

PARTICIPATORY POVERTY MONITORING IN RURAL COMMUNITIES IN VIET NAM

Synthesis Report
Round 3 - 2009



April, 2010

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PREFACE¹

In early 2007, Viet Nam was admitted as the 150th member country of the World Trade Organisation (WTO). This has brought many opportunities to Viet Nam but also posed challenges, especially in ensuring that the full benefits of WTO membership are shared by the whole of Viet Nam's population, including poor and vulnerable people.

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

This initiative is intended as an annual study of poverty outcomes, linked with changes in livelihoods and market access of the poor and vulnerable groups in selected communities throughout Viet Nam. Our intention is to provide analysis and recommendations for policy discussion at national level, as well as for the adjustment and design of programmes of ActionAid and Oxfam in Viet Nam.

We hope you find this synthesis report for 3rd round poverty monitoring interesting and useful.



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¹ This study is contributed by many organisations and individuals. However, opinions, standpoints, conclusions and recommendations in this study are not necessarily the policy position of Oxfam, AAV or organisations and researchers whose studies are cited in this report.

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

We would appreciate receiving comments² from interested readers and would like to thank you in advance.

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ABBREVIATIONS AND TERMS

| | |
|--------------|--|
| AAV | ActionAid Viet Nam |
| ACEP | Advancement of Community Empowerment and Partnership |
| ADB | Asian Development Bank |
| AP | Administrative Procedure |
| BSC | Bank for Social Policies |
| CBDRM | Community Based Disaster Risk Management |
| CCD | Centre for Community Development of Dien Bien province |
| CCM | Child-Centred Methodology |
| CDC | Community Development Clubs |
| CEMA | Committee for Ethnic Minorities Affairs |
| CIDA | Canada International Development Agency |
| CLC | Community Learning Center |
| CO | Co-operative |
| CPI | Consumer Price Index |
| DARD | Department of Agriculture and Rural Development |
| Decision 112 | A government policy that supports poor students (based on Decision No. 112/2007/QĐ-TTg dated 20/7/2007) |
| Decision 157 | A government policy that offers disadvantaged students with preferential loans (based on Decision No. 157/2007/QĐ-TTg dated 27/9/2007) |
| Decision 167 | A government policy that supports the poor households with houses (based on Decision No. 167/2008/QĐ-TTg dated 12/12/2008) |
| Decision 30 | List of communes classified as difficult area (based on Decision No. 30/2007/QĐ-TTg dated 5/3/2007) |
| Decision 74 | A government policy that supports productive and residential land for the local ethnic minority households in Mekong river delta (based on Decision No. 74/2008/QĐ-TTg dated 9/6/2008) |
| Decree 67/CP | A government policy that supports beneficiaries of social welfare program (based on Decree No. 67/2007/ND-CP dated 13/4/2007) |
| DOLISA | Department of Labour, Invalids, and Social Affairs |
| DPI | Department of Planning and Investment |
| ECHO 2 | The Program “Building community capacity through improving livelihoods and preventive strategies in coping with disasters in flood communes” in Ha Tinh province |
| EM | Ethnic Minorities |
| EMWG | Ethnic Minorities Working Group |
| FAO | Food and Agriculture Organization |
| FFS | Farmer Field School |
| FP | Family Planning |
| GD | Grassroots Democracy |

| | |
|---------------|---|
| GNTT | Natural Disaster Mitigation |
| GSO | General Statistics Office of Viet Nam |
| HCCD | Ha Tinh Center for Community Development |
| HH | Household |
| HIV/AIDS | Acquired Immune Deficiency Syndrome |
| HS | High school |
| MDGs | Millennium Development Goals |
| MI | Medical Insurance |
| MOLISA | Ministry of Labour, Invalids, and Social Affairs |
| NPK | Fertilizer consisting of Nitrogen (N), phosphorus (P) and potassium (K) |
| NTP-PR | National Target Program on Poverty Reduction |
| OGB | Oxfam Great Britain |
| OHK | Oxfam Hong Kong |
| PC | People's Committee |
| PP | Programmes - Projects |
| PRA | Participatory Rural Assessment |
| Programme 134 | A Government program that supports production and residential land, and water for domestic consumption for ethnic minority people (Based on Decision No. 134/2004/QD-TTg dated 20/7/2004) |
| Programme 135 | A Government program that supports socio-economic development for especially difficult communes (Based on Decision No. 135/1998/QD-TTg dated 31/7/1998) |
| Programme 30a | A Government program that supports sustainable poverty reduction in 61 poor districts (Based on Resolution No. 30a/2008/NQ-CP dated 27/12/2008), now in 62 districts due to change in administrative border |
| PTD | Participatory Technology Development |
| Reflect | Regenerated Freirean Literacy through Empowering Community Techniques (implemented by AAV and its local partners) |
| RH | Reproductive Health |
| SE | Socio-economic |
| SFS | Sedentary Farming and Settlement |
| SS | Social Security |
| SS | Secondary school |
| ST | Science and Technologies |
| UNFPA | United Nations Population Fund |
| VHLSS | Viet Nam Household Living Standards Survey |
| WB | World Bank |
| WTO | World Trade Organization |

1 USD = 19,000 VND (as of 4/2010)

EXECUTIVE SUMMARY

Viet Nam has made striking achievements in poverty reduction. However, the rate of poverty reduction is slowing down, and hunger and illiteracy are still significant problems in the poorest communes. The nature of rural poverty has changed profoundly in the last decade. Rural poverty is now concentrated more intensively in the “poverty pockets” in mountainous and remote ethnic minority areas and has distinctive characteristics for each ethnic group, village and household. The two groups of “chronic” and “temporary” poor differ in terms of employment opportunities and capacity to earn a living. Specific solutions should be integrated in a comprehensive rural social protection. Increasing numbers of near-poor households require further support to ensure they remain above the poverty line.

How to implement support measures suitable to the culture, customs and local knowledge of each ethnic minority group in each locality remains the key challenge to sustainable poverty reduction in rural areas of Viet Nam. So far, support for ethnic minority areas has adopted a conventional approach, targeting each aspect of poverty reduction. There is still a lack of breakthrough policies and measures that improve poor people’s participation and empowerment for poverty reduction in close interaction with the market and natural environment so that each poor community and individual becomes the owner of their own destiny, to change the passive mentality and eliminate over-reliance on state support.

There are now many policies and programmes aimed at narrowing the gap between the rich and the poor, most prominently Programme 30a. The poor have better access than before to infrastructure, education, healthcare, capital, agro-forestry extension services, housing and production land. However, the rich-poor gap between ethnic groups, between regions and between the better-off and the poor within communities remains large as wealthier households can pursue a greater range of livelihood strategies to generate a higher income.

In 2009, rural communities continued to suffer from risks and shocks, the most serious of which included natural calamities and the impact of global financial crisis. The rural poor, mountainous ethnic minority people and groups with special difficulties are those most vulnerable to such shocks. Social protection is crucial for the people, households and communities to manage risk and reduce vulnerability, so that their rights are respected and protected in the face of risks and a socially acceptable minimum living standard is maintained. Poverty reduction support is an integral component in such a social security system.

Progress on gender equality has been made. However, women still suffer from disadvantages. Men have pre-eminence in decision making concerning the use of resources and services. Poor education, busy family lives and prejudice present barriers to the more effective participation of rural women in social affairs.

People’s participation in the poverty alleviation process has improved substantially. The implementation of Decision 167 to give housing support to poor people has improved participation and empowerment for the poor, along with enhanced support for and supervision by communities. However, a gap remains between official documentation and actual implementation.

Some recommendations towards sustainable poverty reduction in rural areas, especially mountainous ethnic minority areas, are as follows:

1. To carry out institutional reforms in poverty reduction programmes following the community development approach (see box 1.1 on page 16/17) to increase community participation and empowerment through the use of participatory planning tools at commune/village levels and operating self-governed community funds to implement small projects and small-size community initiatives. The community development approach should be institutionalised in the future poverty reduction programmes as well as in socio-economic development planning at local levels, to help in shifting from sectoral support to integrated support and from non-refundable aid to the facilitation and capacity building of the poor and the poor community.
2. To utilise a multi-dimensional approach to poverty which accommodates non-income criteria such as human resources, assets, and access to support services etc. Some support policies should not necessarily be attached to income but to non-income poverty instead. The multi-dimensional poverty approach shall boost decentralisation and empowerment at grassroots level in identifying beneficiaries of each policy and support programme while keeping them under the guidance and supervision of the higher administrative levels.
3. To provide synchronised support to the development of human resources of the poor in mountainous ethnic minority regions in four areas: child education, Vietnamese language skills, vocational training, and extension services for adults. In terms of child education, stronger support is needed for semi-boarding schools (“locally funded boarding”) without discrimination between poor and non-poor students, and for the training and promotion of the “assistant teacher” network to get equal scope as the formal teachers to work in mountainous ethnic minority areas.
4. In terms of illiteracy eradication among adults, the “community-development linked education” approach (Reflect) should be expanded based on the link between commune community learning centre (CLC) and community development clubs (CDCs) in villages. In terms of vocational training, there needs to be a focus on training in vocations with better local employment opportunities (based on a vocational needs survey conducted for each commune/village), along with enhancing the role of informal networks, groups, and village communities in the transfer and maintenance of trades/crafts and in employment creation for learners. In terms of agricultural extension work, pro-poor participatory agricultural extension methods proved effective in many places and should also be promoted.
5. To improve market access, aimed at social capital development for the poor, through establishment of farmer groups linked with enterprises in localities with favourable conditions for contract-based cultivation. Further support is needed to promote local non-agricultural and migrant employment.
6. To design a poverty reduction programme in close coordination with comprehensive rural social protection, emphasising social support measures for the “chronic” poor and sustainable livelihood support measures for the “temporary” poor. A “policy matrix” should be added to the draft proposal “Social security system for rural residents during 2011-2020” to clearly identify the groups that need support, policies that need revision or supplementation, as well as identify necessary coordination and connection measures among support levels, appropriate forms of implementation of social security, necessary resources and steps, and criteria to define beneficiaries, and roles

of related stakeholders. To design a supplementary policy scheme to support near-poor households, especially those who have just escaped from poverty, to achieve sustainable poverty reduction.

7. To mainstream gender contents into all policies and socio-economic development and poverty reduction programmes, to disseminate information on gender equality, and to monitor the implementation of the Law on Gender Equality and sub-law documents as important measures to promote gender equality. At grassroots level, implementation of community-development-based poverty reduction programmes in rural areas, in which significance is attached to support for farmer groups with participation by both men and women, is crucial in enhancing the awareness and adjusting the behaviour towards gender equality in families and communities.

8. To promote the positive role of community institutions, including that of village heads, self-governed groups, patriarchs, clan heads, mass organisations and community groups at village level in order to enhance the capacity for participation of the poor and the poor communities. To provide further support for groups with community functions. Specific consultations should be conducted with the people, especially the poor and the women in each village with a view to design support levels that are “enough” to provide a boost for positive change but which do not create passivity and an over-reliance mentality in the people and communities.

9. Donors and Government need to commit sufficient resources to new poverty reduction programmes which recognise the new poverty line and the need for greater investment per capita into the poorest communes.

INTRODUCTION

Objectives of the Report

Viet Nam has changed rapidly over the last 25 years. Once one of the world's poorest nations, Viet Nam has experienced tremendous achievements in terms of economic growth and poverty reduction. In 1993, nearly 60% of the Vietnamese population were living in poverty. In 2006 only 16% were.

The Government of Viet Nam (GOV) has undertaken comprehensive reforms in the 2007 - 2010 period, with the objective of Viet Nam becoming a middle-income country and lifting the remaining poor households out of poverty. The country officially acceded to the World Trade Organisation (WTO) in January 2007. Viet Nam'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 Viet Nam is experiencing over the next few years as WTO accession takes hold and economic transformation deepens, a group of International NGOs decided to collaborate to track these changes and their impacts over time. The group, including Oxfam Great Britain (OGB), Oxfam Hong Kong (OHK) and ActionAid Viet Nam (AAV), 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 2010, to provide analysis and recommendations for policy dialogue and implementation of programmes and projects by Oxfam, AAV and their partners”.

The goals of the annual monitoring exercises are to:

- Provide qualitative information on poverty and development to be used 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 impacts, especially on poor and vulnerable people, in the wake of 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.

Methodology

Study Site Selection

Based on discussion between local partners and Oxfam and AAV, nine provinces have joined the monitoring network. One typical commune in each province was selected for the 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 Oxfam or AAV project was not a precondition for a commune being chosen.) A total of ten communes and twenty villages were selected (see Table 1). The goal of the monitoring

network is not aimed at generating representative statistical data; rather, the goal is to provide qualitative evidence, including people’s own testimony, as a platform for policy dialogue and programme formulation. Monitoring points were specifically chosen to sample typical livelihood conditions and reflect the complex diversity of conditions across the sites surveyed.

TABLE 1. The survey monitoring points



| Commune | District | Province | Main ethnic groups | Distance to district centre (km) | In Program 135 phase 2 | In Programme 30a | Commune poverty rate by end of 2009 (%) |
|-------------|-------------|------------|--------------------|----------------------------------|------------------------|------------------|---|
| Thuan Hoa | Vi Xuyen | Ha Giang | Tay, H'mong | 42 | Yes | No | 35.0 |
| Ban Lien | Bac Ha | Lao Cai | Tay, H'mong | 28 | Yes | No | 54.4 |
| Thanh Xuong | Dien Bien | Dien Bien | Kinh, Thai | 3 | No | No | 8.2 |
| Luong Minh | Tuong Duong | Nghe An | Thai, Kh'mu | 17 | Yes | Yes | 83.5 |
| Duc Huong | Vu Quang | Ha Tinh | Kinh | 10 | No | No | 28.4 |
| Xy | Huong Hoa | Quang Tri | Van Kieu | 36 | Yes | No | 42.2 |
| Cu Hue | Eakar | Dak Lak | Ede, Kinh | 2 | No | No | 8.7 |
| Phuoc Dai | Bac Ai | Ninh Thuan | Raglai | 0,3 | Yes ³ | Yes | 58.2 |
| Phuoc Thanh | Bac Ai | Ninh Thuan | Raglai | 14 | Yes | Yes | 52.8 |
| Thuan Hoa | Cau Ngang | Tra Vinh | Khmer, Kinh | 2 | No | No | 28.5 |

Source: Commune information sheet

Notes: The maps used in the various tables of this report are from “Poverty Map of 2006”, based on 2006 VHLSS data. Darker colours indicate higher poverty rates. (Source: Viet Nam Development Report 2008)

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

- Geographical diversity and topography: the monitoring points are located throughout the country from northern mountainous areas, passing through the north central and coastal south central regions, central highlands, to the Mekong Delta. A range of topographies are represented, from high mountain (Ban Lien, Luong Minh, Thuan Hoa-HG), low mountain (Thanh Xuong, Duc Huong, Xy, Phuoc Dai, Phuoc Thanh), highlands (Cu Hue) and delta areas (Thuan Hoa-TV).
- Ethnic diversity: The monitoring areas included 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 current poverty line with poverty rates of slightly more than 10% (Thanh Xuong, Cu Hue) and extremely poor communes involved in Programme 135, second phase, with poverty rates of above 50%.

It is noteworthy that nine out of ten communes in the monitoring network belong to the difficult area according to Decision30, and four communes (Ban Lien, Luong Minh, Phuoc Dai and Phuoc Thanh) are included in the Programme 30a initiated by the

³Phuoc 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.

Government since the end of 2008 aiming 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, including 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, including Labour, Invalids and Social Affairs, Agriculture and Rural Development, Finance and Planning, Statistical division, Fatherland Front, Farmer's Association, Women's Union, Youth Union and collaborators of Oxfam and AAV programmes in the localities.
- Representatives from communes and villages selected for survey.

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

The framework: themes and hypotheses

The core groups formulated a data collection framework based on 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 such as exclusion, being "sidelined" and lack of 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 access to resources, services and markets. The research 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. The research 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 different roles and voices to men. They face challenges in the division of labour, rights, discussion and negotiation with men during decision-making, access to services, participation in community activities and in children's education. The research hypothesised that ***associated with a general improvement in living conditions, women's roles in decision-making, division of household labour, involvement in community activities and decisions about children's education will be significantly improved.***

THEME 4: Participation and Empowerment. Strengthening the role and voice of poor people is important to allow them the opportunities and possibilities to access information, participate and take the lead in all stages of development, including monitoring and evaluation of local poverty alleviation programmes and projects. The research 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 in terms of economic strength using the same list.

This third round of poverty monitoring took place from 8/2009 to 12/2009. Participatory field monitoring at each site took 7-8 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. colour card drawing) was used to select the households for interview. The questionnaire focused on information about household members, some indicators of the households' living standards, changes in livelihood and assessment of their access to services, markets and degree of community participation. 600 household questionnaires were completed at 10 monitoring points, providing data from 263 poor households and 337 non-poor households (against GOV poverty standard at time of survey). Of the 600 respondents, 436 were male, 164 female, 147 Kinh ethnic and 453 other ethnic such as H'mong, Thai, Tay, Kh'mu, Van Kieu, Ede, Raglai and Khmer.

The core groups revisited all households interviewed in 2007 to maintain a control sample. However, against the 600 households sampled in 2007, 18 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 data of 2009 against that of 2008 and 2007, the research team ran a repeated data regression (panel) for 582 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 disaggregated into poor households/non-poor households using results from the poverty review in each locality at the time of the survey. An exception is Cu Hue-DL with no disaggregated data for poor households because the number of poor households in the sampling was too small (only 2 out of 60 households surveyed in the locality).

In-depth interview for case studies: Eight to ten 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. 627 in-depth interviews were conducted with households.

Group discussions: were conducted with commune officials, core groups of 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. PRA tools (Participatory Rural Assessment), e.g. household wealth ranking, time lines, cause - effect diagrams, listing and ranking,

mobility mapping exercises, and so on, were used to gain a deeper understanding of poverty gaps, community history, livelihood trends, contexts of risks and feedback about implementation of local programmes and projects.

206 group discussions were held involving 1,433 village people, children and officials (of communes and villages). Of these people, 798 were men, 635 women, among 315 Kinh people and 1,118 ethnic minority people.

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

Interviews with local officials and other stakeholders: In addition to the above methods, 40 interviews were carried out with officials from provincial and district departments in the nine provinces.

This third round report summarises all survey results from the 9 provinces in 2009 which stresses the **recognisable changes** and the **policy messages** drawn from consideration of different factors affecting poverty trends at monitoring points over the last 12 months⁴. In addition to deep analysis of vital issues, a brief summary of basic contents of the main themes on poverty reduction is also provided to make this an independent report on rural poverty⁵.

Table 2 summarises survey data at the end of 2009 of 20 monitored villages, based on information sheets at village level and results from household surveys.

⁴ Secondary information is quoted with sources. Primary information with no source in this report comes from 9 component reports and the field diary for third round poverty monitoring in 2009 at 9 provinces.

⁵ See also "Participatory poverty monitoring in rural communities in Viet Nam - Synthesis Report", Nov. 2008. Oxfam and ActionAid Viet Nam; and "Participatory poverty monitoring in rural communities in Viet Nam - Second Round Synthesis Report", Nov. 2009. Oxfam and ActionAid Viet Nam.

TABLE 2. Characteristics of the 20 villages with in the poverty monitoring network

| 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 | Group 1 | Pa Dong | Husbandry 2 | Huong Tho | Troan O | Xy La | Ta Lu 1 | Ma Du | Thuy Hoa |
| Phase 2 of Programme 135 | Yes | Yes | No | No | No | Yes | Yes | No | Yes | No |
| Topography | Valley | Valley | Low mountain | Valley | Low mountain | Low mountain | Low mountain | Low mountain | Low mountain | Delta |
| Total number of households | 96 | 29 | 84 | 94 | 140 | 46 | 30 | 266 | 131 | 240 |
| Main ethnicity | Tay (98%) | Tay (100%) | Thai (80%) | Thai (980%) | Kinh (100%) | Van Kieu (97.6%) | Van Kieu (99%) | Raglai (56.9% Kinh (42%)) | Raglai (92%) | Khmer (80% Kinh (20%)) |
| Distance to the commune centre (km) | 2 | 2 | 2.5 | 4 | 1 | 1.5 | 0.5 | 0.6 | 2.1 | 1 |
| Distance to the nearest car road (km) | 0.5 | 2 | 0 | 0 | 0.2 | 0 | 0 | 0 | 0 | 0 |
| Distance to the nearest commune medical station (km) | 2 | 1.5 | 1 | 1 | 1.2 | 1.5 | 0.5 | 0.5 | 1.7 | 3 |
| Distance to the nearest primary school (km) | 0.5 | 2 | 2 | 3 | 0.03 | 1.5 | 0.5 | 0.5 | 0.6 | 0.5 |
| Distance to the nearest secondary school (km) | 1 | 2 | 2.6 | 3 | 1 | 1.7 | 0.5 | 0.5 | 1 | 1.5 |
| Distance to the nearest high school (km) | 16 | 30 | 6 | 5 | 12 | 8 | 6 | 1 | 1 | 0.5 |
| Distance to the nearest market (km) | 2 | 2 | 1 | 1 | 1 | 24 | 22.5 | 0.5 | 1.7 | 1 |
| Average agri. land/person (m2) | 1055 | 20896 | 374 | 15723 | 760 | N/A | N/A | 1351 | 3236 | 6954 |
| Average food production per capita for year (kg) | 420 | 166 | 430 | 165 | 250 | N/A | 70 | N/A | N/A | N/A |
| Village main income sources | Wet rice, local corn, hybrid corn, livestock, wage labour | Tea, wet rice, livestock | Wet rice, wage labour, local corn, cassava | Wet rice, vegetable cultivation | Wet rice, hybrid corn, pea nut, Acacia, migrant labour | Industrial cassava, upland rice, wage labour | Industrial cassava, upland rice, local corn | Local & hybrid corn, livestock, cashew nut, forestry, wage labour | Local & hybrid corn, livestock, cashew nut, forestry, wage labour | Wet rice, shrimp culture, wage labour, migrant labour, small trading |
| Village poverty rate by the end of 2008 (%) | | 40.7 | 35.1 | 3.3 | 31.4 | 31 | 51.9 | 44 | 92 | 68 |
| | 51.7 | | | | 29.3 | | | 16.9 | | 31.1 |
| | | | | | | | | | | 41.8 |

| 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 | | Thuan Hoa | | | | | | | | |
| Village | Mich B | Minh Phong | Pa Dong | Chan Nuoi 2 | Xop Mat | Cham Puong | Huong Tho | Huong Tan | 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 | 47 | 97 | 20 | 100 | 100 | 97 | 33 | 100 | 100 | 100 | 100 | 97 | 87 | 73 | 100 | 97 | 97 |
| Households using piped water % (*) | 53 | 43 | 37 | 50 | 0 | 3 | 100 | 77 | 3 | 0 | 50 | 100 | 3 | 0 | 70 | 7 | 70 | 27 |
| HHs with manual/automatic | 7 | 0 | 0 | 0 | 7 | 53 | 0 | 0 | 63 | 50 | 0 | 7 | 43 | 17 | 7 | 3 | 27 | 17 |
| Households with radio/cassette % (*) | 20 | 10 | 23 | 17 | 7 | 20 | 0 | 10 | 27 | 17 | 0 | 3 | 14 | 7 | 0 | 7 | 23 | 20 |
| Households with TV % (*) | 73 | 37 | 80 | 10 | 93 | 100 | 56.7 | 13 | 97 | 87 | 70 | 63 | 97 | 80 | 67 | 70 | 83 | 77 |
| Households with motorbikes % (*) | 40 | 70 | 57 | 77 | 80 | 87 | 30 | 17 | 50 | 60 | 50 | 33 | 90 | 77 | 37 | 53 | 43 | 63 |
| Households with telephones % (*) | 87 | 70 | 7 | 13 | 93 | 97 | 30 | 3 | 90 | 70 | 33 | 37 | 87 | 40 | 43 | 50 | 23 | 60 |
| Households with members engaged in local wage labour % (*) | 37 | 40 | 7 | 3 | 77 | 50 | 33 | 7 | 3 | 20 | 17 | 0 | 13 | 63 | 40 | 43 | 17 | 70 |
| Households with remittance from migrant labourers % (*) | 7 | 0 | 13 | 0 | 0 | 10 | 10 | 10 | 47 | 53 | 10 | 0 | 3 | 7 | 0 | 0 | 7 | 40 |
| HHs with income from trading and services % (% (*) | 7 | 3 | 3 | 3 | 0 | 7 | 3 | 0 | 10 | 3 | 0 | 7 | 17 | 10 | 7 | 0 | 7 | 7 |
| Households selling products in the last 12 months % (*) | 60 | 100 | 83 | 60 | 83 | 70 | 10 | 59 | 67 | 90 | 97 | 93 | 90 | 60 | 50 | 70 | 80 | 67 |
| Households buying materials in the last 12 months % (*) | 97 | 97 | 93 | 100 | 100 | 97 | 3 | 27 | 87 | 90 | 3 | 57 | 100 | 27 | 40 | 50 | 20 | 33 |
| Households benefiting from agri. extension services in the last 12 months % (*) | 90 | 93 | 80 | 67 | 90 | 53 | 33 | 60 | 67 | 80 | 97 | 97 | 53 | 40 | 7 | 27 | 30 | 10 |
| HH members with no schooling % (*) | 7 | 16 | 18 | 29 | 14 | 1 | 12 | 16 | 1 | 1 | 22 | 35 | 2 | 18 | 21 | 29 | 51 | 48 |
| HH members who have not completed primary education % (*) | 19 | 37 | 37 | 31 | 32 | 15 | 26 | 49 | 8 | 13 | 36 | 26 | 13 | 39 | 47 | 40 | 33 | 30 |
| Poverty rate in the study sample of 30 HHs % (*) | 33.3 | 60 | 33.3 | 76.7 | 30 | 0 | 73.3 | 86.7 | 26.7 | 26.7 | 43.3 | 36.7 | 0 | 6.7 | 63.3 | 53.3 | 76.7 | 46.7 |

(*) Data obtained from the random household questionnaire survey at the end of 2009

Source: Village information sheet,

Part 1: An Overview of Poverty Trends and Poverty Reduction Efforts

1.OVERVIEW OF RURAL POVERTY TRENDS

Poverty reduction faces challenges as Vietnam becomes a middle income country

The second round synthesis report showed that the slowing rate of poverty reduction and the complicated poverty situation in 2008 owed much to shocks experienced by the poor and their communities, although some communities dealt with those challenges better than others. The quality of life of the poor, whether measured by poverty rates (quantitative) against the current poverty line, or by assessment (qualitative) by the people themselves, has suffered greatly at many monitoring points. This third round synthesis report for 2009 updates poverty trends, and presents the challenges to poverty reduction in the new context, as Viet Nam becomes a middle-income country.

1.1 Poverty trends

Poverty reduction slows down; poverty rate remains high among ethnic minority groups

Viet Nam continues to have impressive poverty reduction achievements, although at a slowing rate in recent years. Table 1.1 shows that the national poverty rate based on the General Statistics Office's (GSO) expenditure poverty standard (using VHLSS data) has decreased slightly by an average one percent per annum during 2006-2008, as compared to the 3-4 percent per annum in previous periods. The poverty rate of ethnic minority groups remains high, estimated at nearly 50% in 2008. Within 15 years from 1993 to 2008, poverty rates among ethnic minority groups have dropped only 2.44 percent per annum, compared to 3.02 percent for the Kinh ethnic and Hoa ethnic groups. The slowing rate of poverty reduction and the high percentage of people living in poverty in ethnic minority areas pose a big challenge to the ongoing Programme 30a as well as to the next phase of Programme 135 period 2011-2015.

TABLE 1.1. Percentage of people living in poverty in Viet Nam, 1993-2008 (%)

| | 1993 | 1998 | 2002 | 2004 | 2006 | 2008 |
|-------------------|------|------|------|------|------|------|
| All of Viet Nam | 58.1 | 37.4 | 28.9 | 19.5 | 16.0 | 14 |
| Urban | 25.1 | 9.2 | 6.6 | 3.6 | 3.9 | 3.1 |
| Rural | 66.4 | 45.5 | 35.6 | 25.0 | 20.4 | 18.1 |
| Kinh and Hoa | 53.9 | 31.1 | 23.1 | 13.5 | 10.3 | 8.5 |
| Ethnic minorities | 86.4 | 75.2 | 69.3 | 60.7 | 52.3 | 49.8 |

Source:

- Poverty data for 1993, 1998, 2002, 2004 and 2006: "Social protection", Viet Nam Development Report 2008, Joint Donor Report at Consultant Groups Meeting for Donors for Viet Nam, Hanoi December 6-7, 2007.
- Poverty date estimated for 2008: "Review: Vietnamese economic development updates", World Bank Report, Consultant Groups Meeting for Donors for Viet Nam, Hanoi December 3-4, 2009.

The global financial crisis and numerous disasters were big challenges to poverty reduction in 2009

In 2009, the global financial crisis as well as numerous natural calamities (e.g. Ketsana and Mirinae typhoons) were expected to exert a negative impact on Viet Nam's poverty reduction. The updated poverty data based on the GOV income poverty line (below VND200,000/month/person in rural areas and below VND260,000/month/person in urban areas) confirms that the rate of poverty reduction for 2009 slowed down. The poverty rate for Viet Nam as a whole in 2009 is estimated at 12.3%, down from 13.4% for 2008 and 14.8% for 2007⁶.

⁶ GSO, Press release on socio-economic data in 2009 (<http://www.gso.gov.vn/default.aspx?tabid=507&idmid=&ItemID=9449>). However, the national poverty rate calculated against income poverty line should be handled with caution because each province/city can apply its own standard which is higher than the general GOV line as some big cities in South Eastern provinces.

Reliability of formal poverty data is questionable due to too low poverty line

The countrywide picture is reflected at the monitoring points, although data reliability is still questionable for several reasons: the poverty line is set too low and the annual poverty review remains controversial (See also Section 5.1). Table 1.2 shows that of the ten communes participating in the poverty monitoring network, five have seen their poverty rate fall substantially compared to 2008, three have benefited from a slight reduction, one had no change and another has seen a substantial rise.

TABLE 1.2. Poverty rates at monitoring points, 2005-2008 (%)

| Commune | Main ethnicity | Annual poverty rate according to GOV poverty line | | | | | Poverty changes between the two reviews 2008-2009 |
|-------------|----------------|---|------|------|------|------|---|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Thuan Hoa | Tay, H'Mong | 78.7 | 69.5 | 58.3 | 42.8 | 35.0 | high decrease |
| Ban Lien | Tay, H'Mong | 65.9 | 61.0 | 60.7 | 59.9 | 54.5 | high decrease |
| Thanh Xuong | Kinh, Thai | 33.9 | 22.8 | 14.7 | 11.2 | 8.2 | slight decrease |
| Luong Minh | Thai, Kh'mu | 77.4 | 74.7 | 72.5 | 78.7 | 83.5 | high increase |
| Duc Huong | Kinh | 39.6 | 31.6 | 30.6 | 39.8 | 28.4 | high decrease |
| Xy | Van Kieu | 81.5 | 71.1 | 54 | 49.8 | 42.2 | high decrease |
| Cu Hue | Ede, Kinh | 28.1 | 24.7 | 16.8 | 11.9 | 8.7 | slight decrease |
| Phuoc Dai | Raglai | 68.8 | 51.7 | 44.2 | 58.4 | 58.2 | no change |
| Phuoc Thanh | Raglai | 74.3 | 69.2 | 58.1 | 56.5 | 52.8 | slight decrease |
| Thuan Hoa | Khmer, Kinh | 41.1 | 32.7 | 37.2 | 33.9 | 28.5 | high decrease |

SOURCE: Poor household data reviews 2005-2009 at selected communes, based on current poverty line
Notes: An increase or decrease in poverty rate of more that 5% is considered "high"

Social security policies exert positive impact on poverty reduction

Given low economic growth and agricultural production damage due to natural calamities, a substantial decrease in poverty rates at half of the monitoring communes is an encouraging result. The situation has been helped by GoV policies to provide social security to the poor and supplementary support to the poorest regions. Remote mountainous ethnic minorities were also affected less by the global financial crisis compared to Kinh groups in urban and lowland areas.

Poverty rate remains or increases in rural areas affected by disasters

Table 1.3 shows that the weather influenced poverty trends at monitoring points. Monitoring points with a minor decrease or increase in poverty rates in 2009 suffered from unfavourable weather. In contrast, large decreases in poverty rates in some monitoring points appear to be associated with good agricultural production as damages by natural disasters in 2009 were less than in 2008. Additionally, prices for agricultural inputs especially fertilizers in 2009 were lower than in 2008 while wages and the prices of some products such as hybrid corn, tea, cassava rose.

TABLE 1.3. Main factors which impact on poverty trends at monitoring points

| Commune | Main ethnic minority | Poverty change between the two reviews 2008 - 2009 | Main factors |
|-------------|----------------------|--|---|
| Thuan Hoa | Tay, H'Mong | high decrease | Good harvest for rice, corn. Cassava sold well |
| Ban Lien | Tay, H'Mong | high decrease | Good harvest for rice, no deadly cold spells |
| Thanh Xuong | Kinh, Thai | slight decrease | Special rice and morning glory vegetable sold well. Wage increased for labour |
| Luong Minh | Thai, Kh'mu | high increase | Crop loss for upland rice |
| Duc Huong | Kinh | high decrease | Little loss by storms and floods. Increased wage for labour |
| Xy | Van Kieu | high decrease | Better roads, cassava sold for higher price at the end of 2009 |
| Cu Hue | Ede, Kinh | slight decrease | Losses from storms number 9 and 11 |
| Phuoc Dai | Raglai | no change | Unfavourable weather. Large number of new households separated from the old. |
| Phuoc Thanh | Raglai | slight decrease | Unfavourable weather. Large number of new households separated from the old. |
| Thuan Hoa | Khmer, Kinh | high decrease | Good harvest for rice, corn which sold well. Increased wage for labour |

SOURCE: Group discussions with commune and village officials

People’s feelings about life changes in tune with poverty trends

People’s feelings about life in the past 12 months reflect poverty trends at most monitoring points. Table 1.4 shows that the proportion of people who thought their life had been improved over the past 12 months is quite high in Ban Lien-LC, Duc Huong-HT and Xy-QT - communes with impressive poverty reduction in 2009. Monitoring points where a high proportion of people thought their lives had got worse such as Luong Minh-NA, Cu Hue-DL, Phuoc Thanh-NT were communes with minor decreases or increases in the 2009 poverty rate.

Hunger has not been eradicated in remote communes

For ethnic minorities, quality of life is very much associated with food sufficiency. The percentage of households experiencing food shortage in 2009 remains high especially in remote communes. Of the food shortage households the ratio of those who reported frequent hunger between harvests was high.

TABLE 1.4. Feeling about life changes and food shortage, 2009 (%)

| Commune | Household life over the past 12 months | | | HH with food shortage over the past 12 months | Food shortage frequency over the past 12 months (among those who reported hunger) | | | |
|-------------|--|------|-------|---|--|---------------|-----------|-------|
| | Better | Same | Worse | | Once | Several times | Sometimes | Often |
| Thuan Hoa | 18 | 62 | 18 | 13 | 0 | 25 | 38 | 38 |
| Ban Lien | 58 | 27 | 14 | 29 | 6 | 6 | 38 | 50 |
| Thanh Xuong | 31 | 49 | 20 | 27 | 0 | 0 | 50 | 50 |
| Luong Minh | 15 | 37 | 48 | 85 | 0 | 0 | 8 | 92 |
| Duc Huong | 43 | 42 | 15 | 33 | 0 | 20 | 60 | 20 |
| Xy | 35 | 38 | 25 | 53 | 10 | 39 | 29 | 23 |
| Cu Hue | 5 | 53 | 42 | 8 | 20 | 20 | 0 | 60 |
| Phuoc Dai | 22 | 62 | 17 | 58 | 0 | 11 | 46 | 43 |
| Phuoc Thanh | 18 | 55 | 25 | 73 | 0 | 14 | 27 | 59 |
| Thuan Hoa | 22 | 57 | 20 | 8 | 0 | 40 | 20 | 40 |

SOURCE: Household interviews
Notes: food shortage frequency is recorded ascending: only “once” in the year, “several times” in the year, “sometimes” means several times within the month and “often” means several months in the year.

1.2 Poverty challenges

The nature of rural poverty has changed

The context of poverty is changing rapidly. From 2010 Viet Nam has become a middle income country but there remain hidden risks, besides disaster and disease which may affect macroeconomic stability. The nature of poverty has changed compared to the previous 5-10 years. This 3rd round synthesis report presents general challenges to the poverty situation, which require fundamental changes in rural poverty reduction approaches in the years to come.

Prevalent poverty among ethnic minority groups in remote areas

Poverty has concentrated further in ethnic minority groups living in remote areas

Each of the 20 villages surveyed is a complete social unit as a concentrated residential area for one main ethnic minority group. Poor household review data at the end of 2008 shows that some villages had a low poverty rate, below 10% and others excessively high, above 70-80%. Comparison by ethnicity shows that Raglai, Khmu, H’mong and Van Kieu groups in remote areas often have a high poverty rate of above 50% (Figure 1.2). Limitations in poverty reduction drivers such as poor access to infrastructure and services, unstable agricultural livelihoods which depend greatly on weather, little non-agricultural employment, and poor education quality somehow explain the high poverty rate among those groups.

Overcoming disadvantages of isolation presents a big challenge to poverty reduction in poverty pockets in remote ethnic minority villages. Figure 1.3 shows a positive correlation between poverty rates of the 20 surveyed villages and their distance to car roads, markets, healthcare centres, and schools. On the contrary, there was clear reverse correlation between poverty rates and percentages of households using electricity,

Isolation is a major challenge for remote mountainous ethnic minority villages

piped water, manual/automatic flush toilets, TVs, motorbikes and telephones in the survey sample. The two exceptions were the reverse correlation between distance to the nearest primary school and the poverty rate, and the correlation between the percentage of households using piped water and the poverty rate, which means the poorest villages were given priority in school construction, in-village class organisation and self-running clean water construction.

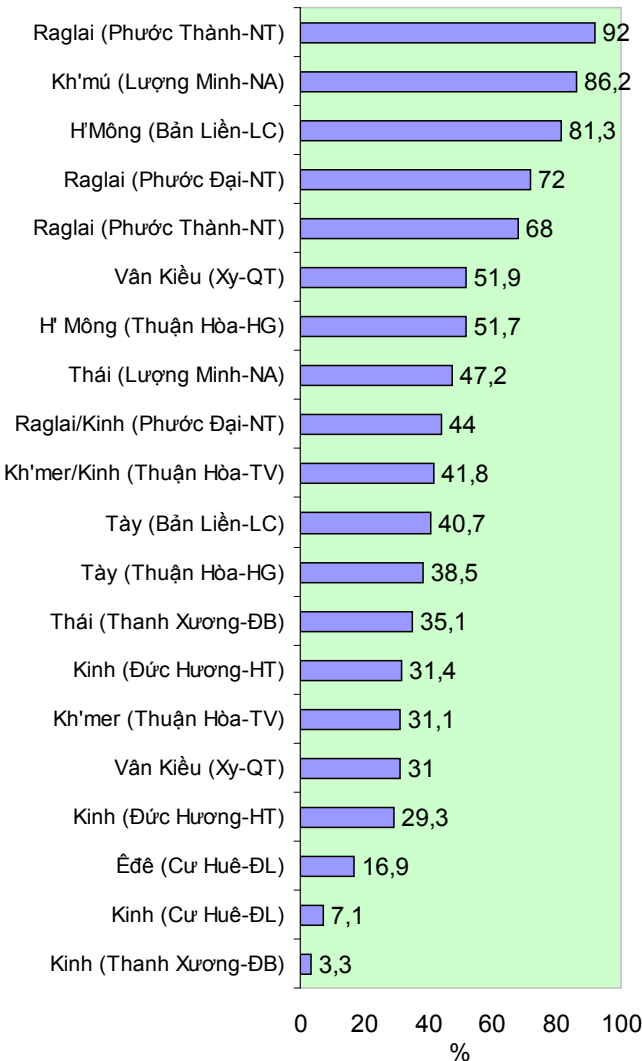
Measures to facilitate the access to basic services are essential to help overcome disadvantages of isolation...

The poorest ethnic minority villages are often far from socio-economic centres and thus have poorer access to infrastructure, markets and services. Ethnic people also face challenges in accessing information through TV and telephones, and in accessing motorbikes to capitalize on trading opportunities opened up through new roads. Measures to facilitate the access to basic services are essential to help overcome those isolation disadvantages; for example, the training and education ministry is boosting the semi boarding schools model, the healthcare and agriculture extension sectors are extending networks of village collaborators, or telecommunication companies are expanding their coverage accompanied by promotion programmes for wireless and mobile telephones.

... with higher investment per capita is needed using the community development approach

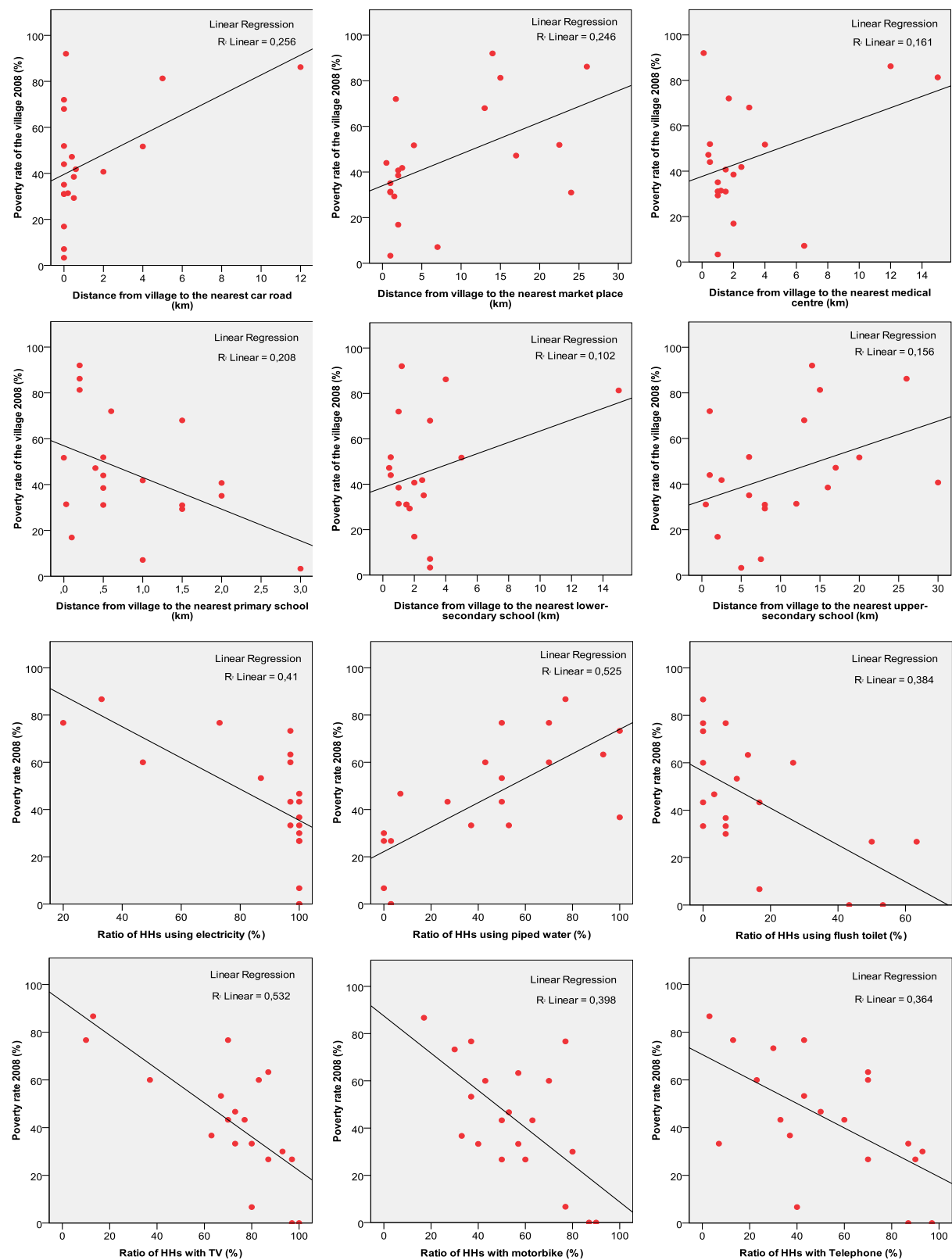
The measures on service access require higher investment per capita to enable people to lift themselves out of poverty. A community-based development approach (participation and empowerment) is essential for the implementation of those measures based on the distinctive characteristics of each village to enhance the ownership and benefit of the local people to those service models. Poor households and households with special difficulties especially need to be able to rely on their own community for access to services. Surveys at monitoring points show that the investment for service access reaching village level have not been adequate to become a significant driver of fast and sustainable poverty reduction in remote ethnic minority areas.

FIGURE 1.2. Main ethnic groups – poverty rates of 20 villages surveyed at the end of 2008 (%)



Source: Village data sheets, 2009

Figure 1.3. Correlation between poverty rate and access to basic services at 20 surveyed villages



Source: Village data sheets and Household Interviews, 2009

Current poverty reduction approaches have limitations

State poverty reduction measures for ethnic minority areas have been developed using conventional approaches, addressing different aspects of poverty such as building infrastructure, giving support in production land, giving favourable credit, support with seed plants, training and demonstration of extension models. Each type of activity is often organised by a specialised government department with specific data forms, formats for report and assessment, in most cases without mechanisms and measures for close coordination at specific locations. These activities often have to abide by top-down systematic formats in terms of design, size, procedure, and cost norms and thus without the necessary flexibility to suit the characteristics of each mountainous ethnic minority community.

There is a lack of breakthrough policies for rural institutional reforms for poverty reduction

The State's consistent direction is to promote ownership and creativity in people to achieve sustainable poverty reduction. However, there is currently a lack of breakthrough policies aimed at institutional reforms for poverty reduction in interaction with the market and the natural environment, so that each poor community and individual truly become owners of their own development conforming to the general direction. There is a lack of strong enough support in the rural community institutions which are also the assets of mountainous ethnic minority groups with durable values that need preservation, promotion and adaptation to fit in the new context.

Community development projects provide suggestions for the design of future poverty reduction programmes

Over the past years, donors, and NGOs have coordinated with local partners to implement many community development projects in the mountainous ethnic minority areas which face the most difficulties. Those community development projects often aim towards improving the people's participation and empowerment to create a favourable platform for support measures tailored for each commune, each village and each household. The following are suggestions for good design of programmes and projects for poverty reduction by the State in the coming years (Box 1.1).

BOX 1.1. Improving people's participation and empowerment for poverty reduction: lessons from community development projects

Community based development projects aimed at supporting poverty reduction in mountainous ethnic minority areas are a common approach adopted by donors and NGOs.

Community development projects often adopt a vision towards building a self-sustained community, with a view to support the improvement of the people's participation and empowerment for poverty reduction, before supporting the improvement of a particular poverty aspect. The main tools of community development projects are participatory planning (commune/village development plans - VDP/CDP) and self-governing community fund (may be called "community development fund", "local development fund", "rotary fund" or "commune budget component" in various projects) to implement small projects/small community initiatives.

Some key lessons learned from community development projects towards sustainable poverty reduction in mountainous ethnic minority areas include:

- To mainstream the participatory process into the socio-economic development planning, with real fiscal and management decentralisation to commune and village levels.
- To reserve adequate budget for participatory capacity building, planning, monitoring and supervision, to support farmer groups and develop other rural institutions. To pay more attention to consolidating and promoting current institutions instead of creating brand new institutions.
- To pay particular attention to community assets (for promotion) instead of

merely looking at community limitations (for addressing). Culture, customs and local knowledge (technology, resource management, and community organisation) are the starting point of all community initiatives and should be integrated with new knowledge appropriately.

- To enhance the quality of people's participation, to avoid participation by formality, biased participation by the will of the better-off groups in villages. To emphasise participation and benefit of the poor, women, and children through consultation, design, and implementation of activities tailored to suit their backgrounds. To develop community institutions in order to increase the social capital of disadvantaged groups.
- To closely and synchronistically coordinate all activities in community development projects with each village/household, for example micro credit with saving, training, extension services, group formation, land use planning, household accounting, capacity building for grassroots officials, and implementation of grassroots democracy...
- To mobilise contributions and corresponding resources of communities and households for the implementation of community owned initiatives. To promote self help, self funding activities before outside support. To deploy activities for livelihood support in the form of refundable investment or rotary capital, to restrict non-refundable aid.
- To keep the whole implementation process adaptive, open to changes in response to reality and feedback from communities at each village; to simplify financial procedures for small projects.
- To establish close partnership between stakeholders (government, organisation, service supply agencies, businesses, groups/teams, cooperatives, associations...) and the people.
- To promote the role of community development facilitators, giving priority to local people. To emphasise "promotion" skills without imposition or assimilation, to avoid copying and asking ethnic minority people to do as the Kinh do to escape poverty.
- To integrate community-based disaster risk management initiatives (CBDRM) and community-based natural resource management (CBNRM).

Two poor groups: chronic poor and temporary poor

Surveys at monitoring points show that there is a clear distinction between two poor groups: chronic poor and temporary poor that call for different support packages.

The most distinctive characteristic of the chronic poor is lack of labour

Chronic poor ("hard core" poor): the most distinctive characteristic of chronically poor households is lack of labour due to old age, disability, long-term illness, being single, or being orphaned. The chronic poor account for a large proportion of the poorest group comprised of households with production land shortage, poor quality land (impoverished upland fields, far from houses and water sources), low education, no understanding of Vietnamese, no vocation, mostly engaged in wage work with unstable incomes (Table 1.5). Some households are classified as chronic poor by the village community because they do not have a will to escape poverty, or abuse drugs, or have bad spending habits. In lowland areas with many Kinh residents having a poverty rate of lower than 10% (such as village Chan nuoi 2 of Thanh Xuong-DB commune, village Dong Tam of Cu Hue-DL), most poor households are chronically poor according to official annual reviews.

The chronic poor need immediate social support together with tailored livelihoods support

Chronically poor households suffer constant food shortage, have no savings, and rely mostly on support by relatives and the village community. Regular support by the State through current social policies (Decree 67/CP) has partially eased the burden of these chronically poor households. In addition to the tailored livelihoods support, the current challenge is to increase coverage of social support policies and support levels to ensure minimum living standards, with specific support measures such as safety nets of different levels for each social group (see also chapter 3 Vulnerabilities)

TABLE 1.5. Features of the poorest groups at some monitoring points

| Commune (district, province) | Ban Lien (Bac Ha, Lao Cai) | Xy (Huong Hoa, Quang Tri) | Luong Minh (Tuong Duong, Nghe An) | Phuoc Dai and Phuoc Thanh (Bac Ai, Ninh Thuan) |
|---|--|--|--|--|
| Under 30a | Yes | No | Yes | Yes |
| Main ethnicity | Tay, Hmong | Van Kieu | Thai, Khmu | Raglai |
| Upland field | Little, of poor quality | Little, can sow about 1-2 baskets of rice seed and grow 1,500 cassava plants | Sow 10-15 kg of rice seed | Little production land: 1-3 units (500m2) on mountainous land, of poor quality, often of poor yield |
| Lowland field | Little, can sow about 5kg of rice seed | No | No | Most have no land, some have 1-2 units (500m2) of poor quality |
| Type of housing | Temporary, mud wall. Small house area from 8-20 m2 | Bamboo frame, leaf roofing, some have houses thanks to P134 (corrugated iron roof) | Post supported, fibro or leaf roofing, small area Some have houses under Decision 167 | Temporary, with area from 15-25m2. Some brick walls and corrugated under P134 |
| Labour | Newly separated HHs, having 1-2 main labourers | Newly separated HHs, many children, poor health, single women or with elderly members | Member(s) abuse drugs, imprisoned or ill | Little, small kids, single, elderly, orphan |
| Education | Most have not completed primary school | Most have not completed primary school. Kids dropped out of school | Most have not completed primary school | Kids dropped out of school. Completed primary school |
| Cattle | A few have one buffalo, others have none | Most have no cattle, some have goats supported by projects | Have 1-2 cows | Some do not have, some have 1-3 cows from bank loan or borrowed from settlement programme |
| Main income sources | Tea, rice, poultry | Cassava | Forest tramping, upland rice | Local corn, special vermicelli, broad bean, wage construction work, collecting cow muck |
| Number of months with food shortage | 2-3 | 3-4 | 6-7 | 4-5 |
| Participation in village meetings | Yes but seldom speak | Not all | Seldom | Often absent for busy upland, go to meeting to listen and not talk |

| | |
|---|--|
| <i>The temporary poor have labour but lack capacity and opportunities</i> | Temporary poor: account for the majority of the poor group. The most distinctive feature of temporary poor households is they have labour and the will to get out of poverty but they have a low capacity and no capital or know-how or market access. Temporary poor households may have difficulties in certain phases of their life, especially young families in newly separated households, with small kids, suffering shocks from disease, death, disaster, and epidemics. |
| <i>The temporary poor need support for sustainable livelihood development, rather than just direct grant</i> | For these temporary poor households, support from the State, community and stakeholders is important so that they can eventually get out of poverty. At monitoring points, when there is livelihood support available in the form of seedlings or fertilizer, village communities often use criteria such as “having labour” and “being industrious” to vote for beneficiaries. This has effectively geared livelihood support to temporary poor households and excluded the chronic poor. The current challenge is to synchronistically implement livelihood development measures in forms of community support, emphasising opportunity creation and capacity building (rather than just direct grant) in order to reduce passivity and reliance on state support and to increase capacity to manage risks and shocks in order to sustainably escape from poverty. |
| <i>The term poor households/people can be understood by quantitative or qualitative meaning ...</i> | Difficulties with poor household reviews and the multi-dimensions of poverty The term “poor households/people” used in different data sheets of this report is taken from the official annual poverty review’s list of surveyed villages against the current poverty line (below VND200,000/person/month for rural areas). In the meantime, the term “poor households/people” used in other qualitative information parts of this report comes from the exercise for wealth ranking conducted using the participatory method with village core groups. |
| <i>... to reflect the one-dimensional or multi dimensional approach</i> | The two sources mentioned in the report use different approaches to poverty. The first one uses a one dimensional approach measured in monetary terms against a general income poverty line. For example, grassroots officials and the people often base evaluation on asset criteria (land, houses, livestock, motorbikes), human resources (labour, children, disease and disability), income (having a salary, non agricultural trade), access to support services (loan, extension), and extent of participation in village affairs to classify households. The second approach pays more attention to specific contexts, with different classification criteria for different areas. |
| <i>The two ways of assessing poverty result differently in many cases</i> | When comparing the results of the two methods of poverty classification at each village, a convergence is found, especially for the chronic poor groups. However, there are cases of households classified as poor by local officials and people according to the second method yet not being included in the official poverty review according to the first method and vice versa. The reason is that households may have assets such as buildings, motorbikes and livestock but their monthly income does not exceed the poverty line, or because the household is by nature non-poor but is included in the list due to bias or some complexity in the process of poverty review, or the village standard of life is low thus even those classified as average or better off relative to the village living standard by officials and local people are still poor against the GOV income poverty line. |
| <i>The One-dimensional income-based approach could lead to leveling, error and untimely addressing of target groups for poverty reduction</i> | To use a one-dimensional approach based on income (or expenditure) or to use a multi dimensional approach in poverty assessment and poverty reduction targeting is a classical controversy. This is also the root cause of errors made in the process of annual poverty review at monitoring points (see also Section 5.2). Currently, policies often specify their beneficiaries to be poor against the current income poverty line. In the context where there remain limitations to the poverty review exercise (and poverty line has not been adjusted in the face of annual inflation), the selection of beneficiaries by income criteria using the one-dimensional approach might lead to the levelling and neglect of the multi-dimensional nature of poverty. Moreover, poverty reviews on households are often carried out at year end and average income is calculated for the previous 12 months; while people’s lives are full of uncertainty and are threatened by sudden risks that require instant support. |

Near poor households need stronger support

Near poor households have been reviewed annually

Near poor households are households that lie a little above the poverty line and could fall back into poverty in the face of risks. According to Circular 25/2008/TT-BLDTBXH dated 21st of Oct 2008 of MOLISA, near poor households in rural areas are those with an average income per capita within the range of 130% of the poverty line, i.e. with monthly income from VND200,000 to 260,000 per member. At the end of 2008 and 2009, at most monitoring points, a near poverty review was also conducted along with the annual review for poor households.

Near poor households are mostly those newly escaped from poverty, newly separated from a wealthy one or have a child migrating for study

Field surveys reveal that near poor households often have similar livelihood models to those of poor households but with slightly higher income because they have more labour, larger land area, more commodities and goods or regular social allowances. The near-poor often have better houses (houses on stilts, wooden houses with multi rooms etc) and more/better assets such as motorbikes, TVs, beds, closets, and livestock than the poor. Many households recently escaped from poverty, households newly separated from better off households, and households with children attending vocational training, college, and university are classified as near poor by the village community.

Review of near poor households needs to be carried out more seriously

Table 1.6 shows that the ratio of near poor households on the review list at the end of 2009 changed significantly compared to the end of 2008, some with a high increase, some with a high decrease. The reliability of near poor household data is questionable for some areas. When asked about the unusual changes in near poor household ratios, the answer often found was that this year the review was carried out more seriously. For example at Phuoc Dai and Phuoc Thanh-NT, the ratio of near poor households at the end of 2008 was more than 30% but it was measured only around 10% in 2009. Officials at DOLISA of Bac Ai district explained that “in previous years, review and investigation was spontaneous, people with good social connections were favoured. This year, the district established a task group to review the current situation of near poor and poor households in order to better apply support policies”.

TABLE 1.6. Feeling about life changes and food shortage, 2009 (%)

| Commune | End of 2008 | | End of 2009 | |
|-------------|-------------|---------------|-------------|---------------|
| | Poor HHs | Near poor HHs | Poor HHs | Near poor HHs |
| Thuan Hoa | 42.8 | - | 35.0 | 7.3 |
| Ban Lien | 59.9 | 10.4 | 54.5 | 3.7 |
| Thanh Xuong | 11.2 | 3.5 | 8.2 | 0.6 |
| Luong Minh | 78.7 | - | 83.6 | 9.2 |
| Duc Huong | 40.6 | 31.7 | 28.4 | 23.6 |
| Xy | 49.8 | 18.9 | 42.2 | 26.7 |
| Cu Hue | 11.9 | 13 | 8.7 | 14 |
| Phuoc Dai | 58.4 | 32.9 | 58.2 | 10.0 |
| Phuoc Thanh | 56.5 | 32.7 | 52.8 | 16.5 |
| Thuan Hoa | 33.9 | 12.1 | 28.5 | 19.3 |

SOURCE: Review of poor and non poor households for 2008-2009 provided by communes

Near poor households can easily fall back into poverty in the face of risks

When facing risks, near poor households easily fall back into poverty. The instability of agricultural production, changeable prices, unstable wage labour and other sudden risks concerning health, and assets makes the line between poor and near poor thin (Box 1.2).

BOX 1.2. Near poor households facing difficulties from storms and unfavourable prices

One afternoon at the end of December 2009 we visited the house of Mr. N.V.D a Kinh ethnic household classified as near poor in Dong Tam village, Cu Hue commune (Eakar, Dak Lak). He had grown 500 coffee trees in the past 3 years. Storm 9 destroyed the trees once and storm 11 dealt a second blow. In total, he had 280 coffee trees damaged and had replaced them with new trees in 2 months. The tiled wooden house built in 1992 had half of its roof blown away; he had to take tiles from the toilet to repair the roof. Mr N.V.D said his house was unlucky to be at the centre of the storm.

The family is now looking to 1 land unit (1000m2) for its income on which they grow cucumbers and broad beans. However cucumber growth is risky because the price is falling. He said: *“I have another piece of land for vegetable cultivation but cucumber planting is risky because the price is falling. Half a month ago the price was VND3,000 per kilo, now only 1,000, or 1,500 for exceptionally good produce. The whole patch of cucumbers yields 10 tons, requiring a VND10 million investment. If the price was VND3,000 it would work. Last year, the price was better at 2,000”*.

His household had moved off the poverty list at the end of 2008 but damages from storms and fluctuating prices have worsened life in 2009 compared to the previous year. The loan of 13 million in 2007 (not to mention loans obtained informally) was supposed to be paid back by income from coffee and cucumber production but it is no longer feasible. His solution now is to send 2 sons out for wage jobs: *“the two brothers pick coffee for 49 (coffee company) for nearly 1 month and earn VND75,000 per day. The younger has just gone to Binh Phuoc to work in the cassava field for wages while the elder stays home to grind corn and pick coffee”*.

More policies are needed to support near poor households in developing sustainable livelihoods

Better support should be extended to near poor households, especially those who have just escaped poverty to ensure sustainable poverty reduction. There have been two policies in place to support near poor households: partial support to acquire medical insurance and favourable loans for students to attend university. More policies are needed to support this group, especially in child education and sustainable livelihood development. MOLISA has made it their policy line to give households newly escaped from poverty the same favourable treatments as the poor in the first 2 years. However, this has not been institutionalised in many policies and thus has not been implemented at grassroots levels.

1.3 Conclusion: change of approach in poverty reduction programmes

Future poverty reduction programmes need to reflect the changing aspects of poverty

The situation at some monitoring points suggests that the nature of rural poverty has changed compared to 5-10 years ago. Rural poverty is now further concentrated in pockets and mountainous ethnic minority areas. There are fundamental differences between the chronic poor and temporary poor in access to employment and capacity to earn a living. Specific solutions need to be integrated into a comprehensive social security system. Near-poor households need further support to rise permanently above the poverty line.

As indicated in the second round synthesis report for 2008, and in agreement with many opinions raised in the late 2009 workshop of MOLISA for direction of the poverty reduction programme for the period from 2011-2020⁷, this report targets four key issues in designing the poverty reduction programme for the next period.

Enhancing participation and empowerment attached with participatory planning and operation of self-governing community funds

Firstly, there is a need to change the poverty reduction approach in ethnic minority areas. Rather than targeting particular aspects of poverty, policies and programmes should consider unique social, cultural and economic characteristic of the poor and ensure that the poor are able to manage their own development in line with their culture and identities. There must be a focus on institutional reforms in poverty reduction programmes using the community development approach. Lessons from community development projects need to be institutionalised in future poverty reduction programmes, in which participation and empowerment of communities and households is emphasised. Tools for participatory planning at commune/village levels should be developed, as should self-governing funds to implement mini projects or small-scale community initiatives.

Poverty reduction is one part of the rural social security system

Secondly, the future poverty reduction programme should be tailored in conjunction with the design of a comprehensive social security system for rural areas that emphasises social support measures for the chronic poor and measures for sustainable livelihood support to the temporary poor. Effective and sustainable agricultural development remains the key to poverty reduction in mountainous ethnic minority areas. Stronger support should also be geared to promote local non-agricultural employment and migrant domestic ventures.

Thirdly, there should be a policy scheme to support near poor households, especially households that have just escaped from poverty. Such households should receive the same level of support as poor households during the first two years, in addition to other supports for their sustainable livelihoods.

A multi-dimensional approach to poverty in identification of targeted groups for poverty reduction support is crucial

Fourthly, a multi-dimensional approach to poverty should be taken, as non-income criteria such as human resources, assets and access to support services are decisive in sustainable poverty alleviation and improved living standards. Some support policies should not necessarily be attached to income poverty, but to non-income poverty instead. A multi dimensional approach to poverty should include deeper decentralisation and empowerment at grassroots level in identification of beneficiaries of each policy and support programme under guidance and supervision of the higher administrative levels.

⁷ See discussion papers at Workshop "Poverty reduction strategy: ideas for 2011-2020" held by MOLISA on 28 of December, 2009 in Hanoi.

Part 2: Key themes of poverty reduction

2. THE GAP BETWEEN THE RICH AND THE POOR

“Sustainable livelihood framework” helps assess factors that impact the rich-poor gap, the most important of which is market access

The first and second round synthesis reports described poverty as multi-dimensional and thus presented the limitations and disadvantages of the poor compared to the better-off in terms of quality of livelihood capital, capacity to access institutions and policies, and the effectiveness and sustainability of livelihood strategies (using the “sustainable livelihood framework”). This third round synthesis report provides an update on the above factors and also gives in-depth analysis of market access (commodity and labour markets) of the poor.

2.1 Quality of livelihood capital

“Livelihood capital” includes household resources such as human capital, social capital, natural resources, financial resources and material capital. The disparity in livelihood capital between the poor and non-poor is a cause of inequality.

Human capital

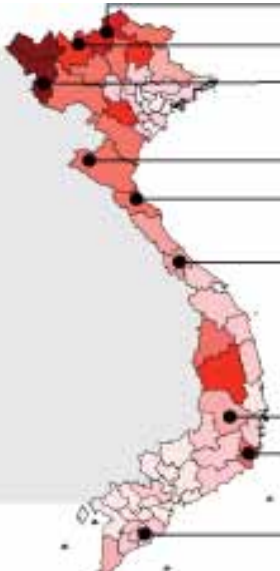
Poor households often have critical human resource difficulties

Poor households with many children, ill or disabled members, or which are headed by elderly or single parents tend to be at a disadvantage. Table 2.1 shows that poor households often have larger families, with more dependents and fewer members of working age.

TABLE 2.1. Demographic features of households, 2009

| Commune | Number of members over 60 years of age | | Number of members from 15-60 | | Number of members under 15 | | HHs with disabled members (%) | | Single parents with children under 16 | | HHs with drug abused 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 | 0.2 | 2.8 | 3.6 | 1.6 | 1.5 | 25 | 9 | 4 | 3 | 0 | 0 |
| Ban Lien | 0.3 | 0.6 | 3.2 | 4.2 | 2.3 | 1.4 | 9 | 15 | 3 | 0 | 0 | 0 |
| Thanh Xuong | 0.4 | 0.4 | 2.9 | 2.8 | 1.7 | 1 | 11 | 2 | 22 | 6 | 11 | 2 |
| Luong Minh | 0.3 | 0.8 | 3.2 | 2.8 | 1.7 | 0.8 | 17 | 0 | 6 | 0 | 19 | 8 |
| Duc Huong | 0.7 | 0.7 | 1.9 | 3.3 | 0.8 | 0.6 | 6 | 7 | 6 | 2 | 0 | 0 |
| Xy | 0.4 | 0.6 | 2.4 | 2.6 | 3 | 2.6 | 9 | 3 | 8 | 3 | 0 | 0 |
| Cu Hue | - | 0.3 | - | 3.3 | - | 1.2 | - | 7 | - | 2 | - | 0 |
| Phuoc Dai | 0.3 | 0.2 | 2.7 | 3.4 | 1.9 | 2 | 6 | 8 | 3 | 4 | 0 | 0 |
| Phuoc Thanh | 0.3 | 0.3 | 3 | 3.2 | 1.9 | 1.4 | 5 | 0 | 3 | 0 | 0 | 0 |
| Thuan Hoa | 0.2 | 0.4 | 3.4 | 3.4 | 1.2 | 0.8 | 13 | 7 | 10 | 3 | 0 | 0 |

SOURCE: Household interviews



Education disparity between poor and non-poor households is most visible at secondary levels

Although child education has improved significantly the percentage of people with secondary or higher level qualifications is still low. Poor households also have a higher proportion of people who have never attended school or not completed primary school.

TABLE 2.2. Highest education level of HH members (6 years old and above), 2009 (%)

| Commune | Never attended school | | Have not completed primary school | | Completed primary school | | Completed secondary school | | Completed high school and 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 | 20 | 5 | 33 | 25 | 30 | 34 | 14 | 31 | 3 | 5 |
| Ban Lien | 26 | 22 | 39 | 29 | 28 | 24 | 9 | 22 | 0 | 2 |
| Thanh Xuong | 21 | 5 | 35 | 22 | 26 | 20 | 12 | 36 | 7 | 18 |
| Luong Minh | 13 | 17 | 41 | 31 | 34 | 19 | 12 | 23 | 1 | 10 |
| Duc Huong | 2 | 1 | 19 | 8 | 24 | 12 | 29 | 44 | 27 | 36 |
| Xy | 27 | 30 | 43 | 24 | 22 | 25 | 8 | 24 | 0 | 7 |
| Cu Hue | - | 11 | - | 26 | - | 30 | - | 26 | - | 8 |
| Phuoc Dai | 27 | 22 | 44 | 42 | 22 | 22 | 7 | 12 | 0 | 2 |
| Phuoc Thanh | 52 | 46 | 34 | 28 | 11 | 19 | 2 | 6 | 0 | 2 |
| Thuan Hoa | 18 | 12 | 46 | 36 | 26 | 25 | 9 | 18 | 0 | 10 |

SOURCE: Household interviews

Stronger support measures should be enforced to increase enrolment of boys and girls of ethnic minority at high school level

The rates of both male and female enrolment at high school level in mountainous ethnic minority areas remain low. Table 2.3 shows that in some remote mountainous areas (Ban Lien-LC, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT), the ratio of enrolment among children of 16-20 is only 20-40%. Reasons for drops-out are poverty, poor school results, being ashamed of studying with younger pupils, marriage and so on. Thuan Hoa-TV is a commune with many Khmer inhabitants in the Mekong delta, the number of children there who drop out to accompany their parents working migrant jobs is large. Statistics by Education Division of Cau Ngang district (Tra Vinh) show that in the school year of 2008-2009, the rate of drop-outs at lower secondary school was 6% (a decrease of 2.6% compared to the previous year), 1/3 of the cases were due to children accompanying parents employed in migrant jobs.

TABLE 2.3. Percentage of boys/girls of 6-20 who are going to school, 2009 (%)

| Commune | 6-11 years old | | 12-15 years old | | 16-20 years old | |
|-------------|----------------|--------|-----------------|--------|-----------------|--------|
| | Male | Female | Male | Female | Male | Female |
| Thuan Hoa | 95 | 87 | 83 | 86 | 63 | 73 |
| Ban Lien | 92 | 100 | 83 | 92 | 31 | 39 |
| Thanh Xuong | 100 | 100 | 89 | 100 | 83 | 100 |
| Luong Minh | 88 | 94 | 76 | 56 | 20 | 32 |
| Duc Huong | 100 | 100 | 100 | 100 | 77 | 80 |
| Xy | 85 | 96 | 95 | 95 | 67 | 60 |
| Cu Hue | 94 | 90 | 75 | 85 | 38 | 67 |
| Phuoc Dai | 96 | 95 | 55 | 81 | 44 | 29 |
| Phuoc Thanh | 91 | 78 | 62 | 61 | 35 | 7 |
| Thuan Hoa | 94 | 100 | 50 | 71 | 23 | 32 |

SOURCE: Household interviews

The poor are severely disadvantaged compared to the better-off in Vietnamese language skills

The second round synthesis report found that poor Vietnamese language proficiency is a critical disadvantage of poor ethnic minority people, especially women of more than 35 years of age. It affects all aspects of life such as trading, loan raising, participation in meetings and training, wage jobs and migrant jobs. The household questionnaire for the third round survey explored the issue in more detail. Table 2.4 displays the results. Most poor and non-poor ethnic people can understand Vietnamese, although the non-poor have more advanced reading and writing skills than the poor. However, fewer people, both poor and non-poor, possess reading and writing skills in ethnic minority groups in remote mountainous communes (Hmong in Ban Lien-LC, Van Kieu in Xy-QT, Raglai in Phuoc Dai and Phuoc Thanh-NT). The situation suggests that much stronger supports for literacy should be back on agenda of the future poverty reduction programmes in ethnic minority areas.

TABLE 2.4. Vietnamese language proficiency among poor/non-poor respondents, 2009 (%)

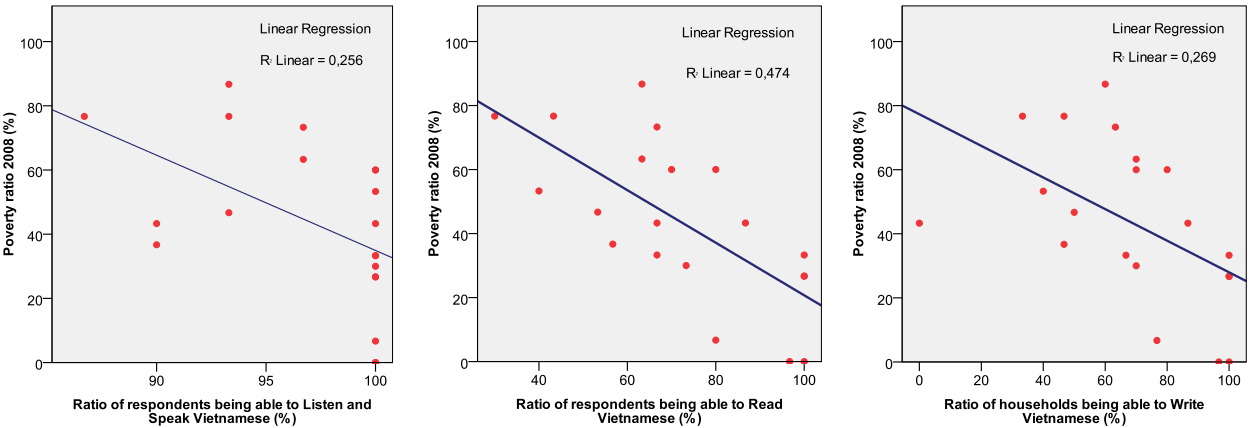
| Commune | Listening | | Reading | | Writing | |
|-------------|-----------|--------------|----------|--------------|----------|--------------|
| | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs |
| Thuan Hoa | 100 | 100 | 86 | 94 | 86 | 94 |
| Ban Lien | 91 | 96 | 52 | 59 | 55 | 59 |
| Thanh Xuong | 100 | 100 | 44 | 92 | 44 | 90 |
| Luong Minh | 94 | 100 | 63 | 75 | 60 | 67 |
| Duc Huong | 100 | 100 | 100 | 100 | 100 | 100 |
| Xy | 96 | 86 | 54 | 67 | 50 | 64 |
| Cu Hue | - | 100 | - | 90 | - | 88 |
| Phuoc Dai | 97 | 100 | 49 | 56 | 54 | 56 |
| Phuoc Thanh | 95 | 91 | 32 | 57 | 32 | 57 |
| Thuan Hoa | 100 | 100 | 68 | 90 | 68 | 90 |

SOURCE: Household interviews

... and villages with fewer Vietnamese speakers tend to have higher poverty rates

Figure 2.1 confirms that mastery of Vietnamese language skills especially reading and writing has a strong negative correlation with the poverty rate at the 20 surveyed villages.

FIGURE 2.1. Correlation between poverty rate and Vietnamese language proficiency of respondents at 20 villages surveyed



Poor Vietnamese language skills inhibit social interaction and market access for women

Table 2.5 also shows that the men have more advanced reading and writing skills than the women. Poor Vietnamese language skills inhibit the communication and social relations of poor people, especially women. Ethnic minority women in mountainous areas with little Vietnamese skill are often afraid of participating in meetings. Some married women are not familiar with bank notes or scales, so their husbands deal with all transactions. Local officials and people discussed the difficulties faced by those with poor Vietnamese skills in meetings and training sessions.

TABLE 2.5. Vietnamese language proficiency among male/female respondents, 2009 (%)

| Commune | Speaking/listening | | Reading | | Writing | |
|-------------|--------------------|-------|---------|-------|---------|-------|
| | Men | Women | Men | Women | Men | Women |
| Thuan Hoa | 100 | 100 | 92 | 86 | 92 | 86 |
| Ban Lien | 96 | 78 | 59 | 33 | 61 | 33 |
| Thanh Xuong | 100 | 100 | 100 | 79 | 100 | 76 |
| Luong Minh | 100 | 86 | 76 | 46 | 71 | 46 |
| Duc Huong | 100 | 100 | 100 | 100 | 100 | 100 |
| Xy | 96 | 75 | 77 | 19 | 73 | 19 |
| Cu Hue | 100 | 100 | 98 | 75 | 98 | 70 |
| Phuoc Dai | 100 | 97 | 64 | 43 | 68 | 46 |
| Phuoc Thanh | 92 | 100 | 48 | 17 | 48 | 17 |
| Thuan Hoa | 100 | 100 | 87 | 68 | 87 | 68 |

SOURCE: Household interviews

Table 2.6 shows that the rate of women who have attended school or not completed primary school is higher than that of men at most monitoring points. State agencies provide classes for adult illiteracy eradication and further education but participation is low as people are busy with family life.

TABLE 2.6. Highest education level of HH members from 6 years old, disaggregated by gender, 2009 (%)

| Commune | Never go to school | | Have not completed primary school | | Completed primary school | | Completed secondary school | | Completed high school | | Professional high school, college, university | |
|-------------|--------------------|-------|-----------------------------------|-------|--------------------------|-------|----------------------------|-------|-----------------------|-------|---|-------|
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Thuan Hoa | 6 | 13 | 22 | 31 | 36 | 33 | 32 | 19 | 4 | 3 | 0 | 1 |
| Ban Lien | 16 | 32 | 34 | 34 | 27 | 24 | 22 | 9 | 1 | 1 | 0 | 0 |
| Thanh Xuong | 3 | 13 | 24 | 25 | 24 | 18 | 32 | 30 | 15 | 11 | 3 | 3 |
| Luong Minh | 9 | 18 | 38 | 41 | 31 | 30 | 19 | 9 | 3 | 2 | 0 | 1 |
| Duc Huong | 1 | 1 | 10 | 11 | 14 | 16 | 36 | 45 | 30 | 21 | 11 | 6 |
| Xy | 23 | 33 | 29 | 33 | 26 | 22 | 15 | 11 | 7 | 1 | 1 | 0 |
| Cu Hue | 8 | 12 | 29 | 24 | 29 | 31 | 26 | 26 | 7 | 6 | 1 | 2 |
| Phuoc Dai | 20 | 30 | 46 | 41 | 22 | 21 | 11 | 8 | 1 | 0 | 0 | 1 |
| Phuoc Thanh | 43 | 56 | 39 | 25 | 14 | 14 | 3 | 4 | 1 | 1 | 0 | 0 |
| Thuan Hoa | 14 | 15 | 44 | 39 | 24 | 28 | 12 | 15 | 5 | 2 | 2 | 2 |

SOURCE: Household interviews

Illiteracy eradication integrated with community development is crucial

Most attempts to tackle adult illiteracy eradication have not been effective. Many people are not eager to come to classes. A programme called Reflect that integrates literacy programmes with community development has proved effective when applied in mountainous ethnic minority areas. Thuan Hoa-HG provides a typical case (Box 2.1).

BOX 2.1. The effectiveness of Reflect programme at Thuan Hoa (Vi Xuyen, Ha Giang)

Programme Reflect, supported by AAV, has been implemented in Vi Xuyen district, Ha Giang province since 2002. The programme comprises three phases: phase 1 illiteracy eradication; phase 2 continued education and community development and phase 3 establishment of CDCs. Reflect was introduced in Thuan Hoa commune in 2004. By 2009 the programme reached phase 3 establishing eight CDCs.

In phase 1 and 2, participants of illiteracy eradication classes were mainly women. Afterwards some women persuaded their husbands to attend. Thanks to joining Reflect classes, many women can now read and write and do calculations. They become more active in financial issues and household economic development.

--- *“Before learning from the teacher I could read a bit. But after going to class I read better. Before I could not pronounce but now I can. I used to calculate using my hands but now I can calculate large numbers with a pen” (group of poor women Minh Phong village).*

--- *“I have been attending literacy classes since 2006. I can now read and write better. No one can trick me now. Before, when selling goods I took any amount people gave. I could not read the scale. Now I know that if chicken is VND 70,000 per kilo, then three kilos equals VND 210,000. If they do not give enough I will ask for more. (group of poor women Mich B village).*

Nevertheless, there are signs that things are improving. The percentage of children enrolled for primary education at the appropriate age is high, even 100% in some areas. State policies and dissemination campaigns by local governments and schools have helped to increase enrolment rates for both girls and boys which means the gender disparity should narrow significantly in the future.

The initiative for teacher’s assistants in mountainous areas should be maintained

One example is the “teacher’s assistant” initiative, part of a primary school support project for disadvantaged children (PEDC) sponsored by the World Bank (WB) at Thuan Hoa-HG, Ban Lien-LC, Xy-QT, Phuoc Dai and Phuoc Thanh-NT. Assistants are local ethnic people who provide extra teaching in Vietnamese skills for children starting grade 1. They also support teachers, encourage children to attend classes and play a bridging role between the school, families and communities (Box 2.2).

BOX 2.2. “Teacher’s assistant” - an initiative that needs sustaining

Mr. G.S.D., an H’mong ethnic man born in 1988, has completed grade 9. He has been working for two years as a teacher’s assistant at Khu Chu Tung 1 village education cluster, Ban Lien commune (Bac Ha, Lao Cai). His monthly allowance has been increased from VND320,000 in 2008 to VND500,000 in 2009. Mr. D attended a four day training course in the district before starting his job.

During three months of summer holidays, his main task is to teach extra-classes to children of five years of age so that they have enough Vietnamese to be ready for grade 1.

During the school year, he interprets for teachers from the H’mong language to

Vietnamese. The primary education cluster of Khu Chu Tung 1 has no H'mong teachers and only two Kinh, and one Nung teacher. Teachers come from the district to the village to teach everyday so they have little opportunity to take care of each pupil. Daily Mr. D goes to every house to urge the children to go to school. In the harvest time when children often follow their parents to the upland field, he even goes to the field to take them back to school.

Assessing the effectiveness of the teacher's assistant initiative, a Ban Lien commune teacher shared *"I do not know the H'mong language and thus teaching is hard. Thanks to the assistant, teaching has been easier. He even goes to look for pupils for me. If not, pupils would not attend class regularly"*.

However, according to education officials in Bac Ha district, this support initiative would finish in December 2009. There are now 89 teacher assistants across Bac Ha receiving allowances from the project. After the project ends, teachers' assistants will probably lose their jobs while the demand for teaching Vietnamese to ethnic minority children and for supporting teachers in taking children to school is still high.

Social capital

Strong community bonding among ethnic minority groups is an asset that needs promoting

Strong community bonding is the greatest strength of ethnic minority groups that need to recognise and build upon in the poverty reduction programmes. In times of food shortage the poor can take food from relatives and neighbours. When a family has an important event such as the whole village will pool labour, rice, wine, or money to help. In many villages everyone contributes to form a fund for the poor to borrow from or to support people with illness who need to go to hospital. Some better-off households also help the poor households by giving the cows to them for raising; in exchange these households will get the calf when the cows breed.

Rotary labour exchange custom is beneficial for mountainous poor ethnic minority people

Labour exchange groups are organised in many mountainous areas. Poor ethnic minority people benefit the most as they are more likely to suffer labour shortages. In lowland areas such as Duc Huong-HT and Thuan Hoa-TV, people tend to hire labour during harvest time, meaning the poor can work for the better-off.

Farmer groups may become the backbone of the poor

Farmer groups are forming at many monitoring points. Most typical is the "Inter-family group" model at Duc Huong-HT which has become the backbone of the poor in times of illness and hardship. It also helps to settle family disputes. However, maintaining the effectiveness of such groups is still a challenge in many places.

Policies to give direct financial support to the poor may have side effects reducing their social capital

It is noteworthy that some state policies giving direct financial support to the poor may cause envy within the community. For example, money for the poor to celebrate New Year, money for pupils from poor households under Decision 112, and Decision 101, policy to support poor households in reclaiming land. Policies that target poor households will lose their meaning if the annual poverty review is not accurate or there is no sanction to avoid the passive mentality of the poor which causes over reliance on state support. Local people and officials shared their views on the side effects of direct financial support to poor ethnic minority households:

--- *"We need to review support to poor households. There are ten poor households in the village, six of which are lazy and will not work. When we persuade them they say they are good enough and will do things as they are comfortable, no need for advice. They see that the state supports them and look forward to it. Some sell their fields because they think the state will give money to work new fields" (L.A.L., Doi 1 village, Ban Lien-LC).*

--- *"Under the new decision pupils from poor households receive monetary support. But all pupils here are poor. No support has been given but when the policy is implemented*

then I fear it might be counter productive because of the comparison mentality between the poor or the non-poor” (N.N.T, principal of secondary school Tran Phu, Phuoc Dai-NT).

Natural resource capital

The shortage of good quality land is a major disadvantage of poor households in rural areas, especially households with a labour shortage, and new and newly separated households. *“Having little land”* is listed first among the criteria for poor households used by local officials during the wealth ranking exercises. Table 2.7 shows that poor households have, on average, less production land area per capita than the non-poor at most monitoring points.

Land disparity is becoming ever more serious

TABLE 2.7. Area of production land of HHs, 2009

| Commune | Paddy land | | | Annual crop land (including paddy land) | | | Land for perennial trees | | | Forest land | | |
|-------------|---------------------------------------|--|--------------|---|---|--------------|---|---|--------------|--|---|--------------|
| | Percentage of HHs with paddy land (%) | Average area of paddy land per capita (m2) | | Percentage of HHs with annual crop land (%) | Average land area for annual crop per capita (m2) | | Percentage of HHs with land for perennial trees (%) | Average land area for perennial trees per capita (m2) | | Average area of forest land per capita (%) | Average area of forest land per capita (m2) | |
| | | Poor HHs | Non-poor HHs | | Poor HHs | Non-poor HHs | | Poor HHs | Non-poor HHs | | Poor HHs | Non-poor HHs |
| Thuan Hoa | 100 | 361 | 507 | 100 | 779 | 992 | 11 | 125 | 29 | 93 | 4652 | 2414 |
| Ban Lien | 100 | 408 | 373 | 100 | 978 | 907 | 73 | 313 | 559 | 21 | 521 | 1378 |
| Thanh Xuong | 100 | 250 | 395 | 100 | 400 | 557 | 0 | 0 | 300 | 56 | 1308 | 1118 |
| Luong Minh | 2 | 167 | 286 | 92 | 1533 | 2118 | 4 | 200 | 667 | 25 | 1217 | 3722 |
| Duc Huong | 88 | 205 | 182 | 100 | 556 | 540 | 25 | 778 | 380 | 6 | 375 | 216 |
| Xy | 0 | 0 | 0 | 100 | 1475 | 1560 | 25 | 534 | 492 | 0 | 0 | 625 |
| Cu Hue | - | - | 216 | - | - | 1432 | - | - | 1116 | - | - | 0 |
| Phuoc Dai | 49 | 382 | 387 | 96 | 1122 | 1350 | 40 | 425 | 855 | 0 | 0 | 0 |
| Phuoc Thanh | 35 | 497 | 563 | 100 | 1457 | 2163 | 49 | 511 | 614 | 0 | 0 | 1167 |
| Thuan Hoa | 48 | 609 | 1798 | 76 | 621 | 1850 | 0 | 0 | 1429 | 0 | 0 | 0 |

SOURCE: Household interviews



The problem of having too little or no land for production is widespread among the poor Khmer group

Thuan Hoa-TV is a lowland commune with many Khmer inhabitants who have little land and no production land. Of the 1,888 households of Thuan Hoa-TV, 385 households do not have production land (accounting for 20.4%). About 70% of households without land for production in Thuan Hoa-TV are poor. The main reason is that parents do not have land to give to children and some households have mortgaged their land.

In mountainous areas there is little difference between the poor and non-poor because access to land is largely dependent on each household's capacity for land reclamation. Crop rotation also means land is left fallow for periods of time. New households often belong to the poor group because the land fund is no longer available and it is also difficult to reclaim new land. Land pressure is increasing in mountainous ethnic minority areas in the face of a swelling population, regulations prohibiting the forming of new upland fields, and the reservation of land for reforestation. As a result land use customs of ethnic minority people are changing.

The life of ethnic minority mountainous people is attached to the forest, but at some monitoring points the percentage of households with allocated forest land is not high. Table 2.7 shows that in Ban Lien-LC and Luong Minh-NA, only 20% of poor households have some forest land. However, the figure may be higher as mountainous people often work upland fields and their land may be classified as forest land.

At all monitoring points local people reserved land for upland rice, wet rice, and corn to ensure food supplies for the whole year before thinking about growing commodity crops. Most households in highland areas still work terraced fields to increase wet rice cultivation where possible. One difficulty is that water sources for wet rice cultivation are drying up whereas small irrigation works (self-running) have not been invested in properly in poor mountainous ethnic minority areas.

Rising land pressure in mountainous ethnic minority areas is endangering community forests

Traditional community forests (sacred forests, ghost forests, temple forests) in mountainous ethnic minority areas are an important community asset. They not only have spiritual significance, but also serve to protect upstream forests and biological diversity. Community forests are also relied on for firewood, bamboo shoots (with permission from the village, as the cutting of trees is forbidden), timber, bamboo for house construction (only a few families can take timber each year). At some mountainous villages people maintain community forest protection groups. Group members are provided with an area of paddy for the year (Box 2.3). However, rising land pressure in mountainous ethnic minority areas is endangering community forests. Community forest management (CFM) may be a good approach for the maintenance of this natural resource of the poor. However, there have been very few good CFM models so far, and a thorough review of forestry schemes should be done to find a pro-poor solution.

BOX 2.3. Support for community forest protection customs in mountainous ethnic minority areas

Khu Chu Tung 1 is a Hmong village of Ban Lien commune (Bac Ha, Lao Cai). Khu Chu Tung 1 has had a community forest for years which is still maintained. Every year the village elects 4 people with the responsibility of forest protection by rotation. Each household contributes 5kg of rice per year to support the forest protection group. Each week, the group divides into two to inspect timber and bamboo forests reporting any problems to the village. During the season in which bamboo begins to shoot the group visits each household to ask them to be careful with their pigs to avoid damaging bamboo shoots ensuring bamboo remains to be used for house construction in the future.

Village regulation stipulates that anyone cutting down trees in the community forest without permission of the village head or patriarch will be fined VND50,000 for timber trees, and VND5,000 per person for bamboo. The core group of the

village reported no cases of forest destruction or stealing during the past years demonstrating the effectiveness of local forest protection, as a result no fines have been issued.

--- *“The forest protection group was set up a long time ago. People who wish to cut down trees for house construction have to ask for permission from the village head and the group. No one can get wood for burning or selling. Bamboo shoots can only be taken in case of funerals or weddings”* (core group of Khu Chu Tung 1 village).

Natural produce is an important resource for ethnic minority people which is being depleted

Poor ethnic minority people are most dependent on natural resources. Rattan, bamboo, shoots, leaves, wood, vegetables, fish, and wild animals help generate the most part of the income of the poor. At monitoring points in mountainous areas, most poor ethnic people go ‘forest tramping’ for consumption and for daily income, especially in times of disaster or during the off-season. At Phuoc Dai and Phuoc Thanh, collecting dry cow manure from the forest in the dry season and bamboo shoots in the wet season are the two most common livelihood sources for poor Raglai women. At Phuoc Dai, when lake Song Sat was completed, the poor took the opportunity to supplement their diet with fish from the lake. However, from 2009 lake Song Sat was contracted for aquaculture and fishing was forbidden. Dwindling natural resources plus rigid regulations are creating more difficulties for the poor. At all the monitoring points there are almost no effective initiatives to develop non-timber forest produce. Income from “forest management and protection” or “growth and exploitation of timber trees” remains low for the poor.

All Vietnamese legal documents recognise gender equality in land access, most prominently the 2003 Land Law which stipulates that land use certificates (red book) would bear the names of both husband and wife. However traditions and customary laws coexist with state laws regarding the use, division and inheritance of land. Patrilineal inheritance (land is often given to sons only, excluding married daughters) or matrilineal inheritance (land is often given to daughters, excluding married sons) still dictate the land access of men and women. The application of customary laws is flexible. In cases where couples are from the same hometown (same village, commune) then parents on both sides may give them a piece of land to start their new life.

Men still have preeminence in deciding the use of land

In decisions over land use (plant type, season, mode of production and so on) men still have pre-eminence as it is supposed they know better and have a wider understanding of farming techniques. In mountainous communes under Programme 30a, policy to allocate forest for management and protection has helped to generate considerable income for poor households but also given men advantage over this source of income as men are often those who protect the forest.

In lowland Kinh areas, land reallocation may create opportunities for women to access land

In lowland areas with many Kinh ethnic people such as Duc Huong-HT, land used is divided equally among family members so men and women enjoy land access equality. The second land reallocation in 2009 created opportunities for women who migrate for marriage (previously they had no land as their own parents did not give them any after marriage) to have an equal amount of land as local people. The core group at Huong Tho village, Duc Huong commune reported: *“There is a household in which mothers and two children depend on their father’s allocated piece of land. They have been living here for 13 years, yet until recently have not had land of their own for cultivation. Previously they had only one land portion, now they have 4 portions”*

Financial capital

Policies offering favourable credit and direct financial support have helped improve access to capital for the poor. In 2009, at most monitoring points a series of new policies were introduced offering favourable credit and direct financial support to the poor. The

most typical include the policy of giving direct support to the poor on the occasion of New Lunar Year in 2009, the policy of giving favourable loans to the 62 poorest districts in Programme 30a, the policy of supporting poor households in house reconstruction under Decision 167, the policy of supporting local poor ethnic minority households with housing, production land, and creating employment in the Mekong delta under Decision 74.

The poor have difficulties in using loans effectively to acquire savings for repayment

However, most poor people lack the knowledge to use loans effectively to generate enough savings for repayment. Both poor and non-poor rural households tend to use loans to invest in agricultural production (mostly to buy calves to raise). The number of households which utilise loans to develop handicraft or small trading and service is small. In some mountainous ethnic minority communes, the number of poor households who acquire loans for daily expenses is high. In lowland areas with mostly Kinh inhabitants such as Duc Huong-HT, it is found that poor households often obtain loans to cover child education costs.

About half of poor households do not obtain loans

Table 2.8 shows, that at most monitoring points half of households received bank loans. The average loan was about VND10 million. Of the remaining 50% many had no need for a loan. However, some feared they would be unable to pay back both the interest and principal. Others could not get local officials or the heads of loan raising groups to guarantee the loan as they were chronic poor, without livelihoods and the means for repayment.

TABLE 2.8. Bank loans obtained by households, 2009

| Commune | Percentage of households with bank loans (%) | | Average loan amount (VND million) | | HHs with overdue loans (%) | |
|-------------|--|--------------|-----------------------------------|--------------|----------------------------|--------------|
| | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs |
| Thuan Hoa | 54 | 56 | 8 | 8 | 8 | 11 |
| Ban Lien | 79 | 56 | 10 | 8 | 8 | 33 |
| Thanh Xuong | 22 | 57 | 6 | 9 | 0 | 7 |
| Luong Minh | 79 | 83 | 7 | 10 | 8 | 0 |
| Duc Huong | 63 | 77 | 11 | 23 | 0 | 3 |
| Xy | 29 | 39 | 8 | 14 | 0 | 0 |
| Cu Hue | - | 43 | - | 18 | - | 0 |
| Phuoc Dai | 49 | 52 | 11 | 12 | 65 | 15 |
| Phuoc Thanh | 54 | 65 | 11 | 14 | 30 | 20 |
| Thuan Hoa | 58 | 69 | 7 | 13 | 61 | 45 |

SOURCE: Household interviews

Microcredit is popular and is a source of cash in times of crisis

Microcredit in rural areas such as village funds, and revolving saving-credit funds of mass organisations are widespread. Village funds provide poor households with a small amount of cash in times of need. At Doi 1 village, Ban Lien-LC, the village fund is about VND600,000. Households can borrow from VND50,000 to 100,000 within a month. According to the village core group, *“Withdrawals from farmer’s association and other funds of mass organisations amount to about VND600,000. People can borrow interest free from VND50,000 to 100,000 per person. Most borrowers are poor households; when they have visitors they would come to borrow, to buy some wine and a chicken for example.*

Payment is within 1 month". Revolving funds run by mass organisations also support the livelihood activities of members, for example, members can borrow from VND500,000 to 1 million for pig or poultry raising. Most typical is Thanh Xuong-DB with a large revolving fund for helping families with special difficulties to access small finance. In fact, further government support policies can build upon the current village funds to benefit the poor.

TABLE 2.9. Sources of capital in Thanh Xuong commune (Dien Bien)

| | Credit-saving of WU | Community Development Fund | Village WU fund | Bank |
|--|---|--|--|--|
| Funding source | Members contribute VND10,000 per month, with initial funding from AAV | AAV supported through CCD | Contribution from village WU members | Bank of Social Policy Bank of Agriculture and Rural Development |
| Management | Vertical from district WU to commune and village WU levels | By CDCs under supervision of CCD From 2009, supervision was taken over by the commune CLC | By village WU | Bank credit officers manage loan raising activities and repayment in coordination with loan groups |
| Loan amount, monthly interest rate | VND500,000 to VND5 million Interest rate: 1.5% | VND2 million Interest rate: 0.5% | VND200,000 to VND1 million Interest rate: 0.5-0.6% | Depending on each loan programme For poor households at interest rate: 0.65% |
| Repayment methods | Interest plus one part of principal every month over 25 months | Interest paid by month Principal paid at the end | Interest paid as agreed within each group Principal paid at the end | Interest paid by month Principal paid at middle and end of term (depending on each loan programme) |
| Outstanding loan amount at 2 villages surveyed | Pa Dong: VND18 million (10 HHs) Chan nuoi 2: VND20 million (10 HHs) | Pa Dong: VND19.8 million Chan nuoi 2: none, not included in the project Total outstanding loan amount of the commune is VND252 million | Pa Dong: VND570,000 million (2 HHs) Chan nuoi 2: VND3 million (4 HHs) | Pa Dong: VND71.2 million (26 HHs) Chan nuoi 2: VND150 million (15 HHs) |
| Advantages | Payment made every month HHs with special difficulties can obtain loans from this source | Low interest rate HHs with special difficulties can obtain loans from this source | Low interest rate HHs with special difficulties can obtain loans from this source | Bigger loan amount |
| Disadvantages | Low funding | Low funding Only villages included in the project can access | Small funding | Limits on the number of HHs which can raise loan HHs with special difficulties can seldom obtain loans from this source |

However, the current micro credit is often too little for substantial livelihood improvement

Many village funds remain small - a few hundred dong to spend in case of emergency - and are not enough to make improvements in living standards. Small-scale breeding among the poor is being challenged with risks from unfavourable prices and diseases; when the loan recipient incurs loss and is unable to continue saving or making regular repayments to the fund it affects the functioning of the fund. In areas with many migrants such as Thuan Hoa-TV, revolving funds are difficult to sustain. When members do not fulfil their obligations the fundraising activities and loaning can be interrupted.

The poor are often dependent on local shops for “buy now pay later” with many disadvantages

“Buying on credit and paying in produce upon harvesting” is a common strategy of the poor which enables the poor households to borrow rice and essentials for consumption, or materials for production and even money for social expenses and tuition fees. Buying on credit usually means buying at a much higher price, in some places poor households even pay interest of up to 3-4%/month. They have no bargaining power and have few options. The poor are often forced to sell their produce to shops right after harvesting, a time in which prices often fall. Notwithstanding, local shops still form an informal banking system on which the poor can rely in times of need. Ms. N.T.H, from a poor household at Huong Tan village, Duc Huong-HT shared *“The person who helped us the most is T.X. [shop owner in the commune]. When we were in need, they came to help. The shop charges interest on big purchases such as rice, and fertiliser. Interest is added to the principal to be paid upon harvesting. Selling produce to them I might get less. But I accept it, I am still grateful to them”*.

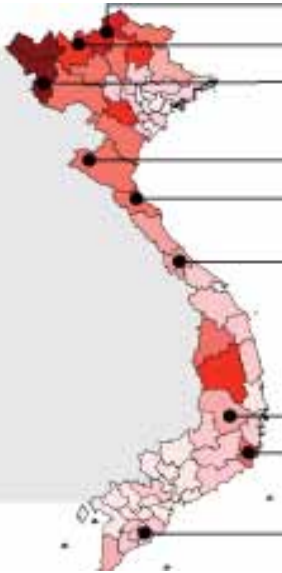
The ratio of poor households which buy goods on credit is higher than that of the non-poor; the poorest still find it hard to buy on credit

As Table 2.10 shows, the ratio of poor households who borrow or buy on credit from local shops is higher than that of non-poor households at most monitoring points (although the poorest and the ethnic minority people in remote villages may not borrow easily). In lowland commodity production areas such as Duc Huong-HT, Cu Hue-DL, Thuan Hoa-HG and Xy-QT, most households borrow more than VND500,000 at a time from local shops while in mountainous ethnic minority areas such as Thuan Hoa-HG and Xy-QT, most households obtain less than VND500,000 in credit from local shops. At some mountainous ethnic minority areas such as Thuan Hoa-HG and Xy-QT, the percentage of households borrowing more than VND500,000 from local shops is higher among the poor group than the non-poor. Because poor households often borrow over longer periods, from 3-6 months and pay in kind upon the harvest and the debt is larger; whereas the non-poor who have regular incomes (wages, monthly allowances), often make repayment within 1-2 months and thus their debt is smaller. Xy-QT is a typical case: some local shops keep the salary/pension books of their debtors, taking the salary themselves every month until the debt is paid up.

TABLE 2.10 Borrowing and buying on credit from local shops by HHs, 2009 (%)

| Commune | Percentage of HHs borrowing from local shops | | HH mapping by total borrowing amount (VND) | | | | | | | | | |
|-------------|--|--------------|--|--------------|----------------------|--------------|------------------------|--------------|--------------------------|--------------|-------------|--------------|
| | | | < 100.000 | | 100.000 to < 500.000 | | 500.000 to < 1.000.000 | | 1.000.000 to < 2.000.000 | | ≥ 2.000.000 | |
| | 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 | 18 | 9 | 20 | 0 | 20 | 100 | 40 | 0 | 0 | 0 | 20 | 0 |
| Ban Lien | 13 | 11 | 0 | 50 | 100 | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| Thanh Xuong | 67 | 39 | 17 | 15 | 83 | 30 | 0 | 30 | 0 | 15 | 0 | 10 |
| Luong Minh | 45 | 33 | 24 | 0 | 33 | 50 | 38 | 25 | 0 | 0 | 0 | 25 |
| Duc Huong | 69 | 57 | 0 | 4 | 27 | 20 | 27 | 20 | 46 | 40 | 0 | 16 |
| Xy | 58 | 42 | 7 | 14 | 29 | 79 | 43 | 0 | 0 | 7 | 21 | 0 |
| Cu Hue | - | 53 | - | 0 | - | 0 | - | 10 | - | 90 | - | 0 |
| Phuoc Dai | 31 | 56 | 27 | 29 | 27 | 29 | 36 | 43 | 0 | 0 | 9 | 0 |
| Phuoc Thanh | 68 | 61 | 15 | 0 | 42 | 36 | 27 | 36 | 8 | 14 | 4 | 14 |
| Thuan Hoa | 29 | 45 | 11 | 0 | 11 | 8 | 22 | 8 | 11 | 15 | 44 | 69 |

SOURCE: Household interviews



Direct financial support has contributed to reducing the difficulties of the poor, however credit risks has also increased as the poor are able to get loans from different sources while their saving sources are limited. In Ban Lien-LC, local people who obtained three or four year loans for tea planting have not been able to repay them as the tea price is low. In Thuan Hoa-TV, people shrimp losses in 2008 mean shrimp farmers have also failed to repay loans. At Phuoc Dai and Phuoc Thanh-NT, people who borrowed money to breed cattle have also encountered disease and price fluctuations. Many people used loans for non-productive purposes and thus accrued no savings for repayment. In cases of overdue loans, people often asked the bank to “restructure” (extend loans at higher interest rates) their debts. Others resorted to short term loans from informal sources. Many households have their land use certificate kept as collateral in the bank and thus are unable get new loans.

Improvements have been witnessed in capital access for women

Decisions to obtain bank loans are crucial in rural households, requiring thorough discussion between husband and wife. Joint signature loan applications (one as applicant, one as inheritor) also demand the agreement of husband and wife. At most monitoring points, loan groups set up and managed by Women’s Union have helped women obtain favourable loans from the Bank for Social Policy. Together with activities such as savings and revolving funding, they have enhanced women’s access to capital (Table 2.11).

TABLE 2.11. Self-governing funds of women at Duc Huong commune (Vu Quang, Ha Tinh)

| | Funds from the International Fund for Agricultural Development (IFAD) | Savings-credit of commune WU | Village funds WU |
|------------------------------------|--|---|---|
| Fund source | Initial funding from IFAD through provincial WU. | Savings of VND5,000 per month (among women who are members of the loan group of IFAD from 2002) | Members of village WU contribute VND10,000 per annum |
| Management | Vertical from the provincial WU to commune and village WU | Commune WU manages | Village WU manages |
| Loan amount/ monthly interest rate | VND3 - 10 million Interest: 0.8% | VND2 million Interest: 0.5% | VND500,000 to 1 million Interest: 0.2% |
| Methods for retrieval | Interest paid quarterly Loan duration: 24 months Principal paid upon graduation | Interest paid at year end. Loan duration: 24 months Principal paid upon graduation | Interest paid every month Loan duration: 12 months Principal paid upon graduation |
| Outstanding loan amount | Outstanding loan amount of commune VND303 million (103 households) Huong Tan: 41 million Huong Tho: 48 million | Outstanding loan amount of commune VND94.6 million | Huong Tan: 3.5 million Huong Tho: 3 million |
| Advantage | Large amount which can be invested in husbandry and production | Low interest rate Poor HHs can borrow | Low interest rate Poor HHs can borrow |
| Disadvantage | High interest rate | Small fund | Small fund |

However, use of capital is still a male advantage

However, decisions concerning use of capital are still made by men, especially in mountainous ethnic minority areas. Loans are obtained mostly for the purchase of cattle, and sometimes motorbikes. Most of the mentioned purchases are conducted by men.

Material capital

Tangible possessions such as houses, cattle, motorbikes, TVs, furniture and so on, are the most visible criteria for comparison between the poor and the non-poor. Poor households often stay in temporary houses and have few assets. Chronically poor households do not have any possession worth more than VND100,000.

Livestock provide pulling power, manure for agricultural production and at the same time are assets which can be sold for in case of emergency (as such, livestock can be considered as financial capital). Table 2.12 shows the percentage of households which own livestock and the average numbers of livestock among the poor group are substantially lower than the non-poor group at most monitoring points. An exception is in Thanh Xuong-DB in which the non-poor (mostly Kinh ethnic) have mechanised their production to a high degree and thus own fewer cattle than the poor (Thai ethnic). The percentage of households which own livestock has increased consistently during the past three years among the poor. However, the average numbers of livestock owned per household in 2009 fell compared to 2008 among both the poor and non-poor at most monitoring points. The main reason being that livestock prices increased in 2009 and people sold part of their herd to pay their bank debt.

TABLE 2.12. Livestock owned by HHs

| Commune | HHs which own livestock (%) | | | | | | Average numbers of livestock owned by HHs (per animal) | | | | | |
|-------------|-----------------------------|------|------|--------------|------|------|--|------|------|--------------|------|------|
| | Poor HHs | | | Non-poor HHs | | | Poor HHs | | | Non-poor HHs | | |
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 85 | 97 | 96 | 100 | 93 | 97 | 1.8 | 2.3 | 2.2 | 2.8 | 2.9 | 2.6 |
| Ban Lien | 94 | 95 | 97 | 80 | 95 | 96 | 2.8 | 3.1 | 2.9 | 6.2 | 7.0 | 5.6 |
| Thanh Xuong | 24 | 29 | 44 | 16 | 26 | 28 | 2.3 | 1.5 | 1.3 | 1.6 | 1.8 | 1.7 |
| Luong Minh | 41 | 50 | 54 | 67 | 80 | 83 | 2.7 | 1.7 | 2.4 | 3.4 | 4.3 | 3.8 |
| Duc Huong | 100 | 94 | 94 | 89 | 86 | 86 | 1.4 | 1.6 | 1.8 | 2.1 | 1.9 | 2.3 |
| Xy | 49 | 52 | 54 | 64 | 68 | 78 | 1.9 | 2.3 | 2.2 | 4.4 | 3.4 | 3.6 |
| Cu Hue | 23 | 42 | - | 23 | 24 | 28 | 1.3 | 1.3 | - | 3.1 | 1.6 | 3.3 |
| Phuoc Dai | 79 | 76 | 80 | 89 | 87 | 96 | 2.9 | 3.7 | 3.7 | 9.9 | 6.9 | 4.6 |
| Phuoc Thanh | 64 | 70 | 76 | 75 | 77 | 96 | 3.5 | 3.4 | 2.5 | 6.3 | 4.2 | 4.2 |
| Thuan Hoa | 24 | 25 | 16 | 42 | 32 | 31 | 2.9 | 2.1 | 1.6 | 4.5 | 2.3 | 3 |

SOURCE: Household interviews

Disparity in household facilities tends to change from quantity to quality

Table 2.13 shows that the ratio of households with TVs and motorbikes is much lower among the poor compared to that of the non-poor at all monitoring points, although, both groups have purchased more TVs and motorbikes during the past 3 years. TVs and motorbikes are two kinds of possessions that reflect the limitations of poor households as regarding electricity use, information access and market access compared to the non-poor group. The value and quality of TVs and motorbikes of the poor are often much lower than the non-poor.

TABLE 2.13. TVs and motorbikes owned by HHs

| Commune | HHs with TV (%) | | | | | | HHs with motorbikes (%) | | | | | |
|-------------|-----------------|------|------|--------------|------|------|-------------------------|------|------|--------------|------|------|
| | Poor HHs | | | Non-poor HHs | | | Poor HHs | | | Non-poor HHs | | |
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 20 | 41 | 36 | 54 | 68 | 72 | 20 | 47 | 50 | 44 | 57 | 59 |
| Ban Lien | 14 | 39 | 24 | 44 | 57 | 70 | 14 | 44 | 55 | 44 | 76 | 82 |
| Thanh Xuong | 94 | 86 | 89 | 98 | 100 | 100 | 53 | 36 | 67 | 72 | 87 | 86 |
| Luong Minh | 13 | 13 | 25 | 52 | 80 | 75 | 5 | 9 | 15 | 24 | 67 | 58 |
| Duc Huong | 44 | 82 | 75 | 89 | 86 | 98 | 25 | 12 | 19 | 57 | 63 | 68 |
| Xy | 49 | 59 | 58 | 76 | 84 | 72 | 14 | 31 | 25 | 64 | 54 | 53 |
| Cu Hue | 62 | 63 | - | 100 | 100 | 90 | 39 | 58 | - | 85 | 90 | 85 |
| Phuoc Dai | 54 | 59 | 63 | 69 | 90 | 96 | 21 | 28 | 40 | 64 | 68 | 56 |
| Phuoc Thanh | 36 | 54 | 57 | 67 | 77 | 96 | 6 | 9 | 27 | 25 | 47 | 74 |
| Thuan Hoa | 62 | 69 | 68 | 92 | 96 | 93 | 27 | 31 | 29 | 69 | 75 | 79 |

SOURCE: Household interviews

2.2 Access to the Commodity Market

Market access is important for sustainable livelihood

Market access affects the livelihood strategies of the poor. Table 2.14. shows that a high proportion of households purchase inputs, produce and sell products to supplement their incomes.

TABLE 2.14. Percentage of households selling agricultural products and buying inputs (%)

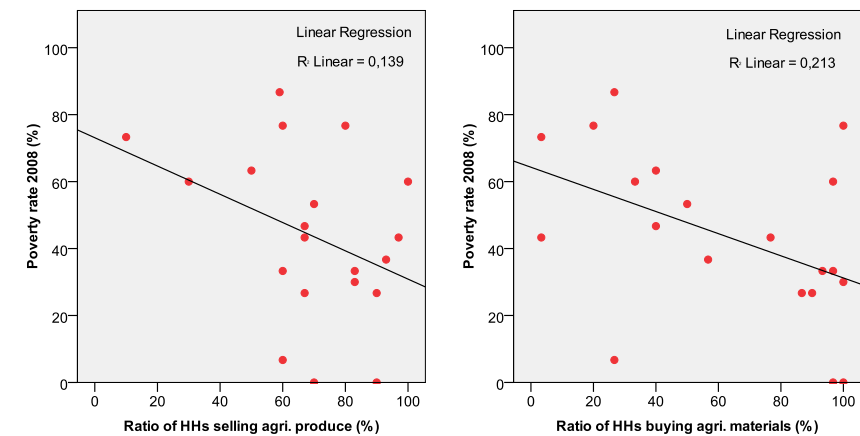
| Commune | Percentage of HHs that sell products | | | Percentage of HHs that buy inputs | | |
|-------------|--------------------------------------|------|------|-----------------------------------|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 58 | 68 | 80 | 90 | 95 | 97 |
| Ban Lien | 92 | 78 | 72 | 78 | 97 | 97 |
| Thanh Xuong | 50 | 47 | 77 | 83 | 98 | 98 |
| Luong Minh | 3 | 28 | 34 | 7 | 23 | 15 |
| Duc Huong | 78 | 85 | 78 | 92 | 83 | 88 |
| Xy | 70 | 93 | 95 | 2 | 13 | 30 |
| Cu Hue | 93 | 92 | 75 | 93 | 95 | 63 |
| Phuoc Dai | - | 53 | 60 | - | 48 | 45 |
| Phuoc Thanh | - | 55 | 73 | - | 13 | 30 |
| Thuan Hoa | 48 | 52 | 48 | 48 | 52 | 55 |

SOURCE: Household interviews

...and generally
exerts positive
impact on
poverty reduction

Figure 2.2 shows that in villages with a high proportion of households engaging in agricultural trade poverty rates tend to be lower.

FIGURE 2.2. Correlation between poverty and involvement in agricultural trade at 20 surveyed villages



Source: Household interviews

TABLE 2.15. Change in livelihood sources in 2009 compared to 2008

| Commune | Up-land rice | Wet rice | Local corn | Hy-brid | Cas-sava | Bean vege-tables | Short-term indus-trial trees | Long-term indus-trial trees | Live-stock | pigs | poul-try | Fish, shrimp culture | Col-lect-ing wild prod-ucts in the forest | Peren-nial trees | Handi-craft, process-ing | Local wage labour | Mi-grant wage labour | Trad-ing, agents, serv-ices |
|-------------|--------------|----------|------------|---------|----------|------------------|------------------------------|-----------------------------|------------|------|----------|----------------------|---|------------------|--------------------------|-------------------|----------------------|-----------------------------|
| Thuan Hoa | ± | + | ± | ± | + | ± | + | ± | ± | - | - | ± | ± | + | + | + | ? | ± |
| Ban Lien | ± | ± | ± | + | + | ± | + | + | + | + | ± | + | ± | + | ± | - | ? | + |
| Thanh Xuong | ? | ± | ? | ± | ± | ± | ? | ? | ± | --- | + | ± | ± | ± | ? | + | ± | ± |
| Luong Minh | --- | + | - | --- | ± | - | ? | ? | - | - | - | ? | +++ | + | ? | +++ | + | ? |
| Duc Huong | ? | - | ? | + | ± | ± | ± | + | ± | - | ± | ? | ± | ± | ? | ± | +++ | ± |
| Xy | - | ? | ± | ? | ± | ± | ? | ± | + | + | - | ? | ± | + | ? | + | ? | ? |
| Cu Hue | ? | ± | ? | ± | + | + | + | + | + | + | --- | ± | ? | ? | ? | ± | + | ± |
| Phuoc Dai | --- | +++ | - | - | --- | ± | + | ± | ± | - | - | ? | ± | ? | ? | +++ | - | + |
| Phuoc Thanh | ± | ± | ± | - | ± | ± | ? | ± | ± | - | - | ? | ± | ? | ? | + | - | ± |
| Thuan Hoa | ? | + | ? | +++ | ? | ± | + | ? | - | - | - | --- | ? | ? | ? | ± | + | ± |

SOURCE: Household interviews

+++ High increase
--- Strong decrease
± maintained (some increase, some decrease)
? no (or very little, only a few households do)
Main source of income

Markets for trading and cultural exchange in the highlands

Poor people benefit from programmes building and operating local markets

The building and expansion of markets in remote mountainous areas such as Thuan Hoa-HG and Ban Lien-LC aims to provide the poor with better market access. People no longer have to spend a whole day travelling the 30km to Bac Ha market for trading. Table 2.10 shows that in Thuan Hoa-HG and Ban Lien-LC where fairs are held in the locality, the ratio of households which buy on credit from local shops is lowest. Markets help local people by lessening their dependence on local shops. Mr. B.T.P., a shop owner at Ban Lien complained: *“Since the markets were opened in Ban Lien, business has been slower. Before, I went to Bac Ha market 3 times per week to get goods, now only twice because total goods sold have decreased by 20-30%”*.

Contract-based production opportunities and challenges

Contract-based cultivation can bring benefits to the poor

Contract-based production can become an important driver of poverty reduction in ethnic minority areas, and is already established at some monitoring points. Table 2.16 shows four different cases of contract-based production. Cooperation can be between multi-partners (thanks to the mediator role of a farmer groups or cooperatives) or concentrated (enterprises dealing directly with each household). Transactions vary: either the people take produce to processing workshops (tea), or to transaction points in the commune (seed corn) or the factory sends out trucks to the fields to take produce back (cassava, sugarcane). Floor prices can be set from the beginning of the crop.

TABLE 2.16. Main features of cases of contract-based cultivation

| | Shan Tuyet tea in Ban Lien-LC | Industrial cassava in Xy-QT | Sugar cane in Phuoc Dai-NT | Seed corn in Thuan Hoa-TV |
|-----------------------------------|--|--|--|--|
| Main ethnicity | Tay, Hmong | Van Kieu | Raglai | Khmer |
| Production feature | Processing for export Organic tea, no use of toxic chemicals | Processing into starch to export as raw material Extensive farming (gradual land improvement through application of fertilisers) | Sugar production for domestic market Need for high intensity cultivation | To make seed corn LVN10 to meet domestic demand Need for high intensity cultivation |
| Form of linkage | Multi party: enterprise, farmer group, tea cooperative, HHS | Concentrated (enterprises deal directly with the cultivators) | Concentrated (enterprises deal directly with the cultivators) | Multi-party: enterprise, cooperative, seed centre, HHS |
| Role of farmer group, cooperative | Technical assistance | None | None, Commune agricultural board supports | Cooperative plays mediator role Seed centre gives technical assistance |
| Enterprise support | Training on organic tea Support the operation of farmer groups and cooperatives (to give allowance calculated by collection amount) | Support new seed models, microbiological fertiliser Established farmer group since 2009 2 way trading - selling rice in return | Advance of seeds, fertiliser, and care-taking costs Send technical assistance officer to locality | Advance of seeds, and fertiliser |

| | | | | |
|---------------------------|---|--|--|--|
| Collection methods | Direct purchase from factory Price announced for each point (no floor price set) | Harvest registration, factory truck collects from field Price announced for each point (no floor price set) | factory truck collects from field Floor price set from the beginning of crop | Collected from commune collection point Floor price set from the beginning of crop |
| Price change | Plunged in 2008 Increased in 2009 | Plunged in 2008 Increased in 2009 | First crop, no harvest yet | Stable, slight increase in 2009 |
| Participation by the poor | Active | Active | Only a few poor HHs with land and labour | HHs with little land cannot join |
| Advantages | Isolated, favourable for the setting up of an organic tea zone with more value, better sale price for farmers | Main crop for income in areas where wet rice cultivation is not possible | Sugar cane is developing well Making use of newly claimed flat land which cannot grow wet rice Labour exchange for cassava harvest is good | High intensive farming level |
| Disadvantages | Competition with dry tea Volatile prices | Poor quality land Pests Volatile prices | Recent adoption No difficulties have been found | Seed company cannot sell the produce and stop the linkage temporarily from end of 2009 |

Two-way goods trading can be applied by enterprises in remote mountainous areas

In current contract-based relationships, enterprises often support farmers through advancing production materials such as seeds, fertiliser, and pesticides. In mountainous ethnic minority areas, processing enterprises also conduct goods exchange for food and essentials. The starch factory in Huong Hoa sells rice to the people of Xy-QT and other communes who sell cassava to the factory. Rice is sold at cassava collecting stations. Local people benefit as they cannot grow wet rice. Buying rice from the trading station of the factory helps them to reduce transportation costs and ensures cassava profits are used for the right purpose. Officers at the tea factory at Ban Lien-LC in 2009 also started selling food and essential items to tea growers.

4-partner linkage remains limited

Farmers, scientists, entrepreneurs, the state, and occasionally banks can provide opportunities to improve conditions for agricultural production in mountainous ethnic minority areas. Contract-based production provides an opportunity for farmers to develop skills under the supervision of experienced agricultural experts. However, cooperation remains limited. In Ban Lien-LC, farmers purchased tea dryers with favourable loans from the bank of Social Policy, in the process disturbing the fresh tea zone of the tea factory. Animal husbandry regulations have not been observed and wandering cattle damage newly planted tea fields. At Cu Hue-DL, after the failure of a linkage model for seed corn in 2008 local agencies became more cautious of contract-based production. In 2009, some people began growing cotton with individual contracts with enterprises without any support from villages and communes.

In multi-partner cooperations, farmer groups and new-style cooperatives play a key role in upstream quality control, giving support to members through production and processing phases. Groups may be formal (established by local authority or mass organisations such as Farmers’ Association, Women’s Union, or under sponsorship of enterprises or donors, as are the tea growing groups in Ban Lien-LC) or informal (established by households and operating flexibly, such as labour exchange groups in Xy-QT). Informal groups are particularly effective and benefit to poor households with labour shortage. Formal groups appear to be less effective in some cases. In Ban Lien-LC, groups and tea cooperatives have not been able to link their members well, although the leaders of those

groups and cooperatives are well supported by Ecolink and ADDA through technical know-how and management. They also receive financial support according to the volume of tea collected. The agricultural service cooperative at Thuan Hoa-TV has also not played its linkage role well.

The poor can take contract-based farming to the extent suitable to their limited resources

The poor often find it hard to participate in contract-based production as it requires large scale, intensive farming or much labour input. Sugar cane planting at Phuoc Dai-NT requires a large area of flat land, while seed corn production in Thuan Hoa-TV also requires good quality land and intensive farming skills. Tea in Ban Lien-LC and cassava in Xy-QT can be grown using extensive farming techniques on steep upland fields (the type of fields mostly owned by the poor) so the poor have better opportunity to participate. Many poor H'mong people in Ban Lien-LC combine tea plants and upland rice. Once the tea plants are established they will drop rice altogether.

Contract-based cultivation in mountainous ethnic minority areas requires a comprehensive approach, and multi-party linkage

Box 2.4 summarises the lessons learned from the review of the contract-based production schemes at monitoring points.

BOX 2.4. Lessons in contract-based agricultural production in ethnic minority regions

The success or failure of contract-based agricultural production in poor mountainous ethnic minority areas not only depends on the connection between farmers and enterprises, but also on many related factors. Lessons learnt from opportunities and challenges of contract-based production cases at monitoring points include:

- To enhance awareness and practice of contract-based agricultural production in mountainous ethnic minority areas requires participation of all stakeholders, and integration of contract-based farming contents into village meetings, mass organisation activities and extra curricular activities of the school (for example at Ban Lien-LC, pupils working after class are the main source of tea picking labour). Active participation by stakeholders can help in addressing difficulties arising from interaction between contract-based produce and other livelihood sources of the people (for example, helping in better observation of animal husbandry regulations such as preventing cattle from wandering and damaging tea fields in Ban Lien-LC).
- To avoid establishment of separate farmer groups if they do not perform a specific phase in the production or processing cycle. Instead, to make use of the current community groups or inter-family group models to mobilise all households especially the poor ones to participate and also to extend activities of the groups.
- In contract-based agricultural production in mountainous ethnic minority areas, enterprises need to become trustworthy partners of the people in both aspects of income generation and expenditure through goods exchange. As a matter of fact, "to let the people buy goods on credit and pay back in kind" is an informal way to do business for shops and small agents. Processing enterprises may have more advantage in replicating this practice as they can supply the same food and essentials to farmers with preferential prices and better quality thanks to reduced transaction costs (buying from producers to sell to users, making use of transport to carry goods back and forth) and lowered profit margins in order to develop a good relationship with farmers.
- Local governments could integrate contract-based production into their regular review activities (with specific objectives, measures, resources, organisation, monitoring and evaluation). Commune and village play an

important role in maintaining the farmer group and cooperatives. The roles of district and province are significant to monitor enterprises, and dealing with problems that arise to help small scale producers avoid the negative effect of the asymmetry of information in the process of contract delivery.

- Overall, the issue of “contract-based production” could be also looked at from the core perspective of sustainability as the threat of promotion of monocropping as this model could lead to excessive dependence of borrowing of input costs, loss of ecological equilibrium, food insecurity (when there’s no more contract), and unsustainable agriculture. Hence, there is a need to have a critical review of the process for developing necessary recommendations to deal with this issue.

Acquisition of agricultural materials

At monitoring points, there are many channels for the acquisition of agricultural materials. Channels include direct purchase from shops and private agents, buying on deferred payment through cooperatives or farmers’ associations, and buying subsidised goods through agents of designated agricultural material suppliers. Each distribution channel has its own source, transaction conditions, advantages and disadvantages.

Poor households in mountainous areas do not buy subsidised materials for lack of cash, and extensive farming traditions

Many poor people cannot buy subsidised goods as they often lack cash at the beginning of the harvest seasons. They have no choice but to buy on credit from local shops at a higher price. Supply of subsidised materials also has limitations. Firstly, subsidised materials are only available at certain points of the year according to the seasonal calendar. As the weather is increasingly unpredictable farmers have to pay market prices. Second, subsidised materials are not always of good quality with possible consequences for yield.

Cooperatives or Farmers’ Associations often link with fertiliser factories or agricultural material companies and sell inputs by instalments. At some points, there are links between cooperatives, agricultural companies and banks to allow people to borrow fertiliser at the beginning of the crop, repaying upon harvest. A subsidy policy may be integrated into this channel, creating certain advantages in terms of price compared to private agents (Table 2.17). However, materials bought through cooperatives or farmers’ associations are limited in variety, and the payment schedule is not as flexible as local shops.

TABLE 2.17. Features of three channels for fertiliser purchase in Thanh Xuong commune (Dien Bien district, Dien Bien province)

| | Private agent | Cooperative | Agricultural material station |
|----------------------|---|---|---|
| Types of fertilisers | All types (nitrogenous, phosphate, kali, plant protection agents) | Only 3 products: nitrogenous, phosphate NPK, kali Accounting for 50% of fertilisers applied in the commune | Only 3 products: nitrogenous, phosphate NPK, kali |
| Source | From producers, material suppliers | From the provincial agricultural material company | From the provincial agricultural material company |

| | | | |
|---------------------|---|---|---|
| Form of transaction | Direct sale to farmers. Frequent customers can purchase on credit. Others pay cash | Tri-partite linkage: Bank gives loan to the people (through cooperative) to buy fertilisers from the provincial material company | Direct sale to farmers. Buyers pay cash |
| Price, payment | Direct profit from the product. Buying on credit at higher prices (VND5,000 - 10,000 per bag), interest rate of 2 - 3%/ month | Pay back to the bank at the end of the crop plus interest at the banks rate (overdue loans can have higher interest rates) | Direct sale to farmers at designated price of the provincial material company |
| Advantages | Direct transaction with the people. Flexible payment | Loan can last only 6 months. Interest rate low thanks to GOV's interest subsidy. | Direct transaction with the people |
| Risks/difficulties | Requires heavy investment (to let local people buy on credit). Does not sell well in times of price hike | Complicated procedure for cooperatives to raise loans (have to give red book of cooperative managers as collateral). Difficult retrieval for poor HHs in times of crop loss | The poor have little chance to buy here because no acquisition on credit is allowed |

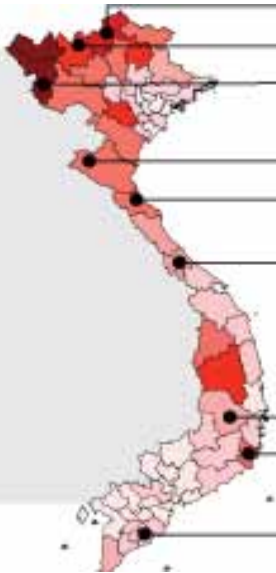
Buying materials directly from shops and private agents is the most common channel utilised by the poor at monitoring points. Fertilisers are sourced through a network of private agents. There have been occasions when the seed supply dried up and agents kept the goods in store asking high prices. proportion of households purchase inputs, produce and sell products to supplement their incomes.

2.3 Access to the labour market

The poorest areas often have the smallest percentages of people employed in local or migrant wage labour

Remittances and cash income from non-agricultural work is a significant source of income for the poor (Table 2.18). Lowland areas have a higher percentage of households with income from remittances (Duc Huong-HT, Thuan Hoa-TV). Areas with a high percentage of local wage labourers are district or province centres or are near large commodity production areas such as Thanh Xuong-DB (near Dien Bien city), Phuoc Dai-NT (at the centre of Bac Ai district), Cu Hue-DL (near a coffee and corn production centre). Ongoing construction works since mid 2009 (after a period of stagnation between the end of 2008 and the beginning of 2009) have also created more hired labour opportunities for the poor.

TABLE 2.18 Percentage of households with income from wage work (%)



| Commune | Local wage work | | | Remittance from migrant wage work | | |
|-------------|-----------------|------|------|-----------------------------------|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 37 | 55 | 38 | 2 | 3 | 3 |
| Ban Lien | 3 | 7 | 5 | 3 | 3 | 7 |
| Thanh Xuong | 63 | 50 | 63 | 7 | 5 | 4 |
| Luong Minh | 23 | 25 | 20 | 3 | 8 | 10 |
| Duc Huong | 8 | 17 | 12 | 28 | 42 | 50 |
| Xy | 28 | 12 | 7 | 3 | 0 | 5 |
| Cu Hue | 47 | 43 | 38 | 5 | 8 | 5 |
| Phuoc Dai | 47 | 38 | 42 | 3 | 13 | 3 |
| Phuoc Thanh | 33 | 27 | 17 | 0 | 12 | 3 |
| Thuan Hoa | 57 | 55 | 65 | 47 | 45 | 42 |

SOURCE: Household interviews

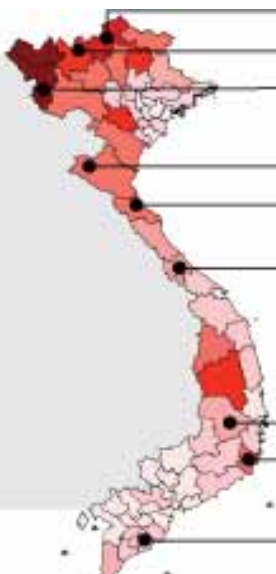
This section will present the opportunities and challenges encountered by the poor in accessing non- agricultural work, including in-locality and migrant wage employment.

Local employment

The poor often take wage jobs in the neighbourhood during the off-season

Table 2.19 shows that the percentage of poor households with members employed in nearby wage jobs among the poor is higher than in non-poor households. In areas where only one rice crop can be grown the agricultural season lasts for only six or seven months and many people must find alternative employment.

TABLE 2.19. Percentage of HHs with income from wage work, 2009 (%)



| Commune | In-locality wage work | | Remittance | |
|-------------|-----------------------|--------------|------------|--------------|
| | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs |
| Thuan Hoa | 46.4 | 31.3 | 0 | 6.3 |
| Ban Lien | 6.1 | 3.7 | 3.0 | 11.1 |
| Thanh Xuong | 88.9 | 58.8 | 0 | 5.9 |
| Luong Minh | 20.8 | 16.7 | 10.4 | 8.3 |
| Duc Huong | 6.3 | 13.6 | 43.8 | 52.3 |
| Xy | 12.5 | 2.8 | 8.3 | 2.8 |
| Cu Hue | - | 37.9 | - | 5.2 |
| Phuoc Dai | 51.4 | 28.0 | 5.7 | 0 |
| Phuoc Thanh | 24.3 | 4.3 | 2.7 | 4.3 |
| Thuan Hoa | 80.6 | 48.3 | 45.2 | 37.9 |

SOURCE: Household interviews

Increasing mechanisation of agricultural production is limiting local wage labour for the poor

Poor people take **agricultural wage jobs** from better-off households with more land or at nearby farms or plantations. The most common jobs include land reclamation, building livestock pens, ploughing, transplanting, weeding, harvesting corn and rice and picking coffee. Local agricultural wage jobs are mostly taken by women. Men tend to till fields, cut timber, and transport rice, and are paid 10-20,000 dong per day more than women. Agricultural wage jobs are highly seasonal and employment is available for only a few peak days. The increasing mechanisation of agricultural production is limiting local wage labour for the poor, while other alternative income sources especially for women at home are still hardly to find.

Men often take wage jobs in construction

Construction wage jobs in the locality are another option for men and some women working as assistants, carpenters, and bricklayers. In mountainous areas groups of carpenters, and masons bid for construction. In 2009 the communes implemented the housing support programme for the poor under Decision 167, creating more opportunities for construction work for the local poor.

Ethnic minority people have limitations working in construction

However, construction wage jobs are not popular among some ethnic minority groups who are busy with upland farming and are not familiar with construction site disciplines. Workers preferred to be paid daily rather than monthly, and were not prepared to commit to long periods of work, particularly when they were required to work at home. Construction work can also be unstable and highly dependent on the weather and, while the poor need money for daily expenditure and cannot stay and wait for employment. Ethnic minority people also lack understanding about contracting and can easily be deceived out of their wages. For example, at Ban Lien-LC in 2008 contractors hired local people but then left without paying wages. As a result in 2009, villagers refused to take the same construction jobs for fear of being deceived again. Taking wage jobs at construction sites also has certain health risks; accidents can occur from overworking while there is no work insurance in case of injury.

The poor can make use of employment opportunities in nearby urban centres

Working wage jobs at local township centres include working as porters and bricklayers and are mainly taken by men. Thai ethnic people at Thanh Xuong-DB only work one rice crop per year so during the off-season men go to Dien Bien city to wait for construction support, and porting jobs. Khmer people at Thuan Hoa-TV lack production land so they often go to the township seeking work carting materials for construction sites. A few Tay people at Ban Lien-LC may go to Bac Ha township to work short term jobs such as stone cutting or brick laying, earning an average wage of VND40,000 to 50,000 per day.

Construction works delayed in early 2009 restarted at the end of the year

The stagnation of the construction sector at the end of 2008 and early 2009 (due to rising material prices and the global financial crisis) drastically reduced the number of jobs available and the income of construction support workers and porters. At Thanh Xuong-DB, the number of people coming to Dien Bien to work as porters increased although there was less work.

Other wage jobs are unique to each monitoring point. For example, in 2009, upland crop loss forced the poor Thai in Luong Minh-NA to look for wage jobs at gold panning areas in a spring running through the commune (older people would buy a pump to set up a prospecting team). Other opportunities included transporting timber in Laos. From the end of 2008, border and forest authorities increased patrols, thus the number of people who go to Laos to transport timber has decreased significantly. Hmong people in Thuan Hoa-HG often go into the forest for employment as lumber workers (for those who want timber for house construction, but sometimes also for illegal timber exploitation). Some Khmer poor with many children frequently send them to better-off households to help, often raising ducks or tending cows for a small wage (several hundred thousand per month, plus full boarding).

Migrant employment

Demand for labour in cities and industrial zones is encouraging migration

Migrating to regions with high demand for labour, such as large cities like Ho Chi Minh City (HCMC), provinces with many industrial zones such as Binh Duong and Dong Nai, or provinces with commodity producing agricultural farms such as Dak Lak, and Lam Dong, is a common livelihood strategy.

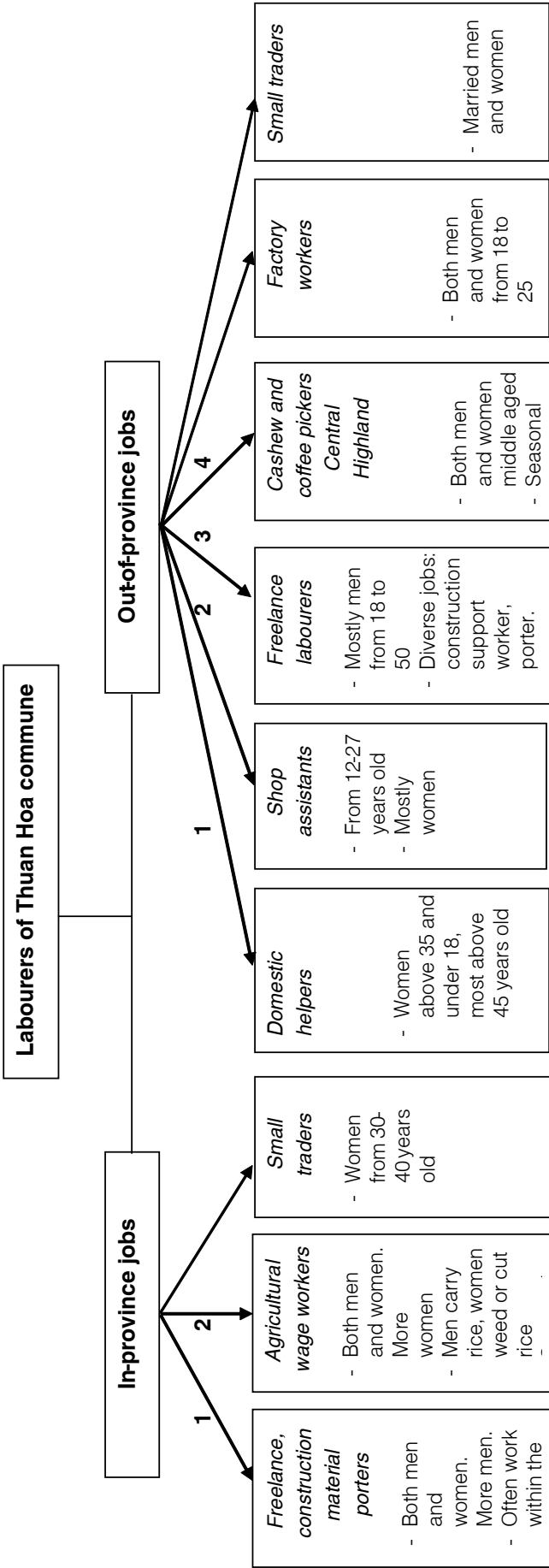
Informal employment agencies have started taking rural people to cities to work as domestic helpers or shop assistants

Limited land, risky agricultural production, education costs, social contributions and expenses (funerals or weddings) are strong drivers of migration. Improved transportation, better communication, and simpler procedures also facilitate migration for work. However, finding migrant work requires social connections and education, as well as the ability to adapt to a different environment. Consequently the percentage of ethnic minority migrant workers remains very low. In Thuan Hoa-TV, employment agencies started developing an informal social network to facilitate labour mobility from rural areas to cities. A service fee is paid by the employer (on average VND200,000 per person).

More poor migrate for work than non-poor, with an exception among the poor Khmer group with production land shortage

Table 2.19 shows that the percentage of poor households receiving income from remittances is lower than the non-poor group at most monitoring points. One exception is at Thuan Hoa-TV where many poor Khmer residents lack production land. The percentage of poor households with migrant workers for Thuan Hoa-TV is consequently far higher than the non-poor (Figure 2.3). Due to poor education, Khmer migrant workers often find jobs in the informal sector: women often become family maids, shop assistants or small traders, while men often become freelance labourers or construction workers. The number of young Khmer people who work in the formal sector such as factories or companies remains low (Box 2.5).

FIGURE 2.3. Labour mobility channels in Thuan Hoa (Cau Ngang, Tra Vinh)



Notes: 1, 2, 3 & 4 - Order of priority of jobs taken by the poor

Some other common choice for migrant workers agricultural for women and construction jobs for men

Seasonal labour includes picking coffee, cashew nuts, and cultivating corn in the Highlands and South East (mostly women) or construction work in cities and townships (for men). The work is seasonal and takes place during the 3-6 months leading up to the Tet holidays or in high farming seasons. Many Kinh ethnic people at Duc Huong-HT or Khmer ethnic in Thuan Hoa-TV went to work in Dak Lak and Lam Dong to pick cashew nuts and coffee in the July and November peak seasons. The average wage in 2009 was increased to VND80-100,000 per day, keeping up with inflation; however monthly income was not stable and purchasing power was reduced. People who work freelance often have established relations with their employers.

In some cases migrant workers are under paid, overworked, and live in poor living conditions. When migrating workers return as a result of difficulties their stories impact negatively on others, making them more hesitant about migration.

Working for enterprises is another option for some young people at monitoring points at Duc Huong-HT and Thuan Hoa-TV. Workers are mostly young, unmarried women with at least secondary school education. Ethnic minority youths often work for informal small-scale private workshops in areas such as garments, footwear and plastic production. Employment is not stable, particularly as a result of the global financial crisis.

Few ethnic minority people join labour export programmes due to poor education, lack of industrial working habits, and lack of information

Labour export is the choice of a few young people at monitoring points. Three obstacles to ethnic people joining labour export programmes are poor education, no industrial working habits and lack of information regarding the benefits of labour export. Groups of commune officials at Thuan Hoa-HG told us: “No one wants to take part in labour exporting at the moment. It is said that labour export is a one way road so the people are afraid. The commune also runs a programme, only 2 or 3 applications were filed, even those were later withdrawn”.

There is a lack of a programme to support ethnic minority people who migrate for work within the country

Due to the risks involved, the trend for labour export decreased in 2009. The Government implemented a programme to support labour export in the 62 poorest districts within Programme 30a and to provide vocational training for rural labour. There is a need to develop a programme with specific measures to support ethnic minority people to migrate within the country for employment (Box 2.5).

BOX 2.5. The need for a project to support ethnic minority people who migrate within the country for employment

Development of non-agricultural employment is an important direction to promote poverty reduction in mountainous ethnic minority areas. The Government has developed a project for vocational training for rural labour (Decision 1956/QD-TTg dated 27 Nov 2009) and a project supporting poor districts by promoting labour export (Decision 71/2009/QD-TTg dated 29 April 2009).

In fact, even with great support, the number of people who are qualified enough and prepared to go abroad for labour export among mountainous ethnic minorities is still small. Joining labour export programmes is risky and unpredictable. Vocational support is not enough and without close connection with employers and measures to help workers manage risks while taking migrant jobs then the result may not be as expected.

A programme to support ethnic minority people who migrate for wage jobs within the country should be considered to fill the policy gap between vocational training and support for labour export, for which some specific measures should be considered:

- Policy to give preference in terms of capital, tax incentives to encourage enterprises to recruit ethnic minority labour, at the same time supporting the

enterprises in applying the distinctive support measures for ethnic minority labourers such as construction of apartment buildings for lodgings to suit local traditions, organising further training within the enterprises tailored to the culture and understanding of ethnic minority employees.

- To combine free legal support for the poor with dissemination of information, consultancy on labour contracts, supervision of the use of labour by enterprises and contractors and so on when ethnic minority people work away from home.
- To develop policies to encourage and support collaborators, contact points and labour agents in order to establish an informal social network which benefits ethnic minority workers while being away from home.
- Policy to give support to ethnic minority people migrating for wage labour who encounter difficulties which force them to return home..

2.4 Access to policies and support services

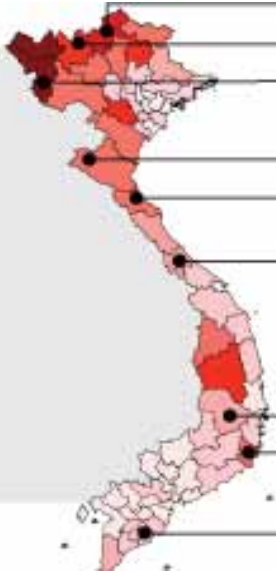
During the past months there have been many policies, programmes and projects initiated to help the poor boost production, increase their income and improve their access to basic services. This section presents the limitations and disadvantages of the poor compared to the better-off in accessing some policies and support services at monitoring points.

Access to infrastructure

Commune infrastructure receives heavy investment

Infrastructure works have been invested in with considerable success at monitoring points creating an important driver to socio-economic development and poverty reduction. Most infrastructure at commune level has been reconstructed or upgraded. Table 2.20 shows that at monitoring points there are accessible car roads, power grids connected to commune centres (except for Ban Lien commune-LC with a power grid installed but not yet connected), and refurbished healthcare centres and schools. Commune schools are equipped with enough furniture that pupils no longer have to study 3rd shift (outside regular school hours) or in combined classes. There are midwives at all commune healthcare centres. However, the percentage of remote healthcare centres with a doctor is still low (only 5 out of 10 monitoring points).

TABLE 2.20. Infrastructure at monitoring points, 2009

| | Commune | All-season car road to commune centre | Power grid to commune centre | Commune market | Commune health-care centres | | | Commune schools | | | |
|---|-------------|---------------------------------------|------------------------------|----------------|-----------------------------|---------|----------|-----------------|-------------------------|-----------------|-----------------|
| | | | | | Refur-bished | Doc-tor | mid-wife | Refur-bished | Enough desks and chairs | Study 3rd shift | Com-bined class |
|  | Thuan Hoa | x | x | X | X | x | x | x | x | - | - |
| | Ban Lien | x | - | X | X | - | x | x | x | - | - |
| | Thanh Xuong | x | x | X | X | - | x | x | x | - | - |
| | Luong Minh | x | x | - | X | - | x | x | x | - | - |
| | Duc Huong | x | x | - | X | x | x | x | x | - | - |
| | Xy | x | x | - | X | - | x | x | x | - | - |
| | Cu Hue | x | x | - | X | x | x | x | x | - | - |
| | Phuoc Dai | x | x | X | X | x | x | x | x | - | - |
| | Phuoc Thanh | x | x | - | X | - | x | x | x | - | - |
| | Thuan Hoa | x | x | - | X | x | x | x | x | - | - |

SOURCE: Commune data sheets, 2009

Improved rural transportation brings about many benefits

Telephones are becoming more common, benefiting the poor

However, village and household infrastructure is still not adequate

Xy-QT is a typical case in which improved rural transportation brings about great benefits. In 2008 the road to Xy commune centre was muddy in the wet season. In 2009, a sealed road was constructed, facilitating mobility, trading and production.

The percentage of households with telephone access continued to rise in 2009. The telephone has become popular, changing the way local officials work (inviting to meetings by phone), also changing the way local people access the market (making price enquiries for buying and selling by phone). Telephones also benefit the poor in finding employment as they can keep one another informed. The core group at Pa Dong village, Thanh Xuong commune-DB, affirmed that *“more than 80% of local households have telephones. Telephones make communication and business easier as most are working as hired carriers”*.

However, the condition of infrastructure at village level is still poor. Classrooms at some villages are still degraded, and pupils have to study in combined classes (Thuan Hoa-HG, Ban Lien-LC). Table 2.21 shows high ratios of households using electricity at most monitoring points. There are still many mountainous villages without power connection and some poor households which cannot use electricity because they live in isolated areas or they cannot afford it (Phuoc Dai, Phuoc Thanh-NT, Thuan Hoa-TV). The percentage of households with manual/automatic flush toilets remains low at most monitoring points.

TABLE 2.21. Percentage of households using electricity, piped water, flush toilets and telephones (%)

| Commune | Electricity | | | Piped water | | | Manual/automatic flush toilet | | | Telephone | | |
|-------------|-------------|------|------|-------------|------|------|-------------------------------|------|------|-----------|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 85 | 73 | 73 | 54 | 60 | 48 | 0 | 0 | 3 | 7 | 37 | 78 |
| Ban Lien | 50 | 55 | 58 | 45 | 43 | 43 | 0 | 0 | 0 | 0 | 2 | 10 |
| Thanh Xuong | 100 | 100 | 100 | 0 | 3 | 2 | 28 | 33 | 30 | 48 | 90 | 95 |
| Luong Minh | 60 | 63 | 65 | 95 | 93 | 88 | 0 | 0 | 0 | 0 | 7 | 17 |
| Duc Huong | 100 | 100 | 100 | 0 | 2 | 2 | 48 | 53 | 57 | 18 | 60 | 80 |
| Xy | 92 | 98 | 100 | 75 | 72 | 75 | 0 | 5 | 3 | 5 | 13 | 35 |
| Cu Hue | 95 | 100 | 100 | 0 | 0 | 0 | 22 | 30 | 30 | 45 | 48 | 63 |
| Phuoc Dai | 82 | 87 | 92 | 47 | 65 | 72 | 2 | 10 | 12 | 17 | 40 | 57 |
| Phuoc Thanh | 75 | 87 | 87 | 15 | 13 | 38 | 0 | 2 | 5 | 5 | 23 | 47 |
| Thuan Hoa | 95 | 97 | 97 | 15 | 43 | 48 | 17 | 17 | 22 | 22 | 35 | 42 |

SOURCE: household interviews

Poor households have disadvantages in accessing infrastructure applications and services

At household level the disparity between the poor and non-poor groups in accessing utilities and services from infrastructure remains. Table 2.22 shows that the percentage of poor households which use electricity, piped water, manual/automatic flush toilets and telephones is much lower than that of the non-poor at most monitoring points.

TABLE 2.22. Households’ access to utilities, 2009

| Commune | Use electricity (%) | | Use piped water (%) | | Use manual/automatic flush toilet (%) | | Telephone (%) | |
|-------------|---------------------|--------------|---------------------|--------------|---------------------------------------|--------------|---------------|--------------|
| | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs | Poor HHs | Non-poor HHs |
| Thuan Hoa | 57 | 88 | 46 | 50 | 0 | 6 | 64 | 91 |
| Ban Lien | 33 | 89 | 42 | 44 | 0 | 0 | 6 | 15 |
| Thanh Xuong | 100 | 100 | 0 | 2 | 11 | 33 | 100 | 94 |
| Luong Minh | 58 | 92 | 92 | 75 | 0 | 0 | 6 | 58 |
| Duc Huong | 100 | 100 | 0 | 2 | 50 | 59 | 50 | 91 |
| Xy | 100 | 100 | 75 | 75 | 0 | 6 | 21 | 44 |
| Cu Hue | - | 100 | - | 2 | - | 31 | - | 64 |
| Phuoc Dai | 86 | 100 | 66 | 80 | 6 | 20 | 49 | 68 |
| Phuoc Thanh | 78 | 100 | 43 | 30 | 3 | 9 | 30 | 74 |
| Thuan Hoa | 94 | 100 | 65 | 31 | 10 | 35 | 10 | 76 |

SOURCE: household interviews

... especially in remote villages and households living far from village centres

At Thuan Hoa-HG and Ban Lien-LC, power grids are being constructed. It is hoped that the people have electricity from the beginning of 2010. However, for mountainous ethnic minority villages which are tens of kilometres from commune centres, the prospect of electricity is still dim. Even in a village with electrical connection, there remain groups of mostly poor households living far from village centres or who live on upland fields and do not have access to electricity. Village planning, and rearrangement of residential areas is urgent to make it easier to invest in infrastructure and to facilitate access to infrastructure services for poor households.

The accumulative pricing scheme for electricity is unfavourable to poor households

At Thuan Hoa commune-TV, poor households who live a long way from main roads with no money to pay for line connection and meter installation can use electricity jointly with other households. This is an alternative chosen at Soc Chua village. Of the 351 households, 80-90 households, most of which are poor, registered to share electricity use with neighbours. This is a good practice within the community enabling poor households to use electricity. However, the accumulative pricing scheme has made it difficult for the poor to continue sharing lines because they have to pay an extra VND1000/Kwh. Households who agree to let poor households share their connection also feel uneasy because of the accumulative pricing scheme.

Lack of clean water creates difficulties for some localities

Over the past months, clean water works have been prioritised for villages with difficulties in mountainous areas (mostly self-running water lines with upstream filtering). Among the monitoring points, there are communes with flat topography such as Thanh Xuong-DB, Duc Huong-HT and Cu Hue-DL yet with no functioning clean water system. Local people mostly use rainwater or water from wells. In Thanh Xuong-DB there is no underground current so the people have to use rainwater for drinking while for most other activities they use canal water filtered through sand which is not adequately clean.

Lack of cash limits the poor's access to infrastructure utilities and services

Even after infrastructure works have been invested, the poor are still limited in their capacity to access the utilities and services that infrastructure provides. Poor households have less produce to sell, are dependent on local shops to buy on credit, and lack motorbikes so they cannot benefit from new roads as do the better-off. Piped water requires money while water from springs is free of charge so poor households may choose not to benefit from clean water though it is available.

Poor households share concerning their limitations while accessing infrastructure utilities and services as following:

--- "I'm poor so I do not like piped water because it is costly. I would rather get water from the lake. Those who have money like piped water connected to their homes" (K.H. poor household Ma Du village, Phuoc Thanh commune-NT).

--- "I have a telephone but I do not use it, only once or twice when the brothers got ill or for my son to talk to his friend... New roads only benefit those with motorbikes, I do not have one so I walk" (K.T., poor households Ma Du village Phuoc Thanh-NT)

--- "I have no electricity, no water. I would love to have electricity but I do not have money to pay for the line connection and monthly cost. I am watching TV at the neighbours" (C.T.L, poor household Ta Lu 1 village, Phuoc Dai, NT).

Education access

The poor's awareness concerning child education has been improved

Improved access to education has always been an important driver of sustainable poverty reduction, helping improve human resource quality. Awareness of poor families regarding child education has been enhanced. Most parents now want their children to have a good education so that they do not remain poor. Ms. T.S.V., a poor Khmer ethnic at Soc Chua village, Thuan Hoa-TV shared *"We save to send our children to school to learn Vietnamese to be able to catch up with others, to get out of poverty. My husband and I always encourage our children to study well"*.

Policies to give direct monetary support to pupils from poor households, reducing/waiving tuition fees, and fees for school facilities, books and other study materials have helped lift the burden of education costs for poor households. Some poor pupils with good study results are even awarded scholarships raised from many sources by the schools.

Table 2.23 shows that, the percentage of primary school enrolment among children from 6-11 remains high at 90% for most monitoring points. Campaigns to get children enrolled into grade 1 have been successful with 100% enrolment at most monitoring points. This is the positive result of investment programmes reinforcing schools and providing comprehensive support for the schooling of poor ethnic minority children, increasing parent awareness of the importance of education for children and the role of local teachers and officials in persuading children to attend school. The ratio of school enrolment at many monitoring points has fluctuated during the past 3 years, showing an unsustained result from persuasion campaigns. About 10% of children aged 6-11 who do not attend school come from households with special difficulties, for example, the children themselves are disabled, they are from poor households with many children, households living in isolation on upland farms or children accompanying parents doing migrant wage work.

TABLE 2.23. Percentage of child school enrolment (%)

| Commune | 6-11 years old | | | 12-15 years old | | | 16-20 years old | | |
|-------------|----------------|------|------|-----------------|------|------|-----------------|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 93 | 100 | 92 | 96 | 89 | 85 | 87 | 67 | 67 |
| Ban Lien | 98 | 95 | 96 | 80 | 91 | 88 | 23 | 27 | 35 |
| Thanh Xuong | 100 | 100 | 100 | 100 | 100 | 93 | 56 | 70 | 77 |
| Luong Minh | 100 | 97 | 91 | 83 | 73 | 67 | 21 | 27 | 27 |
| Duc Huong | 93 | 100 | 100 | 100 | 100 | 100 | 74 | 82 | 78 |
| Xy | 70 | 85 | 90 | 85 | 84 | 95 | 29 | 50 | 64 |
| Cu Hue | 97 | 94 | 93 | 79 | 85 | 79 | 46 | 50 | 51 |
| Phuoc Dai | 83 | 98 | 96 | 83 | 81 | 67 | 54 | 68 | 36 |
| Phuoc Thanh | 84 | 85 | 85 | 66 | 67 | 61 | 35 | 36 | 22 |
| Thuan Hoa | 97 | 100 | 96 | 67 | 56 | 63 | 15 | 18 | 27 |

SOURCE: Household interviews
Note: Most ethnic minority children at 16-20 years old are still attending lower/ upper secondary schools.

The “Locally funded boarding school” model for mountainous areas helps increase attendance and improve education quality

The Model of semi-boarding ethnic minority schools, also called “locally funded boarding schools” in mountainous ethnic minority areas, has proved effective in maintaining a high enrolment rate, and improving education quality (Box 2.6). So far, many schools have been constructed with reinforced boarding buildings to reduce combined classes and the need for parents to come and repair the temporary boarding tents for their children. A group of female students at a semi-boarding secondary school at Ban Lien-LC shared their joy:

--- “I like to study here. I have a new classroom and dormitory. Rooms are cleaner and better than our own home. I’m away from home but I have friends and I am happy. Girls are separated from boys, eating at separate tables so there are no worries”.
--- “This year boarding is comfortable. We have good beds, new, warm bedding, and a

... especially in remote villages and households living far from village centres

clean dining house so it is more comfortable than last year. There are no worries about being bullied by friends. Teachers are good and caring. I can play football with friends, and have better food than at home. When we have power we can also watch TV.”

BOX 2.6. Lessons learned from the model of “locally funded boarding school” in Thuan Hoa commune

Ha Giang is a mountainous Northern province that widely implemented the “locally funded boarding school” model. At Thuan Hoa commune (Vi Xuyen, Ha Giang), in 2009 there were 22 boarding rooms, of which 10 rooms were for 211 pupils at the secondary school, 8 rooms for 103 pupils at the primary school A and 4 rooms for 75 pupils at the primary school B.

This boarding school model has helped reduce drop outs and encourage serious study among Thuan Hoa pupils. Previously, pupils often quit class during high seasons or festivals. Now they attend class every weekday studying 2 sessions per day so education quality has improved. Students also take part in class activities, pioneer union and extra classes more frequently than before. Furthermore, boarding school life also gives ethnic minority pupils valuable training in life skills. They are more confident, tidier and hygienic as a result of, tooth brushing, morning exercise, making beds, washing clothes, keeping rooms clean, and washing dishes after dining... Many pupils have taken those good practices to their families.

Lessons learned from these models at Thuan Hoa commune include:

- 1. To provide scholarships to locally funded boarding school pupils in areas with difficulties whether poor or not. Granting of scholarships should be based on the monthly degree of pupils’ attendance in order to encourage diligence.
- 2. To reserve considerable budget for the construction of classrooms and boarding rooms in high schools in mountainous areas with difficulties.
- 3. To provide supplementary allowance to officers and teachers who also take charge of the management of the boarding pupils; and
- 4. To mobilise support in the community, organisations, enterprises and donors and pupils’ parents themselves for locally funded boarding classes in the direction of socialisation.

It is more difficult to persuade children to attend class from secondary school level upwards; education quality remains low in mountainous ethnic minority areas

Difficulties remain with school enrolment among children of 12-15 years old (secondary school age) and especially those of 16-20 (high school age) being low at many points. This percentage even decreased in survey samplings from 2007-2009 at some monitoring points. Upon completion of high school, few ethnic minority people chose to continue with vocational training or professional high school, college or university. Education quality in mountainous ethnic minority areas remains alarmingly low. A typical example of the low quality of education at high school level is in Bac Ai district (Ninh Thuan province) □ a district included in Programme 30a. At Bac Ai high school, nearly 80% of pupils ranked poorly for their academic performance for the academic year 2008-2009. Only 2 pupils passed the high school graduation exams for the academic year, accounting for 6.7% of those taking the exams. Low entry quality, newly established schools, inexperienced teachers, slow construction of boarding classrooms and lack of equipment affect the education quality of Bac Ai High School.

There is positive correlation between the rate of children not

Education opportunities of children from poor households are still less than those for children from better-off families especially at secondary, high school and higher education levels. At monitoring points, poverty is still a major reason cited for children from 6-20 years of age not going to school. The situation remains similar to the 2nd round report where

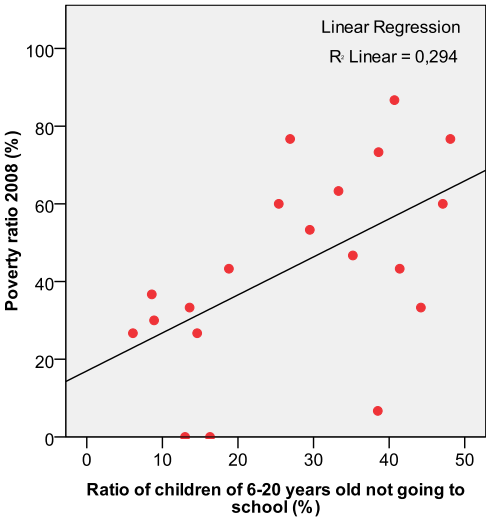
attending school and the poverty rate

the poverty rate and the percentage of children from 6-20 who do not attend school in the 2009 sampling show a distinct positive correlation (Figure 2.4).

Education costs are a real burden especially in densely inhabited Kinh lowland areas

Table 2.24 shows different reasons for school drop-outs. The least mentioned reason is that the school is too far away, suggesting school facilities have been improved considerably. The reason that families do not have enough money was mentioned the most by people at Thanh Xuong-DB, Cu Hue-DL, and Thuan Hoa-TV showing that education costs pose a huge burden for poor families in densely inhabited Kinh lowland regions. Education costs include costs for extra-classes, clothes, contributions to the parents' association and so on. One child interviewed at M'Hang village, Cu Hue-DL told us: *"The teacher asked me to contribute, I was ashamed and quit. I asked but mother said we did not have the money. Father was weak and unable to take a wage job"*.

FIGURE 2.4. Correlation between the poverty rate and the rate of children from 6-20 who do not go to school in 20 villages surveyed



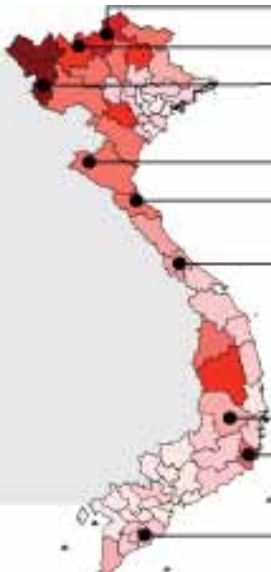
In mountainous ethnic minority area, one more common reason cited for drop-out is "no longer like to study"

On the other hand, in mountainous ethnic minority areas such as Thuan Hoa-HG, Ban Lien-LC, Phuoc Dai and Phuoc Thanh-NT, the most commonly reported reason for school dropout was the children no longer like to study. This suggests that poverty may be an important factor affecting school drop-out but is no longer the most critical reason in mountainous ethnic minority areas as a result of the state promulgating many support policies.

TABLE 2.24. Main reasons for children (6-20) not going to school, 2009 (%)

| Commune | Rate of children (6-20) who do not go to school | Reason (choose one main reason) | | | | | |
|-------------|---|---------------------------------|----------------------------|-------------------------|------------------------|---------------------------|--------|
| | | School is too far | Family does not have money | No longer like to study | Poor education records | Stay home to help parents | Others |
| Thuan Hoa | 20 | 0 | 0 | 44 | 13 | 30 | 13 |
| Ban Lien | 34 | 12 | 32 | 42 | 5 | 7 | 2 |
| Thanh Xuong | 10 | 0 | 43 | 43 | 14 | 0 | 0 |
| Luong Minh | 40 | 2 | 24 | 14 | 29 | 21 | 10 |
| Duc Huong | 11 | 13 | 0 | 25 | 13 | 25 | 25 |
| Xy | 14 | 0 | 29 | 14 | 36 | 7 | 14 |
| Cu Hue | 28 | 0 | 39 | 29 | 29 | 4 | 0 |
| Phuoc Dai | 31 | 0 | 8 | 53 | 16 | 3 | 21 |
| Phuoc Thanh | 42 | 0 | 6 | 64 | 9 | 15 | 6 |
| Thuan Hoa | 44 | 0 | 44 | 32 | 7 | 10 | 7 |

SOURCE: Household interviews



... with many supporting factors including envy, towards pupils from poor households receiving state support

While the fact is true that many children no longer like to study it is a general reason revealing the attitude of children. This attitude is affected by such factors as poor school results, inappropriate teaching methods, no real interest in study, shame because of being older than classmates and early marriage, and so on. It is noteworthy that among the factors causing children to dislike study is that pupils from non-poor households envy those from poor households (although their living standards do not differ much) for receiving monthly support under Decision 101.

--- *“Our second daughter did not study well, and could not read. Friends of her age were studying grade 6 or 7 while she was still at grade 4. She was teased about her age and was too shy to continue”* (D.T.M, Minh Phong village, Thuan Hoa commune-HG).

--- *“Boys drop out to take construction jobs, to pick coffee, to go out, and because they are lazy. Few people drop out due to poverty. Girls drop out to get married and support their parents”* (Group of children at Ta Lu 1 village, Phuoc Dai-NT).

--- *“The teacher said from this year pupils get VND140,000 per month if they are from poor households. My family is poor but I do not get that support. Some friends who are not poor get it. I am upset but I would not quit. Some other friends who do not get support quit”*. (Children group at Ta Lu 1 village, Phuoc Dai commune-NT).

Access to healthcare

Women and children access healthcare centres more often

At monitoring points, about 70-80% of people who visit commune healthcare centres for health checks are women and children, especially children under 6 entitled to free medical services by current state policies. As a result, women and children are enjoying the significant benefits of recent improvements in facilities and human resources of healthcare centres.

There have been achievements in women and children caretaking

Positive changes have been witnessed in the area of healthcare for women and infant babies. At most monitoring points, the percentage of women having at least 3 checks during pregnancy in 2009 is 60% or more, reaching the target set for progress in female healthcare for 2010⁸. Women visiting healthcare centres for pregnancy checks are given Fe supplements to combat blood deficiency. The rate of women who give birth at home without support from village medical officials has decreased considerably compared to previous years. In areas where the practice of giving birth at home is still common (Xy-QT, Phuoc Thanh-NT), the commune healthcare centres gave “clean delivery” kits to women close to their due date.

Village healthcare networks are playing active roles, but various health care positions at village level should be combined to make capacity building more focused and effective

People’s awareness of healthcare has been enhanced thanks to village healthcare networks. Most villages surveyed have recruited for three positions: population and family planning, nutrition, and healthcare collaborators, some villages even have a village midwife (Table 2.25). Because allowances are low at some villages one person might take two or three positions. The issue has been raised whether or not the 3 positions should be combined into one (“village healthcare collaborator”) to solicit professionalism and allow a better allowance. The allowance for a multi-tasking village healthcare collaborator should be the same as for a village extensionist, for example VND650,000 per month in Bac Ai - a district under Programme 30a. The combination of the three positions would also make capacity building more focused and effective.

⁸Target : To increase the percentage of pregnant women going to have 3 checks to 55% in 2005 and 60% in 2010.

TABLE 2.25. Healthcare networks at Phuoc Dai and Phuoc Thanh (Bac Ai, Ninh Thuan)

| | Village population collaborator | Village nutrition collaborator | Village healthcare collaborator | Village midwife |
|--------------------|--|---|--|---|
| Monthly allowance | VND50,000 | VND50,000 | VND200,000 | VND195,000 (given a motorbike for work use) |
| Working duration | 1-2 days/month | 1-2 days/month | 1-2 days/month + 2 sessions per week for campaigning | When needed |
| Work requirements | Persuade, disseminate information about use of contraceptive measures, family planning, weigh babies, conduct gynaecological checks | Persuade mothers to provide nutritious meals for children, and sanitation, weigh babies monthly and quarterly | Report on the health care situation, deploy measures to prevent disease, disseminate information about village healthcare issues | Persuade women to give birth at healthcare centres, give health check to pregnant women, check on for mothers 1-2 days after delivery |
| Targeted groups | Women from 15-49, seldom persuade men | Pregnant mothers or mothers of children under 5 years of age | Everyone: elderly, young, male, female | Pregnant mothers and mothers who have newly given birth |
| Work Effectiveness | The rate of contraception use increases The percentage of women having gynaecological checks increases The percentage of 3 rd child incidents decreases | Change in Mothers' awareness of nutrition Reduced percentage of children with malnutrition | People's awareness of healthcare and prevention of diseases is enhanced | Pregnant women are persuaded to visit healthcare centres for checkups, number of women giving birth at home reduced Due care is taken of pregnant women and women with infants |

The ratio of 3rd child births high in mountainous ethnic minority areas due to the preference for male children

The percentage of 3rd child births is low for lowland communes, or areas with many Kinh ethnic residents, but remains high for communes in mountainous ethnic minority areas due to the male preference mentality. Ms. L.T.D in Minh Phuong village, Thuan Hoa-HG, complained ***“H’mong people want sons. I know that having many children makes life difficult but I have not had a son, so I will go on”***. Some local authorities have integrated fines for 3rd child incidents in village regulations, a measure only intended to raise awareness. A poor female group in Doi 1 village, Ban Lien-LC told us ***“Village officials said households having a 3rd child will be fined 200-300 kilos of rice. But no one in the village has paid such a fine”***. Duc Huong-HT is an exceptional case where in the land reallocation campaign in 2009, households with more children than quota for family planning were refused land for extra children.

Challenges remain for healthcare access in mountainous ethnic minority areas

As mentioned in the 2nd round synthesis report, there are still many challenges to healthcare access for women and children in mountainous ethnic minority areas, closely related to the present high poverty rate in localities. Many villages which are tens of kilometres from commune healthcare centres and with transportation difficulties have a low health check rate. The percentage of ethnic minority women with gynaecological diseases is high as the women themselves lack the knowledge to take due care of themselves and are afraid of health checks while the living environment is unhygienic. The percentage of households which observe healthcare messages such as, “eat cooked food”, “wash

hands before meals” and “use mosquito nets” is small; occurrence of intestinal diseases and malaria is still common (especially in Xy-QT where malaria epidemics returned in mid 2009). Responsibility for use of contraception still mostly falls on women. Pregnant women continue working the fields until birth delivery and return to work not long after. Taking care of children is still challenging for mothers who often lack milk for breastfeeding; and poor meals and a high rate of malnutrition in children under five are still common in mountainous ethnic minorities at monitoring points.

Nutrition remains poor in mountainous ethnic minority areas

Poor nutrition practice is one clear manifestation of poverty at monitoring points although communication campaigns for better nutrition have been boosted in the past months. The meals of poor people are still modest consisting mostly of grains, and lacking meat, fish, fats and vegetables. Many of the poor in mountainous ethnic minority areas suffered food shortage for 2-5 months per year. In many places, local people still use untreated water directly from springs for drinking and other daily activities. The percentage of children with malnutrition has decreased over the past 3 years but remains high in mountainous ethnic minority areas such as Ban Lien-LC, Xy-QT, Phuoc Dai and Phuoc Thanh-NT (Table 2.26).

TABLE 2.26 Number of months with chronic food shortage and child malnutrition (%)

| Commune | Number of months with chronic food shortage | | | Percentage of children under 5 with malnutrition (%) | | |
|-------------|---|------|------|--|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 2.7 | 2.8 | 3 | 24.9 | 24 | 24 |
| Ban Lien | 3.3 | 3.4 | 2.7 | 50 | 45.9 | 43.1 |
| Thanh Xuong | 2.9 | 3.4 | 2.1 | 19.2 | 18.8 | 18.5 |
| Luong Minh | 5.0 | 5.0 | 6.2 | 32 | 28 | 25 |
| Duc Huong | - | 4.3 | 5 | 19 | 18.5 | 18 |
| Xy | 3.8 | 3.2 | 2.3 | 57.2 | 60.7 | 52.9 |
| Cu Hue | 3.5 | 5.3 | 2.7 | 20.2 | 18.9 | 17.9 |
| Phuoc Dai | - | 5.3 | 5.2 | 52.7 | 40 | 41 |
| Phuoc Thanh | - | 4.3 | 4 | 41.3 | 51.4 | 41.8 |
| Thuan Hoa | 5.0 | 3.3 | 4 | 21.1 | 20 | 19.5 |

SOURCE: Household interviews, data on children with malnutrition is provided by communes

Access to vocational training

Better access to vocational training programmes by mountainous ethnic minority people was reported in 2009

High priority is given to rural vocational training, most visibly in Decision 1956/QD-TTg dated 27 November 2009 of the Prime Minister which approves the project “ Vocational Training for Rural Labour” until 2020, in which the targeted poor groups are supported in short-term training costs, meals, travel expenses during the course and favourable loans after the training and so on. At monitoring points, from 2009 ethnic minority people have paid more attention to vocational training especially courses organised in the local commune and village. Some 1-3 month training courses on cultivation, veterinary topics, aquaculture, livestock breeding and so on, were organised as a form of advanced extension service for local people. The housing support programme under Decision 167 has created demand for training in construction and carpentry in some areas to capitalise on local employment opportunities.

However, most poor households have not accessed to vocational training

However, most of the poor have not accessed to vocational training, as they are worried about employment after training and some are not qualified for training (cannot read or write Vietnamese language). At some monitoring points, similar to 2007 and 2008, it was found that in 2009 no poor households in the communes participated in preferential vocational training courses. Local people and officials shared the difficulties encountered by the poor in vocational training access as following:

- “There is one vocational training centre for the poor and ethnic minorities in the district. In 2008 the State gave us more than VND1 billion for vocational training but no one participated. In 2009 any one who needed vocational training on any subject would be accepted. If there are 20 participants, the training centre will deliver courses to the village. But no one registers. Training and even job placement is secure but still no one wants to do it” (group of district officials of Cau Ngang, Tra Vinh).
- “The whole village went out for wage work and no one for vocational training. The poor do not have money to send their children for training, some saw cases of graduates who could not find a job so no one registers” (Poor male group at Thuy Hoa village, Thuan Hoa commune-TV).
- “Local young people do not take vocational training because they are illiterate. They are afraid of going out because they do not speak or cannot work. They are too shy to go” (H.N., official from Veterans’ Association at Xy-QT).

Access to extension services

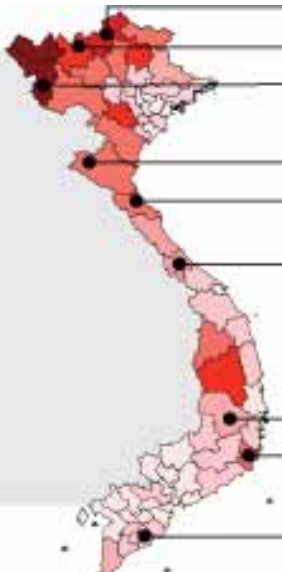
Many measures have been adopted to improve the poor’s access to extension services

The extension services most utilised and which households most benefited from were training and veterinary. At most monitoring points, campaigns towards persuasion and support for cattle pen construction, observation of husbandry regulations, and cattle vaccination were conducted successfully, contributing to a reduction in cattle disease in 2009. Table 2.27 shows that the percentages of households who directly benefited from extension services and found them satisfactory in the past 12 months are high at most monitoring points.

TABLE 2.27. Percentage of HHs benefiting and feeling satisfied with extension services (%)

| Commune | Directly benefited from at least one extension activity | | | Feeling satisfied with extension services | | |
|-------------|---|------|------|---|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 73 | 90 | 92 | 61 | 59 | 60 |
| Ban Lien | 53 | 32 | 73 | 61 | 63 | 73 |
| Thanh Xuong | 43 | 38 | 72 | 68 | 75 | 67 |
| Luong Minh | 37 | 60 | 47 | 30 | 28 | 30 |
| Duc Huong | 60 | 88 | 73 | 67 | 80 | 56 |
| Xy | 72 | 73 | 97 | 49 | 53 | 59 |
| Cu Hue | 39 | 20 | 47 | 65 | 25 | 68 |
| Phuoc Dai | - | 53 | 17 | - | 30 | 50 |
| Phuoc Thanh | - | 35 | 25 | - | 57 | 67 |
| Thuan Hoa | 52 | 36 | 35 | 82 | 95 | 76 |

SOURCE: Household interviews



| | |
|---|--|
| <i>The challenge of extension services is to meet the different demands of different areas</i> | Monitoring points with falling percentages of HHs satisfied with extension services in 2009 are predominantly Kinh lowland areas with advanced commodity production such as Thanh Xuong-DB, Duc Huong-HT and Thuan Hoa-TV. This reflects different extension needs: mountainous ethnic minorities still need basic farming and livestock raising techniques which extension agencies can ably supply, while lowland Kinh people need market access and non-agricultural employment - services for which extension agencies have limited capacity. |
| <i>Development of village extension networks is important for mountainous ethnic minority areas</i> | Technical training and veterinary services (mostly livestock vaccination) are the two types of extension service most accessed by the poor. Training courses are tailored to allow better participation of the poor with such measures as in-village training, use of ethnic minority languages and use of illustrations. Group-based extension services have been deployed in many places, for example, the tea growers group at Ban Lien-LC, CDCs linked with CLCs at Thuan Hoa-HG, Thanh Xuong-DB and Thuan Hoa-TV, and inter-family groups at Duc Huong-HT. Extension collaborator networks are being formed in communes under Programme 30a such as at Phuoc Dai and Phuoc Thanh-NT with a view to encouraging better access of the poor to extension services. |
| <i>Promoting the role of commune CLCs is a promising prospect</i> | The 2nd round synthesis report mentioned the model for connecting CDCs and CLCs facilitated by AAV and its local partners. This 3rd round monitoring has verified the positive results of better extension and credit access for the poor (Box 2.7). The inherent weaknesses of commune CLCs including lack of fulltime officials, and lack of facilities are being gradually addressed. |

BOX 2.7. Commune community learning centre connects with village community development clubs

CLC of Thanh Xuong commune (Dien Bien district, Dien Bien province) is serving as a hub for coordination with other village CDCs. Since August 2009, the Centre for Community Development of Dien Bien (CCD) has gradually transferred the management and supervision of mini projects, CDCs established by CCD in the commune CLC to enhance sustainability after the project ends.

Currently the activities undertaken by CLC include:

- To organise training courses by themes at CLC to invite district officials to teach in accordance with the workplans of extension, plant protection, and veterinary stations and so on; to organise capacity building classes for village heads and heads of CDCs covering training skills, management skills and so on.
- To organise training courses in villages for members of CDCs on different topics such as husbandry, planting, gender equality, HIV/AIDS and so on.
- To manage the small credit sources (funding by AAV through CCD), such as book keeping, approving loan cases and supervising the use of funds of CDCs. CDCs continue to manage the revolving fund at each village and give loans to their members.
- To supervise and assess performance of CDCs.

CLC performance is having a positive impact. Commune People's Committees are fully informed of the project's activities in the locality so as to give timely guidance and support. The effectiveness of the use of revolving funding has been enhanced. Ms. L.T.P., member of the commune CLC shared. "Previously loans were given in small amounts, each household could only get several hundred dong at a time. Now the funds are put together, Households can borrow a bigger amount from 2-5 million and allow for better investment. Set up and management is more efficient. The commune is also updated with the Project activities to provide better guidance".

Extension models should be suitable for specific conditions of the poor in each locality

At monitoring points, there are many extension models highly appreciated by the local people which have helped in restructuring production, boosting productivity, and improving income as with the model for growth of quality rice at Thuan Hoa-TV, intensive hybrid corn cultivation in Thuan Hoa-HG and so on. On the other hand, there are many models which are not successful in introducing “standardised” techniques with adequate seeds, fertilisers and feed. Poor ethnic minority households are limited both in their lack of money for investment and capacity to manage risks, consequently they often cannot observe extension messages as the better-off households can. Most typical is the difficulty to sustain and replicate models such as white pig raising at Xy-QT because the local people have been used to extensive farming of black swine, raising pigs mostly for worshipping purposes, planting sweet rattan at Duc Huong-HT because of their competitive advantages in land and time availability for annual crops or “penned cattle breeding” at Cu Hue-DL because the people were used to raising cows for breeding, had no money to buy feed and tend to take cows to upland fields according to their custom. (Box 2.8).

BOX 2.8. Why do the poor find it hard to apply intensive farming models?

--- At Xy commune (Huong Hoa, Quang Tri), in early 2009, 123 models of pig raising for meat were set up with 2 pigs per household. The project provided feed for the first month, organised training, and gave instruction for pen construction. However, after 6 months, the percentage of living pigs was only 20-30%. Many reasons were cited for the unsuccessful model implementation. Breeding pigs were given for free meaning beneficiaries did not value the investment and failed to take due care of the pigs. The tradition to kill pigs for ritual occasions of Van Kieu people remains common. The people were used to raising local bred black swine letting them wander, and unaccustomed to raising white pigs. Poor households lacked the money to buy feed after the first portion was used up. Moreover, supervision and regular monitoring by grassroots officials was limited.

--- At Duc Huong commune (Vu Quang, Ha Tinh), in 2009 there was a project for planting sweet rattan. Support levels for each household ranged from VND500,000 to 1 million. The project urged local people to plant rattan in a concentrated area, to apply fertiliser and to tend it well. Each household was encouraged to plant at least 500m2. Normally, the people plant rattan in a haphazard fashion (along fences); they did not apply fertiliser and failed to take good care of their plantations. The occurrence of dead rattan trees was high. Rattan planting generates income only after 4-5 years so the people gave priority to annual crops such as rice, peanuts, beans and wage jobs.

--- At Cu Hue (Eakar, Dak Lak), in 2009 extension agencies introduced a model for “penned castled breeding”. Each participating household is given a cow of 150kg and provided with feed. Households were to raise the cow in a pen for 3 months and afterwards return the cow to the project. The project weighs the cow and the household is given an amount of money equivalent to the weight increase according to the market price (the floor price was set at VND30,000 per kilo). However, upon assessment grassroots officials deemed the model too difficult to replicate as the people were used to raising cattle for calves, and traditionally take cows to upland fields while they also do not have the cash to buy feed. The poor also lack labour to tend cattle following the recommended procedure for intensive husbandry.

Promotion of pro-poor participatory extension methods is needed

Many studies have been conducted to review pro-poor extension methods. The reality observed at monitoring points reinforced recommendations for institutionalisation of participatory extension methods (development of extension plans by VDP/CDP, methods such as PAEM, PTD, and FFS), farmer-to-farmer extension services, group-based extension, increasing functions such as “promotion” and “on-site consultancy” by extension

| | |
|--|---|
| <i>The programme to give land support for production for poor ethnic minority people is encountering many difficulties</i> | <p>officers, restrictions on giving materials for free, moving from the “one time” approach to the extension project model, combining new and local knowledge, development of small-scale model development with little investment, few risks and labour saving, all suited to the steep hill farming traditions of the mountainous poor people ...⁹</p> <p>In lowland communes such as Duc Huong-HT, Thuan Hoa-TV, the rate of women taking part in agricultural extension training is sometimes higher than men as the men often migrate for work. Kinh ethnic women joining extension training are found to be as vocal as men. In mountainous ethnic minority communes, women joined extension training when their husbands were absent, drunk or too tired after work, or when village heads and leaders of mass organisations specifically invite women to come.</p> |
| <i>Change of extension methods and establishment of community groups help increase extension access</i> | <p>During the past three years, the rate of women participating in extension activities has increased thanks to improved methods of training, for example, in-village training (enabling both men and women to join), use of translators, use of illustrations in place of old-fashioned wordy written material and so on. In areas with farmer groups targeting women (for example “Community Development Club” at Thuan Hoa-HG, Thanh Xuong-DB, Thuan Hoa-TV and so on), women have more opportunity to access extension information as extension is an important component, often integrated in the working agenda of these groups.</p> |
| <i>Programmes to support productive land to the local EM households face difficulties...</i> | <p>Support for production land</p> <p>The government has designed many policies to give land support to poor ethnic minorities for production, such as Programme 134, support for terraced field reclamation in mountainous areas, and specific land policies for each region. However, the amount of free arable land remaining is small. Programmes for land reclamation for the poor have to take portions of land far from residential areas, water sources, and with stony ground. (as the case of Phuoc Dai-NT, Cu Hue-DL).</p> |
| <i>... because of the shortage of quality land and slow disbursement of soft loans</i> | <p>In 2009 Thuan Hoa-TV implemented the policy to give land support for housing, and production and employment creation for poor ethnic minority people in the Mekong delta under Decision 74/2008/QD-TTg dated 9th June 2008 of the Prime Minister. This policy to give support to poor Khmer people with no land or little land is highly appreciated by the people and is being carried out seriously by local authorities. However, implementation of Decision 74 still encounters some challenges which need to be addressed by agencies. (Box 2.9).</p> |

BOX 2.9. Support for production land to poor Khmer ethnic people at Thuan Hoa commune (Cau Ngang, Tra Vinh) in accordance with Decision 74/2008/QD-TTg

Implementing Decision 74, early in 2009, Thuan Hoa commune carried out the first round of production land support for 15 households. Lists of beneficiary households came from villages and were compiled with the following criteria: i) poor ethnic minority household; ii) no production land; and iii) sufficient human resources to conduct agricultural production. The people’s committee of Thuan Hoa commune set up a board for supporting the poor in land acquisition, persuading better-off households to sell land at appropriate prices, and helping poor households to buy large pieces of lands in groups.

Decision 74 is an important policy of the State to help the poor ethnic minorities obtain sustainable livelihood and receive good support from the people. However, the implementation of Decision 74 at Thuan Hoa is has been slow for 2 problems:

- Difficult to buy good plots of land: as a matter of fact there is no remaining free, unused land so the only option is to persuade land owners to sell to poor households. It is very difficult to buy production land at Thuan Hoa now

because of limited land area and the people's hesitation to sell, plots of land that allow 2 rice crops per year which are very expensive and exceed the project capacity while the plots that allow only 1 crop are often of poor quality, far from residences, and limited in irrigation. A male poor group at Soc Chua village told us *"buying land is now difficult because no one sells. We ask many people but no one sells. Successful purchases are all for poor quality land. Good plots are expensive, more than 15-16 million per 1000m2 so we cannot buy"*.

- Slow disbursement of additional favourable bank loans (while the VND10 million direct support amount is ready). Some households have signed contracts for purchase of land for cultivation under the guarantee of the commune people's committee to pay the rest directly following bank disbursement. But until 11/2009, households had not received the favourable loan as planned. Some households were forced to return plots of land to the seller as they were not able to pay all the money.

Land re-allocation should be conducted openly, transparently, and democratically

In lowland areas in the North and Northern Centre, rice paddy land has been divided equally since early 1990. However, households with many children born after the division still lack production land. Many lowland areas feel the need for land re-allocation to reduce scatter, facilitate the application of new technology, and construct models of multi-crop farms. Duc Huong-HT was a typical case of land re-allocation in 2009. The lesson learned from the process is to make it democratic, carefully prepared with wide participation of all people, under the guiding influence of local officials and mass organisations. One positive point of this land re-allocation is that the poor have a chance to receive more land and those born after previous land division as well as women married to local men also get a share (Box 2.10).

BOX 2.10. Land re-allocation at Duc Huong (Vu Quang, Ha Tinh)

To implement the policy to pilot land re-allocation in Vu Quang district, Duc Huong commune has started the programme since early 2009 for rice and vegetable fields. The procedure of implementation comprises 3 main phases:

- 1st phase: to set up a steering subcommittee and supervision board at each village comprised of village officials, party representatives, representatives from mass organisations, and some patriarchs.
- Second phase: to compile a list of households to receive land. In this phase, villages have conducted discussion with the people and agreed that: deceased villagers whose children have left and gained permanent migrant jobs or elderly people with pensions will not receive land; any born since previous allocations and those who immigrated for marriage will receive land. Based on family planning policies in each period, people agreed that each household would receive plots for at most 2-3 children (families with extra children are given priority to contract 1-2 units (500m2) of the village land per person). This phase was carried out democratically, over many rounds through 6-7 village meetings. All mass organisations convene meetings to disseminate the method of operation and hear people's opinions. Any complaints are referred to the village task group to be dealt with openly.

Third phase: to map and categorise land, to reserve land for welfare works, play grounds, village land funds, and widen lanes to fields and so on. Afterwards, lots are drawn to allocate land for each household. On average each person on the list receives about 400 m2 of land. Whereas previously each household had on average 7 plots of land, they end up with only 4-5 bringing improved farming conditions.

At the time of survey in January 2009, the third phase was about to finish. The people were generally happy and in consensus. Children born after the previous land division and women in-migrated for marriage also received equal portions. The result is that poor households are happy to have additional land.

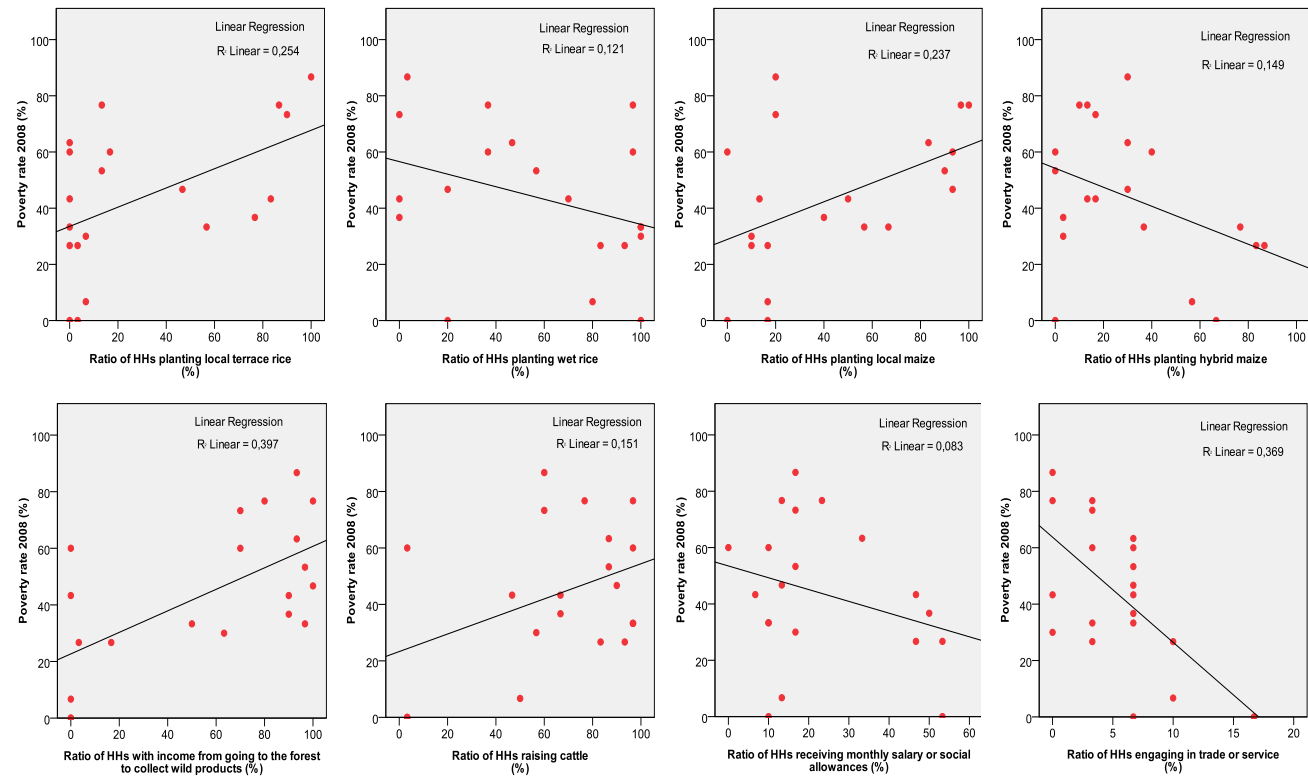
2.5 Effectiveness and sustainability of livelihood strategies

With limited livelihood resources, the selection of livelihood strategies by the poor often aims at meeting immediate demand. The poor often depend on extensive farming using local seed types such as upland rice, local corn, non timber forest product collection and wage jobs in peak seasons.

Livelihood choices of the poor are often aimed at immediate need satisfaction, low investment and use of manual labour

Figure 2.5 shows that there is a positive correlation between the ratio of poor households and the ratio of households who grow upland rice, local corn and go forest tramping and vice versa regarding the ratio of households which grow wet rice and hybrid corn. The percentage of poor households positively correlates to the percentage of households with cattle possession suggesting that in mountainous ethnic minority areas people tend to raise more cattle than in lowland areas. As a matter of fact, at lowland monitoring points such as Thanh Xuong-DB, Cu Hue-DL, Thuan Hoa-TV Kinh ethnic people tend to utilise machinery more in their farming so the number of cattle is small. The percentage of poor households also negatively correlates with the percentage of households who trade/ provide service and enjoy regular salaries, suggesting the advantage of the better-off families of having multiple income sources.

FIGURE 2.5. Correlation between poverty rate and ratio of households with)



Source: Household interviews

Unstable yields from upland farming is a disadvantage of poor ethnic minority people

Upland farming is volatile, with low labour productivity in mountainous areas. The poor in mountainous ethnic minority areas often depend on farming on steep upland fields for which crops are highly dependent on favourable weather. The people grow a variety of produce consisting of mostly upland rice types, local corn (many types), vegetables and fruit trees. In many localities the people stay in the fields during high season also tending livestock in the fields. The people also maintain the tradition of crop rotation, leaving land fallow. However, the time left of being able to leave land fallow is shortening because of rising land pressure and forest protection regulations (no newly reclaimed field or abandoned fields). Drought, heavy rain and so on are regular risks posed to the mountainous poor, leading to instability.

Income from extensive upland farming per labour unit of mountainous ethnic minority people is low

Even when there is no crop loss, the yield of upland rice and local corn extensively farmed is only 10-30% compared to wet rice and hybrid corn. Although mountainous ethnic minorities often have larger upland fields total income from planting can be the same as Kinh people with smaller lowland fields. For example, one mountainous ethnic minority household sows 30 kilos of upland rice over an area of 7-9000 m² yielding 1 ton of rice, which is about the same as a lowland Kinh household with 1000 m² for intensive farming. However, income effectiveness per unit of labour working upland fields is low. Mountainous ethnic minorities work the field mostly by hand to burn, cut, to till and sow, weeding every day. Harvesting is difficult; at many places group labour exchange is a must to meet the season schedule. On the other hand, Kinh people have smaller fields but intensive farming yields better while requiring less labour as the land is flat and it is easier to use weeding agents, cattle for ploughing as well as transportation and machinery.

Productivity of one labour day for minority people is low for a number of reasons

Ethnic minority upland fields are often far away from their houses meaning time lost travelling. Most typical are Ede people at Cu Hue-DL who travel tens of kilometres to farms by tricycle while Van Kieu people in Xy-QT who spend 4 hours every day travelling to fields in their previous locality. A typical upland farming day for a Van Kieu person at Xy La village, Xy-QT is as following: "leave for upland field at 8am, arrive at 10am, work 2 hours till 12AM then cook lunch and work again from 2-4pm, collect wood and vegetables before preparing to go home". The productivity for one labour day of poor mountainous minority people is therefore sometimes only half that of Kinh ethnic people in lowland areas.

... while income from forest is still low

Another source of income is perennial trees. However, again, poor ethnic minorities tend to have less income from perennial trees than better-off groups. In Cu-Hue-DL, for example, households with large areas for coffee and pepper cultivation are all rich. In Ban Lien-LC, Tay ethnic people have grown tea for many years enjoying good income. However, H'Mong people that have grown tea for only three or four years have so far generated little income as a result of low yields and falling tea prices.

... because land is needed for annual food crops

To cope with volatile prices and the risks posed by weather and disease the strategy of, "growing short-term to invest longer-term" has been widely adopted, such as the combination of rice and tea cultivation in Ban Lien - LC and corn and coffee in Cu-Hue-DL. However, in the context of limited land resource and rising population, this "combination" has gradually become "competition" among different land use purposes.

In lowland areas, people are taking the initiative to change cultivation structure in the search for more income

Swift change in seed types and cultivation structure for annual crops. At monitoring points, people change seed or plant varieties yearly for the same field.

In lowland areas with easy access to technical assistance from extension officials, research institutes, schools, and trading companies, the people are no longer dependant on traditional plant varieties. They are willing to try new seeds/plants towards commodity production for better income. Cu Hue commune-DL cultivates a large area of corn cash crops. Local people grow different corn seeds every year, adopting hybrid varieties newly introduced by seed suppliers resulting in a better yield. In Thuan Hoa-TV, in 2009, Khmer people grew seed corn and used a new rice seed variety called ST5, also resulting in a high yield (Box 2.11).

BOX 2.11. Getting out of poverty thanks to corn and rice cultivation in Thuan Hoa (Cau Ngang, Tra Vinh)

The Tra Vinh seed centre in collaboration with Thuan Hoa commune introduced the high-economic-return seed corn LVN10 cultivation model at several villages such as Soc Chua and Tra Kim. The total area of seed corn cultivation increased rapidly, from 15 ha in 2001 to 55 ha in 2008. Besides providing technical assistance and fertilizers to households, the centre also commits to buy outputs at market price at the beginning of each crop. Seed corn is sold at a higher price than full-grown corn, sometimes reaching VND13,000 per kilo. Some households have escaped poverty thanks to seed corn cultivation. The core group at Soc Chua village exclaimed *“Over the past 2 years, the whole village has had a better life thanks to seed corn”*.

In 2009, area for new high quality rice varieties (ST5, OM 6162, OM 4900 and so on) in Cau Ngang district reached a record high, accounting for 60% of total rice cultivation area. Thuan Hoa commune grew 300 ha of fragrant rice of different varieties (mostly ST5) with an average yield of 5.5 tons/ha. Mr. D.L., official of Thuy Hoa village, commented *“This year villagers took the initiative to adopt rice types such as ST5. Last year, only 30% of the households grew ST5 but this year 80% of the households changed (mostly to ST5)”*. The leadership at Thuan Hoa commune also remarked *“Local people had their fortunes changed with ST5. Good harvest, double the price, and vendors bought all thus no more worries about outputs”*.

In 2008, an AAV project in collaboration with the Division of Agriculture of Cau Ngang District and Thuan Hoa people’s committee set up a model for ST5 cultivation for 52 poor households over an area of 20ha. The average yield was 5 tons/ha/crop. The price was from 1.5 to 2 times that of normal rice. In 2009, this model was expanded, the total number of poor households involved increasing to 75 and the total area of cultivation to 40 ha. Poor households participating in the ST5 cultivation model have seen their lives improved considerably.

In mountainous ethnic minority areas, shifting cultivation structure is still only passive and spontaneous; therefore the risks remain

In many poor mountainous ethnic minority areas, crop shifting has only been a spontaneous solution to cope with risks imposed by weather, epidemics and price volatility; therefore, those risks are likely to remain since weather and price can change quickly. Ban Lien-LC is such a case. In 2008, the hybrid rice yield was poor. In 2009 local people switched to a local rice type and incurred losses whereas hybrid rice yielded well. As such, the people may turn to hybrid rice again in 2010 and face the same risks. Similarly, in Cu Hue-DL when in 2008 Ede ethnic people took up cassava and abandoned corn due to the rising cost of fertilizer. Cassava was bought at a low price while transportation costs rose, so in 2009 they returned to corn cultivation.

Eroded natural produce sources worsen the poor’s resilience

Collecting natural produce is hard and yields low income in mountainous areas.

Collection of non timber forest products such as wood, bamboo shoots and vegetables is a significant livelihood source of the poor ethnic mountainous, especially for women in times of crop loss. Currently natural produce sources are being depleted (because the forest is being destroyed and increasingly more people are going to the forest for collecting non timber forest products, logging timber and hunting wildlife), so gatherers have to go further and longer while finding less.

The poor develop different income sources to cover risks

The lack of effective combination of income sources often puts the poor at a disadvantage compared to the better-off. Poor ethnic minorities in mountainous areas also diversify their income sources, but in a way that reflects the mentality to have at least something left in case of risks rather than to maximise income from their investment

strategy. At monitoring points, the better-off often combine long-term plantations such as tea, coffee, and pepper with short-term crops (rice, corn, and cassava, vegetables) to increase the land use efficiency and to effect better division of labour time. A combination of income sources also reflects the capacity to grasp market opportunities, promoting the strong points of the wealthier people at each point. Several examples include Shan Tuyet tea plantations of Tay ethnic people at Ban Lien-LC, hybrid corn at Cu Hue-DL, and high quality rice at Thuan Hoa-TV.

Where cultivation models are the same, production scale determines the income gap

At some monitoring points, farming models of the poor and the non-poor are nearly the same. For example at Xy-QT, both poor and the better-off households grow industrial cassava and work upland rice fields, or at Thuan Hoa-HG, all households grow rice and corn for family consumption and grow cassava to slice and dry to sell. As such, **production scale** is a decisive factor in the income disparity between better-off and poor households. Better-off households often have plenty of labour, and are those who arrived early in the locality and thus have more and better land.

Excessive use of agricultural materials may lead to unsustainable production in Kinh lowland areas

Kinh ethnic people in lowland areas also have limitations in sustainable production with **excessive use of one type of seed, fertiliser and pesticide** which raises costs and may reduce product quality. Thanh Xuong-DB provides a case study where local people wanted to sow 100% Bat Thom rice which sells at a high price despite being advised to sow 60% of the ecological area with one seed type to ensure biological diversity and limit pests and diseases. Dien Bien rice has become a well known trademark of the North West region; however the quality is declining because of the abuse of fertiliser and plant protection chemicals of rice growers and the bad practice of some traders mixing Dien Bien rice with poorer quality varieties to increase profits. A synchronised programme to restore the prestige of Dien Bien rice should be considered, including measures to restore the strength of the seed, to improve farming technology, and the establishment of the supply chain to ensure the quality of the produce reaching the market.

2.6 Conclusion: Towards narrowing the gap between the rich and the poor

Qualitative assessment helps clarify factors that impact the rich-poor gap

This poverty monitoring initiative uses the sustainable livelihoods approach to analyse factors that affect the gap between the rich and the poor at monitoring points. The gap between the rich and the poor is measured not only in monetary terms through income or expenditure but can be also assessed qualitatively through disparities in livelihood capital sources, access to institutions and policies and the choice of livelihood strategies. Compared to the 1st and 2nd round synthesis reports, this 3rd round report for 2009 analyses in depth, the limits, and disadvantages of the poor compared to the better-off in market access.

The rich-poor gap between ethnic groups, regions and households remains large

There are now many programmes and policies that aim to curb and to gradually narrow the gap between the rich and the poor, most typically Programme 135 and Programme 30a. Livelihood capital sources of the poor are gradually improved. The poor receive opportunities to enhance their access to infrastructure facilities, education, healthcare, loans, agro-forestry extension services, housing and production land support and so on. However, the rich-poor disparity remains large between ethnic groups, between regions, and between the better-off and the poor within the communities as the wealthier have better quality livelihood capital sources, better access to institutions and processes and thus have better options of livelihood strategies which can bring higher income.

Within the framework of this report, there are three issues that need addressing to boost efforts towards reducing the rich-poor gap in rural areas in the coming years.

Synchronised measures for

Firstly, support to **enhance human capital** for the poor in mountainous ethnic minority areas is the most meaningful measure for narrowing the rich-poor gap. More resources

enhancing human capital for the poor are most meaningful in reducing the rich-poor gap

along with stronger support are needed for all 4 areas: child education (towards the future), Vietnamese skills, vocational training and extension for adults (to address immediate needs). In terms of child education, besides current support policies, stronger assistance should be designed for semi boarding schools (locally funded boarding schools) in mountainous ethnic minority areas with no discrimination between poor and non-poor pupils. In terms of teaching Vietnamese skills for adults, the approach to attach education to community development (**Reflect**) should be more widely adopted based on the linkages between the commune community learning centre and groups, and village development clubs. In terms of vocational training for adults, emphasis should be attached to trades/crafts with the potential to create local jobs (based on surveys for vocational training in each commune, village), along with boosting the role of the informal network, groups, and village communities in transferring skills, maintaining trades/crafts and creating jobs for learners. In terms of extension, pro-poor and participatory extension measures which have been applied with success in many places across the country should be adopted.

Development of social capital with a view to improving market access for the poor

Secondly, **market access** has always been the most difficult issue for poor farmers in the context of complex market changes. Improved market access needs to be based on efforts to develop social capital for the poor through the establishment of farmers' groups and linked with enterprises in places with favourable conditions (contract-based production model).

Sustainable livelihood development should switch from sectoral to integrated support using a community-based approach

Thirdly, support to **develop sustainable livelihood development** needs to become the focus of poverty reduction efforts in the time to come in order to effectively fight against risks and shocks. Sustainable development of livelihoods requires a comprehensive approach, close coordination among support policies suitable to the characteristics of each ethnic group, community and family. This requires a change in approach from **sectoral support to integrated support** and also in supporting the poor, from giving handouts to empowerment and capacity building. One comprehensive programme for improving socio-economic development planning to help design and implement could become a platform for the above changes. The establishment of a network of community development facilitators, giving priority to local people, is an urgent issue.

3. VULNERABILITY

Hazards and shocks have always posed great challenges to sustainable poverty reduction. Table 3.1 shows that the percentage of households whose living standard worsened in 2009 remains the same or even increased compared to that of 2008 at most monitoring points. Only three localities saw the percentage drop dramatically compared to 2008, including Ban Lien-LC (due to an increase in tea prices and no damaging cold spells), Duc Huong-HT (saw floods after harvest time) and Thuan Hoa-TV (corn and rice yielded well and were sold at a high price).

TABLE 3.1. Percentage of households feeling that life had worsened over the past 12 months (%)

| Commune | HH saying life had worsened (%) | | | Main reasons for worsening life over the past 12 months (2009) (each can cite at most 3 reasons) | | | | | | | | |
|-------------|---------------------------------|------|------|---|-----------------|------------------------|----------------------------|---------------------|------------------------|-----------------------------|-----------------|-------|
| | 2007 | 2008 | 2009 | Lack of capital | Labour shortage | Lack of new seed types | Lack of technical know-how | Unfavourable prices | Poor irrigation system | Disaster, drought, flooding | Pests, diseases | Other |
| Thuan Hoa | 9 | 2 | 13 | 0 | 91 | 0 | 0 | 18 | 0 | 46 | 82 | 9 |
| Ban Lien | 7 | 23 | 14 | 13 | 25 | 0 | 25 | 25 | 38 | 0 | 63 | 0 |
| Thanh Xuong | 8 | 21 | 20 | 33 | 17 | 0 | 0 | 67 | 17 | 8 | 42 | 8 |
| Luong Minh | 33 | 40 | 48 | 60 | 48 | 0 | 0 | 20 | 0 | 60 | 60 | 3 |
| Duc Huong | 28 | 30 | 15 | 11 | 56 | 0 | 0 | 33 | 0 | 44 | 56 | 0 |
| Xy | 17 | 18 | 25 | 33 | 20 | 20 | 40 | 33 | 0 | 67 | 60 | 7 |
| Cu Hue | 25 | 45 | 42 | 56 | 16 | 0 | 4 | 48 | 4 | 100 | 56 | 0 |
| Phuoc Dai | 22 | 19 | 17 | 30 | 60 | 0 | 10 | 10 | 0 | 30 | 40 | 20 |
| Phuoc Thanh | 32 | 10 | 25 | 13 | 40 | 0 | 0 | 0 | 7 | 40 | 43 | 0 |
| Thuan Hoa | 10 | 52 | 20 | 58 | 58 | 8 | 25 | 8 | 0 | 50 | 33 | 20 |

SOURCE: Household interviews

3.1 Hazards and shocks that increase vulnerability

During 2008, unfavourable prices were the most serious risk, impacting strongly on people at most monitoring points. In 2009, natural disasters (drought, flooding) were pre-eminent, making life harder for parts of the population. Besides, pests and diseases, illness, labour shortage and unfavourable prices were constant risks for farmers. In 2009, people were also affected by the global financial crisis, especially in areas with large rural-urban labour migration. At some points, people also mentioned other risks such as drug abuse, salinised land, risks occurring from implementation of programmes and projects and special, individual risks.

Disasters

Signs of climate change have become more visible

At monitoring points, signs of climate change have become more visible through unusual and extreme weather incidents. Table 3.2 shows that lengthening and unpredictable rain and sunny spells are the two most common risks.

TABLE 3.2. Signs of climate change at monitoring points, 2009



| Commune | Damag- ing cold | Unusu- ally long rainy spells | More severe flooding | More severe sunny spells | Long drought | More severe salinisa- tion | Others |
|-------------|--------------------|--|----------------------------|-----------------------------------|-----------------|-------------------------------------|--------|
| Thuan Hoa | - | - | - | X | x | - | - |
| Ban Lien | - | x | - | - | - | - | x |
| Thanh Xuong | - | - | - | X | x | - | - |
| Luong Minh | - | x | - | - | x | - | - |
| Duc Huong | - | - | X | - | - | - | x |
| Xy | - | x | X | - | - | - | x |
| Cu Hue | - | x | X | - | - | - | - |
| Phuoc Dai | - | x | - | - | x | - | x |
| Phuoc Thanh | - | x | - | - | x | - | x |
| Thuan Hoa | - | - | - | - | x | x | - |

SOURCE: Interviews with officials at monitoring points, 2009

Most typical
are storms that
struck the Central
Highlands in
2009

Typical of unusual disasters were storms No. 9 and 11 which struck the Centre and Central Highlands in September and November of 2009. For Cu Hue-DL, this was the first time in decades they had suffered from two successive storms with strong gusts of wind, causing severe damage. Storm no. 11 alone blew away 160 houses, destroyed 2,260 pepper masts, 827 cashew trees, 9,000 coffee trees and 1,500 ha of second-crop corn resulting in a yield 50-60% less than normal (normal yield is more than 6 tons per ha, corn plants were flattened, thus the yield fell to 3 tons per ha). Storms also made harvesting and drying coffee beans difficult, leading to reduced quality and price. The better-off households had more area of pepper and coffee and thus suffered more. The poor, meanwhile, suffered great difficulties due to houses being blown away and their corn being damaged.

Lasting sunny
spells led to the losses of
upland rice crop

Another type of unfavourable weather were lasting sunny spells during July and August in 2009 leading to upland rice crop losses in Luong Minh-NA where the yield fell by 60%. Widespread food shortage led to a strong increase in poverty rate for Luong Minh-NA during the poverty review at the end of 2009. Mr. M.V.Q, Khmu ethnic at Cham Puong village, Luong Minh commune-NA told us: *“This year drought in July and August flattened rice ears. I sowed 32 kilos of seeds and harvested only 200 kilos compared to 24 kilos of seed last year with a yield of more than 1 ton. This year food shortage is more serious than last year. We only have a little paddy left”*.

The poor often
suffer food
shortage in time
of disasters

Better-off households often have a larger commodity production scale compared to poor households and thus suffer more from bad weather. However, poor households have little savings; no other regular income sources and thus crop loss due to disaster can lead to food shortage. At Phuoc Thanh and Phuoc Dai-NT, drought at the beginning of the year and heavy rain in mid 2009 resulted in many poor households losing their upland crops. Yields of local corn at Phuoc Dai and Phuoc Thanh-NT from the winter-spring 2009 crop averaged 600 kilo per ha compared to 1,100-1,300 kilo per ha. Some

poor households were reduced to eating rice mixed with cassava and forced to go forest tramping to collect roots and vegetables to overcome difficulties due to bad weather. A group of poor men shared *“Corn died. We took different things for meals because we had no income. This year we do not have corn for consumption, we grow yam or collect roots from the forest for meals”*.

Advantage needs to be taken of irrigation works to mitigate disasters Irrigation is an important measure for reducing potential damage caused by disasters to food crops in mountainous areas. In Cham Puong village, Luong Minh commune-NA while lasting drought brought about loss to most upland rice areas of poor households, the 3 ha of wet rice of 3 better-off households yielded well thanks to water from the new spillway and support from the commune by way of a tractor, seeds and pesticide sprayers. It is expected that in 2010 the number of Khmu households registering for wet rice cultivation will increase, which will hopefully increase the usefulness of the recently built spillway.

Pests and diseases

There were fewer pests and diseases in 2009 compared to 2008 In general, pests and diseases were fewer in 2009 compared to 2008 at most monitoring points. Better communication and networks of grassroots agriculture extension and veterinary officers meant detection of pests and diseases was timelier. The poor themselves were more aware of the need to have their cattle vaccinated after widespread epidemics in previous years that brought down cattle numbers tremendously.

People no longer left their cattle unattended as much as before People in mountainous areas no longer leave their cattle unattended as much as in previous years. For example, in Ban Lien-LC, most buffaloes used to be left wandering (80-90%). In 2009, this percentage was nearly halved as local people worried about buffaloes perishing of cold as in the bad cold spell in 2008, or being stolen by thieves. Local people were also aware that if they didn't provide barns or attend to cattle the state would not support them in the case of buffalo deaths.

Diseases affecting pigs and poultry were still widespread However, diseases affecting pigs and poultry were still widespread at most monitoring points. In Ban Lien-LC, up to 2 out of 3 households suffered pig or poultry losses from disease in 2009. The main reason for the increased percentage of ill pigs and poultry was unpredictable weather especially during off-season periods (February, March). The people do not traditionally vaccinate pigs or poultry. A poor male group at Khu Chu Tung 1 village, Ban Lien commune-LC told us: *“Only 5 out of 30 households in the village did not report cases of dead pigs. Many households lost their whole herd, buying medicine for treatment but without success”*.

Illness and labour shortage

Poor living conditions increase health risks for the poor Manual labour is the most important asset of the poor who have limited land, capital, and technology. The risk of illness is an individual responsibility; however, elements of living conditions also lead to increased health risks for the poor. Table 3.3 shows that people at most monitoring points stated “labour shortage” as the biggest risk or challenge facing their household in the coming 12 months.

Community healthcare still faces many challenges in remote mountainous and ethnic minority areas Xy-QT is a commune at risk to many illnesses. Respiratory disorder, blood deficiency, cholera and so on are common health problems found in the locality. The number of malaria cases increased at an alarming rate. In 2008 there were 185 cases of malaria (an increase of 5% compared to 2007) however in 2009 the number increased further to 398 cases (more than 50% compared to 2008). Mr. N.C.P., an official at the Xy commune healthcare centre told us *“This year more people contracted malaria. During the peak there were 20 cases of malaria per day. In June there were 100 cases”*. Unclean water, poor meals, malnutrition, frequent forest tramping, lack of mosquito nets, volatile weather and health neglect are factors of high disease risk. By the estimate of Xy commune healthcare workers only 40% of local people sleep with nets. Diseases also lead to

costly superstitious rituals, which further exhaust the economy of poor households in the locality.

TABLE 3.3. Risks/challenges for households in the coming 10 months, 2009 (%)

| Commune | Capital access | La-bour short-age | Un-suit-able seeds/plants | New tech-nical know-how | Market prices | De-grad-ing irriga-tion system | Disaster, drought, flood | Pests, dis-eases | Others |
|-------------|----------------|-------------------|---------------------------|-------------------------|---------------|--------------------------------|--------------------------|------------------|--------|
| Thuan Hoa | 3 | 41 | 0 | 7 | 5 | 19 | 61 | 90 | 2 |
| Ban Lien | 13 | 55 | 10 | 8 | 33 | 5 | 47 | 83 | 0 |
| Thanh Xuong | 23 | 73 | 0 | 3 | 52 | 2 | 22 | 58 | 3 |
| Luong Minh | 31 | 78 | 3 | 5 | 7 | 0 | 79 | 66 | 0 |
| Duc Huong | 9 | 63 | 5 | 4 | 44 | 5 | 75 | 46 | 0 |
| Xy | 12 | 72 | 0 | 2 | 62 | 0 | 33 | 53 | 0 |
| Cu Hue | 20 | 77 | 7 | 3 | 33 | 2 | 93 | 42 | 0 |
| Phuoc Dai | 5 | 53 | 0 | 5 | 27 | 12 | 45 | 58 | 2 |
| Phuoc Thanh | 2 | 78 | 2 | 2 | 13 | 0 | 60 | 52 | 2 |
| Thuan Hoa | 33 | 58 | 3 | 3 | 28 | 3 | 28 | 23 | 3 |

SOURCE: Household interviews

Illness is likely to cause households to fall (back) into poverty

At monitoring points, the main reason cited for near-poor households or households newly escaped from poverty falling back into poverty is that the family breadwinner is struck by serious and lengthened illness leading to costly treatment, large loans or sale of livestock and other assets, labour shortage for field work or finding wage jobs.

Unfavourable prices

Price volatility is a permanent worry of farmers

Price volatility in 2009 no longer created shocks to the extent felt in 2008 but remained a constant worry of farmers. In 2009, prices of agricultural materials such as fertilizers, and pesticide decreased compared to the peak in 2008 but remained high. Selling prices for some core agricultural produce such as corn, rice, cassava, peanuts, and tea, etc. also increased, and thus farmers' incomes improved. Wages for labour also rose which was good for the poor.

However, the residual effect of the 2008 price storm exerted a negative impact on the poor.

However, prices of animal feed soared, adversely affecting the cost of animal husbandry. While animal feed prices increased in 2009, Sale prices for cattle and pigs did not increase accordingly. Due to the price shock of 2008, in 2009 people in many localities dared not to invest in agricultural production. With lower yield, households were even unable to reap the benefits of high sale prices. A typical case was at Thuan Hoa-TV. Shrimp cultivators suffered huge losses in 2008 due to reduced yield and plunging prices. In 2009 the number of households farming shrimp fell by 60%. At the end of 2009 shrimp prices doubled compared to the end of 2008 and diseases were fewer. However, only a few households, mainly the richer, benefited from shrimp cultivation. Poor households who were unable to recover after the 2008 shock abandoned their shrimp ponds or switched to rice cultivation. Groups of men and women at Thuy Hoa village, Thuan Hoa-TV told us "In 2008 shrimp died massively and the price was low. In

2009 many households did not farm shrimp anymore when the price was up. In 2008 1 kilo of shrimp (40 shrimp) sold at VND40-50 thousand, this year the price doubled to 80-100 thousand”.

Impact of the global financial crisis

At monitoring points, the impact of the global financial crisis in 2009 was strong especially for those who migrated for wage jobs or joined labour export programmes.

Garment and footwear workers felt the strongest impact of the global financial crisis

During the crisis, workers in garment and footwear industries felt the strongest impact. They had their wages cut, with no overtime, while living costs and accommodation increased making life in cities or industrial zones more difficult in 2009. Migrant workers generally had fewer saving, and could not send as much remittance to their families as previously.

It is observed at monitoring points that migrant workers do not usually return, despite losing their jobs or having their income reduced. Most workers with 3-5 years of experience working for companies chose to stay in cities to wait out the crisis. Only new emigrants returned to the country for some months before going back to the cities to find work. Tet festival and the first quarter of 2009 saw many migrant workers returning home to rest. In the second quarter, they went back to the cities to find work. This follows the general employment trend in big cities as companies started recovering from the second quarter and demanded huge amounts of labour.

Some ethnic minority people, (mostly Thai and Khmer) mostly, join labour export programmes to Malaysia because the cost is not so high. However, many went to Malaysia during the financial crisis and suffered reduced wages and job security.

Many decided to cut their stay short as low wages were not balanced by low living costs. In times of difficulty, workers seldom received support from labour export companies. At Luong Minh-NA, in 2009, there were also cases of some Khmu who were deceived by a “ghost” company and sent to Malaysia. Upon returning home they each still owed more than VND20 million to the bank. Afterwards, no one else in the commune joined labour export programmes.

People and local officials at Thuan Hoa-TV shared their difficulties while joining labour export programmes as following:

--- *“Initially they paid 34 ringgit¹⁰ for each extra hour (about VND200,000) but in 2008 there was no more overtime money. The wage was reduced itself. We got only VND1.5 million per month and could not afford to live there”* (N.V.H., Thuy Hoa village, Thuan Hoa commune-TV).

--- *“By contract they promised to pay VND5.5 million per month. Now the monthly wage is only VND500,000. The first year I sent home VND20 million but from last year until now I have sent only 5 million. I want to go home now but have no money and have to wait until the contract ends to go home”* (T.S., Soc Chua village, Thuan Hoa commune-TV).

--- *“Since early 2009 we of the commune have not signed any application to join labour export programmes to Malaysia because those returning from there report a bad security situation, the wage received cannot balance the loan raised”* (group of commune officials at Thuan Hoa-TV).

Other shocks

Risks from drug abuse are complicated in some localities

Drug use creates a big risk to Thai people at Luong Minh-NA and Thanh Xuong-DB. Losing human resources to drugs is a significant problem for these communes. In 2009 Luong Minh-NA organised 2 in-location detoxication courses but without clear success. Minor drug trafficking among the population is still complicated. At Pa Dong village, Thanh Xuong-DB, the number of drug users decreased as there were no new drug users

¹⁰ Ringit (MYR): Malaysia currency (exchange rate 5,500VND = 1Ringit)

while the old ones either died of overdose or HIV/AIDS. Statistics of the core group at Pa Dong village in 2009 show there remained only 14 drug users (all men) compared to 22 in 2008.

Women and children suffer when men become drug users.

Most families with drug users lead a difficult life. The women take charge of all the heavy work in the household and children drop out of school to earn a living. Households with drug users often suffer labour shortage, go without possessions and are short of food all year long.

Salinised land is a critical risk for Mekong delta farmers

Salinised land is a common problem in Thuan Hoa commune-TV in the Mekong delta. In the dry season, strong tides bring salt water from the sea deep inland salinising a large area of agricultural land on the side of the National Highway 53 from Cau Ngang district to Duyen Hai district (about 400 ha out of the total 1,486 ha agricultural land of the commune). Local people are only able to grow one rice crop in the summer, for the rest of the year they turn to shrimp farming or leave the land fallow.

In 2009, serious droughts affected rice production and yields of some households in Thuan Hoa-TV. Lasting droughts increased the salinity and alum of the soil, limiting development of rice seedlings. Rice grown in salinised land is more susceptible to pest and disease attacks. Volatile weather only served to worsen the situation. Brown backed rice plant hopper infestation was severe, lowering yield and increasing costs for farmers who had to buy pesticide.

--- *“The weather was unfavourable during April and May when sowing started, drought with little rain caused salinisation. Many households lost rice seedlings”* (group of commune officials at Thuan Hoa-TV).

--- *“If the land had not been subject to salinisation we would have got 15 bushels per 1000m²; but it was, so the harvest was poor with only 5-7 bushels per 1000m²; In some areas only one crop can be grown”* (Group of men and women at Thuy Hoa village, Thuan Hoa commune-TV).

“Hung” planning or delayed construction projects continue to create difficulties to those affected

Disadvantages posed by the implementation of programmes and projects are mentioned the most by the people at Thanh Xuong-DB, relating to the delayed project for district centre construction. This issue was mentioned in the 1st and 2nd round synthesis report. Yet no change was seen in the 3rd round of monitoring in 2009. 50 households in Pa Dong village, Thanh Xuong commune-DB had their land cleared for the project but so far only 2 households have received compensation. The people are suffering great anxiety and dare not invest in production or house repairs although they are degrading fast. Mr. L.V.D at Pa Dong village shared “My family owns a hill growing trees, yet I cut them down for wood only, because we never know when the land will be taken back. There are no announcements warning of land clearance. They just leave everything that way”. The implementation of the housing support programme under Decision 167 met with difficulty because households with land in the district centre planning area do not receive support. Local people requested early announcement of land clearance and compensation details from the local government so they could formulate their own plan for resettlement and decide on their households’ livelihood.

3.2 Social groups with exceptional vulnerability

A number of households confront difficulties of a particular sort. The following paragraphs outline the specific groups with exceptional vulnerability covered by the 2009 survey.

Victims of Agent Orange

Victims of Agent Orange have great difficulties; support measures have limitations

Those affected by agent orange often suffer from poor health, deformity, and deformed offspring, so most have a difficult life. Fortunately, state support to victims of agent orange and their children has made life easier for many. However, issues remain. For example, the allowance for victims of agent orange is lower than other vulnerable

groups, including war invalids and sick soldiers and the sick and incapacitated. The grandchildren of victims of agent orange and civilians living in areas with agent orange residue do not receive any support. Some victims do not receive support because they have lost papers proving they joined the resistance, or because they could not afford to travel to complete the paper work.

Children who lose mothers in matriarchal ethnic communities

Losing mothers in matriarchal ethnic communities often means losing life support

For ethnic minorities who practice matriarchy such as Raglai and Ede, when the mother dies, the father will either stay to take care of the children or return to his own parents. If the husband takes a new wife, he is forced to return to his own parents' house leaving his children and all his possessions to the deceased wife's family. It is observed at monitoring points that most young ethnic widowers tend to return to their parents' house to take new wives abandoning the children of their previous wife. Many children who lose their mothers stay with their grandparents, aunts, and uncles, otherwise living on their own and thus leading a difficult life. Although these children are severely disadvantaged, local authorities have not considered these cases for support although they have lost their means of support.

Children in families with drug-abusing parent(s)

Children in families with parents who are drug abusers suffer both spiritually and materially

At Thanh Xuong-DB and Luong Minh-NA, many children belong to parents who are drug users or traffickers. They do not have a proper family. There are cases of children whose fathers died of HIV/AIDS or are imprisoned and their mothers abandoned them. These children are often adopted by their grandparents or uncles and aunts. As their relatives are also poor, they are seldom sent to school. Some have to drop out because of stress, depression, lack of money for tuition fee or the need to earn their own living.

... and are highly likely to drop-out of school

Schools pay due attention to the above pupils, persuading them to continue to study, even waiving some required contributions and so on. However, the likelihood of such children dropping-out is high. Mr. D.T.D, Vice Principal of Thanh Xuong secondary school, told us *"Pupils from drug-abusing families often lack money to cover school fees. They seldom share their difficulties with friends and teachers and suffer constant depression. The school has a policy to waive fees for them so that they continue their study but we have not been able to help much"*.

... but such cases have not been considered for social protection

Local authorities have considered filing cases of lonely children with drug abused parents for social protection but by the end of 2009, many had not received any allowance as they still have both parents although the fathers are serving long prison sentences and the mothers have gone away.

Unmarried women with children

Unmarried women with children face pressure from both family and community

At the two communes of Phuoc Dai and Phuoc Thanh-NT, there are a number of construction works in progress, such as the irrigation lake of Song Sat, roads, schools and so on. Construction activities have attracted a large number of labourers from other provinces who come to work. Some of these labourers developed relationships with local women, leading in many cases, to children born to unmarried mothers. By the estimate of commune officials, there were eight cases at Phuoc Dai and 15 cases at Phuoc Thanh of unmarried women with children and the figure is possibly even higher in reality. Unmarried women with children lead a difficult life, suffering from prejudice from family and community. They are mostly poor or near-poor. In spite of their poverty, this group has not received any special support from local authorities and mass organisations.

3.3 Measures for dealing with hazards and shocks

In the struggle against hazards and shocks, poor and near-poor households have to make the most of everything they have. They also get support from relatives, neighbours, the state and other organisations. Table 3.4 shows a larger ratio of households in the

People need immediate support in case of risks and shocks

The most popular risk mitigation measure is to cut down on food and healthcare expenditure

survey sampling which encountered at least 1 hazard or shock adversely affecting their life during the past 12 months. The common short-term solution chosen is to cut down on expenditure. Most people facing risks received assistance in different forms from neighbours, mass organisations and local authorities.

How people cope with shocks

Cutting down on expenditure is the first short-term reaction of those facing risks. At most monitoring points, the percentage of poor households which reduce the quantity and quality of their meals and cut down on healthcare expenses is higher than for the non-poor (Table 3.4). Buying smaller packages, less quantity, less fresh food, and supplementing rice with corn or cassava are popular choices among the poor. On the other hand, non-poor households tend to cut down on social expenses (funerals, weddings, etc.). In fact, non-poor households often have savings and regular income sources and thus do not need to cut down on food and healthcare. Selling cattle is also an option for a part of the population. Pledging land or even selling land in times of hardship has become rare now. It is also noteworthy that few households choose to let their children drop out of school when facing risks; such a response shows enhanced awareness of the importance of child education among the people.

TABLE 3.4. Measures adopted by those facing risk, 2009 (%)

| Commune | Percent- age of HHs which encoun- tered risk dur- ing the past 12 months | Measures adopted | | | | | | |
|-------------|---|---|--------------------------------------|---|---|---|--|--------|
| | | Reduce quan- tity and quality of meals | Ask children to quit school | Reduce health- care spend- ing | Sell as- sets/ cattle, poultry, mort- gage or sell land | Reduce social costs and partici- pation in com- munity activities | Get support from relatives, mass organi- sations and local authori- ties | Others |
| Thuan Hoa | 53 | 6 | 9 | 3 | 19 | 0 | 72 | 0 |
| Ban Lien | 12 | 83 | 0 | 33 | 33 | 0 | 0 | 2 |
| Thanh Xuong | 33 | 45 | 0 | 5 | 15 | 10 | 60 | 0 |
| Luong Minh | 60 | 80 | 3 | 23 | 17 | 29 | 63 | 0 |
| Duc Huong | 53 | 25 | 0 | 25 | 38 | 69 | 63 | 0 |
| Xy | 32 | 63 | 0 | 11 | 5 | 26 | 74 | 0 |
| Cu Hue | 83 | 79 | 8 | 44 | 15 | 48 | 33 | 2 |
| Phuoc Dai | 58 | 34 | 20 | 14 | 34 | 11 | 34 | 7 |
| Phuoc Thanh | 60 | 47 | 3 | 6 | 19 | 0 | 25 | 3 |
| Thuan Hoa | 38 | 39 | 0 | 22 | 4 | 44 | 52 | 8 |

SOURCE: Household interviews

People at monitoring points shared their experiences of fighting hunger in the face of disaster or pests and diseases as following:

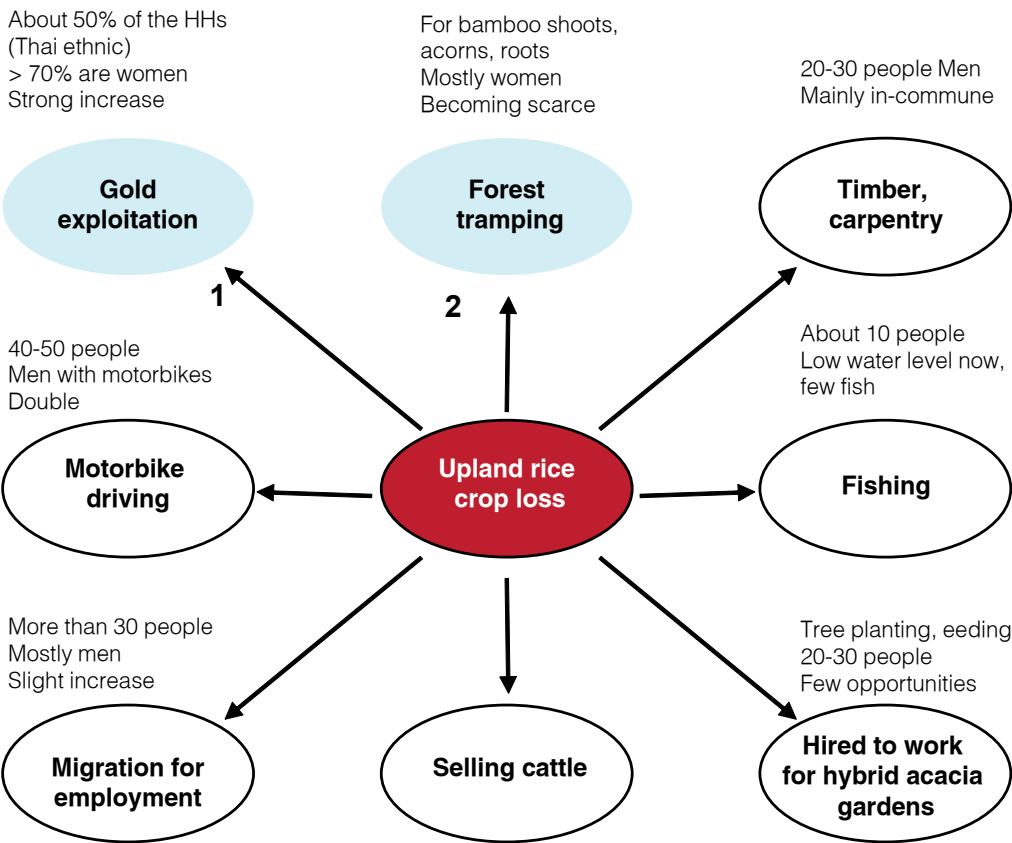
--- “We eat cassava mixed with rice in times of food shortage. When the rice is finished then only cassava. We do not harvest cassava and reserve it to use when necessary” (V.T.H, Doi 1 village, Ban Lien-LC).

--- “When there is no more food we pick bamboo shoots for consumption or to sell for rice. If there are no bamboo shoots then we tramp the forest for potato and yam” (poor male group at Ma Du village, Phuoc Thanh-NT).

Forest tramping and wage jobs provide income to supplement that which is lost to risks in agricultural production

Livelihood diversification is one measure taken to make up for lost income resulting from risks and shocks affecting agricultural production. The poor tend to go forest more often to harvest natural produce and take up wage employment both in the neighbourhood or in other localities (as discussed in Section 2.3 of this report). Luong Minh-NA had a poor upland rice crop this 2009 and suffered dire hunger. The State had to give 42 tons of rice towards hunger eradication. Local people battled against hardships in diverse ways: gold prospecting, forest tramping for bamboo shoots, selling cattle, working as motorbike drivers, migrating or finding wage employment in the neighbourhood, etc. (Figure 3.1). However, some main risk mitigation measures adopted by the poor are not sustainable. For example, gold prospecting is possible only for one season when the water level is kept low by the upstream hydro-power plant and forest tramping is yielding less as natural produce becomes less abundant.

FIGURE 3.1. Measures of livelihood diversification in cases of crop loss in Luong Minh (Tuong Duong, Nghe An)



Notes: 1 & 2 – Most important measure for the poor

Better use of local knowledge is a feasible reaction of poor ethnic minority people to risks

Making better use of local knowledge and to returning to extensive farming traditions are some strategies adopted by ethnic minorities when encountering risks. Mixed planting (beans with corn), use of local seeds and animals (H'mong glutinous rice, local sweet-corn, and black swine) to lower investment, relocating livestock to upland fields to avoid epidemics and so on are measures taken by those affected by risk.

Diversification through intensified farming is popular among lowland Kinh people

At some monitoring points in Kinh lowland areas, mitigation measures in the direction of intensified farming are more popular. Kinh ethnic people in Chan Nuoi 2 villages, Thanh Xuong commune-DB, grow morning glory vegetable in their gardens and in fields that only allow one rice crop due to water shortage (farmers dig ponds to conserve water for vegetable watering). The yield is better compared to rice cultivation. Some Kinh people at Dong Tam village, Cu Hue-DL, increased land area for short-term vegetable and cucumber planting in the 2009 context when rice, corn, coffee and pepper were badly damaged by storms (in contrast to Ede ethnic people from M'Hang village of the same commune who grew taro in their garden as taro needed no fertilizer and yielded both bulbs for sale, and leaves for pig breeding).

Borrowing from local shops is also a popular choice of the poor in case of risks.

Buying on credit is still a common measure adopted by the poor confronting risks. However, poor households have difficulties getting credit as shops are hesitant to sell to the poor on credit for fear of risk in the face of shocks from disasters, epidemics or unfavourable prices (as discussed in Section 2.2 of this report).

Support from community and organisations

Direct immediate support from community is important for people in confronting risks

Direct immediate support from community is very important for the poor in contending with risks. Table 3.5 shows that “visits and encouragement” and “information sharing” is the most popular and effortless form of support. In reality, villages, mass organisations, and farmer groups often utilise their funds in supporting members who face hardship from illness or other risks. In times of disasters, epidemics, pests, and diseases, etc. village officials and officials from mass organisations often provide necessary information through village meetings, loudspeakers or home visits. In lowland communities such as Duc Huong-HT and Thuan Hoa-TV, the most common form of support after home visits and information sharing is to give a small interest-free loans to households in need to cover their expenses.

TABLE 3.5. Support measures of relatives, neighbours, mass organisations and local authorities in case of risks, 2009 (%)

| Commune | Support measures adopted during the past 12 months | | | | | | | | |
|-------------|--|------|--------------------|---------|----------------------|-----------------------------------|--------------|---------------------------|--------|
| | Mon-ey | Food | Dona-tions in kind | La-bour | Train-ing, guid-ance | Voca-tional training, employ-ment | Infor-mation | Visit and encour-age-ment | Others |
| Thuan Hoa | 8 | 17 | 4 | 21 | 29 | 4 | 4 | 71 | 0 |
| Ban Lien | - | - | - | - | - | - | - | - | - |
| Thanh Xuong | 17 | 25 | 0 | 8 | 8 | 0 | 42 | 100 | 0 |
| Luong Minh | 27 | 64 | 0 | 23 | 9 | 0 | 14 | 77 | 0 |
| Duc Huong | 45 | 35 | 5 | 35 | 40 | 0 | 40 | 90 | 0 |
| Xy | 22 | 72 | 0 | 72 | 0 | 6 | 6 | 33 | 2 |
| Cu Hue | 0 | 0 | 6 | 19 | 0 | 38 | 38 | 0 | 44 |
| Phuoc Dai | 8 | 17 | 0 | 42 | 8 | 8 | 75 | 75 | 0 |
| Phuoc Thanh | 0 | 33 | 0 | 0 | 0 | 0 | 78 | 67 | 0 |
| Thuan Hoa | 61 | 17 | 11 | 0 | 11 | 33 | 0 | 72 | 2 |

SOURCE: Household interviews
Notes: Respondents can choose more than one main support measure

Clans (extended family networks) play an important role in giving support to members in times of hardship. Each clan has a leader and meets periodically for members to socialise. During such meetings, they also discuss measures to support the needy people in the clan when necessary.

Mass organisations give support to members with special difficulties

At monitoring points, mass organisations such as Women’s Union, Farmers’ Association, Veterans’ Association, and Youth Union also have mutual help programmes. Women’s Union often runs campaigns supporting disadvantaged groups such as single women, poor women, disabled, orphans, victims of HIV/AIDS and so on. There are many forms of contribution and fundraising at community level, such as pooling money (at all monitoring points and can be given in kind such as chicken, corn and so on), rice (Ban Lien-LC) or labour by working together on a communal patch of land (Luong Minh-NA).

Farmer groups are also sources of support in times of hardship

Varied forms of farmer groups at all monitoring points also provide support to group members going through hardship (see also Chapter 5). Most prominent are San Khum associations of Khmer people at Thuan Hoa-TV which are effective in supporting members in illness, death or commemoration (Box 3.1).

BOX 3.1. Self-help activities of San Khum association among Khmer communities

San Khum is an informal association established since the 1990s within the Khmer community for mutual help. Members join the association voluntarily, elect a board of management comprising of a president, vice-president, secretary and treasurer.

Thuan Hoa commune (Cau Ngang, Tra Vinh) has 15 Sam Khum associations with between 30 to 80 members per group. Each member contributes a VND15,000 start-up fee and VND3,000 per month. The funds raised are used for acquisition of furniture, management expenses and the rest is given through support and gifts to families in times of need. In case of deaths and commemorations, members pool extra rice and tributes as support. Sam Khum associations help boost solidarity, security, and order in villages. Mr. T.S.Q at Thuy Hoa village, Thuan Hoa commune-TV commented *“Sam Khum association is a great help, members bring rice to households holding funerals or commemorations as support. Members also receive support in case of illness. Security and order at villages are also maintained”*.

Revolving group saving is an informal safety net popular in lowland densely Kinh communities

Revolving group saving - an informal safety net, is another popular support mechanism in lowland Kinh ethnic communities. Group savings can be organised within inter-family groups, mass organisations or voluntary groups. Group saving is organised at 8 villages of Duc Huong-HT among Women’s Union branches. Each WU member contributes from VND5,000-10,000 per month. The village women’s union gives its poorest members first priority for withdrawals. A Poor female group at Huong Tan village, Duc Huong-HT revealed *“Last year the village women’s union organised saving: each member contributes VND5,000 per month and draws on it when needed. Monthly saving is like group saving”*.

Integration of risk and climate change mitigation in socio-economic development planning, and acceleration of CBDRM are needed

Aid projects often integrate risk management content with sustainable livelihood support. Community development projects often facilitate people’s discussion of risks and shocks as a basis for identification of the community resources available for mobilisation, and necessary support measures in capacity building for risk mitigation. The current challenge is to integrate disaster management and climate change mitigation into socio-economic development planning and into the design of policies, programmes and projects in the localities. Community-based disaster risk management (CBDRM) should be accelerated. At Duc Huong-HT, local people have learned to deal better with storms and flooding, partly thanks to the project financed by AAV and implemented by

HCCD. Huong Tho village core group at Duc Huong-HT shared their story: *“We take the initiative, we are used to floods, every lunar July we prepare firewood, cattle and pigs, very carefully and when the announcement comes out. Each household prepares a boat, the elderly and children are evacuated to the primary school. Cattle are evacuated to Huong Tan when it starts raining. This year, we had no cattle loss”.*

3.4 Social protection

Social protection has multi round support to reduce vulnerability

The term “social protection” can be understood in both broad and narrower meanings. Broadly, “social protection” includes 3 rounds of support: the inner most comprised of protection measures through regular or one time aid to those with difficulties; the next round comprises prevention measures through insurance institutions (social insurance, medical insurance and other insurance forms such as agricultural insurance); and the outermost round comprises capacity building measures for risk management and reduction of vulnerability (vocational training and orientation, job creation, poverty reduction support and so on). In current state documents, “social protection” is understood in the narrower meaning as measures to protect through social support (most prominently in Decree 67/CP which is named as “policies for supporting targeted groups of social protection”).

Social support

Social support has been conducted in many places, yet with modest coverage

Table 3.6 show the percentage of households with members receiving a pension or other social allowance in the survey sample at monitoring points. The percentage of non-poor households receiving a pension and special allowance for contributions to the nation is higher than that of poor households at all monitoring points, showing the important role of these regular income sources to rural people (from VND500-700 thousand per month). The percentage of poor households that receive monthly allowances under Decree 67/CP is higher than that of the non-poor, which responds well to criteria for consideration of social support (most beneficiaries of support must be from poor households, except for elderly over 85 years of age, orphan children and so on). However, the coverage of Decree 67/CP is still modest, as shown in the low percentage of households which receive social support in surveyed samples.

Households with difficulties have more money to acquire essentials thanks to allowances. Those interviewed at monitoring points are very happy to receive a monthly allowance although of modest value.

TABLE 3.6. Percentage of HHs with members entitled to social allowance, 2009 (%)

| Commune | Pension | | Allowance for people with contributions to the Nation | | Allowance to 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 | 4 | 6 | 11 | 0 |
| Ban Lien | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Thanh Xuong | 0 | 28 | 0 | 28 | 0 | 0 | 22 | 4 |
| Luong Minh | 2 | 33 | 0 | 0 | 0 | 0 | 13 | 0 |
| Duc Huong | 6 | 11 | 6 | 27 | 0 | 2 | 0 | 2 |
| Xy | 0 | 22 | 8 | 33 | 0 | 3 | 0 | 0 |
| Cu Hue | - | 0 | - | 0 | - | 0 | - | 3 |
| Phuoc Dai | 0 | 4 | 6 | 12 | 0 | 4 | 6 | 4 |
| Phuoc Thanh | 0 | 4 | 3 | 17 | 5 | 0 | 3 | 0 |
| Thuan Hoa | - | - | - | - | - | - | - | - |

SOURCE: Household interviews

Social support policies need further improvement

Grassroots officials have not fully grasped the regulations for consideration of beneficiaries to social support

There remains a lack of a timely and open selection procedure for social support beneficiaries

The poor highly appreciate support in the form of medical insurance

Limitations remain in Decree 67/CP as found by the 3rd round monitoring at the end of 2009, such as low support levels compared to the cost of living, disabled people in non-poor families are not supported (while the currently low poverty line has not been adjusted), procedures and medical certification for serious disability remain complicated for the poor who cannot afford distant travel¹¹.

At monitoring points, voting for poor households for social support entitlement has not been satisfactory. Some single parents with small children have not been listed for support because village management boards have not grasped all the contents of Decree 67/CP, commune officials are too busy to take a closer look at remote villages and also because of the village mentality which tends to see single parents as being young and capable of labour and thus excludes them from the beneficiary list.

Current practice for identification of social support beneficiaries consists of village management boards compiling a list of beneficiaries to be sent to the commune for appraisal, guidance and then profile preparation before forwarding to the district for consideration and decision. Information dissemination especially in remote mountainous areas about social support policies remains ineffective. The low capacity of village officials also hinders their comprehension of related regulations. An urgent priority is to develop an open and timely selection procedure for households which qualify for regular social support at village level (using review sheets with clear criteria, meetings and so on).

Insurance

“Receiving VND1 million in support per year would not be as wonderful as having free medical insurance” (poor male group at Soc Chua village, Thuan Hoa-TV)

¹¹ The GOV has just promulgated Decree No.13/2010/ND-CP, dated 27/2/2010, which was put into force from 13/4/2010 concerning the amendment, supplementation of some provisions in Decree 67/2007/ND-CP dated 13/4/2007. The new Decree increases the basic allowance level from VND120,000 per month to VND180,000 per month, abolishing the criteria which requires beneficiaries to be a member of a poor household for seriously disabled people with no labour or self help capacity, lowering criteria for people with mental disabilities, giving tuition waivers, free education materials for targeted people for social protection who go to school and so on. This is a positive step forward in social support policy in the direction of increasing support levels and beneficiaries.

Free medical insurance is useful support to the poor, including ethnic minority people in areas with difficulties as health remains their most valuable asset. The new law on medical insurance (in effect from 1/7/2009) is another step towards universal medical insurance. The new law stipulates that medical insurance covers all healthcare costs should the expense of a onetime health check be lower than 15% of the minimum wage where the check is carried out at commune level. This means that under the new law most poor, and ethnic minority people with a medical insurance card can enjoy free medical checks and treatment for normal illnesses.

Issue of medical insurance cards has some limitations At the time of monitoring, at the end of 2009, new medical insurance cards were being issued and thus no complaints had been lodged about healthcare within the framework of the new medical insurance law. Some limitations related to medical insurance cards remain in 2009 such as: slow card issuance; errors in name and date of birth on cards, cards being printed on paper and likely to wear out quickly and the one year validity is too short. The issue of medical cards for children under 6 is slow as some ethnic minority people have not obtained birth certificates for their children.

The percentage of people purchasing voluntary medical insurance is low, though on the rise The number of people taking voluntary medical insurance increased in 2009 at some monitoring points (Thanh Xuong-DB, Thuan Hoa-TV) thanks to a simplified purchase procedure and the raised awareness of the importance of medical insurance. However, the overall percentage of voluntary purchases of medical insurance remains very low and the purchases are sometimes conducted in a hesitant manner (only buying for people with chronic illnesses or elder people with high health risks).

Farmers have not played due attention to social insurance within the current institutional framework Farmers at monitoring points have not paid attention to and have not been able to take voluntary social insurance in accordance with current regulations. Agricultural insurance has not been made available. These two insurance areas call for further support from the State designed with a focus on poor people and ethnic minorities in areas with difficulties to sustainably boost rural poverty reduction in the new context.

Increasing risk management capacity and reducing vulnerability

Poverty reduction is a component within social security Measures to build capacity for risk management and to reduce vulnerability are broad, including all policies and programmes that create employment, boost income and provide poverty reduction support (the most prominent policies at monitoring points have been discussed in other sections of this report). In order to make poverty reduction a component of social protection, fundamental adjustments are needed for the current social security policy scheme.

Proposal for establishment of a rural social security system suggests 5 level of support for rural people... MOLISA is chairing the drafting of a proposal called “Rural social security system for 2011-2020” to submit for government approval in 2010. The proposal aims to create a security net with 5 support levels. The first level is to ensure a minimum living standard for rural people. The second comprises policies regarding the labour market. The third includes social insurance, medical insurance, pilot agricultural insurance and other forms of insurance. The fourth comprises policies to give preferential treatment to those with contributions to the revolution. The last level is social assistance (emergency support and regular social allowance).

... with some distinctive policies in the direction to ensure minimum living standard, to increase support level and coverage for people with difficulties The proposal's strong points include the right-based approach which states that social security is the right of all citizens to be respected, protected and supported in cases of risk in order to maintain a socially acceptable minimum living standard. Social security, to a broader extent, includes a system of policies, state and private programmes to give support to, and to enhance the capacity of individuals, households and communities in risk management to reduce poverty and vulnerability. A number of social security policies have been proposed which address the distinctive features of rural people, especially those residing in areas with difficulties or in mountainous ethnic minority areas. They are: support for poor, ethnic minority people to purchase voluntary social insurance; to broaden the list of beneficiaries of regular social allowance (including giving direct monetary support to the chronically poor group); to design a public employment

programme to provide temporary employment for workers in time of risks; to encourage informal forms of community based social security in rural areas etc.

The proposal for a rural social security system lacks a policy matrix as a basis for recommendations

Major concerns have been voiced in many forums regarding the feasibility of the new social security system because of its huge state budget requirement, the linkage between social security policies (links among social security nets) and poverty reduction policies, and how to avoid the counterproductive effect of the people become passive and reliant on direct State support. A strategic policy matrix is also lacking in the proposal (Box 3.2).

BOX 3.2. Policy matrix in the Proposal for “Rural social security system for 2011-2020”

A strategic weakness found in the draft project proposal for “Rural social security system for 2011-2020” is that it lacks a “policy matrix” as a foundation for all arguments raised (policy matrix can be included as an appendix).

Currently, most policies and social security and poverty reduction programmes are attached to the income-based poverty line which has been equalised (i.e. to give support to any household with an income below the poverty line). The proposal suggested that different policies should target each particular group (i.e. rural poor people need to be divided into different groups, such as chronic poor, unemployed, and those having their income reduced due to risks, children, women with difficulties and so on).

However, the project proposal has not included a policy matrix which lists targeted groups, current support policies, social security and poverty reduction programmes they are enjoying, the amendment/supplementation proposed, the suitable forms for social security (required, voluntary, partial or 100% subsidy from the state, conditional or unconditional subsidy, self-governed community, socialisation, communication for awareness raising, etc.).

A policy matrix would serve as a useful tool to systemise policies, social security and poverty reduction programmes, to avoid duplication and neglect in supporting the needy, at the same time specifying coordination between management agencies, social security service suppliers, policies that require further resources, and a roadmap for policy implementation, etc.)

A Policy matrix also provides analysis as for which targeted groups meet classification criteria, which does not and which should not be attached to poverty criteria. On such basis, a work plan might be developed for researching, promulgating criteria and procedure for identification of target groups (towards enhancing community participation).

A policy matrix also clarifies the roles of all stakeholders such as companies, community institutions, social organisations in the implementation of social security policies and measures designed to support those stakeholders.

3.5 Conclusion: Social protection and reduction of vulnerability

A comprehensive social protection is critical as Viet-nam becomes a middle-income country

2009 was another year which presented numerous risks and shocks for rural communities at monitoring points, most seriously from disasters (including signs of climate change) and the global financial crisis. Other risks and shocks came from volatile prices, diseases, pests, economic structural shifts and individuals’ risks such as age, poor health and so on. The rural poor, mountainous ethnic minority groups, and groups with special difficulties are those most vulnerable in the face of risks and shocks as their risk management capacity is low.

During the first stages of Vietnams rise in joining the middle income country group from 2010, policy systems, and social protection programmes are vital to help individuals, households and communities manage risks and reduce vulnerability to make sure that all citizens’ rights are well observed and a socially acceptable minimum living standard is maintained. Support for poverty reduction forms an important component of the comprehensive social protection.

A rural social protection network comprising of multi-level safety nets is critical towards a comprehensive national system

The project to set up the “Rural social protection for 2011-2020” (together with social protection strategy for the same period) is being drafted to provide a solution in form of multi-levelled social nets, mobilising participation of different partners, enhancing individual and community capacity for ensuring social security for themselves, towards a national social protection. A policy matrix should be added to the project proposal to identify targeted groups, policies that need amendment or supplementation, measures for coordination and connection among support levels, patterns for application of social security, resources and steps to take, criteria to identify beneficiaries, and roles of stakeholders and so on.

4. GENDER RELATIONS

Gender relations are evolving in a positive direction, yet challenges remain

Gender relations are often attached to culture, values, stereotypes, and age-old prejudices. There were no major changes in gender relations in 2009 compared to 2008 at monitoring points.

4.1 Gender differences within the family

Family labour division

Labour division within the family between men and women still follows traditional patterns

Labour divisions between men and women follow traditional patterns. Men undertake “heavy” tasks which require “calculation”, “technique” and “social relations”. Women are responsible for tasks identified as “light”, or “small” which are time consuming but no less difficult. In poor households, women tend to sacrifice more to take care of the family.

Dissemination campaigns for gender equality have gradually brought about a better balance in labour division between men and women. New infrastructure has also helped to reduce the daily workload of women. Men are also sharing more of the burden with women.

Labour division models are changing drastically in families with members taking migrant jobs

In lowland areas or areas with many Kinh residents, the ratio of women migrating for business is about the same as men. Women often go to cities to work as family helpers or shop assistants (Thuan Hoa-TV), and to the Highlands and South East region for agricultural wage jobs (Duc Huong-HT). Men often seek jobs in construction or transport. Women form the majority among single young people with at least secondary school education who become factory workers (especially in the garment and footwear industries). Mechanisation in agriculture in lowland areas also creates a stronger propulsion for women to migrate. In households with one spouse migrating on business, the other stays at home to manage all of the family affairs and thus the old pattern of labour division is becoming blurred. Duc Huong-HT provides a case in which most of the men migrated to the South and returned only during harvest seasons meaning women were left with all the field work including ploughing and spraying pesticide. A poor female group at Huong Tan village, Duc Huong-HT claimed *“Ploughing is not a big deal for Duc Huong women. Of the ten people ploughing in the field, eight are female. All women know how to plough. All households own cattle. Men often migrate for wage jobs and return shortly to help during harvesting before going back to the South to work”*.

Family decision making

Men still have the pre-eminence in decision making even among matriarchal ethnic groups with matriarchy`

Men still dominate household decision making, particularly in times of crisis. In ethnic minority groups who practice matriarchy women have the final say concerning weddings, inheritance and asset division. Although wives often play the role of treasurer in the family men tend to have the final word on large expenditures. In H’mong and Van Kieu families, the men control all expenditure. This appears to be linked to women’s limited Vietnamese skills. Even so, in all surveyed groups men discuss more with their wives before deciding on a purchase or a loan. Again women who are literate and engage in social affairs appear to participate more in household affairs.

Marriage

Incidents of child marriage have dropped in number, yet are still witnessed in some ethnic groups

Child marriage still occurs in some ethnic minority groups although the custom is in decline thanks to communication campaigns by local governments and the Women’s Union. Early marriage is associated with ethnic minority mating traditions: “di sim” for Van Kieu ethnic group, “ngu thao” for Raglai ethnic group, “choc san”, “ngu tham” of Thai and Tay and “keo vo” of H’Mong.

Local authorities and mass organisations try to persuade families not to allow child marriage, and in the event of marriage they refuse grant marriage certificates. However, no fines in accordance to the Law on Marriage and Family have been applied. One

reason local authorities hesitate to apply strict punishment or to prevent early marriage is they are afraid that ethnic minority youngsters may risk their life as a result. Ms. V.T.T., commune official at Thuan Hoa-HG told us: *“Child marriage occurs but we cannot punish it. Collecting fines for child marriage has never been practiced here. Last year I took a judicial official with me to prevent such a marriage but the upset couple attempted suicide so I could no longer prohibit them from getting married”*.

Child marriage often leads to women dropping out of school. As some families encourage their sons to marry early in order to take on more labour the workload for women is immense. If the husband and wife do not get on, or are not sufficiently prepared to cope with changes in marriage life, girls can become single-mothers early and can rarely remarry (Box 4.1).

BOX 4.1. Woes of child marriage

--- Ms. H.T.V., Van Kieu ethnic, 14 years old, born and brought up in Ba Tang commune (Huong Hoa district, Quang Tri) is a typical case of school drop-out resulting from early marriage. While studying grade 7, she followed her friends to a love market and fell in love with a 16 year old boy. She dropped out of school to get married in August, 2009 and has lived in Xy commune since. The couple did not obtain a marriage certificate.

One month after the wedding, she realised how difficult it was to get up early to work cassava with her husband and his mother. At night, while the husband goes out with single male friends in the village, she stays home and worries that he might be looking for another girlfriend. She regrets not completing her study and remains in a state of constant anxiety *“I fear that my parents in law are not happy with me, I fear my husband would not love me anymore and go to find other girls, I fear that I am too young to know anything about having a baby...”*

Non possession of marriage certificates due to neglect or polygamy traditions makes life harder for women

At some mountainous and remote monitoring points, married couples have not obtained marriage certificates. In Xy-QT, it is estimated that about 30% of local (mostly older) couples have not signed marriage certificates. This puts women at a big disadvantage regarding access to land and capital. Likewise, the tradition of polygamy also contains hidden risks for women as each subsequent wife is not allowed a marriage certificate.

Domestic violence

Reported incidence of domestic violence is low at most monitoring points. However, it is likely the real number is higher than statistical data reveals as many do not report abuse. Local officials and people usually pay little attention to more sophisticated forms of abuse (indifference, abandonment, sexual abuse, pressure to bear a son, forced exclusion from social life and so on).

The fundamental cause of domestic violence is gender inequality which stems from gender prejudices

At first glance domestic violence is a result of economic difficulty, alcohol abuse, jealousy, drug use and so on. Anti-domestic violence messages by local authority and mass organisations are often based on the above analysis, urging women to adjust their behaviours when their husbands lose control. Community group activities assist in bringing incidents of family abuse to light and creating social pressure among couples to adjust their behaviour. At monitoring points, these measures have been found to contribute to the decrease of incidents of abuse in previous months. However, the fundamental cause of domestic violence is gender inequality which stems from gender prejudices rooted in age-old customs. The advice given to women that they need to be gentle and wise to avoid domestic violence only addresses the problems superficially, somehow emphasising the perceived inferiority of women and the failure to challenge gender prejudices. A greater effort should be made to change the awareness of officials at all to improve the role and status of women in political, economic, cultural, and social life.

4.2 Representation and participation in social activities

More women join commune level agencies, but few at village level

Table 4.1 shows that at the end of 2009, the ratio of women assuming good positions at commune level was higher at many monitoring points, reaching the target for women’s progress in the political sector¹². However at some mountainous areas (Ban Lien-LC, Luong Minh-NA, Xy-QT, Cu Hue-DL), the ratio of women in authority at commune level is still low. Village management jobs are also mostly taken by men except for women’s union positions. Although the ratio between men and women working at other professional institutions such as schools and commune healthcare centres is balanced (sometime even tipped in favour of women), higher management jobs such as, principal, vice principal, director of healthcare centre, are still handled by men.

TABLE 4.1. Ratio of women in authority at commune level, 2009 (%)

| Commune | Commune party branch | Commune People’s Council | Commune People’s Committee |
|-------------|----------------------|--------------------------|----------------------------|
| Thuan Hoa | 27 | 24 | 9 |
| Ban Lien | 11 | 11 | 18 |
| Thanh Xuong | 14 | 21 | 10 |
| Luong Minh | 8 | 14 | 24 |
| Duc Huong | 25 | 13 | 25 |
| Xy | 11 | 7 | 20 |
| Cu Hue | 8 | 9 | 25 |
| Phuoc Dai | 29 | 25 | 21 |
| Phuoc Thanh | 13 | 23 | 44 |
| Thuan Hoa | 23 | 10 | 19 |

SOURCE: Information provided by office staff and commune WU, 2009

There are positive signs of increased participation of women in social affairs in mountainous ethnic minority areas

Policy to standardise requirements for commune officials has created opportunities for some young women

Little education and a busy family life are two main reasons cited by local officials and people when trying to explain why few women take charge at village and commune levels. However, at some monitoring points there are signs that women are taking more active part in social activities. For example at Mich B village of Tay ethnic people at Thuan Hoa commune-HG, women are elected to important positions such as party secretary, deputy village head, women’s union, village extension officer and village healthcare officer.

Policy to “standardise” the education level and “prioritise” local people for certain management positions has created opportunities for some young ethnic minority women with good education and ambition to join commune government. Since 2009, Phuoc Dai-NT has had its first Raglai policewoman (Box 4.2).

Box 4.2. Keeping the dream of becoming a policewoman

P.T.L, 22 years of age, from Ta Lu 1 village who graduated from the professional police academy became the first Raglai ethnic policewoman.

She lost her father at an early age. Understanding her mother’s difficulties in raising 5 children, she made effort to study hard. Ms.L. had a childhood wish to become a policewoman. So, following the suggestion of some commune officials,

¹² Target 1: that the ratio for women working in party branches at all levels during Congress X reach 15% or more. Target 3: the ratio of women participating in the commune people’s councils reach 18% for 2004-2009and 20% for the next term.

after finishing 3 years at the provincial high school for ethnic minorities she spent 2 more years at the professional school for police. She is currently working with a basic salary of VND650,000 per month and plans to continue further study if the conditions allow.

At her age, other girls are married. *“Some people told me it was time to settle down and get married; but I would not want to rush. I want to find a good man who understands me and my wish for further study and my career. We can compete in study but cannot when it comes to getting married”.*

In lowland areas, women take more part in social activities at grassroots level

The situation of women's participation at village meetings is the same as at agricultural extension trainings as follows: more women than men come to village meetings in lowland areas (because they know Vietnamese and are more confident, also because men have migrated for work); more men than women attend village meetings in mountainous ethnic minority areas (because women know little Vietnamese and are afraid to participate in social affairs). In mountainous ethnic minority areas, women who join meetings in their husbands' places often listen passively and seldom raise their voice. Poor women suffer inferiority complexes and thus tend to say little in meetings for fear of making a mistake or are ashamed to make requests.

4.3 Conclusion: Gender equality and poverty reduction

Gender equality and poverty reduction are closely related

Gender equality and poverty reduction are closely related. Progress in gender equality becomes visible within the poverty reduction process and vice versa. Gender inequality still creates obstacles to poverty reduction at monitoring points.

There have been many achievements towards gender equality

Communication and advocacy for gender equality are evening the balance in labour division and decision making between men and women, especially among young couples with good an education background. Men are sharing more of the workload and consulting more with women before making decisions. Better infrastructure has also lifted some of the burden women bear in their chores. Girls are getting the same education opportunities as boys and women are enjoying better access to capital. Healthcare for mothers and children has improved and more women are assuming local management positions and participating in village meetings and other activities.

However, prejudices and stereotypes on gender roles are still strong

However, there remain aspects in which women suffer disadvantage as a result of age-old prejudices, including during recent risks and shocks. Women still shoulder the greater part of the burden in production activities and time consuming housework without being paid. In poor families, women bear the most pain in managing the family life, especially single mothers whose husbands are drug or alcohol users. Child marriage and family abuse still bring terrible consequences to bear on women and children. Although women have improved access to resources and services (loans, extension), men remain preeminent in decision making concerning the use of resources and services. Women's access to vocational training and capacity building is still limited, especially for women in mountainous ethnic minority areas. Little education, hectic family life and gender role prejudices continue to limit further participation of women in social affairs.

Promotion of gender equality should be conducted at both macro and micro levels, closely linked to poverty reduction programmes

At macro level, measures for mainstreaming gender into all policies and socio-economic development and poverty reduction programmes, communication on gender equality, supervision in the implementation of the Law on Gender Equality and sub-law documents, need to be further pushed for promoting gender equality. At micro level, implementation of community-based poverty reduction programmes in rural areas with emphasis on activities of farmer groups (including both men and women) is significant in raising awareness (reducing prejudices and stereotypes unfavourable for women in the family and community) and adjusting behaviours (women becoming more confident and men more sharing), towards gender equality within families and communities.

5. PARTICIPATION AND EMPOWERMENT

Enhanced participation and empowerment to promote poverty reduction in rural areas

As discussed in Chapter 1, changes in the nature of rural poverty in the new context are creating further demand for institutional reforms within poverty reduction programmes, emphasising better participation and empowerment so that each poor individual, household and community take ownership of their development to make sure it suits their culture and identity, at the same time to change the passive mentality and eliminate over-reliance on State support. At monitoring points, visible improvements in participation were witnessed for 2009 although challenges remain.

5.1 Participation of the poor in policies, programmes and projects

Information access

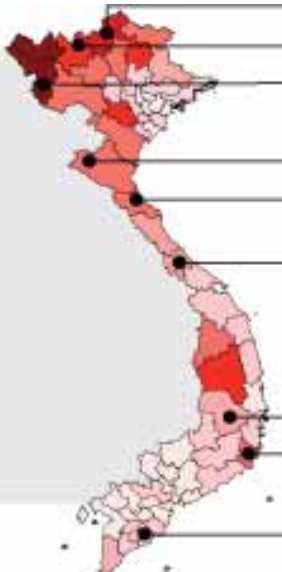
Information dissemination to the people has been improved

Table 5.1 shows that people most often receive information about policies, programmes and projects through direct channels such as village meetings and mass organisations' activities (for example, Women's Union and Farmers' Association). Next are, audiovisual means such as TV, radio and loudspeakers Paper sources such as newspapers, magazines, leaflets, brochures, announcements and posters attract the least interest. Order of priority for information channels remains the same as in the previous two monitoring rounds. In general, according to people's assessment, information dissemination through different channels in 2009 is a lot better than the previous years.

TABLE 5.1. Channels for access to information about policies, programmes and projects of the people, 2009 (%)

| Commune | TV | Loud-speakers | News-papers, maga-zines | Village meet-ings | Meet-ings ac-tivities of mass organi-sations | Of-ficials' visits | Leaflet and bro-chures distrib-uted to each HH | An-nounce-ments, posters in village centres or public places |
|-------------|----|---------------|-------------------------|-------------------|--|--------------------|--|--|
| Thuan Hoa | 46 | 5 | 18 | 100 | 74 | 16 | 7 | 64 |
| Ban Lien | 33 | 8 | 13 | 82 | 55 | 12 | 12 | 23 |
| Thanh Xuong | 67 | 30 | 28 | 100 | 70 | 7 | 22 | 17 |
| Luong Minh | 38 | 52 | 8 | 95 | 85 | 25 | 23 | 42 |
| Duc Huong | 92 | 85 | 8 | 98 | 83 | 30 | 20 | 25 |
| Xy | 48 | 57 | 13 | 90 | 67 | 10 | 8 | 7 |
| Cu Hue | 92 | 60 | 10 | 97 | 80 | 12 | 5 | 18 |
| Phuoc Dai | 52 | 58 | 2 | 93 | 38 | 30 | 2 | 25 |
| Phuoc Thanh | 50 | 80 | 2 | 98 | 43 | 40 | 3 | 38 |
| Thuan Hoa | 72 | 40 | 10 | 57 | 22 | 8 | 15 | 18 |

SOURCE: Household interviews



Village meetings provide the most important information channel for dissemination of policy, programme and project information

Village meetings provide the most important information channel. Village meetings are usually held 1-2 times a month or 2-3 times when necessary. Programmes to build communal and village cultural houses in many mountainous ethnic minority areas will better facilitate village meetings. Local officials at monitoring points have applied different measures to make village meetings more effective (Box 5.1). In 2009, many state support policies for poor households, villages and communes were implemented and thus attendance for village meetings was high, at more than 90% for some localities. However, for large-sized villages with many people taking migrant jobs such as at Thuan Hoa-TV, attendance rates for village meetings fluctuated around 60-70%.

Box 5.1. Measures to enhance the effectiveness of village meetings

At monitoring points, local officials applied numerous measures to boost the effectiveness of village meetings, the most typical are as follows:

- To dispatch commune officials to each village, participating in all village meetings, listening to the people and supporting the village head in disseminating information on State policies.
- To integrate village meetings and meetings of other mass organisations, to integrate propaganda contents for agricultural extension, veterinary, healthcare, environmental hygiene and so on, conducted by commune officials or village extension and health care officials.
- To integrate into village regulations, provisions for attendance checks with a fine imposed on households which are absent from village meetings (to contribute a fine of VND5,000 to the village fund for each occasion of absence).
- To issue invitation letters to village meetings bearing the names of household heads delivering to each household (Cu Hue-DL).
- To organise regular meetings by residential groups, teams and ven¹³ for large villages; only convene plenary village meetings on important occasions, such as electing poor households, implementing support programmes and projects (at Duc Huong-HT, Cu Hue-DL, Phuoc Dai-NT, Thuan Hoa-TV).
- To elect village messengers to deliver invitations to each household for village meetings especially in areas with scattered residency (at Ba Lien-LC).
- To erect a board for dissemination of information for people to know, to discuss, to participate and to supervise at village headquarters in line with the Regulations for grassroots democracy, for people to read when attending village meetings (Thuan Hoa-TV)
- To disseminate information to local people at Khmer pagodas on full moon and new moon days. Pagoda keepers also help in further explaining the information to local people (Thuan Hoa-TV).

The poor and women still have limited access to information although attending meetings

Legal information and business know-how

Participation in village meetings by the poor and ethnic minority women is limited by childcare commitments, and occasionally feelings of inadequacy. Mr. S.R., a poor Khmer man at Thuy Hoa village, Thuan Hoa commune-TV told his story: ***“I do not speak well when I go out, and I am slow to understand so I sit at the back. Saying something wrong would be embarrassing. I would rather pretend to be a fool”.***

TV has become a popular home appliance even among the poor. People often watch films and other entertainment programmes on TV while some also watch programmes for legal information and business discussion. TV channels are broadcasting different knowledge dissemination programmes through game shows to attract viewers.

¹³ “Ven” is a residential unit at level lower than village for Khmer people, equivalent to “xom, doi” (group) of Kinh people. Each village of 200-300 HHs can be divided into 4-7 vens to reflect the residential features of the area.

programmes are attracting more and more people

Loudspeakers provide an effective information channel but there are difficulties in maintenance, operation and repair

Information on paper attracts little attention among the mountainous ethnic minority poor

People have strong feelings about improved participation in implementation of programmes and projects in the locality

Loudspeakers provide another information channel for the poor, and can broadcast repetitively a piece of information in ethnic minority languages resulting in clearer understanding and better retention than other one-time information channels. However, systems for loudspeakers including wireless FM radio broadcasting stations frequently break down after a period of operation while the maintenance and repair is difficult at commune level in mountainous ethnic minority areas due to long distances from repair services and a lack of maintenance funds.

Paper information channels such as leaflets, brochures, newspapers and magazines attract little attention from the poor because they know little Vietnamese and also are too busy with farming to read. The reading of newspapers and magazines in village meetings is not often carried out. Over the past months, villages received many posters to display at communal houses but they suffer from wear and tear. A group of men and women at Ta Lu 1 village, Phuoc Dai-NT said *“We saw posters in the communal house but did not pay much attention. After a while the posters fell off and no one hung them back up. We also received leaflets but cannot read well. The children took them out to play”*.

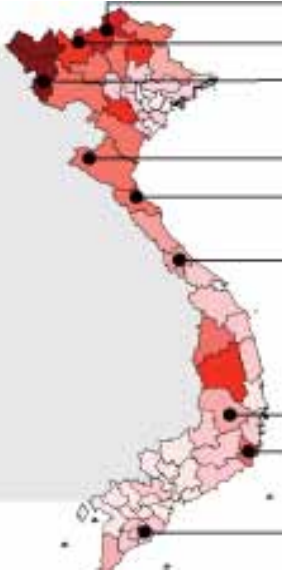
Participation in implementation of policies, programmes and projects

Table 5.2 shows people’s feeling in 2009 concerning participation in the implementation of policies, programmes and projects in the locality improved compared to the previous years of 2007 and 2008 at monitoring points. Both the poor and non-poor felt participation was better. This is a positive sign showing that the people are getting to know their role better in development and poverty reduction activities with direct impact on households and communities.

TABLE 5.2. People’s feelings concerning HH participation in the implementation of policies programmes and projects in commune/village over the past 12 months (%)

| Commune | Better participation | | | Of which | | | | | |
|-------------|----------------------|------|------|----------|------|------|--------------|------|------|
| | | | | Poor HHs | | | Non poor HHs | | |
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Thuan Hoa | 42 | 55 | 63 | 30 | 44 | 54 | 49 | 68 | 72 |
| Ban Lien | 18 | 33 | 32 | 11 | 33 | 27 | 28 | 33 | 37 |
| Thanh Xuong | 45 | 27 | 50 | 33 | 14 | 67 | 50 | 30 | 47 |
| Luong Minh | 48 | 37 | 41 | 42 | 36 | 43 | 57 | 40 | 33 |
| Duc Huong | 60 | 50 | 40 | 56 | 59 | 19 | 61 | 47 | 48 |
| Xy | 7 | 20 | 48 | 11 | 14 | 46 | 0 | 26 | 50 |
| Cu Hue | 17 | 20 | 37 | 0 | 16 | - | 21 | 22 | 36 |
| Phuoc Dai | 15 | 17 | 43 | 9 | 10 | 43 | 19 | 21 | 44 |
| Phuoc Thanh | 15 | 14 | 13 | 17 | 9 | 11 | 14 | 25 | 17 |
| Thuan Hoa | 17 | 38 | 20 | 9 | 34 | 14 | 28 | 43 | 27 |

SOURCE: Household interview



There are many reasons for better participation...

Table 5.3 shows four main reasons for better participation in 2009 according to local people. Capacity building for local officials, information dissemination, meetings and so on within programmes and projects has been improved. In poor communes included in Programme 30a, the policy to send district officials for reinforcement at communes started to bear fruit.

TABLE 5.3. Reasons for better participation over the past 12 months, 2009 (%)

| Commune | Enhanced capacity of local officials | Clear and specific information on policies | Enhanced awareness | Commune and village levels becoming more active | Support and monitoring by the province and district | People getting more opportunities to raise their opinions | People getting more opportunities for training, discussing, and supervising |
|-------------|--------------------------------------|--|--------------------|---|---|---|---|
| Thuan Hoa | 24 | 40 | 58 | 3 | 3 | 89 | 16 |
| Ban Lien | 26 | 58 | 53 | 16 | 32 | 58 | 11 |
| Thanh Xuong | 50 | 53 | 27 | 20 | 17 | 63 | 13 |
| Luong Minh | 92 | 67 | 17 | 13 | 25 | 67 | 21 |
| Duc Huong | 58 | 46 | 50 | 21 | 42 | 42 | 17 |
| Xy | 57 | 86 | 24 | 41 | 21 | 45 | 11 |
| Cu Hue | 41 | 68 | 36 | 9 | 9 | 59 | 36 |
| Phuoc Dai | 58 | 42 | 54 | 4 | 19 | 35 | 15 |
| Phuoc Thanh | 50 | 63 | 13 | 25 | 63 | 13 | 63 |
| Thuan Hoa | 91 | 82 | 36 | 27 | 10 | 20 | 10 |

SOURCE: household interviews

Poor household review

People pay more attention to poverty review

Annual poverty review is an important activity in all monitoring villages because the poverty list is the basis for implementation of subsequent policies, and support programmes. Policy giving monetary support to households with children who go to school (by Decision 112 and 101) and the recent direct monetary support for the poor on the occasion of the New Lunar Year in 2009 are points of emphasis making people more attentive to poverty review.

Grassroots poverty review generally follows the set procedure

In general, all monitoring points have observed poverty review procedure, including 4 main steps: (i) set up of a commune steering committee, and training on poverty review for commune and village officials; (ii) core group compiles a list of poor households (households with potential to get out of poverty, households with potential to fall into poverty, households that remain poor, households that are near poor); (iii) review income during the past 12 months for those listed (direct calculation of income, or estimating income and grading based on criteria); (iv) accept review sheets, convene meetings to vote for household classification.

Poverty review still faces obstacles both from the people and local officials

However, there are still many difficulties, and obstacles to the annual poverty review found at monitoring points (Box 5.2). The capacity of grassroots is still limited. They do not understand the procedure clearly, finding it hard to complete forms as requested and are not up to date with all relevant regulations. Some people wish to to remain

officially listed as poor, hiding income especially income from external sources such as remittance, and profits from migrant business. Some are afraid of confrontation in poverty review, not to mention those biased when reviewing poverty for relatives, and acquaintances. Forms for income estimation consisting of grading criteria are out of date, and unsuitable to the local context. Most critically, the current poverty line, average income per capita of VND200,000/month, is too low compared to current living costs, especially in areas with commodity production or areas with many migrant workers, which makes the result only relative.

Box 5.2. Difficulties and obstacles to annual poverty review

In the 3rd round poverty monitoring for 2009, grassroots officials and people at monitoring points spoke of different obstacles to the annual poverty review. The nature of these difficulties is the contradiction between the ways to review poverty: “one dimensional” by income, or “multi dimensional” to take into account other recognisable indicators. Each method has its advantages and disadvantages.

--- Minh Phong village, Thuan Hoa commune (Vi Xuyen, Ha Giang): review poverty against 3 criteria (house, land and cattle)

Minh Phong is an H'mong upland village where life is still difficult. At the end of 2008, the village head convened a meeting for poverty review with all villagers and commune officials. Three main criteria are put forward, including; “house, field and cattle”. As a result, the village poverty rate at the end of 2008 was 57%. Although the review was open, it was not based on specific income criteria and thus there was no data as a foundation for response to those who submitted complaints. Furthermore, there are very poor households which are condemned as “lazy” and so not listed as poor.

Mr. D.M.S a villager at Minh Phong said: *“There are different types of poverty. There are households that lack land, others that lack labour, and others that lack cattle. No one would like to help households which are poor because of laziness and lack of participation in activities. If they can receive support then only once or twice, after that no one would vote for them again. Households assessed as lazy would not be voted again”.*

--- Duc Huong commune (Vu Quang, Ha Tinh): 3 reviews of poverty

Duc Huong is a Kinh ethnic commune of the mountainous district of Vu Quang, Ha Tinh province. This commune has little rice field, suffers frequent storms and flooding, volatile prices and a large number of migrant workers. These characteristics make it hard to accurately identify people's income. Hence, annual review of poor households is very dependent on assessment of situations at a glance. The poverty rate of Duc Huong commune at the end of 2007 was 31.6%. Within 6 months from the end of 2008 to 2009 at Duc Huong 3 reviews of poverty were conducted, each with a different result.

- The first time at the end of 2008: because there were repeated disasters, increased living costs, the people were more casual in poverty review (listing the near-poor households with children going to school as poor) and thus the commune poverty rate rocketed to 40.6%. The district found this poverty rate unusually high, and asked the commune to review again.
- The second time in January - February, 2009: in early 2009 because of the direct support on the occasion of the New Year (VND200,000 per person, and not exceeding VND1 million per poor household), the people did not want those households without real difficulties to receive support so the review was conducted more seriously. As a result the commune poverty rate fell to 10%,

only the poorest households remained on the poverty list such as households with elderly, disabled, and single member households without labour capacity. The district found the poverty reduction rate too fast and asked the commune to review for the third time.

- The third time in June 2009: stricter review was conducted; only 254 households remain on the list, accounting for 28.4%. According to Duc Huong commune officials “this list of 254 households is a clean one and no one complains further”

--- Luong Minh commune (Tuong Duong, Nghe An): inappropriate grading scale

Luong Minh is a Thai and Khmu commune of the mountainous district of Tuong Duong (under Programme 30a). At Luong Minh, a grading scale to estimate household income according to the guidelines of MOLISA was used as a basis for the poverty review at the end of 2008 in order to avoid biased assessments as occurred in the previous years.

However, local officials and people found the grading scale for household income estimation in many ways inappropriate to local conditions, most notably the following:

- “Mobile phones” receive 111 marks while motorbikes receive only 42. 4-5 years ago mobile phones were rare and used only by the wealthy and thus received high marks. However, mobile phones are common now, being cheap with many promotions from telecommunication companies. That one mobile phone should be graded 3 times higher than a motorbike is not appropriate. The reason is that grading credits regressed from VHLSS in 2004 are long out of date now in 2008.
- “A flock of 10 chickens” receives 11 points, while cattle receive none (whereas cattle are a valuable asset, often used by the people as a criterion for poverty voting).

Pa Dong village, Thanh Xuong commune (Dien Bien, Dien Bien province): combining allowance under Decree 67/CP into income when reviewing poverty

Ms. L.T.H., 56 years old in Pa Dong village lives with her orphan nephew and a mentally disturbed son. Her husband died in 1995 and her family faces dire hardship being chronically poor. She rents out 2,000 square metres of rice field as the household has little labour. Her nephew and son belong to targeted groups for social protection under Decree 67/CP and thus from 2009, her family receives VND300,000 per month (orphan nephew receives VND120,000/month, son receives VND180,000 per month for mental illness)

During poverty review in 2009, being unaware of the regulation as in Circular No. 26/2008/TT-BLDTBXH dated 10 Nov. 2008 that “social allowance under Decree 67/CP is not accounted as income during annual poverty review”, the village management board included the monthly allowance of her son and nephew in her income. With more than VND200,000 per month per person her family was assessed as having escaped from poverty.

Not until the end of 2009, after learning about Circular 26/2008/TT-BLDTBXH, did Pa Dong village heads meet to discuss the issue with the commune Committee for poverty reduction. Under the commune officials’ direction, the village management board convened the people to discuss the case of Ms. H and put her household back onto the poor list for 2009.

The current poverty line is too low compared to living costs

In the context of the current low poverty line, MOLISA has proposed a new poverty line to be applied for the period of 2011-2015 at VND350,000/month/person in rural areas and VND450,000/month/person for urban areas - nearly double the current line¹⁴. MOLISA also proposes to adjust the poverty line annually if the inflation rate exceeds 10%. Following this suggested proposal, some localities have piloted poverty review against the proposed poverty line of VND350, 000/month/person.

Much higher investment to the poor communities is needed when the poverty line is updated

Findings from monitoring points show that if the poverty line is lifted to VND350,000/person/month, then the poverty rate will increase enormously. In areas with pure farming, the poverty rate by tentative standards may double the current figure. Only households of officials with monthly salaries or households involved in trading will be non-poor. There will be a need to allocate much higher investment to the poor communities to implement policies for poverty reduction in the coming years if the poverty line is adjusted.

Housing support programmes for poor households (according to Decision 167)

Decision 167 for housing support provides a breakthrough to participation and empowerment

Decision 167 and guiding documents on housing for poor households provide a breakthrough in procedure for implementation towards transparency, openness and people's empowerment in house construction, enhancing village community support and supervision roles, as well as guidance and instruction roles for commune authorities.

Selection of beneficiaries is carried out openly

Selection of beneficiaries for housing support is being carried out openly at all monitoring points. After the village core group (together with commune officials) conducts field investigations and compiles a list of beneficiaries for housing support, village meetings are held to endorse the list before submission to the commune. At Luong Minh-NA, each house is photographed for the record and attached to the application profile.

Households whose land is listed for clearance for "hanging planning" can not receive housing support

In Pa Dong village, Thanh Xuong commune-DB, some poor households had their land listed for clearance for the planning of the district centre (so far delayed for years) and consequently do not qualify for housing support. Mr. L.V.H at Pa Dong village said *"My land is listed for clearance so I could not receive housing support 167 while many other households not as poor receive support, but I do not know how to deal with it"*.

Beneficiaries can choose the design for their house, contributing extra money for added reinforcement

House design at most monitoring points is according to the choice of beneficiaries who choose from a selection of models designed by the province. Detailed drawings of the chosen house model are given to the household. At Phuoc Thanh-NT, the paradox in the house design is that this is a mountainous commune near the forest but houses have iron gates instead of wooden. According to the core group at Da Ba Cai village, iron gates are more durable as good wood cannot be found in the area.

Some localities chose to let the people build houses according to their preference so long as all the criteria of the programme were met (minimum area of 24 m², minimum durability of 10 years). In fact, households voted to benefit from Decision 167 are not as poor as households with housing support in Programme 134 (the poorest receive support for housing from Programme 134), and thus most of them are able to contribute extra money to improve the house. People in Luong Minh-NA, often paid extra to build stilt houses using wooden columns.

However, supervision, receipt and disbursement of capital are still problematic

Supervision and receipt of housing are carried out by commune, and village officials as well as the households themselves. Some problems exist as some places do not apply all 3 steps for approval (foundation, wall and completion) and only approve the final product upon completion of the house. For those who do their own building and advance the money the village officials find it hard to supervise construction. Late approval and late disbursement of support capital and favourable loans makes it difficult for poor households who have to borrow money to complete the houses, affecting the family's peace of mind. Mr. L.V.D, a poor householder in Pa Dong village, Thanh Xuong commune, who borrowed VND6 million to build a house was yet to be reimbursed 7 after months after the house was built. *"My wife and I quarrelled; my wife complained I did not listen to her to wait until the money came. I could not say anything else but that the*

¹⁴ "Realising direction from the Prime Minister (Announcement No. 257 dated 21st August 2009), MOLISA is leading the study to set new poverty line for the period from 2011-2015 to submit to GOV for approval in 2010.

situation has become that way and we have to live with it. I wish we would stay in the other small house”, he shared.

Other policies, programmes and projects

Many policies, programmes and projects were carried out at monitoring points transparently based on active participation by the people improving investment efficiency.

Land reallocation at Vu Quang (Ha Tinh) is a good example of transparency and openness in the locality

Land is the most important production material, therefore all programmes related to land require transparency and utmost caution. One example is the campaign for the second land reallocation at Duc Huong commune-HT in 2009 which was carried out successfully. A steering committee and village supervision board were established with the participation of village leaders, representatives from mass organisations and some village patriarchs. Population analysis, land mapping by categories, equal division of land through drawing were carried out through village meetings. All concerns were voiced in subcommittee meetings and plenary meetings to discuss and resolve. The only concerns were about receiving poor land. In this case people were either given explanations or more land in compensation. The receipt of additional land for compensation also followed clear regulations: if households receive poor land then they would be compensated 20%, if the land was particularly poor then compensation would be 50% of the same type of land. For Huong Tan village alone (Duc Huong commune-HT) 15 village meetings and ten subcommittee meetings were organised to address the concerns of those involved.

People’s participation from the planning phase facilitates easier mobilisation of resources and implementation supervision

The consensus of local people beginning at the planning phase for construction works in the locality facilitates better mobilisation of resources and implementation supervision. Inner village road work at Chan Nuoi 2 village Thanh Xuong-DB is one example. Total investment for road construction was VND12.7 million, with most of the labour contributed by the local people, plus the village fund and an additional amount of VND1.5 million from the commune. The village construction supervision board comprised of representatives from organisations and local people experienced in construction, in order to ensure the quality of the work. The supervision board was also responsible for ensuring financial transparency and was accountable to the people in every expenditure after the completion of construction. Mr. T.X.D, Chan Nuoi 2 village told us: ***“We took the initiative so supervision was very efficient and the people supported”.***

However, there are cases of passive participation where people receive little and untimely information

However, the above examples are not found everywhere. There are still ineffective programmes and projects lacking transparency, especially when upper administrative authorities are programme/project managers. People’s participation is still passive and community supervision remains just for formality in many places. In Thanh Xuong commune-DB, planning for construction of the township centre has suffered delays creating anger among those who evacuated for land clearance. Until the time of monitoring at the end of 2009 there had been no announcement about progress for compensation making it difficult for local people to conduct investment and production. At Minh Phong village, Thuan Hoa commune-HG, people greatly anticipated the installation of a power grid. However, the fact that the power grid only crossed one of the two groups in the village made people wonder. Furthermore, the village does not know when the line will be connected and why the connection takes longer than announced.

Lack of participation affects the investment’s quality and efficiency

At Phuoc Thanh-NT, a programme supporting toilet construction was carried out from 2008 with disappointing results. The state gave each household VND1 million to install toilets and permission to borrow up to 4 million from the Bank for Social Policy to invest further. No households borrowed or spent any extra to complete and put the toilets to use. At Ma Du village, 20 households received the support and spent the VND1 million grants to build the toilet foundation only (septic tank and platform). Only one household erected walls and roofing. Neither was the foundation design appropriate as a hole of 50cm deep, was too shallow (even shallow toilets would be inappropriate as the people did not have that much ash to use). Without an appropriate seat, such a toilet would

serve only to increase the threat of epidemics. Construction work was done by a selected contractor without beneficiary participation. Supervision between the district, commune, and village levels and even the households themselves was unclear and inefficient and thus the result was of poor quality.

5.2 Roles of community institutions in increasing people’s participation

Rural community institutions are diverse

Community institutions vary across monitoring points. Participation and empowerment of people at each village are greatly impacted by the multi-lateral power relations within the community such as village heads, self-governing groups, village patriarchs, clan heads, mass organisation branches, farmers’ groups, etc.

Roles of village heads

Village heads often take on many other roles...

Village heads are often people with good reputation, knowledge and management capacity, elected by villagers every 2 years serving 1 term. Most village heads are male and the percentage of female village heads is low. At monitoring points, village heads often take on other titles such as president of the farmers’ association branch, loan group leader, leader of education extension association, disaster mitigation leader, forest protection leader and so on (Table 5.4). Village heads have a number of formal duties. They also also organise community activities, village events and are ultimately responsible for implementation of all policies, programmes and projects assigned by upper levels. They attend coordination meetings every week with the commune to receive tasks for implementation at the village.

...and have a decisive role in enhancing participation

People’s participation in the implementation of policies, programmes and projects in the locality is dependent on the decisive role of village heads under the guidance of the village party branch and with the support of all other village institutions. Village meetings are the most crucial conduits of information especially for the poor, and take charge of the organisation and chairing of all meetings. For any question, village heads would be the first person to ask. As such, capacity building for village heads, and creation of good working conditions for them is important to enhance participation and empowerment of local residents and communities.

TABLE 5.4. Main titles of a Thai village head at Pa Dong village, Thanh Xuong commune (Dien Bien district, Dien Bien province)

| Title | Allowance/remuneration | Main responsibilities |
|--|--|--|
| Village head | VND260,000/month | To guide all village activities by request of commune To review poor households To guide, supervise and mobilise human resources in implementation of infrastructure construction works in the village |
| President of FA branch | VND103,500 /annum (extracted from member fees) | To compile a list for acquisition of fertiliser To take care of the association's activities |
| Head of loan raising group | Commission of 0.09% from generated interest | To manage the list, recruit members To retrieve the principal To work with the banks |
| Head of learning extension association | None | To encourage children to study To coordinate with schools to urge children not to quit or to play truant |

| | | |
|---|--|---|
| Leader of production group | About VND200,000/month (for high season months only) | To guide field work To adjust water To oversee the prevention of pests and diseases To collect production tax and other taxes. |
| Member of Fatherland Front board | None | To resolve conflicts in the village |
| Head of disaster mitigation and forest guarding group | None | To deal with emergency situations To patrol, especially in dry season |
| Deputy president of VA branch | None | To persuade youths to join the army To talk through issues with households |

However, village heads receive low allowances

Allowances for village heads are low and fall short of rewarding the effort they put in. Village heads in mountainous ethnic minority areas commonly have little education. The election of village heads is influenced to vote for members within clans. Mobilisation for increased participation of the poorer groups requires extra efforts in mountainous ethnic minority areas, and village heads have not been close enough to the poor. Over the past years, many policies, programmes, and projects for poverty reduction have been implemented increasing the workload of village heads. In many places, there are no common houses or village centres so meetings are often held in the houses of village heads disturbing the family life. Many village heads in surveyed villages confessed their desire to quit the job to allow them more time to deal with family affairs, however, knowing the people still need them they felt they had to go on.

Some village heads share their difficulties as follows:

--- *“The poor get housing support (in accordance with Decision 167), I have to supervise. For each house I have to make 3-4 visits: when construction materials arrive, when the foundation is built, after wall construction, and house completion. 27 households in the village are entitled to housing support so I have to go out often. It is very tiring. I am too busy to handle my family affairs.”* (Mr. K.D. head of Ta Lu 1 village, Phuoc Dai commune-NT).

--- *“Being a village head is not good for family life. The monthly allowance is just VND300,000 but I am busy all the time. Wife at home, children at school. Sometimes when the season begins I cannot plant or plough in time and quarrels start. Visitors from the province and district come and all stay at my house. Meetings are at home because there is no village common house, people come so my wife has to clean up and prepare water. She is ill yet has to go out to sleep at the neighbour’s, leaving the house for public business”* (Mr. L.V.H., village head of Pa Dong, Thanh Xuong commune-DB).

Roles of self-managed groups

Self-governing groups help enhance community cohesion, sharing the workload with village heads

As the 2nd round synthesis report shows, villages with large populations often form several self-managed groups to organise and mobilise the people for implementation of activities in the village without the need to have a village meeting. Some self-managed groups maintain useful traditions for community cohesion such as working a communal piece of land to raise funds, pooling money to raise cattle for fundraising, and exchanging labour.

Self-managed group leaders participate voluntarily, receiving no allowance, they become “extended arms” of village heads. Strong groups are a tremendous help to the village head and village management board in reconciling, collecting data, and mobilising people for community activities (Box 5.3).

Box 5.3. Village head given a helping hand thanks to active self-managed groups

The self-managed production group 1 of Ma Hoa village, Phuoc Dai commune is comprised of 50 households living in one residential area. By September 2009, the group assigned 6 cows to 6 poor households to raise: the first calf becomes the possession of the host household while the next goes to the group to be given to other households. The group also owns 4 acres of land used to grow green beans which in 2009 yielded VND 2 million. The money was used to cover meeting costs and visits to households under the shadow of death and illness...

The head and vice head of production groups share the responsibility of communication between the village management board and the people, acting as dispute resolving agents, mobilising farmers to take livestock for vaccination; and registering for seeds at subsidy price. The group meets about 1-2 times/month. Other activities such as poor household review, assessment of beneficiaries of decision 167, and persuading children to attend class, etc. are all performed by group leaders and the village management board. Mr. K.D. - leader of production group 1 shared: *"...going from house to house, checking buffalo, cows, pigs and poultry to see if they have enough food. Afterwards the whole group meets for agreement before reporting to the village and commune for poverty review. The group is close to the people, transparent and real".*

Thanks to production groups the village head is finding his job easier, especially in communication and implementation of activities in the locality. Production groups take data forms to each household to be completed before reporting to the village head enabling him to quickly send statistics to upper administrative levels. Mr. P.T., the village head, told us: *"After regular visits from the commune, the party branch secretary and myself inform production groups about activities for implementation. With active production group leaders, I no longer have to go to each household unlike other village heads. Without active production groups it would be really hard".*

Roles of mass organisations

Mass organisations play an important part in mobilising the participation of their members in policies, programmes and projects`

Mass organisations such as Farmers' Association, Women's Union, Veterans' Association and Youth Union play an important role in mobilising the participation of their members in community activities and implementation of policies, programmes and projects. Mass organisations also integrate activities for mutual support in economic development, support for groups with difficulties, joint fundraising, rotary saving-credit, art performance and sport and games, into their annual work plan. Women's Union and Farmers' Association are often assigned chairmanship for raising loans on credit from the Bank for Social Policy. Mass organisation leaders are often invited into Steering Committees and Supervision Boards for the implementation of policies, programmes and projects in the locality. However, mass organisations at monitoring points remain weak when it comes to providing consultancy and feedback. The capacity of their leaders at commune and village levels is limited, and officials at most monitoring points do not receive any financial reward.

Roles of community groups

A person can join different types of community groups.

There are many types of community groups found at monitoring points. Each group has its own objectives and activities for supporting its members or performing a particular community function (Table 5.5).

TABLE 5.5. Types of community groups in Thanh Xuong commune (Dien Bien)

| Type of group | Number | Main activities |
|---|---|---|
| Saving-credit | One per grassroots women's union | To manage loans from the district women's union (formerly funding from AAV) Group meetings are integrated into village WU meetings |
| Loan raising | One per village | To manage loan activities from the Bank of Social Policy as suggested by 4 mass organisations' branches (WU, VA, YU, FA), directly under FA. Group meetings are integrated into village meetings |
| CDCs | 10 village CDCs (with project by CCD) | To exchange and share experience of husbandry, cultivation, prevention of HIV/AIDS, gender equality... To support members to raise loans Since 8/2009, operates under supervision of CLC |
| Club of Women's Development | 1 club for the commune | To exchange and share experience of husbandry, cultivation, prevention of HIV/AIDS, gender equality... To support members to raise loans |
| HIV/AIDS Prevention and Fighting Club | 2 clubs for 2 villages with project of CCD 1 commune club | For exchange and sharing of communicating about HIV/AIDS prevention and fighting; to discuss ways to take care of and prevent HIV/AIDS for family and community. To donate clothes and capital to some people with HIV from households with special difficulties |
| Self-governing | Formed by village 4-5 members | Keep regular patrol to keep order and security in the village |
| Disaster mitigation and forest protection | In villages with forest land 4-5 members | To prevent, deal with cases of fire, to patrol and prevent forest fire To support and help the people in cases of storms |
| Village construction board | Established by village when there is construction work for village supervision Members: village officials and 2-3 villagers with understanding of construction | To supervise the construction of works, to mobilise human resource To discuss, ensuring financial transparency before and after completion of the works |

Community groups can be classified into 3 groups by their objectives: (i) economic groups; (ii) social groups; and (iii) community functioning groups.

Economic groups can benefit the poor

Economic groups include loan groups, saving-credit groups, labour exchange groups, interest groups (livestock breeding, corn, tea planting, weaving), agricultural service groups, common asset management groups, extension clubs and so on. This type of group comes together with the common interest in achieving higher efficiency through knowledge and resource sharing. People's activeness in these economic groups depends on demand for collective action. Informal labour exchange groups, for example, are beneficial to members especially during high seasons when labour is scarce.

A big challenge to the operation of economic groups is to bring about real economic benefits, to have a good team leader with the capacity to maintain cooperation among members of different living conditions, especially the poor. An example is the agricultural service group at Soc Chua village, Thuan Hoa-TV which did not yield visible results after one year of operation so some poor households declined to continue their membership (Box 5.4).

Box 5.4. An agricultural service group fails to prove its effectiveness

A donor-funded project to improve living standards supported the establishment of an agricultural service group at Soc Chua village, Thuan Hoa commune (Cau Ngang, Tra Vinh) since early 2008 through technology transfer and provision of harvesters, threshers, and tillers with a total value of VND90 million in the form of an interest free loan over 3 years (each year 30% of principal will be paid back, the remaining service fee was to be distributed to members and put into a fund after deduction of costs).

After one year of operation, however, the group has not proved effective. The first two crops of 2008 yielded little and so the first instalment could not be paid. According to local people and officials, reasons for that failure include:

- The group management committee decided not to pay wages to members until after financial balancing after each crop but the poor involved were in dire need of cash so were unsatisfied with the management. Some poor members borrowed money and had to work wage jobs during high seasons to repay lenders and thus could not join.
- Income from service provision was not high, only VND50,000/person/day on average, lower than the normal labour wage of VND70,000/person/day.
- Group members were not familiar with the technology so the machines broke down often, and repair costs were high. Productivity and credibility suffered. The group is new to service supply so found it hard to compete for customers with the established groups.
- Rice did not ripen consistently and small field sizes hindered the productivity of machines. The cutter left the straw too fine and uncollectable while the straw left on the field prevented tilling machines from working.

By May 2009, the group's performance was so poor that the Project decided to pool more support into setting up a new group changing the management style. The new group comprises of core officials of Soc Chua village. The project also invested a new corn/rice drying machine (using rice husks and sawdust), and pooled VND25 million for the group to buy rice for drying and sale. However, lessons on management, operation and service planning should be analysed well to make this service group more competitive so it can bring benefits to its members in the future.

Social groups not only help those with difficulties and disadvantages, but are also focal 2-way communication hubs for agencies and programmes

Community functioning groups are highly sustainable

Social groups are often established to support the disadvantaged such as happy family clubs, clubs for HIV/AIDS prevention, clubs for mothers with infants, clubs for illiteracy eradication, association branches for promotion of learning, San Khum association (of Khmer people) and so on. Social groups are very effective in supporting one another through hardship, sharing knowledge and skills, and helping each other affect changes of attitude in order to overcome disadvantages and cope with risks.

Community functioning groups are often set up through village initiatives, for example, the community supervision board, community forest protection group, waterway management group, village construction board, self-governance group, inter-family group and so on. This type of group can best maintain participation and empowerment of people in communal activities, in implementation of policies, programmes, and projects most suitable to traditions and customs, and the specific socio-economic conditions of each village. Groups set up through village initiatives are more sustainable with high consensus from the people as community functioning is a real demand of villagers. A typical example are the community forest protection groups at Ban Lien-LC, the construction committee at Thuan Hoa-HG and inter-family group at Duc Huong-HT (Box 5.5)

Box 5.5. Inter-family groups at Duc Huong commune with 10 community functions

Duc Huong commune (Vu Quang, Ha Tinh) has 46 inter-family groups. Each of these groups comprises 7-25 household members with no discrimination between government officials or farmers, rich or poor. Groups often meet in the evening, once per month, for assessment every 3-6 months and for review on the day for national solidarity (18/11). Location for meetings rotates among members' houses to increase group solidarity. Sometimes both the husband and wife attend meetings together. An operation fee of VND2,000/month is contributed by members.

Inter-household groups at Duc Huong successfully perform the ten following functions:

1. Reconciliation of disputes in and between families;
2. Reiteration of the need to keep the village secure and in order;
3. Donation of tributes to households suffering death or illness;
4. Support of poor households, and households with difficulties; most typically through provision of labour for rice transplanting and harvesting for members with illness and on other occasions, and reconstruction of houses for those whose houses are damaged by storms and floods;.
5. Sharing of encouragement and business experience;
6. Cleaning of the village: every month to clean village lanes, to dispose of rubbish, and clean sewages drains;
7. Dissemination of information, to divide workload, to urge members to implement tasks assigned by the village (for example road construction);
8. Selection of beneficiaries of support in case of storms and floods, and other support allocated to the group by the village, programmes, and projects;
9. Contribution of ideas to the annual poverty review through meetings between inter-family group leaders and the village's Father Front;
10. Conveyance of ideas, concerns about policies, programmes, and projects to the village management board. One example is the reporting of people's worries regarding the land re-allocation programme in 2009 for timely addressing

Lack of “sufficient” support for community groups

All three of these group types lack the support they deserve in organisation and setting up, capacity building for group leaders, specific mechanisms for increased group integration in the implementation of policies, programmes and projects. Support should be proportioned appropriately to avoid excess (which can lead to overreliance and passivity) while providing enough impulse to usher in positive changes. No common answer can be provided for the question of how to keep the support “sufficient”. There is a need for specific consultation with the people, especially with the poor and women at each village using the community development approach.

5.3 Conclusion: Enhancing participation and empowerment of poor people and communities

| | |
|--|--|
| <i>Participation and empowerment is a major policy line of the State</i> | Enhancing participation and empowerment is a major policy line of the Vietnamese State towards helping the poor and poor communities to become the owners of their development, to enhance the effectiveness of policies, programmes and projects and also to change the passive mentality and eliminate over-reliance on state support. |
| <i>There has been encouraging progress in terms of participation, particularly with the implementation of decision 167</i> | Increased participation has been witnessed at most monitoring points, according to local people's assessment. Capacity building activities for grassroots officials and information sessions, and meetings within programmes and projects have been improved. The implementation of Decision 167 to provide housing support to the poor at monitoring points has enhanced participation and empowerment of the poor, along with assistance and supervision by communities. In 2009 there were many programmes providing direct support to poor households and poor ethnic minority areas which attracted people's attention resulting in better participation in community activities. |
| <i>The gap remains between documentation and actual implementation</i> | Despite many achievements in participation over the past months, there is still a gap between official documentation and actual implementation which demands further effort in implementation at grassroots level. Village heads have an important role in boosting people's participation. Village heads organise and chair village meetings - the most important information channel of the poor. Capacity building for village heads, better allowance and working conditions for village heads and village officials are critical to promoting participation and empowerment of the people and community in the implementation of policies, programmes and projects. |
| <i>Promotion of community institutions is important to enhance participation and empowerment</i> | Participation capacity for the poor and communities should be built on the foundation of promoted community institutions represented by village heads, self-governing groups, patriarchs, mass organisations and community groups at village level. Attention should be paid to boosting the role of groups with community functioning objectives. Support should be proportioned appropriately to avoid excessiveness which leads to overreliance and passivity while providing enough impulse to usher in positive changes. No common answer can be provided for the question as how to keep the support "sufficient". There is a need for specific consultation with the people, especially with the poor and women at each village using the community development approach. |

Part 3: Towards sustainable poverty reduction in Viet Nam's rural areas

Rural poverty monitoring suggests new approaches to poverty reduction

The initiative for participatory poverty monitoring in rural communities continues to study poverty trends by four key themes which are the gap between the rich and the poor, vulnerability, gender relations, and participation and empowerment. This 3rd round synthesis report will hopefully contribute to the better understanding of the nature of poverty and trends over the past 3 years. Some recommendations raised in this report will hopefully also help to usher in a change in approach to rural poverty reduction in the new context as Viet Nam becomes a middle income country through 2010, yet risks to macro economic stability remain hidden besides the usual threats of disasters and diseases.

6. RECOMMENDATIONS FOR DISCUSSION

6.1 Poverty and poverty reduction institutions

The nature of rural poverty has changed...

Viet Nam has made striking achievements in poverty reduction over the past years. However, the rate of poverty reduction is slowing down. The nature of rural poverty has changed profoundly compared to 5-10 years ago. Rural poverty nowadays is concentrated more intensively in "poverty pockets" and "poverty cores" in mountainous and remote ethnic minority areas and has distinctive characteristics for each ethnic group, village and household. The two groups of "chronic" and "temporary" poor are fundamentally different in labour source and capacity to earn a living and thus specific solutions should be worked out and integrated in a comprehensive rural social security system. Near-poor households with increasing number need further support to avoid fluctuation around the poverty line so that sustainable poverty reduction is achieved.

...requiring policies and measures for institutional reforms for poverty reduction

How to implement support measures in a way that is suitable to the culture, customs and local knowledge of each ethnic minority group in each locality remains the key challenge to sustainable poverty reduction in rural areas of Viet Nam. So far, support measures for ethnic minority areas have adopted a conventional approach, targeting each aspect of poverty reduction. There is still a lack of breakthrough policies and measures aiming to improve the whole "process" and "space" of poverty reduction in close interaction with the market and natural environment so that each poor community and each individual truly becomes the owner of their progress to change the passive mentality and eliminate over-reliance on state support.

The rich-poor gap between regions, ethnic groups and households remains large

There are now many policies and programmes aimed at curbing and gradually narrowing the gap between the rich and the poor, most prominently Programme 30a. Many poor people are gaining opportunities to improve their access to infrastructure, education, healthcare, capital, agro-forestry extension services, and housing and production land, etc. However, the rich-poor gap between ethnic groups, between regions and between the better-off and the poor within communities remains large as the wealthier group possesses better livelihood capital sources, better access to institutions and processes and thus have more choices for livelihood strategies to generate better income.

Social protection is increasingly important in the context of risks and shocks

In 2009, rural communities continued to suffer from risks and shocks, the most serious of which included numerous natural calamities and the global financial crisis. The rural poor, mountainous ethnic minority people, and groups with special difficulties are those most vulnerable to risks and shocks. The social protection is crucial for the people, households and communities to manage risks and to reduce vulnerability, so that their rights are respected and protected in the face of risks and a socially acceptable minimum living standard is maintained. Poverty reduction support is an integral

component in such a social protection.

Challenges remain for gender equality

Some progress on gender equality has been visible in the past years. However, there remains many aspects in which women still suffer from disadvantages. Men still have pre-eminence in decision making concerning the use of resources and services. Poor education background, busy family life and prejudices on gender roles are presenting serious barriers to further and more effective participation of rural women in social affairs.

Participation has been enhanced but gap remains between official documents and reality

People's participation in the poverty alleviation process has been improved substantially. The implementation of Decision 167 to give housing support to poor people has considerably improved participation and empowerment for the poor, along with enhanced support and supervision of community. However, the gap remains between official documentation and actual implementation in terms of participation, requiring further effort in implementation at grassroots level.

6.2 Towards sustainable poverty reduction in Viet Nam's rural areas

To carry out institutional reforms for poverty reduction using the community development approach

Some recommendations for discussion towards sustainable poverty reduction in rural areas especially mountainous ethnic minority areas raised in different sections of this report include:

- 1.To carry out institutional reforms in poverty reduction programmes following the community development approach to increase community participation and empowerment through the use of participatory planning tools at commune/village levels and operating self-governed community funds to implement small projects and small-size community initiatives. The community development approach should be institutionalised in the future poverty reduction programmes as well as in socio-economic development planning at local levels, to help in shifting from sectoral support to integrated support and from non-refundable aid to the facilitation and capacity building of the poor and the poor community.
- 2.To utilise a multi-dimensional approach to poverty which accommodates non-income criteria such as human resources, assets, and access to support services etc. Some support policies should not necessarily be attached to income but to non-income poverty instead. The multi-dimensional poverty approach could boost decentralisation and empowerment at grassroots level in identifying beneficiaries of each policy and support programme while keeping them under the guidance and supervision of the higher administrative levels.
- 3.To provide synchronised support to the development of human resources of the poor in mountainous ethnic minority regions in four areas: child education, Vietnamese language skills, vocational training, and extension services for adults. In terms of child education, stronger support is needed for semi-boarding schools ("locally funded boarding") without discrimination between poor and non-poor students, and for training and promotion of the "teacher's assistant" network to get equal scope as the formal teachers to work in mountainous ethnic minority areas.
4. In terms of illiteracy eradication among adults, the "community-development linked education" approach "Reflect" should be expanded based on the link between commune community learning centres (CLC) and community development clubs (CDCs) in villages. In terms of vocational training, there needs to be a focus on training in vocations with better local employment opportunities (based on a vocational needs survey conducted for each

commune/village), along with enhancing the role of informal networks, groups, and village communities in the transfer and maintenance of trades/crafts and in employment creation for learners. In terms of agricultural extension work, pro-poor participatory agricultural extension methods proved effective in many places and should also be promoted.

5. To improve market access, aimed at social capital development for the poor, through establishment of farmer groups linked with enterprises in localities with favourable conditions for contract-based cultivation. Further support is needed to promote appropriate local non-agricultural and migrant employment.

6. To design a poverty reduction programme in close coordination with a comprehensive rural social security system, emphasising social support measures for the “chronic” poor and sustainable livelihood support measures for the “temporary” poor. A “policy matrix” should be added to the draft proposal “Social security system for rural residents during 2011-2020” to clearly identify the groups that need support, policies that need revision or supplementation, as well as identify necessary coordination and connection measures among support levels, appropriate forms of implementation of social security, necessary resources and steps, and criteria to define beneficiaries, and roles of related stakeholders. There is also a need to design a supplementary policy scheme to support near-poor households, especially those who have just escaped from poverty, to achieve sustainable poverty reduction.

7. To mainstream gender contents into all policies and socio-economic development and poverty reduction programmes, to disseminate information on gender equality, and to monitor the implementation of the Law on Gender Equality and sub-law documents as important measures to promote gender equality. At grassroots level, implementation of community-development-based poverty reduction programmes in rural areas, in which significance is attached to support for farmer groups with participation by both men and women, is crucial in enhancing the awareness and adjusting the behaviour towards gender equality in families and communities.

8. To promote the positive role of community institutions, including that of village heads, self-governed groups, patriarchs, clan heads, mass organisations and community groups at village level in order to enhance the capacity for participation of the poor and the poor community. To provide further support for groups with community functions. Specific consultations should be conducted with the people, especially the poor and the women in each village with a view to design support levels that are “enough” to provide a boost for positive change but which do not create passivity and an over-reliance mentality in the people and communities.

9. Donors and Government need to commit sufficient resources to new poverty reduction programmes which recognise the new poverty line and the need for greater investment per capita into the poorest communes.

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