stated in the loan request” (difficult to track in practice)</li> <li>Participation in credit-savings groups, encouraging a combination of credit and savings</li> <li>Requirement of “combining loans and vocational training, guiding on how to do business, agricultural extension and industrial extension...” (yet lack of concrete implementation mechanisms)</li> </ul>	<ul style="list-style-type: none"> <li>Develop concrete coordination regulations between the Social Policy Bank and vocational training institutions, the agricultural extension service, mass organisations, and local governments (e.g. through an inter-agency circular by the SPB and the agricultural extension service)</li> <li>Provide loans as part of a project which consists of a credit component and a TA component, along with measures to closely monitor how effectively loans are used</li> <li>Associate agricultural extension models, clubs, and groups with credit-savings groups</li> <li>Gradually reduce overlapping credit policies and get interest rates asymptotic to those of commercial loans</li> </ul>
<ul style="list-style-type: none"> <li>Seedlings, animals, fertilisers, free agricultural extension service (information, training, modelling, service provision)</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a demonstration according to technical guidelines</li> <li>Cash transfer upon appraisal of seedling survival rate (forestry seedling support)</li> </ul>	<ul style="list-style-type: none"> <li>Introduce regulation on the recovery of agricultural input costs or benefit-sharing; create an “agricultural extension fund” or a “revolving fund” to provide loans to other HHs, on the basis of a voluntary agreement between groups of community members</li> </ul>
<ul style="list-style-type: none"> <li>Support for construction of toilets and animal barns in especially difficult areas (cash transfer and concessional loans)</li> </ul>	<ul style="list-style-type: none"> <li>Unclear conditions on the usage of support funds once received</li> </ul>	<ul style="list-style-type: none"> <li>Disburse once toilets and animal barns have been built with local in-kind contributions and actually used for a certain number of months, according to local supervision reports</li> <li>Only provide animals once barns have been built</li> <li>Combine communication with planning of grazing land, in order to improve local living and livestock-raising practices</li> </ul>
<ul style="list-style-type: none"> <li>Allowance for children of poor HHs to attend kindergarten/primary/secondary classes in difficult communes (Decisions 112 and 101)</li> </ul>	<ul style="list-style-type: none"> <li>Allowance for students according to “<u>actual school/course attendance time</u>”</li> </ul>	<ul style="list-style-type: none"> <li>Specify the required level of attendance, e.g. more than 80% (or 90%) per month, and the attendance-monitoring sheet template, attached with stronger communication and mobilisation for children’s schooling at community level, and application of child-centred methodology in schools</li> </ul>

### ***Stronger support for the near-poor group***

*Near-poor households are likely to fall back into poverty...*

A near-poor household is one that lies just above the poverty line and can easily fall back in poverty. According to current norms, a near-poor household has an income per capita between 100 and 130 percent of the poverty line in each period. The new poverty line for the 2011-2015 period defines a rural near-poor household as one having an average income per capita of between 401,000 VND and 520,000 VND per month. Table 1.5 indicates that the proportion of near-poor households at the end of 2010, according to the new poverty threshold, is less than 20 percent at all the monitoring points.



TABLE 1.5 Percent of households poor and near-poor, 2008-2010 (%)

Commune	According to former poverty line				According to new poverty line	
	End of 2008		End of 2009		End of 2010	
	Poor HHs	Near-poor HHs	Poor HHs	Near-poor HHs	Poor HHs	Near-poor HHs
Thuan Hoa	42.8	-	35	7.3	62	15
Ban Lien	59.9	10.4	54.5	3.7	82.7	-
Thanh Xuong	11.2	3.5	8.2	0.6	11.7	6
Luong Minh	78.7	-	83.6	9.2	94	4.3
Duc Huong	40.6	31.7	28.4	23.6	52.5	19
Xy	49.8	18.9	42.2	26.7	73.5	8.1
Cu Hue	11.9	13	8.7	14	15.4	17.9
Phuoc Dai	58.4	32.9	58.2	10	64.2	11.9
Phuoc Thanh	56.5	32.7	52.8	16.5	77.2	7.4
Thuan Hoa	33.9	12.1	28.5	19.3	32.7	16.5

SOURCE: Review of poor and non-poor households for 2008-2010, provided by communes  
Notes: (-) not available.

... as they encounter natural disasters, diseases, and other risk

Synthesis reports from previous rounds recommended support for near-poor households and those who have just escaped from poverty in the context of increasingly unpredictable and devastating natural disasters, epidemics, and other threats (e.g. global food and financial crises). In 2010, natural disasters occurred in a more complicated manner than in 2009. Near-poor households and those who have just escaped from poverty living in lowland and inundated or land-slid areas have become even more vulnerable. These households typically have semi-solid grade-4 houses, rely on agricultural livelihoods and casual jobs, have young children, and have very simple household assets. Despite major efforts to lift themselves out of poverty, households in this group are likely to fall back into poverty following shocks (Box 1.1.)

**BOX 1.1. Falling back into poverty in the wake of a flood**

Mr. H (33) and Ms. Q (28) have a four-year-old child. Theirs used to be one of the near-poor households in Huong Tho village, Duc Huong commune (Vu Quang, Ha Tinh). The young couple got married while they both were working in the South. They came back to their home village after the wedding. Between their hard-earned money and loans, they were able to build a grade-4 house. At this early stage in their married life, they did not have any assets other than the house itself, but nevertheless lived slightly above the poverty line. Ms. Q would grow rice to feed their child, while Mr. H would go again to the South for work.

Then, because they live in a very lowland area, a devastating flood in October 2010 demolished their house and took away their livestock. The couple became empty-handed overnight. Despite their efforts over the years, they suddenly became a poor household in the village. Not having a home to live in nor any household assets, but still with the burden of outstanding loans, the couple have to start a new life with tremendous difficulties and challenges.



This fourth-round synthesis report continues to recommend a support-policy system for the design of poverty reduction programmes in the near future, from which near-poor households and those who have just escaped from poverty can easily benefit.

*Adjusting the support policy on health insurance for near-poor households, and providing credit and agricultural extension to households that have just escaped from poverty*

There are currently two policies in support of near-poor households: (i) members of near-poor households are entitled to a 50 percent discount on the cost of the voluntary health insurance cards they purchase; and (ii) children in near-poor households are entitled to concessional loans to pursue vocational training or secondary/college/university education. In reality, only the latter policy appears to be useful for the near-poor. In fact, those households whose children are in vocational schools/colleges/universities are often given priority among the villagers for near-poor status, so that they can access concessional loans. There is little interest in the health insurance card subsidy. At the monitoring points, the number of health insurance cards purchased at a 50 percent discount by near-poor households is very small; in certain places it is zero. That fact indicates the need to adjust this policy on health insurance for the near-poor. In Tra Vinh, thanks to available project funding, the provincial government decided to provide a full, 100 percent cost subsidy to near-poor households, a policy that has been warmly welcomed by the population.. In addition, households that have just escaped from poverty (often remaining near-poor) all wish to continue to access concessional loans and agricultural extension for an extended period of time (two to three years) in order to have a better chance to sustainably stay out of poverty.

### 1.3 Conclusions: Change in approach to poverty reduction programming

*Poverty reduction programmes need to change their approach in the new context*

An overall assessment of rural poverty at the monitoring points within the framework of the fourth round of poverty monitoring indicates that rural poverty is becoming more diverse and that the level of poverty reduction has been uneven. Food shortage, particularly prior to crop harvests and in times of epidemic or natural disasters, remains common. The quality of life in pockets and “hard cores” of poverty in remote mountainous areas and of specific disadvantaged groups is yet to improve. A “wishing-to-remain-poor” mentality is still prevalent because of various direct support policies for the poor. Near-poor households and those who have just escaped poverty continue to encounter difficulties and need stronger support in order to sustainably avoid poverty.

*Provide block grant investment combined with participatory planning, financial management, and community-based supervision*

This fourth-round synthesis report presents in more depth recommendations from previous reports on the need for a change in approach to poverty reduction programming.

1. To undertake comprehensive investment in poverty reduction programmes at the commune and village levels following the decentralised financing mechanism (“block grant”), along with substantial and continued assistance in enhancing participatory socio-economic planning, financial management, and community-based supervisory capacities. Recommendations obtained in participatory planning exercises at the



grassroots level should be consolidated and reflected in plans to deliver public services (e.g. agro-forestry extension, education, and health services).

*Design specific policies for the specific disadvantaged groups based on the analyses of multi-dimensional poverty*  
*Increase conditional support to alleviate the "wishing-to-remain-poor" mentality*

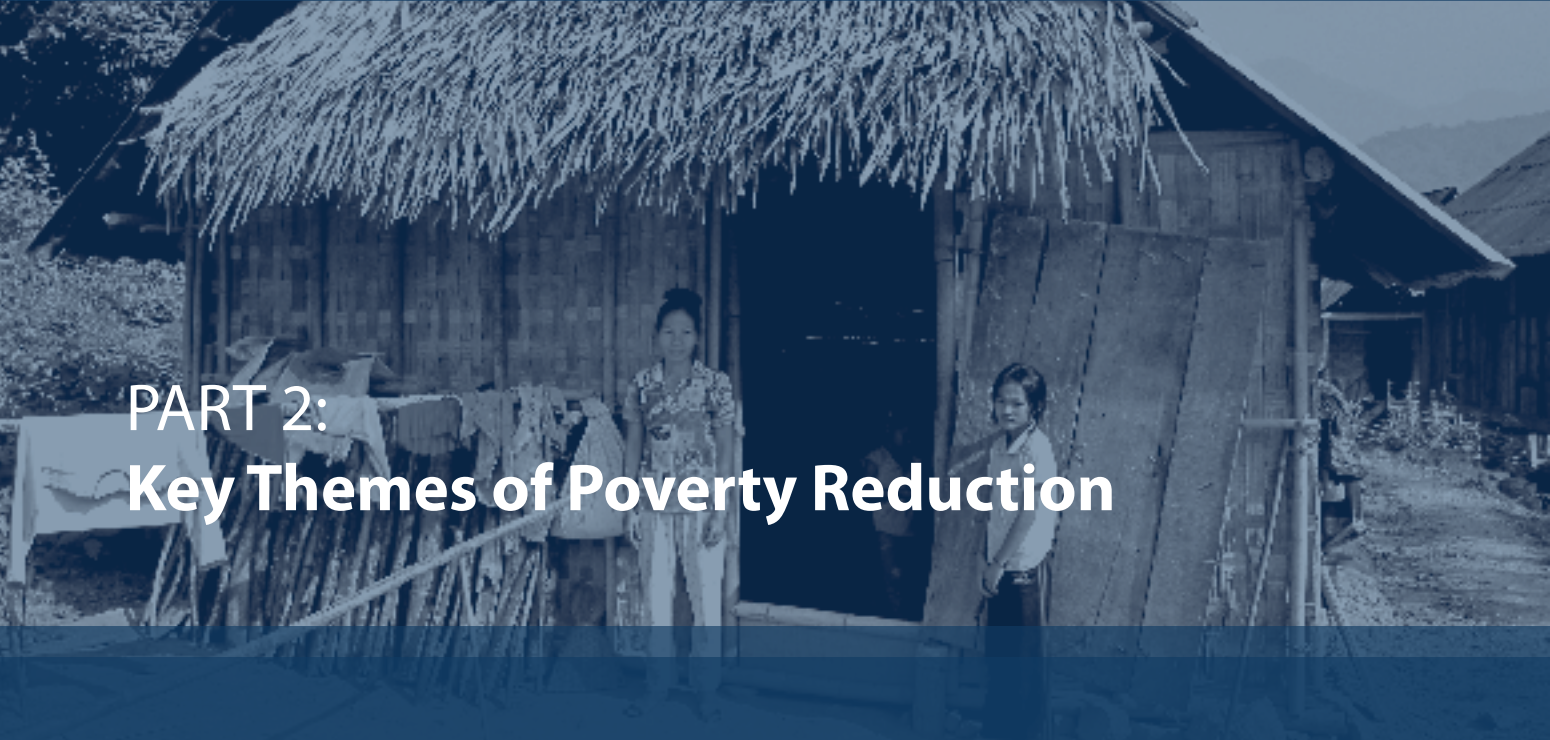
*Provide stronger support for near-poor HHs and those who have just escaped from poverty*

2. To formulate more vigorous support policies in favour of specific disadvantaged groups such as the "chronic" poor, people living in isolation, people living in disaster-prone areas, poor communities having no or limited productive land, and drug users. Studies and analyses of the characteristics of these target groups intended to serve as input to support policies should pay more attention to the multi-dimensional nature of poverty, by including income and non-income criteria.
3. To revise direct support policies for the poor towards a greater degree of "conditional support", in order to ensure transparency and alleviate the "wishing-to-remain-poor" mentality associated with reliance on government subsidy; and at the same time, to provide more support to rural institutions that provide community-based and self-help services.
4. To create a supplementary support-policy system that is more accessible to near-poor households and those who have just escaped from poverty; to review and adjust the policy on voluntary health insurance cards for near-poor households; and to continue to provide near-poor households with access to concessional loans and agricultural extension for an extended period of time (2-3 years) in order to have a better chance to sustainably stay out of poverty.





## PART 2: Key Themes of Poverty Reduction





## 2. THE GAP BETWEEN THE RICH AND THE POOR

*The rich-poor gap is rooted in the limited access of the poor to the resources and basic services*

This fourth-round synthesis report continues to discuss the constraints and disadvantages faced by the poor in comparison to their better-off peers, in terms of the quality of livelihood capital and the effectiveness of livelihood strategy and with an emphasis on the limited access of the poor to the resources and basic services.

### 2.1 Quality of livelihood capital

--- "We wish to have 2-3 buffaloes, pay back all loans, have a motorbike, a TV, and 3-4 tons of paddy rice per year, and just waiting for our children to grow up. We would never become better-off without these things at the very least".

(M.S.L. a poor household in Khu Chu Tung 1 village, Ban Lien commune, Bac Ha, Lao Cai)

#### Human capital

*Poor households often lack members capable of labour*

A lack of labour-capable earners and a large number of dependents remain typical disadvantages of poor households in comparison with the non-poor (Table 2.1). The "chronic" poor typically are in situations of sickness, morbidity, or disability; have multiple children; are elderly and live alone or are elderly single parents; and are thus unable to make a living by themselves. They often have to rely on support from relatives, neighbours, community members, and the government. At the monitoring points, the commonly cited reason for being able to escape from poverty is "having grown-up children who can earn an income" and the commonly cited reason for falling into poverty is "illness that causes big medical costs and shortage of labour" - a fact that clearly indicates the importance of labour to the poor.

**TABLE 2.1. Demographic features of households, 2010**

Commune	Average number of members over 60 years of age		Average number of members ages 15-60		Average number of members under age 15		Percentage of HHs with disabled members (%)		Percentage of single parents with children under age 16 (%)		Percentage of HHs with drug-abusing members (%)	
	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs
Thuan Hoa	0.3	0.1	2.8	3.5	1.6	1.4	25	14	0	0	0	0
Ban Lien	0.2	0.6	3.1	4.1	2.5	1.3	9	15	6	0	0	0
Thanh Xuong	-	0.4	-	2.7	-	1	-	2	-	4	-	4
Luong Minh	0.4	0.4	3.1	2.9	1.5	1.2	12	0	8	0	33	18
Duc Huong	0.9	0.7	2.3	3.5	0.6	0.8	24	8	0	3	0	0
Xy	0.3	0.7	2.6	2.6	2.9	2.3	0	3	9	0	0	0
Cu Hue	-	0.2	-	3.4	-	1.3	-	2	-	2	-	0
Phuoc Dai	0.1	0.3	2.5	3.6	2	1.6	9	20	3	4	0	0
Phuoc Thanh	0.2	0.4	2.8	3.5	1.6	1.5	4	6	0	0	0	0
Thuan Hoa	0.3	0.2	2.9	3.8	1.2	0.8	11	3	7	3	0	0

SOURCE: Household interviews



*In mountainous ethnic minority areas, having many children is an obstacle to escaping poverty*

Households with many children pose a particularly difficult challenge to poverty reduction efforts. Lacking good farming land and being unable to afford the education costs of the children are the two common problems of the households with many children. In lowland areas those poverty rates are low (Duc Huong-HT, Thanh Xuong-DB, Cu Hue-DL), because of general awareness of the “misery of having many children”, the proportion of households with three or more children has significantly declined. However, in mountainous ethnic minority areas those poverty rates are high (Thuan Hoa-HG, Ban Lien-LC, Xy-QT, Luong Minh-NA and Thuan Hoa-TV), due to a persistent belief in the importance of having sons to “continue the family”, many families continue to have third children.

*People over age 60 are not necessarily poor*

There is not a particularly clear correlation between poverty and the number of elderly members in the family. In certain places (Ban Lien-LC, Xy-QT, Phuoc Dai and Phuoc Thanh-NT), the average number of individuals over 60 years old per poor household is even lower than that per non-poor household. Most of those over age 60 in rural areas are actively engaged in economic activity. Many of them are entitled to retirement pensions, allowance for people with nationally recognised merits, or veteran allowance which are actually greater than incomes from agricultural production. For that reason their villages are considered non-poor.

Education

*Educational disadvantages are a root cause of poverty*

Educational disadvantages are considered by grassroots cadres and villagers to be a root cause of poverty. The better-off individuals in the community are often described as “quick-witted”, “knowing how to do business”, “knowing how to apply techniques”, and “more committed to sending their children to school”-all of these qualities being the result of attaining a higher level of education. A low level of educational attainment is closely correlated with high poverty incidence at the monitoring points. Table 2.2 shows that at all monitoring points, the proportion of household members who have completed lower secondary school is much lower in the poor group than in the non-poor group. In mountainous communes where there is high poverty incidence (Ban Lien-LC, Luong Minh-NA, Xy-QT, Phuoc Dai and Phuoc Thanh-NT), the proportion of household members who have completed upper secondary school or higher is exceptionally low.

TABLE 2.2. Highest education level of HH members (6 years old and up), 2010 (%)

Commune	Never attended school		Have not completed primary school		Completed primary school		Completed lower secondary school		Completed upper secondary school or higher	
	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs
Thuan Hoa	16	7	29	28	36	30	18	28	1	7
Ban Lien	27	20	38	34	20	25	14	20	1	1
Thanh Xuong	-	6	-	24	-	19	-	35	-	16
Luong Minh	12	4	40	44	35	13	12	27	1	11
Duc Huong	5	1	12	9	24	10	42	35	17	47
Xy	27	30	41	28	20	23	10	14	2	5
Cu Hue	-	11	-	26	-	24	-	29	-	11
Phuoc Dai	26	26	53	29	19	27	2	15	0	2
PhuocThanh	57	44	29	30	10	16	4	7	0	3
Thuan Hoa	18	9	52	39	20	28	10	17	1	4

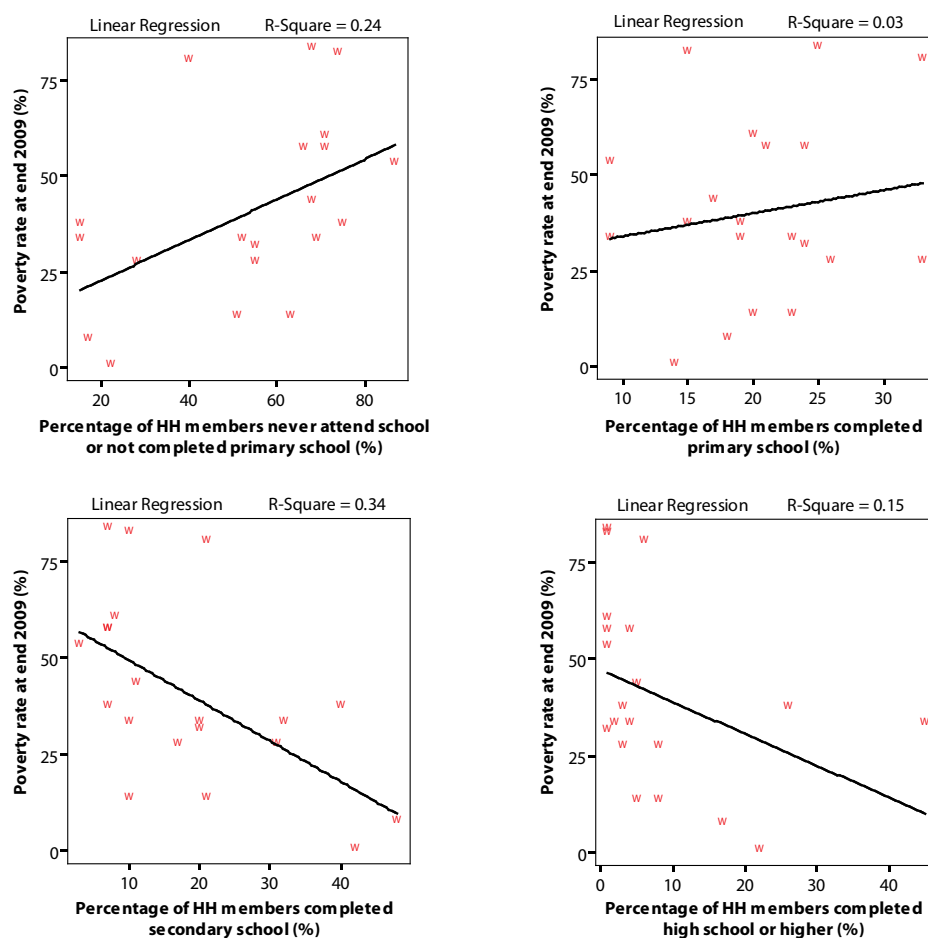
SOURCE: Household interviews



*The educational gap between the poor and the better-off is most evident at the lower secondary school level*

Figure 2.1 shows that completion of lower secondary school is the “distinct point” presenting the inverse correlation between poverty incidence and educational level among household members at the 20 surveyed villages. Completion of lower secondary school is clearly connected with a better chance of escaping poverty. Increasing the lower secondary school completion rate should be a basic objective of the education system in mountainous ethnic minority areas, in order to lay a solid ground for poverty reduction efforts in the near future.

**FIGURE 2.1. Correlation between poverty rate and highest education level of HH members (6 years old and above) at 20 surveyed villages, 2010**



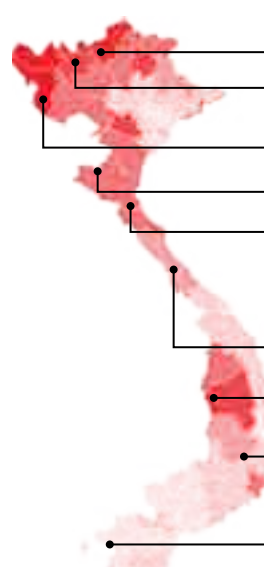
SOURCE: Household interviews

A number of other issues relating to education have emerged over the **past four years (2007-2010)** at the monitoring points:

*The proportion of children enrolled in primary schools is very high*

**Proportion of out-of-school children.** Table 2.3 indicates that at most of the monitoring points, the proportion of six- to 11-year-old (i.e. primary level) children not attending school has declined or remained at a very low level over the last four years. This is a remarkable achievement that can be traced to great support from the government, enthusiastic encouragement from teachers and grassroots cadres, and increased awareness among parents of the importance of education. However, the proportion of out-of-school children aged 12 to 15 (lower secondary school level) and 16 to 20 (upper secondary school level) remains high, and even seems to be on the rise at certain monitoring points in mountainous ethnic minority areas.



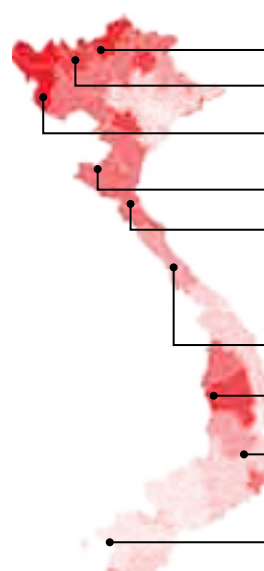
**TABLE 2.3. Proportion of 6 to 20 year-old out-of-school children (%)**


Commune	6 to 11 year-olds		12 to 15 year-olds		16 to 20 year-olds	
	2007	2010	2007	2010	2007	2010
Thuan Hoa	7	5	4	12	13	36
Ban Lien	7	2	20	16	77	77
Thanh Xuong	0	0	0	6	44	23
Luong Minh	6	3	15	25	79	68
Duc Huong	7	0	0	0	26	14
Xy	30	8	15	10	71	30
Cu Hue	3	3	21	17	50	64
Phuoc Dai	17	8	17	39	46	55
Phuoc Thanh	16	27	34	29	65	73
Thuan Hoa	3	4	33	29	85	75

SOURCE: Household interviews

*There are many reasons for children not attending school*

Household representatives at the monitoring points cited many reasons for children not attending school<sup>14</sup>. As Table 2.4 indicates, the four most common reasons children do not attend school are “unaffordability”, “no longer keen on studying”, “staying at home to support parents”, and “poor performance at school”.

**TABLE 2.4. Main reasons for 6 to 20-year-old children not attending school, 2010 (%)**


Commune	Proportion of 6 to 20 year-old children not attending school	Main reason cited for children not attending school					
		Long distance from home	Unaffordability	No longer keen on studying	Poor performance	Staying home to support parents	Others
Thuan Hoa	20	11	4	0	39	39	7
Ban Lien	37	16	35	35	0	12	2
Thanh Xuong	10	0	50	33	17	0	0
Luong Minh	37	0	15	36	26	15	8
Duc Huong	7	0	25	0	25	25	25
Xy	14	0	5	53	5	26	11
Cu Hue	33	3	46	33	18	0	0
Phuoc Dai	30	0	3	52	12	27	6
Phuoc Thanh	43	0	6	70	4	18	2
Thuan Hoa	44	0	35	30	16	19	0

SOURCE: Household interviews

<sup>14</sup> “The “out-of-school” children in the survey sample include those who never went to school, those who dropped out upon completion of a certain grade or level, and those who dropped out during the school year. In the education system, it is often the case that only data about children who dropped during school year is recorded (balance between the number of children enrolled at the beginning and retained at the end of the school year).



*The burden of school fees is very heavy in lowland areas*

Among the monitoring points, lowland communes where the majority group is Kinh (Thanh Xuong-DB, Duc Huong-HT, Cu Hue-DL, Thuan Hoa-TV) most commonly cited “unaffordability” as the reason for children not attending school and, at the same time, had the lowest poverty incidence. “Unaffordability” in this case is often related to the extra costs of education for children at the lower secondary level and higher, such as those related to school uniforms, extra classes, school construction, and parents’ committee funds. In this context, the policies on “socialisation of education” should be carefully designed, with appropriate supports to the poor, in order to keep reasonable costs for children education in rural areas.

*For mountainous ethnic minority children, “no longer keen on studying” is the most commonly cited reason for dropping out of school*

“No longer keen on studying” is the most commonly cited reason for drop-outs in mountainous ethnic minority communes, where poverty incidence is highest among all the monitoring points. In these cases where children’s behavioral psychology is in some way or another the cause of dropping out, the more specific or “sub”-reasons cited include “coming from a poor household”; “getting married [immaturely]”; being “ashamed of studying with younger children” (Mong group in Ban Lien-LC, Raglai group in Phuoc Dai and Phuoc Thanh-NT, Van Kieu group in Xy-QT); having to accompany parents who work away from home (Khmer group in Thuan Hoa-TV) or move with parents to live in high mountains (Raglai group in Phuoc Thanh-NT); and facing especially difficult situations such as those resulting from the drug use of a parent (Thai group in Luong Minh-NA) or the death of a parent, which may require children to start working at an early age. In certain mountainous ethnic minority locations, there is an emerging problem of school boys becoming addicted to computer games and quitting classes (Phuoc Dai-NT). The drop-out rate is likely to peak in the transitional period from primary school to lower secondary school and from lower secondary school to upper secondary school. The high drop-out rate among 16- to 20-year-old children is also related to poor academic performance and a low rate of lower secondary school graduation.

*Khmer children drop out of school because there are many opportunities for them to earn income in support of their parents*

Most notably, the out-of-school rate among six- to 20-year-old Khmer children in the Mekong river delta is significantly high (44 percent of the sample in Thuan Hoa-TV). Khmer children typically drop out as early as age 13 or 14, when they are old enough to earn an income to support their parents. Girls may go to work as housemaids in the cities, while boys may get hired by better-off households to raise ducks or guard shrimp ponds. The local government and the education department have made efforts to try to reduce the drop-out rate among Khmer children, but because of the prevalence of hiring manual labour within the Khmer group (due to a lack of productive land), many parents do not pay adequate attention to the education of their children.

*Cash transfers to children in poor households may cause envy among the children of near-poor households*

The policy on cash transfers to children in poor households (according to Decisions 112 and 101) has had a positive impact on their school attendance. In certain places, however, it has not gone unnoticed by children in near-poor households (the latter group being not substantially better-off than the former). Overdue payment of cash transfers—often by a quarter or semester, but sometimes delayed until the new school year—has also created certain difficulties for very poor households.

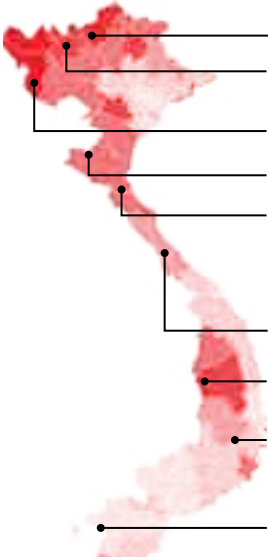
**Education of boys and girls.** Gender inequality in school attendance has been significantly reduced. The proportion of girls attending school increased from



Gender inequality in school attendance has been significantly reduced

2007 to 2010. In Table 2.5 we can see that the proportion of six to 20-year-old girls attending school is even higher than that of boys in many of the monitoring points. Interviewed parents, including those of poor households, did not express any distinction between their sons and daughters with respect to school attendance, which is a very positive sign. Teachers often find female children more “diligent”, less “playful”, and thus less likely to drop out than male children.

TABLE 2.5. Percentage of boys/girls of 6 to 20 years old attending school, 2010 (%)



Commune	6-11 years old		12-15 years old		16-20 years old	
	Male	Female	Male	Female	Male	Female
Thuan Hoa	100	90	95	77	56	71
Ban Lien	95	100	100	71	18	32
Thanh Xuong	100	100	88	100	75	79
Luong Minh	94	100	86	64	24	41
Duc Huong	100	100	100	100	83	88
Xy	87	97	85	95	69	71
Cu Hue	94	100	84	82	25	50
Phuoc Dai	87	100	47	75	44	46
Phuoc Thanh	72	75	79	67	35	18
Thuan Hoa	94	100	64	80	17	33

SOURCE: Household interviews

Semi-boarding schools for ethnic minorities are an innovative educational model in mountainous areas...

**Semi-boarding ethnic minority school model.** At some monitoring points, an innovative model of semi-boarding schools <sup>15</sup> for ethnic minorities has helped reduce the number of drop-outs, increase attendance levels, and improve learning in primary and lower secondary schools, while at the same time mobilising community resources and support from philanthropists. The semi-boarding model addresses a number of the weaknesses of formal boarding schools for ethnic minority children (for instance, the limit on the number of boarders in formal boarding schools provides poor children with few chances to become enrolled, or the boarding school is often opened at the district level only and thus far from the homes of ethnic minority children, making them living outside their families too early in long time).

...which has been supported by the government

The government has adopted a policy (effective early 2011) on food and housing allowance for semi-boarders and on investments in semi-boarding school facilities <sup>16</sup>. This policy creates a very important impetus for replication of the model in other especially difficult areas. However, support policies for teachers and staff responsible for ethnic minority semi-boarders are still lacking (e.g. a 30-percent bonus to minimum monthly salary being offered in Ha Giang province).

<sup>15</sup> Children live at the school or in an accommodation near the school during the school week.  
<sup>16</sup> Decision No.85/2010/QĐ-TTg dated 21 December 2010 of the Prime Minister on the issuance of a number of support policies for semi-boarding pupils and semi-boarding ethnic minority schools, effective as of 1 January 2011.



*Educational quality is difficult to measure*

**Quality of learning.** Measuring educational quality is essential but difficult given that the Vietnamese education system has not yet been able to complete its “two No’s” campaign (saying “No” to cheating on exams and saying “No” to over-reporting in educational performance).

*The quality of upper secondary school entrants is worrying in some poor ethnic minority areas*

Poor performance is most evident at the lower secondary and particularly at the upper-secondary level, where learning deficits have had time to accumulate. According to teachers, there are still cases of ethnic minority children “sitting in the wrong class”. Some of those attending lower secondary classes still cannot read or write basic Vietnamese very well, and the level of education possessed by upper-secondary-school entrants at some of the poor ethnic minority monitoring sites is worrying. A good example is the upper secondary school in Bac Ai District (a district covered by Programme 30a) in Ninh Thuan province. On the 2009-2010 entrance exams, some 90 percent of Raglai pupils had a score of only 0.25 points (on a 10-point scale) in maths. The school received only 177 applications against an enrolment target of 225 admissions. As a result most applicants were admitted, with the only condition being not having scored zero on any exams.

*Bilingual teaching helps children learn better...*

**Bilingual teaching.** Bilingual teaching (Vietnamese and local dialect) is seldom offered at the ethnic minority monitoring points. Cu Hue-DL is the only commune among the monitoring points where the bilingual teaching has been introduced. Starting in the 2010-2011 school year, two Ede classes have been opened for Ede children in grades 3 and 4, though more as an extra-curriculum activity for the purpose of preserving the dialect than as a means to help them better learn Vietnamese. And teachers have observed that some Ede children are not very keen to take these new Ede classes.

*... but is difficult to expand*

While expanding bilingual teaching is challenging, the innovative arrangement of recruiting “**teacher assistants**” as part of the World Bank-funded Primary Education for Disadvantaged Children (PEDC) project offers a practical solution to help ethnic minority children overcome language obstacles from as early as grade 1, to encourage them to go to school, and to connect teachers, families, and communities. At monitoring points with a great number of ethnic minority children, particularly in satellite schools where there is often a high annual turnover of teachers, the recruitment of local “teacher assistants” has been highly appreciated by school management and the community. Because the PEDC project ended in late 2010, however, teacher assistants are likely to get laid off if no further financial support is made available. The young locals who have worked as teacher assistants reported that they would like to continue in the position and eventually obtain support to pursue higher education, in order to become full kindergarten or primary school teachers. Ensuring continued support and more advanced training for teacher assistants post-PEDC is a policy worth considering.


*Continued support and more advanced training for teacher assistants post-PEDC should be a policy option*

*Lack of Vietnamese language proficiency is characteristic of many poor ethnic minority people in mountainous areas*

**Education for adults.** Lack of Vietnamese proficiency is characteristic of poor ethnic minority peoples in mountainous areas. Like in 2009, in 2010 there was a clear inverse correlation between the “literacy rate among household representatives” variable and the “poverty incidence” variable monitored in the 20 villages. Illiteracy or repeated illiteracy among 30- to 35-year-old ethnic minority women remains relatively common. Table 2.6 shows that the proportion of women with Vietnamese language proficiency is much lower than that of men in especially challenging areas (Ban Lien-LC, Luong Minh-NA, Xy-QT, Phuoc Thanh-NT).



TABLE 2.6. Vietnamese language proficiency among men and women, 2010 (%)



Commune	Listening/Speaking		Reading		Writing	
	Male	Female	Male	Female	Male	Female
Thuan Hoa	100	96	83	96	83	96
Ban Lien	98	92	60	33	60	25
Thanh Xuong	100	100	96	83	88	72
Luong Minh	100	92	80	64	80	60
Duc Huong	100	100	100	100	100	97
Xy	98	89	65	11	57	11
Cu Hue	100	100	88	79	88	75
Phuoc Dai	100	100	70	67	70	67
Phuoc Thanh	96	100	47	27	44	27
Thuan Hoa	100	97	76	69	76	60

SOURCE: Household interviews

Being unable to read and write has many disadvantages for women

Illiteracy has various negative implications for the role and voice of women both in the family and in society (Box 2.1). Unfortunately, however, literacy classes for adults are either unavailable or ineffective. Women interviewed who could have attended literacy classes commonly cited reasons such as “too lazy to learn” or “busy with housework” for not attending.

BOX 2.1. Implications of illiteracy for Khmer women

Illiteracy and repeated illiteracy remain rather prevalent among poor Khmer women in Thuan Hoa commune (Cau Ngang, Tra Vinh). Many Khmer women between ages 30 and 35 cannot read and write in the Vietnamese language and feel shy about speaking Vietnamese even though they can actually speak it (because they speak slowly, are afraid of making mistakes, and/or do not have a large vocabulary). Of these women, some have attended literacy classes. A priority-ranking exercise with poor Khmer women in Soc Chua village indicated the following implications and consequences of illiteracy:

1. Not good at calculating: “Being illiterate, I don’t even know how much they pay for my labour.”
2. Dropping out of school to get married prematurely: “Having dropped out of school I ended up getting married.”
3. Feeling shy and unconfident about inter-personal communication: “I am afraid of making mistakes. Would rather keep quiet.”
4. Hard to find a good job: “You don’t need to be literate to work on the farm, to do weeding and paddy harvesting, or to work as a house maid.”
5. Difficult to teach children: “If you are literate you can read and teach your children. Otherwise how can you teach them? Nowadays children have to learn difficult things.”
6. Difficult access to information: “If you are literate you can quickly understand. Otherwise you only get the bits and pieces. When you go to the hospital you would not know how to get to the right department. When you watch TV at home you would only see the images without understanding a word of what is spoken.”



*The “Reflect” approach can help women become literate and develop*

A literacy programme for adults requires appropriate measures to encourage learning and ensure sustainable results, as well as to avoid repeated illiteracy. Community learning centers have been established at the commune level to organise regular learning activities and promote lifetime education. A number of monitoring points have had successful experiences with the Regenerated Freirean Literacy through Empowering Community (Reflect) approach in community learning centers and community development groups or clubs (Thuan Hoa-TV, Thanh Xuong-DB, Thuan Hoa-HG). However, ensuring effective literacy and avoiding repeated illiteracy among Reflect learners remains an issue that requires further attention.

## Health

*Sickness may lead to poverty*

Sickness is a common cause of poverty at the monitoring points, as it involves both medical costs and the loss of ability to work. Access for the poor to health care at the district and provincial levels is limited because of high out-of-pocket costs and inability of family members to accompany the sick in cases of hospitalisation. Sickness remains inherent disadvantageous for the poor as compared with the better-off.

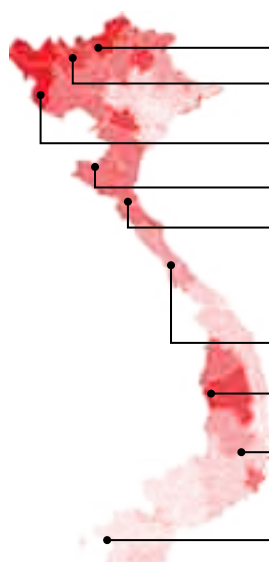
*There has been considerable improvement in community-based health care at the monitoring points*

Communications work related to health care has noticeably improved at the monitoring points. The village health network has succeeded in raising awareness and understanding of health care services. Better access to grassroots-level health care services has been provided by issuing free health insurance cards and implementing free medical examination and treatment campaigns. More people have opted to seek medical help at the health center rather than rely on superstitious practices. Many respondents reported that they have a good understanding of key practices such as “eating well-cooked food and drinking boiled water”, “using mosquito nets”, and “washing hands before eating”, and of measures to improve nutrition for small children, thanks to regular health care and nutritional awareness activities.

**TABLE 2.7. Average number of months of frequent food shortage and incidence of child malnutrition (%)**

Commune	Average number of months of frequent food shortage (among the people reported food shortage)		Malnutrition rate of under-5-children in the commune (%)	
	2007	2010	2007	2010
Thuan Hoa	2.7	2	25	22
Ban Lien	3.3	2,1	50	43
Thanh Xuong	2.9	2,4	19	18
Luong Minh	5.0	6,4	32	21
Duc Huong	-	3	19	16
Xy	3.8	1,8	57	50
Cu Hue	3.5	0	20	17
Phuoc Dai	-	4.2	53	43
Phuoc Thanh	-	4.5	41	41
Thuan Hoa	5,0	3	21	18

SOURCE: Household Interviews, child malnutrition data provided by commune health centers





*The under five year old malnutrition rate has declined slowly in remote mountainous ethnic minority communes*

Poor nutrition is a concrete indicator of poverty. Table 2.7 shows that a number of households still suffer from “regular food shortage” for many months out of the year, despite an overall improvement of the situation observed at most of the monitoring points over the past four years. The under-five-year-old malnutrition rate remains very high and only declined slowly in remote mountainous ethnic minority communes, such as Ban Lien-LC, Xy-QT, Phuoc Dai and Phuoc Thanh-NT. Because of hard-to-change traditional practices and difficult living conditions, key health messages are yet to be fully accepted. Monitoring results show that the quality of meals eaten by the poor people is very low; there is a lack of fresh food and vegetables. Weaning babies early from breastfeeding and early introduction of solid food are also found to be common. Many mothers go back to work in the upland fields less than a month after giving birth.

*Natural disasters hinder health care activities, particularly impacting women and children*

Implementation of health care activities in disaster-prone areas remains a significant challenge. For instance, the living environment in Duc Huong-HT was adversely affected by the historic flood of September and October 2010. At the worst point of the disaster, the commune was entirely inundated and isolated. Women and children did not have enough food to eat nor water to drink, and had to endure unsanitary environmental conditions. As a result many children developed coughs and diarrhoea. Many households managed to subsist only on instant noodles. Most women had difficulties in ensuring personal hygiene during the time of the flood. Results from the two gynaecological check-ups conducted after the flood indicate as many as 53 percent of women in Duc Huong commune had infections. Estimated data from the commune health clinic also show that 70 percent of the people in Huong Tan village and 10 percent of the people in Huong Tho village contracted pink-eye after the flood.

*Remote villages have only limited access to health services*

People living in remote villages have very limited access to health services. For example, Cham Puong village in Luong Minh-NA is more than 10 kilometres away from the commune health center and has poor road access. Villagers therefore have to rely on mobile medical drug vendors whose drug quality is uncertain. A project funded by OHK since December 2010 has provided a medicine cabinet to Cham Puong village (and three other remote villages of Luong Minh commune) in order to help the villagers purchase basic medication for the timely treatment of problems like cold, fever, and upset stomach; save on transport costs; and avoid poor-quality drugs. The initiative has been highly appreciated by local cadres and villagers. The Cham Puong village management board plans to mobilise a 10,000 VND contribution from individual households to replenish the medicine cabinet. Supporting a medicine cabinet in remote villages is a good idea and one that is in line with the requirement that future poverty reduction programmes be “specific responses to specific groups”.

### ***Social capital***

*Community relationships and informal networks are primary sources of social capital for the poor*

Poor people often have to rely on **community relationships and informal networks**. At monitoring points in the mountainous areas, the poor were observed to be able to borrow food or petty cash from other villagers when in need. In major events such as house construction, weddings and funerals, the whole village often comes together to jointly contribute labour, rice, wine or some small cash. Many villages are still able to continue the practice of contributing to a common fund which lends to poor households in need or supports those with sick members who need to be hospitalised (e.g. the Paddy Rice Fund in Ban Lien-LC, Luong Minh-NA, Thuan Hoa-



HG; the Fund to Support Heart Operations for Poor Children in Cu Hue-DL), as well as the practice of contributing labour, construction materials, and money to build or repair small infrastructure facilities that are of common benefit to the community and therefore the poor (e.g. building a bridge across a stream in Thuan Hoa-HG; widening a village road and building a village office in Thanh Xuong-DB).

*Poor people rely substantially on family relations*

Family relations play an essential role in the lives of the poor. The poorest households of an extended family often receive small food grants from relatives to survive the difficult period prior to crop harvests and help in renovating their houses, preparing soil, or grazing cattle. The head and senior members are often the most influential individuals in the extended family. The extended family also plays a role in keeping order, encouraging learning, and getting children of the poor households to school.

*Labour exchange is an important form of cooperation for the poor*

Labour exchange within a small group is still an important, informal form of community-based cooperation beneficial to the poor, given that a lack of labour is typical of the poor. Good examples are labour exchange groups among rice growers in the Mong commune of Thuan Hoa-HG, among cassava harvesters in the Van Kien commune of Xy-QT, and among rice growers in remote fields of the Ede commune of Cu Hue-DL. Market forces have a mixed impact on labour exchange practices. In some places these practices are disappearing, as the better-off tend to hire more labour from elsewhere, while in other places labour exchange is becoming more prevalent because of the increased use of mechanical tools. For instance, since late 2009 when rice huskers were provided by Programme 135, there has been an increase in labour exchange between Raglai farmers during harvesting.

*Networking is very important to the poor who are employed in casual jobs or work away from home*

In places where a large portion of the poor are employed in casual jobs or work away from home in informal sectors (Thanh Xuong-DB, Duc Huong-HT, Thuan Hoa-TV), networking is essential. Thai people in Thanh Xuong-DB often go to the city of Dien Bien in groups to work as construction workers or porters, while the Kinh in Duc Huong-HT move to the South to work as coffee harvesters or corn farmers, also in groups or to share information and experience. In Thuan Hoa-TV, poor Khmer people working as construction-material porters often form “gangs” of five to 10 who are relatives or neighbours, to help ensure stable employment. Groups of carpenters and house builders have also been formed in mountainous areas.

There are a number of emerging issues with respect to the social capital of the poor observed **at the fourth-round monitoring sites (2007-2010)**, as follows.

*Poor people have to bear relatively high social costs*

**Social costs** are a concern often mentioned by poor people. In certain lowland communes (Thanh Xuong-DB, Duc Huong-HT, Cu Hue-DL, Thuan Hoa-TV), the total cost in the form of “gift money” for weddings, death anniversaries, grand birthdays, and regular birthdays is relatively high: between two to three million VND per year, and it is on the rise. This custom places a real burden on the poor. Many of them have to borrow from local shops or obtain advances on harvest labour to pay the gift money. It often happens that women are in charge of finding the money while men attend the events (Box 2.2).



**BOX 2.2. The three worries of poor Khmer women in Thuan Hoa commune**

Poor Khmer people in Thuan Hoa commune, Cau Ngang district (Tra Vinh) are typically landless. Khmer men and women are mainly employed in local casual jobs or work away from home in other provinces or major cities. A discussion with poor Khmer women in Soc Chua village indicates the top three worries of women are: “**sickness, unemployment, and parties**”.

--- There are more and more parties: “My husband and I work very hard but still can’t afford to go to all the weddings, death anniversaries, and birthday parties. In certain months there may be as many as 10 events, one after another. We have to spend at least two to three million VND per year on these things. If we do not turn up we will feel embarrassed and end up avoiding fellow villagers. When we are in need, we always get support from our neighbours. So if we run out of money we will have to get a loan to still participate.”

--- Harvest labour advances at only half price: “In high seasons it is 100-120,000 VND per person day. Since I’ve run out of money I have to ask for advances, and because of this advance payment, they only give me half price, only 40-50,000 VND per person day.”

--- Men go to parties, women have to find money for them. “When it comes to money, the wife is in charge. She may have to take a loan for her husband to go partying. The husband never tries to get a loan himself as he feels ashamed.”

*Ritual customs are both a burden and an opportunity for the poor to participate in community activities*

In several mountainous communes (Xy-QT, Phuoc Dai and Phuoc Thanh-NT), expenses associated with ritual customs such as burials, religious honouring, crop honouring, and disease treatment have decreased, but they remain significant. Ritual and ceremonial customs are important religious activities for mountainous ethnic minority peoples. For funerals or religious rituals, villagers often contribute cash, rice, meat, wine, and firewood. Those who are poor may just contribute their time and labour. By participating in community activities, the poor may have an opportunity to seek help from relatives and fellow villagers in solving their problems. “Building a new cultural life” campaigns aiming to reduce ritual and ceremonial costs would be more effective if conducted in a flexible manner that takes into account this important fact, that community-based customs also provide opportunities for the poor to increase their social capital.

*Households living in isolation often lack social capital and information*

**Social capital constraints of poor households living in isolation.** As described in Section 1.2, in most of the monitored communes, there is a group of poor households who live in isolation from the rest of the community, high in the mountains or far from the village center. Their voice and participation in community activities are relatively limited. This group is hardly able to receive information from village cadres because of their remote location. Village cadres are not able to communicate with them individually when road access is difficult and a telephone connection is not available. A solution that has been put forward by Cham Puong village in Luong Minh-NA is to appoint an informal head of the group to represent them at village meetings and disseminate information to them afterwards.

*Certain poor households still suffer from community prejudices*

**Community prejudices** often exist towards specific poor households. These households are typically regarded by grassroots cadres and community members as “not working hard enough”. In fact, however, monitoring results reveal that these poor households often have specific, difficult backgrounds including regular sickness, disability, agricultural production failures, landlessness, lack of cattle, or illiteracy. While their choice of livelihoods may be different from others’, most of them are trying hard to overcome their disadvantages. For example, specific poor



individuals would be considered to be “not working hard enough” if they rely on forest livelihoods derived from bamboo shoots and firewood rather than on agricultural cultivation—even though collecting bamboo shoots and firewood is an extremely onerous job. Community prejudices against poor individuals keep their social capital low and make it difficult for them to integrate into the community, get recommended by fellow villagers for production support, and/or access concessional loans. All this makes their escape from poverty even more challenging.

*“Poor awareness” is a vague concept and should not be associated with the poor out of prejudice*

Poor people are often regarded as having “poor awareness”. The knowledge gap between poor and the better-off households, however, is very difficult to measure. Yet this abstract concept is often used by grassroots cadres to explain or justify certain attitudes or behaviours of the poor, such as their slow progress in improving production practices (free-range livestock-raising, growing rice without using fertilisers), low participation in community activities (village meetings), and even “being highly dependent”, “lazy”, or “alcoholic”. As mentioned above, associating poor people with “poor awareness” is a typical prejudice that needs to be cautiously assessed in order to avoid discrimination against the poor (Box 2.3).

### **BOX 2.3. Social prejudices against the poor**

Mr. N and Mrs. H are a poor couple in Huong Tan village, Duc Huong commune (Vu Quang, Ha Tinh). They live on a small plot of land at the far end of the village, one kilometre from the village center. They grow orange and lime trees in a five-sao home garden surrounded by acacia trees. Because of poor soil quality the trees do not grow very well. With four young children and in poor health herself, Mrs. H has to stay at home to look after the children and take care of the garden. All six members of the family rely on the 10-square-metre rice field and Mr. N's income from collecting bamboo wood from the forest. By the end of 2009 their household was the only one in the village that did not have electricity, as they live in isolation and could not afford to buy electricity wires.

Local cadres and fellow villagers in Huong Tan village assumed Mr. N's household was poor because he was “lazy” and “alcoholic”. In 2009 when the Ha Tinh Center for Community Development (HCCD) proposed to support Mr. N's household in getting electricity, they were strongly opposed by many fellow villagers who considered Mr. N “alcoholic” and believed “he would spend every penny he makes on drinking, so there was no point in helping him”. HCCD staff had to talk to them many times and eventually convinced them to agree to support Mr. N's household in accessing electricity.

Community prejudices have a significant impact on poor households. Mrs. H said: “My husband is not alcoholic. He only drinks when he returns from a big event having been mocked by others as “poor” and “lazy”. He never gets mad at us. People keep saying we are lazy but we are not. My husband works all day in the forest. I stay at home looking after the kids and taking care of the garden. Honestly, if we are lazy, we would've never had a garden like this.”

The year 2010 saw a positive change in the life of Mr. N's household. Mr. N no longer went into the forest; he switched jobs to work in construction, bringing home 1.5 million VND per month. Thanks to the land conversion programme, the total rice acreage of his household has increased to 1200 square metres. In addition to rice farming and gardening, Mrs. H has started to raise cows and chicken to generate extra income. Their orange and lime trees earned them one million VND in 2009 and were expected to make two to three million VND in 2010. Also in 2010, the household received temporary housing support from the government. They decided to build their house all by themselves. The husband was the master builder and the wife assisted. In that way they planned to save on costs and at the same time prove to the community that they were not lazy. “We managed to build the house ourselves. They said we would not be able to do that. I told my husband that we had to try to build the house so our children would feel happier. Having done it all by ourselves, we were able to save on costs and at the same time to let people know that we were not lazy.”



*Equal allocation of support is a way of sharing among community members, but it may limit the effectiveness of a policy which targets specific groups*

**Equal allocation of support** to households in the form of items such as rice, fertilisers, and seedlings continues in certain ethnic minority areas, based on a consensus reached among villagers, even though the support is still designated as “targeted for poor and hungry households”. The practice may be a good way to share among community members, but at the same time it may hinder the effectiveness of a poverty-targeting policy. This practice therefore needs more thorough analysis and further justification. One possible compromise is to “allocate to all with priority given to poor households” on the basis of voluntary consensus among villagers, as has been experimented with by the Van Kieu group in Xy commune-QT (Box 2.4).

#### **BOX 2.4. Allocation of rice support among Van Kieu villagers in Xy Commune**

In 2010 there was a serious drought in the Van Kieu commune of Xy, Huong Hoa district (Quang Tri province). More than 50 percent of the upland rice and cassava crops were destroyed and the remainder were low-yield. The government granted 18.3 tons of emergency rice to the commune. This support was originally intended to target hungry and poor households only. However, the Van Kieu villagers voluntarily agreed to share it among themselves with the principle of “more to poor households and less to better-off households”, or a ratio of 10:5:2, respectively, to poor households, average households, and better-off households. In Troan village, the villagers agreed to keep 200 kilograms of rice in a village fund to allocate to hungry households or people who fall sick. Villagers have supported this arrangement because it demonstrates a sense of solidarity and respects the fact that households with difficulties and sickness still need support from the community.

### **Natural capital**

#### **Land**

*A disparity in soil quality is evident between poor and better-off households*

Land is the most important natural resource capital that poor households relying exclusively on agricultural production have. In the monitored ethnic minority communes, access to land depends on each household’s capacity for land reclamation and may change annually because of crop rotation (i.e. leaving land fallow for periods of time). In theory, these communes are not short of land given their population density. The poor are at a disadvantage relative to the better-off, however, with respect to soil quality. Productive land possessed by the poor is often far from water sources, houses, and roads, and of a sloping and arid nature, which requires more labour to tend and yields lower output. Newlywed couples whose parents have no land to give them often have to reclaim “arid” land in remote locations. Newly arriving households also face land-related disadvantages, as all reclaimable land near water sources has usually been reclaimed by others. And as population grows; as resettlement arrangements delegate land to hydropower or irrigation projects; as regulations are introduced on the reclamation of new crop land and how long land may be left fallow; and as forest development planning continues; the pressure on production land in mountainous areas intensifies.

*When it comes to the land they possess, better-off households often enjoy advantages compared to poor households in mountainous areas*

Two examples may serve to illustrate the evident land disadvantage of the poor relative to the non-poor. The first is the Raglai group in Phuoc Dai-NT. Households with more land are able to utilise the water supply of the Song Sat Reservoir to grow two to three crops per year and consequently have a much better chance of escaping poverty than those who have less land and rely on unstable upland corn and cassava crops. The second example comes from the Khmer group in Thuan Hoa-



*A trend of land concentration in the Mekong River delta has become evident in the sample over the four annual monitoring*

TV. Table 2.8 shows that more than 60 percent of the sample in Thuan Hoa-TV have no land, the primary reason being that their parents had no land for them to inherit or that they had to sell or collateralise land to handle critical family circumstances<sup>17</sup>. Among households with land, the poor ones typically have up to 2,000 square metres while the non-poor ones have at least 3,000 square metres. Notably, a trend of land concentration in the Mekong river delta has become evident in the sample over the four annual monitoring between 2007 and 2010. The proportion of non-poor households with more than 10,000 square metres of rice land has also increased.

**TABLE 2.8. Average land allocation by type of household in Thuan Hoa commune (Cau Ngang, Tra Vinh), 2007-2010 (%)**

	Poor HHs		Non-poor HHs		Average	
	2007	2010	2007	2010	2007	2010
Landless	59	63	23	24	43	42
Owning land						
> 0 - 500 m <sup>2</sup>	0	0	0	4	0	3
> 500 - 1 000 m <sup>2</sup>	0	20	0	0	0	6
> 1 000 - 2 000 m <sup>2</sup>	21	40	20	8	21	17
> 2 000 - 3 000 m <sup>2</sup>	36	20	5	12	18	14
> 3 000 - 5 000 m <sup>2</sup>	14	10	20	20	18	17
> 5 000 - 10 000 m <sup>2</sup>	21	10	30	20	27	17
> 10 000 m <sup>2</sup>	7	0	25	36	18	26

SOURCE: Household interviews

*In delta areas where the majority are Kinh, there is not much of a disparity in acreage or quality of land among households*

In delta areas where the majority group is Kinh, there is not much of a disparity in acreage or quality of land between the poor and the better-off. Following the land allocation exercise of the early 1990's, rice land has been equally allocated to households in proportion to household size. In Duc Huong-HT, as a result of the second land concentration in 2009, non-poor households now have less land than poor households, as typically the non-poor have grown-up children or receive pension payments (and are therefore not qualified to receive land).

*Land acreage and land quality are more important features of the rich-poor gap for the ethnic minority group*

Even within the same commune, the perceived importance of land acreage and quality to the overall gap between rich and poor vary between villages with different ethnic groups. Results of a priority-ranking exercise on the distinct features between poor and better-off households conducted in an Ede village and a Kinh village in Cu Hue-DL indicate that land acreage and quality are not the most important factors to the Kinh (rather those are health, machinery, and production tools), although they are to the Ede. Below are the results indicating the perceived factors which play into the gap between poor and better-off households in the commune (Table 2.9).

<sup>17</sup> Poor Khmer people maintain a practice of collateralising land into an equivalent amount of gold. Because of the large rise in the price of gold in 2010 (to two to three times the level in 2005 and five to six times the level in 2000), it is less likely they will be able to decollateralise their land.



**TABLE 2.9. Priority-ranking of distinct features between poor and better-off households in Cu Hue commune (Eakar, Dak Lak)**

Dong Tam village (Kinh ethnicity)	M'Hang village (Ede ethnicity)
1. Health	1. Land acreage
2. Machinery, production tools	2. Land quality
3. Land acreage	3. Housing facilities
4. Number of dependents	4. Machinery, production tools
5. Trading modalities	5. Durable assets
6. Voice, self-confidence	6. Loans
7. Crop and livestock diversification	7. Livestock
8. Awareness, way of doing business	8. Crop productivity
9. Educational background of household head	9. Investment in intensive farming
10. Effectiveness of utilising support	10. Application of improved farming techniques
11. Rendered services and labour	11. Trading modalities
12. Durable assets: TV, motorbikes, furniture	12. Crop and livestock diversification
13. Education of children	
14. Housing facilities	

SOURCE: Core group discussions in two villages of Cu Hue commune, November 2010.

*The implementation of the productive-land support policy for poor, ethnic minority people remains challenging*

The government has introduced various productive-land support policies for poor ethnic minority households in disadvantaged areas. The implementation of these policies remains challenging, however, given that there is not much land left to cultivate, land has become very costly to repossess and reallocate to poor households, and reclaimable land is often a far distance from where the poor live. Decision No. 74, for instance, on residential and productive land and employment support for poor ethnic minority people in the Mekong River Delta, is being implemented in Thuan Hoa-TV. But progress in Thuan Hoa-TV has been very slow. The reasons for that include: the level of financial support (not exceeding a total of 20 million VND per household, of which 10 million VND is a grant from the government and up to 10 million VND is provided as a concessional loan) is far too low relative to the market price of land; disbursement of bank loans is slow; land-holding households are not willing to sell land, which makes it difficult to access good-quality land, while those who are willing to sell are often poor (a result contrary to the aim of the policy); and none of the target households has chosen to obtain support in vocational training or in finding employment overseas. In addition, the option of having poor households buy one to two congs of land individually for farming purposes may not be in line with local, concentrated commodity-production planning that aims to promote mechanisation.

*The land reclamation support policy imbedded in Programme 30a should reflect the unique features of the areas it aims to help*

Programme 30a targeting the 62 poorest districts aims to promote support policies on productive and forest land for poor ethnic minority households. And people at the monitoring points covered by Programme 30a (Ban Lien-LC, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT) are very happy to receive such support for land relaimation and land quality improvement, and to receive productive forest land and “block grant” forest land that helps augment their incomes. Monitoring results suggest that Programme 30a needs to take into account the specific features of the mountainous areas, however, in order to improve the clarity and relevance of land support policies (Box 2.5).



### **BOX 2.5. Challenges to the implementation of land reclamation and “block grant” forest allocation policies in Programme 30a.**

**1. Ban Lien commune (Bac Ha district, Lao Cai): How should “reclaimed land” that is terraced be calculated?** Programme 30a provides a grant of 10 million VND per reclaimed hectare of land. In Ban Lien commune, Tay and Mong households mainly rely on terraced land. In 2010, commune cadres conducted an inventory of reclaimed land plots existing in the commune for submission to the district government. The original inventory data showed a total area of 17 hectares. However, the district government subsequently instructed commune cadres to redo the inventory by including “water-surface” area only and excluding the boundaries. The revised inventory went down to a total of only 6 hectares, exclusive of a number of tiny land plots. Clearer guidance needs to be given on how to define terraced land. Only counting water-surface area does not fairly factor in the hard labour spent in reclaiming terraced land. In fact, preparation of the boundaries and terraces requires the hardest labour. In many cases, boundaries have to be as wide as 20-40 centimetres and as high as 50-100 centimetres in order to retain only a small acreage of water-surface.

**2. Bac Ai district (Ninh Thuan): Who should bear fees associated with plot measurement and issuance of land use certificates (LUCs)?** Work on land plot measurement and the issuance of LUCs in Bac Ai District has been progressing slowly. By the end of 2010, only 43 percent of residential and agricultural land had been issued an LUC; the 100-percent target could not be met. The main reason for failing to meet the target was the high cost of land plot measurement (more than two million VND per hectare) and of issuing LUCs (360,000 VND per LUC for a single applicant; 170,000 VND per LUC for multiple applicants), costs which are unaffordable for poor Raglai households. And because it is a poor district, the Bac Ai district government could not cover all of these costs. Without LUCs, it was also difficult to implement other support policies like afforestation, land reclamation, and land quality improvement. The district government has repeatedly asked the provincial government for additional budget support to cover land plot measurement and LUC issuance costs for the poor, but the request has so far not been granted. Programme 30a should consider including land plot measurement and LUC costs as part of its support package, especially for poor households.

**3. Tuong Duong district (Nghe An): Who should develop block-grant forest management project proposals?** By the end of 2010, Tuong Duong district did not complete its block-grant allocation of forest land (Programme 30a provides a grant of 200,000 VND per hectare per year and rice support for poor households). The main reason for this was that the necessary block-grant forest management project proposal could not be developed (“block grant forest management” is an investment item requiring a project proposal with an approved budget estimate). District cadres reported that slow progress on block-grant forest management projects is due to a lack of funds to develop project proposals and budget estimates; because “forest owners” (i.e. forest management boards, forest plantations) are not very keen on implementing the policy; and because capacities of commune-level land administration cadres remain limited. This is an issue that needs to be resolved quickly to ensure that administrative procedures do not negatively affect the welfare of the people.

### **Forest**

*Poor households have less forest land than better-off households in mountainous areas*

In ethnic minority communes such as Thuan Hoa-HG, Ban Lien-LC, and Luong Minh-NA, the poor have much less forest land than the better-off. The percentage of poor households who have been allocated forest land is just over 20 percent, compared to about 50 percent of non-poor households. This is mainly because previous forest land allocation programmes only prioritised households living in proximity to the forest who also had readily available labour and the knowledge and other capacities necessary to plant and nurture the forest. These often turned out to be better-off households or households led by village cadres. Poor households, on the other hand, typically lacked information or did not have an adequate understanding of the long-term benefits of forest land-though they have since become more interested in these benefits. In many cases, however, not much acreage is planned for allocation; forest management boards and forest plantations still manage a vast portion of the forest land.



*Free-range livestock-raising conflicts with afforestation in mountainous areas*

In mountainous communes, afforestation and livestock-raising are often considered the two spearheads of local economic development strategies. A good number of support policies on afforestation and livestock development are already in place. However, given the prevailing practice in mountainous communes of raising livestock free-range, there is a major conflict between afforestation and livestock-raising (of cows, buffaloes, and particularly goats). Afforestation projects typically require an 85-percent seedling survival rate one to two months after planting before funds are disbursed. Once the free-range livestock grazing period begins (often following rice crop harvests), though, the survival rate falls sharply. In Luong Minh commune (NA), four years after the introduction of regulations by the district government, free-range livestock-raising remains as prevalent as before. Many households have received a one million VND grant to build animal barns, but have left the barns unused and allowed them to deteriorate.

*Allocating forest land for villages or household groups can increase the role of the community in forest protection*

Allocating forest land to households for their caring and protection is an optimal policy aspect of Programme 30a. Since 2009, more than 1400 hectares of forest land in Phuoc Dai and Phuoc Thanh communes (NT) have been allocated to villages and household groups. As part of Programme 30a, the policy has been assessed as more effective than past forest land allocation to individual households (Programme 661), because it has succeeded in mobilising community resources (see also Part 5 on Participation and Empowerment).

*There need to be measures to maintain and further develop traditional community forest protection practices in mountainous areas*

In certain mountainous areas, protection practices related to traditional community forests ("sacred forests", "ghost forests", "temple forests", and "water hollow forests") are maintained. A good example is the practice of contributing paddy rice annually to pay for the community forest protection team in the Mong village of Khu Chu Tung 1, Ban Lien commune-LC (mentioned in the third round synthesis report). The poor are willing to contribute to the protection of forests because they realise it yields practical benefits like firewood and bamboo trees for house construction (which they can register with the village head for domestic use only, not for sale). Community forests surrounding the villages also contribute positively to local ecology and help preserve water resources. Relevant government agencies have not yet given official, legal recognition to community forest land, however.

### **Natural livelihoods**

*Natural livelihoods are very important to the poor, but they are becoming more difficult as natural resource stocks dwindle*

Poor ethnic minority peoples depend more on natural livelihoods than does any other group. Bamboo shoots, firewood, rattan, fallen leaves, wild vegetables, fish, and wild animals are important sources of income to the poor, particularly in the event of failures in crop or livestock production due to unfavourable weather conditions and diseases. It is thus a particular disadvantage to the poor that the stocks of these natural resources are dwindling. For instance, in Luong Minh-NA, Phuoc Dai-NT, and Phuoc Thanh-NT, going into the forest everyday to collect bamboo shoots, for sale and/or the repayment of rice loans, is typically the job of many poor ethnic minority women and children. In 2010, the price of bamboo shoots increased relative to its 2009 level, and bamboo shoots became scarce. With an increase in the number of bamboo shoot collectors, all had to travel a longer distance to fetch the shoots, which makes it more difficult to be a bamboo shoot collector.



Common grazing land needs to be recognised and protected

Common grazing lands are an invaluable asset to many ethnic minority communities, but up to now they have never been officially recognised by the government. An illustrative example comes from Thuan Hoa-HG, where a small hydropower plant was built in part of a village’s common grazing field. Even though the grazing field has been used for generations to raise livestock, it is still identified as “unused land” on the official land administration map. As a result no compensation was given for the hydropower plant, nor any alternative grazing land planned, which has caused great frustration among the villagers.

Financial Capital

The poor typically rely on three main sources of financing: concessional loans from the Social Policy Bank, microcredit, and credit from local shops.

Social Policy Bank (SPB) loans

Poor households’ access to and the size of bank loans have both increased

Most poor people at the monitoring points do not take commercial loans, because of high interest rates, a lack of collateral, and/or a low ranking of creditworthiness. Concessional loans offered by the SPB are instead the greatest source of finance for the poor. Poor households’ access to bank loans has improved, according to the 600-household annually-monitored sample: the percentage of households with loans increased from 60 percent in 2007, with an average loan size of nine million VND, to 70 percent by 2010, with an average loan size of 12 million VND. Table 2.10 shows that in the most remote mountainous ethnic minority communes like Ban Lien-LC and Luong Minh-NA, the portion of poor households with bank loans was greater than 85 percent by 2010. Observations by grassroots cadres and SPB staff also show that the share of loans being used for the right purpose and associated with credit - savings groups has improved over the last four years in some places.

TABLE 2.10. Bank loans and purchases on credit from local shops, 2010

Commune	Percentage of households with bank loans (%)		Average loan amount (million VND)		Percentage of HHs borrowing/purchasing on credit from local shops (%)	
	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs
Thuan Hoa	56	52	13	10	0	9
Ban Lien	88	48	15	8	21	33
Thanh Xuong	-	52	-	17	-	11
Luong Minh	88	82	7	10	29	36
Duc Huong	67	80	26	27	62	64
Xy	39	46	6	12	61	62
Cu Hue	-	35	-	10	-	57
Phuoc Dai	63	44	17	15	66	52
Phuoc Thanh	59	52	12	11	46	52
Thuan Hoa	85	67	7	14	39	42

SOURCE: Household Interviews



*Too many credit policies may lead to low repayment rates*

At present there are far too many credit policies for the poor. A poor household can take out different loans at different concessional interest rates and with different grace periods, all at the same time. Such overlapping credit policies lead to low repayment rates. In many cases repayments are actually “loan renewals” - situations in which borrowers take out new loans to repay old ones, or get informal loans at a high interest rate in order to repay bank loans and then immediately take new bank loans to repay informal loans (Box 2.6).

### **BOX 2.6. Difficulty in repaying overlapping loans**

Many households in Huong Tan village, Duc Huong commune (Vu Quang, Ha Tinh) have loans from different sources, at different interest rates, and with different grace periods. A good example is the near-poor household of Mrs. T. Her husband is a commune cadre earning a salary of 1.4 million VND per month. Mrs. T manages six saos of various crops (rice, peanuts, peas, and corn) and animal herds which generate an annual income of seven to eight million VND. They have three children, of which the oldest is in the last year of university and the youngest is in grade nine.

Currently the household has a total debt of 75 million VND from various sources:

- Five million from the Women’s Union Fund, which requires a flat monthly payment of 250,000 VND (inclusive of principal and interest)
- 20 million from the Concessional Loans Programme for Students and Pupils (interest-free)
- 30 million from the SPB at an interest rate of 0.9% per month, for a monthly interest payment of 270,000 VND
- 20 million from Agribank, at an interest rate of 1.45% per month, for a monthly interest payment of 290,000 VND

The couple use the loan money mostly to pay for their children’s education and health care expenses, and some to invest in agricultural production. Expenses for their oldest son in university in Vinh City are some 16 million VND per year. Their youngest child has an eye problem that needs regular treatment in Ha Noi and costs them more than 20 million VND between 2008 and 2010. They have had difficulties in repaying their loans. In 2008 they had to take an urgent informal loan from a local shop at 0.3 percent per day for 18 days to repay a 10 million VND loan from the SPB. They then took a new 30 million VND loan from the SPB to settle the informal loan. The monthly salary of Mrs. T’s husband is only enough to cover all of their interest expense. Their income from agricultural production is unstable due to natural disasters. A flood at the end of 2010 threw away all their chickens and killed a cow. In the next five years, the only option for them to repay the principals on their formal loan principals is to take out informal loans. Mrs. T said: “*I am looking to my oldest son and hoping he will be able to help us repay the loans once he graduates from university. But who knows, it is not easy to find a job. I would still likely have to depend on informal loans to repay formal loans in the next five years.*”

*Credit and agricultural extension have not yet been linked together*

At the monitoring points, the linkage between credit and agricultural extension for the poor is not very strong. Credit and savings groups still work independently of agricultural extension groups and clubs. Experience from donor-funded projects and community learning centers suggests that concessional credit becomes more effective when it is closely linked with training, demonstration, and communication, in synergy with other support measures.

### **Borrowing from micro-finance funds**

*Microfinance is particularly helpful to poor women*

In locations where revolving funds funded by donor projects, mass organisations’ funds, or village funds exist, the poor can access small loans of up to one to two million VND at negotiable interest rates. The Women’s Union is often the most active mass organisation in mobilising resources for revolving funds. This source of microfinance is useful to women because it helps them pay small family expenses



when needed. Microfinance is typically associated with group activities and provides a forum for sharing information and production experiences as well as for providing mutual assistance. However, the different forms of microfinance available at the monitoring points remain piecemeal and of small scale. In many places revolving funds are not yet organised because of limited capacities and proactivity of grassroots mass organisations' cadres.

### **Borrowing from local shops**

*The poor are at a disadvantage when they "borrow before and pay later" for transactions with local shops*

Buying on credit in the form of "borrowing before and paying later" is very common at the monitoring points, particularly in advanced commodity-producing areas such as Duc Huong-HT, Cu Hue-DL, and in ethnic minority communities Xy-QT, Phuoc Dai-NT, and Phuoc Thanh-NT, where people are not food-crop-subsistent or production is highly seasonal. Various items can be borrowed from local shops, including rice, foodstuffs, essential utensils, agricultural supplies, as well as tuition money and gift money for weddings and funerals. Women are often in charge of the borrowing. As suggested in previous synthesis reports, poor households are at a disadvantage with respect to cost when they buy on credit. In certain places they have to accept an interest rate as high as three to four percent per month, with few choices and thus little to no bargaining. Borrowing in advance of crop harvests, they have to sell produce to the local shops right after harvest-when prices are often the lowest. In any case, local shops remain an "informal banking system" which the poor can rely on for their expenses. The poorest households do find it difficult to borrow from local shops, though, because of concerns about their limited ability to repay loans.

### **Material Capital**

Access to infrastructure facilities and ownership of household assets are two important dimensions to material capital in which the situation of the poor has improved significantly at the monitoring points over the 2007-2010 period.

#### **Access to infrastructure facilities**

*Access to infrastructure facilities has improved for the poor*

Investments in infrastructure have been an important impetus to socio-economic development and poverty reduction at the monitoring points. Most infrastructure facilities at the commune level have basically been developed and/or upgraded. At all the monitoring points, there is year-round road access and network electricity in commune centers. Schools and health clinics in the communes are being concretised and supplemented with support facilities. A good example of the multiple benefits of infrastructure can be found in Ban Lien-LC. In 2010, Ban Lien-LC was the last of all the monitoring points to gain access to network electricity (to replace mini-generators that often broke down in the dry season). Taking advantage of the improved electricity, people purchased more home appliances (e.g. TVs) and electrical production tools like tea spinners, tea dryers, and electric pumps, to replace manual labour. Programme 135 also provided a number of electrical animal feed processors which helped to reduce the labour burden on women. Since the arrival of electricity, teaching, village meetings, and the activities of mass organisations have been made easier.



<i>Poor people have started to use telephones</i>	The most impressive improvement over the last four years is the sharp increase in the use of telephones by both poor and non-poor households at all the monitoring points (Table 2.11). Portable landline telephones and mobile telephones have become popular, offering multiple advantages in sharing information, organising community activities, trading, finding wage jobs, and working away from home.
<i>There has not been much improvement in the use of tap water and toilets over the last four years</i>	The percentage of households using tap water and composting/semi-composting latrines has not improved over the past four years. There have been substantial investments in centralised tap water facilities, but the quality of these facilities is low because of the adverse impact of mountainous topography, droughts, storms, floods, and poor maintenance and management practices. Certain locations have encountered difficulties in digging earth wells or installing well pumps, such as in Chan Nuoi 2 village, Thanh Xuong-DB, where villagers have had to rely on the unsanitary practice of filtering canal water through a simple sand layer for daily household use.
<i>Community-based management of water supply systems will be more effective if residents are engaged as early as the design and construction phase</i>	<p>Various self-governed water-supply-system models have been introduced in many villages, achieving different levels of efficiency. In a number of places users duly pay water use fees to the water management group (such as in Khu Chu Tung 1 village of Ban Lien-LC), while elsewhere management and maintenance of water systems are rather lax or depend entirely on the personal commitment of certain individuals (e.g. in Xy Commune-QT). A lesson learned from the monitoring points is that the work of village-level management groups can be more effective when villagers are engaged as early as the design and construction phases of internal village water systems. For inter-village systems, it is necessary to have a dedicated, professional management board at the commune or district level.</p> <p>The percentage of poor households using composting/semi-composting latrines remains low at most of the monitoring points in mountainous ethnic minority areas. The government has introduced a policy to provide a one million VND grant per household and concessional loans for construction of latrines, but there have been cases in which, once the contractor finished basic construction, households did not complete the roofing, causing the investment to go to waste (e.g. in Phuoc Thanh-NT). A lesson learned here is that villagers should be empowered so that they can register to build the latrines themselves. Support funds should only be disbursed once construction has been completed and the latrine put in use. In addition there must be communication and education in order to improve sanitation practices among villagers.</p>
<i>Poor people's access to quality infrastructure remains very limited</i>	The poor are disadvantaged not only in simple access to infrastructure facilities but also in terms of the <i>quality</i> of facilities to which they have access. They can, for example, be considered as “having network electricity” even if the actual quality of electricity is poor (not to mention sporadic - there have been frequent cuts since mid-2010 because of a national supply shortage), and there tends to be limited use of electricity, in part because poor people want to minimise expenses and because they do not have many electrical appliances in the home (typically only one bulb and one small fan). The poor can be designated as “having tap water” even if water quality is poor or there is no water at all during the dry season. Poor people can also be considered as “having a telephone connection” despite rarely using it in



order to save on costs. Many ethnic minority women do not even know how to use telephones. This situation suggests that the government statistics should better measure the quality of access to infrastructure facilities for better planning and targeting in rural areas.

*The proportion of poor households with cattle, TVs and motorbikes has sharply increased for the last four years*

### **Possession of family assets**

Improvement in asset possession is the most visible change to the material capital of the poor. Over the last four years, the proportion of poor households with cattle, TVs, and motorbikes has sharply increased at most of the monitoring points, although it remains much lower than that of the non-poor (Table 2.12). The gap between the poor and the better-off is increasingly evident in terms of the value and quality of household assets. In general, TVs and motorbikes owned by poor households are second-hand and much cheaper than those owned by better-off households.

*The average number of cattle per household has increased in mountainous area*

The average number of cattle animals per household has increased over the last four years at most of the monitoring points. However, in certain lowland areas such as Duc Huong-HT, Cu Hue-DL, and Thuan Hoa-TV, there is increasing use of machinery, which has led to a significant decline in the average number of cattle per household.

*The policy to support the elimination of temporary housing has helped poor households improve their housing conditions*

The quality of poor households' housing conditions has noticeably improved at all the monitoring points in ethnic minority areas, thanks to the Temporary Housing Elimination Programme under Decision 167. The approach of empowering the poor by letting them build their own houses with support from the community and supervision by village/commune cadres has been welcomed. One deficiency of Decision 167 identified by grassroots cadres, however, is that the poorest people who had received housing support under Decision 134 (at a level much lower than that of Decision 167) and whose houses have deteriorated over the years are not the intended recipients of support under Decision 167.



TABLE 2.11. Percentage of households using electricity, tap water, latrines, and telephones (%)

Commune	Electricity				Tap water				Composting/semi-composting latrine				Telephone connection			
	Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs	
	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010
Thuan Hoa	80	81	87	75	80	25	41	57	0	6	0	9	10	75	5	89
Ban Lien	31	94	80	100	51	42	40	63	0	0	4	7	0	36	0	41
Thanh Xuong	-	-	100	100	-	-	0	0	-	-	36	34	-	-	55	98
Luong Minh	51	65	76	91	92	84	100	73	0	0	0	0	0	21	0	46
Duc Huong	100	100	100	100	0	0	0	3	38	33	52	62	6	71	23	95
Xy	89	96	96	97	80	78	68	76	0	0	0	5	0	22	12	57
Cu Hue	-	-	98	100	-	-	0	0	-	-	26	28	-	-	53	77
Phuoc Dai	83	94	89	100	29	71	58	80	13	6	11	20	0	46	28	80
Phuoc Thanh	75	82	83	97	14	33	17	30	0	0	0	9	0	26	13	64
Thuan Hoa	91	93	100	97	18	67	12	33	6	7	36	39	3	44	46	79

SOURCE: Household interviews

TABLE 2.12. Ownership of household assets, 2007-2010

Commune	Percentage of HHs with cattle animals (%)				Average number of cattle animals per HH				Percentage of HHs with TVs (%)				TPercentage of HHs with motorbikes (%)			
	Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs	
	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010
Thuan Hoa	85	88	100	100	1.8	2.3	2.8	2.5	20	50	54	71	20	50	44	73
Ban Lien	94	94	80	96	2.8	3.1	6.2	6.1	14	42	44	93	14	58	44	82
Thanh Xuong	-	-	16	29	-	-	1.6	1.6	-	-	98	98	-	-	74	88
Luong Minh	41	60	67	82	2.7	2.5	3.4	4.8	13	33	52	73	5	18	24	91
Duc Huong	100	86	89	90	1.4	1.6	2.1	1.9	44	62	89	97	25	29	57	80
Xy	49	52	64	78	1.9	2.8	4.4	3.8	49	61	76	73	14	39	64	57
Cu Hue	-	-	23	29	-	-	3.1	1.9	-	-	100	94	-	-	85	85
Phuoc Dai	79	83	89	88	2.9	3.6	9.9	5.5	54	69	69	88	21	31	64	64
Phuoc Thanh	64	74	75	91	3.5	2.9	6.3	3.2	36	63	67	85	6	30	25	67
Thuan Hoa	24	19	42	33	2.9	1.2	4.5	2.8	62	85	92	97	27	26	69	76

SOURCE: Household interviews



## 2.2 Effectiveness of Livelihood Strategies

### Agricultural Livelihoods

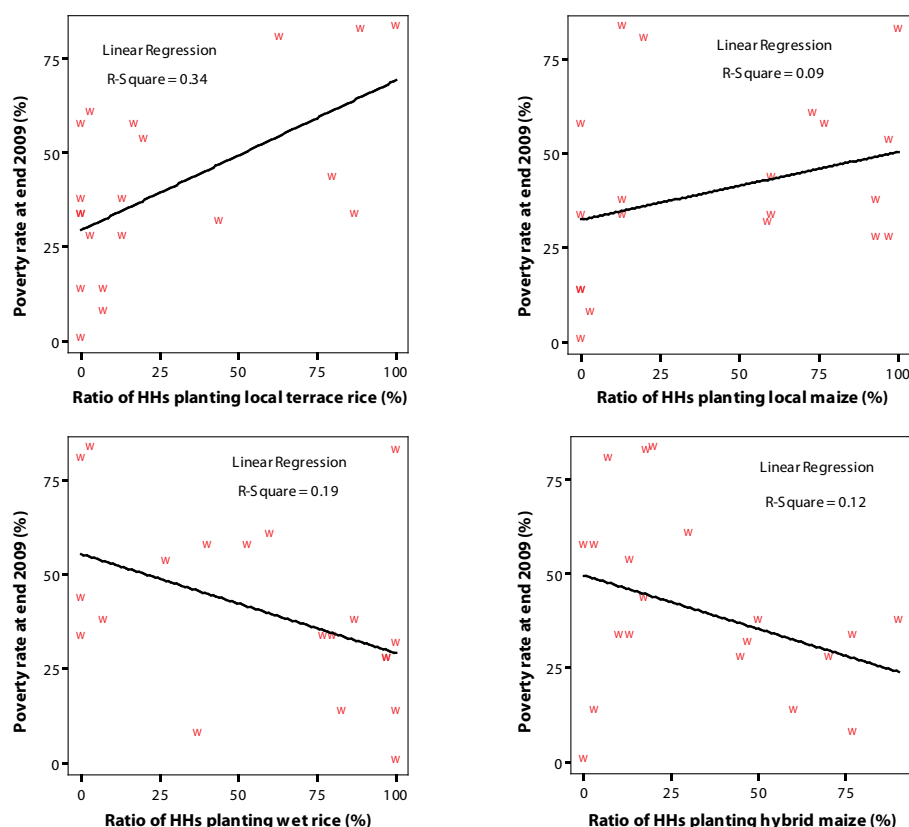
The gap in effectiveness of agricultural livelihood strategies between the poor and the better-off depends on many factors, including cultivating patterns, production scale, level of investment in intensive cultivation, application of improved techniques, and market access.

#### Cultivating patterns

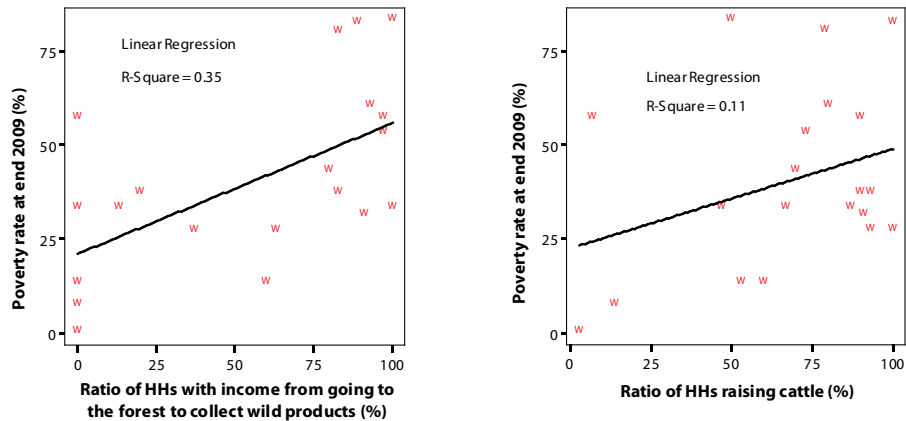
*Poor people in mountainous areas often cultivate sloping land with low yields and are adversely affected by unpredictable weather and diseases*

With respect to cultivating patterns, the poor are at a disadvantage relative to the better-off. Poor people in mountainous ethnic minority areas often rely on the cultivation of sloping land with low yields and which is also subject to unpredictable weather conditions and diseases. They also rely on natural forest livelihoods which are in decline. Better-off people often have more favourable conditions with respect to land, human resources, capital, access to market information, and ability to cope with risks in combining wetland rice with hybrid corn and short- and long-term industrial crops. Figure 2.2 indicates that villages with higher poverty incidence tend to have more households involved in growing local terrace rice and local corn and in collecting wild forest products (including wildlife, timber and other non timber forest products). Poverty incidence positively correlates with the percentage of households owning cattle animals, which means households in poorer locations are more likely to raise cattle. In lowland villages where there is low poverty incidence and where the Kinh majority group typically use mechanical tools, very few people raise cattle. (e.g. Chan Nuoi 2 village of, Thanh Xuong-DB; Dong Tam village of Cu Hue-DL).

**FIGURE 2.2. Correlation between poverty rate and ratio of households with income sources at 20 surveyed villages**







SOURCE: Household interviews

*The disparity in cultivating patterns depends on land quality and irrigation conditions*

The disparity in cultivating patterns is primarily determined by differences in topography, climate, and natural resources, particularly as those affect land quality and irrigation conditions. Of the monitored communes, those with the highest poverty incidence also lack level land and wetland for rice cultivation (e.g. Luong Minh-NA, Xy-QT, and Phuoc Thanh-NT). In those communes, poor ethnic minority peoples mainly rely on the cultivation of unstable, sloping land. They may be “full-stomached in one year and empty-stomached in another”, depending entirely on weather conditions. Upland farming is mainly manual and very labour-intensive, especially in tasks such as burning, cutting, tilling, sowing, weeding, and harvesting. In certain ethnic minority communities that have “descended” or “resettled”, there are still people who continue to work in upland fields that may take three to four hours to reach and return from.

*Indigenous knowledge helps ethnic minority peoples make use of land in ways that can diversify their incomes and reduce risks*

Practices such as “rotational cropping” and “inter-cropping” are fairly prevalent in mountainous areas. These help ethnic minority peoples utilise land to diversify their incomes and reduce risks. Rotational cropping and leaving land fallow remain the primary upland cultivating practices that aim to restore soil quality. However, because of an increasing demand for land, the time available for leaving land fallow is shortening. Much indigenous knowledge is being preserved, as exemplified, for instance, in the sowing of three to four different seeds (corn, bean, and vegetable) in a single hole in Mong upland fields in Thuan Hoa-HG (vegetables can be harvested first, then corn, and finally beans, as bean plants can rely on corn stems to grow). It should be noted, however, that poor ethnic minority peoples mainly aim to achieve food subsistence with these indigenous rotational cropping and inter-cropping practices, rather than a significant increase in income via the market economy.

*The better-off are able to develop commodity production of both short- and long-term crops*

While the poor have to struggle to earn their living, the better-off are able to develop commodity production of both short- and long-term industrial crops that can bring in greater income. Of the monitored villages, those with the lowest poverty incidence do often enjoy the conditions necessary to grow high-quality rice (Chan Nuoi 2 village, Thanh Xuong-DB; Soc Chua village, Thuan Hoa-TV), vegetables (Chan Nuoi 2 village, Thanh Xuong-DB), hybrid corn (Dong Tam village, Cu Hue-DL), peanuts (Huong Tho village, Duc Huong-HT), green beans (Ta Lu 1 village, Phuoc Dai-NT), tea (Doi 2 village, Ban Lien-LC), pepper, and/or coffee (Dong Tam village, Cu Hue-DL).



*Not much progress has been achieved in changing cultivating patterns in mountainous ethnic minority communes over the past four years*


Not much progress has been made over the last four years in the conversion of cultivating patterns. Changing crop structure remains a spontaneous response by poor ethnic minority peoples to weather conditions, diseases, and price fluctuations (Table 2.13). In several locations that have received investment in irrigation facilities and support in reclaiming land or that have cultivation contracts with enterprises, there has been a shift from upland rice to wetland rice production or an increase in commodity crops. For instance, in Phuoc Dai-NT, Raglai farmers have drastically reduced upland rice crops and increased wetland rice production to two to three crops per year since the completion of the Song Sat Irrigation Reservoir. In Xy commune (QT), the Van Kien group have also reduced upland rice crops and increased cassava crops for sale to a starch processing company. In Ban Lien-LC the Mong group have been shifting from upland rice to tea, for sale to a tea processing plant. In Cu Hue-DL, a number of households have increased cotton crops because they have a contract with an enterprise. The strategy of “growing short-term to invest long-term” has been adopted by the poor in the practice of upland rice and tea inter-cropping in Ban Lien-LC and cotton and coffee inter-cropping in Cu Hue-DL (short-term crops are removed three to four years after the planting of perennial trees).

*The profitability of raising livestock has diminished because of diseases and unfavourable price changes*

The business of raising cattle, pigs, and poultry has been affected over the past four years by disease outbreaks and unfavourable price fluctuations. Its profitability for the poor has declined at most of the monitoring points. Shrimp farming in Thuan Hoa-TV has also been reduced because of significant losses. One exception to this trend is fish farming, which has increased in Ban Lien-LC, though mainly among better-off households who are able to dig ponds and replenish water. Afforestation has been improved in certain places thanks to afforestation support for the poor (Programme 30a). But, as previously discussed, livestock-raising can conflict with afforestation because animals tend to destroy newly planted forests.



TABLE 2.13. Livelihood changes between 2007 and 2010



Commune	Upland rice	Wetland rice	Local corn	Hybrid corn	Cassava	Various beans & vegetables	Short-term industrial crops	Long-term industrial crops	Cattle	Pig	Poultry	Shrimp/fish farming	Forest tram-ping	Perennial crops	Handicrafts, processing	Local wage jobs	Working away from home	Trading, business agents, services
Thuan Hoa	±	+	±	+	+	±	+	±	±	-	-	±	±	+	+	-	?	±
Ban Lien	-	+	±	+	+	±	+	+++	+	+	±	+	±	+	±	+	?	+
Thanh Xuong	?	+	?	±	±	±	?	?	+	---	+	±	±	±	?	±	?	±
Luong Minh	±	+	-	+	±	-	?	?	-	-	-	?	+	+	?	±	+	?
Duc Huong	?	±	?	+	±	±	±	+	+	-	±	?	±	±	?	±	+++	±
Xy	-	?	±	?	+	±	?	±	-	±	-	?	±	+	?	-	?	?
Cu Hue	?	+	?	+	-	+	+	+	+	-	---	±	?	?	?	-	±	±
Phuoc Dai	---	+++	-	+	---	±	+	±	±	-	-	?	±	?	?	-	+	+
Phuoc Thanh	-	±	±	-	±	±	?	±	+	-	-	?	±	?	?	-	+	±
Thuan Hoa	?	+	?	+	?	±	+	?	+	-	-	---	?	?	?	-	+	±

SOURCE: Household and village/commune cadre interviews

- +++

sharp increase
- +

small increase
- sharp decline
- small decline
- ±

remained the same (some increased, some declined)
- ?

Not available (or very few/little, only several households involved)
- Main source of income



### Scale of production

*Better-off households often have an advantage over poor households in the scale of production*

In locations where cultivating patterns are similar between the poor and the better-off, it is the scale of production that determines efficiency and level of income. For instance, in Xy commune (QT), both poor and better-off households grow upland rice for domestic consumption and cassava for sale to starch processing plants. In Thuan Hoa-HG, all households grow rice and corn for domestic consumption and cassava for sale to local shops and traders. The scale of production depends on the acreage of land, availability of labour, and financial capital—all factors which favour better-off households.

*Large-scale production allows for mechanisation to develop with greater efficiency*

In level land areas such as Thanh Xuong-DB, Cu Hue-DL, and Thuan Hoa-TV, better-off households with large land plots can benefit from the mechanisation of commodity production in terms of meeting seasonal requirements, saving on costs, and achieving higher productivity. A trend of land accumulation is noticeable in certain places where better-off households are purchasing small land plots from poor households nearby, in order to increase their scale of production and make it easier to realise gains from mechanisation. For example, in Thuan Hoa-TV in 2010, better-off households with much land sharply increased their use of rice harvesters and were able to save 50 percent on harvesting costs, reduce waste, improve the quality of paddy grains, and prepare soil more easily. The cadre group in Soc Chua village estimated that some 70 percent of rice farmer households in the village were using the machines. The remaining 30 percent were principally poor households with small land plots in isolated or very lowland locations. As the tendency of better-off households to increase the use of combine rice harvesters continues, their advantage in land acreage will improve. Moreover, the increased use of machinery will make it difficult for the poor to get hired as manual labourers.

### Investment in intensive farming and application of improved techniques

*Better-off households invest more in intensive farming and the application of improved techniques*

At the monitoring points, the better-off appear to have an advantage over the poor in terms of investment in intensive farming and the application of improved techniques, given that they have more capital, better protection against risks, and better access to markets and agricultural extension services.

*As selling prices for commodities rise faster than prices of agricultural supplies, investment in intensive farming generates higher returns*

The disparity in productivity between the two groups is most evident in commodities that require greater investment in intensive farming, such as peanuts in Duc Huong-HT, sugarcane in Phuoc Dai-NT, and hybrid corn and coffee in Cu Hue-DL. In Cu Hue-DL, the level of investment by poor households (mainly in the E De village) in fertilisers for hybrid corn and coffee crops is only half that of the better-off households (mainly in the Kinh village). The latter can also regularly change corn seeds in order to grow more expensive but higher-yield varieties. Because they invest less in fertilisers and use lower-quality seeds, the poor often achieve only up to three quarters of the better-off group's corn productivity and up to half of the better-off group's coffee productivity. In Phuoc Dai and Phuoc Thanh (NT), there is a similar situation: most of the poor households who grow rice and corn use less fertiliser and pesticide, so their productivity is only half that of the better-off households. In 2010, as prices of key agricultural produce increased sharply while prices of fertilisers and other agricultural supplies increased relatively less, better-off households were willing to invest more in intensive farming (at a larger scale) and were able to achieve higher productivity than poor households.



*Impacts of agricultural extension training on the poor is still limited, and training classes are still overlapped*

Many agricultural extension training opportunities have been set up at the monitoring points. Training methodology has improved compared to four years ago, with less lecturing, more practice, and more visual aids (images and video). More training has been delivered at the village level (previously it was mainly delivered at the commune level, with only a few representatives from each village), allowing the poor more opportunities to participate. In certain places, however, the number of training sessions is excessive, and the poor are unable to apply what they have learned. In September 2010, Bac Ai district had to issue an official letter to limit agricultural extension training included in Programme 30a that overlapped with other programmes and did not have much of an impact on the poor.

*A network of village agricultural extension workers has been created, but the workers are not yet able to provide direct guidance and counselling to the poor*

A network of village agricultural extension workers has been established in communes covered by Programme 30a (Ban Lien-LC, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT) and provided with reasonable remuneration (650,000 VND per month in Phuoc Dai and Phuoc Thanh-NT). The extension workers, however, are typically young, lack experience with agricultural production, and have not been deeply trained in individual crop/animal-raising techniques and extension methodology. What they mainly do at the moment is organise trainings, conduct field visits to identify pests and diseases, and report data to the commune level. They are not yet able to provide guidance and counselling directly to the poor in order to help them improve agricultural efficiency.

Conducting demonstrations is an important extension activity and provides an opportunity for farmers to practice desired methods. There have been a number of successful demonstrations at the monitoring points over the last four years the practices of which are now followed mainly by the better-off households (e.g. the production of a high quality rice variety (ST5) in Thuan Hoa-TV and a new cassava variety (KM 98-7) in Xy-QT; the use of micro-biological fertilisers in Cu Hue-DL; and the production of hybrid corn and the Mong Cai pig breed in Thuan Hoa-HG). "Agricultural extension for the poor", though, remains a difficult challenge for the extension system. A number of models directly targeting the poor have been implemented at the monitoring points, but the desired practices are mostly not replicated by the poor themselves (e.g. the models of raising white pigs in Xy-QT, growing rattan plants in Duc Huong-HT, raising chickens and growing wetland rice in Phuoc Thanh-NT, and fattening bulls in Thuan Hoa-TV).

*"Software" support is more important than "hardware" support in extension models targeting the poor*

One takeaway from comparing the successful with the unsuccessful models is that extension work targeting the poor should not simply involve the introduction of a technical model or a seed/breed variety along with standard procedures for investment and tending. Rather it should be a process of supporting the poor using complementary measures and by engaging multiple players (e.g. the extension service, local government, mass organisations, and local communities). "Software" support (supervision, communication, advocacy, "hand-holding") is very important but requires much greater, longer-term efforts than one-off "hardware" support (seedlings, animals, other supplies) in extension services for the poor (Box 2.7).



### BOX 2.7. The 'cows for the poor' model: what works and what does not

**1. Thuan Hoa commune (Cau Ngang, Tra Vinh)** was awarded an extension project in 2010 for "cow fattening", targeting 27 poor households. Each household was supported with a 50-percent subsidy of the cost of a cow (up to 2,250,000 VND) and 750,000 VND-worth of compound feed and vaccines. Households selected the cows themselves, received training in the commune, and committed to raising the cows for at least three months before selling them.

The original goal of the project was to help the poor households purchase bulls for the purpose of fattening them. The households requested that the project purchase cows as well, though, because "*cows will produce calves which can be sold to get more profit*", and this request was granted by the project administration. All of the households interested in cow-raising were poor, landless Khmer households relying on casual jobs to earn their living. When the supply of compound feed provided by the project was exhausted, very few households managed to procure enough grass to feed the cows. As a result the cows did not grow well, and some fell sick. Most of the households therefore ended up selling them, not keeping them for the reproductive purpose they had intended (though they all made a profit even when they sold the cows at a "break-even" price, given that the project provided a 50-percent subsidy at the beginning). Eight months into the project (from July 2010 to March 2011), 20 out of the 27 households have sold their cows and not purchased any replacements.

**2. Tuong Duong district (Nghe An)** implemented a 'cows for the poor' project with a total of 519 cows purchased using Programme 135 funds. The project was implemented as part of a livelihood support project funded by Oxfam Hong Kong (OHK) that was based on the principle that the district government would provide "hardware support", including cows and a variety of grasses (as part of Programme 135), with OHK providing "software support", in the form of staff at the Veterinary Station; a district working group in charge of controlling the quality of cows before their distribution to households (working on aspects like disease control, vaccination, health status, and breed quality); cow-raising training relating to sickness care and grass-growing; and assistance to commune agricultural extension workers and village cadres in communicating how to build cow barns and monitor the quality of the cow herd regularly throughout the year.

A review of the first eight months of the project (June 2010 to February 2011) indicates that livestock-raising practices among poor households have noticeably improved. Most of the households have built cow barns and no longer give the animals free range. Disease has been curtailed significantly: out of 519 cows there have been only 11 deaths, a mortality rate much lower than previously. According to the head of Tuong Duong Veterinary Station, "*the death rate has been considerably reduced, by as much as 90 percent*".

*Agricultural extension services need to study and incorporate the indigenous knowledge of the ethnic minority groups*

"Standard procedures" in agricultural extension which are often applied successfully in lowland areas where the Kinh majority group live may not be appropriate elsewhere if they are not adapted to unique circumstances, traditional practices, and indigenous knowledge. Poor ethnic minority peoples often perceive and apply extension messages in their own ways, so as to minimise the cost of supplies and labour. A common practice among poor ethnic minority farmers is to grow hybrid corn without using the fertilisers recommended by extension workers, instead relying on the fertility of newly reclaimed land. They then shift to local corn after one or two crops when the soil becomes less fertile. After another one or two crops they leave the land fallow and start to reclaim new land. Ethnic minority farmers are not short of innovative ideas built on indigenous knowledge. The weakness of the agricultural extension system lies in the fact that it lacks research on and assimilation of the indigenous knowledge necessary for the appropriate adjustment of extension messages (Box 2.8).



### BOX 2.8. Innovative practices among ethnic minority farmers in a hybrid-corn- growing demonstration project

**1. Da Ba Cai village, Phuoc Thanh commune (Bac Ai):** In 2010 there were a number of Raglai households involved in a hybrid corn demonstration project supported by the Department of Science and Technology of Ninh Thuan province. Mr. K.C., the head of a participating better-off household, was able to draw on personal experience to save on labour costs.

According to the instructions of extension workers, a hybrid corn crop requires one round of weeding and two rounds of fertiliser application, in that order. Once fertiliser is applied, it needs to be topped with soil. For this procedure the total cost of labour would be some 750,000 VND per hectare.

In light of his own experiences growing corn, Mr. K.C. decided to apply fertiliser before weeding and to top his fertiliser with weeds. Fertiliser would permeate through the soil with dew drops. By doing this he was able to reduce his total labour cost to 350,000 VND, when it would otherwise have been double.

---“The demonstration is very costly. It is only good for the delta areas down there where there is adequate water and supplies are cheap. Over here there is not much water and supplies are expensive so we are only observing the demonstration project. At the end of the day we still have to depend on weather conditions for tending the corn crops and applying fertiliser.” (K.C, Da Ba Cai village, Phuoc Thanh commune.)

**2. Mich B village, Thuan Hoa commune (Vi Xuyen, Ha Giang):** Since 2004, many hybrid corn models have been implemented. In extension trainings, farmers are instructed to sow corn seeds in 30 cm x 30 cm squares, one seed in each hole. Tay households followed the instruction but not with much success; the survival rate of seedlings was rather low. They had to resow but only achieved an 80-percent rate of plants bearing corn cobs. The plants at maturity were tall and weak, bearing small cobs with not many kernels.

At the end of 2009, when the (hybrid corn) Bioseed 9698 model was introduced as part of Programme 135, farmers started to change their corn growing practices to (1) sowing corn seeds 50 cm x 50–70 cm apart, the reason for such spacing being that the village is located in a valley with abbreviated sunlight hours, so the corn plants need to be spaced apart to get enough sunlight; and (2) sowing two seeds in each hole, equivalent to the extended spacing of plants due to the dry nature of local soil. Having two seeds in one hole helps to ensure a better survival rate, avoid the need for resowing, and prevent corn plants from bearing no cobs or tiny cobs.

According to the core group in Mich B village, thanks to the innovative “two seeds in one hole” and plant-spacing practices, the hybrid corn demonstration project in 2009 achieved higher productivity than previous demonstration projects, with 99 percent of corn plants bearing cobs. The plants had low but strong stems and big cobs with full grown kernels.

--- “The techniques learned from the trainings are only applicable to some extent, because the conditions here are different. If we follow the extension instructions strictly we will not get enough to eat.” (Core group in Mich B village.)

The level of access to markets negatively correlates with poverty incidence at the monitoring points

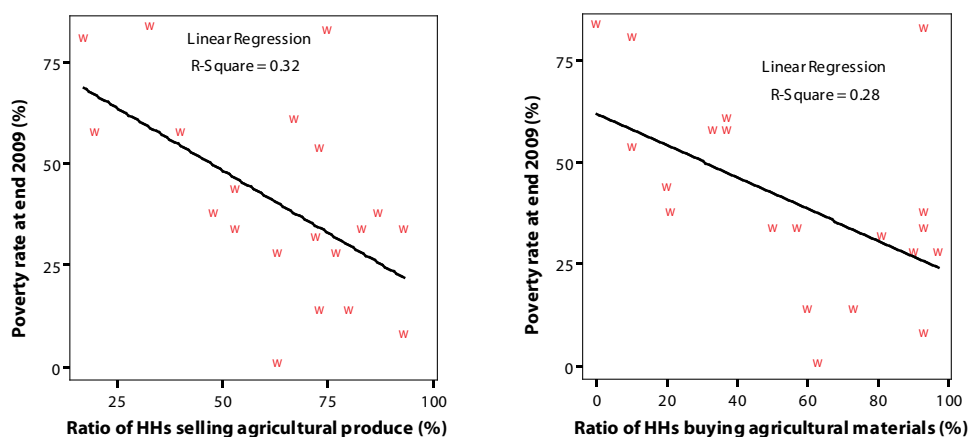
### Access to markets

The capacity to access markets is one determinant of the success of livelihoods and is influential in the selection of livelihood strategies. There is a general trend towards commodity production, in which the better-off households at the monitoring points have an advantage. Poor households in remote ethnic minority areas often have less access to markets than better-off households, as they still rely substantially on traditional upland farming for domestic consumption and do not use commercial supplies. Figure 2.3 indicates that in villages with a higher proportion of households producing commodities (not including minor produce or items collected from the forest) and



purchasing agricultural supplies (e.g. seeds, fertilisers, and pesticides), poverty incidence tends to be lower. In Luong Minh-NA, the proportion of people with access to markets is the lowest, and the poverty incidence the highest, of all the monitoring points.

**FIGURE 2.3. Correlation between poverty rate and ratio of households involving in agricultural trade at 20 surveyed villages**



SOURCE: Household interviews

*Kinh households engaged in business and service activities are often better-off than the ethnic minority households living in the same commune*

In mountainous ethnic minority villages, there are a number of Kinh people who come from lowland areas to temporarily or permanently work as businessmen or service providers, and they often form the better-off group. Very few local ethnic minority people are involved in business and service activities, as they tend not to have capital or a network of business partners, and/or do not want to do business in a “borrow before and pay later” manner with their fellow villagers. Other Kinh people who do not run shops often know how to “buy at the lowest price and sell at the highest price” (and can participate in market channels with fewer intermediaries) and thus enjoy an advantage over poor ethnic minority people who are often involved in small local trading activities (and participate in market channels with more intermediaries). This partly explains why the Kinh group tend to be better-off than the ethnic minority group in the same commune (as indicated by VHLSS data).

*Weekly upland markets contribute to the overall market access of the poor. The government has replaced its “price/fee subsidy” policy with a direct support policy for poor households in difficult areas*

In mountainous areas where there are local weekly markets (e.g. Ban Lien-LC, Thuan Hoa-HG), ethnic minority people often attend to buy and sell goods and maintain their social network. These markets are part of the culture of upland communities and do contribute to the overall market access of the poor. Traders at the markets do tend to be Kinh, however.

Since 2010, the government has replaced its “price/fee subsidy” policy (Decree 02/CP and Decree 20/CP) with a direct support policy for poor households in difficult areas that provide 80,000 VND per person per year in Category II communes and 100,000 VND per person per year in Category III communes (Decision 102). The support can be either in cash or in kind. Most of the communes at the monitoring points apply for in-kind support. For example, once each of the poor households registers its needs in terms of the quantity and variety of seeds and fertilisers (up to the total support value for the household, which is determined according to household size), the commune government procures the supplies and delivers them to the households. In general this new direct support policy is highly appreciated by the



poor, given that they did not benefit much from the former price/fee subsidy policy (due to a lack of cash, they often had to “borrow before and pay later”, relying on local shops or on traditional cultivating practices that do not use hybrid seeds and fertilisers). As the new direct support subsidy policy has only been implemented since mid-2010 at most of the monitoring points, the current round of poverty monitoring has not been able to gather feedback on it from grassroots cadres and villagers (households have just registered needs and not yet received supplies). Commune and district staff, however, reported that disbursement of provincial budget allocations for the implementation of Decision 102 has been very slow. As a result district governments have had to prioritise difficult communes (Eakar-DL) or decide to provide people with fertiliser themselves. But because of high fertiliser prices, the actual allocation to individual households has been inadequate-only a few dozen kilograms each (Phuoc Dai-NT).

### Contracted Farming

In the context of increased commodity production and volatile markets, various forms of contracted farming can help stakeholders in the value chains create long-term, mutually beneficial relationships (i.e. among farmers and various groups, cooperatives, and enterprises) given appropriate design and implementation. Table 2.14 presents five different forms of contracted farming observed at the monitoring points. They are relatively diverse in terms of type of product, form of linkage, type of support provided by the enterprise, and method of purchasing and price negotiation.

*Increased commodity prices encourage contracted farming*

The contracted-farming arrangements observed at the monitoring points were progressing rather well in 2010, due mostly to an increase in the average selling prices of agri-products compared with 2009. For instance, the price of fresh tea in Ban Lien-LC increased by some 60 percent, the price of fresh cassava in Xy-QT increased by 70 percent, and the price of rice seeds in Thanh Xuong-DB increased by 15 percent.

*Processing enterprises and local governments have adopted various measures to support farmers in contracted-farming arrangements*

Emerging from the global financial crisis, enterprises invested throughout 2010 in exploring new markets and cooperating with government programmes to support farmers. For the first time ever, the tea-processing plant in Ban Lien-LC was able to successfully export organic tea to Europe through fair-trade channels at a high price. It was then able to offer higher buying prices for fresh tea to growers. Elsewhere, the district of Bac Ha-LC allocated funds from Programme 30a to provide seedlings and micro-biological fertilisers to tea growers. The cassava starch plant in Huong Hoa-QT that purchases fresh cassava from farmers in Xy-QT has succeeded on numerous fronts: it introduced a new cassava variety (KM98-7) which a higher yield than the traditional variety (KM94), it produced micro-biological fertilisers for distribution to farmers participating in certain demonstration projects in order to improve farming practices, and it continued rice exchange initiatives with cassava growers. Another such instance of success is in Huong Hoa district, which has allocated funds from Programme 135 to increase the plant's support for the purchase of new cassava roots for farmers affected by droughts. In Phuoc Dai-NT, the Agricultural Science and Technology Project funded by ADB has worked with a sugarcane plant to develop a 5-hectare demonstration site for local farmers.



*There are always various challenges to the contracted farming*

There are always challenges to the various forms of contracted farming. A typical example is the contractual arrangements for organic tea farming in Ban Lien-LC. Since early 2010 when the commune began to have electricity access, tea farmers have been increasingly buying electrical tea driers. This has had a negative impact on the purchase of fresh tea by a local tea-processing enterprise. Although Programme 30a has provided micro-biological fertilisers to new tea growers, because there is no more available land suitable for tea production, farmers have had to add more plants into their existing tea garden. The concern is that the inorganic content of these micro-biological fertilisers may affect the validity of the organic tea and compromise the efforts the enterprise has made over the last four years in exporting organic tea through fair-trade channels (Box 2.9).

### **BOX 2.9. Organic tea growing in Ban Lien: Opportunities and challenges**

Shan tea is considered a major income source that has helped to reduce poverty in Ban Lien (Bac Ha, Lao Cai). The total tea-growing land of the commune as of 2010 was 292 hectares, of which 285 hectares had been harvested. In 2010, four years after the establishment of an area devoted to organic tea production and the development of tea-growing groups and cooperatives, the tea-processing enterprise was able to export nearly 3 tons of organic tea to Europe through fair-trade channels. The price received from this export tea was much higher than that of regular tea and, additionally, fair-trade buyers also provided a bonus of 1 USD/kg for contribution to the cooperative's welfare fund. Thanks to this success in the export market, the enterprise decided to offer a 60-percent increase in the buying price of fresh tea to the farmers (up from 3000-3500 VND per kilogram in 2009 to 5,000 VND per kilogram in 2010) and a bonus to tea sellers and group/cooperative cadres. The enterprise was therefore able to purchase 60 percent of the total fresh tea output in 2010, compared to only 40 percent in 2009.

However, there remain many challenges to the development of organic tea production in Ban Lien:

- ❖ Since the commune began to have access to electricity in early 2010, more than 40 households have bought electrical tea-driers in order to independently produce tea for sale in the local market. This has created strong competition for the enterprise (particularly in the final months of the year when the output of fresh tea was low and farmers was trying to produce dried tea for sale before the Tet holiday).
- ❖ Tea fields now need a new cycle of enriching. It is likely that tea growers will have to apply inorganic fertilisers and pesticides, which will jeopardise the organic certification of the tea crop.
- ❖ Programme 30a has provided seedlings and micro-biological fertilisers to replant 15 hectares of tea. However, because new tea land is almost no longer available, tea growers have opted to add new seedlings to their existing tea fields. Song Gianh micro-biological fertiliser provided by Programme 30a has inorganic content ( $P_2O_5 \geq 1,5\%$ ,  $S \geq 0,2$  percent as printed on package). The enterprise has warned the local government and the tea growers of the risk of using micro-biological fertilisers with inorganic content, which will jeopardise the efforts of the past four years in building a market for organic tea grown in Ban Lien.



**TABLE 2.14. Main characteristics of contracted farming practices**

	<b>Shan Tuyet tea in Ban Lien-LC</b>	<b>Cassava in Xy-QT</b>	<b>Sugarcane in Phuoc Dai-NT</b>	<b>Cotton in Cu Hue-DL</b>	<b>Rice seeds in Thanh Xuong-DB</b>
<b>Key ethnic groups</b>	Tay, H'mong	Van Kieu	Raglai	Kinh	Kinh
<b>Product features</b>	Organic tea processed for export -- strict requirement of not using any toxic chemicals	Processed into starch for export as raw material Currently extensively cultivated--requires application of fertilisers	For sugar production to serve domestic consumption. Requires highly intensive farming	Cotton products for domestic consumption Requires highly intensive farming Harvesting is labour-intensive	Certified varieties of IR 64 and Bac Thom # 7 meeting local needs Requires highly intensive farming
<b>Form of cooperation</b>	Multi-party (enterprise, farmer groups, cooperatives, HHs)	Concentrated (enterprise directly contracting individual HHs)	Concentrated (enterprise directly contracting individual HHs)	Concentrated (enterprise directly contracting individual HHs)	Concentrated (DB breeding center directly contracting individual HHs)
<b>Roles of farmer groups, cooperatives</b>	Farmer groups and cooperatives provide technical guidance	None	Commune agriculture committee plays a supporting role	None	None
<b>Support provided by enterprise</b>	Training Support for cooperative and group activities Registration of organic tea, selling through fair trade channels	Training Providing models and new varieties and applying micro-biological fertilisers Forming farmer groups since 2009 Selling rice in exchange for cassava	Providing advance for purchase of seedlings, fertilisers, and tending-labour Providing technical support staff	Providing advance of capital for purchase of fertilisers and pesticides Providing technical support staff	Selling foundation seeds with payment deferred until time of harvest Providing technical support staff
<b>Purchase arrangements</b>	Purchased from processing plants Price notifications at specific points in time (no minimum pricing)	Registering harvest plans with the processing plant for transport from the field Price notifications at specific points in time (no minimum pricing)	Transport arranged by processing plant from field Price agreed at the beginning of the crop	Purchased from the villages Minimum price agreed at the beginning of the crop	Purchased from the HHs Minimum price agreed at the beginning of the crop (5 times higher than market price)
<b>Price fluctuations</b>	Sharp increases since mid-2010	Sharp increases in 2010	Stable	Slight increases in late 2010	Sharp increases in late 2010
<b>Participation by the poor</b>	Poor people participate actively	Poor people participate actively	Limited participation due to lack of capital and labour	Limited participation due to lack of capital and labour	Limited participation
<b>Advantages</b>	Isolated locations -- favourable for development of production of value-added organic tea, which can obtain higher prices. In 2010 selling through fair-trade channels with support of 1USD/kg of dried tea, integrated in a public fund of the cooperative	Main crop for income generation in areas where wetland rice cannot grow Effective labour exchange practices in cassava harvesting Construction of new road (about 3 km) to the former upland field funded by the ADB New cassava variety with higher productivity	Successful sugarcane crop uses newly reclaimed level land that is not suitable for wetland rice Increased number of HHs growing sugarcane; total acreage of land devoted to sugarcane production in 2010 was almost double that of 2009	More profitable than corn (provided there are favourable weather conditions)	Farmers have experience in intensive rice farming Bac Thom # 7 is a high-quality variety, and well-known in Dien Bien
<b>Difficulties</b>	Competition with individual tea-driers Risk of the tea production area being affected by electrical and road infrastructure Programme 30a provided micro-biological fertilisers with inorganic content which affects organic tea production.	Degraded soil leads to sharp declines in productivity Pests, diseases, droughts, and severe heat devastated newly planted cassava crops Processing plant was willing to contribute 50 percent of roots but HHs were not willing to provide matching funds	Difficult to expand after 2010 due to lack of available land Affected by droughts and severe heat Low productivity (25 tons/ha)	Prolonged rains affected fruiting process of cotton plants, resulting in lower productivity	A number of HHs did not follow the advised procedures Prices offered by seed providers did not keep pace with frequently fluctuating market prices of paddy rice, hence farmers ended up selling paddy rice rather than seeds



*Poor people find it difficult to engage in contracted farming*

Another challenge for contracted farming is that there are several hurdles preventing poor people from being able to engage in the practice. Poor people find it difficult to engage in the various forms of contracted farming which require either a large scale of production, a high level of intensification (e.g. sugarcane farming in Phuoc Dai-NT, rice farming in Thanh Xuong-DB), or large amounts of labour (cotton in Cu Hue-DL). It is easier for the poor to engage in the extensive upland farming of crops such as Shan tea in Ban Lien-LC and cassava in Xy-QT. In general, the sustainability of contracted farming needs to be carefully reviewed in order to avoid adverse impacts on the poor. For example, cassava farming in Xy-QT is a “poverty reduction” crop, but it still poses many food security risks to the poor, given the potential adverse impacts of degraded soil (i.e. of yield sharply declining after several crops), monoculture, and unpredictable weather conditions and diseases—all are factors that can affect the productivity and price of the crop.

## **Non-agricultural livelihoods**

### **Local casual jobs**

*Local casual jobs provide a very important source of income for the poor*

Local casual jobs (in agriculture, construction projects, local towns and others) are a very important source of income for poor people who lack productive land and skills. These jobs provide an opportunity for reasonable labour division within the family as well as increasing income between crops. Table 2.15 shows that the proportion of poor households with workers in local casual jobs is higher than that of non-poor households at most of the monitoring points. Wages doubled between 2007–2010, keeping pace with increased costs of living. The disadvantage of doing local casual jobs is that they are unstable by nature, as they are dependent on weather conditions, the seasons, and the availability of construction projects.

**TABLE 2.15. Proportion of households with income from casual jobs (%)**

Commune	Local casual jobs				Remittance from people working away from home			
	Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs	
	2007	2010	2007	2010	2007	2010	2007	2010
Thuan Hoa	55	44	28	16	5	19	0	7
Ban Lien	3	12	4	15	3	6	4	7
Thanh Xuong	-	-	55	63	-	-	10	4
Luong Minh	23	22	24	9	3	8	5	9
Duc Huong	13	5	7	5	25	43	30	51
Xy	37	30	32	16	0	0	8	5
Cu Hue	-	-	45	26	-	-	4	2
Phuoc Dai	58	49	39	12	4	11	3	8
Phuoc Thanh	39	15	25	15	6	4	0	12
Thuan Hoa	74	63	35	46	53	52	39	52

SOURCE: Household interviews



*Local casual jobs have slightly declined in number for the last four years for many reasons*

At most monitoring points the proportion of households with workers in local casual jobs has declined slightly over the past four years, in both the poor and non-poor groups. There are various reasons for this: major irrigation projects near monitoring points have been recently completed, creating less demand for labour and increasing the focus on wetland rice farming (Phuoc Dai-NT); there has been an increase in the use of mechanised agricultural practices by the poor (Thuan Hoa-TV); there have been sharp decreases in the demand for timber transport in Laos due to declining timber supplies and tighter control by Laotian border defense forces and forest rangers (Xy-QT); more people have found more permanent jobs away from home (Duc Huong-HT, Thuan Hoa-TV); and the development of support programmes that help to eliminate temporary housing, improve land quality, and reclaim land, thereby redirecting the focus towards domestic tasks (Thuan Hoa-HG, Phuoc Thanh-NT). The only exception is Ban Lien-LC, where the number of households doing local casual jobs has begun to increase as a result of the many construction projects which were started in 2009-2010.

*Local urban centers play an important role in attracting labour from rural areas*

The role of local urban centers in attracting labour from rural areas nearby is very important. Of the monitoring points, Thanh Xuong-DB and Thuan Hoa-TV have the highest proportion of people doing casual jobs available in local urban centres. In Thanh Xuong-DB, the Thai group only grow one crop per year, so they have plenty of idle time. Between crops many Thai men move to Dien Bien city to work as construction workers or porters while a number of women work as shop assistants. Due to the availability of local casual jobs, the number of people working far away from home in Thanh Xuong-DB is relatively small. In Thuan Hoa-TV, Khmer men and women (more men than women) also work as porters in the construction industry and perform other manual jobs in a nearby township. The porters often form “gangs” of 5 to 10 workers who are all relatives or fellow villagers, as a way to help ensure more stable employment. Given the lack of productive land and the large number of casual-wage workers, the formation of these “gangs” is seen as an effective form of community cooperation which helps to increase the social capital of the poor.

### **Working away from home**

*The number of people working away from home is increasing*

As mentioned in previous synthesis reports, for many people at the monitoring points, working away from home in major cities and provinces where there are multiple industrial parks and large-scale commodity-producing farms can be a fundamental lifestyle decision. This decision can come down to a choice between different crops or a more fundamental choice between agriculture and industry. However, these opportunities and choices require certain conditions such as a social network, education qualifications, access to information, adaptability to the industrial style of working, and resilience in the face of risks. In light of these conditions, in mountainous ethnic minority areas, the proportion of households receiving remittance from people working away from home has slightly increased over the past four years but remains very low (see Table 2.15). These constraints to labour mobility partly explain the persistence of a high poverty rate in mountainous ethnic minority areas.

Of all the monitoring points, the two communes with the largest number of people working away from home are Duc Huong-HT (a lowland Kinh commune) and Thuan



*The proportion of people working away from home is highest in lowland and delta Kinh communities*

Hoa-TV (a delta Khmer commune), though the nature of this migration differs between the communes. As Table 2.16 indicates, in Duc Huong-HT more men work away from home than women, while in Thuan Hoa-TV the percentages are more evenly distributed. The educational level of migrant workers coming from Duc Huong-HT is much higher than that of those coming from Thuan Hoa-TV. Many of the migrant workers from Duc Huong-HT work in the formal sector (i.e. are enterprise workers) while most migrant workers from Thuan Hoa-TV work in informal sectors. Khmer women from Thuan Hoa-TV work in the provincial city as housemaids and shop assistants. For both communes, most of these migrant workers are single and under age 26.

**TABLE 2.16. Characteristics of people working away from home in Ha Tinh and Tra Vinh, 2010 (%)**

	Duc Huong-HT	Thuan Hoa-TV
<b>Proportion of HHs with members working away from home</b>	48	60
<b>Ethnicity</b>		
Kinh	100	17
Khmer	0	83
<b>Gender</b>		
Male	70	54
Female	30	46
<b>Marital Status</b>		
Single	64	64
Married	34	35
Other (widowed, divorced, separated)	2	1
<b>Age</b>		
Under 18	2	15
18-25	44	45
26-35	34	27
Above 35	20	13
<b>Educational background</b>		
Never went to school or have not completed primary school (1st level)	0	41
Completed primary school (1st level)	2	41
Completed lower secondary school (2nd level)	30	14
Completed upper secondary school (3rd level)	58	2
Completed high school, college university and higher	10	2

SOURCE: Household interviews



*There is a clear relationship between natural disasters/ climate change and migrant labour*

In the case of Duc Huong-HT, there is a clear relationship between natural disasters/ climate change and labour mobility. Over the last four years Duc Huong-HT has repeatedly suffered from severe and unpredictable storms and floods (the worst one being the flood of 2010, which submerged the entire commune). Over this same period, the proportion of households that had members working away from home sharply increased in both the poor and non-poor groups (see Table 2.15). Unstable income from agriculture due to the impact of natural disasters has increased the outflow of people seeking employment away from home. As a consequence, remittances from migrant workers have become an important source of income for these households, particularly in the event of storms or floods. The relationship between natural disasters/climate change and migration in Duc Huong-HT has a distinct gender breakdown; those who work away from home are much more likely to be men. As a result, women assume many of the village responsibilities, from ploughing to looking after children and the elderly. With the men absent, the community's resiliency in the face of storms and floods is reduced.

### **Small trades and handicrafts**

*Small trades and handicrafts remain under-developed at the monitoring points*

Of the 20 monitored surveys, none has any advantages in traditional trades or handicrafts. A number of activities such as manual metal-forging, embroidery and basketry remain small-scale enterprises and only serve domestic purposes.

Certain vocation-promotion activities supported by foreign-funded projects or organisations are underway. They have not been very effective, however, and the number of participants has been small. For example, training workshops funded by OGB in Ban Lien-LC in basket-weaving and conical hat-making, and basketry workshops in Thuan Hoa-TV provided by the provincial Women's Union (in cooperation with a company that provides materials and purchases the final products), have only had a limited impact. The women who have participated in these initiatives are only able to work part-time and earn a modest income (20-30,000 VND per day).

## **2.3 Conclusions: Towards narrowing the gap between the rich and the poor**

*The rich-poor gap remains large due to disparities in the quality of livelihood capital and the effectiveness of livelihood strategies*

This fourth round of poverty monitoring in selected rural communities in 2010 continues to indicate that the livelihoods of the poor have gradually improved. Poor people increasingly have better access to benefits such as infrastructure, education, health care, credit, agro-forestry extension services, and programmes that support housing. However, the gaps that exist between ethnic groups, between regions, and between poor and the wealthier households within the same communities remain significant. Those who are better-off enjoy better quality of livelihood capital, which resulting in better opportunities to select their own livelihood strategies and thereby generate income more effectively than the poor.

Implementation of Programme 30a in some monitoring points has brought many benefits for the poor people and communities. However, some aspects should be improved, such as increasing the supports of "software" elements (i.e.



*Implementation of some support policies in Programme 30a should be improved*

communication, monitoring, supervision, hands-on guidance, etc.) in agricultural extension training and models, enhancing the capacities of the established village extension network, linking the vocational training classes with employment opportunities in the locality, intensifying the communication on labour export, adjusting the supports on land reclamation and soil improvement more suitable to local conditions...

*Institutional reform in poverty reduction is a central issue*

As discussed in the third-round synthesis report for 2009, and in accordance with the Government's orientation on sustainable poverty reduction for the 2011-2020 period <sup>18</sup>, this report attempts to clarify two interrelated issues regarding ***institutional reform in poverty reduction*** in rural areas in the near future:

*Need to enhance integrated and process-based support and reduce sectoral and one-off support*

First, a number of "direct support for poor households and poor people" policies need to be implemented in the form of comprehensive ***"integrated support projects"*** ("community development projects") in each commune and village. This will ensure coordinated resources and clear roles and responsibilities for all stakeholders, avoiding the thin and overlapped investment. For example, stand-alone credit support initiatives need to be integrated with more comprehensive livelihood support projects. Such initiatives could consist of the credit component along with a technical component (assistance in agro-forestry and industrial extension, training in business skills, etc.). Based on a thorough assessment of each location, these integrated projects could also include components related to developing community institutions, enhancing land and household economy planning, and improving market access capacities. Implementing "integrated support projects" would help shift from sectoral support to cross-sectoral support and from one-off support to process-based support. The integrated project approach would be associated with the capacity development process of commune and village cadres and the enhancement of community-based monitoring and supervision in order to sustain the effectiveness of support.

*The mechanism to decentralise package investment funds to commune and village levels should be closely linked to strengthened delivery of public services at the district level*

Second, it is necessary to implement a "decentralised management and targeted package support" mechanism that should be associated with ***"strengthened delivery of district-level public services in order to support commune and village level initiatives"***. Decentralised package investments should be complemented by sufficient funds for district-level public service agencies so that they can help the communes and villages in designing, implementing and monitoring the investments.

<sup>18</sup> Announcement # 114/TB-VPCP of the Government Office, dated 10 May 2010.

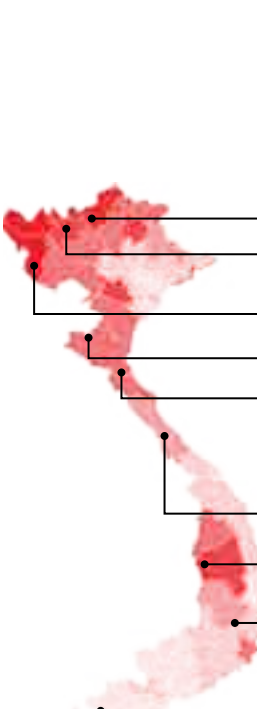


3. VULNERABILITY

The proportion of households who felt their lives worsened in 2010 has increased relative that in 2007

Hazards and shocks pose great challenges to sustainable poverty reduction efforts. Over the past four years (2007-2010), poor people at the monitoring points have been exposed to frequent risks. Table 3.1 shows that at most monitoring points the proportion of households who felt that their life worsened in 2010 was higher than the proportion who felt that way about 2007.

TABLE 3.1. Proportion of households who felt their lives worsened over the last 12 months (%)

	Commune	Worsening life (%)		Main reasons for worsening life in 2010 (each can site up to 3 reasons)								
		2007	2010	Lack of capital	Lack of labour	Lack of new seed varieties	Lack of technical know-how	Unfavourable prices	Poor irrigation system	Disasters, droughts, floods	Pests, diseases	Others
	Thuan Hoa	9	10	17	50	0	2	0	0	17	33	0
	Ban Lien	7	22	39	39	8	15	31	15	39	62	0
	ThanhXuong	8	12	43	43	0	14	14	0	0	57	0
	Luong Minh	33	43	52	52	20	20	16	0	72	48	4
	Duc Huong	28	39	4	4	4	0	4	0	87	35	0
	Xy	17	27	13	13	19	0	0	0	100	6	0
	Cu Hue	25	20	55	55	0	9	36	0	73	27	9
	Phuoc Dai	22	16	33	33	0	0	33	22	33	11	0
	Phuoc Thanh	32	10	100	100	0	0	0	20	0	40	0
	Thuan Hoa	10	19	18	18	9	9	9	0	9	18	0

SOURCE: Household interviews

3.1 Hazards and shocks that increase vulnerability

Natural disasters, pests, and diseases are the greatest risks

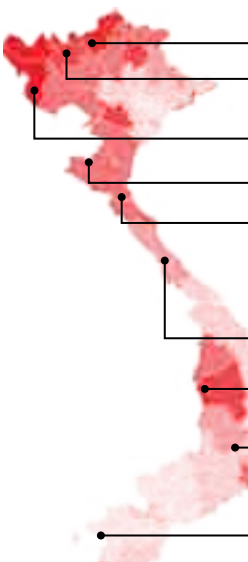
In 2010, natural disasters, pests, and diseases were the most important factors cited as worsening the lives of a significant number of people. Meanwhile, lack of capital, sickness, and lack of labour force remained the constant disadvantages that affected many households' level of resilience. In certain locations, risks associated with employment and the implementation of policies and programmes and other specific personal risks were also cited.

Natural disasters

Signs of climate change are becoming clearer at monitoring points

Signs of climate change are becoming more evident at the monitoring points, through the occurrence of increasingly extreme weather conditions that are difficult to predict. Table 3.2 indicates that unusually prolonged droughts and floods in 2010 had an adverse impact on production and livelihoods. Of the 10 monitored communes, two of the three that had the highest percentage of households who felt their lives had worsened in 2010 were Luong Minh-NA, Xy-QT, which suffered prolonged draughts, and Duc Huong-HT, which experienced severe flooding.



**TABLE 3.2. Signs of climate change at monitoring points, 2010**


Commune	Severe cold weather	Unusual-ly prolonged rainy spells	More severe flooding	More severe sunny spells	Unusual-ly prolonged draughts	More severe salination	Others (flashfloods, cyclones, landslides)
Thuan Hoa	-	-	-	X	X	-	
Ban Lien	-	-	-	-	X	-	Landslide
Thanh Xuong	-	-	-	X	-	-	-
Luong Minh	-	X	-	X	X	-	Cyclone
Duc Huong	-	X	X	X	X	-	Landslide
Xy	-	-	-	X	X	-	-
Cu Hue	-	X	-	-	-	-	-
Phuoc Dai	-	X	X	X	-	-	Flash flood
Phuoc Thanh	-	X	X	X	-	-	Flash flood
Thuan Hoa	-	-	-	-	X	-	-

SOURCE: Interviews with commune cadres at monitoring points, 2010

*Lasting sunny spells and droughts have had adverse impacts on production and lives of the poor*

**Lasting sunny spells and droughts** are on the rise at the monitoring points. In 2010, 7 out of the 10 communes experienced lasting sunny spells compared to only 2 in 2009.

A good example of the adverse impacts of prolonged periods of heat experienced in 2010 is Xy commune (QT). Near-uninterrupted sunny weather lasted from January to July. It was believed to be the longest sunny spell in the last 50 years. The average temperature was between 37 and 38 degrees Celsius and the peak temperature was as between 41 and 42 degrees Celsius.

The commune cadre group in Xy commune reported: “*The sunny spell was the most severe in the past 50 years, even more severe than in 1998. In the past it used to last from January to the end of May, and the first rain arrived in March. This year it was hot until June and July without any rain.*” The main source of income of the Van Kieu group in Xy commune is cassava crops. In 2010, a significant portion of the cassava crop was destroyed by the severe drought (70 to 80 hectares out of 200 hectares in the whole commune) and had to be replanted, which required extra labour. In light of this, it is estimated that the output of the 2010-2011 crop will be at least 30 percent lower than previously, without taking into account the impact of pests, diseases, and degraded soil. The weather had an impact beyond the cassava crop; severe heat also destroyed some 50 percent of upland rice crops and 70 to 80 percent of the “boi loi” grass crop, which resulted in a shortage of grass supply for the cattle.

*Lasting sunny spells and droughts have an impact on the food security for the poor*

Further complicating cassava farming, it was impossible to store cassava roots due to the lasting sunny spells. Many poor households were not able to purchase cassava roots elsewhere with which to replant their crop, and they ended up abandoning part of their cassava fields. Vegetables became scarce and unusually expensive, and many poor people could not afford to buy them. Poor households had to rely on



bamboo shoots and wild vegetables. Their nutrition suffered as a result (Box 3.1). Severe heat and drought also made water scarce. Women and children had to fetch water from as far away as the Sepon River and other distant streams.

*Severe drought destroyed upland rice lands of the poor*

Luong Minh-NA also experienced severe drought between February and July which destroyed 220 of the 315 hectares of upland rice lands. Many households had to abandon their land as they were not able to replant the crop. Similarly, in Duc Huong-HT, the drought between March and July negatively affected crop productivity and the water supply in certain upland villages. The yield of green beans declined by 200 kilograms per hectare. Many earth wells dried up, making it difficult for the villagers to access water.

*Severe storms and floods destroyed infrastructure facilities and household assets, impacting poor households and single women the worst*

**Severe storms and floods** devastated Duc Huong-HT in September and October 2010. Of the 913 houses in the commune, 798 were flooded, 545 of which were submerged in water between one and three metres deep. Eight houses collapsed. 398 toilets were severely damaged; 60 percent of mass media equipment and electricity metres were flooded; three satellite schools also flooded. The flood took away 14 buffaloes and cows, and 100 percent of the flooded households also lost their chickens and pigs. 18 hectares of farm land on the river banks were covered in sand 0.5 to 1.5 metres deep. One person drowned. Poor households were the worst hit. Notably, households that were not affected in previous years were less prepared in 2010 and, as a result, suffered heavier losses than others who were better prepared. In the wake of the flood, people in Duc Huong have received plenty of support from philanthropists from other parts of the country. However, after the flood many challenges remained, such as the rapidly increasing price of paddy straw for cattle feed. At certain points in time it was as high as the price of rice (Box 3.1).

### **BOX 3.1. The price of paddy straw matched the price of rice due to flooding in Duc Huong commune**

Duc Huong commune (Vu Quang, Ha Tinh) has 1,798 cattle, or an average of two to three animals per household. Local farmers only grow one (winter-spring) rice crop per year, which produces enough paddy straw to feed the cattle for four winter months (from October to February). In the flood season they often store the paddy straw under the roofs of the cattle barns. Unfortunately, the high waters associated with the flood in 2010 destroyed paddy straw stockpiles in some 80 percent of the households.

When the flood waters receded, farmers needed to purchase paddy straw to feed their animals. Given the increasing demand for paddy straw, people from Duc Tho district transported paddy straw to Duc Huong for sale at unusually high prices, *“even higher than the price of rice”*. As of December 2010, one cart of paddy straw cost 370–400,000 VND, or 5–6,000 VND per kilogram, and was only enough to feed a cow for seven to 10 days. A number of cows died of the cold weather and feed shortage (six animal deaths in Huong Tan village alone). Many households also had to take loans from local shops in order to purchase paddy rice for their cows and buffaloes.

---“It costs 50,000 VND per day or 1.5 million VND per month to feed two cows”

(Commune cadre group in Duc Huong)

---“The horse carts arrive with paddy straw as early as 3 to 4 AM. At the time of the flood it was 300,000 VND per cart, then it increased to 320,000 VND per cart, and it’s now 370,000 to 400,000 VND per cart. In the previous years, we were able to sell tamarind fruits to pay loans taken from the shops and the banks. This year we had to do that to buy paddy straw only...”

(Poor men group in Huong Tho village)



*Unusually prolonged rains resulted in a sharp decline in crop productivity*

**Unusually prolonged rains** have occurred frequently in the last two years. In 2010, in five out of the 10 monitored communes, prolonged rains adversely affected productive capacities and the livelihoods of the people. In Phuoc Dai-NT, the rainy season normally lasts from May to June. However, for the last two years rains have become unpredictable. There have been severe rains in late June and early July, which coincides with the soybean harvest, leading the beans to either rot or sprout. In Cu Hue-DL in 2010, rains lasted for more than a month, which resulted in a 30-percent reduction in the productivity of the only coffee crop and the second corn crop.

### **Pests and diseases**

*The outbreak of the blue-ear disease occurred on a large scale in certain places*

There were hardly any outbreaks of disease at any of the monitoring points in 2010. The only notable exception was in Cu Hue-DL, where there was an outbreak of the “blue-ear” disease in the whole district of Eakar in August 2010, which caused serious losses among pig farmers. The whole herd of pigs in the district had to be culled following the official announcement of the outbreak. By November 2010 1,700 pigs had been lost in Cu Hue (a reduction from 8,000 to 6,300 animals). The total loss caused by the disease outbreak was even greater in the district of Eakar as a whole. According to reports from the Agriculture and Rural Development Division of Eakar district, during the outbreak (between 7 July and 15 December 2010) the pig herd was reduced by more than 41,000 animals, while the number of pig farmers declined by some 1,700. The total damage was estimated at nearly 66 billion VND. The Government reacted with a timely support policy by providing a grant of 25,000 VND per kilogram of pork, which was considered reasonable by households who had to cull their pigs. However, this did not offset all losses. Prior to the announcement of the outbreak of disease, households with large herds of pigs had already spent significant amounts of money buying medications for their pigs. This also caused the pigs to lose weight during the course of treatment. Pig farmers who had purchased feed on credit from local shops now ended up holding many outstanding loans.

*There are many reasons for the outbreak of the blue-ear disease which need to be addressed in a systematic manner*

There are many reasons for the outbreak of the blue-ear disease in Eakar district. Principally, the regulation of live animals distributed across local borders is difficult, which makes prevention of the spread and eventual outbreak of disease difficult. Additionally, the regulation of slaughter practices is not adequately strict, and it is estimated that approximately only 30 percent of the animals slaughtered in the district are quarantined. Generally speaking, there is no planning related to pig farming and many pig farms operate within concentrated residential areas, causing sanitary and environmental problems for the surrounding areas. Another concern is that artificial feed, which is transported across provinces, poses a risk of disease transmission from one location to another. Even treatment of the disease can create further complications; while the blue-ear disease is known to be caused by a virus, local veterinaries often do not strictly follow disinfection procedures when examining and treating animals, and this can add to the problem. The farmers themselves are also responsible for contributing to the outbreak. Pig farmers are often not pre-cautious and do not always properly apply vaccinations to the animals. Later, when the animals fall sick, farmers often seek to treat the pigs independently and only notify responsible agencies when the pigs do not recover. Such practices make it difficult to identify the disease promptly. In some cases when the animals fall sick, the farmers may try to sell them quickly, furthering disease transmission. Another factor contributing to the outbreak of disease is that industrially raised pigs are more sensitive to diseases than indigenous pigs. Tellingly, the disease did not affect the five ethnic minority villages in



Eakar commune (out of a total of 18 villages), mainly because the sizes of the animal herds were smaller and because they did not use artificial feed.

Unusual weather conditions led to higher incidences of pests and disease

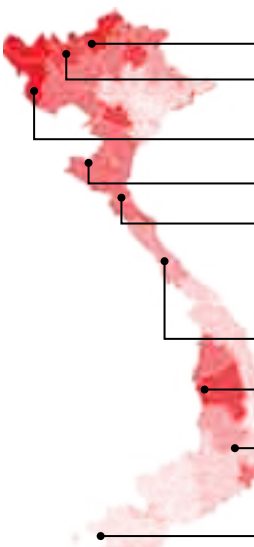
Unusual weather conditions in recent years have contributed to the increased prevalence of pests and diseases at most monitoring points. Before 2008, the spring crop in Thanh Xuong-DB used to yield more than six tons per hectare. In 2009 and 2010 it only produced five tons per hectare. One of the main reasons for this reduced yield is that it was warmer at the beginning of the crop than in previous years, and thus more favourable for pests and the development of disease, which led to a decline in productivity. Prolonged droughts and rains also made it more difficult to control diseases, affecting animal husbandry. Following the announcement of the end of the blue-ear outbreak in November 2010, many households in Cu Hue-DL decided to immediately replenish their pig herd so as not to miss the Tet occasion. As it was rainy at the end of the year, the source of the disease might still exist, which continues to pose a significant risk to pig farmers.

Sickness and labour shortage

Sickness and labour shortage are the main causes of poverty

Manual labour is the most important asset of the poor, because they have limited land and capital. However, sickness is an individual risk, and unfavourable living conditions and poor nutrition may lead to increased health risks for the poor. Table 3.3 shows that people at most of the monitoring points considered “labour shortage” the greatest risk and challenge to the household in the coming 12 months. The main reason cited by near-poor households or by those who had just escaped from poverty for falling back into poverty is the lasting sickness of key family members. Lasting sickness can necessitate high health care fees, new major loans, the sale of cattle and other assets, a shortage of labour for the household’s farm, and a need to find wage jobs. In Xy commune (QT), sickness may also lead to high ritual costs and further impoverish poor households.

TABLE 3.3. Risks/challenges to households in the coming 12 months, 2010 (%)



Commune	Difficult access to capital	Labour shortage	Unsuitable seeds/breeds	Lack of technical know-how	Unfavourable market prices	Degrading irrigation system	Natural disaster (draughts, floods)	Pests, diseases	Others
Thuan Hoa	0	51	14	3	20	14	80	63	0
Ban Lien	10	75	3	13	43	7	30	72	13
Thanh Xuong	14	81	0	3	51	0	7	70	2
Luong Minh	44	68	16	8	12	0	76	52	0
Duc Huong	5	80	3	3	20	2	81	37	3
Xy	12	73	5	0	45	0	77	12	2
Cu Hue	17	66	2	2	29	2	81	15	5
Phuoc Dai	5	77	0	2	33	11	54	47	0
Phuoc Thanh	5	82	2	2	27	5	62	55	0
Thuan Hoa	14	90	4	0	0	0	21	14	0

SOURCE: Household interviews



*Public health has been improved and epidemics rarely occurred at monitoring points*

Public health services at the monitoring points have been substantially improved recently. Awareness regarding disease prevention, vaccination, and mosquito nets has been raised widely and, as a consequence, 2010 saw no large-scale epidemic outbreaks at the monitoring points. The only illnesses recorded were several weather-related problems (colds, head-ache, and bronchitis) and water-borne diseases (diarrhoea). In Duc Huong-HT, following the severe flood in October 2010, the health center actively worked with the villagers to clean up and disinfect locations that had been flooded and distributed medicines to treat skin infections. Consequently, though an increased number of women developed gynaecological problems and some people had pink-eye infection and diarrhoea, no severe post-flood diseases emerged.

*Incidence of malaria has been reduced thanks to integrated measures*

Thanks to similar public health initiatives, there was a reduction in malaria incidence in Xy-QT. There were 398 cases of malaria in 2009 and only 261 cases in 2010 (with no fatalities). Village and commune health workers raised awareness regarding sleeping with mosquito nets and regularly monitor the practice, while the villagers have become more aware of the need to protect their health. Following the malaria outbreak in 2009, the National Malaria Institute and the Qui Nhon Malaria Institute sent a mission to the commune to examine and treat people with malaria, spray mosquito repellents, and discuss malaria control with local residents. It should be noted that there were also other external factors contributing to the reduction in malaria outbreaks, such as reduced forest tramping and prolonged sunny spells. A group of men in Troan O commented, *"We had fewer malaria outbreaks as we sleep with mosquito nets. No malaria because of the sunny spells, yet our stomach is empty..."*

### **Unfavourable price fluctuations**

*Both wages and the selling prices of most agricultural products increased in 2010*

There were not any "price pull"-types of shocks (where prices of agricultural supplies increase more rapidly than the prices of outputs) in 2010 like those that occurred in 2008. Selling prices of most of the key agricultural products such as rice, corn, cassava, peanut, tea, coffee, pepper, and beef increased in 2010 compared with 2009 at all monitoring points. Commodity producers, particularly the better-off households who had large plots of land, felt they were able to benefit from increased selling prices. Wages for labour also rose in 2010, which was good for the poor.

*Poor households did not benefit much from the increase in selling prices of agricultural products, however*

Despite the benefits of higher prices for crops, poor households did not benefit from these increased prices, as they usually sold in small quantities and often had to sell their products at the beginning of the crop when prices were low, in order to repay loans from local shops. In Cu Hue-DL, for example, a number of households had to accept low selling prices from their local shops for corn and coffee in order to get advance money to pay for their daily expenses, purchase agricultural supplies, and pay tuition fees for their children. The price of corn negotiated at 15 to 30 days prior to harvest were often 400 to 500 VND per kilogram lower than the normal market price. A group of men in Dong Tam village, Cu Hue-DL reported: *"Many households had to sign a forward contract and obtain advance payment as the fell sick or ran out of rice or fertilisers. The negotiated price is often 400-500 VND per kilogram lower than the market price."*

*Prices of feed increased making pig-raising unprofitable*

Increased prices of agricultural supplies such as fertilisers, pesticides, and gas also adversely affected productivity in 2010. Prices of piglets, corn, and feed soared. For example, in Thanh Xuong-DB, the price of piglets doubled while prices of corn and feed rose by 40 to 50 percent over the prior years. Although the selling price of mature pigs



also increased by 40 to 50 percent over the same period, pig farmers could not make a profit. As of November 2010 there were a total of 3,900 pigs in the whole commune, or 1,700 fewer than in 2009. Poor households did not dare raise pigs as they could not afford to purchase artificial feed and were concerned about disease-related risks.

*Food prices soared, making it difficult for poor people who cannot produce enough food for themselves*

In particular, soaring food prices in 2010 adversely affected the poor who could not produce enough food for themselves. For instance, in Xy-QT where farmers often sold cassava to buy rice, over the last four years the market price of rice has increased by more than 50 percent while that of cassava only increased by 30 percent. This significantly diminished the purchasing power of cassava farmers. In general, prices of food and other daily items such as instant noodles, cooking oil, MSG, sugar, vegetables, garlic, and cigarettes, have also sharply risen over the past year, presenting further difficulties for the poor.

### **Employment Risks**

*Labour export in informal channels poses multiple risks*

**Labour export.** The export of labour from the monitoring points over the past four years has been very limited. Only four out of 10 monitored communes had exported labour through formal channels such as District DOLISA in 2010. The numbers of exported workers were low: Phuoc Thanh-NT sent three workers, Thanh Xuong-DB sent two workers, and Duc Huong-HT sent three workers. Cu Hue-DL alone had seven overseas workers in 2010 through informal channels, using tourist visas to work abroad. These informal workers were typically from poor and near-poor Kinh households. They had taken informal loans and bank loans to go to a number of Asian countries to work without a legal contract, hoping to earn a higher income than formal workers. Despite the potential upside, these workers actually put themselves at risk; when the local government conducts checks, they need to flee for some time in order to avoid being caught and expelled.

*Risks associated with working away from home are becoming increasingly clear*

**Working away from home** is a common choice for people who wish to labour between crops, to generate extra income for the family, and/or to leave agriculture. However, ethnic minority people at certain monitoring points who chose to work away from home reported they had been forced to work excessively hard, earned low incomes, or were even cheated and lost part of their wages. In 2010, a number of villagers in Luong Minh-NA travelled across the border to Laos to work illegally as timber loggers/porters. Some ended up returning to their home village because forest tramping was too arduous and did not provide sufficient wages. Some were arrested for doing this illegal work. Elsewhere, in Phuoc Dai and Phuoc Thanh-NT, a number of “brokers” came with the intention of enticing Raglai youths to work away from home. The “brokers” eventually “sold” the youths to farm-owners in Lam Dong province in order to earn brokerage fees. A number of youths, including two from Phuoc Dai and 24 from Phuoc Thanh, were trapped by these brokers, who preyed on their naivete and lack of information. Ill-treated and forced to work too hard, some of the youths managed to flee. Those who were not successful were captured by the farm owners and held for ransom from their families before being set free. Such cases of organised frauds, human trafficking, and human-rights violation should be strictly punished. In order to help mitigate the potential risks of working away from home, local government and police in both the home villages of the migrant workers and in their destination locations need to be actively involved. At the same time, extensive communication efforts should be developed to raise awareness among the villagers about the risks of migrant work.



### ***Risks associated with investment projects***

*Risks associated with investment projects have emerged over the past two years*

As the goal of investment projects is profit-making for the investors, the projects may pose major risks to local communities unless their design, implementation, and management are properly handled and in accordance with initial commitments by the investors. Over the past two years (2009-2010) there have been incidents that highlight these risks.

*Risks include small hydropower plants*

In Thuan Hoa-HG, a small hydropower plant has been built on a 13-hectare site that covers three villages, Mich A, Mich B, and Khau Meng. Since the completion of the power plant, a number of local villagers have had more wage jobs to do. However, due to the narrowing of the river flow to serve the power plant's operations, water has, at certain points, spilled over rice fields on both river banks. The river itself has also been polluted by construction waste, which has a negative impact on the habitat of river fish. Certain households from Mich A village have been relocated from the reservoir area while some others in Mich A and Minh Phong villages have lost their agricultural land to stone quarries. According to grassroots cadres and villagers, the compensation package offered to them was not considered reasonable.

*Small-scale mining projects in mountainous areas are also a risk*

Also in Thuan Hoa commune (HG), ferrous mining operations have similarly had adverse impacts on the environment and the livelihoods of nearby residents (see Box 3.2).

#### **BOX 3.2. Risks associated with mining operations in Thuan Hoa**

In 2008, the D.S. Limited Company was awarded a mining license by the Provincial People's Committee to extract ferrous ore in Thuan Hoa commune (Vi Xuyen, Ha Giang). By the end of 2010, the scope of the mining operation had been expanded significantly. There are 85 households in Lung Pu village in Thuan Hoa commune, with a total land area of 454 hectares, of which more than 50 hectares (production and forest land) have now been lost to the mining operation. This has affected the productive capacities of nearly 40 households. The mining operation is expected to even expand to Lung Khoe B with an additional plot of 20 hectares.

Once extracted, ferrous ore is transported to Tung Ba commune for semi-processing and then to Ha Giang for export to China across the border. The vehicles carrying the ore from the site often weigh between 20 and 30 tons and have seriously damaged many dirt and asphalt roads running through the villages of Mich A, Minh Phong, and Hoa Son.

In 2010 the mineral waste tank in Tung Ba commune broke, causing serious pollution to local watersheds. Meanwhile, neither the district nor the commune has any authority to sanction or fine the investor for failing to meet corporate environmental obligations.

--- "The mining site has been operational since 2008. Currently there are two ore shipments every day, about eight to 10 vehicles each. Each vehicle transports some 20 to 30 tons to Tung Ba commune for semi-processing, then to Ha Giang. The roads have been destroyed. When it rains they get very muddy. When it's sunny they get very dusty."

--- "The mining operation has had much impact on, land and water sheds. Originally they wanted to build a semi-processing site here but had to move to Tung Ba commune as the villagers rejected it. The mineral waste tank there has recently broken, spreading polluted water all over the place. The part of the river close to the site is also polluted. Several cattle animals have died having drunk water from the river".

(Commune cadres group in Thuan Hoa)



*Trucks carrying extracted minerals have damaged public roads*

TIn Dong Tam village of Cu Hue-DL, heavy trucks owned by the stone-quarry enterprise have seriously damaged more than 500 metres of village sub-roads since early 2010, affecting some 120 households living or working in the area. Muddy roads make it very hard for children and adults to travel. Because of the poor roads, the cost of transporting corn from the village has increased from 50-60,000 VND per shipment to 180,000 VND per shipment, which means a loss of 500 to 700 VND per kilogram in the selling price of corn. When it rains there is no vehicle access to the area, leaving certain households unable to sell their corn on time. This often causes the corn to become mouldy or start to sprout.

*The constructions of enterprises blocked a local stream*

Another example is the brick enterprise, which became operational at the end of 2009, in Pa Dong village of Thanh Xuong-DB. The enterprise blocked a local stream, diverting the water flow into the rice fields and making it impossible for the five or six owners of these fields to grow a second crop as they had before. Now it is also difficult to grow vegetables due to the water shortage. During torrential rains in August 2010, water spilled over from the blocked brook and broke the boundaries of a fish pond nearby, washing away all the fish.

### **Other risks**

*There have signs of women trafficking across the border. This needs to be investigated and strictly penalised according to the laws*

**The departure of women from their homes** is seen as an emerging risk in 2010 in Luong Minh-NA. It is estimated that five women from Xop Mat village (including three who are married) and 16 from Cham Puong village (also including three who are married) have left their homes. They are aged between 16 and 30 and mostly come from poor households. By the end of 2010 three from Xop Mat and three from Cham Puong had phoned home, informing their families that they were living in China and married to Chinese men. Parents of the single women felt very worried while husbands of the others have suffered severe psychological impacts. Their children at home also felt abandoned. Overall, their family life has dramatically worsened. It is believed that these women left because they had been enticed by brokers. This is a sign of human trafficking, which needs to be investigated and strictly penalised according to the laws. Special attention should be devoted to work on raising awareness and providing legal aid in order to help avoid risks of this kind in the future.

*Gold prospecting in water streams is harmful to environment*

**Gold prospecting in water streams** is on the rise in Luong Minh-NA. Due to the drought-induced failure of the upland rice crop in 2010, many households decided to abandon their rice farming and switch to gold prospecting. In 2010 only 10 of the 37 households in Xop Mat village continued with rice farming. The remaining households moved further into the forest to prospect for gold in rivers and streams. Panning for gold has polluted the watersheds, destroyed fish and shrimp, caused landslides, and made it no longer possible to use land plots along the streams for productive purposes.

**Suspended planning** continues to be a risk cited by villagers in Thanh Xuong-DB in 2010, as there has not been much progress compared with what was observed in previous monitoring rounds. Although Dien Bien district has moved its administrative centre to the planned location, roads are still under construction. The land plot under planning currently owned by 50 households in Pa Dong village



*“Suspended” planning continues to be a problem for local residents*

has not been cleared and the households not compensated. Households living in “planned areas” find themselves in a difficult situation as they cannot renovate their houses nor grow long-term crops. Problematically, poor households in these areas are not eligible to receive temporary housing elimination support via Decision 167. Concerns about “unstable living conditions” remain the greatest obstacle to the improvement of the lives of local residents.

### **3.2 Specific groups with exceptional vulnerability**

*There need to be specific policies for specific groups*

Specific groups with exceptional vulnerability identified at the monitoring points include the chronic poor, households living in isolation and in disaster-prone areas, Khmer households with limited or no productive land, drug users, and others subject to social assistance according to Decree 67/CP.

#### ***The chronic poor***

*Diminished labour ability is the most important characteristic of the “chronic poor”*

The most definitive characteristics of the “chronic poor” are low labour potential due to sickness, disability, being single and elderly, and/or having multiple children. The chronic poor of ethnic minority groups often have either limited or poor quality land (arid land, far away from the home, or far away from water sources), low levels of education, and minimal proficiency in the Vietnamese language. They tend to rely on wage jobs that are unstable and seasonal. Certain households are classified as part of the “chronic poor” because they either lack a determination to escape poverty, are involved in drug use, or do not know how to manage their expenses properly.

*The chronic poor account for a relatively large proportion of the poor*

The household ranking exercise conducted in the 20 villages surveyed in 2010 indicates that chronically poor households typically account for some 20 to 40 percent of the disadvantaged households living in mountainous ethnic minority areas (which have a poverty incidence of at least 25 to 30 percent, according to the former poverty threshold) and account for almost 100 percent of the poor households living in more advantaged lowland areas (which have a poverty incidence of at most 10 percent, according to the former poverty threshold).

*Chronically poor people have difficulty accessing formal credit or informal loans from local shops*

The chronic poor encounter many difficulties. To begin with, they have no savings and often have to rely on support from families and friends. As a result, they find it even more difficult to deal with the risks and uncertainties of life. Chronically poor people typically try to avoid borrowing because they are afraid of not being able to repay loans. In cases where they try to borrow, cadres of mass organisations and heads of credit groups are often not willing to guarantee their loans, as it is commonly believed that they do not know how to do business and thus are unlikely to be able to repay their loans. The most dire result of these difficulties is that chronically poor people are regularly short of food.

*Social protection policies should be expanded to cover the chronically poor people*

There need to be different approaches to supporting the chronically poor and the temporarily poor, with an emphasis on social protection policies for the chronically poor as part of rural social security systems. The current challenge is to continue to expand the coverage of the regular and irregular social assistance policy (according to Decree 67/CP) to the entire chronically poor population.



### ***Groups living in isolation***

*There are many reasons households live in isolation*

In most of the monitored communes, there are groups of households who live in isolation. These are households that are in exceptionally difficult circumstances. They often live high in the mountains or quite far from the village centre. There are many reasons that lead to the choice to live in isolation: some households are either newly arrived, or newlywed; other households are composed of the elderly or sick who maintain distant upland fields and are not able to commute far to work on a daily basis; and others rely on forest tramping for their livelihood.

*Households living in isolation are more affected by natural disasters*

Households living in isolation are often faced with numerous day-to-day difficulties. Typically, they live in temporary housing structures and have difficult access to infrastructure. Often, they are dependent on pathways that are small, slippery, and steep in the rainy season; do not have access to electricity and clean water; and are located far from markets, schools, and health clinics. Generally they are also subject to a high risk of natural disasters. A further complication is that although poor households living in isolation are entitled to health insurance, they are often unable to make use of health services due to difficult road access. For the same reason, children of these households also have difficulty going to school in the event of a natural disaster. Accordingly, certain households have tried to make arrangements for their children to stay with relatives in the village centre in order to ensure regular schooling. As a whole, the isolation of these households means that their voice and participation in community activities remains limited. It is also difficult to spread information to them regarding policies and laws. An education cadre in Phuoc Thanh-NT said: *"Commune judicial cadres only talked about the prohibition of under-aged marriages on the public loudspeakers, which households living in the high mountains cannot hear. So they still maintain the practice."*

*Work on disaster prevention and control should pay special attention to supporting households living in isolation*

Given these challenges facing isolated households, work on disaster prevention and control at the local level should pay special attention to households living in isolation and should include the development of measures such as early warning, the storage of food and drinking water, the distribution of personal protective items, and the timely evacuation of the elderly and children prior to the arrival of a natural disaster. Essentially, the long-term solution is to provide structural support in the form of directing "resettlement and sedentary farming" sub-projects to households living in isolation, in order to incentivise a voluntary move closer to the village centre. This requires active efforts by the local government and the community.

### ***Those living in disaster-prone areas***

*The poor are more vulnerable to the impacts of natural disasters than others*

Poor households, parents of multiple children, single elderly people, the disabled or those with lasting sickness, war invalids, single mothers, and children are the most vulnerable and least resilient to natural disaster risks (see Box 3.3).



### **BOX 3.3. Overview of groups resilient and non-resilient to natural disaster risks at the monitoring points**

**1. The Resilient group** is often comprised of better-off households. These households typically live in favourable locations with easy access to infrastructure and support services, have solid or semi-solid houses, and possess essential assets such as a TV, motorbike, telephones, pumps, and boats. Commonly, they have stable work, good health, are generally knowledgeable, and do not have many children. Some are engaged in their own businesses or are paid regular salaries and allowances.

The better-off households commonly have a larger scale of production with a higher level of investment. Despite their general resilience, the better-off households are still exposed to risks from natural disasters such as storms, floods, and droughts. Business and service activities are often interrupted by natural disasters. Better-off households also have less access to disaster relief than poor households.

In the event of unfavourable weather conditions this group tends to be more flexible and able to adjust the cropping calendar and crop/livestock cultivating patterns. They can access bank loans (from 20 to 30 million VND) and borrow agricultural inputs from local shops or agents so as to re-develop productive activities in a short timeframe. Even in the case of production failure caused by natural disasters, better-off households can quickly renew their investments. Their access to information also provides them with better knowledge about how to deal with natural disasters. They know how to support and consolidate their houses and evacuate household assets prior to the arrival of storms/floods. They often store food or save enough money to buy food in case of crop failures caused by natural disaster. They also know how to take care of their health and control diseases in the rainy season.

**2. The Non-resilient group** mainly consists of poor households, parents of multiple children, single elderly people, disabled people or those with lasting sickness, war invalids, single mothers, and children. Their housing conditions are often of poor quality and some are only temporary structures. This group has very few assets, limited land, and few long-term crops. Sometimes, the heads of these households are still young and, as a consequence, have labour potential but not much in savings as they are newly separated from their parents. Non-resilient households living in lowland areas are often located on the edge of the village or on the inner side of river dykes and are directly exposed to flood risks. Those households living in isolation or in remote border areas have difficult access to infrastructure facilities and support schemes. Some continue to rely on traditional ritual practices because they cannot afford to go to the hospital and therefore suffer from deteriorating health status.

Given their reliance on agriculture, poor households do not have any alternative incomes to help them recover from the impacts of natural disasters. Additionally, poor households are usually short of food prior to crop harvests, and when natural disasters occur they find it even more challenging to ensure their food security. When a flood suddenly arrives, this group often finds itself lacking labour power, means of evacuation, and safety nets to cope with the flood's impact on their livelihood and physical and mental health. Poor ethnic minority households also lack Vietnamese language proficiency and media equipment, and their access to information on natural disasters is therefore very limited. Certain households do not even want to evacuate because of their traditional bonds with the upland fields and water sources.

The main strategy for coping with natural disasters practiced by this group is to cut food expenses, take loans from local shops, and seek wage jobs. Households with young members of working age often send them to places far away from home to work. By doing this they can take advantage of idle labour between crops and generate extra income for the family that can be used to cope with the costs of natural disasters. However, when men work away from home, women face multiple challenges, especially during the storm season. As family heads, women have to assume all the family responsibilities, including working to earn a living, bringing up the children, and coping with natural disasters as they occur.

Support and assistance from relatives, neighbours, local government, and mass organisations are very important for this group. In cases of natural disasters they can ask to borrow food from other households in the community. Poor households and elderly, disabled, and single people are often the principal recipients of support from philanthropists, and aid can include housing reconstruction. Poor households can also access concessional loans from the Social Policy Bank (mainly to raise cattle), and in the event of natural disasters the repayment of the loans can be extended or the loans even relieved.



*People working away from home leave their families with a limited ability to cope with natural disasters*

A typical example that demonstrates the difficulties of coping with natural disasters can be found in the historic series of floods in Duc Huong-HT in October 2010. The floods caused serious damage to public infrastructure facilities and reduced the assets of local households. Since many young and middle-aged people from Duc Huong commune were working away from home, women, the elderly, and the children who were left behind had a lot of difficulty coping with the disasters. Continued unpredictable weather conditions also make it more challenging for the households to respond to the disaster (see Box 3.4).

#### **BOX 3.4. The challenges facing women trying to cope with natural disasters all by themselves**

Mrs. D.T.A, a 37-year-old woman, is the head of a poor household in the Huong Tho village of Duc Huong commune (Vu Quang, Ha Tinh). Her husband works away from home. They have three children: a 13-year-old boy and four-year-old twins. They live with her husband's mother, who is 95 years old.

In 2010, her husband left his migrant job in a footwear company in Lam Dong for two months (July and August) to return home and help the family prepare for the annual flood. However, during those two months, the floods never came. He went back to Lam Dong, hoping to earn some money for the Tet holiday. Right after he left there were two consecutive floods, the latter of which occurred between 14 and 20 October and was much more severe.

When the flood arrived, Mrs. D left her three children at home and evacuated her mother-in-law and the cows. When she returned home it was already dark and the water had risen higher. However, as she did not know how to row a boat, she could not evacuate her children that night. They had to stay up the whole night as the water kept coming up. Early the next morning, when the water level reached two metres, they had to squeeze in on the top of the food cabinet. Fortunately, they were rescued by their relatives at 8:00 AM and evacuated to the primary school.

During the evacuation period she and her three children were given food, water, and other items. She only managed to bring clothes for the children, however, and did not have anything for herself to change into. She ended up wearing wet and dirty clothes for 10 consecutive days. When the flood was gone she had developed a serious gynaecological infection and had to go to the provincial hospital for treatment.

Two months after the flood, she still felt touched talking about what had happened. She said: *"We had been warned about the risk of the reservoir collapsing. However, since my husband was away and I was with my old mother-in-law and young children, I could not manage to handle things quickly enough. The water was coming up so fast we almost drowned."*

*Integration of disaster risk management in socio-economic plans remains limited*

Effective support policies on disaster risk management for groups living in disaster-prone areas are still limited. At the national level there are already the National Strategy on Disaster Prevention and Control until 2020, the National Target Programme to Respond to Climate Change, and the Proposal on Community-Based Awareness-Raising and Disaster Risk Management (Decision 1002). However, local understanding and the capacity to integrate disaster risk management into socio-economic planning remains very limited. In addition to strengthening participation and empowerment and decentralising investment packages, it is urgent that **physical and non-physical disaster risk management solutions are integrated into socio-economic plans.**



### ***The Khmer group with limited or no productive land***

*Limited or no productive land is a specific disadvantage of the poor Khmer group in the Mekong River Delta*

Having limited or no productive land is a specific disadvantage of the poor Khmer group in the Mekong river delta. Due to this lack of productive land, poor Khmer households have to rely on local wage jobs or migrant jobs. When they encounter financial problems, they often take small loans from relatives, neighbours, or local shops, and repay the loans later when they receive their wages. The increasing trend towards mechanisation in agricultural production has made local wage jobs scarcer. Migrant work is therefore a rising trend among poor Khmer households.

*The implementation of the productive land support policy for poor, landless Khmer households has been difficult*

The Government's Decision 74 supports the purchase of residential and productive land by poor ethnic minority households in the Mekong River Delta. However, there have been several barriers to the policy's effectiveness. For example, good quality land is no longer available for purchase, the price of land is excessively high, disbursement of bank loans has been slow, and Khmer people have become accustomed to doing wage jobs or working away from home. The local government has developed a proposal for converting Decision 74's support for productive land into an institutionalised mechanism for the distribution of animals (cows, piglets) and machinery but this has not been approved. Significantly, none of the households have chosen to receive vocational training support or support to find overseas jobs. The issue of productive land support for poor Khmer households needs to be studied in more depth in order to develop appropriate measures that can be implemented in the future.

### ***Drug users***

*Women and children suffer when there are family members involved in drug use*

There is an emerging group of drug users in Thanh Xuong-DB and Luong Minh-NA. Drug trafficking in both communes is becoming increasingly complicated, and local detoxification courses have so far proven ineffective. In tandem with road improvements, even in the villages of Kho Mu ethnic groups at the far end of Luong Minh commune, certain villagers started to use drugs in 2010. For example, before 2010 there had never been any drug users in Cham Puong village. However, in 2010 three were discovered and had to attend detoxification courses in the commune. Seven or eight others were believed to be showing signs of drug use. Most of the households with members involved in drug use lead a very difficult life and are economically threatened, as the drug users often sell household assets to buy their supply of drugs. As the users are generally male within these households, women and children suffer both materially and spiritually. Without support from the male members, women are forced to take on very hard work. Children sometimes also have to quit school to start working and help support their families. In the event that the drug users have to attend detoxification courses, their families also have to spend a lot of money taking care of them.

*There need to be stronger measures to prevent drug use*

Community-based detoxification measures appear to be ineffective. Almost 100 percent of drug-users in the two monitored communes have ended up reusing drugs despite attending short-term detoxification courses. This is a pressing social issue that is on the rise and requires stronger and more effective measures to address the problem.



**The target group for social assistance under Decree 67/CP**

There is also a group of people at the monitoring points who are able to benefit from social assistance under Decree 67/CP. These include people with disabilities, orphans, elderly people, single elderly people, and single parents with young children, and victims of Agent Orange. People of this group lead very difficult lives due to their inability to earn a living, look after themselves, and become independent of their family members.

*The coverage and level of support for the target group of Decree 67/CP should be increased*

As mentioned above, the target group of Decree 67/CP may also fall in the “chronic poor” group or the disaster-prone group given their high level of vulnerability and low level of resiliency. The social assistance policy of Decree 67/CP and several other policies that have recently increased the level of basic support and coverage of target groups have, to some extent, helped members of these groups improve their lives. However, in order for them to achieve a minimum standard of living that is socially acceptable, there need to be stronger support measures in place.

**3.3 Risk coping measures**

*People encountering risks need timely support*

A relatively large percentage of households in the sample encountered at least one risk that had a significant impact on their lives over the last 12 months (see Table 3.4). In order to cope with risks, households have to manage resources to the best of their abilities. Most of the people encountering risks have received help in various forms from their relatives, neighbours, communities, mass organisations, and local governments, as well as support from the Government and other organisations.

**TABLE 3.4. Risk-coping measures, 2010 (%)**

	Commune	Percentage of HHs which encountered a significant risk during the past 12 months	Risk-coping measures						
			Reduction in quantity and quality of meals	School-children asked to quit school	Reduction in healthcare spending	Sale of assets (cattle, poultry); mortgage or sale of land	Reduction in social costs and participation in community activities	Received support from relatives, mass organisations, and local authorities	Other
	Thuan Hoa	40	13	0	0	4	46	25	12
	Ban Lien	48	50	23	36	9	18	77	0
	ThanhXuong	23	36	7	21	21	14	36	0
	Luong Minh	63	66	5	40	18	32	58	0
	Duc Huong	90	13	0	8	11	23	89	0
	Xy	85	71	0	6	0	28	92	0
	Cu Hue	42	23	0	12	35	42	16	0
	Phuoc Dai	53	13	0	0	45	0	64	0
	Phuoc Thanh	53	3	3	6	41	3	59	0
	Thuan Hoa	37	30	20	10	0	70	10	0

SOURCE: Household interviews  
Note: Respondents can select more than one risk coping measure.



### ***Self-coping measures of the households***

*Reducing expenses is the most common coping measure*

**Reducing expenses** is the most common short-term measure for coping with risks. Table 3.4 shows that the most common expenses cut are for food and social events such as funerals, weddings, and parties. At most of the monitoring points, very few households have chosen to let their children drop out of school or cut health care expenses. In certain locations (Cu Hue-DL, Phuoc Dai and Phuoc Thanh-NT) households who have a large number of cattle have been able to sell them as a means of coping with risks. For many households, the option of mortgaging land is considered to be the very last resort when alternative measures do not work out.

*Poor households drastically reduce the quality of their meals...*

There is a great disparity between poor and better-off households at the monitoring points in the way they cut expenses to cope with risks. Better-off households typically have their own savings or can obtain loans. When encountering risks they may have to reduce the overall quality of food, but they are still able to ensure they have enough rice and basic ingredients for their meals. However, poor households without savings and without easy access to credit have to drastically reduce both the quantity and quality of meals. In these circumstances, poor households often survive on meals that consist of rice mixed with corn or cassava and with almost no meat. Therefore, in the mountainous ethnic minority monitoring points, most poor households grow cassava and local corn as a measure to cope with the risk of hunger posed by crop failure. In these areas, it has been observed that when the quality of meals gets worse, women and children are often the most affected.

*... increase forest scavenging and take more local wage jobs*

**Diversifying the sources of livelihoods** by growing different crops and doing different jobs is a common measure to cope with risks, supplement food intake, and make up for crop losses caused by pests or diseases. Poor households have to depend on their own labour to diversify crops. In mountainous ethnic minority areas, they often do this by collecting natural items such as bamboo shoots, firewood, wild vegetables, roots, fish, and wild animals and by doing local wage jobs. A small number of them may be migrant workers. Scavenging/foraging-based livelihoods are becoming increasingly unavailable, however, which makes their lives more difficult and limits their income.

Similar to previous years, increasing the use of indigenous knowledge and re-applying traditional farming practices has been a coping measure in 2010 for ethnic minority people in many locations in the event of disaster. Inter-cropping (of bean, vegetables, and corn), seasonal cabbage cropping, crop layering on terraces (wetland rice on lower terraces, corn and upland rice on middle terraces, and cassava on top terraces), and increasing the use of local corn varieties (H'mong sticky rice, sticky corn, and black swines) are all common responses on the part of the villagers.

*People from lowland areas tend to seek job far away from home*

In low and areas where the majority group is Kinh, people tend to seek jobs far away from home, restructure crops, and rotate crop varieties and animal breeds to generate extra income in order to cope with disasters. In Cu Hue-DL, a number of households have learned to grow short-term off-season corn and long-term coffee crops to respond to rains during October and November. Most of the households in Duc Huong-HT are now growing winter-spring corn crops with a high density of plants. This provides the villagers an ample supply of stems and leaves with which to feed their cattle in the event that their rice straw gets destroyed by flood water or prices of rice straw soar in the wake of disasters.



Poor households have limited abilities to cope with risks compared to better-off households

Poor households are often at a disadvantage in terms of their ability to develop coping strategies. In Cu Hue-DL, after the outbreak of the blue-ear disease in November 2010, better-off households were able to quickly replenish their pig herds for sale during the important Tet holiday. However, poor and middle-income households were not able to follow suit, because of a lack of capital. Similarly, the long-lasting drought of 2010 in Xy commune (QT) destroyed a vast swath of cassava crops. A local starch-processing plant decided to subsidise 58 percent of the cost of replanting cassava roots, with the remaining 42 percent to be covered by the farmers themselves. However, unlike the better-off households that were able to purchase new roots and replant their crops, most of poor households could not afford the required contribution and ended up leaving their land fallow and shifting to wage jobs.

Community support

Social capital is very important to poor people

Direct and timely support from relatives, fellow villagers, mass organisations, and local government is very important to poor people as they respond to disasters that threaten their livelihoods. At most of the monitoring points, the most common means of community support is to pay visits to the poor households to provide spiritual encouragement or share information. After this, common support measures differ between mountainous ethnic minority people and lowland Kinh communes. In the mountainous ethnic minority communes, food grants/loans and labour assistance are the two most common support measures. In lowland Kinh communes such as Thanh Xuong-DB, Duc Huong-HT, Cu Hue-DL, and Thuan Hoa-TV, the villagers are better-off, and providing cash contributions to people facing economic uncertainty is a common measure organised by mass organisations and village cadres (Table 3.5).

TABLE 3.5. Support measures of relatives, neighbours, mass organisations, and local government for coping with risks in 2010 (%)

Commune	Support measures adopted during the past 12 months								
	Money	Food	Donations in kind	Labour	Training and guidance	Vocational training, employment	Information	Visits and encouragement	Other
Thuan Hoa	17	33	0	17	0	0	0	67	0
Ban Lien	6	44	0	67	0	0	11	50	0
Thanh Xuong	57	0	0	43	0	0	0	100	0
Luong Minh	21	92	4	50	13	4	13	76	17
Duc Huong	89	75	21	13	6	0	11	32	0
Xy	0	98	2	77	4	0	0	60	0
Cu Hue	60	20	20	60	0	0	40	0	0
Phuoc Dai	10	85	25	50	20	15	10	20	0
Phuoc Thanh	0	53	32	47	0	0	32	26	0
Thuan Hoa	60	60	20	40	0	0	0	0	0

SOURCE: Household interviews  
Note: Respondents can select more than one support measure.



*Many ethnic minority villages still retain the tradition of joining together to cope with risk*

Ethnic minority villagers have retained the tradition of contributing paddy rice, cash, or labour to a common village fund. This fund serves multiple purposes, allowing the village to provide wages for a number of positions in the village management system, host visitors, organise parties, support community activities (art performances, sport events, the mid-autumn festival, the national solidarity day, and ritual anniversaries) and, in particular, it provides funds to support households with illnesses or recent deaths, or those short of food prior to the harvests (see Box 3.5).

### **BOX 3.5. Using village funds to support people facing risks**

In many monitored villages, the villagers retain the tradition of contributing to a village fund to serve multiple purposes. This includes supporting people in difficult times or in critical circumstances. There are a variety of fundraising activities designed to assist people in coping with economic challenges:

- ❖ In Minh Phong village, Thuan Hoa commune (HG), each household contributed 70,000 VND per year (equivalent to one kilogram of chicken per year). The village fund is used to buy tea for village meetings, and for disbursements during visits to households with sickness or deaths (70-100,000 VND per visit).
- ❖ In Doi 1 village, Ban Lien commune (LC), each newly formed household contributes 15 kilograms of paddy rice. The paddy rice fund aims to provide rice loans to poor and hungry households prior to harvests. In 2010 the fund had more than one ton of paddy rice borrowed by 30 households. Each household borrowed 40 to 50 kilograms at an interest rate of two kilograms of paddy rice for every 10 kilograms borrowed per year. Loans for funerals are interest-free. Additionally, the village had a cash fund of 400,000 VND to provide “urgent” loans of 50-100,000 VND each.
- ❖ In Chan Nuoi 2 village, Thanh Xuong commune (DB), the village fund is contributed to proportionately according to the size of a household’s plot of land (7.5 kilograms of paddy rice per 1000 square metres) and by using part of the five percent of land rental revenues (150 kilograms per 1000 square metres, 80 kilograms to the commune government and 70 kilograms to the village fund). Cash support is also provided by the commune government. Contributions to the fund are also sourced from the businesses based in the village and from villagers on special occasions. The fund is currently over 10 million VND and is being used to maintain and upgrade communal infrastructure facilities, organise the annual mid-autumn festival, and fund funerals and visits to sick people.
- ❖ In Xy commune (QT), each village has set up a rice fund using a portion of the rice support provided by the government. The rice fund is used for village activities and visits to households with sickness. Troan O village in 2010 received 2.6 tons of rice in support, of which 200 kilograms was allocated to the rice fund.
- ❖ Production Group # 3 in Ma Hoa village, Phuoc Dai commune (NT) maintains one hectare of common land to grow hybrid corn, green beans, and Indian beans. The fund has a current balance of 6.7 million VND. It is being used to pay for group meetings, to lend to group members in need (200-500,000 VND per person, though more can be provided in case of hospitalisation), and to buy two packs of burial cloth, 10 kilograms of rice, and one small pig in case a group member passes away.

### **Disaster risk management<sup>19</sup>**

There remain many limitations to disaster risk management at the monitoring points. In disaster-prone areas such as Duc Huong-HT, the “four onsite measures” arrangement has been planned. However, implementation has been difficult for

<sup>19</sup> Disaster risk management is a system of integrated solutions including institutional, policy, physical, and non-physical measures to be taken prior to, during, and after the occurrence of natural disasters (e.g. preparedness, prevention, mitigation and recovery). The aim is to minimise damage caused by the disasters.



*It is still difficult to implement the «four on-site» measures in coping with disasters*

many reasons including non-rigorous planning, simple and inadequate equipment and facilities, interrupted communication, local food insecurity, and shortage of young men on site when disasters occur. Community awareness about natural disaster prevention and control is still limited (see Box 3.6).

### **BOX 3.6. Challenges facing the “four onsite measures” in Duc Huong commune**

In 2010, Duc Huong commune (Vu Quang, Ha Tinh) experienced two consecutive historic floods in September and October which seriously devastated the local economy and many household assets. The annual “four onsite measures” for Duc Huong had been planned in advance. However, the implementation of the flood and storm prevention and control plan was challenging.

**Onsite leadership:** Although the Commune People’s Committee had a flood and storm prevention and control plan in place, its implementation was difficult. The extremely rapid progress of the flood and the historic water level were beyond what had been estimated. Evacuation arrangements were not practical and the temporary accommodation was over-crowded. The location of the evacuation site for cattle animals was not appropriate, causing the villagers to worry and decide to travel by boat back and forth to feed them, creating the risk of fatal accidents.

**Onsite food:** It was difficult to ensure adequate food supplies. Because of limited rice land and the fact that only one rice crop can be grown annually, most households have rice stockpiles that provide enough to eat for only three to five months. They often have to borrow rice from local shops according to “borrow to eat now, repay later” arrangements.

**Onsite facilities:** Rescue facilities are lacking. Currently villagers only have bamboo basket boats, which can carry only two or three people. There are no big boats for transporting livestock and agricultural products. Also, life vests are not available. Even at the village level there were no larger boats or life vests that could help with rescue activities. Duc Huong commune has two rescue boats but these are not enough if the water rises rapidly. Further complicating the disaster response, power cuts during the flood season often make communication from the local government to the community via mass media impossible.

**Onsite manpower:** There is a serious shortage of local manpower, as most young and middle-aged villagers go to work in the South after the harvest. Those who are left behind are mainly women, the elderly, and children. They have a difficult time evacuating assets, livestock, and food.

The damage caused by floods in 2010 to Duc Huong was so severe because, in addition to the challenges with respect to the “four locals” arrangement, the upland communities were unprepared. They had never experienced floods in previous years and could not respond to the sudden and devastating disasters that they faced in 2010.

*Strengthening community-based disaster risk management is an urgent need*

The government has put an emphasis on the need to strengthen community awareness and community-based disaster risk management (Decision 1002) in the wake of increasingly devastating, frequent, and unpredictable natural disasters. At most monitoring points, however, no significant community-based disaster risk management (CBDRM) projects or initiatives have been implemented as required. Strengthening community awareness and community-based disaster risk management efforts should become an important part of all sustainable poverty reduction programmes in the future, as poor people, women, children, and other vulnerable groups are always the most endangered by natural disasters.



3.4 Social security

Social protection system includes three circles of support for vulnerable households

Vietnam’s social security system (or “social protection system” in broad terms) includes three circles of support: the innermost system consists of “protective” measures through social assistance, the next circle consists of “preventive” measures through insurance schemes (social insurance, medical insurance, unemployment insurance, and agricultural insurance), and the outermost circle consists of “capacity-building” measures for disaster risk management and vulnerability reduction via a focus on labour market measures such as vocational training and orientation, job creation, and migrant labour support.

Social assistance

The coverage of social assistance policies according to Decree 67/CP remains limited

Table 3.6 shows that the percentage of non-poor households receiving pensions or allowances in recognition of their merits is much higher than that of poor households, which illustrates the important role these disbursements play in the lives of people in rural areas. Conversely, the percentage of poor households receiving monthly assistance according to Decree 67/CP is much higher than that of non-poor households. This is in line with existing eligibility criteria for social assistance (typically one must either be poor, over 80 years old, or an orphan). However, the coverage of Decree 67/CP remains limited. This was observed at many of the monitoring points, where only a small percentage of the monitored households received social assistance. These observations from the fourth round of monitoring are similar to those from previous rounds.

TABLE 3.6. Percentage of households with members receiving social assistance, 2010 (%)

Commune	Pension		Assistance for people with nationally recognised merits		Allowance for victims of Agent Orange		Allowance under Decree 67/CP	
	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs	Poor HHs	Non-poor HHs
Thuan Hoa	0	0	0	0	6	0	6	2
Ban Lien	3	4	0	0	0	0	0	0
Thanh Xuong	-	32	-	2	-	0	-	5
Luong Minh	4	9	0	0	0	0	16	0
Duc Huong	0	13	5	39	0	3	14	3
Xy	0	19	4	35	0	3	4	0
Cu Hue	-	4	-	0	-	0	-	2
Phuoc Dai	0	0	3	28	0	12	6	0
Phuoc Thanh	0	3	4	15	4	3	4	0
Thuan Hoa	0	3	0	0	0	0	4	0

SOURCE: Household interviews



*New policies regarding social assistance have expanded coverage and the level of assistance.*

The Government introduced Decree 13/CP, effective 13 April 2010, to revise and supplement a number of articles of Decree 67/CP. Decree 13/CP has increased the basic level of assistance from 120,000 VND per month to 180,000 VND per month, removed the “being a member of a poor household” requirement previously applied to disabled people who are no longer able to work or look after themselves, lowered certain requirements for people with mental health problems, and provided tuition and education materials to social assistance recipients who are attending school. According to the Law on the Elderly, starting in early 2011, people over the age of 80 will be entitled to social assistance. Previously, the minimum eligible age was 85. This is a step forward in the social assistance policy in that it expands target groups and increases the level of assistance.

*Regular and one-off social assistance policies have helped mitigate the difficulties facing many people*

At most of the monitoring points, social assistance under Decree 67/CP has been adequately provided to eligible people. The households in difficult circumstances that were interviewed reported that they were very happy to receive regular social assistance, as it helped pay some of their essential daily expenses. In addition, the government has also provided one-off assistance to individuals and households affected by natural disasters, those encountering food shortage, and other force majeure events such as deaths and house fires.

*Communication on social assistance and identification of eligible target groups remain limited*

The most common challenges encountered in the implementation of Decree 67/CP stem from problems related to communication. The speed of communication from the district to the commune to the village remains slow, particularly in remote mountainous locations. Information and awareness regarding Decree 67/CP in the villages is low. Most of the heads of the monitored villages have not fully understood the social assistance policies outlined in Decree 67/CP, because of limited capacities and/or a lack of training. In particular, in certain places the group of “poor single parents with young children” are skipped over due to misunderstandings related to the policies. An additional problem is that the listing of eligible individuals and beneficiaries is not always accurate. These listings depend heavily on the commune cadre who is responsible for social work. However, this cadre is often loaded with multiple tasks and has to cover a large area without a budget specifically dedicated towards reviewing and listing eligible individuals/households across the commune. Further complicating the job, many people in mountainous ethnic minority areas do not have required documentation such as ID cards, birth certificates, permanent residence certificates, and/or certificates attesting to their contributions during wartime, thereby complicating efforts to file their cases for social assistance.

### **Insurance**

*Voluntary social insurance is still not popular*

At the monitoring points, all recipients of pension and other social insurance payments fall into formal sectors of the labour market. Farmers and people working in informal sectors are not yet interested in voluntary social insurance as they do not fully understand the policies and find the insurance costs unaffordable.

*Free health insurance is a practical support policy for the poor*

The policy of free health insurance for qualifying recipients (the poor, ethnic minority people in disadvantaged areas, and children under six-years-old) has been widely implemented. This is a policy of great interest to residents at the monitoring points as it offers practical support. It helps them overcome difficulties associated with sickness and death.



*There has been an increase in the number of people purchasing voluntary health insurance in certain places*

*Implementation of the health insurance policy has been rather limited*

*Pilot programmes for agricultural insurance should pay attention to poor farmers' ability to participate*

*Vocational training has been provided at many of the monitoring points*

There has been an increase in the amount of health insurance purchased voluntarily in lowland areas, where people are better-off and more aware of the importance of health insurance. The purchase patterns of health insurance in Thanh Xuong-DB attest to this trend. As the commune is not considered a "difficult area", the ethnic minority residents are therefore not entitled to free health insurance according to the new Health Insurance Law. However, a number of ethnic minority people in the commune have been on a voluntary health insurance scheme since 2010.

Limitations associated with health insurance that were observed in 2010 do not differ from those that were observed during the previous rounds of monitoring. The poor still find it very difficult to pay the extra costs related to medical examination and treatment in higher-level hospitals. These costs include travel, accommodation, food, and other costs for the accompanying family member. In some areas ethnic minority people do not consider it important to obtain birth certificates for their newborns. This makes it difficult to issue free health insurance cards to these children who qualify because they are under six-years-old. In addition, due to the long distances between their home villages and the hospitals, ethnic minority people often find it difficult to complete the procedures necessary to obtain health insurance. On a positive note, errors on health insurance cards were corrected in a much more effective manner in 2010 than previously. This is in large part due to the fact that health insurance cards are now administered by the district-level health insurance agency, rather than the provincial level agency. This simplifies the process of correction, as commune-level health insurance cadres can now bring the insurance cards to the district-level agency for correction and reissuance within 15 days.

The government has also adopted a pilot programme for agricultural insurance that is scheduled to start in mid-2011, initially with cost subsidies for farmers <sup>20</sup>. Agricultural insurance could help farmers make up for losses caused by natural disasters and diseases. However, special attention should be paid to monitoring to what extent poor farmers can participate in these insurance schemes.

### ***Labour market policies***

**Vocational training** was provided at six out of the 10 monitoring points in 2010. The three communes of Ban Lien-LC, Duc Huong-HT, and Cu Hue-DL were covered by the "Vocational Training for Rural Workers until 2020" project (Decision 1956), while Luong Minh-NA was covered under Programme 30a and Phuoc Dai and Phuoc Thanh-NT were both covered under Programme 30a and Decision 1956. The remaining four communes were in the process of conducting vocational needs assessments, as per Decision 1956.

In remote and isolated communes, vocational training courses have been organised locally so as to be most relevant to participants. Participants from communes close to the district centre have also received training at the District Vocational Training Center. Those coming from communes covered under Decision 1956 were offered free courses. Participants who were from poor and ethnic minority households or who were disabled were provided with lunch and travel allowances if they lived more than 15 kilometres away. Because Programme 30a does not have specific

<sup>20</sup> Prime Minister's Decision No. 315/QĐ-TTg, dated 1 March 2011.



*There are many policies in place that aim to support poor and ethnic minority peoples' participation in vocational training*

*However, the effectiveness of vocational training in mountainous ethnic minority areas remains limited*

*Implementation of the labour export support policy under Programme 30a has been challenging*

provisions regarding the level of support for participants, certain districts decided to apply the same level of support as that of regular training (which is 15-20,000 VND per day).

There are a variety of vocational training offerings available at the monitoring points, including in animal health, mushroom farming, fish farming, tea farming, IT, motorbike repair, and carpentry. However, the effectiveness of these training courses remains limited. Most poor people are still not keen on vocational training as they are either too busy making a living or face barriers to learning such as illiteracy. The duration of the courses is often short (two to three months) and the educational level of the participants low. As a result most participants do not become sufficiently skilled by the end of their training course. Low rates of success can also be attributed to unmotivated students; sometimes participants register for vocational training only out of casual interest and therefore do not attend regularly and are not serious about learning. Other problems with vocational training programmes are related to the course content; a number of courses offered have not been appropriate for local conditions. An example is the mushroom farming training in Phuoc Dai-NT. After the course, the Raglai participants could not start growing mushrooms because mushroom cells were only available in Dong Nai province, and only a few Kinh households were able to ask their relatives who lived there to purchase mushroom cells for them. Handicraft training courses can also suffer from poor planning. So far, very few participants have been able to practice the skills they learned from their courses. A good example is the two-month embroidery course for 20 participants in La village, Luong Minh-NA. The students learned skills related to the manufacture of traditional costumes that people rarely wear nowadays. As there are no measures in place for marketing these embroidery products, since the end of the course none of the participants has been able to continue in the craft.

**Labour export.** The implementation of the policy to support the export of labour in communes covered by Programme 30a, as per Decision 71/2009/QĐ-TTg dated 29 April 2009 by the Prime Minister, remains challenging. In Bac Ai-NT, the labour export policy has been communicated down to the commune and village levels. However, poor people have little access to the support because of a lack of information, feelings of shyness about seeking assistance outside their local communities, and embarrassment over not being able to repay large loans. There is also a policy in place to support overseas workers as they encounter health-related risks (support includes a five million VND grant and airfare to return home). However, the level of support is limited when compared with the total value of loans they have had to take out from banks to complete requirements for working overseas (e.g., 24 million VND for a job in Malaysia). In Phuoc Thanh-NT, there were three villagers who went to Malaysia for work in 2010 who were receiving the government support provided under Decision 71, and all were members of commune cadres' or better-off households. The policy on support for increasing the educational level of potential overseas migrant workers has not been implemented. The foreign language course which lasts only two to three months is not sufficient to ensure that the overseas workers will be able to communicate while working in a foreign country. District and commune governments only administer the number of overseas workers coming from the district/commune, and all other regulations fall under the responsibility of the labour service company. It is therefore very difficult for local governments to support overseas workers when they encounter risks.



### 3.5 Conclusion: Social security and reduction of vulnerability

*In the context of increasing external risks...*

Unpredictable and increasingly devastating natural disasters proved the greatest challenges to efforts to reduce poverty at most of the monitoring points in 2010. In addition to the challenges of overcoming natural disasters, the rising prices of food and other essential goods and services have reduced purchasing power and negatively impacted food security in non-subsistence, low-income areas. The presence of infectious disease and individual health risks also impeded efforts at poverty reduction. In addition to natural, economic, and health risks, 2010 also brought challenges associated with investment projects at some of the monitoring points.

*...strengthening sustainability and striving towards universal social security are particularly important*

Establishing multi-layer safety nets, mobilising multi-stakeholder participation, increasing the sustainability of projects, and moving toward universal social security are the broad policy guidelines of the Government of Viet Nam for the reduction of poverty. Social security systems in rural areas have been gradually improved with expanded eligible groups and an increased level of assistance to help ensure that minimum living standards are met and newly designed social security policies (e.g. agricultural insurance, public employment) are more widely implemented.

*CBDRM and community-based social security initiatives need to be encouraged and further supported*

This report suggests four issues to be considered as part of MOLISA's "Proposal on Rural Social Security Systems 2011-2020". Firstly, further research should be conducted on specific support policies for specific social groups based on analysis of the multi-dimensional nature of poverty. Secondly, provisions related to corporate social responsibility should be incorporated as a social security requirement in the implementation of investment projects. Thirdly, a clear roadmap should be laid out in addition to concrete measures to "increase community awareness and CBDRM" (as per Decision 1002). Such measures should be integrated into the aforementioned proposal on social security. Finally, stronger support should be given to informal social security initiatives by helping to increase the capacities of existing community institutions. The third and fourth suggestions aiming at encouraging community-based social security warrant special attention, given that they may help reduce the budget burden on the government of achieving social security and sustainable poverty reduction in rural areas. Additionally, the national agricultural insurance policy being piloted should be implemented in a way that ensures the participation of poor households.



## 4. GENDER RELATIONS

*Gender relations have largely remained the same*

Gender relations are often attached to the cultures and values of specific ethnic groups. There were no major changes in the division of labour and decision-making between men and women at the monitoring points in 2010, relative to previous years.

### 4.1 Gender differences within the family

#### ***Family labour division***

*Family labour divisions for the most part remain tied to gender stereotypes*

Results of the 2010 survey on labour division patterns between men and women at the monitoring points indicate that much has remained constant relative to previous years. Men typically undertake “heavy” tasks, which require “calculation”, “technique”, and “social relations”. Women are generally responsible for tasks that are time-consuming and are identified as “light” or “small”. In poor households, women undertake a larger share of the labour as they are responsible for caring for the family’s children.

*Improving infrastructure and technology helps reduce the workload of women*

Improving infrastructure such as roads and water supply systems has helped reduce the time and effort associated with household tasks. For example, the 2010 introduction of the national electricity network to the Ban Lien- LC increased the use of electrical machinery for productive purposes (grass cutters, tea driers) and household appliances (rice cookers), which resulted in reduced time and effort required for the female tasks associated with food preparation and “light” agricultural cultivation. The same trend appeared in Xy -QT in 2009, when men began using motorbikes on the newly paved road to carry firewood and water home, thereby reducing the workload of women. Particularly the group of men under the age of 35 has proven more willing to share household chores with women.

*Opportunities to communicate and find jobs help increase the role of women in social activities*

Family labour divisions between men and women, however, differ from one location to another. In remote areas such as Luong Minh-NA, Xy-QT, and Phuoc Thanh-NT, traditional gender roles remain deeply rooted in the communities. Men continue to be considered “bread-winners” while women are behind them performing “small” tasks such as upland farming, household chores, and child-rearing in order for the men to carry out the “big” tasks outside of the home. In more advantageous locations within proximity of the cities and townships (Thanh Xuong-ĐB, Phuoc Dai-NT) or in lowland areas with a high level of labour mobility (Duc Huong-HT, Thuan Hoa-TV), the role of women in social activities has grown, as there are more opportunities to communicate and find jobs away from home.

#### ***Family decision-making***

*Men still dominate decision-making within the household...*

Observation at the monitoring points shows that men continue to dominate household decision-making, even among the ethnic minority groups (Raglai and Ede) that practice matriarchy (except in rites such as weddings and the inheritance of assets).



*...but women at the monitoring points have had an increased role and voice over the past four years*

However, at the monitoring points, there have been many signs of increased status of women. Mong women in Thuan Hoa-HG and Ban Lien-LC had become more confident in 2010 in engaging in trading activities. According to a survey conducted four years ago, Mong men generally controlled household finances, but now many Mong women can hold money role and engage in trading activities. Sport and arts-related activities launched by the Women's Union in Thuan Hoa-HG have attracted many Mong women to participate actively and helped increase their self-confidence in their interpersonal communication abilities. Among the Van Kieu villagers in Xy-QT, many of the men who were accustomed to controlling household finances are now confident in their wives' ability to keep major amounts of money earned from sales of agricultural produce and livestock (cassava, cows, and goats). A number of Van Kieu women are shifting from being just "cashiers" with respect to daily household expenditures to decision-makers. The interviewed Van Kieu men also wanted to let women make more decisions on daily family expenses.

*Traditional marriage customs in ethnic minority communities may not accord with the Law on Marriage and Family, such as...*

### **Marriage**

At the monitoring points in mountainous areas populated by ethnic minority groups, there are still discrepancies between the Law on Marriage and Family and its local implementation, due largely to customs and practices engrained in ethnic minority cultures.

*... child marriage...*

Child marriage still occurs at some of the monitoring points, yet its prevalence has been reduced. Child marriage often leads to girls dropping out of school and bearing a heavy work burden as they join their husbands' families. Polygamy continues to exist within the Van Kieu group in Xy-QT. Commune cadres in Xy reported that there were 14 cases of polygamy in the whole commune, motivated primarily as ways to increase household labour capacities and increase the number of male offspring.

*... or the "father goes back to his home when mother dies" practice among ethnic minority groups that practice matriarchy...*

The "father goes back to his home when the mother dies" practice among matriarchal Raglai households also puts children at a disadvantage. According to the Law on Marriage and Family, when one of the parents dies, the surviving parent assumes the responsibility for bringing up their children. However, in Raglai communities, when the mother dies, the father returns to his home (often in order to take a new wife or to skirt the responsibility of raising the children) and leaves his children with his deceased wife's family. In Phuoc Thanh-NT alone, there are 32 children whose mothers have died and whose fathers have left. These children are entitled to regular allowance as per Decree 67/CP.

*... or the handling of divorces in ways that disadvantage women*

The handling of divorces or spousal deaths according to traditional customs puts women at a disadvantage in many cases. In the Raglai village of Phuoc Dai (NT), the initiator of a divorce must pay a fine of two or three cows. A survey of women who reported having alcoholic or abusive husbands indicated that even when women wanted to get divorced, they often were unable to pay the fine required for proceedings. Other customs also disadvantage women: studies showed that there were also widows who had to return household assets to their husband's families, even in cases where the widow did not remarry (Box 4.1). In the Van Kieu commune of Xy-QT, if a widow remarries, she has to return all of the household assets to the husband's family.



**BOX 4.1. Becoming a widow and dividing household assets leads to poverty ...**

Mrs. C.T.L, a 40-year-old Raglai woman in Da Ba Cai village, Phuoc Thanh commune (Bac Ai-Ninh Thuan) is in a difficult situation, as her husband has passed away and her parents-in-law have asked for household assets to be divided. Mrs. L's husband fell sick in 2009 and had to be hospitalised in the Phan Rang Hospital. She had to sell their only cow to get five million VND and borrow another three million VND from a local shop in order to pay for his medical treatment. However, upon his death, his parents decided to take back the 0.6 hectare plot of land they had lent her and her husband for farming. They also asked for one cow equivalent in value to the total value of the dowries given to her family, which included "several chickens, one pig, and one che (traditional ceramic container)". She had already sold the household's only cow to pay her husband's expenses. So her parents-in-law asked her to return the whole 0.6 hectare plot of land and the house built in an upland field, which are the assets she shared with her husband, and "four gổ đào trees, five mango trees and one tamarind tree." Currently she does not have any productive land. The only household asset left is the house built in the village.

While hers was once an average household in the village, it is now a poor household, and she has a very difficult life, relying on wage jobs. She is able to earn 30 to 50 thousand VND per day to buy rice. When she has no wage job, she collects abandoned corn cobs to cook for the family. "I collect those corn cobs left in the field post-harvest to feed the family."

*The implementation of the Law on Marriage and Family in ethnic minority areas requires a thorough understanding of their customs and practices*

*There have been fewer reported incidents of serious physical violence. The local police have been increasingly involved in addressing domestic violence*

The way ethnic minority people handle marital relationships is influenced by long-lasting traditional customs and practices which they consider sensible despite their contradictions with the Law on Marriage and Family. The implementation of the Law on Marriage and Family in ethnic minority areas should be undertaken with a thorough understanding of local customs and practices in order to find solutions to address the violations of legal rights of women and children and promote awareness and understanding of the Law.

**Domestic Violence**

According to grassroots cadres and villagers, physical violence continues to occur. However, over the past four years, the number of incidents of violence that required interventions by the commune/village government has decreased at most of the monitoring points.

The local government and police have been increasingly involved in addressing domestic violence. In 2010, in certain locations, commune police strictly applied administrative sanctions and fines to offenders (Phuoc Dai and Phuoc Thanh-NT) and even filed criminal cases of serious violent acts against women and children (Duc Huong-HT). In Phuoc Dai-NT, for example, a "hotline"<sup>21</sup> was established to rapidly identify and address incidents of domestic violence.

At certain monitoring points, women have become more conscious about the need to protect themselves from domestic violence, a marked improvement from observations in previous years. A number of young women have taken the initiative to report violence to the village management board or commune government and received timely intervention (Phuoc Dai and Phuoc Thanh-NT). The number of physical-violence cases has been reduced, largely because of improved relationships

<sup>21</sup> The telephone line of the commune police station is available 24 hours a day to receive calls from villagers reporting cases of violence and seeking the police to intervene.



*The improvement of living conditions is making women more conscious about the need to protect themselves from domestic violence ... as well as participation in various groups*

and increased levels of economic security. Particularly in Thuan Hoa-TV, where women have the opportunity to become economically independent, mention of the possibility of financial security outside of an abusive marriage has reportedly served as a tool to empower women in protecting themselves from domestic violence.

Activities of community-based groups, such as the “inter-family groups” in the Duc Huong -HT, have helped decrease domestic violence. Participants (generally couples) in such groups discussed relevant laws and were mentored by peers to avoid incidents of violence. Inter-family groups also decide to exact fines ranging from 20-30,000 VND for repeat offenses. The formation of a network of community counselors in conjunction with community learning centers and community-based groups in Duc Huong-HT, Thuan Hoa-HG, Thanh Xuong-DB, and Thuan Hoa-TV has helped reduce the prevalence of domestic violence (Box 4.2).

#### **BOX 4.2. Community counselors and community-based groups have contributed to the reduction of violence**

In 2009, the Ha Tinh Community Development Center (HCCD) worked with the Provincial Women’s Union to provide training for community counselors in Duc Huong (Vu Quang, Ha Tinh) with the aim of increasing education on the building of family relationships and limiting domestic violence. The community counselors had been selected among commune and village cadres who were active, enthusiastic, and skilled in communication. These counselors often work in the evening at meetings of inter-family groups. The counselors receive a modest allowance of 15,000 VND per evening.

HCCD also collaborated with the local authorities to maintain activities of the “No Third Child” clubs in Huong Pho village and the “Happy Family” clubs in Huong Tho village, Duc Huong commune. These clubs invite both husbands and wives to participate. In Huong Tho village, the number of couples participating in “Happy Family” clubs in 2010 increased by 10 from 2009, thanks to lively activities and the opportunities to learn about production processes and social issues, including gender equality and domestic violence prevention and control.

Grassroots cadres and villagers in Duc Huong reported that such activities have reduced incidents of domestic violence significantly.

*Other forms of violence can be more difficult to detect because they rarely have any outward signs*

However, other forms of violence such as verbal violence and corporal punishment are still prevalent. Grassroots cadres themselves also consider these “minor conflicts” within the family. There are also violent acts (e.g. problems with anger management, spousal abandonment, coerced sex, pressure to bear a son, and forced exclusion from social life) that remain difficult to detect and address.

The **Law on Domestic Violence Prevention and Control** came into effect in 2008. Domestic violence remains a complicated issue. Many victims of domestic violence are not protected in a timely manner, partly because enforcement of the Law is limited.

*Understanding of domestic violence laws remains limited at all levels*

Furthermore, understanding of the Law on Domestic Violence Prevention and Control among grassroots cadres and villagers remains limited, particularly in mountainous and remote areas (Ban Lien-LC, Luong Minh-NA, Xy-QT, Phuoc Thanh-NT) due to low levels of education and limited access to information. One Women’s Union Chairwoman, for example, had never read the Law. Grassroots cadres, for the



most part, lack understanding of relevant sub-laws on domestic violence prevention and control, such as Decree 110/2009/NĐ-CP (10 December 2009) on administrative sanctions against domestic violence.

*Communication about domestic violence laws has not been conducted intensively and extensively enough to cover all target groups*

Communication work on domestic violence prevention and control has not been conducted intensively and extensively enough to cover all of the target groups. According to the Law on Domestic Violence Prevention and Control, there are four target groups: victims of domestic violence; people who drink alcohol excessively, use drugs, or gamble; and engaged couples. Domestic violence prevention through village and mass organisation meetings, however, does not reach engaged couples because they are not considered household representatives and thus are not invited to participate. It is also difficult to approach alcoholics, drug users, and gamblers, because they rarely attend such meetings. A women's group in Da Ba Cai village, Phuoc Thanh-NT reported that *"Men who often beat women rarely go to meetings. They do not participate as they are afraid of being criticised. They stay at home drinking and let their wives go instead."*

*Communication through mass media has limited impact because many EM women are illiterate in Vietnamese Domestic violence originates from gender inequality and often carries a burden of stigmatisation*

There is a government policy in place for the provision of free Vietnam's Women Newspaper issues on a periodical basis to commune-level Women's Unions and village-level branches in especially remote communes (e.g. in Ban Lien-LC, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT). However, communication through newspapers has a limited impact given that many women in these areas are not proficient in the Vietnamese language.

Domestic violence originates from gender inequality and traditional gender prejudices. Many victims of domestic violence choose not to report the violence because they are embarrassed and worry about the possibility of stigmatisation. As the head of the Women's Union branch in Huong Tan village, Duc Huong-HT reported, *"The households never report to the local government as they are afraid of being mocked. Women also try to avoid being thought as loud-mouthed. Even when they are victims they still feel ashamed."* Similarly, the head of the Women's Union branch in Xy-QT said: *"Van Kieu women are very submissive. Once they get married they accept being the 'ghost' of the husband's family. Even when they get beaten up by their husbands they still keep quiet and never say anything bad about their husbands."*

*There is limited application of sanctions against domestic violence*

The enforcement of domestic violence laws remains limited at most of the monitoring points. Commune and village cadres often apply "warnings" and "reconciliations" (which may be ineffective in certain cases) and rarely apply timely "preventive" or "protective" measures and "administrative fines" as stipulated by the laws. In some places, children who are direct and indirect victims of domestic violence are not yet sufficiently protected and supported.

## 4.2 Representation and participation in social activities

*The issue of women in authority attracts lots of interest...*

The Party and the Government are very interested in increasing the proportion of women holding public management positions. Directive No. 37/CT-TW (16 May 1994) emphasises that *"increasing the proportion of women in State management and socioeconomic management systems is an important requirement to realise women's rights to equality and democracy and a condition to develop women's talents and intellectual capacities and increase their status."*



...but results to date have been still limited

At most of the monitoring points, the proportion of women participating in government in 2010 was higher than in 2007. However, despite the increased level of participation, the gender breakdown of public management positions remains uneven (Table 4.1). Progress in the 10 monitored communes on the targets of “Proportion of women in commune people’s councils: 20%; and in commune Party committees: 15%” of the National Strategy on the Advancement of Women 2001-2010 is as follows:

- One out of 10 communes met both targets (Phuoc Dai-NT)
- Four out of 10 communes met only one target (Thuan Hoa-HG, Thanh Xuong-ĐB, Cu Hue-ĐL, Thuan Hoa-TV)
- Five out of 10 communes met neither of the targets (Ban Lien-LC, Luong Minh-NA, Duc Huong-HT, Xy-QT, Phuoc Thanh-NT).

It is noteworthy that most of the communes that met at least one target with respect to women in authority are in lowland areas where the majority group is Kinh (Thanh Xuong-ĐB, Cu Hue-ĐL, Thuan Hoa-HG) or are in district centers (Phuoc Thanh-NT). Those who did not meet either of the targets were in mountainous areas populated primarily by ethnic minority peoples.

TABLE 4.1. Proportion of women in authority at the commune level, 2007-2010 (%)

Commune	Commune Party Committee		People’s Council		People’s Committee	
	2007	2010	2007	2010	2007	2010
Thuan Hoa	20	20	12	12	16	21
Ban Lien	7	5	7	11	7	16
Thanh Xuong	7	11	11	21	7	12
Luong Minh	7	13	10	13	15	29
Duc Huong	7	13	17	17	16	21
Xy	11	11	7	7	20	20
Cu Hue	8	24	9	9	24	24
Phuoc Dai	29	33	25	25	19	21
Phuoc Thanh	13	0	14	14	44	21
Thuan Hoa	23	33	9	9	16	21

NSOURCE: Data provided by the Commune Office and the Commune Women’s Union, 2007-2010

Gender inequity is an important reason for the low proportion of women in authority at grassroots levels

**Prevailing gender prejudices** are an important reason for the low proportion of women in authority at grassroots levels. At most of the monitoring points, women continue to be expected to assume household responsibilities and care for the children rather than participate in social activities. Traditional gender roles that exist within the family structure often lead to reluctance toward female participation in social life. Very few women are able to overcome gender prejudices to fulfill both family and social responsibilities (Box 4.3). Such embedded gender roles exist not only among ethnic minority groups who have limited educational backgrounds but also among Kinh groups who have better



educational backgrounds. A district Youth Union cadre in Vu Quang, Ha Tinh (where the population is nearly 100-percent Kinh) commented on what he perceived as women's disadvantages: *"Women are not very good at interpersonal communication, often not in good health, and have difficult family circumstances, while men are good at interpersonal communication, often in good health, and actively participate in cultural activities. Men can easily manage their time and have more decision-making power."*

#### **BOX 4.3. The dual burden on women as they participate in social tasks**

Mrs. T, Chairwoman of the Women's Union in Xy commune (Huong Hoa, Quang Tri), is a very enthusiastic Van Kieu cadre. However, she always finds it difficult to balance her familial and social tasks. Her husband is also a commune cadre and is very sympathetic to this challenge. Her mother-in-law, though, who still holds prejudices about the roles of women, is not very willing to help Mrs. T complete household responsibilities when she gets busy with social work. Her mother-in-law believes *"Doing household chores is the job of women. Once they complete these they can take on social tasks."*

Mrs. T's job requires frequent visits to the villages. She also attends an evening class in A Tuc and sometimes goes on trainings away from home. This makes her mother-in-law unhappy. Every time her mother-in-law complains, it adds to Mrs. T's stress. Sometimes she manages to come home at lunch-time to cook for the whole family and wash the dishes before returning to work for the rest of the day. On the weekends or whenever she gets home early in the afternoon she goes to work in the upland field. She tries to fulfill the dual burden of family and social responsibility, knowing that it is actually very hard to do so: *"On the days when I do not have any social tasks, I have to do the household chores. It's a mix of family and social work."*

*Another important reason for limited female participation in government is women's limited educational background*

**Limited educational background** prevents women from participating in government at a local level. At the monitoring points, the minimum educational requirement for People's Council candidates is the completion of upper secondary school (with the exception of particularly remote mountainous communes such as Luong Minh-NA, Phuoc Thanh-NT, and Ban Lien-LC where the educational requirement is the completion of lower secondary school). According to criteria for commune/ward/township cadres<sup>22</sup> for key positions, such as People's Council Chairman/Vice-chairman and Party Committee Secretary/Vice-Secretary, the minimum educational requirements for candidates are: (i) completion of upper secondary school; (ii) completion of junior college of political theory; and (iii) completion of technical/professional junior college (or basic school for those in remote mountainous areas).

*A high proportion of ethnic minority women aged 18 to 40 have never been to school*

The average level of education among women remains low in many places, particularly in mountainous areas inhabited by ethnic minority peoples. As a result, women have few opportunities to be eligible candidates for public positions. Table 4.2 shows the highest level of education completed in a sample size of women aged 18 to 40: more than 40 percent of the women sampled in Phuoc Thanh-NT, Ban Lien-LC, and Xy-QT have never been to school; the proportion of women who have not completed primary school at mountainous ethnic minority monitoring points generally ranges between 20 and 40 percent. The figure is below 20 percent in several lowland areas where the majority ethnic group is Kinh, such as Thanh Xuong-DB, Thuan Hoa-TV, Thuan Hoa-HG, and Duc Huong-HT. Furthermore, largely because of the limited effectiveness of literacy classes, most of the monitoring points have failed to meet Target 1 – Objective 2 of the National Strategy on the Advancement of Women 2001-2010: the elimination of *"illiteracy for 95% of illiterate women under 40 years of age by 2005 and 100% by 2010."*

<sup>22</sup> Issued in accordance with Decision No. 04/2004/QĐ-BNV of the Minister of Home Affairs, dated 16 January 2004.



TABLE 4.2. Educational qualifications of women aged 18 to 40 years, 2010 (%)

Commune	Never went to school	Not having completed primary school (first level)	Having completed primary school (first level)	Having completed lower secondary school (second level)	Having completed upper secondary school (third level)	High school, college, university
Thuan Hoa	15	32	26	21	3	1
Ban Lien	42	33	16	8	1	0
Thanh Xuong	17	23	16	28	14	2
Luong Minh	22	42	26	7	2	1
Duc Huong	8	9	15	40	22	6
Xy	41	33	15	10	1	0
Cu Hue	20	23	22	22	9	3
Phuoc Dai	34	35	23	7	0	1
Phuoc Thanh	58	24	12	5	1	0
Thuan Hoa	16	41	25	17	1	2

SOURCE: Households interviews

Women with low levels of education are not qualified to be recruited as Party members

The low levels of education among women disqualify them from becoming Party members and render joining local Party Committees impossible (Box 4.4). Over the past four years, in line with the policy of standardising requirements for commune officers, many young ethnic minority men and women who have graduated from high school, college, or university have been appointed to positions at all levels in the commune People’s Committees. These young people often have the required technical and educational qualifications but lack the experience and reputation necessary to become Party members.

**BOX 4.4. Constraints on women in Phuoc Thanh commune in their candidacy for commune Party committees**

Phuoc Thanh commune (Bac Ai, Ninh Thuan) was the monitoring point with the lowest percentage of women in the Commune Party Committee in 2010. All 11 people appointed to the Commune Party Committee in 2010 (for the term 2011-2015) were men.

Given that Phuoc Thanh is an especially remote commune covered by Programme 30a, the minimum educational requirement for being appointed to the Commune Party Committee is completion of primary school. However, very few women who have a good reputation in the community and relevant experience can meet this basic requirement. For instance, the Chairwoman of the Commune Women’s Union is very experienced and highly respected by the villagers but has not completed primary school education, so she has not been recruited as a Party member. Some other women who have the required educational qualifications are still young or inexperienced or do not yet have the reputation necessary for recruitment.

*“The presence of women in Party committees is limited because they are not educationally qualified. There are some young women who have completed upper secondary school but decided to continue to study in junior colleges or vocational training institutions. None of the current cadres, including the Chairwoman of the Women’s Union, meet the minimum requirement of having completed grade five. So it’s impossible to appoint them to the Party Committees.”* (K.T., Chairman of Phuoc Thanh Commune People’s Committee).



<p><i>Committees for the Advancement of Women have been established at all the monitoring points...</i></p>	<p><b><i>The activities of the Communal Committees for the Advancement of Women remain weak</i></b>, a fact that has resulted in the limited training of women. Committees for the Advancement of Women nonetheless have been established in all ten communes within the poverty monitoring network and are led by a chairman who is the Commune People's Committee chairman/vice-chairman and a standing vice-chairwoman who is the chairwoman of the Commune Women's Union, and are attended by representatives of line committees and mass organisations, the commune health center, and area schools. A report on the activities of the Committees for the Advancement of Women is submitted on an annual basis to the district government.</p>
<p><i>...but are generally only superficially operational...</i></p>	<p>Cadres interviewed in seven out of the ten monitored communes reported that the Committees for the Advancement of Women were almost non-operational. In three of the ten communes, the Committees for the Advancement of Women exist but are only superficially operational. There are various reasons for their institutional weaknesses, including a general lack of attention and supervision by commune leaders, the limited capacities of cadres, the reality that many of the members of the Committees for the Advancement of Women are occupied with other tasks, and, their failure to develop an annual operating budget estimate.</p>
<p><i>...with Committee activities generally limited to annual review meetings</i></p>	<p>The main tasks of the Committees for the Advancement of Women are to advise and integrate elements of gender equality and women's advancement into sectoral plans, to develop and implement the Action Plan on the Advancement of Women at the local level, to propose measures to address gender inequality, and to increase the capacity of women to participate at the local level. Currently, however, activities (where existent) of the Committees for the Advancement of Women were observed to be limited to the organisation of annual review meetings. Integration of targets of the National Strategy on the Advancement of Women into local plans was observed to have hardly ever occurred at the monitoring points. Line departments continue to develop their sectoral plans without paying attention to the stated goals of integrating gender equality. There is likewise little attention at the local level to developing sex-disaggregated data (although there are sex-disaggregated health- and education-related data from national-level surveys).</p>
<p><i>... and often only considered the responsibility of the Commune Women's Union</i></p>	<p>Activities of the Committees for the Advancement of Women are often only considered the responsibility of the Commune Women's Union. Such activities include the organisation of meetings, the implementation of specific initiatives (if any), and written reporting. Meanwhile, the capacities of cadres within mountainous areas populated primarily by ethnic minority peoples remain limited, which presents challenges in communication and the implementation of initiatives of both the Women's Union and the Committees for the Advancement of Women. In certain places, cadres in the Women's Union who have to attend in-service trainings are occupied with household chores or are not financially motivated to attend, due to a lack or low level of allowances for village-level Women's Union cadres. Because of these shortcomings, activities of the Women's Union and Committees for the Advancement of Women at grassroots levels have not been enhanced (Box 4.5).</p>



#### BOX 4.5. Capacities of Women's Union cadres remain limited

Ban Lien commune (Bac Ha, Lao Cai) has a low percentage of women in positions of authority. One of the important reasons for this shortfall, according to the local cadres, is the limited capacities of female cadres. When in attendance, Women's Union cadres still feel shy and inferior to the men present. *"When I go to meetings and am sitting with the men, I feel very shy. I just listen to what they have to say and never speak as I am afraid of making irrelevant statements. I can do whatever I am told to do but I cannot speak out."* (Chairwoman of Ban Lien Commune Women's Union).

Of the nine Commune Women's Union chairwomen, three have never been to school and six have only completed primary school. They are often busy with family responsibilities and are not very motivated to undertake tasks assigned by the Women's Union without any remuneration. Some are very young, shy, and inexperienced.

Women's Union cadres remain limited in their ability to appropriately influence local government. They do not yet have a good reputation among peer cadres and villagers and, when interviewed, they reported lack confidence in their own abilities. The above-mentioned challenges present hurdles to the implementation of policies for the advancement of women and the promotion of women to positions of authority.

*Understanding of the Law on Gender Equality is limited, making it difficult to implement the Law at grassroots levels*

General understanding at the local level of the Law on Gender Equality is currently limited. The Law on Gender Equality receives less national attention than the Law on Domestic Violence Prevention and Control, perhaps because the macro-level nature of many articles of the Law on Gender Equality are difficult to implement at local levels, given the limited capacities of cadres and the lack of communication and training on gender equality. The implementation of the Law on Gender Equality requires high levels of commitment by the People's Committees at all levels and in all departments, especially the Fatherland Front, Justice, and Police departments. However, since there is still a lack of synergy between these different departments, the implementation of the Law on Gender Equality is still considered in many places to be only the responsibility of the Women's Union.

### 4.3 Conclusions: Gender Equality and Poverty Reduction

*Gender inequality and poverty reduction are closely related*

This fourth round of poverty monitoring indicates that gender equality and poverty reduction are closely related. Progress in gender equality becomes visible in the poverty reduction process and vice versa. Gender inequality indicates challenges to poverty reduction efforts at the monitoring points.

*There has been significant progress on gender equality*

Gender relations are often attached to the cultures, values, stereotypes, and prejudices of different ethnic groups. Progress on balancing the division of labour between men and women at many of the monitoring points has been achieved most evidently among young couples who are better educated and are able to have outside social contacts and access to mass media. Improved infrastructure has also helped reduce the family-related workload of women. As a result of participating in mass organisations and community groups, women have reported becoming more confident and knowledgeable, and have an increased say in family decision-making and better access to family resources.



*However, women still face many disadvantages*

*Gender inequality in the family leads to gender inequality in society*

However, women remain at a disadvantage in many aspects. Traditional labour-division patterns associated with gender prejudices are still prevalent. The handling of marital issues using traditional customs and practices among ethnic minority groups in many cases violates the legal rights of women and children. Furthermore, women are often victims of domestic violence. It has been proven that gender inequality in the family leads to gender inequality in society; the proportion of women in authority has increased over the past four years, yet only at a modest pace and unevenly among the monitoring points. Prejudices, engrained gender roles, low levels of education, the weak performance of the Committees for the Advancement of Women, and the limited understanding of the Law on Gender Equality are challenges to ensuring increased, effective political participation by women. Furthermore, though there are many young ethnic minority women who are educated and hold technical positions at the commune level, they lack experience and/or reputation and are therefore not qualified for inclusion in the local leadership structure.

*It is necessary to encourage community-based groups, to improve training and communication on gender equity, and consolidate activities of Committees for the Advancement of Women*

It is necessary to encourage community-based groups to invite the participation of both men and women (e.g. “inter-family groups” and “community development clubs” following the Reflect approach) in order to gradually increase awareness and change behaviours to ensure gender equality both in the family and in society.

Gender equality training and communication has been improved. However, more practical “hands-on” support should be provided to activities geared toward remote mountainous areas inhabited by ethnic minority peoples.

Consolidating and enhancing substantive activities of Committees for the Advancement of Women at the commune level should become a future focus, though the improvement of knowledge and skills of how to plan annual activities and budget, how to integrate gender into socioeconomic plans, and how to strengthen the capacity of female cadres should be written and distributed.



5. PARTICIPATION AND EMPOWERMENT

*Institutional reforms within poverty reduction programmes are desired, to increase participation and empowerment*

Changes in the nature of rural poverty are creating a demand within poverty reduction programmes for institutional reforms emphasising better participation and empowerment so that each impoverished individual, household, and community can take ownership of their development to make sure it suits their culture and identity. At monitoring points, visible improvements in participation were witnessed in 2010, although several challenges remain.

5.1 Participation of the poor in policies, programmes, and projects

Access to information

*People receive information about policies, programmes, and projects through different channels*

Table 5.1 shows that people most often receive information about policies, programmes, and projects through direct channels such as village meetings and mass organisational activities (e.g. of Women’s Unions). Other sources of information include audio-visual media such as televisions, radios, and loudspeakers. Paper sources such as newspapers, magazines, leaflets, brochures, announcements, and posters were the least employed in distributing information. Though this ranking of popularity of information channels remains the same as in the previous three rounds of monitoring, more information comes from television relative to previous years. This shift is largely due to the increased number of televisions owned by households and the rise in popular television programming.

TABLE 5.1. Channels for access to information about policies, programmes, and projects, 2010 (%)

Commune	TV	Loudsp- eakers	Newsp- apers, magaz- ines	Village meetings	Meetin- gs activiti- es of mass organi- sations	Officials’ visits	Leaflets and brochu- res distrib- uted to each HH	Announ- cements, posters in village centres or public places
Thuan Hoa	62	7	35	100	70	25	3	55
Ban Lien	63	10	17	95	45	35	13	20
Thanh Xuong	98	32	23	97	60	12	3	10
Luong Minh	18	20	13	97	67	22	20	22
Duc Huong	67	50	15	95	77	35	12	49
Xy	35	7	15	93	68	18	2	2
Cu Hue	82	73	13	95	77	17	5	37
Phuoc Dai	80	80	23	80	27	37	23	27
Phuoc Thanh	72	70	7	80	31	24	9	34
Thuan Hoa	85	40	3	55	37	50	10	25

SOURCE: Households interviews



**Village meetings**

<i>Village meetings are the most important information channel</i>	Village meetings are the most important information channel. Village meetings are usually held one to two times per month, or more often when necessary. The agenda of these meetings often includes communication on government policies and ongoing programmes and projects in the village, as well as reminders about contributions and payment of environmental and “social order” fees. The meetings typically start with presentations by village cadres on policies and regulations of the commune government (following their commune-level meetings). The villagers then discuss and provide comments on these policies. In certain remote ethnic minority villages, the commune government also sends cadres to village meetings to directly communicate information to the villagers.
<i>The percentage of household representatives attending village meetings is not high at many monitoring points</i>	However, the percentage of household representatives attending village meetings is only 50 to 60 percent at many of the monitoring points. There are various reasons for the lack of attendance of these meetings: many villagers are busy with work (upland farming, wage or migrant jobs); a number of households living in isolation in high mountains can rarely manage to attend because of the large distance between their home and the village meeting; in some villages with a large population the village office does not have sufficient space for everyone; and finally, the way information is communicated to the villagers is often not sufficiently interesting to attract attendance. In some ethnic minority villages, Kinh households participate less often in village meetings because they are occupied with their own business and do not fall within the group of programme/project beneficiaries. Another reason for lower Kinh participation in meetings in predominantly ethnic minority villages is that the meetings are designed for ethnic minority populations (and so, for example, the meetings may be conducted in a minority language that Kinh households do not speak).
<i>Certain villages fine those who do not attend village meetings</i>	In certain places, such as Thanh Xuong-ĐB, the level of attendance has been improved by the implementation of fines on people who do not attend the village meetings. Those households who miss village meetings without a suitable reason are subject to fines, which go into the village fund. The fine is 5,000 VND per meeting in Pa Dong village and 20,000 VND per meeting in Chan Nuoi 2. The level of attendance in these two villages is high: between 95 and 98 percent in Pa Dong and 85 percent in Chan Nuoi 2.
<i>Poor households seldom participate as their comments are often not well-taken</i>	At village meetings, wealthier households are often more active than poorer households. There are mixed observations accounting for this difference: according to the village cadre groups in Mich B (Thuan Hoa-HG), the discrepancy is the result of poorer households feeling “reliant,” “shy”, and afraid of saying something wrong or having nothing to contribute. However, a number of villagers believe that, in addition to these reasons, there is also a notion that the voice of the poor will not be heard anyway, which discourages them from attempting to speak (Table 5.2).



**TABLE 5.2. Priority-ranking: reasons for the poor not speaking up at village meetings in Mich B village, Thuan Hoa commune (Vi Xuyen, Ha Giang)**

Village cadres	Villagers (men and women)
1. Being reliant: <i>"If they don't speak, others will. They will eventually get listed anyway. That's what the policy is all about."</i>	1. Lacking confidence in public: <i>"we will not dare to speak in front of a big crowd of dozens of people, old and young."</i>
2. Having nothing to say: <i>"not educated, having nothing meaningful to say."</i>	2. Their voice not being heard: <i>"I used to talk a lot but the village cadres ignored me. The wealthier people said the same thing but they were listened to and asked follow-up questions. Now I still attend meetings but never say anything."</i>
3. Worry over making incorrect statements: <i>"They are shy of being mocked by others if they don't talk to the point."</i>	3. Worry over making incorrect statements: <i>"I am not knowledgeable so I am afraid of being laughed at."</i>
4. Lacking confidence in public: <i>"They have never been out of the village. Their interpersonal communication is limited. They speak with a shaking voice as if they were threatened by someone."</i>	4. Having nothing to say: <i>"I work in the field all-year-round. I never get a chance to learn so I have nothing to say."</i>
	5. Inappropriate seating: <i>"I often take the same seat every time, somewhere between the centre and the far end of the meeting room. I feel shy speaking from there."</i>

**Group meetings**

In certain villages with large populations or in ethnically diverse areas, group meetings (e.g. of the inter-family group in Duc Huong-HT, the production group in Phuoc Dai-NT, and the “ven” (sub-village) group <sup>23</sup> in Thuan Hoa-TV) have proven to be relatively effective. The proportion of households attending group meetings is relatively high: more than 90 percent. This is in part because group meetings are easier to organise than village meetings (on average, only 20 to 40 households attend group meetings) and because the distance between households and the meeting venue is closer. While poorer people often reported feeling shy at village meetings, they feel more encouraged to speak at group meetings because of the familiarity of the setting. Participants in group meetings often live in the same neighbourhoods and routinely interact with each other (e.g. through working in the field and attending events such as weddings and funerals). The core group in Ma Hoa village, Phuoc Dai-NT reported: *"While the poor households go to village meetings mainly to observe because they are not good at speaking, have a lower level of education, and do not have much information, they actually ask a lot of questions and make a lot of requests at group meetings."*

*Gatherings at pagodas are an effective information channel in Khmer communities*

In Thuan Hoa-TV, gatherings of the Sang Khum group or at Khmer pagodas provide a relatively effective channel of information. The commune government and mass organisations often use these group meetings to channel information to the villagers. Radio programmes and leaflets prepared in the Khmer language remain. However, since many young Khmer people work away from home, visits to the pagodas for ritual gatherings are attended primarily by older members of the households. Because of this, information channelled through the Khmer pagodas does not always reach young people.

<sup>23</sup> “Ven” is a sub-village in a Khmer community, similar to a “hamlet or group” in a Kinh village. A 200- to 300-household village is generally divided into five to seven vens.



Television

Television is an important channel of information

Television is an important information channel at the monitoring points where network electricity is available. Villagers typically access information about policies, programmes, and projects through the provincial television, news, and agricultural extension channels of Viet Nam Television. The advantage of this channel of information is its regularity, immediate relevancy, comprehensiveness, and television’s highly illustrative and recreational nature.

Wealthier households are more interested in television channels that provide agricultural extension information

The level of interest in television as an information channel differs between the better-off and the poor. While wealthier households are often more interested in agricultural extension programmes because they have more production land and larger-scale livestock production, poor households are generally more interested in support programmes and less interested in agricultural extension programmes, as they do not have the resources to invest in the productive activities recommended by extension workers.

A number of creative arrangements have been made in certain localities for policy communication with villagers via television. An example is the live television programme about Programme 30a, organised jointly by Bac Ai district and Ninh Thuan Provincial Television (Box 5.1).

BOX 5.1. Live television programme about Programme 30a in Bac Ai

In late 2009, the Bac Ai District People’s Committee collaborated with Ninh Thuan Provincial Television to organise a 120-minute-long live television programme about Programme 30a. Prior to the television program, the District People’s Committee informed all the communes of its timing and content. The information was then channelled to the villagers through the village heads and on loudspeakers. The television programme was conducted in the form of a roundtable with the participation of leaders from Bac Ai district. In addition to listening to information on Programme 30a, the villagers were able to ask questions by calling a direct telephone line (with translation service available). District leaders participating in the roundtable then directly provided responses.

An information channel as such is believed to be highly practical. However, many villagers could not access the information because they did not have a television at home (the percentage of households with televisions in the two communes of Phuoc Dai and Phuoc Thanh is only 70 to 80 percent). Also, the programme was aired in the afternoon, when many villagers were still working, so they were unable to participate in viewing.

Loudspeakers may be practical as they are nearby the villagers, information can be conveyed in ethnic minority languages and transmitted repeatedly

Loudspeakers

Loudspeakers are another relatively effective information channel about policies, programmes, and projects, because they are nearby the villagers and information can be conveyed in ethnic minority languages and transmitted repeatedly. However, a third of the 20 monitored villages still do not have village loudspeakers in place or could not access information from commune loudspeakers (Table 5.3).



TABLE 5.3. Status of public loudspeakers in monitored villages

Commune	Village	Availability of commune loudspeakers	Availability of village loudspeakers
Thuan Hoa (Ha Giang)	Mich B	–	X
	Minh Phong	–	–
Ban Lien (LC)	Thon Doi 1	–	–
	Khu Chu Tung 1	–	–
Thanh Xuong (Dien Bien)	Pa Dong	–	X
	Chan Nuoi 2	–	X
Luong Minh (Nghe An)	Xop Mat	X	X
	Cham Puong	–	X
Duc Huong (Ha Tinh)	Huong Tho	X	X
	Huong Tan	X	X
Xy (Quang Tri)	Troan O	–	+
	Xy La	–	+
Cu Hue (Dac Lac)	Dong Tam	X	X
	M’Hang	X	X
Phuoc Dai (Ninh Thuan)	Ta Lu 1	X	X
	Ma Hoa	X	X
Phuoc Thanh (Ninh Thuan)	Ma Du	X	+
	Da Ba Cai	X	+
Thuan Hoa (Tra Vinh)	Thuy Hoa	–	–
	Soc Chua	–	–

Notes: – No X Yes + Loudspeakers available but not operational

*Loudspeakers have not been used very effectively in certain places*

In certain places, loudspeakers have not been used effectively because both cadres and villagers consider loudspeakers primarily as a means to invite villagers to meetings and support recreational activities rather than as an information channel about policies, programmes, and projects. Commune loudspeakers do not have a frequent airtime schedule, which makes it difficult for villagers to follow their broadcasts. Also, because loudspeakers have limited geographical coverage, many villages do not have access to them.

In other cases, a system of loudspeakers is available but not being used very efficiently. When the loudspeakers are in need of repair or replacement, the village management board often relies on project funds to replace them or requests that the commune government cover repair costs. Many villages do not have (or have not been able to implement) regulations on the management of the loudspeaker system and other village assets, and/or on the establishment of a village fund to finance repairs or replacements of village assets (with contributions from villagers that are defined in accordance with their economic status).

Newspapers and magazines

*Very few ethnic minority villagers have access to newspapers and magazines*

Very few ethnic minority people at the monitoring points gain access to information about policies, programmes, and projects through newspapers and magazines. Villages in ethnic minority areas are often provided with certain newspapers, yet very few people read them. Reading newspapers at village meetings is rarely arranged. Most of the people at the monitoring points do not have the habit of reading; many ethnic minority people are unable to read the Vietnamese language.



Participation in the implementation of policies, programmes, and projects

People have positive feelings about progress on participation made over the past four years

Table 5.4 indicates that survey respondents felt their participation in policies and local programmes and projects was “better” in 2010, and respondents at most of the monitoring points felt that there has been improvement since 2007. Both the poor and non-poor groups felt that their participation has improved. This is a positive sign, showing that people have a better understanding of their individual role in development and poverty reduction efforts in their respective households and communities.

TABLE 5.4. Perception on household participation in the implementation of policies, programmes, and projects in communes and villages over the past 12 months (%)

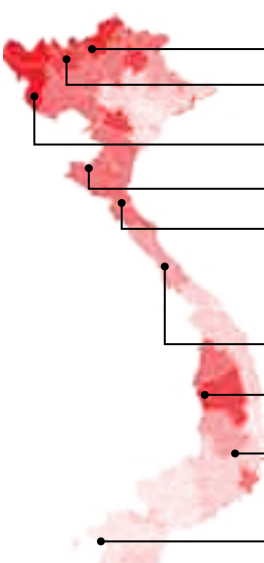
Commune	Better participation		By group			
			Poor HHs		Non-poor HHs	
	2007	2010	2007	2010	2007	2010
Thuan Hoa	42	28	30	38	49	25
Ban Lien	18	47	11	49	28	44
Thanh Xuong	45	43	-	-	50	45
Luong Minh	48	32	42	30	57	39
Duc Huong	60	48	56	52	61	46
Xy	7	13	11	13	0	14
Cu Hue	17	17	-	-	21	19
Phuoc Dai	15	39	9	29	19	52
Phuoc Thanh	15	18	17	11	14	24
Thuan Hoa	17	29	9	26	28	31

SOURCE: Households interviews

There are many reasons for better participation

Table 5.5 illustrates four primary reasons for increased participation from 2007 to 2010, according to local residents: “clearer and more specific policy information”, “enhanced capacity of local cadres”, “increased interest among villagers”, and “villagers getting more opportunities to raise their opinions”. Support targeting the poor and poor communities is becoming increasingly available, which provides an important incentive for villagers to become more interested in information about policies, programmes, and projects. A number of commune-level positions have been standardised and more cadres assigned to work at this level. As a result, the capacities of commune cadres has been significantly improved over the past four years, which has helped increase the participation of villagers in the implementation of the relevant policies, programmes, and projects.



**TABLE 5.5. Reasons for “better participation” over the past 12 months, 2010 (%)**


Commune	Enhanced capacity of local cadres	Clearer and more specific policy information	Increased interest among villagers	Commune and village levels becoming more active	Support and monitoring by the province and district	Villagers getting more opportunities to voice their opinions	Villagers getting more opportunities to take part in trainings, discussions, and supervision
Thuan Hoa	20	21	42	16	16	68	37
Ban Lien	25	64	61	14	50	36	4
Thanh Xuong	58	50	58	12	12	62	31
Luong Minh	58	53	32	5	42	21	37
Duc Huong	38	66	31	10	10	52	21
Xy	50	63	0	50	0	25	13
Cu Hue	90	90	70	10	0	10	10
Phuoc Dai	57	74	22	13	9	65	30
Phuoc Thanh	64	73	27	27	18	27	46
Thuan Hoa	53	88	12	0	29	47	6

SOURCE: Household interviews

### Socio economic planning

*Socio economic development planning at commune level is very important*

Most of the monitored communes are still developing their socioeconomic plans in a conventional manner. The task of planning is handled primarily by a number of commune cadres without the participation of commune and village line departments and mass organisations. The content of these plans is almost identical each year. Commune plans are normally submitted to the district level in July. However, district-level agencies only seldom use these commune plans as an input to district plans.

*The approach of participatory socio-economic development planning has been adopted in some localities*

A number of provinces, with support from various programmes and projects, are reforming their approach to commune-level socioeconomic planning, with an aim to ensuring that investment and public service plans better respond to the needs of the people. In 2010, Luong Minh-NA conducted a pilot, commune-level planning exercise using the new participatory approach. The approach was supported enthusiastically by commune and village agencies and resulted in a better quality of planning. There remain certain limitations, however. In the future, it will be necessary to standardise processes and enhance the capacities of grassroots cadres in order to ensure effective planning (Box 5.2).



**BOX 5.2. A new approach to planning in Luong Minh commune**

Since 2010, Luong Minh commune (Tuong Duong, Nghe An) has been in the process of conducting a socioeconomic planning exercise in accordance with Guideline No. 1132/SKH-TH (8 July 2010) of the Department of Planning and Investment of Nghe An province. Members of the commune planning team have received training in the district centre on the new participatory approach to planning. Village heads and Village Party Committee secretaries were also guided by district cadres and the commune planning team on the new approach at a meeting organised by the Commune People's Committee.

According to the new planning approach, information collection has been conducted in all the villages and with all the agencies and mass organisations in the commune. Villagers actively participated in the discussions at village meetings. The commune planning conference was also evaluated by grassroots cadres, as it was able to mobilise the participation of leaders and staff of commune and village agencies.

The new approach is more progressive than the conventional approach because it accommodates a wider range of participation and ensures that proposed recommendations respond to the needs of villagers, line departments, and agencies in the commune. There are a number of limitations on the planning exercise in Luong Minh, however, including:

- ❖ At the information collection meetings, the recommendations given lacked specifics.
- ❖ Line departments were unable to properly implement the new planning approach because commune cadres were not yet familiar with the planning software.
- ❖ The commune plan completed using the new approach was not submitted until September 2010 and therefore did not contribute significantly to the development of the overall district plan and sectoral plans. The commune plan did not become the governing document of the commune and the commune had to develop another plan for submission to the People's Council.

**Programme 30a**

Of the monitoring points, four (Ban Lien-LC, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT) are implementing Programme 30a. Programme 30a includes many policies and projects; this report aims to highlight two policies implemented at the monitoring points: "allocation of forest land to household for care and protection" and "land reclamation and soil improvement support". Generally, people have responded well to these policies. However, the implementation process has not been without challenges.

*It has proven more effective to allocate forest land to a community or a group rather than to individual households*

**The allocation of forest land to household for care and protection** began implementation in late 2009 by allocating forest land to the community or to household groups in the Phuoc Dai and Phuoc Thanh-NT communes (not yet in Luong Minh-NA or Ban Lien-LC). There are a number of differences in the way the policy has been implemented in the two communes (Table 5.6). Compared to Programme 661, there is a better chance under Programme 30a to improve forest protection and to mobilise the whole community in the case of forest fire.



**TABLE 5.6. Allocation of forest land to household for care and protection in the two communes of Phuoc Dai and Phuoc Thanh**

	Phuoc Dai	Phuoc Thanh
<b>Area</b>	More than 800 hectares, allocated to the two villages of Ma Hoa and Chau Dac	More than 600 hectares, allocated to the two villages of Ma Nai and Suoi Lo
<b>Management Modality</b>	<ul style="list-style-type: none"> <li>❖ Allocated to the community</li> <li>❖ Financially managed by commune; labour division and payment by village</li> <li>❖ Block-grant funds used to pay fire prevention service (60,000 VND per team); for fire rescue (20,000 per time); and salaries for commune defence team (since August 2010)</li> </ul>	<ul style="list-style-type: none"> <li>❖ Allocated to poor household groups; managed by the village head</li> <li>❖ Block-grant funds received by village head from the Plantation and directly managed by village head</li> <li>❖ Block-grant funds used to pay for forest guards (25,000 VND per person per day); weeding service (50,000 VND per day); cooking appliances for forest guards; fuel for cadres of supported communes; and drinks for village meetings. The remaining funds are distributed directly to households providing fire prevention services</li> </ul>
<b>Commune-level roles</b>	<ul style="list-style-type: none"> <li>❖ Providing fire prevention teams in the dry season</li> <li>❖ Listing participants, receiving block-grant funds from the commune to pay participants (once every 10 days)</li> <li>❖ Mobilising fire rescue team when forest fire occurs</li> </ul>	<ul style="list-style-type: none"> <li>❖ Providing fire prevention teams in the dry season</li> <li>❖ Directly paying participants</li> <li>❖ Mobilising fire rescue team when forest fire occurs</li> </ul>
<b>Results/Limitations</b>	<ul style="list-style-type: none"> <li>❖ Better sense of responsibility for forest protection</li> <li>❖ Certain fire prevention teams did not perform well (e.g. drinking while on duty)</li> <li>❖ A forest fire occurred in April 2010</li> </ul>	<ul style="list-style-type: none"> <li>❖ Better sense of responsibility for forest protection</li> <li>❖ Forest guards receive a regular income (more than 300,000 VND per person per month)</li> <li>❖ Funds were available to pay for drinks for village meetings</li> <li>❖ There were no forest fires in 2010</li> </ul>

*However, the way forest land has been allocated for block-grant management is different between localities*

The way forest land has been allocated for block-grant management differs between monitoring points. In Phuoc Dai commune, forest land has been allocated to the villages, but the commune nonetheless manages block-grant funds and pays the villages on a periodical basis, as they are concerned about villages not having a safe place to keep the funds or incorrectly allocating the funds. Such an arrangement does not give village cadres much flexibility to hire and pay employees. In Phuoc Thanh commune, forest land has been allocated to household groups and funds are likewise managed directly by village heads. Village heads and household groups in charge of forest protection have full control of financial matters and expenditures. Capacities of village cadres remain limited, however. They have encountered challenges in financial management.

*CFM mechanism should be developed within Programme 30a*

There are not yet any detailed guidance in Programme 30a regarding management of forest land allocated to household. Currently people are not benefiting from forest products such as firewood and other non-extractive forest by-products. In the future it will be necessary to develop a community forest management (CFM) mechanism as part of Programme 30a, to increase the role of the community in forest care and protection while the programme generates income for the community at the same time (Box 5.3).



**BOX 5.3. Development of a CFM mechanism as part of Programme 30a**

According to the policy of forest care and protection support in Programme 30a, the households in charge of forest care and protection can receive an annual allowance of 200,000 VND per hectare. However, they are not allowed to collect firewood and other non-extractive forest sub-products. In Phuoc Dai and Phuoc Thanh (Bac Ai, Ninh Thuan), forest land is allocated for management by villages or household groups. The allocation of forest land to the community currently applies the same benefits and obligation provisions as allocation to individual households.

In the current forest management arrangements, households are still considered “forest steward” hired by the government rather than forest owners themselves. This does not help develop a good sense of community responsibility for forest management. Therefore it is necessary to develop a CFM mechanism in order to ensure additional income for the community from firewood and non-extractive forest sub-products and to improve the sense of responsibility among community members. There needs to be specific guidance on financial management procedures and methods of strengthening the capacities of village cadres for implementation.

*Block-grant forest management as part of Programme 30a should continue on from Programme 661*

In Luong Minh-NA, Programme 661 has ended while Programme 30a has not yet begun implementation of its block-grant forest management policy. Between 1998 and 2007, Xop Mat and Cham Puong villages were assigned to care for and protect forest land as part of Programme 661. Xop Mat received seven million VND per year, whereas Cham Puong received 14 million VND per year. In both communes, the block grant was allocated to village funds, to cover the operational costs for forest protection teams, and for distribution to households. Villagers had a good sense of their responsibility for not slashing and burning forest land within planned areas and for protecting the forest from being encroached upon. Village management committees represented the community in forest management and reported illegal acts to the forest rangers.

*The development of regulations on forest management that associate responsibilities and benefits with the local community is a long-term need*

In late 2007, Programme 661 was terminated in Luong Minh. By the end of 2010, the block-grant forest management policy as part of Programme 30a had not been introduced. As a result, the participation of people in forest management has declined remarkably, and illegal logging has occurred more frequently. Many people from a commune nearby have come to burn forest land for farming purposes. Even villagers from within Luong Minh started to cut trees without seeking permission from the village head and forest rangers. Work on forest protection has become challenging, as there were no provisions covering roles and responsibilities in handling illegal acts at the village level. Previously the village security committee was responsible for regular forest guarding and patrolling, particularly in April and May when villagers began to burn down trees for farming. At present the security committee is inactive due to a lack of operating funds.

*Measuring reclaimed land acreage on terraces by counting only water-surface area is an inappropriate practice*

**The land reclamation and soil improvement support policy** has been introduced to the communes of Ban Lien-LC, Phuoc Dai-NT, and Phuoc Thanh-NT (and will be introduced to Luong Minh-NA) in different ways and yielded diverse results.

According to the provisions of Programme 30a, households are required to register their reclaimed land acreage with the village head. However, the households often only register an estimate of the acreage, which takes a long time to be verified by the commune cadres. Because the number of households registering is large, it is difficult for commune cadres to thoroughly verify individual household data, which may result in errors and omissions.



In Ban Lien-LC, the commune government is responsible for verifying land reclaimed by the villagers and providing grant support. However, measuring the amount of reclaimed land by only “water surface” has proven challenging. This way of measuring is considered inappropriate as it does not factor in the hard labour involved in reclaiming terraced land, including boundaries (See Box 2.5, Chapter 2).

*Households should be empowered to manage their own land restoration and soil improvement*

In Phuoc Dai and Phuoc Thanh-NT, the People’s Committee has subcontracted out the land restoration and soil improvement tasks. Contractors are responsible for providing mechanical ploughing services. On the one hand, according to district and commune cadres, contractors were efficient because they were able to use mechanical tools. On the other hand, many households reported that they could have done the same work as the contractors with their own cows, arguing that there is not much difference between mechanical and manual ploughing. In fact the cost of mechanical ploughing is often two to three times more than manual ploughing.

### **Programme 135**

*The provision of farming tools in Programme 135 needs to be better supported and supervised by villages*

2010 was the final year of the second phase of Programme 135. This report will focus on two activities: the non-refundable provision of farming tools, and the non-refundable provision of seeds and agricultural supplies.

**The farming tools** supported under Programme 135 in the monitoring points were rice threshers (Phuoc Dai-NT, Thuan Hoa-HG), ploughing machines (Phuoc Dai-NT), and pesticide sprayers and animal feed cutters (Ban Lien-LC).

A number of farming tools provided in Programme 135 have helped to increase mechanised farming and thereby reduce the labour involved in farming. For example, rice threshers in Ta Lu 1 village (Phuoc Dai-NT) and Mich B village (Thuan Hoa-HG) effectively reduced labour time. However, other tools provided have not been as effective, such as the ploughing machines distributed to Ma Hoa village (Phuoc Dai-NT). A lesson can be drawn from this: farming tools provided by the programme should respond to local conditions, be handled by qualified people, and be supported and closely supervised by the villagers (Box 5.4).



### **BOX 5.4. Provision of farming tools in Programme 135: stories of success and failure in Phuoc Dai commune (Bac Ai, Ninh Thuan)**

#### **1. Rice threshers in Ta Lu1 village - A story of programme success**

In 2009, Programme 135 provided Ta Lu village with a rice thresher. Ta Lu 1 has a rather high acreage of rice land (including lowland and upland rice). It is also located in the center of the commune, so the use of the machine has been fairly effective. The rice thresher has helped reduce the labour burden on women. While manual rice threshing takes one to two days to finish, the rice thresher machine takes only 30 to 45 minutes. The paddy grains also look better, because waste and foreign matter are removed. This saves women the labour they would otherwise have to use to manually remove them. The availability of the rice thresher has encouraged farmers to increase their exchange of labour in order to secure an adequate load of paddy rice to feed the machine. The effective use of the rice thresher should also be attributed to the service of the person in charge of the machine (Mr. K.B.), who knows how to use and repair the machine and is personally very committed.

#### **2. Hand ploughing machine in Ma Hoa village – A story of programme failure**

In 2009, Ma Hoa village received a hand ploughing machine from Programme 135. The machine was found not suitable to cultivating conditions in the village, as much of the rice land was on terraces and the acreage of individual plots often too small to apply the machine. In addition, the soil was hard, making it difficult and costly in fuel to plough. As a result, the villagers seldom rented the machine.

The failure of this programme involving the ploughing machine was also due to the fact that it was not handled by the right user. Despite the regulations in place charging a nine-member team with use of the machine, in practice the team leader alone used it and single-handedly controlled the revenues obtained from renting the machine, without any supervision by the village. When the machine needed repair, the team leader did not know how to fix it and did not have any money to have it fixed, because he had allotted all of the revenues to his own family's expenses. Because of this misuse, the commune government decided in September 2010 to take back the machine.

*In some cases, farming tools were provided to a group but were managed by individuals*

An issue often raised in relation to the provision of farming tools is whether these tools are meant “to support groups or individuals”. According to the regulations of Programme 135<sup>24</sup>, farming tools are to be allocated for common use by group members, of whom at least half are to be from poor households.

In certain cases groups exist only as a formality. For example, there are groups of rice-threshers and ploughing-machine-users in Phuoc Dai-NT. These machines are actually managed, however, on a “block-grant” basis by an individual (often the group leader). Group members are given a discount on the rent of the machines. Net revenues from renting out the machines (after fuel and maintenance costs) are collected by the individual as personal income. Regulations on the use of these machines do not include specific provisions on rental arrangements or the individual's responsibility for contributing to the village fund. Because of the lack of regulations the village management board does not pay much attention to the operations of the groups.

In other cases, the groups have shown to operate well because of close supervision by the village management board. A good example of the benefits of coordination

<sup>24</sup> Farming tools are to be allocated for common use by group members, as per Point 1, Section II, Circular No. 01/2007/TT-BNN issued by MARD on 15 January 2007.



*Once there are clear regulations in place, farming tools are used more effectively*

is the rice thresher group in Mich B village, Thuan Hoa commune (HG). The village management board held a meeting with villagers to form a team of five people who would manage the machine. The team of managers is to be reelected annually. The price of machine use was also collectively decided at the meetings (80,000 VND per 1000 square metres). According to this model, the team leader is responsible for recording the time worked by each of the team members in addition to the total acreage covered, and the team reports to the village management board on the 11th day of every month. Revenues are allocated to pay fuel and maintenance costs, allowance for team members, and to contribute to the village fund (500,000 VND per year). Because of this close supervision by the village management board, the rice thresher group has been operating well and making contributions to the village fund.

*Free support in the form of seeds and fertilisers is not very effective*

**Provision of seeds and agricultural supplies** to poor households has been ongoing in communes covered by Phase 2 of Programme 135. Most of the seeds and agricultural supplies provided are “non-refundable” and “unconditional”. Poor households have been given training by agricultural extension cadres on the policy. However, because the main training methodology involves lectures on theory at the commune meeting room or village community house, rather than demonstration in the field, the effectiveness of the training has been rather limited. “Free” support does not promote an idea of ownership on the part of the poor. In many places, farmers rely exclusively on the fertilisers provided by the programme, without adding any of their own resources. Once their free supply runs out, they stop applying fertilisers. Due to the absence of a mechanism to supervise the use of seeds and other supplies provided under the support policy, many households have ended up selling these products in order to subsidise their daily expenses.

*Provision of agricultural supplies should be refundable*

Despite being aware of the limitations of non-refundable support, very few localities have introduced a policy of refunding the value of supplies provided to poor households or of sharing benefits through, for example, the creation of an “agricultural extension” or “revolving” fund that involves other households on a voluntary basis policies that can improve the effectiveness of support and/or increase a sense of accountability and ownership among recipients.

### **Housing support for the poor (Decision 167)**

*The policy of providing support to eliminate temporary housing is highly appreciated ... but beneficiaries in certain places tend to be passive and dependent...*

In 2010, the “Housing Support for the Poor” programme (Decision 167, often referred to as “Programme 167”) continued to be implemented at most of monitoring points. The policy of empowering recipients to construct their own houses under the supervision and assistance of the commune government and community has been highly appreciated. The quality of houses built in accordance with Decision 167 are notably higher than those houses built under the programme of Programme 134. There nonetheless remain a number of limitations in the implementation process.

In Phuoc Dai and Phuoc Thanh communes (NT), most of the poor households participating in the programme chose to find a contractor for the construction of the house (the contractor was identified by the commune government). The households therefore took a passive role in the construction process, only being involved in the ground-preparation phase. Once construction was completed and the house was put to use, the households continued to rely on the contractor for



maintenance. For example, Mr. K in Ta Lu 1 village (Phuoc Dai-NT) reported: *"The roof of our house is leaky and the door has broken down. We reported the problem two to three times to the commune government but the contractor has not yet come to fix them. My son-in-law is a construction worker. He knows how to fix the leaky roof. However, we would still want the contractor to do that as they built the house, not us."*

*... and a number of households who chose to build the house themselves have encountered difficulties*

Households who chose to build the houses themselves have also encountered challenges, as they did not receive any financial advances from Programme 167 and the disbursement of concessional loans from the Social Policy Bank has been slow. As a result, many households have had to take out informal loans with high interest rates. A number of poor households without savings or financial help from relatives and the community have not been able to build the houses themselves despite their qualification for programme support. There are also cases where the households in the programme built a house beyond their means and as a result have become seriously indebted.

*Quality control of Decision-167 houses has been weak in certain places*

The quality control of houses built under Decision 167 has been limited in certain places. A commune supervision committee has been established, consisting of a Commune People's Committee vice-chairman, a Fatherland Front cadre, a land administration officer, an accountant, and village heads. However, the actual supervision of the construction of the houses is undertaken by the village heads, who are often very busy. For example, in Phuoc Thanh-NT, hand-over of the house once it is completed often takes place in the dry season, making it difficult to identify flaws that would be apparent in the rainy season, such as leaky roofs and cracked walls. The core group in Ma Du village, Phuoc Thanh-NT reported: *"When the house was handed over, it was not rainy so nobody knew the roof was leaky. When the rainy season began, it became clear... Because of the heavy rains, at some point the household had to move out to a temporary accommodation. When we came to check, we found out that the roof was not properly built. We have reported to the commune government but there's no response yet."*

## **Legal aid**

At the monitoring points, legal aid needs are often concentrated around issues such as land, marriage and family, the prevention of domestic violence, and child adoption.

*Grassroots-level legal aid remains limited*

The main responsibility for delivering formal legal aid is handled by the commune judicial committee. At most of the monitoring points, legal-aid delivery remains limited because commune judicial cadres are not closely engaged with village needs and because villagers rarely seek out legal assistance independently. The two exceptions are Cu Hue-ĐL and Thanh Xuong-ĐB, where commune judicial cadres are competent and committed: they understand the needs of the villagers and are able to respond to these needs (Box 5.5).



### BOX 5.5. Delivery of legal aid in Cu Hue

Legal aid has been delivered relatively well in Cu Hue commune (Eakar, Dak Lak) in the past few years, in the following forms:

- ❖ Legal communication through the monthly judicial newsletter, a copy of which is distributed to each village. The key content of the newsletter includes new laws and questions and answers on legal issues. The newsletter is brief and easy to understand.
- ❖ Legal information from commune judicial cadres via information kiosks. People from the seven ethnic minority villages can register their needs for legal information with the information kiosk, which will then be conveyed to the commune judicial cadres. The commune judicial cadres will research the question and provide an answer to the villager.
- ❖ Communication using leaflets and flyers. The district judicial division is responsible for developing leaflets and flyers for distribution to commune judicial cadres. There were four distributions in 2010, with 400 to 450 copies distributed each time. These leaflets and flyers are designed with catchy images and colours containing brief bits of information about different laws.
- ❖ Training and communication sessions on legal information jointly organised by the Farmers' Union and the District Judicial Division. Each village sent seven to nine participants to these information sessions.
- ❖ Assistance in handling cases as they occur. The commune judicial cadres receive requests from people and provide guidance on the necessary legal procedures. According to commune judicial cadres, most of the cases handled this way are divorces.

The above forms of communication have been appreciated by local communities. Legal aid activities have been delivered well because commune judicial cadres are generally highly qualified (i.e. at a university-level) and knowledgeable about legislation and how the judicial system works. The district judicial division also regularly collaborates with and provides information to the commune judicial cadres. The experience of Cu Hue commune suggests that improving qualifications of commune judicial cadres and strengthening judicial support will ensure effective legal aid.

*Legal aid clubs have not been established*

Legal aid is also part of Programmes 135 and 30a<sup>25</sup>. Programme 135 provided a two million VND grant to each of the communes to establish legal aid clubs and organise mobile legal aid services. However, none of the monitored communes has established a legal aid club. Some have been able to organise mobile legal aid sessions, but with limited impact only.

*It is necessary to improve village heads' capacities in legal communication*

Most of the communes have integrated legal communication in village meetings or mass organisational activities. Such an integrated approach is especially appropriate for poor ethnic minority communes in remote areas, as it uses local languages and reduces costs and travel time for both cadres and villagers. However, integrated village meetings are still infrequent (generally only held once or twice per year). Village heads have limited legal knowledge so their presentations at village meetings are often not comprehensive. There is a "legal bookshelf" at the office of the People's Committee, but it is not regularly used by village heads because of their limited educational background and because they are generally busy and live far from the People's Committee office. Local residents generally do not have a

<sup>25</sup> Decision No. 112/2007/QĐ-TTg dated 20 July 2007 and Decision No. 52/2010/QĐ-TTg dated 18 August 2010 of the Prime Minister.



good understanding of legal information; very few interviewed people were able to explain what they had learned in the legal communication meeting.

*Guidelines on poverty reviews using the new poverty line have addressed migrants*

### **Poverty review**

The Government has reformulated the poverty line for 2011-2015: households earning under 400,000 VND per person per month are now considered poor. The household survey procedures introduced by MOLISA now include poverty reviews of village resident households (residence is defined as habitation for six months or more), regardless of the availability of a permanent residence book or the status of residential registration (permanent, temporary, or non-registered). This is a step forward in recognising the interests of migrants.

*Persistent difficulties in poverty reviews persist*

Poverty reviews at the monitoring points continue to encounter many challenges, many of which have persisted over time and have been covered in past reports. Villagers tend to “hide their incomes”, especially non-agricultural incomes (e.g. from trading, services, wages jobs, or migrant jobs); ethnic minority farmers often inter-crop, which makes it difficult to perform separate cost-benefit analysis for each crop; grassroots cadres still tend to avoid confrontation and disagreement while conducting poverty reviews or are under pressure by “pre-determined targets on the number of poor households” assigned by higher-level authorities.

*Grassroots cadres in many places do not strictly follow poverty review guidelines*

Trainings on poverty reviews have been provided at provincial, district, and commune levels. However, due to the short timeframe of the trainings coupled with the complexity of the issues and the limited capacities of grassroots cadres, poverty reviews continue to be inconsistent. This may eventually lead to distorted results (Box 5.6).



### BOX 5.6. Inconsistent poverty review practices at monitoring points

Poverty reviews conducted at the monitoring points have deviated from the standard procedures issued by MOLISA and are likely to lead to distorted results:

- ❖ Certain villages do not account for households without permanent residence books and/or temporary residence registration despite the fact that some of these villagers have resided in the villages for more than six months. The reason sometimes cited for this exclusion is that the officials *“are not sure about the movements of these households”* (Ban Lien-LC).
- ❖ Reviewers estimate household production costs themselves without basing such costs on actual household expenditures. The reason given: *“the trainings did not specifically guide us how to calculate total income and total expenditure. We did the calculation ourselves. For example, if the corn output is 10 bags we will subtract three bags, which we believe are equivalent to the cost of labour. It’s just an estimate...”* (Phuoc Thanh-NT).
- ❖ Reviewers apply the same “cost norms” issued by the district government to all the households, often without taking into account the specific conditions of individual households. For instance, the cost norm for total rice production cost is 40 to 45 percent of total revenue (Thanh Xuong-DB).
- ❖ Poverty-ranking meetings at the village level only involve village cadres and certain wealthier households in order to *“be more objective”* (Thuan Hoa-TV).
- ❖ Social assistance (received according to Decree 67/CP) is still included in total household income despite MOLISA’s issuance of a guideline specifically excluding social assistance (Cu Hue-DL).
- ❖ Although there exists a poverty-review steering committee at the commune level, generally consisting of several commune cadres and village heads, the actual work is done by only one or two commune cadres. Village cadres are not involved, as their capacities are not sufficient for them to conduct the reviews by themselves. The workload of the reviewers is therefore very heavy, which may lead to errors during the process of collecting income data at most of the monitoring points.
- ❖ Expenditures are also included in salary incomes despite MOLISA’s guidelines excluding them (Phuoc Dai-NT).
- ❖ Reviewers do not visit individual households to survey assets, welfare, and incomes. Instead, they invite household representatives to a community meeting in order to *“prevent the households from hiding their incomes”* (Phuoc Thanh-NT, Ban Lien-LC, Xy-QT).
- ❖ In some cases, family members (parents and children) still live in the same house, sharing both incomes and expenditures, while administratively they are considered separate households. These households are incorrectly counted as two separate households in the poverty reviews (Cu Hue-DL).

*The assessment of assets and welfare in poverty reviews should be adjusted according to specific local conditions*

MOLISA’s technical guidelines on poor-household reviews have been improved with respect to scoring assets and welfare by region in order to provide a basis for rapid household ranking. However, there remain several inappropriate or unclear definitions and norms in the assessment process. For example, the concepts of “solid house” and “non-solid house” are interpreted differently from one location to another due to the lack of an objective definition and the reality of different regional housing characteristics (e.g. stilt houses with poles built on solid surfaces or placed in dug holes, houses built with differing qualities of wood).



5.2 The role of community institutions in increasing people’s participation

Community groups are very important for promoting participation

Community institutions vary across monitoring points. People’s participation at different degrees (from the lowest degree of information sharing to the highest degree of being empowered to self-implement community initiatives) in each village is heavily impacted by the multi-lateral power relations within the community between village heads, mass organisations, village patriarchs, clan heads, and farmers’ groups.

This fourth round of this report focuses on highlighting the features and roles of various groups in promoting people’s participation. At each of the monitoring points there are a wide variety of groups with their own objectives and agenda of activities aiming to support community members through community, economic, and social functions. One group may have multiple functions, and a villager may participate in multiple groups.

Groups with community functions

Groups serving community functions are highly sustainable

Groups aiming to carry out community functions range from community supervision committees to reconciliation teams, community forest protection teams, disaster prevention teams, water system management teams, village construction committees, production groups, self-governed groups, and inter-family groups. These forms of informal community cooperation may promote the participation and empowerment of villagers in implementing policies, programmes, and projects as appropriate to local customs, practices, and socioeconomic conditions. In principle, groups carrying out community functions are highly sustainable as they operate on a voluntary basis and do not rely on external financial support. Such community functions respond to the real needs of the villagers. A good example is the inter-family group in Duc Huong-HT that has effectively carried out many community functions, as mentioned in the third round report (Table 5.7).



**TABLE 5.7. Comparison of several types of groups serving community functions**

	<b>Production group in Ma Hoa, Phuoc Dai-NT</b>	<b>Production group in Thuan Hoa-HG and Luong Minh-NA</b>	<b>Inter-family groups in Duc Huong-HT</b>
<b>History</b>	Formed in the late 1970's (following arrival of Raglai group)	Formed in the 1960's (collective economy, cooperatives)	Formed in 2005 (initiated by HCCD and Vu Quang district)
<b>Main functions</b>	<ul style="list-style-type: none"> <li>❖ Joint farming to raise funds for the group (Group 3)</li> <li>❖ Maintain a cow fund (Group 1)</li> <li>❖ Reconcile conflicts within families and between group members</li> <li>❖ Communicate to households information about policies, programmes, and projects as received from village management board</li> <li>❖ Report opinions from group members to village management board</li> <li>❖ Encourage members to share experiences</li> <li>❖ Assign members to unexpected urgent tasks</li> <li>❖ Clean the village</li> <li>❖ Visit and help households with family sickness or deaths</li> </ul>	<ul style="list-style-type: none"> <li>❖ Help the village management board to collect certain types of contributions</li> <li>❖ Visit and help households with family sickness or deaths</li> <li>❖ Help poor and remote households by providing them with food and labour</li> <li>❖ Labour division for providing public services as required by the village</li> </ul>	<ul style="list-style-type: none"> <li>❖ Reconciling conflicts within families and between group members</li> <li>❖ Members remind each other of the need to keep public order</li> <li>❖ Visit and help households with family sickness or deaths</li> <li>❖ Help poor and challenged households share experiences</li> <li>❖ Clean up the village (especially after the flood in 2010)</li> <li>❖ Assign members to unexpected urgent tasks</li> <li>❖ •Vote for households to receive support</li> <li>❖ Provide input to poverty reviews</li> <li>❖ Report opinions and complaints about policies, programmes, and projects to the village management board</li> </ul>
<b>Size</b>	20 to 30 households, including poor and wealthier households	Approximately 20 households, including poor and wealthier households	46 groups with 7 to 25 households each, consisting of households living nearby regardless of wealth
<b>Management, activities</b>	Group leader does not have an allowance. Meets bi-monthly and as needed, often at the group leader's house	Group leader in LM does not have an allowance; group leader in TH gets 270 kilograms of rice per year. Meets once every three to six months and as needed, often hosted by group leader	Group leader and vice-leader receive allowances of 100,000 VND per year (in wealthier villages such as Huong Tho); monthly meetings are rotationally hosted by group members
<b>Support</b>	Directly managed by village management board	Not closely supervised by village head	Closely linked to the village management board. HCCD support integrated in activities of inter-family groups
<b>Level of self-reliance</b>	Existing but declining collective activities	Low, declining collective activities	High, good performance

*Production groups used to be a common form of community grouping*

Of the groups carrying out community functions at the village level, “production groups” are the most common in northern and central provinces. These groups are legacy of the collective economy model present in the 1960's and 1970's (production groups as part of a cooperative or a corporation). A small village with



30 to 50 households is organised into a production group, and a large village can be divided into several production groups.

*The role of production groups is now declining in many places*

The role of the production groups is declining in many places. Since the collective economy no longer exists and land is divided among farms and households, production group members are not as closely linked as they were in the past. Most production groups do not have a common fund or grow joint crops, which makes it difficult to organise collective activities. The identification of eligible beneficiaries is now decided at village meetings, so villagers have less interest in the individual meetings of the production groups. Since the services of village extension workers have become available, the role of the production group leader has also declined. In the past, at group meetings, the group leader informed members about the crop calendar, new seed varieties, and fertiliser supplies. The provision of this information has shifted to the extension workers. The core group in Minh Phong village, Thuan Hoa-HG reported: *"Several years back, when there were no rural extension workers, the production group used to meet regularly. Now we don't need to meet as we have an extension worker."*

*The self-managed groups are effective in constructing and supervising the small infrastructure items*

In villages where there is a strong spirit of community work, the idea of contributing labour, rice, local materials, and cash to repair or rebuild small-scale infrastructure facilities is generally welcomed by the villagers. Management boards have also been established to manage these contributions, assign specific tasks to community members, organise construction work, and exercise quality control. Because of the work of the management boards, financial information has become increasingly transparent, waste has been minimised, and the quality of construction has increased (given that the community implements the construction themselves (or may hire several skilled technicians) with technical assistance provided by commune cadres). Once the construction is completed, the management board is dissolved (and can be re-established when there is a new construction project). A good example of such a board is the "construction committee" in Chan Nuoi 2 village, Thanh Xuong-DB (Box 5.7).

### **BOX 5.7. The construction committee in Chan Nuoi 2 Village**

In 2010, villagers in Chan Nuoi 2, Thanh Xuong-DB agreed to construct a village cultural house with a total budget of more than 100 million VND. The finances were raised by the villagers themselves, with additional donations from a number of local enterprises and agencies.

During the construction of the village cultural house, a village construction committee was appointed to manage and supervise the construction work. The committee consisted of nine members, including heads of line departments and several villagers with construction experience. The committee was divided into two sub-committees: a sub-committee on construction planning (handling location, design, and cost estimates) and a sub-committee on budget management and implementation supervision (handling financial management, procurement, wage payment, and quality control).

The construction committee regularly reported progress at village meetings and was responsible for transparent financial reporting. Any villager who needed information about the construction of the cultural house could directly contact any member of the committee.

--- *"The construction committee was appointed by us so we trust our contributions will be exclusively used to serve community interests. We are kept informed of everything..."*

(H.B., Chan Nuoi 2 village, Thanh Xuong commune)



## Economic groups

*Economic groups can benefit the poor*

Economic groups gather members who share a common economic interest or activity. Examples are loan groups, credit-savings groups, extension clubs, labour exchange groups, interest groups (related to cow/goat/pig-raising, corn/tea/cassava-growing, weaving), agricultural service groups, and common asset management groups (e.g. of rice threshers, ploughing machines, driers, and mechanical pesticide sprayers). These diverse types of groups can help members increase income as they join together to share information and resources. A good example of these benefits comes from the labour exchange group, which proved to be especially helpful to poor households at peak harvest (e.g. in Xy-QT, Thuan Hoa-HG) (Table 5.8).

**TABLE 5.8. Comparison of several types of groups with economic objectives**

	<b>Buffalo/cow grazing groups in Xop Mat (Luong Minh-NA)</b>	<b>Labour exchange groups (various locations)</b>	<b>Interest groups – information groups (Cu Hue-ĐL)</b>
<b>History</b>	Formed in 2009	Inter-generational	Formed in 2007
<b>Objectives</b>	To establish a common grazing area for the whole group	To provide mutual labour assistance	To provide assistance to ethnic minority women in cropping and livestock-raising techniques and in accessing administrative information
<b>Key activities</b>	❖ Member households jointly build fences around the common grazing area and manage cows and buffaloes	❖ Exchange of labour in slashing, burning, planting, weeding, and transporting	2007 - 2009: ❖ All groups in the commune meet once a month ❖ Sharing information, discussing cropping and livestock-raising techniques 2009 - 2010: ❖ Separate meetings in small groups ❖ Collaborate with the information kiosk to provide information about cropping and livestock-raising to villagers
<b>Size</b>	10 households per group	Not fixed	❖ 2007 - 2009: 30 people per group; members are poor households ❖ 2009 - 2010: 10 to 20 people per group. Wealthier households can also join
<b>Economic benefits</b>	❖ Reduced diseases among cows and buffaloes (in 2010, there were no diseases found among the cattle kept within the grazing area) ❖ Reduced damage by buffaloes and cows to rice fields ❖ Reduced grazing-related labour costs	❖ Helped poor households short of labour ❖ Shared information through growing joint crops	❖ Increased production knowledge among poor women ❖ Provided poor households with production capital
<b>Support</b>	None	None	❖ AAV provided a revolving fund of 5 million VND per household ❖ DANIDA project provided materials and allowance for kiosk staff
<b>Level of self-reliance</b>	Good	Good	Currently still dependent on project funds



*Programmes and projects should rely on existing groups instead of trying to form new ones*

Economic groups may be formed with support from programmes and projects, mass organisations, or by the villagers themselves. The sustainability of those funded by programmes and projects is a challenging question to address, however, because many groups no longer operate once the programmes and projects end, as members no longer feel motivated to attend or contribute or the groups themselves cannot cope with the diverse and increasing needs of members. The participation of and real benefits for the poor households in economic groups also warrant special attention. Groups formed by the villagers themselves are often able to respond to basic needs for cooperation and mobilise community resources and are therefore highly sustainable. A good example is the cattle grazing groups in Luong Minh-NA (Box 5.8).

### **BOX 5.8. Cattle grazing group in Xop Mat village**

In line with the Livestock Raising Regulations adopted by the district government, three concentrated buffalo/cow grazing areas have been established in Xop Mat village, Luong Minh commune (Tuong Duong-Nghe An). Each area is 10 hectares and is shared by seven to ten households.

The grazing areas are mainly in use from May to November (upland cropping season). They are subject to operational regulations adopted by the village management board and subject to agreement by the villagers:

- Households jointly built a fence around the grazing areas. Each household sent a person to contribute labour (working from two weeks to a month). If the fence breaks down, all the households will jointly fix it. The village is going to revise the regulations to require households with more than four cows to contribute the labour of at least two persons starting in 2011.
- Group members are responsible for managing the cattle herd within the grazing land. Households visit their animals every two to three days. If any of the animals goes missing, the owner of the animal will be notified and the whole group will jointly look for it. If anyone identifies a sick animal she/he will have to inform the whole group for prompt action.

The establishment of concentrated grazing areas with clear operational regulations has had a positive impact on livestock, as evidenced, for example, by the fact that animal diseases have been reduced. In 2010 there were no animal deaths within the group. The damage caused by animals to crops has also been reduced significantly, which has allowed households to save on daily grazing costs.

Recognising the benefits of concentrated grazing, an increasing number of households are joining the group. In 2009, when the group was established, there were only five household members and one grazing area. By the end of 2010 there were three grazing areas for three groups with a total of 26 household members.

### **Social groups**

*Social groups can help share information and support members encountering difficulties*

Social groups are typically formed for and by specific target groups, oftentimes the socially disadvantaged or vulnerable. Examples are groups that have been formed for migrant workers, people living with HIV/AIDS, mothers with young children, and illiterate peoples; self-governed clans; and (Khmer) San Khum groups.

Such social groups often do not differentiate between wealthy and poor households and are most effective in supporting members with difficulties and helping them overcome disadvantages and cope with risks. A good example is the “Tu Ky fellows” group established in 2006 by migrant people coming from Tu Ky town, Hai Duong province to provide spiritual and material help to group members. The group



currently has 33 members and operates a group fund, which lends to those group members encountering special cases of financial hardship at a very low interest rate (1 percent annually). The group has also begun a scholarship fund, and emergency contributions are given to members in critical circumstances.

*The combined model of community development clubs and community learning centers has been effective*

The community development club is a relatively specific type of social group in the communes of Thanh Xuong-ĐB, Thuan Hoa-HG, Duc Huong-HT, Cu Hue-ĐL, and Thuan Hoa-TV. Its predecessor was the “illiteracy-elimination community development” group, which was comprised of illiterate people studying in Reflect classes supported by an ActionAid Vietnam project. After completing two phases of illiteracy elimination and post-illiteracy elimination, Reflect groups are now moving into phase three, in which they are organised into community development clubs with around 30 members each, mainly women. Community development clubs at the village level can be combined with community learning centers at the commune level in order to improve their sustainability once the project ends. A number of community development clubs have moved beyond the scope of the project and have been able to carry out multiple social, economic, and community functions. A good example of this expansion is the “Thuan Thanh” club in Mich A and Mich B villages, Thuan Hoa-HG (Box 5.9).

#### **BOX 5.9. Community development club in Mich A and Mich B villages, Thuan Hoa commune**

The “Thuan Thanh” community development club in Mich A and Mich B villages was established in 2008. Though drawing from both villages, the core members of the club are students of Reflect classes supported by AAV programme since 2006 in Mich B village. Of the 30 club members, there are three men and 27 women, and members include nine Dao people and 21 Tay people. The club meets on Saturday evenings for art performances, discussions on household economic activities, and to share information about health, work-related risks, and local living conditions. After two years of operation, the club has been able to carry out the following social, economic, and community functions:

- ❖ *Social functions:* improve the educational level and living skills for members; improve spousal understanding on the sharing of workload; increase the cultural and spiritual life of villagers.
- ❖ *Economic functions:* provide a revolving fund to a number of club members; the current total balance of the fund is 12 million VND (supported by ActionAid Vietnam).
- ❖ *Community functions:* reconcile family conflicts, encourage local economic activities; visit households with sickness and support poor and disadvantaged households.

Activities of the “Thuan Thanh” Club are relatively dynamic. There is funding available to arrange for drinks, art performances, and informational sessions at club meetings. A review meeting is also organised at end of the year. The club is regularly linked to the commune-level community learning center; club managers are simultaneously village cadres, so the club’s activities are closely attached to activities of the village. The mobilisation of villagers’ participation in the club therefore becomes easier.

*Improved capacities of rural institutions are the foundation for sustainable poverty reduction in rural areas*

Improved community capacities are the foundation for sustainable poverty reduction in rural areas. Instead of undertaking new activities, the consolidation and enhancement of existing community groups’ activities at the village level should be further supported by programmes and projects. To this end, the Fatherland Front is promoting a movement to build “cultural families” and “self-governed clans” in many places. This is a positive move, though still facing many operational difficulties (Box 5.10). One particular concern in the “self-governed clans” model is gender equality,



as voices and roles of women in the clans are often limited due to the lasting gender prejudices.

**BOX 5.10. The “self-governed clan” model in Phuoc Thanh commune**

The development of the “self-governed clan” model in Phuoc Thanh commune (Bac Ai, Ninh Thuan) began in September 2009. The introduction of the model is expected to impact the community by improving the role of clans in local governance, maintaining social order, preserving traditional culture values, and contributing to the improvement of policies, programmes, and projects. The Chamaléa clan in Ma Du village has been selected as a pilot group given that it meets the criteria of 50-percent clan member literacy and an estimated 50-percent capability of reducing poverty. The Chamaéa clan is headed by Mr. Chamalea Liep, a veteran commune cadre who has the ability to lead and is knowledgeable about traditional customs and practices.

---“The model is very good. We have not heard of it over the last few years. In the past, things were only shared within each of the seven sub-clans of the Chamaléa. It’s good that now they are all connected in solidarity. This helps to improve social order and better implement government’s policies.” (core group in Ma Du village, Phuoc Thanh commune)

The development of the self-governed clan model has encountered a number of financial challenges because the model is supposed to integrate with activities of the Fatherland Front, which has very a limited budget. Villagers are often busy making their living and are used to limiting their interactions to their families or extended families. As a result they are not very interested in connecting to the clan, and it has not been easy to mobilise their participation in the model. According to Mr. Chamalea Liep, once the model becomes fully operational family contributions will be mobilised to establish a clan fund.

5.3 Conclusion: Enhancing participation and the empowerment of poor people and communities

Enhancing the participation and the empowerment of poor people and communities is a very important part of institutional reforms in poverty reduction. Many policies, programmes, and projects have helped enhance participation and empowerment

Enhancing levels of participation and the sense of empowerment of poor people and communities is a major policy objective of the Vietnamese government and is becoming increasingly important in the process of institutional reform of programmes and projects geared towards sustainable poverty reduction in Vietnam.

Over the past four years (2007-2010), there has been much progress in raising the level of participation and the sense of empowerment felt by the poor. People have better access to information about policies, programmes, and projects because of increased availability of diverse communication channels and consultative mechanisms and the improved capacities of grassroots cadres. Many government policies, programmes, and projects have been introduced in the past four years, which has contributed to the population’s level of interest in pertinent information.

Many policies, programmes, and projects have been designed to increase the participation of poor people and communities in poverty reduction efforts. Participatory socio-economic planning is being implemented in many parts of the country and associated with decentralised financing mechanisms (e.g. the CDF), in order to allow for more ownership on the part of poor communes and villages in proposing and implementing pro-poor community initiatives.



Particularly, the policy of allocating forest land for people's caring and protection, and policy of supporting land reclamation and soil improvement in Programme 30a have been designed to increase the participation of poor people and communities. However, there should be more concrete guidance on forest land allocation to villages and household groups, and on community forest management mechanism. There should be also a continuous link between the old Programme 661 and the new Programme 30a on forest land protection. Poor people should be better encouraged to realise their opportunities in self-implementing the soil improvement.

*It is necessary to develop more concrete and synchronised mechanisms to ensure effective participation and empowerment*

A gap persists between written policies and the real challenges of their implementation, which require more synchronised and concrete mechanisms to promote genuine participation and empowerment, integration with capacity development at the grassroots level, and enhancement of monitoring and supervision. Direct support policies for the poor should also be revised to increase conditional and refundable support in order to combat the existence of the perceived "wishing-to-remain-poor" mentality, encourage self-reliance, and reduce reliance on government support.

*More emphasis should be placed on strengthening community institutions in order to enhance community capacities*

Diverse community institutions are operational at most of the monitoring points studied in this report. Various organisations are carrying out community, economic, and social functions in the interest of poor and vulnerable people. These community institutions and groups need to be supported by policies, programmes, and projects so that their ability to effectively reduce poverty may be improved and to lay out the foundation for sustainable poverty reduction in rural areas in Vietnam.

*Rural poverty monitoring suggests new approaches to poverty reduction*

This fourth round report on the initiative for participatory poverty monitoring in rural communities until April 2010 evaluated four key themes the gap between the rich and the poor, vulnerability, gender relations, and participation and empowerment.

Some recommendations raised in this report, which largely expand on recommendations raised in previous reports, are geared at changing the approach to sustainable poverty reduction in rural areas during the coming five years (2011-2015).





## **PART 3:**

# **Towards sustainable poverty reduction in Vietnam's rural areas**



## 6. RECOMMENDATIONS FOR DISCUSSION

### 6.1 Poverty and institutions working towards poverty reduction

*Institutional reforms for poverty reduction are necessary given that rural poverty is becoming more diverse...*

Viet Nam continues to make striking achievements in poverty reduction. These achievements have been recognised by the international community and, over the last two decades, some 30 million Vietnamese people have been lifted out of poverty. Such progress in poverty reduction lays a solid foundation for the early completion of the poverty reduction goal among the Millennium Development Goals that were committed to by Viet Nam.

However, the pace of poverty reduction is uneven across the country's diverse rural areas. Food shortage, particularly between crop cycles or at times of natural disasters or epidemic outbreaks, remains a significant challenge for many rural poor. The lives of people in "poverty pockets", in "poverty cores" in remote mountainous and ethnic minority areas, and in particular social groups are still difficult. The "wishing-to-remain-poor" mentality is still prevalent due to the availability of direct support policies focusing on the poor. There is a high likelihood of near-poor households and those who have recently escaped from poverty keeping just above or falling below the poverty line.

*... since poverty rates increased considerably according to the new poverty line ... and since the gap between the rich and the poor remains large*

By the end of 2010, poverty rates had increased considerably, according to the new government income poverty line for 2011-2015 period. The poorest communes in the monitoring points have had poverty rates of over 70 percent according to the new poverty line, posing big challenges for poverty reduction in these communities in the coming period.

The livelihoods of the poor have gradually been improved. The poor have improved access to infrastructure, education, health services, credit, agro-forestry extension services and housing support. However, the income disparity between ethnic groups regionally and within communities remains large, as wealthier households continue to have better livelihood capital and better choices of livelihood strategies to generate further wealth.

*In the context of increasing external risks...*

Unpredictable and increasingly devastating natural disasters proved the greatest challenges to efforts to reduce poverty at most of the monitoring points in 2010. In addition to the challenges of overcoming natural disasters, the rising prices of food and other essential goods and services have reduced purchasing power and negatively impacted food security in non-subsistence communities. The presence of infectious disease and individual health risks also impeded efforts at poverty reduction. In addition to natural, economic, and health risks, 2010 also brought challenges associated with investment projects at some of the monitoring points.

*...there remain challenges to the realisation of gender equality*

Progress on gender equality has been made as poverty reduction efforts continue. However, women still suffer in many ways: traditional, gender-biased labour division arrangements remain common and continue to play a dominant role in decision-



making on access to and use of resources and services. Gender inequality in families may subsequently cause gender inequality in society. The proportion of women in politics has been improved over the last four years, yet the extent of improvement remains modest and uneven among the monitoring points.

*... and a gap between policy and reality in terms of participation and empowerment*

There has been a rise in participation in poverty-reduction activities and an increased sense of empowerment among poor people. Better awareness of policies, programmes, and projects is due to the increased availability of diverse communication channels, consultative mechanisms, and the increased capacities of grassroots cadres. Many policies, programmes, and projects have been designed to increase the participation of the poor and poor communities. However, there remains a gap between written policies and the reality of their implementation due to a lack of synchronised and concrete implementation arrangements for genuine participation and empowerment and limited local capacities for implementation.

## 6.2 Towards sustainable poverty reduction in Vietnam's rural areas

Some recommendations for sustainable poverty reduction in rural areas, especially mountainous ethnic minority areas, raised in this report include:

1. To undertake comprehensive investment in poverty reduction programmes at the commune and village levels via a decentralised financing mechanism ("block grant"), along with substantial and continued assistance in enhancing participatory socio-economic planning, financial management, and community-based supervisory capacities. Recommendations obtained in participatory planning exercises at the grassroots level should be consolidated and reflected in plans to deliver public services (e.g. agro-forestry extension, education, health, and water supply services).
2. To formulate more vigorous support policies in favour of specific disadvantaged groups such as the "chronic" poor, people living in isolation, people living in disaster-prone areas, poor communities having no or limited productive land, and drug users. Studies and analyses of the characteristics of these target groups intended to serve as input to support policies should pay more attention to the multi-dimensional nature of poverty, by including income and non-income criteria.
3. To review and re-formulate direct support policies for the poor towards increased "conditional support" and "refundable support", in order to encourage ownership. Introduce direct support policies through "integrated support projects" in individual communes and villages to ensure coordinated resources, clarify the roles and responsibilities of stakeholders, and shift from uni-sectoral to cross-sectoral support or from one-off support to systemic support that is more effective and sustainable.
4. To create a supplementary support-policy system that is more accessible to near-poor households and those who have just escaped from poverty; review and adjust the policy on voluntary health insurance cards for near-



poor households; continue to provide households who have just escaped from poverty access, for a certain period of time (two to three years), to the same credit and agricultural extension services offered to poor households.

5. To improve the effectiveness of some support policies in Programme 30a, such as through increasing support of “software” elements (i.e. communication, monitoring, supervision, and hands-on guidance) in agricultural extension training and models; enhancing the capacities of the established village extension network; linking vocational training classes with employment opportunities in the locality; intensifying communication on labour export; designing concrete guidance on forest land allocation to villages and household groups, and on community forest management mechanisms; ensuring a continuous link between the old Programme 661 and the new Programme 30a with respect to forest land protection; adjusting support for land reclamation and soil improvement to better suit local conditions; and so on.
6. To include in the design of a social security system for rural residents corporate social responsibility provisions for business enterprises implementing investment projects; develop concrete roadmaps and measures to raise awareness and implement community-based disaster management as part of the social security system; and more strongly encourage informal social security initiatives in order to enhance capacities of existing community-based social security institutions. The agricultural insurance policy that is being piloted should pay special attention to ensuring the participation of poor people.
7. To promote activities of community groups with the participation of both men and women (such as the “illiteracy elimination and community development – Reflect” groups), in order to gradually increase awareness and change attitudes about gender equality in families and communities; improve training and communication on gender equality with more practical, “hands-on” support geared towards remote mountainous areas inhabited by ethnic minority peoples; consolidate and strengthen the meaningful operations of commune-level Committees for the Advancement of Women (CFAWs) from annual work planning, budgeting, and gender integration in socio-economic plans and sectoral/departmental plans, to the development and implementation of capacity-building plans for women cadres.
8. To strengthen community capacities through enhanced support for existing rural institutions serving community-based, socio-economic functions and that deliver self-help services in favour of poor and marginalised groups, with the aim of increasing participation and empowerment and to lay the foundation for sustainable poverty reduction in rural areas of Vietnam.



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