

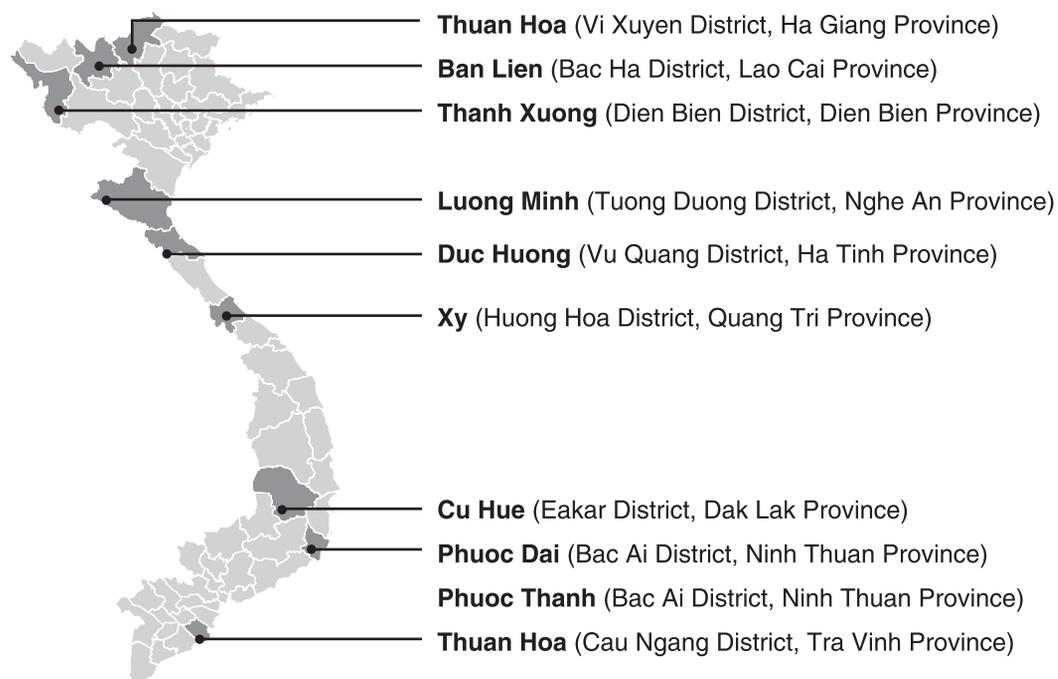
## **PARTICIPATORY POVERTY MONITORING IN RURAL COMMUNITIES IN VIET NAM**

Synthesis Report  
Round 2 - 2008/9

November, 2009

## Participatory Poverty Monitoring in Rural Communities in Viet Nam

### Synthesis Report Round 2 - 2008/9



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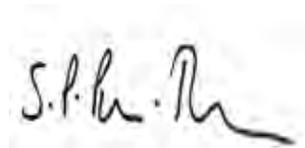
# PREFACE<sup>1</sup>

In January 2007, Viet Nam was admitted as the 150th member country of the WTO. It was widely recognised that this would bring many new opportunities to Viet Nam, but would also pose many 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 that have a long history of working to support the poorest and most marginalized groups in Viet Nam, ActionAid Viet Nam (AAV), Oxfam Great Britain (OGB) and Oxfam Hong Kong (OHK) started the 'Post WTO' poverty monitoring initiative in early 2007.

The initiative is intended as a longitudinal study of poverty outcomes, linked with changes in livelihoods and market access of vulnerable groups, in selected communities throughout Viet Nam. Our intention is to provide analysis and recommendations for policy discussion as well as for the work of Oxfam, AAV and partners.

We hope you find this second annual synthesis report interesting and useful.



Steve Price-Thomas

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<sup>1</sup> This study is supported by various organizations and individuals. However, the views, conclusions and recommendations presented in this study do not necessarily reflect those of Oxfam, AAV or any other organizations or individuals referred to in the study.

# ACKNOWLEDGEMENTS

This synthesis report on rural poverty monitoring of the year 2008/9 is a collective effort, which could not have been completed without the valuable contributions of many people.

We would like to thank the staff of Oxfam Great Britain, Oxfam Hong Kong, and Action-Aid Viet Nam for their valuable comments through the whole design process, field work and report development. Some Oxfam and AAV staff took part in the field surveys and contributed considerable knowledge and experience to develop the research methodology and content.

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

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

Your comments<sup>2</sup> are highly appreciated. Thank you very much.

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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
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
CLB	Clubs
CLC	Community Learning Centre
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 poor households with houses (based on Decision No. 167/2008/QĐ-TTg dated 12/12/2008)
Decision 32	A government policy that supports disadvantaged ethnic minority households with capital for production (based on Decision No. 32/2007/QĐ-TTg dated 5/3/2007)
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 Organisation
FFS	Farmer Field School
FP	Family Planning
GD	Grassroots Democracy
GNTT	Natural Disaster Mitigation
GOV	Government of Viet Nam
GSO	General Statistics Office of Viet Nam
HCCD	Ha Tinh Centre for Community Development
HHs	Households
HIV/AIDS	Acquired Immune Deficiency Syndrome
HS	High school
MDGs	Millennium Development Goals

	Medical Insurance
NPK	Fertiliser 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
PA	Poverty Alleviation
PC	People's Committee
PP	Programmes - Projects
PRA	Participatory Rural Assessment
Programme 132	A Government program that supports production and residential land for ethnic minority people in Tay Nguyen (Based on Decision No. 132/2002/QD-TTg dated 8/10/2002)
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 fast and 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	Vietnam Household Living Standards Survey
WB	World Bank
WTO	World Trade Organisation

USD 1 = VND 16,900 (September, 2009)

# EXECUTIVE SUMMARY

The most striking finding of this report is that ***the impressive poverty reduction achievements of the previous years suffered in places in 2008*** though some communities were able to deal with these challenges better than others, in the face of the risks and shocks incurred by the poor and their communities. Vietnam has made significant achievements in poverty reduction but is facing many challenges in reducing its citizens' vulnerability. Trends of poverty in 2008 show that capacity building for the poor and their communities in dealing with risks and shocks is of prime importance to push sustainable poverty reduction forward in Vietnam in the coming years.

Some positive trends in 2008 relating to infrastructure, models for livelihood and agricultural and silvicultural extension, commodity production, education and health care contributed to the improvement of living standards. However, unexpected risks in the form of market price and weather volatility exacerbated by climate change effects (including the world financial crisis since the end of 2008) created strong, swift and widespread negative impacts on the lives of the people in the short-term. The quality of life of the poor, measured through annual quantitative poverty rate against the Government's poverty line or through qualitative assessment of the people themselves, degraded at many monitoring sites.

***The main factors affecting the gap between the rich and the poor*** have not narrowed in 2008. The better-off households still enjoyed better quality of livelihood capital, better access to institutions and processes, and thus had better strategic livelihood choices for higher income.

***The risk factors have made the poverty gap picture more complex.*** Shocks in 2008 exerted adverse impacts on the poor and the non-poor in different ways. The better-off have larger commodity production size and thus have witnessed their income dwindling in the face of price, weather and epidemics crises. However, poor and near-poor households of typical social groups are the most vulnerable as they face the prospect of hunger with their already low ability to control risks.

Certain achievements made in terms of gender equality are visible at monitoring sites. However, there are still many aspects in which women are more disadvantaged due to long-standing prejudice and the recently incurred risks and shocks. In times of weather, epidemic and price fluctuations, women suffer the most and also have to shoulder the added burden to meet the family's needs. ***When gender equality within household is adversely impacted then gender equality at community level and in the society at large cannot be fully achieved.***

Although many achievements have been made in terms of participation in the past years, ***its quality in many cases has not been high.*** People's participation is undermined in times of emergency due to risks and shocks that require prompt action by government agencies, organizations and projects/programmes.

Some recommendations for discussion towards sustainable poverty reduction in rural areas mentioned in various parts of this report are summarised as follows:

- 1.** To design a model for ***more balanced investment*** between development of resources and improvement of access to institutions and processes for the poor and their communities, with stronger focus on results and impacts. Special attention should

be paid to post-investment phases (management, operation, work maintenance, accompanied synchronised support measures, and close monitoring-supervision) rather than only increase in investment or support rate of poverty reduction. *“To work thoroughly and with sustainable results”* should become the principle approach of poverty reduction in the time to come.

**2.** A change in awareness accompanied with specific measures to improve the effectiveness of livelihood strategy for the poor ethnic people ***via the utilisation of indigenous knowledge***. This requires thorough analysis of diverse and typical issues of the poor in each poor community among ethnic minorities when faced with difficult choices, to come up with support forms suitable for each ethnic group and the features of each village community - aimed at promoting the organic combination of indigenous and modern knowledge. This is vital to the process of poverty reduction in ethnic minority areas.

**3.** To apply ***the community development approach to each village***, with the three pillars being community capacity building, promotion of community institutions and implementation of community-based programmes and projects, while implementing Programme 30a. Improvement of methodology and support process (such as education method, agriculture extension methods and so on) should be the first priority. It is necessary to promote and strengthen the role of community institutions such as community learning centre, commune and village agriculture extension networks and community groups. There is also an urgent need to integrate community based disaster risk management to address climate related vulnerabilities.

**4.** To accelerate the drafting and community consultation of the ***Comprehensive Strategy for Social Protection*** for Vietnam’s Rural Areas with a Vision towards 2020. Within the strategy, the policies aimed at extending accessibility and increasing the support rate of Government to the vulnerable groups should be integrated, including support measures for rural families in the poorest districts in Programme 30a. It is essential to promote creative models to enhance the role of the informal safety net at community level to provide timely and effective support to the vulnerable community in the face of risks and shocks. It is also necessary to adjust the poverty line and define criteria for target groups in the forthcoming social protection strategy.

**5.** To effectively monitor the implementation of the Law on Gender Equality and sub-law documents, focusing on ***actual gender equality*** to attain sustainable poverty reduction. To increase gender equality within families to form a foundation for gender equality at community and society levels. Besides the continued integration of gender issues via specific measures, further support is needed for programmes and projects with direct contribution to greater opportunities for gender equality for women those who are most disadvantaged in families and society.

**6. To pay attention to quality of participation** so that the poor and poor communities are true owners of their growth and to improve the effectiveness of policies, programs, and projects aiming at poverty reduction. The approach should combine both dimensions: creating participation opportunities through the improvement of administrative procedures, and working methods as well as improving downward accountability of governmental agencies at different levels and projects/programmes; and improving the participation capacity through the development of community institutions. There is a need to assess the reality as well as share lessons learnt, best and worst practices, and recommend support measures to facilitate effective participation and empowerment of the poor, promoting positive values in the culture and customs of each ethnic group.

# INTRODUCTION

## Objectives of the report

Viet Nam has been changing rapidly over the past 25 years. Once one of the world's poorest nations, Vietnam has seen tremendous achievements in economic growth and poverty reduction in recent years. The population living in poverty in 1993 was nearly 60 percent and had been reduced to 16 percent by 2006, according to the Vietnam Development Report in 2008.

The Government of Vietnam (GOV) is continuing to undertake comprehensive reform policies during the 2007 - 2010 period, with the objective of moving the country towards development and bringing more households out of poverty. As part of the overall economic plans, the country officially acceded to the World Trade Organization (WTO) in January 2007, marking Vietnam's greatest move towards integration into the global economy. Vietnam's new role in the world economic order brings both opportunities and challenges, especially to poor communities and to ethnic minorities living in mountainous areas.

In order to monitor the changes that Vietnam will be experiencing over the next few years as WTO accession and economic transformations deepen, a group of International NGOs decided to collaborate to track these changes and their impacts over time. The group, including OGB, OHK and 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 some 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 GB, AAV and their partners”.***

The goals of the annual monitoring exercises are to:

- Provide significant 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, in order to make poverty alleviation more effective and equitable.

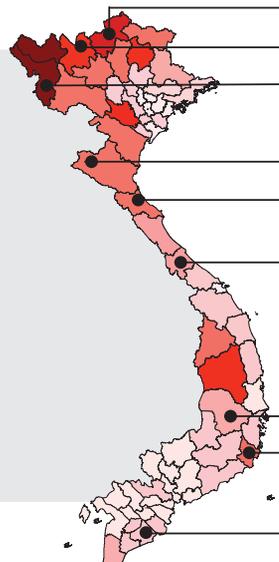
## Methodology

### 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 facing more difficult conditions. (Previous involvement in an Oxfam or AAV project was not a precondition for commune selection.) A total of ten communes and twenty villages were involved in the monitoring process (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 and people's own testimony as a platform for policy dialogue and programme formulation. Hence, monitoring locations were specifically chosen to sample typical conditions of livelihood and multiple challenges of poverty, while reflecting the complex diversity of conditions across the areas surveyed.

**TABLE 1. The survey monitoring sites**



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 2008 (%)
Thuan Hoa	Vi Xuyen	Ha Giang	Tay, H'mong	42	Yes	No	42.8
Ban Lien	Bac Ha	Lao Cai	Tay, H'mong	28	Yes	Yes	59.9
Thanh Xuong	Đien Bien	Đien Bien	Kinh, Thai	3	No	No	11.2
Luong Minh	Tuong Duong	Nghe An	Thai, Kh'mu	17	Yes	Yes	78.7
Đuc Huong	Vu Quang	Ha Tinh	Kinh	10	No	No	39.8
Xy	Huong Hoa	Quang Tri	Van Kieu	36	Yes	No	49.8
Cu Hue	Eakar	Dak Lak	Éde, Kinh	2	No	No	11.9
Phuoc Dai	Bac Ai	Ninh Thuan	Raglai	0,3	Yes <sup>3</sup>	Yes	58.4
Phuoc Thanh	Bac Ai	Ninh Thuan	Raglai	14	Yes	Yes	56.5
Thuan Hoa	Cau Ngang	Tra Vinh	Kh'mer, Kinh	2	No	No	33.9

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 Vietnam. For example:

- **Geographical diversity and topography:** Monitoring sites 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 is represented, from high mountains (Ban Lien, Luong Minh, Thuan Hoa-HG), hills (Thanh Xuong, Duc Huong, Xy, Phuoc Dai, Phuoc Thanh), and highlands (Cu Hue) to delta areas (Thuan Hoa-TV).
- **Ethnic diversity:** Monitoring areas included numerous ethnic groups, such as Kinh, Tay, Thai, H'Mong, Kh'mu, Van Kieu, Ede, Raglai and Khmer.
- **Remoteness:** Monitoring took place both near district centres and at distant sites - some 30 to 40 kilometres from the centre.
- **Poverty situation:** Monitoring sites included those with considerable poverty reduction results assessed against the Government's current standards, with a poverty rate slightly more than 10 percent (Thanh Xuong, Cu Hue) and extremely poor communes involved in Programme 135, second phase, with poverty rate above 50 percent.

It is noteworthy that of the 10 communes in the monitoring network, four (Ban Lien, Luong Minh, Phuoc Dai and Phuoc Thanh) are included in the Programme 30a, initiated by the Government since the end of 2008, aiming at rapid and sustainable poverty reduction in 61 of the poorest districts of the country (the number has been changed to 62 due to administrative redivision

<sup>3</sup> Phuoc Dai commune was not included in Program 135 2nd phase in 2007. Most of its villages were put back into the program, however, since October 2008.

A core monitoring 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.

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

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

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 rich and poor.** Poverty, disadvantage and inequality such as exclusion, being "sidelined" and lack of opportunity are often a result of power imbalances. The gap between rich and poor can be defined quantitatively in terms of difference 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, better skilled, and 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 livelihood caused by changes in the market, insecure employment opportunities, lack of social security support, and natural disasters and diseases. The research hypothesised that ***with larger cash-commodity production and better access to expanded global markets, some people could take better advantage of market opportunities, and cope with changes in prices and other economic circumstances. 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.** There is a difference in role and representation of men and poor women. They face challenges because of the unequal division of labour, rights, discussion and negotiation between men and women in decision-making, access to services, participation in community activities, and in education. The research hypothesised that ***a general improvement in living conditions will significantly improve women's roles in decision-making, division of household labour, involvement in community activities and decisions about children's education.***

**THEME 4: Participation and Empowerment.** Strengthening the role and voice of poor people is important to allow them opportunities to access information, participate, and take 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-conducted surveys**

A distinctive characteristic of this poverty monitoring initiative is that the survey is repeated annually. The same core groups visit the same surveyed communes and villages each year, use the same household questionnaire as in the previous year, conduct in-depth interviews with the same households and conduct wealth ranking exercise using the same list, and so on.

This second round of poverty monitoring took place from September 2008 to January 2009. It took seven to eight days at each location. The main methods used 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. card drawing) was used to select households for interview. The questionnaire focused on information about household members, some indicators about 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 sites, providing data from 299 poor households and 301 non-poor households (measured against the Government's poverty standard at the time of survey). Of the 600 respondents, 474 were male, 126 female, 145 Kinh people and 455 were other ethnic minority people 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, of the 600 households sampled in 2007, 36 had changed their residence or were not at home at the time of this survey. In order to check the reliability of data between 2007 and 2008, the research team ran a repeated data regression (panel) for 564 households and obtained a result with little difference from the data obtained from 600 household samples. Data used in this report comes from the sample of 600 households.

**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 poverty trends, disadvantages and risks faced, gender relations, and their voice and level of participation in programmes and projects. 318 in-depth interviews were conducted with households.

**Group discussion:** Group meetings were conducted with key informants in communes and villages, with participation of local people, men's groups, women's groups and poor groups. PRA tools (Participatory Rural Assessment), e.g. household wealth ranking, time lines, cause - effect diagrams and listing and ranking exercises were used to gain a deeper understanding of poverty gaps, community history, livelihood trends, impact of price changes and feedback about implementation of local programmes and projects. Discussions with children were added to the 2008 poverty monitoring, to acquire children's feelings about education and labour division within their families.

**186** group discussions were held involving 1,056 village people, children and commune and village officials. Of these people, 628 were men and 428 women, 273 Kinh people and 783 ethnic minority people.

**Information sheets:** Monitoring personnel provided statistical data about the communes and villages selected. Onsite observation and photography (with permission when necessary) provided additional information.

**Interviews with local officials and other stakeholders:** In addition to the above methods, 53 interviews were carried out with officials from provincial/district level departments and with business managers in the nine provinces.

There is often little change in some aspects of poverty during the period of one year

between the two monitoring rounds and this proves to be a big challenge to annual poverty monitoring. This second round report summarises the key findings in the nine provinces in 2008 to stress the **recognisable changes** and the **policy messages** drawn from the consideration of different factors affecting poverty trends at monitoring sites over the last 12 months. In addition to deeper analysis of vital issues, this report still provides a brief summary of the basic contents of the main themes of poverty reduction to ensure that this is an independent report on rural poverty<sup>4</sup>.

Table 2 shows the basic features of 20 selected villages at the end of 2008, obtained based on the information sheets at village level and the results from household survey.

<sup>4</sup> See the synthesis report of round 1 "Participatory poverty monitoring in rural communities in Vietnam - Synthesis report", November 2008, Oxfam and ActionAid Vietnam



Province	Ha Giang		Lao Cai		Dien Bien		Nghe An		Ha Tinh		Quang Tri		Dac Lac		Ninh Thuan				Tra Vinh	
	District	Commune	District	Commune	District	Commune	District	Commune	District	Commune	District	Commune	District	Commune	District	Commune	District	Commune	District	Commune
	Vi Xuyen	Thuan Hoa	Bac Ha	Ban Lien	Dien Bien	Thanh Xuong	Tuong Duong	Luong Minh	Vu Quang	Duc Huong	Huong Hoa	Huong Hoa	Eakar	Bac Ai	Bac Ai	Phuoc Dai	Phuoc Thanh	Cau Ngang	Thuan Hoa	Soc Chua
	Mich B	Minh Phong	Doi 1	Khu Chu Tung 1	Pa Dong	Chan Nuoi 2	Xop Mat	Cham Puong	Huong Tho	Huong Tan	Troan O	Xy La	Dong Tam	M'Hang	Ma Hoa	Ma Du	Da Ba Cai	Thuy Hoa	Soc Chua	
Households using electricity % (*)	100	47	90	20	100	100	93	33	100	100	97	100	100	100	77	77	97	97	97	97
Households using piped water % (*)	43	77	30	57	0	7	100	87	3	0	45	100	0	0	13	13	63	63	23	23
HHs with manual/automatic flush toilet % (*)	0	0	0	0	13	53	0	0	60	47	7	3	43	17	0	0	3	20	13	13
Households with radio/cassette % (*)	27	23	37	17	3	10	0	13	20	13	7	0	0	10	20	50	7	13	20	27
Households with TV % (*)	63	43	70	20	93	100	47	10	97	73	81	66	100	70	93	57	67	83	83	80
Households with motorbike % (*)	33	70	53	57	63	87	23	23	50	47	45	35	90	70	40	10	30	47	57	57
Households with telephone % (*)	47	27	0	0	83	97	7	7	70	50	16	14	77	27	53	27	23	23	23	47
HHs with members engaged in local wage labour % (*)	40	70	13	0	57	43	47	3	13	20	7	0	33	53	40	37	20	63	47	47
HHs with remittance from migrant/labourers % (*)	0	7	7	0	3	7	13	3	47	37	0	0	10	7	17	10	13	10	47	43
HHs with income from trading and services % (*)	10	10	3	0	7	3	3	0	13	3	3	7	17	13	13	7	3	0	10	10
HHs selling products in the last 12 months % (*)	50	87	90	66	50	43	30	27	80	90	90	97	93	90	62	43	43	67	33	70
HHs buying materials in the last 12 months % (*)	97	93	97	97	97	100	23	23	80	87	23	3	100	90	38	57	10	17	37	67
HHs benefiting from agr. extension services in the last 12 months % (*)	97	83	40	23	47	30	53	67	90	87	77	69	27	13	61	45	33	37	21	50
HHs with members not attending school % (*)	9	18	28	42	21	10	24	32	1	0	46	44	3	23	28	29	55	49	20	15
HHs with members not finishing primary school % (*)	20	39	31	27	31	15	29	41	9	18	23	29	14	39	40	40	30	30	46	41
Poverty rate in the study sample of 30 HHs by the end of 2007 (*)	37	70	57	73	43	3	63	87	30	27	48	48	13	50	47	67	72	63	63	43

(\*) Data obtained from the random household questionnaire survey at the end of 2008

Source: Village information sheet,

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

## 1. OVERVIEW OF RURAL POVERTY TRENDS

*Poverty reduction in 2008 faced many challenges*

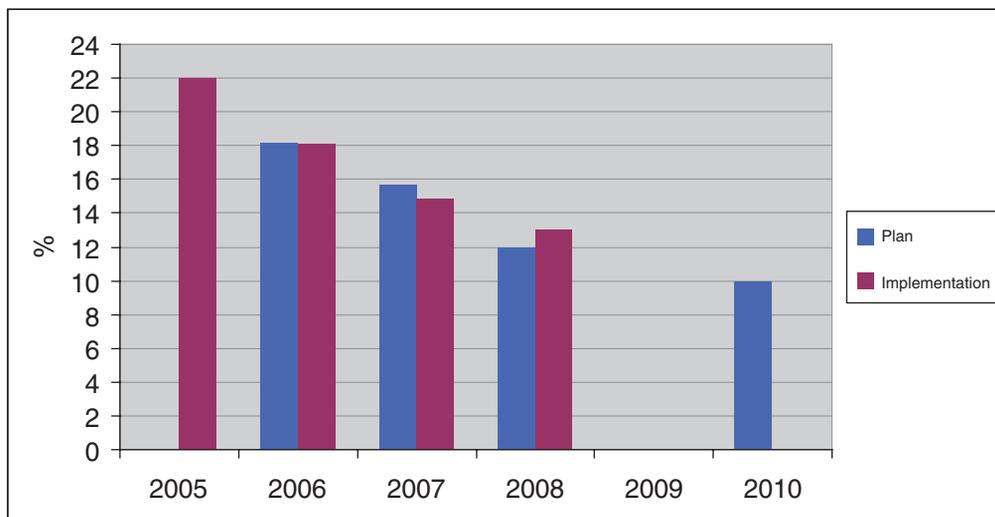
In 2007, poverty reduction in rural areas was achieved with favourable conditions. The poverty rate fell rapidly at monitoring sites and there was an improvement in living standards. In 2008, however, sustainable poverty reduction faced vigorous challenges due to the impacts of natural disasters and unfavourable market prices.

### 1.1 Slow poverty reduction and complicated poverty trends among localities in 2008

*The national poverty rate continued to fall but at a slower rate*

The poverty rate based on the national poverty standard (income per capita less than VND 200.000/month in rural areas and less than VND 260.000/month in urban areas) continued to decrease but at a slower rate. Figure 1 shows that in the first two years (2006-2007) of implementing the 2006 - 2010 National Target Programme on Poverty Reduction (NTP-PR), poverty rate decreased by 3.6 percent per year on average. At the end of 2008, the national poverty rate was 13 percent, marking a fall of 1.8 percent compared with the end of 2007. If the current poverty reduction rate continues, Vietnam will be able to reach its objective to lower its poverty rate below 10 percent in 2010.

**Figure 1. Nation-wide poverty trends based on national poverty line**

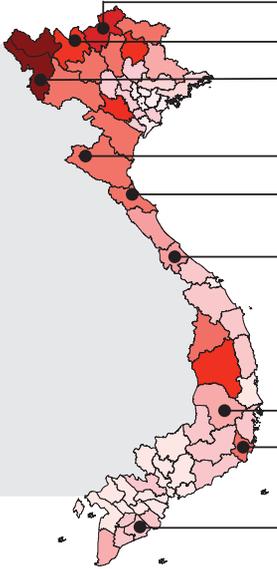


Source: MOLISA, 2009

*Mixed poverty trends were found at local levels in 2008*

At monitoring sites, complicated trends were found in poverty reduction in 2008. Table 3 shows that after the period of 2005-2007 in which poverty was reduced radically at most of the monitoring sites, there was great diversification within poverty trends in 2008. Of the 10 communes in the poverty monitoring network, between the two poverty monitoring rounds at the end of 2007 and at the end of 2008, two had a dramatic decrease in poverty rate, five saw slight reductions and three had marked increase in poverty rate. This result indicates that sustainable poverty reduction remains full of challenges.

**TABLE 3. Poverty rate in the period 2005 - 2008 at monitoring sites (%)**



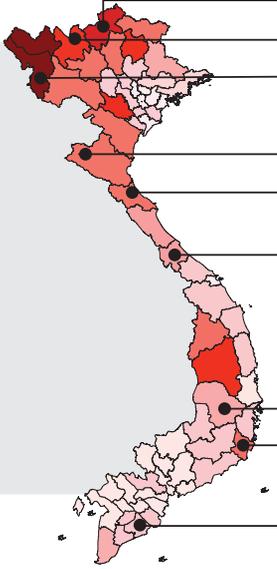
Commune	Main ethnicity	Annual poverty rate according to government poverty line				Percentage change in poverty rate between the two rounds 2007-2008
		2005	2006	2007	2008	
Thuan Hoa	Tay, H'Mong	78.7	69.5	58.3	42.8	Strong decrease
Ban Lien	Tay, H'Mong	65.9	61.0	60.7	59.9	Insignificant decrease
Thanh Xuong	Kinh, Thai	33.9	22.8	14.7	11.2	Slight decrease
Luong Minh	Thai, Kh'mu	77.4	74.7	72.5	78.7	Strong increase
Duc Huong	Kinh	39.6	31.6	30.6	39.8	Strong increase
Xy	Van Kieu	81.5	71.1	54	49.8	Slight decrease
Cu Hue	Ede, Kinh	28.1	24.7	16.8	11.9	Strong decrease
Phuoc Dai	Raglai	68.8	51.7	44.2	58.4	Strong increase
Phuoc Thanh	Raglai	74.3	69.2	58.1	56.5	Slight decrease
Thuan Hoa	Khmer, Kinh	41.1	32.7	37.2	33.9	Slight decrease

Source: Poor household review carried out in 2005-2008 at monitored communes  
 Note: Percentage of change in poverty rate of above 5% is considered "strong increase" or "strong decrease"

*Shocks due to unfavourable price and natural disasters are the main reasons for slow decline in poverty rate, and even increase in some cases*

The fact that poverty rate declined slowly and even increased at some monitoring sites in 2008 is due to a combination of many factors, mainly shocks due to unfavourable price and natural disasters (see Chapter 3 on Vulnerability). Over the last two years, the poverty rate has markedly increased at some monitoring sites such as in Duc Huong-HT, Phuoc Dai-NT and Thuan Hoa-TV. Additionally, this is also the result of poor poverty review process at the grassroots level (see Table 4).

**TABLE 4. Main factors affecting poverty trends at monitoring sites**



Commune	Change in poverty rate between 2007 and 2008	Main factors
Thuan Hoa	Strong decrease	Gains in rice and corn harvest, marketable cassava
Ban Lien	Slight decrease	Harsh weather, strong decrease in tea price
Thanh Xuong	Slight decrease	High price of inputs
Luong Minh	Strong increase	Loss in rice harvest
Duc Huong	Strong increase	Heavy loss due to floods, loss of winter crops, high fall in peanut price, inaccurate poverty review of the previous year
Xy	Slight decrease	Strong decrease in cassava price, loss of rice harvest
Cu Hue	Strong decrease	Poverty line too low for such a commercial production area
Phuoc Dai	Strong increase	High food price, inaccurate poverty review
Phuoc Thanh	Slight decrease	Favourable weather but high food price
Thuan Hoa	Slight decrease	High price of inputs, inaccurate poverty monitoring

SOURCE: Group discussion with commune and village officials

## 1.2 Drivers of poverty reduction

*Interrelated impacts of drivers of poverty reduction and challenges*

After only one year from the previous monitoring round (end of 2007), positive trends could be identified in terms of infrastructure, livelihood models, agriculture extension, commodity production, education, and health care, which provide the foundation for the rise in living standards of local people. In the mean time, unusual changes in market price and unfavourable weather (including the impact of the world financial crisis from the end of 2008) had prompt and negative impacts on people's lives in the short term. A summary of the main changes in drivers of poverty reduction in the past year is as follows:

*There was remarkable improvement in infrastructure in disadvantaged communes*

### Improvement in infrastructure and striking breakthrough in communication

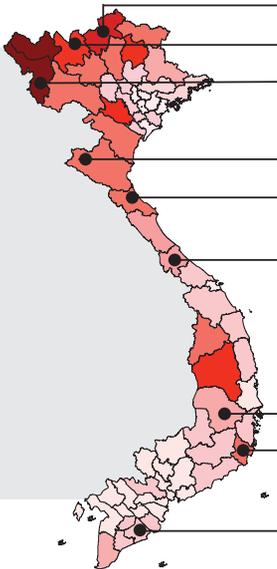
Infrastructure continued to receive heavy investment in 2008 at the monitoring sites. For example, irrigation construction in Phuoc Dai-NT, Ban Lien-LC, the electricity network in Duc Huong-HT, Thuan Hoa-HG, Ban Lien-LC, the road system to the commune centre and within the village in Cu Hue-DL, Xy-QT and Duc Huong-HT, the chain bridge in Luong Minh-NA, the primary school and market in Ban Lien-LC, and the village community house in Xy -QT.

*More people could use electricity but attention should be paid to isolated villages and groups without access to electricity*

Table 5 shows that the percentage of households using electricity was high and tended to increase at most of monitoring sites. However, many villages in remote mountainous areas still did not have access to national grid electricity. Some isolated and poor households did not have enough money to pay for the wire and meters needed to connect to the power grid and thus were deprived of electricity although there was electricity in the village. The usage of mini hydro-electrical generators was unstable in upland areas during the dry season due to lack of water. Some households even lost their generators during floods or had them damaged.

**TABLE 5. Percentage of households using electricity, piped water and manual/automatic flush toilet (%)**

Commune	Electricity		Piped water		Manual/automatic flush toilet	
	2007	2008	2007	2008	2007	2008
Thuan Hoa	85	73	54	60	0	0
Ban Lien	50	55	45	43	0	0
Thanh Xuong	100	100	0	3	28	33
Luong Minh	60	63	95	93	0	0
Duc Huong	100	100	0	2	48	53
Xy	92	98	75	72	0	5
Cu Hue	95	100	0	0	22	30
Phuoc Dai	82	87	47	65	2	10
Phuoc Thanh	75	87	15	13	0	2
Thuan Hoa	95	97	15	43	17	17



SOURCE: Household survey data

The percentage of households using piped water was exceptionally low at some monitoring sites despite concentrated population and favourable topography for infrastructure construction (Thanh Xuong-DB, Duc Huong-HT and Cu Hue-DL). Water supply mechanisms in some communities were no longer functional. An example is Thanh Xuong in Dien Bien where villagers pipe water from local ponds through sand into wells for daily use. The percentage of households with manual/automatic flush toilets had not improved among ethnic minority communes despite the Government's policy to provide poor households with preferential loans for toilet construction.

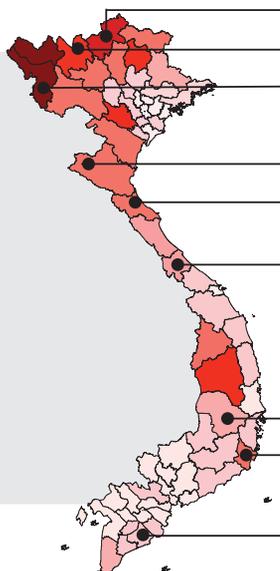
*Increase in telephone use facilitated communication among local people*

The percentage of households with telephones increased remarkably at most monitoring sites, including poor households (see Table 6). The main reason is that most communes had access to the mobile phone network and telephone companies ran big promotion programs for wireless telephone installation. In addition, some communes were equipped with wireless loudspeakers which also contributed to improvement in communication. Increase in the use of telephones in mountainous areas helped villagers get access to market information and facilitated communication between relatives, especially in emergencies (sickness) or for commune/village activities such as calls for meetings. However, maintaining the percentage of telephone usage or boosting the current upward trend in mountainous ethnic minority when the promotion programmes end will be a challenge in the years to come.

**TABLE 6. Percentage of households using telephones at monitoring sites (%)**

Commune	Both		Poor households		Non-poor households	
	2007	2008	2007	2008	2007	2008
Thuan Hoa	7	37	10	22	5	54
Ban Lien	0	0	0	0	0	5
Thanh Xuong	48	90	35	79	54	94
Luong Minh	0	7	0	2	0	20
Duc Huong	18	60	6	35	23	70
Xy	5	15	0	10	12	19
Cu Hue	45	52	0	24	28	53
Phuoc Dai	17	40	0	24	28	55
Phuoc Thanh	5	23	0	14	13	47
Thuan Hoa	22	35	3	16	46	57

SOURCE: Household survey data



*Beneficial irrigation construction and road systems should be accompanied by support in agricultural extension and services*

Improvement in infrastructure is not enough to help people overcome poverty if the investment structure does not give priority to the accompanying production support components and agriculture extension activities to enhance income and reduce people's vulnerability. The 2008 trends in monitoring sites of poor mountainous areas indicate that effective livelihood improvements were found in infrastructure directly serving production purposes such as irrigation works or road systems. There are other cases in which irrigation works were constructed but had not been fully utilised as there were no appropriate accompanying agriculture extension and production support services suitable for each ethnic group (see Box 1).

**Box 1. A balanced investment model is needed between infrastructure construction and accompanying agriculture extension and support services**

--- Phuoc Dai is a central commune of Bac Ai district, Ninh Thuan province. In 2006, Phuoc Dai was lifted out of Programme 135 phase 2 as sufficient investment was received for infrastructure. In reality, the living standards were low except for a proportion of Kinh people engaged in the service industry and serving as government officials. The Raglai ethnic minority group who relied on rain for agricultural production led difficult lives. The most popular risk control strategy is short-term wage labour. Hence, at the end of 2008, some villages in Phuoc Dai

commune were again listed as the mountainous disadvantaged ones.

After Song Sat irrigation construction had been completed in 2008, most Raglai people in Phuoc Dai commune enthusiastically expanded their land for wet rice cultivation with 2-3 crops per year. In addition, there were accompanying support programmes such as training courses, model presentation price-subsidised inputs, and land clearing for poor households with limited land, which contributed to remarkable improvement in food security in one of the driest areas in the entire nation.

--- In Cham Puong village, Luong Minh commune - NA, VND1.3 billion has just been invested in a spillway and is expected to provide water for 10 ha of wet rice field. However, the Kh'mu people are used to unstable upland agricultural production (in 2008 the crop was lost due to heavy rain). In addition, lack of traction power, production tools, small area of land plots if divided to all members of the village, and the huge cost of recovering the long-abandoned fields and so on meant that the spillway was underutilised.

The spillway for wet rice cultivation was built to meet the demand of Kh'mu people in Cham Puong. However, the construction can be fully utilised only with the implementation of specific support programmes to accompany it: (i) support to the people in re-clearing land in parallel with the construction of spillway and canals; (ii) support in pulling power and production tools (together with regulations on sharing among community groups); (iii) assigning staff to stay in the village and provide instant guidance to the Kh'mu people in farming wet rice.

*Source: Poverty Monitoring Report in 2 communes Phuoc Dai and Phuoc Thanh (Bac Ai, Ninh Thuan) and in Luong Minh commune (Tuong Duong, Nghe An) in 2007 and 2008*

### **Change in livelihoods to control risks from market price fluctuations and climate changes**

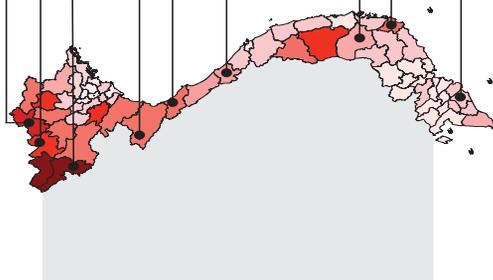
*Income declined due to risks from price and weather in 2008*

Compared to 2007, livelihoods at monitoring sites in 2008 suffered from negative impacts of price fluctuations (stronger increase in price of agricultural inputs than increase in the price of outputs) and unfavourable weather (extreme cold, unforeseeable floods or drought). Income declined compared with the previous year was the main reason for slow poverty reduction and even an increase in poverty rate at some monitoring sites.

*Local poor people diversified livelihoods, including turning to extensive agriculture which relies more on nature in response to negative market changes*

Local people at monitoring sites swiftly reacted to market signals. Commercial production trends cannot be reversed but faced with high seed and fertiliser prices people tried to diversify their livelihoods, even using a proportion of land allotted for intensive agriculture for extensive agriculture. For example, most poor people in Cu Hue-DL, which is famous for its corn farming, reduced investment in fertilisers for corn and some Ede people turned from hybrid corn to cassava which does not require fertiliser. The trend of returning to old terrace plots for extensive agriculture (cultivating upland rice, local corn, cassava and vegetables) increased among a proportion of poor ethnic minorities. Wood and bamboo collecting was also increasingly counted in 2008 as a source of livelihood during the price hike (see Table 7).

**TABLE 7. Change in livelihoods in 2008 compared with 2007**



Commune	Upland rice	Wet rice	Local corn	Hybrid corn	Cassava	Different kinds of vegetables and beans	Short term industrial trees	Long term industrial trees	Livestock	Pigs	Poultry	Fish and shrimp	Collecting from forest	Forest tree cultivation	Craft	Local wage labour	Migration for wage labour	Trade, services
Thuan Hoa	±	±	-	±	+	±	+	±	±	±	±	±	+	+	+	+++	?	±
Ban Lien	±	±	±	±	±	-	±	---	+	+	±	±	+	+	-	+	?	?
Thanh Xuong	?	±	?	-	-	+	?	?	+	±	+	±	+	±	?	±	±	±
Luong Minh	±	?	+	+++	±	+	?	?	+	±	+	±	+	+	?	+	+	?
Duc Huong	?	±	---	±	+	---	±	+	+	±	+	?	-	±	?	+	+++	±
Xy	±	?	+	?	±	+	?	±	±	+	+	?	+	+	?	---	?	?
Cu Hue	?	±	?	±	+	+	?	+	+	+	---	±	?	?	?	±	+	±
Phuoc Dai	---	+++	-	-	-	±	?	---	±	+	+	?	-	?	?	-	+++	+
Phuoc Thanh	+	±	±	-	-	+++	?	+	±	+++	+	?	-	?	?	-	+++	±
Thuan Hoa	?	±	?	±	?	±	+	?	±	±	-	---	?	?	±	+	±	±

Source: Household, commune and village official interviews

- +++ Strong increase + Slight increase
- Strong decrease - Slight decrease
- ± Same (or some increase/decrease)
- ? No change (or very few)
- Nguồn thu nhập chính

*Cattle breeding increased in general but pig raising fell due to epidemics and high feed prices*

Cattle breeding increased in 2008 due to a higher price compared with 2007. At the beginning of 2008, many livestock deaths were caused by extremely cold weather which also led to the loss of some harvest in northern mountainous communes. However, timely government relief policies helped local people stabilise their lives and resume husbandry activities. There was a decline in pig breeding in many localities due to epidemics and the high price of animal feed despite the relatively higher price of pork at the end of 2008.

*Poor people promptly reacted to short-term market signals of long-term industrial crop which may lead to risks*

Mixed trends were witnessed in perennial crop cultivation due to varying price fluctuations in 2008. Local people in Ban Lien-LC reduced their investment in tea cultivation as the price of tea fell. People in Cu Hue-DL increased their coffee and pepper cultivation the crops were still profitable despite an initial reduction. It is noteworthy that a small number of poor people in Cu Hue-DL expanded their coffee cultivation in unsuitable land plots. These short-term reactions to market signals may lead to the breaking down of coffee production planning and pose big risks for land use effectiveness as in the case of several years ago when the price of coffee decreased.

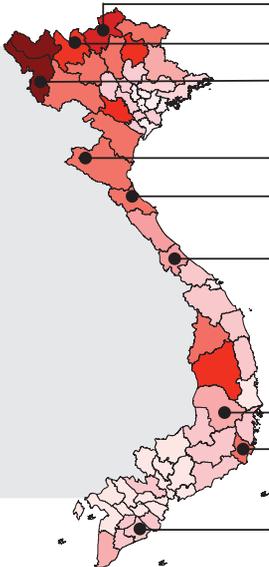
*Waged labour continued to increase as a strategy for controlling risks*

Non-agricultural labour plays an increasingly important role. Wage labour, both local and migrant, continued to rise at many monitoring sites as a strategy to circumvent the risks of price change and unfavourable weather in agricultural production. (See Table 8).

**TABLE 8. Percentage of households deriving income from wage labour (%)**

Commune	Income from local paid work		Remittances	
	2007	2008	2007	2008
Thuan Hoa	37	55	2	3
Ban Lien	3	7	3	3
Thanh Xuong	63	50	7	5
Luong Minh	23	25	3	8
Duc Huong	8	17	28	42
Xy	28	11	3	0
Cu Hue	47	43	5	8
Phuoc Dai	47	38	3	13
Phuoc Thanh	33	27	0	12
Thuan Hoa	57	55	47	45

SOURCE: Household survey data



*Migrant wage labour increased in many localities*

In some localities, the percentage of households participating in local paid work declined in 2008 compared to 2007. For example, in Xy-QT, the decline was due to the end of opportunities for paid wood transporting from Laos and in Phuoc Dai and Phuoc Thanh-NT, the decline is attributable to the fall in field employment after the completion of the Song Sat irrigation construction and increased in migrant wage labour. In remote communes such as Luong Minh-NA local people did not previously migrate for employment, however in 2008 some local people travelled to Central Highland provinces for seasonal farming jobs. There is a tradition of migration for employment in the lowland communes such as Duc Huong-HT and Thuan Hoa-TV. Duc Huong saw an especially dramatic increase in migrant wage labour in 2008 as a result of price hike and unfavourable weather.

*Labour movement is facilitated by simplified regulations, at the same time it affects the local labour balance*

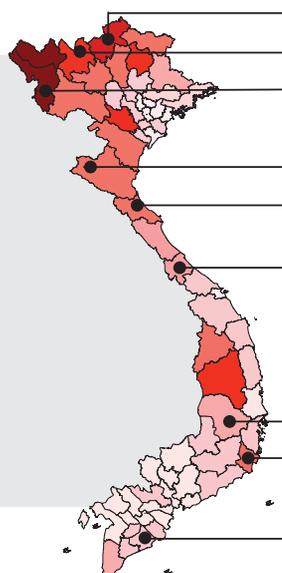
The rise in wage labour and even migrant labour indicates the increased demand for non-agricultural employment. Migrants wage labourers no longer need certificates for temporary absence according to the newly promulgated Law on Residence. This provision also made it difficult for local authorities to monitor labour movement. Migration for work also led to the lack of local labour during harvest time (for example, in Duc Huong-HT, Thuan Hoa-TV).

*Improvement in forestry and agricultural extension services plays a vital part in controlling risks*

The forestry and agriculture extension services (including the veterinary and plant protection services) play a vital part in helping local people mitigate losses and increase their income effectiveness by diversifying sources of livelihoods to prevent risks. The percentage of households benefiting from at least one agriculture extension activity during the last 12 months was quite high at monitoring sites (See Table 9). This was partly because of some projects such as the HCCD natural disaster mitigation project in Duc Huong-HT, the ADB poverty reduction project for central provinces in Xy-QT, the CIDA living standard improvement project and the ActionAid community development project in Thuan Hoa-TV.

**TABLE 9. Percentage of households benefiting from and satisfied with agriculture extension services over the last 12 months (%)**

Communes	Direct beneficiaries from agriculture extension services		Levels of satisfaction with agriculture services	
	2007	2008	2007	2008
Thuan Hoa	73	90	61	59
Ban Lien	53	32	61	63
Thanh Xuong	43	38	68	75
Luong Minh	37	60	30	28
Duc Huong	60	88	69	80
Xy	72	73	49	53
Cu Hue	39	20	65	25
Phuoc Dai	-	52	-	29
Phuoc Thanh	-	35	-	57
Thuan Hoa	52	36	82	95

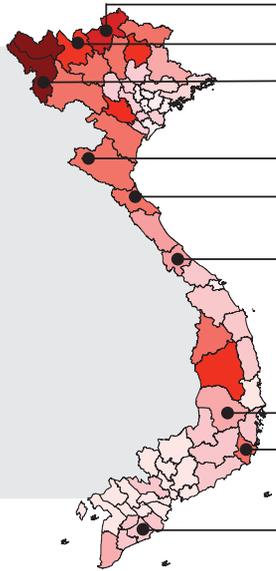


SOURCE: Household survey data

*Local people have greater access to agricultural extension training and cattle vaccination activities*

The agriculture extension activities benefited most participants are training and cattle vaccination (see Table 10). Community groups engaging in agriculture extension activities are popular in Thuan Hoa-HG and Duc Huong-HT (for example, the model of inter-family group in Ha Tinh) as they help local people learn from one another and become a hub to implement projects/programmes. However, at other monitoring sites, methods for uniting farmers for improving access to agriculture extension activities are still rare.

**TABLE 10. Percentage of agriculture extension activities benefited by households (%)**



Commune	Training	By-the-field workshops	Direct guides from officials	Demonstration and experiment	Study tour	Participation in extension clubs and groups	Support with veterinary services
Thuan Hoa	25	8	8	5	0	32	9
Ban Lien	25	2	3	32	2	7	7
Thanh Xuong	30	3	7	0	0	13	32
Luong Minh	53	2	15	2	0	0	17
Duc Huong	60	8	10	5	3	38	57
Xy	72	0	33	2	0	13	18
Cu Hue	15	7	0	2	0	3	5
Phuoc Dai	42	15	17	7	7	8	30
Phuoc Thanh	23	8	2	2	2	0	20
Thuan Hoa	23	12	8	2	3	8	10

SOURCE: Household survey data

*The village agricultural extension network is very important to local people in remote mountainous localities*

At some monitoring sites, village agriculture extension and veterinary networks were set up (Thuan Hoa-HG, Luong Minh-NA, Duc Huong-HT, Xy-QT). Despite many shortcomings, village extensionists provided practical services and support to the local people. In some localities, local people voluntarily contributed money to increase the allowances of these village extensionists (Thuan Hoa-HG, Duc Huong-HT). Improving local people's access to agriculture extension and veterinary activities through the establishment of the village agriculture extension and veterinary network is an essential pro-poor measure which needs priority in Programme 30a (See Box 2).

**Box 2. Organising and improving the effectiveness of agriculture extension network activities**

In accordance with Resolution No.56 on agriculture extension, dated 2005, the agriculture extension networks are set up at different levels, including province, district, commune and village. Village extensionists are local people who are selected by villagers and have completed at least secondary school. They are trained by the provincial agriculture extension (normally one training course lasts several days) and receive monthly allowances (VND180,000 per month in Quang Tri, VND100,000 per month in Ha Giang, VND50,000 per month in Nghe An and Ha Tinh). However, there are many provinces which have no agriculture extension network at village level due to constraints in budget and human resources.

Village extensionists are responsible for fostering agriculture extension activities and serve as the bridge between villagers and agriculture extension agencies. In monitored villages, efficiency of village extensionists is reflected through timely discovery of crop pests and diseases, the help local people receive to purchase seeds, fertilisers and dissemination of information on harvest and production techniques. The main shortcoming for the time being of village extensionists lies in their limited capacity because of extensive responsibilities and the

frequent change in personnel (due to employment migration, military enrolment, or self withdrawal). Low allowances and numerous home affairs make some extensionists work with low efficiency and enthusiasm.

Programme 30a proposes that there should be at least one allowance allocation for extension in each village (including extension in agriculture, forestry and fishing) and the budget for agriculture extension should be doubled. This is an opportunity for poor districts to improve the efficiency of the village extension network aimed at helping poor people to enhance their income effectiveness and their risk control measures. There should be stronger policies to support this network among poor ethnic communities through capacity building, improvement of working conditions and formulation of a mechanism for activity management-supervision.

The government has strong policies to provide support for poor people. It is now important to focus on **how** to implement the policies to help local people fully and effectively utilise the capital and other available support to overcome poverty. The village extension network can contribute to this mission in remote mountainous areas in the country.

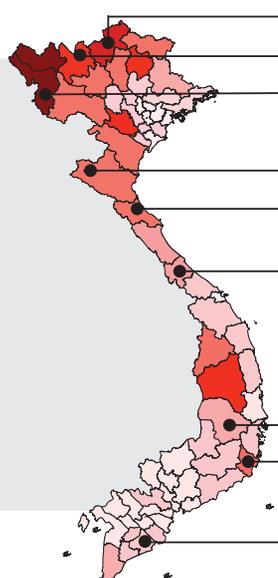
### More access to markets: opportunities and risks

*Poor people enjoy better access to markets because of improvements in infrastructure and communication*

Table 11 shows that at most of the monitoring sites the percentage of households selling produce and buying other materials increased in 2008 as compared to 2007. Improvement in infrastructure and communication facilitated local people's trading activities. For instance, in 2008 a market was built in Ban Lien commune to facilitate local trading and the need to travel to Bac Ha, which is 30km away, was much reduced. In Cham Puong village (Luong Minh-NA), which is 15km away from the commune centre, Kh'mu people could not sell corn, banana, squash, and cabbage in 2007 since vehicles could not reach the village. In 2008, the improvements in the road system allowed more households in the village to engage in trading activities.

**TABLE 11. Local people's perception of changes in trading conditions (%)**

Commune	% HHs selling products		Better selling of products		% HHs buying materials		Better buying of materials	
	2007	2008	2007	2008	2007	2008	2007	2008
Thuan Hoa	58	68	82	78	90	95	51	57
Ban Lien	92	78	71	30	78	97	60	19
Thanh Xuong	50	47	47	57	83	98	22	17
Luong Minh	3	28	-	88	7	23	-	21
Duc Huong	78	85	32	13	92	83	42	48
Xy	70	93	19	9	2	13	-	14
Cu Hue	93	92	52	14	93	95	47	12
Phuoc Dai	-	53	33	40	-	48	20	27
Phuoc Thanh	-	55	23	46	-	13	17	10
Thuan Hoa	48	52	62	26	48	52	31	7



SOURCE: Household survey data

*Overall trading declined in 2008 compared with 2007*

However, effective access to the market has proven to be the biggest challenge to local farmers as they continue to boost commercial farming. The overall assessment of local people at monitoring sites is that trading declined in 2008 compared to 2007 due to the falling price of products (tea price in Ban Lien, cassava price in Xy, corn price in Cu Hue, peanut price in Duc Huong and Thuan Hoa-TV) and increasing price of inputs and services (fertilisers, seeds, pesticides, harvest services and so on).

*Connection between farmers and enterprises faces challenges due to unstable market*

In 2007, market connections with enterprises benefited farmers at monitoring sites as a result of the favourable price of outputs and support of enterprises for inputs, techniques and production organisation. In 2008, prices became unfavourable and enterprises themselves had to cope with their own difficulties in finding markets. This resulted in huge losses for producers in raw material production zones for export, such as tea in Ban Lien-LC and cassava in Xy-QT. Profits for both enterprises and farmers were impacted in the face of unstable markets. Processing enterprises put in tremendous effort but it was not enough to maintain mutual and long-term cooperation between farmers and enterprises to cope with continuous world market fluctuations (See Box 3).

**Box 3: Relationship between farmers and enterprises during price hikes: challenges in fostering a long-term and mutually beneficial relationship**

The relationship between farmers and enterprises face many challenges owing to the fluctuations in the export market.

--- In Ban Lien commune (Bac Ha, Lao Cai), in 2008 the tea factory held numerous training activities with the purpose to build an organic tea production zone. By September 2008, more than 100 ha of tea in Ban Lien had been certified as organic tea. During the next 24 months, review will be conducted and if the standards are met, the organic tea will be officially exported. This may result in higher price for inputs for organic tea production in Ban Lien than that of today.

The tea price in Ban Lien in October 2008 fell by 50-60 percent compared with the same period in 2007 due to the fluctuations in the export market (from VND5,000-6,000 per kg down to VND2,500-3,000 per kg). Income of tea planters dramatically decreased. The number of households who dried their own tea for personal sale increased. Many households spent time at other jobs and thus neglected the care and harvest of tea. It was difficult to maintain regular activities for tea groups. As a result, the amount of fresh tea collected by the factory in 2008 was only 45 percent of that of 2007.

--- In Xy commune (Huong Hoa, Quang Tri), the main source of cash income for Van Kieu people is cassava cultivation for sale to Huong Hoa cassava starch processing factory. In 2008, the factory built a new cassava collection site near the commune which facilitated cassava trading for the local people. The cassava collection site was also selling rice to the local people at a lower price of VND800-1,000 per kg.

However, the price for cassava starch export plunged in 2008 due to fluctuations in the export market (the factory exported 90 percent of its products to the Chinese market). This situation led to a decrease in the price of unprocessed cassava: in December 2008 the price was VND600 per kg which was only half of the 2007 price. The decrease in cassava price reduced income and had an overall negative impact on local cassava producers.

### Improved access to education and health care services

*Improvement in education and health is considered by local people to be the most significant change in living standards*

Improvement in education and health care is considered by the local people to be the most significant change in their living standards. The Government developed many support policies to alleviate the financial burden of school attendance for students from poor households, ethnic minorities and disabled students, such as tuition waiving, provision of studying accessories, and increasing scholarships. At the monitoring sites, ethnic minority students in primary schools do not have to pay fees and are provided with books, pens, notebooks and can even borrow text books.

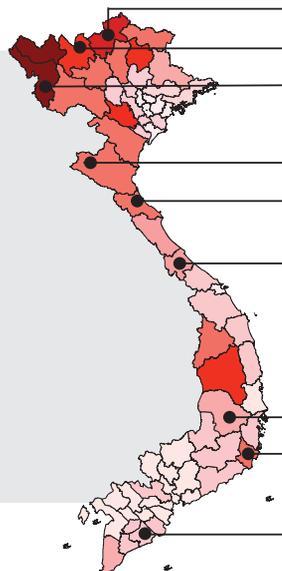
*School attendance rate was higher as poor people paid more attention to their children's education*

Table 12 shows that in 2008 the percentage of pupils 6 to 11 years old is much high. In some localities, such as in Thuan Hoa-HG, Thanh Xuong-DB, Duc Huong-HT and Thuan Hoa-TV, this percentage reached 100 percent. More attention was paid to education for children in poor households. At most monitoring sites, the percentage of local people satisfied with educational services in 2008 was much higher than that in 2007 (see Table 14). The main reasons for satisfaction were the enthusiastic attitudes of the teaching staff, the improvement in school facilities, the alleviated financial burden and better relationship between schools and local people. However, the fact that the attendance of students 12-years-old and over decreased in some localities and increased in the others indicates that there still is inequality in educational development among localities.

**TABLE 12. Percentage of children attending school, 2008 (%)**

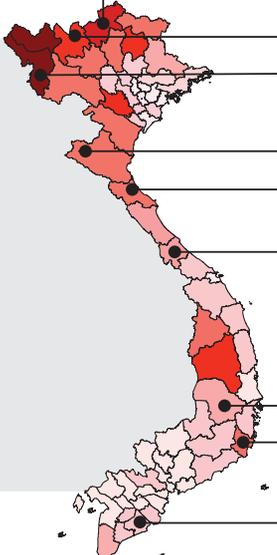
Commune	6-11 years old		12-15 years old		16-20 years old	
	2007	2008	2007	2008	2007	2008
Thuan Hoa	93	100	96	89	87	67
Ban Lien	93	95	81	91	23	27
Thanh Xuong	100	100	100	100	56	70
Luong Minh	94	97	86	73	41	27
Duc Huong	93	100	100	100	74	82
Xy	70	85	85	84	29	50
Cu Hue	97	88	79	84	50	49
Phuoc Dai	83	98	83	81	54	68
Phuoc Thanh	84	85	66	67	35	36
Thuan Hoa	97	100	67	56	15	18

SOURCE: Household survey data



*There were remarkable improvements in health care services*

Table 13 shows that at most monitoring sites there was remarkable improvement in the percentage of households satisfied with local education and health care services in 2008 compared to 2007. The main reasons cited for satisfaction with health care services were free health insurance cards (the problems of having wrong names on cards or mix-up were not as serious as in previous years) and the improved capacity of medical staff. Better community health services were also attributable to village healthcare networks. For example, in Xy commune in 2007 digestive disorder was rampant and the number of people with malaria increased. In 2008, however, the number of people infected with malaria decreased by 19 cases to a total of 153. This change can be attributed to better information on disease prevention and periodical health examinations for women and children.

**TABLE 13. Percentage of household satisfied with local education and health care services (%)**


Commune	Satisfied with educational services		Satisfied with health care services	
	2007	2008	2007	2008
Thuan Hoa	66	93	60	87
Ban Lien	76	67	71	72
Thanh Xuong	80	71	58	42
Luong Minh	50	62	34	31
Duc Huong	65	91	48	72
Xy	37	64	55	79
Cu Hue	50	64	57	71
Phuoc Dai	75	92	53	40
Phuoc Thanh	73	83	63	79
Thuan Hoa	83	92	60	88

SOURCE: Household survey data

*Most poor households have access to concessional loans but the poorest group still have difficulties accessing credit*

*The policy to support poor students with preferential loans was highly appreciated*

*The combination of preferential credit and awareness raising, guidance on household accounting and agricultural extension is still undervalued*

### Better access to credit

Preferential loan programmes for poor households continued to be implemented at all monitoring sites in 2008. At monitored villages, most poor households had access to preferential loans of VND8-10 million on average, which was used mainly for purchasing cows. The rest who did not borrow in most cases belonged to the poorest groups. They did not dare to borrow for fear of being unable to pay back or because some grassroots officials were not willing to give them loans as they did not have a plan for effective investment and production.

The policy which offers disadvantaged students preferential loans in accordance with Decision 157 was implemented promptly and on a large-scale at monitoring sites. This programme received good feedback from poor people as it alleviated a big proportion of the financial burden for education (especially in localities where a large number of students attend vocational school, college or university, such as Duc Huong-HT). This is a meaningful social programme which provides students from poor and disadvantaged households an opportunity to pursue higher education - a basic precondition for sustainable poverty reduction.

As the new credit policy for poor households was introduced, credit risks for poor households also rose. A poor household can borrow from different sources and in different forms when they face various risks from unfavourable price, weather, epidemics, and health issues. The combination of preferential credit and awareness raising, guidance on household accounting and agriculture extension is still undervalued at some monitoring sites. The quality of preferential credit is also a problem and needs more comprehensive analysis for recommendations on how to improve the effectiveness of preferential credit for poor people and how to maintain and develop the source of preferential credit from the Bank for Social Policies.

### 1.3 Challenges to poverty situation

The survey results show that challenges to poverty reduction in 2008 did not change much compared to 2007. Poverty rates among ethnic people living in mountainous communes remain high. Some groups still have difficulties in ensuring food security. The annual poverty review of poor households has revealed a number of shortcomings in the new context. Many poor people are not yet confident in the prospect of livelihood improvement as they continue to face many risks.

### To ensure the rights to adequate food for all

Vietnam has strong commitment to ensuring food security for all

Vietnam is one among 187 countries and territories that declared at the World Food Summit in Rome in 1997 that “the right of everyone to have access to safe and nutritious food, consistent with the right to adequate food and the fundamental right of everyone to be free from hunger” Ensuring food security for all is also one of the Millennium Development Goals stipulated in 2000 in which Vietnam committed to “halve the proportion of people in extreme poverty and hunger by 2015” This target had been adopted as objectives of the national socio-economic development plan and the national poverty reduction programmes.

The food security situation has been improved remarkably at monitoring sites over the past few years. Poor households have found many ways to ensure food security for their families, such as subsistence food production (including rice, both wet land and upland, corn, cassava, local beans and vegetables), foraging for bamboo shoots and vegetables, fishing in streams and rivers, as well as growing commercial food such as hybrid corn, production cassava, peanuts, coffee and raising livestock. People also earned additional income by getting local paid work or migrating for employment. In case of food shortage at inter-crop time due to crop losses, poor households usually seek help from their relatives, neighbours or borrow food from local shops and wholesalers. The Government and charity organisations often provide food and consumables to those who suffer temporary food shortage due to natural disasters and/or crop diseases.

The term “food shortage” is understood differently at different locations by different groups of people

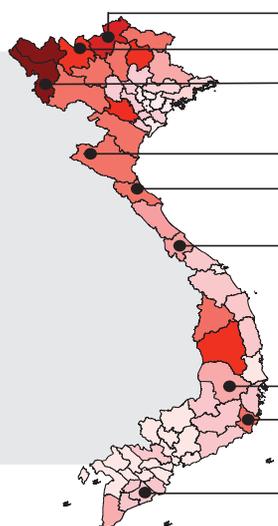
Table 14 shows the survey results of people’s assessment of improvements of their living quality and the situation of family “food shortage” over the past 12 months. It should be noted that the concept of “food shortage” of surveyed people varies from one place to another depending on average income and usual practice of ensuring food security in each area (for instance, in an area where people have relative good living standards “food shortage” means lack of rice to eat but for other areas with worse living standards, the perception of “lack of food to eat” means lack of rice or corn or cassava to eat).

Some groups of people found their living standard lowered in the past year

Some groups of people found their living standard lowered over the past 12 months, mainly due to natural disasters, crop loss and high prices. Locations with a high ratio of people reporting lower living standards were usually those with relatively developed commodity production since they suffered more from unfavourable price changes in 2008 (Duc Huong-HT, Cu Hue-DL and Thuan Hoa-TV). On the contrary, locations with more people in frequent “food shortage” were mostly those with no capacity for wet rice production and who depended mostly on unstable upland farming and the weather (Luong Minh-NA, Xy-QT, Phuoc Dai, Phuoc Thanh-NT). Locations with the highest rates of households with food shortage received more rice relief from the Government compared to 2007.

**TABLE 14. Changes in living standard and “food shortage” situation, 2008 (%)**

Commune	Living standard in the past 12 months			Ratio of household with “food shortage” in the past 12 months (%)	Frequency of food shortage in the past 12 months (%)			
	Better	Same	Worse		Only once	A few times	Some	Thường xuyên
Thuan Hoa	52	47	2	12	times	Frequent	40	40
Ban Lien	37	35	23	37	8	21	50	21
Thanh Xuong	25	54	21	27	0	6	44	50
Luong Minh	23	35	40	82	0	0	18	82
Duc Huong	37	33	30	35	0	25	40	35
Xy	18	55	18	58	0	23	37	40
Cu Hue	22	33	45	17	0	9	64	27
Phuoc Dai	26	56	19	63	0	5	50	45
Phuoc Thanh	27	63	10	92	0	0	33	67
Thuan Hoa	28	20	52	18	0	0	46	55



SOURCE: Household survey data

Note: the frequency of food shortage is increasing from “once” a year, “several times” a year, “some-times” - a few times within a month to “frequent” - a few months in a year

Some groups are facing serious food security issues

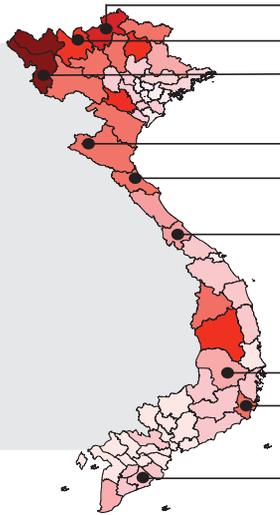
The rate of children with malnutrition decreased slowly but remained high in some mountainous areas among ethnic people

Households facing serious food security problems are usually poor families with many small children. They tend to have little or no land for farming, less labour due to sickness, disability, old age or addiction. The worst situation exists when all the above mentioned factors are afflicting the family. Their food security is further affected by natural disasters, epidemic diseases, unfavourable food prices and other personal risks. Social support from the Government and community to such groups is crucial to help them ensure a minimum food supply.

Table 15 shows in detail the situation of food shortage and malnutrition among children less than 5 years during the 2 year period (2007-2008). At most monitoring sites, the number of months without sufficient food supply increased in 2008. The survey on meal quality of poor households in 2008 showed no significant improvement. At some points, the quality of meals was even worse compared to 2007. Consumption of meat and fish decreased due to higher prices. Consequently, many families had to eat corn and cassava in addition to rice during pre-harvest periods. The number of children under 5 years with malnutrition reduced slightly but remained high in some mountainous areas among ethnic minorities (Ban Lien-LC, Xy-QT, Phuoc Dai-NT).

**TABLE 15. Number of months with food shortage and percentage of children with malnutrition (%)**

Commune	Number of months with food shortage (months)		Number of children under 5 years old with malnutrition (%)	
	2007	2008	2007	2008
Thuan Hoa	2,7	2,8	24,9	24
Ban Lien	3,3	3,4	50	46
Thanh Xuong	2,9	3,4	19,2	18,8
Luong Minh	5,0	5,0	22,6	22,4
Duc Huong	-	4,3	18	17,5
Xy	3,8	3,2	57,2	60,7
Cu Hue	3,5	5,3	19	18,5
Phuoc Dai	-	5,3	53,9	51,5
Phuoc Thanh	-	4,3	-	-
Thuan Hoa	5,0	3,3	22,2	21,3



SOURCE: Household survey data; data on child malnutrition were provided by communal clinics

Respondents in monitoring sites shared their difficulties in ensuring food security:

--- "I have money from selling cassava from January to April. I have upland rice harvested from September to December but I lack food for the other months of the year." (Core group in Xy La hamlet, Xy commune)

--- "It is rainy from July to September so many families have to eat noodles with salt or roasted corn as there is no construction work available at that time. Prolonged rain makes spring water swell and thus we cannot go into the forest to look for additional food." (Poor women group in Ta Lu 1 hamlet, Phuoc Dai commune)

---- "We buy only half a kilo of rice at a time, enough for one meal as we do not have enough money. There are very few dishes in our daily meal; usually we just have rice with vegetables, sometimes with some local crab or fish if we catch them. We can only afford to eat meat once every few months as the money that my husband earns needs to be reserved for my children's schooling." (T.T.H, Soc Chua hamlet, Thuan Hoa-TV)

*Ensuring the right to food for everyone in the context of unstable and changing world food markets and global climate change is urgent.*

Ensuring sustainable food security is an urgent task for Vietnam in the context of unstable and changing world food markets and global climate change. At the national level, Vietnam boasts sufficient food and even has extra for export. However, there are groups of people with serious food shortages at the local level. Serious food insecurity is usually rampant in mountainous areas where the ethnic minorities live. Realising the right to food for all - “when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement” in accordance with international conventions relating to food rights of which Vietnam is a party to- is the responsibility of the State and related stakeholders. A thematic assessment of this poverty monitoring initiative shows that there is room for improvement in ensuring the right to sufficient food for all Vietnamese people from a policy perspective (Box 4)

#### **Box 4. Towards ensuring the right to adequate food for all Vietnamese people**

The Government of Vietnam has shown a strong commitment to respecting, protecting and fulfilling the rights to adequate food for all. National food security is still being ensured in Vietnam. However, long-term food security prospect is heavily influenced by a number of factors including rapid population growth; land-use purpose transformation from cultivation to industrial production and urban development; natural disasters and diseases; changing food prices; and a poor system of food storage and distribution. Though Vietnam has experienced dramatic improvement in living standards in the past few years there are still 13.5 million people living under the poverty line, of which 5 to 6 million are suffering from food shortage (according to expenditure poverty standard based on data of VHLSS, 2006). According to statistics of the General Statistics Office (GSO), 4 million people suffered from temporary hunger in the year 2008 alone.

Following are some suggestions for discussion towards ensuring the right to adequate food for all in Vietnam:

- 1.** To prepare a high-level legal document (Law) on food security. This document is crucial in identifying objectives of food security, clarifying the responsibilities of various ministries, sectors and local governments, as well as promoting coordination among the relevant institutions toward ensuring the right to food for all Vietnamese people.
- 2.** To develop a food support programme as part of the national social welfare system in order to provide food in kind or in cash to the most vulnerable groups. To replace the existing temporary food support programme, which is implemented in emergencies such as natural disasters or crop loss, with this new programme.
- 3.** To give priority, in policies and programmes related to food security in Vietnam, to reducing child malnutrition by enhancing knowledge and practical skills on nutrition for households, particularly for mothers. To establish a network of village collaborators on nutrition in poor and remote areas.
- 4.** To improve people’s awareness about their legal status to enhance their capacity to ensure rehabilitation and compensation in case of third party breaches on their right to food as a producer, a consumer and a worker. To accelerate the development and promulgation of the Law on Consumer Protection. To strengthen the role of the State, trade union, mass organisations and associations in promoting the social responsibility of enterprises.
- 5.** To develop detailed guidelines to incorporate the contents of natural disaster management into socio-economic development plans, programmes and projects in different sectors and authority levels (from the central level to provincial, district and communal levels) in accordance with the National Strategy on Prevention and Mitigation of Natural Disasters and the National Target Programme for Dealing with Climate Change.

<sup>5</sup> Refer to the “Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security”, 2005, FAO.

**6.** To increase government's support budget to vulnerable groups in poor areas in order to improve their access to resources, services and employment. The Programme 30a is an appropriate policy. However, for a better outcome and to enhance programme effectiveness, it is necessary to develop a more detailed roadmap to increase public participation and to effectively empower individuals and communities.

**7.** To conduct monitoring and evaluation to timely identify negative impacts on food security at the household level, which may arise in the process of world integration (for instance, impact of the recent food "price storm" and the current world financial crisis). To put into place specific measures to enhance the capacity to cope with shocks through research, analysis, forecasting, action planning, implementation, monitoring and evaluation, and raising public awareness at all levels with the active participation of all relevant parties.

Source: ActionAid, 2/2009

### Improving the poor households review procedure

*Procedure for review of poor households at local level has improved*

The procedure for review of poor households has remarkably improved at the monitoring sites in 2008 compared to 2007. For example, the review process was conducted thoroughly at each household; more people participated in meetings to vote for poor households; and household incomes were carefully calculated. If there was any controversy concerning income calculation, the surveyor was instructed to figure it out by reverse calculation from people's monthly spending to find their minimum income.

*Poor capability, methodology and mindset are still common challenges to poverty review*

Many difficulties in reviewing poor households remained the same as presented in the first poverty monitoring synthesis report. The most common challenges are poor capacity of the local staff, absence of a detailed survey, data inconsistencies between different authorities, people's wish to keep the poor status or hesitation in voicing their opinion in discussion for fear of hurting their village mates, and local officials' tendency to sympathise and be flexible in the decision making process. The increasing trend among the population to acquire paid work either locally or through migration has made it more difficult to ascertain actual household income based on people's self declaration. A local official of Duc Huong-HT commented "*income from local sources can be checked but it is almost impossible to verify the income from outside sources and people still want to keep their status as being poor.*"

*Excluding social support in income calculation means some households fall back into poverty category.*

At the end of 2008, there were some arising problems that influenced the poverty review. **First**, the income calculation method was applied more strictly in some areas than it was in others. Specifically, social assistance was not counted as part of people's income, the differentiation between improving assets and increasing income meant some households fell back into poverty on paper. For example, two years ago, some families in Duc Huong- HT were removed from the poor household list as they were supported with a well and house roofing material. However, the provincial guideline on poverty monitoring in 2008 stated that any social assistance is excluded from income. Thus such families fell back into the poor household list.

*People want to be categorised as poor in the face of more poverty support policies*

**Second**, more poverty reduction policies were introduced by the end of 2007 such as Decision 112 to provide cash for poor children's schooling and Decision 157 to give loans to students from poor or near-poor families. Hence, everyone wished to get support from these programmes and there was a bias to vote families whose children are students as poor or near-poor families so that they could be eligible for the incentive loans. Decree 67/CP on social welfare regulated that households with disabled people can only access monthly allowances if they are categorised as poor. Hence, there are cases in which even though some families with disabled people may have higher income than the poverty standard they were still being rated as poor households by local people so that they could benefit from welfare programmes. Consequently, it is also likely that people want to exaggerate the number of poor households in their commune in order to get benefit from Programme 30a. This trend is very different from the previous years

when people wanted to keep the number of poor households low in order to boost their achievement under Program 135.

--- *“The rate of poor families at commune level in 2008 is higher than 2007 partially due to the introduction of program 112 supporting school children and some other programs that give low interest loans to poor families, hence the mindset where every household wants to be classified as poor in order to get such benefits leading to inaccurate results in the poverty review exercise conducted by heads of hamlets” (An official at Luong Minh commune).*

--- *“There are two types of households in the hamlet who want to be classified as poor households: those with school children for the incentive loans for students and those with disabled people, to gain support from the government” (Head of Dong Tam hamlet, Cu Hue commune)*

*The out of date poverty standard rendered the poverty review exercise inaccurate*

**Third**, due to high inflation in 2008, the existing poverty line no longer reflects the minimum demand of the people, especially those living in commercial production areas where most people have to purchase food and food stuff at a much higher price compared to 2007. An out of date poverty line rendered the review of poor households in many areas invalid. The list of poor households compiled by local people through communal meetings was often based on relative comparison among households using qualitative criteria such as health, house, land, livestock, motorbike, and so on, instead of true income calculation. Moreover, there is little difference between a person with average income of more than VND200,000 and an income of less than VND200,000 hence, there was no big difference between a poor household and a household lifted out of poverty. There is potential for conflicts and controversy in communities if the support programmes and policies are not well administered.

*It is necessary to have a better researched approach to defining poverty*

This leads one to question what method should be used to define poverty in Vietnam in the new context, should it be an “absolute poverty” approach or a “relative poverty” approach or should it be a combination of these two approaches. While this question needs further discussion and testing, an initial discussion regarding this issue is presented in Box 5 below.

**Box 5. “Absolute poverty” or “Relative poverty” or a combination of the two methods.**

While assessing poverty quantitatively, there are two main approaches which are “absolute poverty” and “relative poverty”. “Absolute poverty” bases determinations on a certain amount of money equivalent to a certain amount of goods and services to meet a minimum need. The “absolute poverty” standard is usually fixed and adjusted to the annual inflation rate. The absolute poverty standard of USD1\$ per day or USD2\$ per day is used to compare poverty situations among different countries.

On the other hand, “relative poverty” is measured against average income or average consumption of the whole population in a certain area (a province, a country). Accordingly, the relative poverty standard is varied at different localities and changed annually in accordance with the change of the average income or consumption. The relative poverty approach is widely used in developed countries such as EU countries. For example, in the UK relative poverty standard is defined by 60 percent of the average income (calculated based on a median value) of the whole population ([www.poverty.org.uk](http://www.poverty.org.uk)).

Two poverty lines are currently being used in Vietnam. The first poverty line which was introduced by the GSO is an absolute poverty line calculated based on the minimum expenditure which has remained unchanged since 1994 and is only adjusted to the annual inflation rate. This expenditure poverty line is used for poverty analysis at national level and regional level based on the statistical data of the VHLSS conducted every two years.

The second poverty line which was regulated by the MOLISA is also an absolute poverty line. This poverty line is used for compilation of poor household lists at communal level. Those listed benefit from the poverty support programs of the government. The MOLISA poverty line has some characteristics of the relative poverty line as it is adjusted within a medium term (once every five years) and this line is varied between rural and urban areas and each province/city can set up their own poverty line as long as it is not below the nation-wide poverty line. For example, the current poverty line of HCM city is 4 times higher than the general nationwide poverty line hence a poor person in HCM City might be well-off should they live in the mountainous provinces.

One of the weaknesses of the MOLISA's poverty line is that it is not regularly adjusted to the annual inflation rate. Moreover, it should be used with caution in explaining poverty rate at national or regional level or in making comparison of poverty rates among different locations as each locality may have its own poverty line. Recent efforts to consolidate both the poverty line approaches of the GSO and the MOLISA have not yielded success. The trial procedure of the MOLISA in using reverse analysis of VHLSS 2004 of the GSO to estimate people's income in assessing poor households did not take into account the differences at provincial level.

Vietnamese people's living standard remains low and their income are not yet even among different locations. Hence, if there is no "absolute poverty" line to use as a basis for comparison of poverty situation among different areas there will be drawbacks in designing budget transfer programs for the poorest areas (such as Programme 30a) as well, it will be very difficult to define the responsibility of people in the more developed areas to the less developed ones.

The feasible solution for the short term is to accept both poverty measures, the "absolute poverty line" of the GSO and the mixture of "absolute-relative poverty line" of the MOLISA for various poverty monitoring purposes. The issues needing immediate adjustment are: (i) the absolute poverty line of the GSO should be used in policy making and budget planning and (ii) the poverty line of the MOLISA should be adjusted according to annual inflation rate.

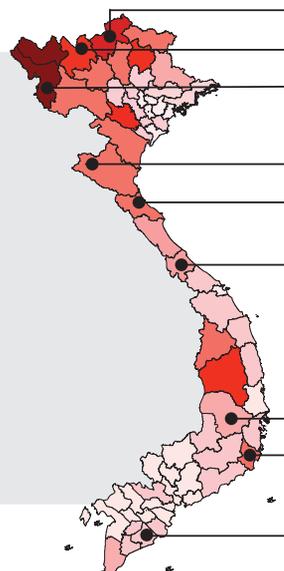
For the long-term (towards 2020), it is essential to unify the two poverty assessment methods of the GSO and the MOLISA. Should we use only the "absolute poverty line" of the GSO for poverty analysis and policy making; and should we replace the "absolute-relative poverty line" of the MOLISA by a more clear-cut and user friendly qualitative criteria system for use at communal and village level to identify the typical needy groups to be subject to the social welfare program of the government (as being currently practised by many other countries)?

### **Supporting poor households to cope with risks for sustainable poverty reduction**

*Strengthening capacity to cope with risks is a decisive factor in sustainable poverty reduction*

Poor people faced more serious risks in 2008 compared to 2007, particularly with natural disasters and unfavourable prices. Consequently, people's confidence in improving their lives declined remarkably. At most of the monitoring sites, the number of interviewed people who, at the end of 2008, were optimistic about life in the coming 12 months was lower than at the end of 2007 (Table 16). Supporting poor households and near poor households to enhance their capacity to control risks and shocks as well as developing an effective social welfare system in rural areas will be decisive in the success of sustainable poverty reduction for the coming years.

**TABLE 16. People’s feelings toward the prospect of a better life in the next 12 months (%)**



Commune	Total		Poor HHs		Non-poor HHs	
	2007	2008	2007	2008	2007	2008
Thuan Hoa	61	48	40	31	72	68
Ban Lien	57	47	57	39	56	62
Thanh Xuong	22	23	24	7	21	28
Luong Minh	17	22	13	16	24	40
Duc Huong	40	30	25	18	46	35
Xy	8	5	9	7	8	3
Cu Hue	31	23	8	16	37	27
Phuoc Dai	35	10	13	7	50	13
Phuoc Thanh	10	20	14	12	4	41
Thuan Hoa	28	19	18	16	42	22

SOURCE: Household survey data

## Part 2: Key Themes of Poverty Reduction

### 2. THE GAP BETWEEN RICH AND POOR

*Using the “sustainable livelihood framework” can help qualitative assessment of factors influencing the gap between rich and poor*

The first synthesis monitoring report suggested that poverty has a multi-dimensional nature as it is not solely about income or expenditure. The report presented disadvantages and limitations of the poor compared to the better-off in various aspects including income sources, land, property, participation, social capital, impacts of drug abuse, technology application, capital accessibility, market accessibility and issues faced by ethnic minorities. This second synthesis report on poverty monitoring will update the changes of factors influencing the gap between rich and poor according to the framework of sustainable livelihood<sup>6</sup>, making a more in-depth analysis on some emerging issues in 2008.

#### 2.1 The development of the gap between rich and poor

The gap between the rich households and the poor households, among different ethnic minorities, between the mountainous and plain areas can be seen in different aspects such as quality of livelihood capital, accessibility to institutions and policies, ability to cope with risks and income effectiveness from livelihood strategy.

*Resources of the poor continued to improve but the gap between the poor and better-off remains large*

#### **The quality of livelihood capital**

“Livelihood capital “or “resources” of poor households continued to improve in 2008 compared to 2007 due to efforts and support from the government and relevant organisations. However, the gap in the quality of livelihood capital available to rich and poor households remains large from various perspectives.

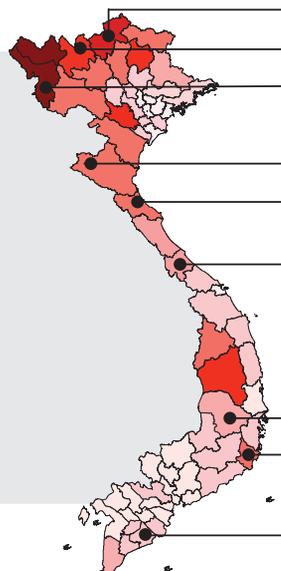
*Labour capital disadvantage is exacerbates poverty*

**Human capital** disadvantage is still one of the most common features of poor households at the monitoring sites. More families have moved out of poverty in 2008 because of their labour capital. Households which remain in the list of poor families mainly include: young and newly independent families; single-parent families with young children; old age people living alone (life cycle factor); families with gravely disabled people or with people with long-term sickness. Table 17 shows that on average a poor family usually has fewer members in labour age range (from 15 to 60 years old) and more dependent children compared to a non-poor family.

<sup>6</sup> The sustainable livelihoods framework is often used to analyse factors influencing the livelihoods of the poor and the interrelation of such factors including livelihoods capital, access to processes and institutions, livelihoods strategies, livelihoods outcome, and vulnerability context.

**TABLE 17. Household composition characteristics, 2008**

Commune	Total number of family members		Number of members above 60 years old		Number of members from 15 - 60 years old		Number of members below 15 years old		HHs with disabled member (%)		Single-parent family with children under 15 years old (%)	
	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	4.9	5.1	0.3	0.3	2.9	3.4	1.7	1.4	21.9	0	0	0
Ban Lien	5.6	6.4	0.3	0.8	3.1	4.1	2.3	1.5	2.6	0	2.6	0
Thanh Xuong	4.2	4.3	0.3	0.4	2.7	2.9	1.2	1.0	21.4	4.3	7.1	2.2
Luong Minh	5.3	5.1	0.4	0.4	2.9	3.3	2.0	1.4	15.6	0	8.9	0
Duc Huong	4.5	4.6	0.7	0.8	2.8	3.3	1.0	0.6	11.8	2.3	5.9	0
Xy	5.3	6.2	0.4	0.7	2.4	2.8	2.5	2.7	10.3	3.2	0	0
Cu Hue	4.8	4.9	0.3	0.2	2.8	3.6	1.7	1.2	5.3	0	5.3	0
Phuoc Dai	4.7	5.4	0.4	0.3	2.4	3.3	1.9	1.8	10.3	3.2	0	0
Phuoc Thanh	5.4	5.3	0.3	0.1	3.1	3.1	2.0	1.4	4.7	5.9	4.7	0
Thuan Hoa	4.8	4.7	0.2	0.3	3.3	3.5	1.3	1.0	6.3	3.6	6.3	0



SOURCE: Household survey data

*Education gap between the rich and the poor remains wide*

**Access to education** at the monitoring sites has improved. However, the education gap between members of poor and non-poor families remained wide. The ratio of children over 6 years without any schooling or who had not completed primary school among poor households was much higher than in non-poor households. Similarly, the ratio of members who completed primary school, junior high school, senior high school and higher education in poor households was lower than in non-poor households (Table 18). The situation has not improved much in 2008 compared to 2007.

*Not knowing Kinh language causes many difficulties for the ethnic minorities living in mountainous areas*

At the monitoring sites, most of the ethnic people who had not completed primary school were unable to read and write the Kinh language (Vietnamese) although they could speak it to an extent. Most ethnic minority women over 35 years are unable to speak Vietnamese fluently. This reveals that the campaign to eradicate illiteracy for adult ethnic minority people had not been effective- many of those who had completed the illiteracy eradication course remained illiterate. It is difficult to quantify the exact repercussions on ethnic minorities of not being able to use Vietnamese fluently but they faced difficulties in their daily life, such as loss in trading; difficulties writing loan applications or participating in meetings and training courses (conducted by the Kinh people); understanding and applying agriculture extension information, taking paid jobs or migrating for employment, among others.

*There is limited improvement in reducing school drop out rate*

The target to have 100 percent of children enrolled in schools is challenging. At some monitoring sites, about 10 percent of children between 6- 11 years old did not attend school. The enrolment rate among children in the age groups 12- 15 and 16- 20 was even lower. The schooling rate among children in most monitoring sites had not improved in 2008 compared to 2007. Particularly, the poor Khmer people in Thuan Hoa-

among children at junior high level and above TV often go to work very far from their hometown, taking their children along with them, thus the children are forced to drop out of school. Children between 16-20 years old usually drop out of school to work to support their families.

**TABLE 18. The highest education level of family members above 6 years old, 2008 (%)**

Commune	No schooling		Have not completed primary school (Level 1)		Completed primary school (Level 1)		Completed junior high school (Level 2)		Completed senior high school (Level 3)		Vocational school, higher education, tertiary education	
	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	13	7	35	22	35	35	15	31	3	4	0	2
Ban Lien	27	25	36	24	26	28	11	22	0	1	0	0
Thanh Xuong	14	8	46	18	18	22	16	34	4	12	4	5
Luong Minh	26	15	39	28	26	34	8	15	1	6	0	2
Duc Huong	0	1	20	7	15	14	49	38	15	31	1	9
Xy	40	33	30	26	21	25	7	12	2	4	0	1
Cu Hue	17	8	37	25	27	33	17	25	1	8	0	2
Phuoc Dai	25	22	52	33	16	30	7	14	1	1	0	1
Phuoc Thanh	52	34	33	29	12	23	4	10	0	3	0	1
Thuan Hoa	21	13	55	31	16	30	8	17	1	6	0	3

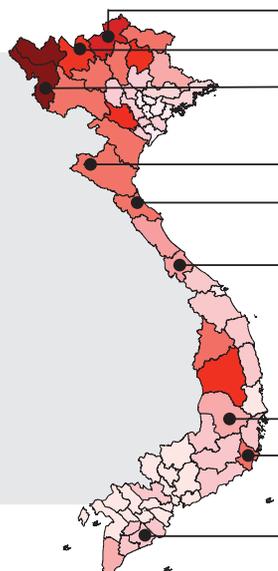
SOURCE: Household survey data

Children drop school for many reasons

Table 19 presents detailed reasons why children drop out of school, based on the explanations given by families. "School is too far away from home" is no longer the key reason leading to drop out at most of the monitoring sites. This indicates that the policy of building more schools and classes at communal level (bringing schools closer to children), supporting boarding students (bringing children closer to schools) had been working well. Poor school performance was also cited as one main reason. In remote ethnic minority areas, heavy education programmes may discourage children from going to school.

**TABLE 19. Major reasons why children between 6-20 leave school, 2008 (%)**

Commune	Ratio of children between 6-20 y/o not going to school	Reasons why children leave school (select one key reason)					
		School too far away	Family cannot afford	No longer want to go to school	Poor study performance	Stay at home to support parents	Other reasons
Thuan Hoa	14,5	6	6	35	18	24	12
Ban Lien	34,3	5	40	45	3	5	2
Thanh Xuong	10,6	0	14	14	0	71	0
Luong Minh	32,2	3	27	21	18	27	6
Duc Huong	9	50	0	17	0	17	17
Xy	23,4	0	26	26	16	32	0
Cu Hue	27,4	8	24	32	28	8	0
Phuoc Dai	14	0	40	53	7	0	0
Phuoc Thanh	35,5	0	15	56	5	10	13
Thuan Hoa	44,9	0	54	28	2	10	6



SOURCE: Household survey data

Poverty is the key reason for high drop out rates...

Poverty is rated as the most common reason leading to school drop out. (“Family cannot afford” and “Stay at home to support parents”). Correlation analysis between poverty ratio and the ratio of children between 6-20 years old leaving school using survey samples collected from 20 monitored villages shows that there is a correlation between the two variables (Figure 2). It is quite common for children to work from an early age. The children themselves can see the difference between the rich families and the poor families in the terms of schooling:

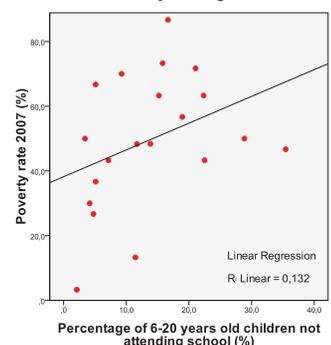
--- “Poor families do not pay due attention to their children’s education. Some of my friends in poor families do not have anything to eat; they have to eat sweet potatoes and cassava. They drop out of school in grade 5 to stay home to support their parents”- “There are not many rich families in our village; there are those who have wage work outside the village so they do not suffer from food shortage. All children of rich families attend school, none of them drop out of school” (A group of children in Ta Lu hamlet, Phuoc Dai commune).

--- “Only children from rich households attend senior high school. Poor families do not have money to send their children to school and the school is very far away from home, in Phuoc Dai, Ninh Son. There are only two people attending senior high school and they visit home once a month. Their father or brother picks them up to visit home for three days” (A group of children in Ma Du hamlet, Phuoc Thanh commune).

... however, poverty is not the key reason in many cases

However, the survey result shows that poverty is not the only reason and in many cases it is not the main reason for children dropping out of school. Family awareness is very important. Many poor households still attempted to send their children to school.

FIGURE 2. Correlation of poverty rate of 6-20 years old children not attending school at 20 surveyed villages



Notably, the ratio of family representatives citing “No longer wanting to go to school” as the key reason leading to children’s school drop out is relatively high at all monitoring sites (this is even the highest ratio in some monitored communes).

*An active teaching-learning, child-centred education approach would be an effective solution to motivate children to stay in school*

Discussion with some groups of children at the monitoring sites showed that ethnic minority children are easily “offended” by the teaching methodology of the teacher, from how they deal with difficulties that children face to the techniques used to motivate children in class. There have been quite a few cases where the teacher strongly criticised students on some issues (such as if they cannot complete exercises or reminding them to pay the fee on time) and this makes them want to leave school. In order to stop children from dropping out of school, active teaching methodology should be applied, using a child-centred education approach instead of the conventional teaching method where “the teacher keeps talking and children keep noting down” as well as realising the motto promoted by the education sector “each school day offers children joy.”

*Great effort has been put into applying active teaching learning method, yet wider dissemination is necessary*

Oxfam GB, ActionAid and some other donors have introduced and disseminated active teaching-learning approach in remote areas. Oxfam GB, in cooperation with other local partners, has successfully implemented the child-centred methodology (CCM) with success in the three provinces of Tra Vinh, Lao Cai and Ha Tinh. It is recommended that education managers devise more specific plans with strong measures for dissemination of the CCM nation-wide (Box6).

**Box 6. Success in application of child-centred methodology (CCM) in Tra Vinh, Lao Cai and Ha Tinh provinces.**

Child-centred methodology is an active teaching-learning approach which promotes less lecturing and more class activities for children and emphasizes preparation including designing activities and teaching aids. CCM helps improving student’s active involvement in lessons and makes them work in groups, which can result in a more friendly relationship between teachers and students. The utmost goal of CCM is to enhance education quality.

Oxfam GB (OGB) has introduced CCM in primary school and junior high school education in 3 provinces, Tra Vinh, Lao Cai and Ha Tinh provinces. In Tra Vinh province, CCM was implemented in Duyen Hai district from 1996 to May 2006. Duyen Hai is a poor district with many school children of Khmer ethnic minority. CCM has been disseminated since 2006 by the Tra Vinh District of Education and Training (DoET). By October 2008, there were 150 resource teachers and over 1,000 model teachers to implement CCM in every primary school in the province. In Lao Cai province, CCM was first introduced in Sa Pa district in 1992 and has been disseminated to the whole province with the formation of a key teacher group comprising of 104 resource teachers in every district of the province. CCM is currently applied by 460 CCM model teachers at 92 primary schools with 7,000 beneficiary children. Education officials of Lao Cai education and training department highly appreciate the improvement in teaching quality of their teachers and they have committed to spread CCM across the whole province under the provincial budget. Thus far, CCM has been exercised in almost 50 percent of primary schools in Lao Cai province, contributing to enhanced access equality to education for all ethnic minority children in the province.

After 10 years of great efforts in experimenting, consolidating and disseminating CCM, a comprehensive guidebook series on CCM has been published, a number of workshops and dissemination training courses conducted strong pool of resource and model teachers developed in the three provinces (Tra Vinh, Lao Cai and Ha Tinh). DoET of such provinces have issued a number of guidelines and instructions to gradually institutionalise CCM procedure in the whole province.

Independent evaluation reports on CCM in Tra Vinh and Lao Cai provinces also highlight the success of CCM in improving teaching and learning quality,

particularly to ethnic minority children and school girls. It is proven by the higher enrolment rate, higher class attendance, higher ratio of children completing primary school and the reduced drop rate in schools which apply CCM.

In order to further disseminate CCM, independent evaluation reports suggested that DoET of such provinces issue instructional documents to guide the Division of Education and Training at district level to formulate plans for consolidation and dissemination of CCM, increasing support for the core teacher groups in organising training courses, providing them with information technology facilities to empower their self-training ability, improving scholarship support policies to boarding students, increasing allowance for teachers when applying CCM, using public media to promote the success of the CCM project, attracting more international sponsorship to further consolidate the achievement of CCM and increasing CCM beneficiaries.

Source: Evaluation Completion Report, Tra Vinh Education project -RVN A52 (4/2008) and Midterm Evaluation report of Lao Cai Education project Cai-RVN A54 (3/2009).

*Strong social capital may help the poor but may also create prejudice against them*

Ethnic minority people living in mountainous areas have a strong sense of community spirit, hence **social capital** is still maintained, which is beneficial for the poor. However, laziness is not acceptable. At monitoring sites, phrases like “*spending a lot but not paying due attention to work*”, “*owning land but still being poor for not working*”, are used by local officials and local people to explain the major reasons for poverty in some households. At the annual meeting for voting households into the poor family list, many local people do not agree to put families which are known as “being lazy” into the poverty household list so that “lazy” families do not get any incentive support for the poor (such as replacement of temporary houses with a firmer houses and loans at low interest rates). This is a social phenomenon that needs more thorough understanding through research because in some monitored areas it was revealed that some families being considered “lazy” were working to make their living on their limited resources; negative social preconception from the society drove them away from the community and made it more difficult for these families to escape poverty.

*Propaganda campaigns aimed at cutting down the “old and costly customs” of the ethnic minority people should be thoughtfully designed to avoid destroying much needed community support for the poor*

**Traditional customs** such as funeral rituals, weddings, services for the sick, services for good cultivation or services for the forest form an integral part of community life among ethnic minorities. Such customs are quite expensive to organise even though they have been simplified than from their original form. Rich families can afford big celebrations while poor families struggle to organise them and often have to sell their properties or borrow money to pay for them. However, support from the community is very helpful to poor families in reducing the burden of organising such events. If a family has a funeral or a praying service for the sick, relatives and neighbours in the village often offer rice, meat, alcohol or fire wood; other poor families that cannot support materially often help by giving a hand to the host families. These customs not only create a chance for the poor to participate in community activities but also make an unofficial “safety net” for them. Through such community activities poor families receive support from other locals in times of difficulties.

--- “*At death time, one should be helped with a funeral! Any family who has a funeral just informs the group leader, other families will voluntarily help. Families usually support: 3kg of rice, 0.5 litre of alcohol, VND10,000, a bunch of phrynium leaves or banana leaves, and a bunch of firewood*” (A group of Tay people, Group 1 hamlet, Ban Lien Commune, LC).

--- “*A person who attends a wedding usually offers money or steamed sticky rice if they do not have money. Each family cooks about 4 cups of sticky rice to offer. Those who are richer can offer about VND10,000 to VND20,000. If having a funeral, people in the village will certainly come to help even if they are not asked to do so. Richer people of-*

fer VND10,000- 30,000, 4-5cups rice and 1 bottle of alcohol. Poor people do not need to offer any thing but can come over to help out" (P.D, Van Kieu ethnic minority people, Troan O hamlet, Xy commune, QT).

*In some areas only rich households have ownership of quality farming land*

**Shortage of quality** land is one of the **natural capital** disadvantages of poor households. In ethnic minority mountainous areas, rich families own more land and benefit from favourable conditions for farming on more plain fields with water accessibility or where the topography allows, on terraced fields (Table 20). Currently, due to lack of vacant land with easy access to a water source, the poor cannot obtain more farming land. Paddy fields in the higher populated low North and Northern Central areas, where Kinh people live, were equally allocated per person. Therefore, there is not much difference in farming land ownership among families. Poor households in the low land such as in Duc Huong-HT even work more land than the rich do as the rich people tend to focus more on trading, and services. Moreover, their children work in factories and companies so some rich families leave land for others to work on.

*Newly separated households and new migrants lack both cultivating land and forest land as land is more and more limited*

In the ethnic minority mountainous areas on sloping hills there is less difference in the size and quality of cultivated land of the rich and the poor (dependent on the capacity to reclaim idle land of individual families and it is changing every year due to the habit of leaving land uncultivated after some crops). However, as there is limited availability of land, newly separated and migrant families cannot find farming land or forest land easily. According to the data collected through survey questionnaires at the monitoring sites, the number of ethnic minority people who own forest land is small. However, caution should be exercised when dealing with data on forest land self-declared by the people, as for ethnic people, the distinction between forest land and cultivating sloping land is not always clear.

*It is essential to support the poor with techniques, production inputs and forming farmer groups for land support programmes*

Besides the Government's land support policy for poor local ethnic people under Program 134 and other supporting policies applied in different areas, there were some other independent plans in 2008 such as wasteland reclamation and land allocation for poor households in Phuoc Dai-NT. After the completion of the irrigation project at Song Sat lake, the Phuoc Dai commune reclaimed 70ha of wasteland for allocation to 170 poor households. An ActionAid-funded project advocated rich families in Thuan Hoa-TV to lend land to poor families for cultivation of two major crops (Box 7). The lesson learnt from these projects is that it is crucial to support the poor with techniques, production inputs, and forming farmer groups in order to make the land support programme successful.

#### **Box 7. Supporting poor households to borrow land in Thuan Hoa commune (Cau Ngang, Tra Vinh)**

Supporting the poor Khmer people to borrow land for farming between the two main crops in Thuan Hoa was conducted within a project sponsored by AAV and implemented since early 2008. The project aims at advocating the rich people who own agriculture land but do not cultivate on it or do not take full use of it to let the poor people cultivate on their land between the two main rice crops. The initial result is that 16 rich households in Tra Kim and Soc Chua hamlets let 17 poor households who do not have land (living in the same hamlet) cultivate on the borrowed land of 7.8ha.

In order to make the model effective, the minimum of borrowed land should be 0.3 ha and over and the duration should be at least 3 years. A borrowing contract should be made between the two parties. AAV's project supports people in two ways, (i) by giving a grant to make a well on the borrowed land (after the three years of the contract, the well belongs to the owner of the land); and (ii) by giving support through revolving loans for electricity, electric motor, water pipe line, seeds, fertiliser (the poor households have to repay the loan which the project invested).

The first soya bean production yielded good results (7 households had relative good profit, 5 households had lower profit and 5 households broke even), although the preparation stage was lengthy which delayed the planting time and weather conditions were not favourable. The poor Khmer participating in the project have high expectation for a better outcome from the coming crops as they have gained experience from the last time, also they can plant on time for the next crop season as all necessary facilities are already in place (such as: well, electric wire, motor and water pipe line).

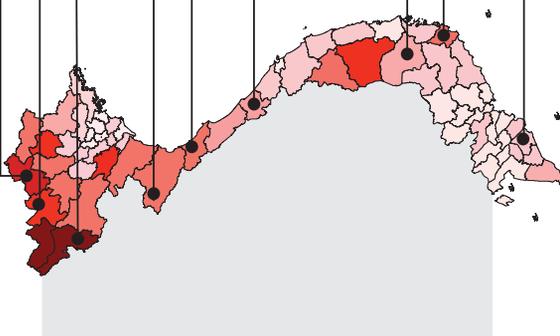
*Delayed project implementation negatively influenced effective land use*

Notably, the implementation of some planned projects had been delayed, making people hesitant to cultivate the planned land and unwilling to invest to develop facilities, build houses or plant perennial species. An example of this is the delayed project in Thanh Xuong commune-DB, which negatively influenced the efforts of people in the planned project area to alleviate their poverty (Box 8).

**Box 8. Project delay affects people's lives**

In 2004, Dien Bien district in Dien Bien province had a project approved to retrieve 175 ha of land in Thanh Xuong commune for construction of a new town centre. The district authority issued a decision to claim land for the project. Of the total 74 households in Pa Dong, a village of Thai people, there are 50 households whose land was taken by the project. However, over the past 4 years, only 2 households received land compensation. The unclear status of land meant people did not dare to invest in their house, garden or facilities. By the end of 2008, 10 households in Pa Dong hamlet escaped from poverty but none of them were included in the planned town centre project. The head of Pa Dong hamlet commented *"if we had not been involved in the town centre project plan, the number of households escaping poverty would have been higher"*.

TABLE 20. Cultivating land area by household, 2008



Commune	Land for rice			Annual cropland (inclusive of land for rice)			Perennial cropland			Forest land			
	Ratio of HHs which own land for rice (%)		Average area of land for rice per head (m2)	Ratio of HHs own annual cropland (%)		Average area of annual cropland per head (m2)	Ratio of HHs which own Perennial cropland (%)		Per capita area of perennial cropland (m2)	Ratio of HHs which own forest land (%)		Average area of forest land per head (m2)	
	Poor HHs	Non-poor HHs	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	100	96	397	100	100	864	16	14	957	88	86	3059	4417
Ban Lien	100	100	349	100	100	827	62	91	476	21	24	630	373
Thanh Xuong	93	98	296	100	100	618	14	30	711	29	15	750	1521
Luong Minh	0	7	0	98	93	1642	9	13	1048	24	40	1308	3033
Duc Huong	94	79	270	100	100	610	0	19	0	6	12	83	185
Xy	0	0	0	100	100	1166	21	3	491	0	13	0	407
Cu Hue	74	44	236	100	100	1132	21	66	723	0	0	0	0
Phuoc Dai	55	48	323	93	97	1170	38	32	778	0	0	0	0
Phuoc Thanh	26	35	438	98	94	1177	30	64	564	5	18	500	1356
Thuan Hoa	47	75	808	24	33	517	0	4	0	0	0	0	0

SOURCE: Household survey data

*The poor are heavily dependent on natural resources which are heavily influenced by deforestation and overexploitation*

**Natural product resources** such as rattan, bamboo, bamboo shoots, leaves, wild animals, etc are becoming scarce. In the event of a natural disaster or crop loss, many households rely on forest vegetables and fish in local waters for food. To get food from natural sources people now had to go further into the forest or higher up the mountain and the catch was no longer abundant. Forest resources were on the verge of depletion as they were being exploited by many families for food. In Tra Vinh, many households heavily depend on fishing from the rivers. However, natural aquaculture products have been critically depleted due to over exploitation and also due to a new system of barriers to adjust water flow.

*Access to incentive loans is no longer the top challenge. However, not all poor people know how to use the loan effectively*

The **financial capital** of the poor is increasing with the improved and easier access to incentive loans. In 2008, more policies for incentive loans for the poor were introduced, including interest free loans for extremely poor ethnic minority people; loans to poor students in addition to the production loan initiative under Programme 30a.

However, there are still some groups of poor people who do not have access to incentive loans because they are afraid to borrow, they do not have a feasible investment plan, and the local officials do not warrant them to borrow as they are afraid that the poor do not know how to effectively use the capital or will be unable to repay the debt. Ineffective usage of credit is still one of the key shortcomings among poor households which results in credit risk. The situation had not improved in 2008 from 2007 (Box 9).

#### **Box 9. Concerns at local level regarding loan policy for the poor**

Discussion with local officials at monitoring sites revealed concerns regarding the implementation of recent policies to give incentive loans to the poor. The first concern is about the *“over reliance on others”*, misuse of credit, and lack of will to repay the loan. Local officials see the need to *“change the awareness of the poor”*. The poor have been given too much while the *“giving”* mechanism has not been improved, and has contributed to the attitude of over reliance.

The second concern is about the overlap of different capital sources under various policies, programmes and projects, which allows the poor to access many loans, which could in turn hinder repayment. As a matter of fact, some poor people borrow larger amounts of money from the new programme to repay the loan obtained through another programme. Leader of Thuan Hoa commune remarked *“how can the awareness of the poor people be changed, how can the overlapping of different projects be avoided? Though it looks good on paper these are long lasting problems”*...

The third concern is about the lack of detailed guidelines for classification of poor households based on poverty causes to devise more appropriate credit support. Currently, each commune itself sets up own criteria to define household eligibility. This leads to a situation when typically disadvantaged households (HHs with disabled members, addicts) could not get their case approved by grassroots cadres in time of need for capital. Those who are unable to survive by themselves (such as people too weak to move, and lonely old-age people) should be separated from the credit programme and entitled to particular social protection programmes (for example, under Decree 67/CP).

The fourth concern is the lack of coordination between giving credit and guiding the poor to use credit for investment in production activities, agriculture and forestry extension services, improving market access, forming self-help groups,. Furthermore, loan groups are not functioning effectively. In many places, those groups are simply assuming the regular collection of interest.

The advantage of loan policies for the poor need to be resonated with some drastic measures to achieve quick and sustainable poverty reduction. Lessons learnt from monitoring sites suggest a number of factors to work on, such as capacity building and increasing allowances for local officials, assigning staff to support farmer groups (loans should be considered as a “catalyst” for promoting activities of groups such as agriculture-forestry extension programmes and other production support programmes that need to be implemented in groups), close monitoring and timely reminder to each borrower and so on, following the principle of “working thorough and with sustainable results”.

It takes consistent effort to improve the mechanism of loan support to poor households. Most importantly, a clear guideline is needed for implementation from central level to provincial and lower levels. Each locality should be required to develop its own plan for loan disbursement with clear objectives, activities, budget, staffing and specific coordination mechanism among different authorities and relevant agencies.

*Wage labour provided important cash to the poor*

Significant change witnessed in 2008 as compared to 2007 was that **cash earned from distant paid work** increased in many of the monitoring sites. Income from migrant wage labour became a lifeline for many households in 2008 when farming faced many difficulties due to unfavourable price and unpredictable weather conditions. A few families that successfully escaped poverty stated “*my children have grown up and have got paid jobs away from home*” and “*if we were solely dependent on farming it would be difficult to get out of poverty*”, as a major reason behind their success. However, it is not easy for many poor households to leave for a paid job away from home as they have limited labour resources.

*Differences in asset ownership have shifted from quantity to quality*

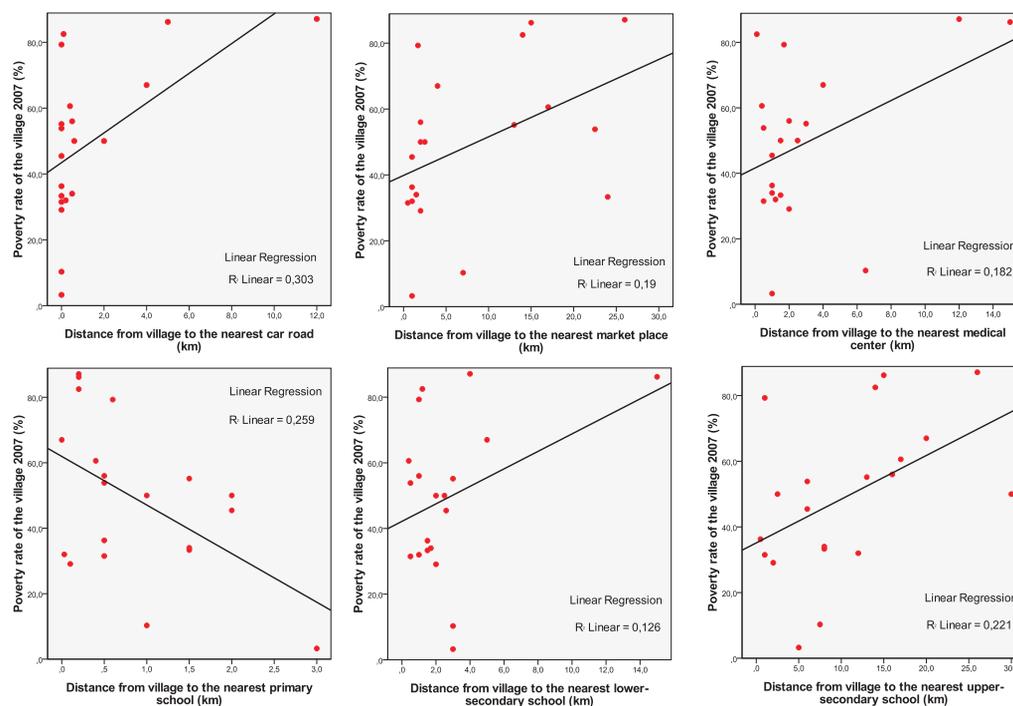
Differences in **physical capital**, in the form of household assets such as house, livestock, television, motorbike are still the most visible between the rich and poor families. In 2008, more poor households bought televisions and motorbikes compared to 2007 (Table 21). Taking into account only the ratio of households with TVs and motorbikes, the gap between the rich and the poor households has narrowed. However, property gap has transformed from quantity into quality. For instance, poor households also own televisions and motorbikes yet most often those items are either old and/or of low value while rich households own new items with higher value. Ownership of livestock witnessed more complex change. As the price of livestock soared in 2008 compared to 2007, many families had sold their livestock (to repay bank loans).

### **Accessibility to institutions and processes**

*Distance to facilities and services is directly proportional to higher poverty rates*

Infrastructure has been improved considerably at the commune level. However, village infrastructure is still poor. People in poor and remote villages are still facing **disadvantages in accessing amenities and services improved by infrastructure**. An analysis of the two variables, ratio of poor households and distance to facilities in 20 monitored villages revealed that there was an obvious correlation between rate of poverty and distance to the highway, medical clinic, market, lower- and upper-secondary schools (such facilities are usually located at the centre of the commune). On the contrary, poverty rate and the distance to the closest primary school had a reverse relationship which shows that primary schools have been constructed at the poorest sites (Figure 4). It is necessary to invest more in remote areas, spread out medical clinics at commune and hamlet levels, increase support to boarding students and (people funded) day-boarding students so that children from poor families can afford to continue their studies at lower- and upper-secondary levels.

**Figure 4. Correlation between poverty rate and distance to facilities at the 20 surveyed villages**



*Overall, access to agriculture extension has been improved for the poor due to more training courses and livestock vaccination programmes*

**Accessibility to agriculture extension services** remains one of the major disadvantages faced by poor people due to their specific features of labour resource, land resource, education level and capital availability. In the past years, agriculture extension programmes have focused on poor areas. Table 22 shows the ratio of poor households benefiting from at least one agriculture extension activity is the same or even higher compared to that of non-poor families in the monitoring sites. The poor have most access to training courses and livestock vaccination. However, the percentage of poor households with access to agriculture extension in more developed commercial production areas, heavily impacted by unfavourable prices in 2008 (tea production in Lao Cai, rice production in Thanh Xuong-DB, hybrid maize production in Cu Hue-DL and peanut in Thuan Hoa-TV) sharply decreased in 2008 compared to 2007, while access of non-poor households did not decrease.

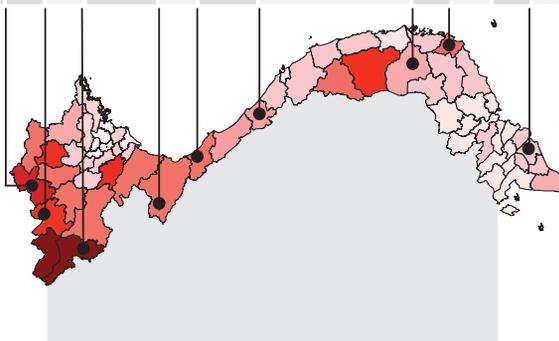
*Agriculture extension could not yet support the poor to cope with risks due to the slow renovation of agriculture extension methods.*

Agriculture extension services failed to make prompt adjustment to provide timely guidance to the poor to cope with price risks. The extension messages based on new seeds and intensive farming became inappropriate in the new context when production inputs including fertiliser, livestock feed, pesticide, fees for hiring machines to prepare land for cultivation, and labour fees increased by 30 to 50 percent in 2008 while the price of final agriculture products did not increase accordingly. Agriculture extension programmes still focused on training, model demonstration and information on technology transfer but often failed to provide on-site consultation and facilitation so that the poor could join. Application of agriculture extension methods adapted for ethnic minority peoples by working together with a group of farmers and conducting small scale experiments for each stage of farming, such as “farmer’s field school (FFS)” and “participatory technology development (PTD)” has not been widely conducted. Such programmes were mainly found in externally sponsored projects.

TABLE 21. Some assets of households, 2007-2008

Commune	Livestock ownership (%)				Average number of livestock				Television (%)				Motorbike (%)			
	Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs		Poor HHs		Non-poor HHs	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Thuan Hoa	85	97	100	93	1.8	2.3	2.8	2.9	20	41	54	68	20	47	44	57
Ban Lien	94	95	80	95	2.8	3.1	6.2	7.0	14	39	44	57	14	44	44	76
Thanh Xuong	22	29	16	26	2.3	1.5	1.6	1.8	94	86	98	100	53	36	72	87
Luong Minh	41	50	67	80	2.7	1.7	3.4	4.3	13	13	52	73	5	9	24	67
Duc Huong	100	94	89	86	1.4	1.6	2.1	1.9	44	82	89	86	25	12	57	63
Xy	49	52	64	68	1.9	2.3	4.4	3.4	49	62	76	84	14	31	64	54
Cu Hue	23	42	23	24	1.3	1.3	3.1	1.6	62	58	100	98	39	58	85	90
Phuoc Dai	79	76	89	87	2.9	3.7	9.9	6.9	54	59	69	90	21	28	64	68
Phuoc Thanh	64	70	75	77	3.5	3.4	6.3	4.2	36	54	67	77	6	9	25	47
Thuan Hoa	24	25	42	32	2.9	2.1	4.5	2.3	62	69	92	96	27	34	69	71

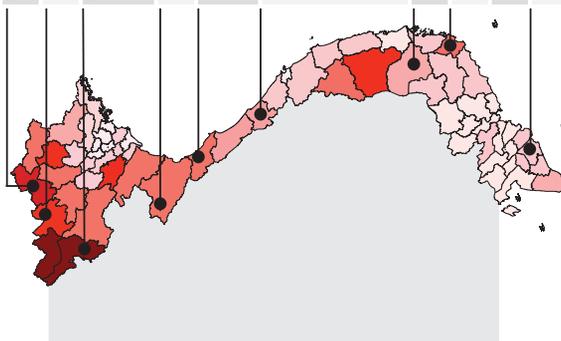
SOURCE: Household survey data



**TABLE 22. Ratio of households with access to agriculture extension service, engaged in sale of farming products and acquisition of production inputs over the past 12 months (%)**

Commune	Participate in at least 1 event of agriculture extension				Sell farming products				Purchase production inputs			
	Poor HHs		Non- poor HHs		Poor HHs		Non- poor HHs		Poor HHs		Non- poor HHs	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Thuan Hoa	90.0	87.5	64.1	92.9	40.0	68.8	66.7	67.9	85.0	93.8	92.3	96.4
Ban Lien	60.0	25.6	44.0	42.9	85.7	78.9	100.0	76.2	80.0	97.4	76.0	95.2
Thanh Xuong	50.0	21.4	40.5	43.5	41.2	7.1	53.5	58.7	76.5	92.9	86.0	100.0
Luong Minh	28.2	57.8	52.4	66.7	2.6	20.0	4.8	53.3	5.1	20.0	9.5	33.3
Duc Huong	62.5	100.0	59.1	83.7	81.3	94.1	77.3	81.4	81.3	94.1	95.5	79.1
Xy	74.3	79.3	68.0	67.7	65.7	93.1	76.0	93.5	0.0	17.2	4.0	9.7
Cu Hue	30.8	10.5	41.3	24.4	100.0	94.7	91.5	90.2	100.0	94.7	91.5	95.1
Phuoc Dai	/	74.1	/	32.3	/	48.3	/	58.1	/	55.2	/	41.9
Phuoc Thanh	/	27.9	/	52.9	/	46.5	/	76.5	/	11.6	/	17.6
Thuan Hoa	44.1	25.8	61.5	46.4	32.4	40.6	69.2	64.3	35.3	43.8	65.4	60.7

SOURCE: Household survey data



*Agriculture extension program “3 less, 3 more” had not yet reached some poor people and communities*

At some monitoring sites, local agriculture extension implemented the model “3 less, 3 more” (3 less meaning; less seeds sowed, and less nitrate and pesticide; 3 more meaning; improved productivity, quality and economical effectiveness). However, this model only applied to rice production and the ability to maintain and disseminate it was limited. Most of the poor had not accessed the “3 less, 3 more” model. In commercial production areas such as Thanh Xuong-DB, Cu Hue-DK and Thuan Hoa-TV, the poor continued to use more fertiliser rather than using manure or self-made organic fertiliser. While the H’mong, Tay and Thai people in northern mountainous area made use of manure (the H’mong people transported the dried muck by baskets to their farms high up on rocky mountains to feed rice and maize), the Raglai and Van Kieu people in the Centre collected dry cow’s waste to sell but not to feed their farms.

*Community learning centre should improve their role in community of not only in learning*

**Community Learning Centre (CLC)** was established in all communes nation-wide with a view to improve access to life-long education, including illiteracy eradication, further education and legal education programmes, as well as raising awareness and training on agriculture extension for the disadvantaged groups such as the poor, women, and ethnic minority people. Operation of CLC at monitoring sites is not very effective due to shortage in budget and insufficient infrastructure facilities, part time staffing, and lack of a specific and feasible action plan. One way to make the CLC work well in promoting a learning society is to link CLC with community development clubs or community groups. This cooperation model is being experimented in some areas by AAV and it seems promising with positive outcomes (Box 10).

**Box 10. A model of connecting Commune Learning Centre (CLC) and Community Development Clubs (CDCs)**

Over the past 10 years, ActionAid Vietnam (AAV) has applied the approach “Education with community development” also known as Reflect. The most recent development of the model is the formation of Community Development Clubs (CDCs) to connect with the Commune Learning Centre (CLC).

Development of CLC has been strongly supported by the government of Vietnam. CLCs have been institutionalized and each commune has a CLC. This is a very high potential institution not only for implementation of illiteracy eradicating program and life-long learning program but it also serves as an engine for community development in the forms of learning and action taking.

The new model was initiated by AAV through supporting activities of CDC. Each CDC consists of 20-25 regular members, representing various interest groups of the community in which participation of women and poor people is encouraged. Those groups are formed voluntarily by area of interest. Each group is led by a local facilitator with support from extended members from the community for each activity and discussion topic. Operation of the CDC follows a set procedure: identifying problems, prioritizing, planning and taking action to solve the problem. In this operation cycle, the community takes action themselves to solve the problems identified and prioritized which fall within their capability. In case of support from outside being needed they will identify technical/financial demand, providing information or having capacity building to realize the project. Such demand requirements are sent to organisations and relevant local authorities for consideration for service provision or adjustment in policy implementation in coordination with the CDC.

In this inter-connected model, CLC plays a communication role. Members of the CLC meet with facilitators of CDC or frequently visit CDCs to collect all information and demands of the community. The suggestions of the community will then be incorporated into an action plan of the CLC or forwarded to other relevant agencies such as agriculture extension, health, education, etc to seek supports

for CDCs. Taking advantage of having members of the management board of CLC who are also local government officials, the CLC management board can introduce problems and demands proposed by CDCs into policy making discussion or incorporate such proposals into the working agenda of the local government.

Thus far, this model has been spread to 9 districts in the program areas of AAV. The model is also implemented by the governments in Cau Ngang district, Tra Vinh province and Hoa Binh province which are not project sites of AAV.

*Source: Report at Workshop on "sharing experience in capacity building in developing community participatory social economic plan", CEMA-EMWG, Ninh Thuan, 02/2009*

*Most of the poor have not accessed vocational training for a number of reasons*

**The programme of vocational training** for rural labourers is getting good support from the Government. Children from poor families are receiving free vocational training with stipends for meals and transportation. However, the number of enrolments for vocational training courses is quite low at monitoring sites. In mountainous communes such as Ban Lien-LC, Luong Minh-NA, Xy-QT, there is not a single person in the whole commune who attends a vocational training programme. There are a number of reasons why people do not attend vocational training courses. For instance, the poor are busy earning a living, there is no money to cover living expenses while undergoing training and there is no guarantee of a job and stable income upon completion of the training. Moreover, ethnic minority children are not yet familiar with the modern working environment (Box 11). Experience drawn from some of the monitoring sites shows that vocational training programmes for poor ethnic minority people should be organised right at the hamlet in the form of "industry extension". The programme should also be linked with group development, availability of resources and on-site marketing or in connection with enterprises.

#### **Box 11. Difficulties in carrying out vocational training for ethnic people**

--- In 2008, Bac Ai district in Ninh Thuan province could not organise any vocational training classes as enrolment volume was too small to open a class in the district. Learners from communes situated far away from the district centre could not afford the living expenses to stay at the district centre during the course while the support rate from the Government was minimal at only VND10,000/person. Phuoc Dai commune alone sent 25 children to Phan Rang city for vocational training on welding, electronics, electricity, etc. However, after 1-2 years of studies 100 percent of these children dropped classes and returned home because of being homesick and short of money to cover their living expenses and continued farming or went out of the commune for wage labour. In Da Ba Cai hamlet in Phuoc Thanh commune, 2 students completed their vocational training course and went to work for a construction company for a while but then quit their jobs and returned home for farming.

During 2009-2012, there is plan to build a vocational training centre in Bac Ai district. However, if difficulties in terms of living expense and post-training employment linger, it would be difficult to attract children of Raglai people to attend the course. It is recommended that in the short term, the centre should focus on opening short courses on agriculture and construction which could secure students a job in the locality rather than training on other non-agriculture skills.

--- Bac Ha district in Lao Cai province organised a free skill-training course on planting, breeding, alcohol making etc. at the district. The Government gives meal allowance of VND300,000 per head per month and transportation allowance of VND200,000 per head per training course. However, till the end of 2008, not one

attendant was seen from remote communes such as Ban Lien while the no skill training courses were brought to Ban Lien commune because it is too far away.

Meanwhile, training classes for 60 Tay women in Ban Lien commune on weaving rattan backpacks and conical hats have been conducted successfully as part of a project supported by Oxfam GB. The women attendants enjoyed the course and after 15 days of training they were able to make backpacks and conical hats. Many of them could make products to sell in the market or shops for additional income. Lessons learnt from the project show that for those remote mountainous areas, it is necessary to organise vocational training courses right at the commune or hamlet on the basis of forming groups, taking into consideration the local customs, locally available resources, and local markets.

*Few ethnic minority people participated in labour export programmes*

**Labour export** support programmes have been widely implemented but few people at the monitoring sites have attended the programmes. Many mountainous ethnic communes have no members who work overseas under labour export programmes. The key reason for this is low education level, lack of money to cover transaction expenses and food costs (although they can get incentive loans), lack of information and awareness (afraid of going overseas as they do not know what would happen there).

*Goods production has increased but market access is still one of the biggest challenges for the poor*

Commercial production by the poor continued to increase during the past year. Even such mountainous and remote ethnic communes as Luong Minh-NA, where the poor had been growing subsistence crops, saw 20 percent of its poor residents engage in product sale and input purchase. However, providing market access in which the poor can make fair and convenient transactions remains a challenge. In the context of changing prices in 2008, disadvantages in market access became clearer. Thematic survey in Cu Hue-DL, as of mid year 2008, revealed other difficulties for the poor in accessing the market (Box 12).

#### **Box 12. Limited market access for the poor in the price storm**

Poor households have little to sell. At Thanh Xuong-DB and Cu Hue-DL, on average a poor household would sell an amount of rice, corn or coffee which amounts to only 20-25 percent of that of the non-poor households. The poor sell at a price about 10-15 percent lower than the non-poor. Most ethnic poor households sell their products in crude form. One-fourth of poor households interviewed had to sell their products to local agents as a repayment for their debt and thus could not bargain. The non-poor have better conditions for processing their produce and store them to sell at a higher price. At Cu Hue-DL, the better-off households often produce dry coffee beans which they put into storage at local agents while waiting for the right time to sell.

Poor households often buy rice, fertiliser and other essentials from local private agents for 3-5 months at a higher price and at interest rates from 3-4 percent/month. Poor people in remote villages with lack of transportation suffer from the situation of “buying at high price and selling at low price” due to high transportation cost and having little choice on who they trade with. In the price storm of early 2008, the local agents themselves also suffered. The first decision they made was to collect all debts and stop allowing the poor ethnic households to buy on credit.

*Source: Report “Impacts of price changes on the life and livelihood for the poor in Vietnam - case studies at Dien Bien, Dak Lak, Quang Tri, Hai Phong provinces and Go Vap district (HoChiMinh City)”, Oxfam and ActionAid Vietnam, 12/2008*

*Poor people cannot take advantage of the price subsidies*

Policies to give **price and transportation cost supports** to poor mountainous areas have helped ethnic people acquire agricultural materials at a preferential price. Yet, many poor households do not use hybrid seeds and do not have enough cash to benefit from this policy. A typical example was witnessed in 2008 at Phuoc Dai commune-NT,

which boasts a local agent for subsidised agricultural materials at the communal centre. However, often the better-off households and those earning a monthly wage benefit from this shop whereas the poor continue to buy on credit at nearby agents or from mobile traders and pay their debt at harvest time, selling products under disadvantageous conditions.

--- *“Households buying materials at a subsidised price from big shops are those with regular income. Those without cash, buy at roadside shops. Traders even provide home delivery for households, collecting their money at harvest time. For example, a bottle of pesticide costs only a little over ten thousand dong, but it would be counted at 40-50 thousand dong at harvest time. While a kilo of rice seed is listed at only 2,000 dong, at shops it costs 8,000. Local people do not have cash and thus they prefer road vendors. Selling in Minh Phong or Ninh Son or at Manh Xuan shop may be more profitable but the people would not take their products there since they cannot obtain goods on credit. On the other hand, selling to road vendors or nearby shops allows them to buy on credit”.* (Group of officials at Phuoc Dai commune)

*Risk control  
hinders  
participation of the  
poor*

The disadvantages of the poor in **participating** in village meetings and other common activities which were mentioned in the 2007 report lingered in 2008. Reactions of the poor in the face of unfavourable price changes and unpredictable weather in 2008 such as returning to their former village to work upland farms or spending time for distant paid work impacted participation adversely. Poor households living in isolated areas face more disadvantages of participation.

*Policies supporting  
poor households  
have two sides.*

The increased number of policies providing support for the ethnic poor (especially Programme 30a initiated from the end of 2008) shows the strong commitment of the Government in mobilising resources for investment in the poorest districts gradually narrow the gap between rich and poor. Such large support generates positive impacts but may also lead to unwanted consequences.

*With increased  
monetary support,  
it is easier to  
mobilise people's  
participation*

With many support policies targeting the poor, they may feel more motivated in participation and enjoy the extra attention (for example, more would attend meetings; more would contribute in community activities). Local officials also find it easier to mobilise the poor with support policies. For example at Luong Minh commune-NA, it was difficult to persuade the poor households to construct separate pens for cattle. In 2008, the mobilisation was easier as the poor heard about monetary support for construction of such pens (as part of the support policy included in Programme 30a).

*However support  
contributes to  
the mindset of  
maintaining the  
poor status and  
dichotomy within  
the community*

However, greater support contributed to the mindset of *“keeping poor status”* and *“over reliance”* and increased dichotomy within society. The dichotomy may exert negative effects on the community cohesiveness and harms the participation of the poor (and the non-poor) in community life. At some monitoring sites, it was witnessed that often only the poor (and village officials) attended poor household reviews while the non-poor neglected such events. Even worse was the danger of the poor being discriminated against or isolated in the community, especially those viewed as *“lazy”* since they receive more support than the *“more industrious”* households.

*...or leads to  
egalitarian  
mindset which  
reduces the effect  
of the support*

Strong community cohesiveness also leads to an *“egalitarian”* and *“equal sharing”* mindset, which may reduce the impact of support extended to the truly poor. For example in some villages, the local residents agreed to divide equally to all households the amount of rice given by the Government to those with food shortages. Other materials, which were difficult to divide equally, such as seed livestock, production tools, they would take turns to receive.

*Hence, a more  
balanced approach  
should be adopted  
between direct support  
for the poor and  
support for community  
development*

There should be more in-depth research of the support extended to the poor ethnic households in difficult areas from a sociological and anthropological perspective to develop policy proposals with the vision of a more balanced investment model for overall sustainable community development. The policies should include both target-based and widespread support measures.

### Effectiveness and sustainability of livelihood strategies

<p><i>Poor households often live on traditional income sources and wage work</i></p>	<p>The non-poor households continue to have better <b>combination of income sources compared</b> to the poor households. Poor households often live on traditional income sources, mainly through work on upland farms extensively using local seeds (quite diversified), forest trampling for natural products or taking seasonal wage work for immediate consumption. The households that are better off enjoy more advantages in combining income from commercial agricultural production, from short-term crops (such as hybrid corn, green beans) and perennial crops (such as tea, coffee), from breeding cattle for reproduction and from service and monthly salary. They are also the first to begin forest plantation and to have the most area of forest land in the villages, gaining from the Government incentives. Surveys show that in a commune, the number of poor households with monthly wage or with involvement in trading and service provision is much lower. In commodity production areas as Cu Hue-DL, the amount of poor households with perennial industrial crops (coffee) is also very low compared to that of non-poor households.</p>
<p><i>Lack of intensive investment leads to poor productivity and lower income</i></p>	<p>In commodity production areas, the extent of <b>intensive investment</b> of poor households is often lower than the better-off households and it was further lowered in the face of the price storm of 2008. In Cu Hue-DL, the poor invested only 60 percent of what the non-poor did on fertiliser. 45 percent of poor households interviewed admitted that they had to reduce the amount of fertiliser used for corn in 2008 compared to 2007. Many poor households applied additional fertiliser but no basal ones to their corn, or switched from the comprehensive NPK to fertilisers other than Kali (since Kali fertiliser prices were very high) leading to a poorer harvest. On average, corn productivity of poor households was only 75 percent of that of better-off households. Overall, income generated by poor households by selling a hectare of corn (inclusive of the family's labour) was only 70 percent of that of the better-off households.</p>
<p><i>High costs highlighted the role of land scale in income generation</i></p>	<p>Since input price was high in 2008, income in cash or converted to parity purchase power over a unit of area decreased, making the effect of <b>production scale</b> more visible. Maize producers at Cu Hue-DL stated "<i>working 2-3 hectares of maize may yield some savings, but with less than 1 hectare nothing can be kept upon harvest.</i>" The total land area farmed by poor households is generally small and most often they cannot bid for more land and thus their life becomes harder.</p>
<p><i>Poor households are slower in grasping opportunities yet suffer risks sooner than the better-off</i></p>	<p>The disadvantages of the poor show clearly in their capacity to cope with risks, especially with perennial crops. In Ban Lien-LC, the better-off Tay started to grow tea long before the poorer H'mong who started tea growing only three to four years ago at a time when the price of tea was low. In Cu Hue-DL, poor households started to grow coffee one to two years ago when the coffee price increased whereas the better-off already had well grown coffee farms. Some poor households planted coffee in previous years but then cut the trees down to grow maize or cashew nuts when coffee price plunged to below VND 10,000 per kilo because they could not afford fertilisers and watering cost; whereas the better-off took other sources of income to make up for temporary losses ("to rely on immediate incomes to create income for the longer-term") and thus could still keep their coffee farm during the price fall. They now enjoy a considerable increase in income as the coffee price has doubled at VND24,000-25,000 per kilo.</p>
<p><i>Agriculture extension models for the poor should be conducted using the risk insurance principle</i></p>	<p>The fact remains that the poor may participate in intensive farming but they return to traditional farming methods as soon as support for inputs ends. Only a few households follow the instructions given in the agriculture extension model presentation. It is important for the local residents to realise the risks and mitigation measures. Presenting the model following the principle of "risk insurance" can be considered a way for extension work to help the poor improve income effectiveness (Box 13).</p>

**Box 13. “Risk insurance” should be considered in agriculture extension**

Currently, most of the poor Raglai people in Bac Ai district, Ninh Thuan province (a poor district included in Programme 30a) still work their farm extensively. The Raglai people know the right way to apply fertiliser and to water but they do not account for the risk factor when investing in intensive farming. In their words, they do not have money for investment. Yet, the fact holds that they are not sure of the effectiveness since they think that to invest one and gain two is less risky than to invest two and gain four: more gain more risk.

Current agriculture extension models often neglect to teach the people to cope with risks themselves and tend to invest more in materials. The people participate because they want to benefit from State support but when the demonstration is over most return to their traditional farming.

A new agriculture extension model should be pioneered utilising “risk insurance”. Consider a mechanism for group risk-insurance, which means investment with a “promise”: to reimburse the main income of those who follow the technical requirements but fail due to risks. When the model gives fruitful results, the people would contribute part of their extra income to the group insurance fund. In this way, the objective of agriculture extension is also reviewed: “maintenance and replication” of the model has not proved successful. In fact, the extension model should help farmers excel in their job, to be more ready to take risks and to make more careful calculations when practising new methods. This mechanism also helps increase the role of self-help groups in agriculture extension.

Broadly speaking, the issue of having insurance in agriculture remains a challenge in the context of many risks. “Micro insurance” in agriculture extension may contribute to solving this problem.

*Poor ethnic groups are facing difficulties in integrating modern changes with their indigenous knowledge for effective poverty reduction*

Traditional practices of upland farming such as making a hole for sowing seeds, crop rotation with intervals, and varying crops on the same fields (for example, the tradition of growing beans among corn of the northern mountainous people) has helped in the sustainable development of livelihood of the ethnic people. Most common livelihood strategies of poor ethnic people such as upland farming, and foraging of forest-based natural products rely on deep **indigenous knowledge**, including production and resource management know-how and knowledge of management of society and community. Indigenous knowledge has been essential in helping the poor ethnic groups cope with their harsh living environment. The survey shows that the ethnic poor are having difficulties with the gradual absorption of modern knowledge and in integrating it with their indigenous knowledge towards poverty reduction.

*... but they are facing a difficult choice between new and age old ways*

The ethnic people find it difficult to make livelihood strategy decisions. They are unsure whether to continue with indigenous methods, which are difficult to maintain with all the fast changes or adopt modern ways, which for them is difficult to apply as it is a big leap from current customs and they often lack the necessary resources to adopt modern methods. Swelling population and forest planning activities, competition between upland farming and land for forest trees and perennial crops also make the application of indigenous knowledge more difficult (for example, the time intervals between rotary crops is becoming too short for the land to recover). That the weather is getting extreme and more unpredictable is often mentioned by the ethnic people as the prime culprit for poor results. On the other hand, there are many examples of failed application of new techniques and seedlings which are not suitable for the conditions and production traditions of the ethnic poor.

*There is a need to change the awareness of*

Simply “*changing awareness of the people*” is not sufficient to tackle poverty reduction towards narrowing the gap between the poor and the rich. A close analysis of the

*government officials and related agencies to help ethnic groups make better choices*

*The Government has developed an official definition of near-poor household*

*Rate of near-poor households is highest in remote mountainous areas where people still rely mainly on agriculture*

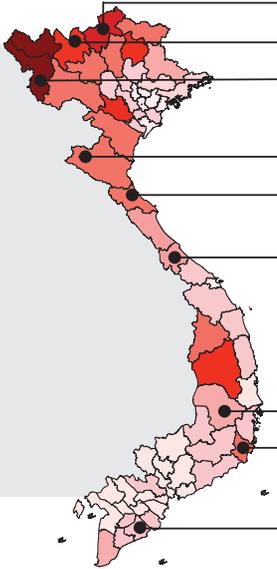
problems ethnic groups face when making difficult choices between old and new technologies would help design support programmes suitable to the culture of each ethnic group and the characteristics of each village community. Therefore, changing the awareness of local officials and related agencies will be vital to poverty reduction.

## 2.2 Near-poor households need further support

Near-poor households lie just above the poverty line and have high risk of falling back into poverty, according to MOLISA's circular No. 25 of October 21, 2008. Near-poor households are those with per capita income equivalent to from VND200,000 to VND260,000 per head per month in rural areas. Since the end of 2008, a review for near-poor households has been carried out at a majority of monitoring sites together with the annual poverty review.

Figure 23 shows the varying rates of near-poor households in different areas. In areas with developed commercial production or where more people are working for wage locally or away from their home such as in villages of Thanh Xuong-DB, Thuan Hoa-TV, Cu Hue - DL, rates of near-poor households are low. On the contrary, in remote and mountainous areas where people still depend mostly on agriculture production such as Phuoc Dai, Phuoc Thanh-NT, or in areas which are often struck by natural calamities such as Duc Huong-HT, near-poor rates are quite high.

**TABLE 23. Percentage of poor and near-poor households, end of 2008 (%)**



Village	Poor households	Near-poor households
Thuan Hoa	42.8	-
Ban Lien	59.9	10.4
Thanh Xuong	11.2	3.5
Luong Minh	78.7	-
Duc Huong	39.8	31.7
Xy	49.8	18.9
Cu Hue	11.9	13
Phuoc Dai	58.4	32.9
Phuoc Thanh	56.5	32.7
Thuan Hoa	33.9	12.1

*Source: Near-poor household survey data provided by communes*

*Livelihood characteristics of near-poor households are not different to those of poor households*

Livelihood characteristics of near-poor households are not too different from those of poor households. Near-poor households enjoy slightly higher income because they have more land, more products, more waged labour or receive monthly social allowance. Households which have just risen out of poverty are normally near-poor households. According to a group of village officials of Phuoc Dai-NT, "near-poor households this year made enough rice for consumption and were able to sell their cows to buy home appliances." The ownership of more spacious houses, motorbikes, TV sets and cattle are often used to distinguish between near-poor and poor households.

*Support policy in the purchase of medical insurance is only effective in lowland areas*

Near-poor households have a 50 percent subsidy on Government health insurance. They also receive some further support from the local authority, the remaining cost they have to pay themselves. In case they have children attending universities, colleges or training schools, they can also access loans at favourable terms from Social Policy Bank. In practice, this policy of providing 50 percent of the cost of health insurance is not effective since near-poor households of ethnic minorities in mountainous areas already receive free health insurance according to the Decision 139. This policy is therefore only effective in lowland areas. However, even with the state support, the remaining cost of medical insurance for all members of the family is still a big problem for near-poor households.

*Additional support to the near-poor households in education and loan access is needed*

Additional support for near-poor households, especially support for children's education should be prioritised. At monitoring sites, near-poor households were found to pay most attention to exemption and reduction of educational fees for their children and to access to loans at favourable terms just as the poor do.

### 2.3 Conclusion: towards narrowing the gap between the rich and the poor

*Qualitative assessment helps clarify determinants of the gap between the rich and the poor*

In this report, the "sustainable livelihoods" approach is used to analyse the determinants of the gap between the rich and the poor at the monitoring sites. The gap is not only measured in terms of income and expenditure but also assessed qualitatively by analysing the gap in livelihoods capital, access to institutions and policies and livelihoods strategic choices.

*2008 risks and shocks make the gap between the rich and the poor more complicated*

The main factors influencing the gap between the rich and the poor have not decreased. The better-off still have better quality of livelihoods capital, better access to institutions and policies, so they have more opportunities to choose livelihoods strategies that enable increased income<sup>7</sup>. The shocks and risks in 2008 impacted both the poor and the non-poor to different extents. Better-off households have a larger production scale so they were more affected by the risks of price changes, bad weather and epidemics than the poor. However, poor, near-poor households and especially disadvantaged households are most vulnerable to risks and shocks because of their inherent weakness. The risk factor makes the rich-poor gap more complicated.

Three problems need addressing in order to reach a development model of social integration, which can restrain and gradually reduce the gap between the rich and the poor in rural areas.

*A balanced investment model between development of resources and improved access to institutions and policies is needed*

First, we should have a **more balanced investment model**. Balance should be maintained between development of livelihood and advancement of access to institutions and policies for the poor and poor communities. Recently, support policies aimed at reducing poverty have improved infrastructure for the poor and their communities. However, the role of public institutions, such as public education centres, agricultural improvement networks and supportive groups for the poor is still limited. Many sources of favourable credit are available, yet there are no synchronised support measures to help the poor use capital effectively. To participate in training courses is still very difficult for many poor people. Market access remains one of the most difficult problems.

*The focus should be on results and impact*

A balanced investment model should focus on "**outcome**" and "**impact**", rather than on input and activities. For example, the question is not about the amount of loans disbursed to the poor, but about how many poor households use credits effectively to get out of poverty. Neither is it important how many training courses were held, but it is more important how many poor people apply their learning effectively in production. Focusing on outcome and impact of investment and support require good coordination among parties, especially from the communities themselves. Special attention should be paid to the post-investment stage (management, operation, maintenance, accompanied syn-

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<sup>7</sup> See more in Bob Baulch (8/2009)

chronous support measures, close supervision). A “through and careful investment” approach should lead poverty reduction in the coming period.

*Concrete measures are needed to steadily improve the situation and to link indigenous and modern knowledge*

Second, there is a need to change the perception in ***promoting values of indigenous knowledge***, including production knowledge and knowledge of management of natural resources and community. Measures aimed at sudden leap in the livelihoods options of ethnic minorities have brought about a little success. Carefully analysing problems of livelihood choices for ethnic minorities and then finding the type of support suitable to the culture and characteristics of each ethnic people in order to link local knowledge with modern knowledge will play a vital role in reducing poverty in these areas.

*The approach of community development to each village needs to be applied widely in Programme 30a*

Third, Programme 30a shows the strong commitment of the Government to mobilising resources to gradually reduce the gap between the rich and the poor. The question is how to make this support an effective investment. Improving support methods and processes (e.g. education methods, extension methods) must be the first priority. ***The approach of taking community development to each village*** - with the three main pillars including building community capacity, improving community institutions and implementing community-based projects and programmes- should be applied widely in Programme 30a. Changes in support processes for the poor, as reflected in the Government Decision No.167 recently promulgated on housing support to the poor (to give the poor the choice to build houses suitable for themselves in which process local authority only plays the monitoring role for progress and quality) should be replicated in other support issues.

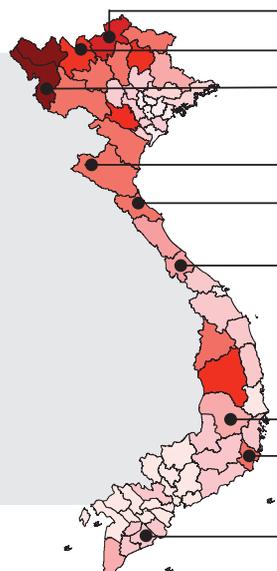
### 3. VULNERABILITY

*Risks and shocks negatively impacted poverty alleviation at local levels*

Compared to 2007, 2008 was a very challenging year for sustainable poverty reduction in Vietnam. Continuous negative shocks prevented many poor people in rural areas from getting out of poverty. As seen in section 1.1 of this report, the poverty rate slowly reduced or even increased at some surveyed points due to many reasons, primarily risks and shocks. Figure 24 shows that at most monitoring sites the number of households saying that life had got harder in the preceding 12 months was greater in 2008 than in 2007.

**TABLE 24. Households feeling life being harder compared to the previous 12 months (%)**

Communes	% households saying life being harder		Main reasons of life being harder in 2008 (respondents could list up to 3 reasons)								
	2007	2008	Lack of capital	Lack of labour	Lack of new seed types	Lack of knowledge on production techniques	Unfavourable price	Low-quality irrigation system	Natural disasters drought/flood	pests and crop diseases	Others
Thuan Hoa	9	2	0	0	0	0	0	0	0	0	1
Ban Lien	7	23	0	7	0	0	57	0	29	71	7
Thanh Xuong	8	21	50	58	0	8	50	0	8	50	8
Luong Minh	33	40	17	44	18	4	0	4	91	35	39
Duc Huong	28	30	17	67	0	6	56	0	44	33	33
Xy	17	18	36	27	9	0	55	0	9	18	27
Cu Hue	25	45	19	7	0	4	89	4	70	15	15
Phuoc Dai	22	18	20	30	30	30	20	10	50	30	30
Phuoc Thanh	32	10	0	50	17	17	0	17	33	67	33
Thuan Hoa	10	52	23	39	13	7	55	3	19	29	23



SOURCE: Household survey data

#### 3.1 Increased vulnerability due to risks and shocks

*Unfavourable price considered the worst risk in 2008 at most monitoring points*

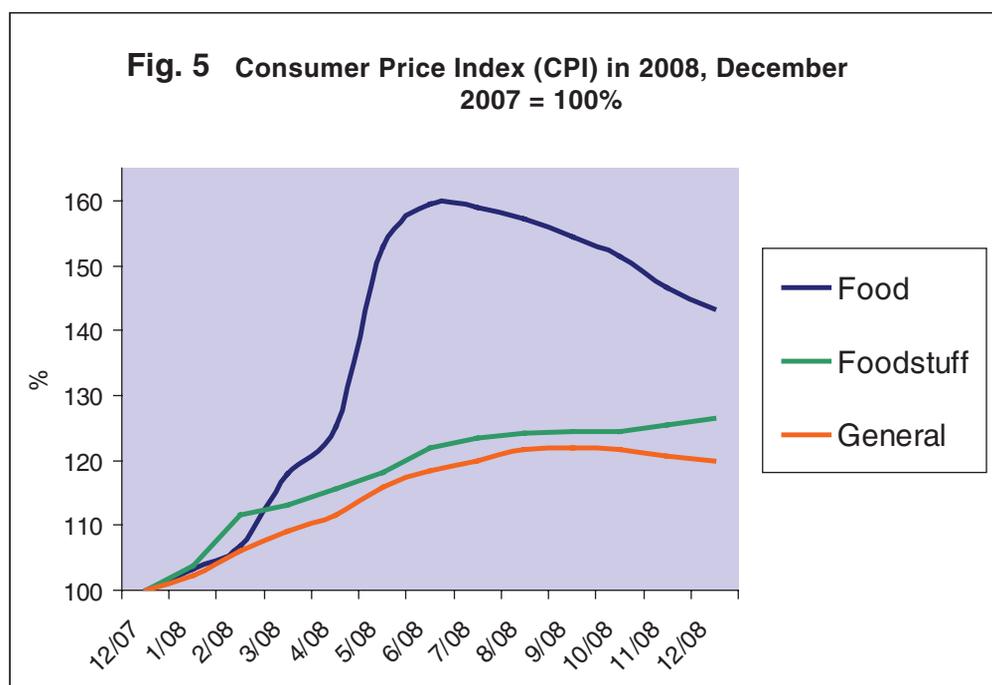
Surveyed farmers listed four main types of risks which increase vulnerability, including lack of labour availability due to health problems, unfavourable prices, natural disasters, crop pests and diseases. At most monitoring sites, such as Ban Lien-LC, Thanh Xuong-DB, Duc Huong-HT, Xy-QT, Cu Hue-DL, Thuan Hoa-TV, unfavourable price was considered to be the worst risk in 2008. In some other areas with self-supply food production systems, with largely extensive and upland farming and with little need for purchasing materials from outside, such as Thuan Hoa-HG, Luong Minh-NA, Phuoc Dai and Phuoc Thanh-NT, farmers acknowledged that unfavourable weather conditions, diseases and pests affected them more than price fluctuations. Besides, farmers also

mentioned some other factors such as high education costs for children, impacts of development programmes and projects and personal risks.

### Unfavourable price changes

*Food price increase made life more difficult for the poor and near-poor*

Inflation in Vietnam in 2008 reached its highest level in the last ten years. Consumer price index (CPI) on average in 2008 increased 22.97 percent compared to 2007, food price index increased 49.16 percent, and food product price index increased 32.36 percent. Figure 5 shows that on the whole the price of food (especially rice) increased suddenly from late 2007, peaking in June 2008, then decreased gradually but remained at much higher levels than the same period the previous year. Notably, prices of agricultural products and materials fluctuated in a way such that input prices increased faster than output prices (“double edged prices”), which adversely affected people’s lives, especially the poor and near-poor.



Source: General Statistics Office, [www.gso.gov.vn](http://www.gso.gov.vn)

*Price fluctuations asserted fast and strong impact while price stabilising institutions have not functioned well enough*

The price fluctuations in the world and in Vietnam in 2008 spread swiftly to the remote mountainous areas due to quick price adjustment by enterprises, trader networks and due to improvements in transportation and communication. Meanwhile, the role of the state trade system in price regulation and stabilisation was low-profile. The roles of co-operatives and cooperative institutions were still small in supporting farmers with market access for inputs and outputs.

*Prices of processing and exporting products fell dramatically which led to other risks*

The strongest price drop witnessed since mid-2008 were those of some agricultural products for processing and export. In Ban Lien-LC, by the end of 2008 the price of fresh tea had fallen by over 50 percent compared to 2007. In Duc Huong-HT, the price of peanut was reduced by over 40 percent. In commune Xy-QT, fresh cassava was sold at half the price of 2007-2008. In commune Cu Hue-DL, coffee and corn prices in late 2008 fell by 40 percent compared to higher prices in mid-2008. In Thuan Hoa-TV, the prawn price in late 2008 dropped by 35 percent compared to early 2008. Price decline together with other agricultural risks such as abnormal weather and pests compounded the shocks on people’s income. The cassava industry in commune Xy-QT serves as an example of this (Box 14).

#### **Box 14. Risk with industrial cassava production**

Industrial cassava production served as the main source of income for commune Xy (Huong Hoa, Quang Tri) in the past four years. In 2008, in total Xy had 244 hectares of cassava plantation. Over 90 percent of the fresh cassava harvest was sold to the cassava processing plant situated in Huong Hoa district. The other 10 percent was dried by farmers and then sold to agents of domestic processing TAGS companies.

##### **Cassava price plunge due to changes in export markets**

By December 2008, cassava price had been reduced by half compared with the same period in 2007 due to large export market fluctuations (in 2007 the price of fresh cassava was 1100-1200d/kg, while in 2008 it was only 600d/kg). This was a result of unfavourable price fluctuations of cassava starch exported to the Chinese market.

##### **Reduced productivity due to land impoverishment and pests and diseases**

Traditionally, Van Kieu people do not use manure on cassava, which leads to land fertility reduction. Average productivity in 2008 was reduced by over 10 percent (12.5 tons/ha in 2007 compared to 11 tons/ha in 2008). Cassava diseases such as spiral leaves and yellow leaves also increased and productivity was reduced in some households by over 30 percent. Some lacked land for planting or were too busy with other tasks such as upland farm weeding, foraging for bamboo shoots and wood to protect cassava crops from diseases.

##### **Difficult cassava harvesting and transporting because of bad weather**

Prolonged rain from September to December of 2008 made the dirt road to Xy commune extremely muddy and prevented access by company trucks to purchase cassava from the local people.

Many households prepared enough labour to harvest cassava but could not obtain an appointment with the company's transaction agent. Transportation costs also increased due to increased petrol price and heavy rain. At the end of 2007 it cost 550-600,000 VND to hire a truck to the field for cassava collection and by the end of the cassava season in late 2008, the price had increased to VND 900,000 to 1 million because of the muddy road leading to upland cassava farms.

*Double edged prices caused adverse impact on producers, workers and consumers*

A thematic survey in Thanh Xuong-DB, Cu Hue-DL and Xy-QT in 2008 shows that double-edged prices caused adversities to producers, workers and consumers alike. While the products were sold at lower prices (tea, cassava, peanuts, maize and coffee) or fluctuating prices (rice, pigs), the cost of inputs such as fertiliser, seed, pesticides, mechanising services and labour were increasing. In monitoring areas, the price of fertiliser soared by 60-100 percent. People producing commodities such as corn and coffee who used more fertiliser and outsourcing services suffered the biggest losses with income reduction of 30-40 percent compared to 2007<sup>8</sup>.

*The price increase of food and foodstuff heavily affected the ethnic poor who are not food self-sufficient*

On average, food prices increased by 40-60 percent in 2008. If calculated using the purchasing power parity method (converted into rice and meat) then purchasing power was worse in 2008 than 2007. In the areas with intensive commodity production, the purchasing power of the poor decreased but had not reached the point of hunger because of supplementary income from wage labour. By contrast, in remote mountainous areas, increased food prices had more adverse impact on the poor who cannot produce sufficient amount of food because they had fewer sources of income. They were not engaged in wage labour and they incurred other risks of weather, disease and land impoverishment. Consumption cost increased while income did not, resulting in a decreased saving and leading to increased vulnerability. Local people including local authorities shared the difficulties caused by increasing prices as following:

<sup>8</sup> See Report "Impact of price changes on the life and livelihoods of the poor in Vietnam - case studies at provinces of Dien Bien, Dak Lak, Quang Trinh, Hai Phong City and Go Vap (Hochiminh City)", Oxfam and ActionAid Vietnam, 12/2008.

--- “Everything increases in price while the tea price is falling. Selling 2 kg of dried tea, we can buy only 1 kg of meat. Since the tea price started plunging, we have had to reduce family expenditure. Sometimes we don’t have money to buy salt and spices for 2-3 days.” (Group of female and male people at Doi 1 village, Ban Lien commune)

--- “Since prices increased, we have not been able to buy fish or meat. We’ve only had eggplants or fish sauce. Currently, I’m planting vegetables and if it doesn’t rain, we will have vegetables for meals.” (Ms. P.T.C. Huong Tho hamlet, Duc Huong commune)

--- “Fertiliser price increased at dizzying speed, no one can believe it. In a week the price can change up to three times. Money kept in the house is losing value as if it had been stolen. In the face of increasing fertiliser prices, agents are now allowing farmers to buy fertiliser on credit.” (Group of local officials at Cu Hue commune)

--- “This year the price of rice is high at VND400,000 per 50kg while last year that cost was only VND250-300,000. We have had to eat less. With the same amount of money, last year we could buy 1kg of rice, but this year we can buy only half a kilo, and then we have to eat cassava and corn in addition to main meals.” (Ms. K.T.K Ta Lu 1 hamlet, Phuoc Dai commune)

The poor also risk buying fake products or products of poor quality in the face of rising material price.

It was noted, when prices of fertilisers and pesticides rise, farmers tend to buy cheaper ones, increasing the risk of purchasing expired or low-quality fertilisers and pesticides. For example, in Thanh Xuong commune many farmers bought fake pesticides, resulting in the death of rice plants and thus they had to transplant again, leading to lowered productivity (box 15). Dispute settling and compensation can cover a part of the direct expenditure but cannot make up for labour loss and productivity reduction.

#### Box 15. Expired Pesticides Harm Farmers

“We hope the government deals strictly with those traders who sell counterfeit goods,” exclaimed groups of poor men in the Thai Pa Dong village, Thanh Xuong commune (Dien Bien district, Dien Bien province).

In the 2008 summer-autumn, approximately 17 hectares of rice in Thanh Xuong died because of expired pesticides that farmers purchased from a private store in the locality. Consequently, farmers had to replace the lost rice which resulted late harvest and more damages from pests and diseases. Rice productivity was reduced by 30 percent. A plant protection agent in the district said that the damage would have been smaller if field monitoring was conducted more closely. After the incident occurred, local authorities required stores who sold expired pesticides to compensate for land processing expenses and the seed expenses of the farmers, equivalent to 266,000 dong/1000 m<sup>2</sup>. However, labour costs and lost harvest were not compensated for. According to the commune authority, people in Pa Dong were not compensated because they were slow to “submit evidence and a list of damages incurred”.

Ms. LVQ, a poor farmer in the Thai Pa Dong, said: “Three days after sowing seed, I bought a bottle at the drug store in town for VND16,000 for spraying according to the instructions of the shop manager. Ten days later I did not see the rice grow. Only when I asked my neighbours, I knew that I had bought fake pesticide. Then I had to rake and re-transplant the whole plot. Because of this delay we could harvest only 7 bags of rice, which were 2 bags less compared to the previous crop. I’m worried that we don’t have enough rice to eat till Tet Holiday. My husband must continue to work in Dien Bien to earn money for the family”.

#### Natural calamities

Signs of climate change are more evident

Price fluctuations happened unexpectedly in 2008 but unfavourable weather (drought, flood, extreme coldness, frost) is a usual risk for agricultural production. However, signs of climate change were clear at monitoring sites as weather has become increasingly extreme and unpredictable.

*Prolonged and extreme cold weather in the Northern mountainous provinces caused many problems*

There was a prolonged cold spell in late 2007 and early 2008 in the northern mountainous provinces when the average temperature fell to 7-10 degree Celsius, even 1-2 degree Celsius at some points such as Sapa -Lao Cai, Mau Son - Lang Son. Compared with the same period the previous year the temperature was lower by 5-7 degrees Celsius. Extreme cold caused mass cattle deaths, lowering crop productivity, plunging many households into difficulties with loan settlements, traction power, and cattle manure. As a result of the State's timely support to households whose animals died, the difficulties were somewhat alleviated. State agricultural agencies and local government recommended measures against cold but the local extension network was too weak to give adequate instruction to farmers (Box 16).

#### **Box 16. Extreme cold caused livestock deaths**

In Ban Lien commune (Bac Ha, Lao Cai), the extreme cold weather witnessed in early 2008 killed 210 buffalos, of which 50 were mature while the rest were calves. Ban Lien had the highest cattle death rate in Lao Cai province. When the buffalos died, farmers were forced to sell them at a low price as meat to other people in the village. Each healthy calf could be sold for VND3-4 million, while the carcasses only yielded VND500-600 thousand. The large number of buffalo deaths also led to a sharp increase in buffalo price. In 2006-2007, a one-year-old buffalo cost VND3-4 million but in early 2008 it cost VND6-7 million. This was a huge catastrophe for the poor as they had to buy buffalo at a high price to replenish their livestock.

The people in Ban Lien still lack sufficient knowledge of preventive measures to protect buffalos against the cold in case of repeat occurrences other than canvas and straw collection. Although the commune authority encouraged "each house to have a straw stack" as the Kinh in the lowlands did, the local people never did so. They were afraid straw left outside would be eaten by buffalos, so they tied the straw to the roof. Households hardly knew of the need to keep their buffalos warm and had not been advised to put clothing sacks on the buffalo. Lack of an agriculture extension agent or veterinary centre meant training for people in such a remote location as Chu Tung 1 residential area was still limited.

*Irregular storms and floods caused serious damages infrastructure, houses, property and crops*

The consecutive major storms suffered by Duc Huong commune, starting late 2007, serve as another example of adverse climate affect. Prolonged rain resulting in flooding caused severe damage to infrastructure, houses, property and crops. Stretches of town road up to 40m were destroyed by flash-flooding as were lengths of the canal and irrigation system up to about 500m in length. 70 percent of houses were flooded and rice and other crops were waterlogged and lost completely. During the rainy season, almost all villages and communes were isolated- boats became the major means of transportation and there was electricity outage. Only healthy men stayed at flooded houses for property protection while the elderly, women and children were evacuated to safety. Many people were left with nothing to eat, some eating noodles for several consecutive days while waiting for flood water to disperse.

*Prices of straw and rice increased due to cold and rain, leading to a dramatic increase in poverty rate*

At the beginning of 2008, Duc Huong suffered a period of extreme cold accompanied by drizzle lasting 40 days. Consequently 127 ha of the total 130 ha of the commune's rice cultivation land was damaged. 64 ha of winter-spring corn was also lost completely. Local people were left no choice but to replant most of the area with rice, corn, and peanuts. Lack of livestock feed during the cold snap was a major concern. Most families in the commune had to spend from VND 500,000 to over VND1 million on straws for cattle feed. Never in Duc Huong had the straw price risen as high as the price of rice - 10 kg of straw cost VND 40,000, while the price of rice was VND 4,500 per kilo. Some poor had

no money to buy straw and thus cattle died of starvation and cold; others were forced to sell cattle. Late 2008 saw further storms and flooding which led to loss of the entire commune's winter crop. Consequently, vegetable prices at local markets tripled. State relief campaigns and support from disaster mitigation projects by HCCD helped people overcome the consequences of natural disasters, but there were still many problems. As a result of natural disasters, the poverty rate of Duc Huong increased dramatically (39.8 percent in 2008 compared to 30.6 percent at the end 2007).

*Natural calamities made it difficult for harvesting, initial processing and selling of agricultural products and also resulted in a lack of water for daily consumption...*

Other monitoring sites also faced irregular weather spells which sharply reduced the productivity of rice, maize, and fruit. Poor ethnic minority households mainly cultivated upland farms which were highly dependant on rainfall and thus were always in a precarious food security situation. In Cu Hue-DL, rain during harvest time at the end of 2008 caused damage to corn, and coffee due to limited storage capacities. Access to fields is predominantly via dirt roads which were turned to mud preventing trucks from reaching the fields, leading to price reductions. Heavy rains caused streams to swell, hindering many poor households from going to work or foraging in the forest for bamboo shoots, and roots, and therefore they gained little money for daily activities. In the dry season lack of water, and over salinity of soil impacted both production and daily life negatively. In Thuan Hoa-TV, people overcame the water shortage by drilling wells in the field, pumping water up for the vegetables, however poor households did not have the funds to contribute to the acquisition of pumps and wells and the overly saline ground could not be cultivated for two consecutive crops.

Local officials and people in survey areas spoke about risks incurred due to weather abnormalities:

--- *"The production of rice this year fell by half compared to 2007, last year, from 10kg of seed sown we collected 7-8 rice bags, this year from 10 kg we only got 2-3 bags. 2-3 households even lost everything"* (Core group of Xop Mat village, Luong Minh)

--- *"Life is very hard for local people here. We are highly dependent on weather, so too much rain or too much sun brings no benefit. If there is too much rain, the field gets flooded, and they will lose the crop"* (Ch.K. Da Ba Cai village, Phuoc Thanh)

--- *"This year mango trees didn't bear fruit as a result of both dry and rainy weather. Mango trees blossomed in March-April, but the hot weather caused the blossoms to fall."* (H.V. Troan O village, Xy)

--- *"Too much rain, I have not been able to get to the field for a month, the road is hard to travel and even if I could, there would be nothing to do in the field. Not only me but the whole village has been staying at home the whole month with nothing to do."*(YTB M'Hang village, Cu Hue).

### **Insect pests, diseases**

*Diseases have lessened among cattle due to improvement in veterinary work and building of pens*

Compared to 2007, cases of animal disease have decreased at many monitoring sites (Thuan Hoa-HG, Luong Minh-NA, Phuoc Dai-NT, and Xy-QT). Livestock vaccination was carried out actively. Programmes and projects focused on veterinary work, such as recruiting and training local veterinarians and providing veterinary medication cabinets. Progress has been reported in mobilising local people to build pens to confine cattle in, to limit spread of diseases as well as damages to newly planted forest trees.

*... however, pests and disease are regular concern for the poor*

However, pests and disease remain common risks. Guidance in agricultural extension and veterinary is still inadequate and inefficient and monitoring, discovering and dealing with pests is slow because of travel difficulties due to poor road infrastructure and lack of human resource. Raising pigs and chickens is unstable owing to frequent diseases which are very difficult to control. Poor households often lack the money to purchase pesticides, lack education, lack knowledge and lack labour to attend to husbandry, so they are more vulnerable to the risks of pests and disease.

*Raising shrimp also faces many severe risks.*

In Thuan Hoa-TV, some households raise tiger prawns in mono-crop rice fields, although these fields are not designed to raise shrimp because the water situation is unfavourable. In 2008, shrimp losses were very huge. The core group of Thuy Hoa village said “out of more than 90 households raising shrimp in the village, only three or four of them made a profit, the rest failed because of the white spot and red body diseases”. Those who lost-out could not repay loans and therefore were not eligible for new loans.

**Illness and lack of labour force**

*The poor worry most about illness, which leads to lack of labour and expensive health treatment*

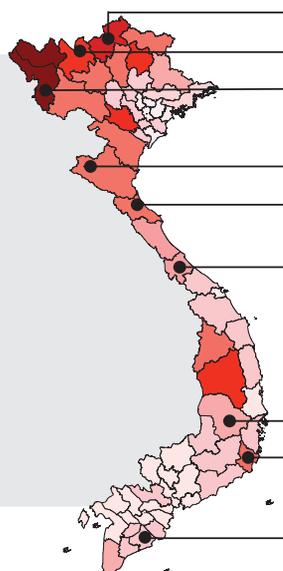
For the poor who lack capital, land and education, labour is the most valuable asset. Illness leading to loss of labour and high treatment expenses is always a major concern and worsens their situation. When asked about anticipated risks and challenges in the coming 12 months, people in all survey areas considered “lack of labour” the biggest worry (Table 25). In fact, being healthy and able to work is essential to preventing other risks.

*Bad living conditions, unsafe food and water are among the factors leading to illnesses among the poor*

There are many factors in the living conditions of the poor in the monitoring sites which may result in illnesses. Irregular weather and lack of winter clothes can cause respiratory illnesses, especially among children. Diseases often balloons in flooding areas (Duc Huong). Sleeping in forests without mosquito nets increases people’s susceptibility to malaria. Drug addiction is the main cause of contracting HIV/AIDS (Luong Minh). Overwork, insufficient food and unsafe labour conditions also deteriorate health and make people prone to accidents. Lack of clean water and eating uncooked food and even ill animals are common causes leading to gastrointestinal diseases. A group of poor people of Cham Puong, Luong Minh said “More people are ill this year. They mostly have high temperature and diarrhoea due to eating ill pigs and chickens.”

**TABLE 25. Ratio of possible risks and challenges households face in the coming 12 months (%)**

Commune	Access to capital	Labour	Unsuitable seedlings	New production techniques	Market, price	Inadequate irrigation system	Natural disaster, drought, flood	Insect pests, diseases	Other
Thuan Hoa	3	80	3	3	10	3	73	93	3
Ban Lien	13	33	12	2	52	3	45	63	3
Thanh Xuong	25	67	3	3	68	0	27	68	3
Luong Minh	30	75	3	2	7	0	68	63	8
Duc Huong	12	81	8	5	27	3	67	37	3
Xy	17	73	0	7	60	0	25	48	5
Cu Hue	15	43	0	2	70	3	80	17	5
Phuoc Dai	5	73	5	17	25	20	57	67	12
Phuoc Thanh	7	71	3	9	22	2	64	66	10
Thuan Hoa	22	73	8	2	38	0	15	25	18



SOURCE: Household survey data

### Risks due to implementation of programmes and projects

<i>Programmes and projects may also create risks for the people</i>	The primary aim of programmes and projects is to improve livelihood and living standard. However, if implementation is not appropriate or officers in charge cannot anticipate all unwanted impacts in order to apply necessary risk management measures, the implementation process can pose risks to people.
<i>Relocation and slow planning present many risks</i>	The 2007 report discussed the risks of land confiscation to build infrastructure (Phuoc Dai, Thanh Xuong) and the risks of relocation (XY, Phuoc Thanh). In 2008 in Phuoc Dai, life became less difficult after irrigation work at Lake Song Sat was completed. Households actively reclaimed land to cultivate rice and some households which were short of land were provided arable land. However, cases were recorded in which some Raglai households sold roadside land plots or cultivating land to people who were not local residents. The ineffective use of compensation and land transfer money resulted in severe risks as most beneficiaries used the money to build houses, or to repay debt but not to invest in production and livestock breeding since the prices were unfavourable or because of animal epidemics. There was no improvement in the situation of “slow implementation of planned projects” in Thanh Xuong, which hindered efforts of house renovation and farming investment of people living in the planning area. Relocated people from Xy and Phuoc Thanh were facing a shortage of farmland and as a result some of them had to return to their old villages for upland farming.
<i>Industrial work is also full of risks</i>	Infrastructure construction creates employment opportunities for local populations. However, in many places, people are not excited about working on such sites because they are not used to industrial working hours and methods or are busy farming. In some places, people are willing to take on construction work, but they face the possibility of their wage being bilked by their contractor, which worsens their life.
<i>Or risks of the - farming by contract model</i>	Enterprises when cooperating with farmers in form of “farming by contract” may bring severe risks to farmers when introducing seeds which have not been tested for suitability in local soil and climate. The Government has developed a policy to link “4 stakeholders” but at many localities, the role of the state at grassroots level and scientists (research institutes, agriculture extension departments) remained blurred, rendering the relationship between farmers and entrepreneurs unstable. As a consequence, farmers often suffer the repercussions. Failures in the programme to plant corn seedlings in Cu Hue is an example (Box 17)

#### **Box 17. Untested corn seeds**

In June, 2008, the NH Seeds Centre signed contracts with farmers in Cu Hue commune to cultivate hybrid corn in 22 ha of land. The Centre provided seedlings and pesticides, on site guidance and made commitment to buying seed corn at the price of 6000 VND/kg (50 percent higher than the market price). However, after 15 days, corn plants perished in spite of favourable weather. The centre spray-treated to save the plants but without success. 15 ha of corn was completely spoilt, another 7 ha yielded little and certainly did not meet the standard of F1 seed corn. Upon negotiation, the centre agreed to compensate the farmers 800000 VND for each spoilt hectare. This sum of money only covered the cash cost of fertilisers and soil preparation, not labour cost, land retiling and money lost as a result of reduced yield due to late sowing.

The main reason the corn plants withered was that the new corn seeds were not suitable for local soil. Prior to signing the contract with farmers, the centre had worked with the district agriculture extension department, and the department had required the centre to test the new seed in two consecutive crops before widespread application. However the Centre did not test the seeds and brought

the seed to the commune and signed direct contracts with each household. The management role of the district authority was weak. Additionally, the awareness of local officials and farmers concerning potential risks when introducing new seed needs to be raised so they can safeguard themselves.

### 3.2 Particular vulnerable social groups

*Particular social groups are the most vulnerable when facing risks and shocks.*

While communal risks affect everyone, some groups are more vulnerable than others due to their limited capacity to cope with risks. Besides the poor and the near-poor, there are particular social groups with distinct difficulties who consequently encounter more personal risks. This report focuses on analysis of constraints and disadvantages of those particular social groups as main beneficiaries of Vietnam’s current social protection policy.

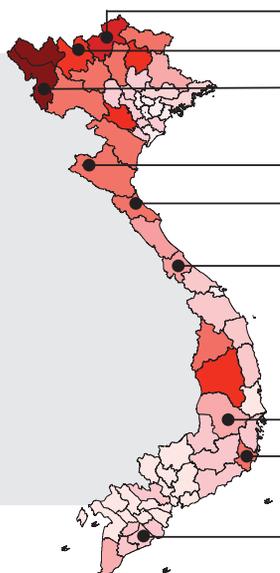
#### Households with disabled members

*About 20% of poor households have members with different forms of disability*

Table 26 shows that among those interviewed more than 20 percent of poor households have members with different forms of disability (including victims of agent orange), especially in Thuan Hoa-HG, Thanh Xuong-DB, Luong Minh-NA. According to Decree 67/CP, in order to be eligible for a monthly social allowance households with disabled members must be classified as poor. Therefore local officials and villagers tend to favourably include households with disabled members in the list of poor households, even if they are not technically poor.

**TABLE 26. Ratio of households with members belonging to particular social groups (%)**

Commune	Disabled		Addicted		Single parent with children under 15		Lone elder people	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Thuan Hoa	22	0	0	0	0	0	0	0
Ban Lien	3	0	0	0	0	0	3	0
Thanh Xuong	21	4	7	4	7	4	7	2
Luong Minh	16	0	16	7	16	7	9	0
Duc Huong	12	2	0	0	0	0	6	0
Xy	10	3	0	0	0	0	0	0
Cu Hue	5	0	0	0	0	0	5	0
Phuoc Dai	10	3	0	3	0	3	0	0
Phuoc Thanh	5	6	0	0	0	0	5	0
Thuan Hoa	6	4	0	0	0	0	6	0



SOURCE: Household survey data

*People with disabilities have limited opportunities for integration*

Differences were found between two disabled groups: the disabled were key members of the family (head of the household or spouse of the head) and the disabled were children in the family. Most families with disabled key members led a hard life. People with disabilities did not have opportunities to attend school or training courses or to find suitable jobs. Local officials often refuse to include these households in favourable loan programmes for fear that lack of labour means those households are unable to repay loans (although current loan policies offer favourable interest rates to households with disabled members). Communication and participation in social and community activities for the disabled are limited.

*Education opportunities for disabled children are limited*

Families of disabled children can be poor or non-poor. However, disabled children have very few education opportunities because there are no schools or support facilities for children with disabilities in survey sites in mountainous and remote areas. Families with disabled children face difficulties in many aspects, from health care costs to time to care for their children at home, which limits their opportunities for employment, earning an income and participating in social activities. Difficulties become manifold when single mothers or sick parents have to care for disabled children.

*There is a lack of comprehensive policy to support the disabled*

People with disabilities are struggling daily to surmount their difficulties. Currently, the monthly social allowance for poor families with disabled members is low (the base rate is VND120,000/month). Near-poor families with disabled members are not eligible to receive support according to Decree 67CP. Other supports from the community or relatives are only temporary and minimal. Desire for “equal opportunity” or “social integration” for people with disabilities is still a long way away from reality as there is a lack of comprehensive policy to support them. Some people with disabilities and their families shared their difficulties:

- *“We are abjectly poor. I cannot work in the field. I wanted to borrow money to raise cows or pigs, but the project management board told me that I have nothing to mortgage, and my household has no labour. Sometimes I go cutting wood (sitting in one position) but only relatives would employ me, no one else” (Mr. L.V.Y., lame footed, poor householder in Cham Puong village, Luong Minh commune)*

--- *“To have money for my baby’s treatment, this year I had to sell 3,000 m2 of upland farm and borrow over VND10 million. Last year I did not receive support for my disabled child because I was not listed among poor households since I had a coffee plantation. This year, facing too many difficulties, we are listed as poor and have submitted the paperwork, but I do not know when we will receive support” (Ms. P.T.L, single mother with a mentally disabled child born with heart disease, poor household, Dong Tam village, Cu Hue commune).*

--- *“Our daughter had a fever after birth and became paralytic. She cannot talk but can hear and understand. I built a separate shed for her, three times a day we bring her meals and feed her. At night her mother sleeps there with her. She has no friends. We have received support, once VND120,000, another time VND45,000. I just took what they gave, I don’t know how much to demand.” (Mr. C.H, poor household with a paralyzed child, Ma Du village, Phuoc Thanh commune).*

### **Orphan children**

*Orphan children are in pitiful situations*

Children who lost both parents or who are living without a guardian at monitoring sites are in pitiful situations especially when their parents either died of HIV/AIDS or were imprisoned. The problem is particularly dire in matriarchal ethnic groups like Raglai people whose children bear the mother’s family name. If the wife is deceased and the husband remarries then by tradition he has to leave his home, including all assets and children, in the care of the former wife’s family. Raglai orphans who lose their mothers are often taken care of by their grandmothers and aunts. If they are older than 15 years, they often have to drop out of school in order to take care of one another and work to earn their own living.

### **Single mothers**

*It's hard for single women to cope with risks and their children suffer disadvantages in education* Single mothers with young children are vulnerable to risks. In Luong Minh commune there is a considerable number of single mothers whose husbands died of HIV/AIDS or are in prison due to drug trafficking. Single mothers often face health risks as they are forced to do all the hard work on their own and also incur crop risks as a result of labour shortage. Furthermore, their children suffer many disadvantages in education due to family difficulties. Many such children have to skip school during peak farming periods to help their mothers with farming or by caring for younger siblings.

*Support for single mothers is not effective among ethnic minorities in mountainous areas* The Women's Union has developed a programme to support lone mothers with small children. However, this programme has not proved effective in mountainous areas because of travel difficulties, weak performance of women's groups, and limited capacity of Women's Union staff. Access to loans for households with single mothers is more limited than others. Due to lack of labour and investment strategy, those women are afraid they will not be able to repay loans and/or officials are reluctant to stand as guarantors for their loans.

### **Lone elderly**

*Lone elderly people depend on help from neighbours* There are few households of lone elderly people at monitoring sites since most of the elderly live with their children. Some households are composed solely of elderly people because they do not have children or their children have left them after marriage. Many of them still work their farms and gardens but due to poor health and consequent illness they are extremely vulnerable in the face of risks. When they are ill or face difficulties such as floods, lone elderly people depend on their neighbours' help. The lives of those who receive a pension or social support are somewhat less difficult.

### **Families with drug addicts**

*Risks from drug addiction are complicated* Drug addiction resulting in loss of labour, family breakdown and other difficulties in Luong Minh-NA, and Thanh Xuong-DB was mentioned in the 2007 report. In 2008, drug abuse was not publicly reported to the same extent, however it does not necessarily mean that the number of addicts had decreased. According to statistics, the number of addicts in Luong Minh-NA in 2008 doubled compared to 2007 due to the fact that in 2008 the survey was conducted carefully with each household, so the number obtained could be more exact. Both personal and group drug detoxication programmes had not been effective as the reported re-addiction rate remained high. In Luong Minh there are only a few people who managed to give up drug addiction and help their families out of poverty. Such successful cases should be replicated with close monitoring and timely support by local authorities and mass organisations. Local security forces should take strong action to prevent drug trafficking indefinitely as expected by the local community.

### **Populations living in isolated areas**

*Living in isolated areas poses great risk to the poor* Households living in isolated areas are often poorer than average because of land and infrastructure disadvantages. Group 3, in Mich B village is a typical example. Situated 3km from the village, accessed via tracks which are too narrow for machines and vehicles to enter, the group has no electricity and water system and among 18 households, 11 are poor. Another example is Group Cao Bang in Dong Tam village, Cu Hue commune in which a great number of poor households of Tay ethnic people migrated from North Viet Nam are concentrated. They lack land and depend heavily on wage work. The group live near upland farms with road access becoming muddy in the wet season, which makes it difficult for the children to go to school and also for trucks to collect corn. As a result, the corn price is low. In addition, there is no power grid (some households get power by hooking into the grid of the neighbouring commune). Poor groups living in isolated areas also include relocated households that upon suffering difficulties had to return to their old farms, as in the case of some Van Kieu ethnic people at Xy-QT and Raglai people at Phuoc Thanh-NT. Although conditions of infrastructure, education and health care may have been better at relocation areas, land was scarce and of poor quality, without sufficient irrigation. Moreover, people were unfamiliar with intensive farming methods at the new living areas which were vastly different to traditional extensive upland farming. Isolated groups often felt disadvantaged and discouraged as they received little attention from local governments because "commune officials seldom pay us a visit." Living on

upland farms, these households found it hard to benefit from the temporary house elimination programme. For example, for the 5 households remaining on upland farms at Ta Lu 1 village in Phuoc Dai commune, the village submitted a proposal requesting a grant of land for them to settle on. However, the land was yet to be granted as there was little vacant land available.

### 3.3 Measures for controlling risks and shocks

*Support measures are needed to help poor families cope with risks and shocks*

To cope with risks and shocks, poor and near-poor households have to struggle with all they have in order to manage the situation. In addition, they receive support from their relatives, friends and neighbours, and timely support from the Government and other organisations.

#### Expenditure reduction

Table 27 indicates that the most common method of coping with price fluctuation is to cut down expenditure.

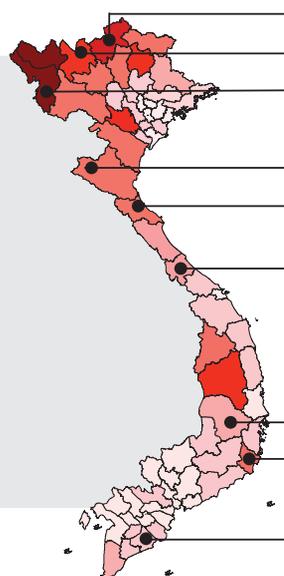
*The first reaction of the poor in the face of risks is to cut down on expenditure resulting in reduction in quality of life*

The first expenditure the poor cut on are items such as durable furniture, house renovation, visiting home town relatives, visiting friends, clothes shopping, and weddings and funerals. Spending on food is the second lowest priority and is likely to be reduced, for example, meat and seasonings such as salt, fish sauce and glutamate (limited to smaller packages and more economical usage). Notably, low quality products consumed by the poor usually increase more in price than products consumed by the better-off. The quality of daily meals also decreases, leading to an increase in child malnutrition. Recurrent spending such as tuition fees, water and electricity bills, and production inputs (seed, fertiliser, machine hire), which are considered top priority, cannot be reduced. However, people try to extend payment periods, often meaning high interest rates or being refused borrowing requests next time. Lastly, rice is the highest priority. When facing risks, some poor households are left with no choice but to buy cheaper rice or even substitute it with corn and cassava. A high increase in rice prices can lead to hunger for poor households.

**TABLE 27. Measures taken by households to cope with price risks, 2008 (%)**

Commune	Measures for coping with price risks in 2008									
	Increase in expenditure	Decrease in expenditure	Reduction of production scale	Increase in production scale	Reduction in intensive farming investment	Increase in intensive farming investment	Stop production	Increase in other production to make up for risks	No action	Alternatives
Thuan Hoa	-	-	-	-	-	-	-	-	-	-
Ban Lien	11	94	0	6	39	6	0	0	0	0
Thanh Xuong	23	100	15	0	31	0	0	0	8	0
Luong Minh	0	94	19	0	0	0	0	0	0	0
Duc Huong	0	79	0	16	5	11	0	0	0	11
Xy	0	70	0	0	0	0	0	0	30	0
Cu Hue	0	68	0	0	8	0	0	0	16	4
Phuoc Dai	0	56	13	50	13	44	0	11	19	6
Phuoc Thanh	39	30	0	0	4	0	0	4	44	13
Thuan Hoa	15	39	39	0	8	0	8	0	0	0

SOURCE: Household survey data



### Livelihood diversification

*Livelihood diversification is a common option for coping with risk*

A variety of plans were developed for livelihood diversification, adjustment of production scale and investment to deal with risks in 2008. In times of hardship, the poor seek paid work both near and far from home, earn money for food, reduce investment in intensive farming to lower production costs, increase extensive upland farming with subsistence crops (limiting the planting of hybrid corn and increased planting of local corn, for example), and forage for food in the woods to supplement meals. Local Raglai people in Phuoc Dai-NT, were able to take advantage of water from the irrigation construction at Lake Song Sat to water their fields to secure food for their families. However, households in Phuoc Dai, found it difficult to adopt the solution since they did not own much plain land and mainly worked mountainous upland farms and therefore, faced many natural difficulties.

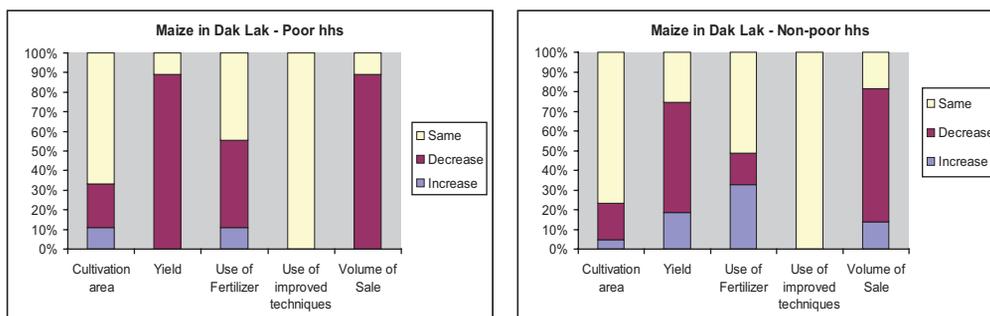
*Diversified livelihood models help in coping with shocks although no income breakthrough is created*

A typical example, in which livelihood diversification aided risk mitigation was reported in Thuan Hoa commune, HG. During a difficult period in 2008, the commune’s poverty rate fell considerably and the community enjoyed a quite stable life. This achievement was due to livelihood diversification among the Tay and H’mong ethnic people in spite of low income generation. People in Thuan Hoa have a tradition of using cattle manure and an effective labour exchange system. Livelihood diversification may not bring about rapid income generation in times of favourable price as in other commodity production areas but it obviously prevented them from falling into sudden poverty in times of unfavourable price.

*Specialised commodity production areas suffer greatly from risks*

People relying on intensive farming were strongly affected by risks. A typical case was the corn producers in Dak Lak. In 2008, corn production fell steeply by 20-30 percent due to harsh weather conditions (drought during flowering and heavy rain during harvest) resulting in a decrease in corn output volume. The investment in intensive farming among the ethnic poor declined significantly as input prices rose and dealers reduced or halted credit sales. 45 percent of surveyed households in Cu Hue-DL said they had cut down on corn fertiliser (Figure 6).

**Figure 6. Change in maize cultivation methods in Dak Lak over the past 12 months (% HH)**



Source: Oxfam and AAV (12/2008)

### Buying goods on credit

*Buying goods on credit is another risk mitigation measure. But it is not always easy for the poor to borrow*

The habit of borrowing has continued according to the theory “borrow now, pay later”, which results in high interest, buying at high price and selling at low price, however, it remains the most popular risk mitigation measure at monitoring sites, especially those employing intensive farming such as Thanh Xuong-DB, Duc Huong-HT, Cu Hue-DL, Xy-QT, and Thuan Hoa-TV. In 2008, however, in the face of natural disasters and price fluctuation, poor households had less access to loans than the better-off ones or those with stable monthly incomes. The poorest of the poor, who were without cash were refused loans and faced many difficulties.

### 3.4 Other measures and support policies

#### Support from the community

*Diverse forms of community support provide an effective informal safety net in risk prevention and mitigation*

In poor ethnic minorities in mountainous areas, poor and single parent households often receive support from relatives and neighbours to assist in facing difficulties. The most common form of support extended to poor households is in the way of gifting or lending of food in times of shortage and illness or offering a hand in house construction and so on. Poor households borrow from the better-off in the village in form of day labour (to borrow a small amount of money to pay for a day of labour for weeding or harvesting during crop season). At some monitoring sites, a frequently observed practice was to have poor households take care of cattle or to persuade households with more land to lend it out for farming (Thuan Hoa-HG, Ban Lien-LC, Xy-QT, Cu Hue-DL).

*Ethnic groups maintain some community cooperation traditions for mutual help against risks*

Communities at some monitoring sites maintain the habit of exchanging labour to assist poor households with labour shortage during sowing or harvesting. People in Ban Lien-LC still maintain a commune rice store which consists of annual contributions of villagers for the poor to borrow and pay back in the following harvest. Villagers will also buy meat of buffalos which die of cold in order to support misfortunate farmers. (Box 18).

#### **Box 18. Mutual support against risks at Ban Lien (Bac Ha, Lao Cai)**

##### **Village rice store for hunger prevention**

Every hamlet in Ban Lien has a public rice store managed by the hamlet leader. It is reserved for those suffering food shortage and half-boarding students studying outside the hamlet. Each household is to contribute 10-15 kg rice a year (according to each hamlet's policy) to the rice store. Any household that wishes to borrow may do so in June and pay it back in the harvest month of October. Interest is charged at 2kg for every 10kg borrowed, and 2.2kg if the household returns payment the following year. Furthermore, a household borrowing rice to cover funeral expenses can borrow 50kg interest free.

The Tay minority public rice store of Hamlet 1 is viewed as the most efficient in Ban Lien with full contribution from every household. The hamlet had nearly 700kg of rice in 2008 from which, 8 households suffering hunger were given rice. The fact that people in the hamlet continue to maintain the rice store for hunger aid highlights the efficiency of the model.

##### **Village buys meat from households whose buffaloes died of cold**

The extreme cold spell of early 2008 wreaked havoc on cattle breeding in Ban Lien resulting in a total of 210 buffalo deaths. Beside Government financial aid, H'mong people in Khu Chu Tung 1 hamlet have a habit of helping those in difficulty by buying buffalo meat for 15,000-20,000 VND/kg.

*<< Inter-family group >> is a good connection model for risk alleviation of Kinh ethnic people in low lands*

In Kinh communities, assistance to households facing difficulties relies on inter-household relationships. As in Duc Huong-HT, group activities under the "inter-family group" model have increasingly proved its role in connecting community and helping the poor. Support is mobilised from members of inter-family groups to help poor households in times of hardship, such as, rebuilding storm damaged houses, considering households eligible for support policies (Box 19). However, replicating the "inter-family group" model beyond the scope of funded projects remains a difficult task as local authorities lack the financial and human resources to facilitate the establishment and organisation of initial self-help activities in order to build trust among the residents.

### **Box 19. Inter-family groups are a fulcrum of the poor**

The survey team arrived at Duc Huong (Vu Quang, Ha Tinh) a day after storm No.5. The road to the commune was still flooded. On the way, the team met Mr. L.S.C, aged 58, the leader of an “inter-family group” with a machete in his hand and learned that he, together with other group members, was on the way to help repair the house of Ms. L.T.L, a poor member of the group. He said, “Yesterday we helped with Mrs. A’s house, today is Mrs L’s turn and tomorrow, we’ll be helping 2 other households”.

Group No.5 has 24 members scattered widely but they have never missed a group meeting, gathering on the 16th of every month, following the lunar calendar. Immediately after storm No.5, the group met to estimate the damage, making a list of prioritised households in need of support. Mr L.S.C shared the advantages of the group, saying “not only meeting the right need but selecting the right person to assist is also important. What is good is each member of the group understands one another well, so it is easy for us to identify who needs what and who is most needy. Inter-family groups also help strengthen our relationships and promote mutual solidarity and support. We are always willing and happy to help one another”.

### **Support from local mass organisations and other organisations**

*Women’s Unions at some monitored sites managed to maintain a common fund for supporting members in need*

Mass organisations all have programmes connecting members to preferential credit schemes so as to foster mutual support among members. A typical example is Women’s Unions at such monitoring sites as Ban Lien-LC, Luong Minh-NA and Phuoc Thanh-NT, managing to maintain a fund through monthly savings raised by communal livestock breeding or sales of produce. Women’s groups at commune level often pay visits to households with sick people, organising labour exchange to support needy women, especially single mothers with small children. However, in many other monitoring sites women are busy with farming and house work, many ethnic women are illiterate and shy away from social activities and capacity of local officials is limited therefore, performance of group activities is too weak to provide effective support to group members coping with risks.

*Integrating disaster management into the local socio-economic development planning process is recommended*

Projects supporting natural disaster management attempted to integrate their activities into the local socio-economic development planning process. In Duc Huong commune-HT, the ECHO2 project and community development program funded by ActionAid and implemented by HCCD had many activities which aimed to help local residents mitigate damages and recover from storms. Committees for storm prevention and mitigation were set up at village and commune levels to formulate plans and to practice evacuation procedures and emergency aids. Aid in the form of boats, life-vests, and communication devices were given to the commune rescue team. Farming schedules and crop mapping were flexibly amended according to weather changes. Food, seeds, cattle, fertiliser, medication and other essential aid was timely delivered to households suffering heavily from natural disasters with priority given to poor and single mother households. Inter-family groups were fully mobilised in order to carry out community-based disaster management. (Box 20).

### **Box 20. Increasing disaster resistance in communities affected by floods**

ECHO2 is a project on “building community resistance by improving livelihood and preparing communes affected by floods to cope with disasters”, funded by the

European Commission Humanitarian Aid (ECHO), and implemented by HCCD with the coordination and support of ActionAid in 6 communes affected by floods in Vu Quang and Loc Ha districts, Ha Tinh province. The major objective of the project is to support communities affected by floods, helping them to secure livelihood and better prepare for disasters. The project includes such activities as ensuring food security (supplying food packets, seeds, cattle, disaster mitigation construction), clean water (building water tanks), sanitation and health care (training in post trauma therapy for disaster victims).

The implementation process showed that to increase the resistance of communities affected by floods, it is necessary to:

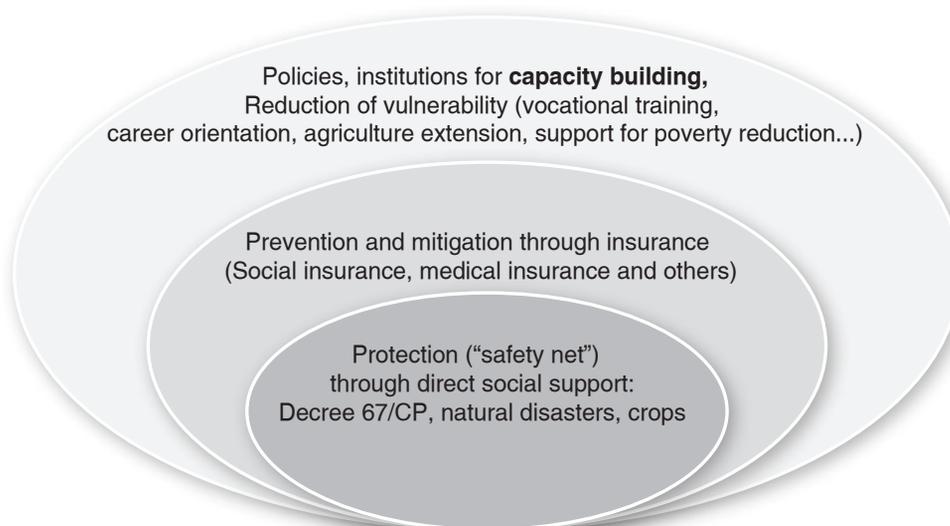
- At macro-management level: Set up strategies for disaster mitigation and climate change adaptation;
- At local authority level: Deploy emergency relief; mobilise and effectively allocate resources; publicise aid sources and disbursement; re-enforce accountability before during and after disasters promote community based disaster mitigation mechanism and early warning system; community based monitoring of change;
- At community level: Enhance knowledge and experience of disaster mitigation, and strengthen community institutions.

### Support from the Government

*Government support is very important in helping the poor cope with risks*

Government support to help individuals and communities cope with risks is provided through social protection policies including 3 circles: the outer circle includes measures for capacity building in risk mitigation and reduction of vulnerability; the next circle includes prevention and mitigation measures through insurance mechanisms; the innermost circle includes protection measures or “safety net” through direct social support extended to those affected by risks (Figure 7).

**Figure 7: Three circles of social protection**



*... such as adjusting vocational training programmes to allow easier access for the poor*

The government has many policies on free **vocational training** for the poor. However, few poor people at mountainous monitoring sites participated in vocational classes in the district or the province. These classes need to be moved closer to their homes according to the guideline “3 instant”: instant vocational training, based on instant skills and materials, instant job opportunities and product sales.

... increase support rate for people to move out of the high risk areas, empowering the poor in eliminating temporary houses

Some households living in isolated or sloppy areas were supposed to be **relocated** to avoid natural risks but because of a rather low support rate and lack of land availability, the implementation process was slow. The newly released Decision 167 to **eliminate temporary houses** of the poor with a higher support rate, more transparent processing and more power and responsibility for the people and closer community supervision proves a big step forward. Other policies to support the poor should be redesigned following the model of Decision 167 to increase effectiveness.

... improve methodology and develop grassroots agriculture extension network

**Agriculture extension activities** (including veterinary and plant protection) somewhat aided risk mitigation. Even so, agriculture extension networks in many areas are weak, with backward extension methods, and the preservation and use of indigenous knowledge in risk mitigation remains unclear. Programme 30a, therefore, is hoped to bring about some positive changes in improving the quality of agriculture extension services in mountainous ethnic areas.

... give priority to small irrigation projects in mountainous areas

**Irrigation and infrastructure construction** in poor regions are now given priority. Irrigation remains the most effective measure to equip local residents against weather risks. Mountainous areas receive significant investment for irrigation. The lack of plain land and water resource hinder investment in irrigation constructions. However, small irrigation construction in mountainous areas still requires higher investment priority.

... support for acquisition of medical insurance cards for people with average income in rural areas is needed

Distribution of free **social insurance** cards to members of poor households has been well implemented. Errors in name spelling and slow card distribution have been considerably reduced. However, the extra expense of health examinations at higher-level hospitals remains an obstacle to the poor accessing medical services. The subsidy scheme for acquisition of medical insurance cards for near-poor households is meaningful in low land areas (ethnic mountainous people already receive free medical insurance cards in accordance with Decision 139). However, the awareness and capacity of the near-poor to acquire medical insurance cards is limited. In order to realise the goal that all Vietnamese be covered by medical insurance, stronger support policies should be adopted for each population group (poor, near-poor, average) in rural areas.

... enlarge the list of beneficiaries of regular social allowance in accordance with Decree 67/CP

**Regular social support** for particular vulnerable groups, according to Decree 67/CP and policy for treatment of people who have made great contributions to the country has been widely implemented. However, surveys show that many households missed out because people lacked information and review progress was slow. Some drawbacks of Decree 67/CP were seen in the stipulation that people of particular groups (the disabled, single parents with small children) must be poor in order to receive support. Near-poor or average households are not eligible for financial assistance while the current poverty standard is set too low and under slow adjustment.

... combine relief efforts with long-term solutions aiming at capacity building for risk control

**Emergency relief** for households facing hunger or suffering from natural disasters such as extreme cold is being delivered in a timely way by the government and humanitarian organisations. For example, relief programmes for northern mountainous households whose cattle died in the spell of extreme cold in early 2008 or storm/flood relief in Central provinces were effective. Modes of emergency relief are diverse, from giving money, rice, essential goods, and seedlings to free medical examinations, preferential loans and free medical insurance for three months after the event. The challenge is to create long-term solutions by upgrading infrastructure and improving livelihood to enhance the capacity of the poor and communities to control risks. A combination of short-term and long-term disaster mitigation measures is vital.

... Support development initiatives on informal safety nets within community

**Community-based risk mitigation mechanisms** (“*informal safety net*”) are effective in mobilising prompt community participation to control risks. The models, “rice store for hunger” in Ban Lien and “inter-family group” in Duc Huong should be assessed for replication. Experiments should be done on more creative models such as “commune development fund”, “village risk control fund”, “micro insurance fund” or “cash for the poorest”. (Box 21).

**Box 21. Models for community-based risk control**

Vietnam is one of the countries most heavily affected by climate change and natural disasters. During hardship, the tradition of solidarity and lending a helping hand has been well applied. In the new context, successful community risk control models need to be assessed and supported for replication.

- Commune development fund: carrying out small projects based on the participation and empowerment of the community. These projects may work towards improving livelihood and village infrastructure in order to support local residents in controlling risks.
- Village risk control fund: Contributed by local people and external organisations, donated in kind (village rice store) or in cash. This fund is for providing instant relief to households with food shortage or households facing risks.
- Micro insurance fund: a community group-based fund, donated by group members or external organisations. This fund is for providing insurance for agricultural activities and promoting the application of science and technology.
- Cash for the poorest: to provide direct financial aid or provide job opportunities for the poorest households. Oxfam GB is piloting a project providing cash to poor and near-poor households in a Kinh commune in Ha Tinh, which often suffer from natural disasters, and so far has gained positive results<sup>9</sup>. It would be of interest to replicate this pilot in an ethnic minority community.

*Comprehensive measures are needed to improve the risk control capacity of poor communities*

*Accessibility and social support should be enhanced in rural communities to the Programme 30a*

*More attention should be given to setting up community institutions in order to build the informal safety net*

**3.5 Conclusion: vulnerability reduction**

Rural communities including remote mountainous and ethnic minority areas have faced successive risks and shocks in the past months due to natural disasters (including climate change), disease, price fluctuation and the global financial crisis. Poor and near-poor households and typical social groups are most vulnerable to risks and shocks.

Vietnam has made great achievements in poverty alleviation however, many shortcomings are witnessed in vulnerability reduction. Improving the risk control capacity of poor communities demands a comprehensive approach which integrates risk control measures, socio-economic development planning and poverty reduction process from central to local levels.

**A comprehensive social protection strategy** for rural areas in Vietnam with a vision towards 2020 is being drafted by relevant authorities<sup>10</sup>. Policies on improving accessibility and social support for vulnerable groups should be integrated including particular support for rural households of the poorest districts in the country accredited by the Programme 30a. The drafting of this social protection strategy should be done in wide consultation with the public and feedback from different groups throughout the country should be solicited and considered. It is also necessary to adjust the poverty line and define criteria for target groups in the forthcoming social protection strategy.

The role of the **“informal safety net”** at community level is crucial to timely and effective support to those suffering from risks and shocks. Creative models at community level such as the **“commune development fund”**, and “micro insurance fund”, should be developed. Community institutions require stronger support to become a fulcrum for poor and near-poor households, and typical social groups in mitigating risks and shocks, which in return aim at rapid and sustainable poverty reduction in the new context. There is also an urgent need to integrate community based disaster risk management to address climate related vulnerabilities.

<sup>9</sup> See Report “Periodical Assessment of Cash Provision Project of Oxfam GB in Vietnam”, Rowena Humphreys, 12/2008

<sup>10</sup> See “Welfare Strategy for Rural Population, Households in Mountainous Ethnic Areas with Extreme Difficulties”, Draft version 4, MOLISA 7/2009

## 4. GENDER RELATIONS

*Gender relations are strongly connected with the culture of each ethnic group, but this is changing*

Gender relations are often tied to culture, traditional values and long-standing assumptions of each ethnic group. As socio-economic development and poverty reduction progresses in Vietnam, positive women's role in family and society is being viewed as increasingly important. However, gender equality still faces challenges in the context of risks and shock in 2008.

### 4.1 Gender difference within households

#### Labour division

*Traditions and prejudices were the determining factors for labour division between males and females*

Division of labour at monitoring sites primarily followed the traditional pattern of men taking the dominating role in households. They were considered as being responsible for "heavy work", "technical work", "calculating work", and "social activities". Meanwhile, women were in charge of time-consuming non-wage work in the house and in production. Notably, most minority women at monitoring sites accepted the notion that men should do "heavy work" and women should do "lighter work" and viewed it as reasonable.

*There was improvement in labour division among young families*

--- *"Men only help women do the ploughing because it is hard work. But when seedlings appear, it is women's work because it is lighter. They just have to do some sweeping then go home to cook and look after the children. My work is not hard at all while my husband has to work far away in construction for money."* (Raglai women in Ta Lu commune, Phuoc Dai).

In 2008, there were some factors affecting the pattern of labour division, both negatively and positively. The spread of information promoting gender equality had some certain impacts on young families below 30 years, in which both husband and wife had higher education and therefore were not as heavily associated with long-standing prejudices as people of older generation. Young husbands now tend to help their wives with housework and taking care of children.

*Improvement in infrastructure alleviated the work burden for women*

Improvement in infrastructure helped women reduce time-consuming and heavy work. In the commune of Ban Lien - LC, seasonal fairs were held in 2008. This saved women a whole day for travelling to Bac Ha market which is 30 km away. In the commune of Phuoc Dai - NT, water supply construction delivered water to the commune, saving women and girls the long daily journey to fetch water from streams. Also in Phuoc Dai, because of the water from hydro electric construction, local people could expand their rice cultivating land. Men also focused more on their rice paddies, sharing the burden of farming with women. Many households in Phuoc Dai with rice paddies had enough food for the whole year which meant a decrease in the number of women doing wage labour.

*However, risk and shock mitigation heightened the role of men...*

However, natural disasters, disease, and especially the price hike in 2008 heightened the role of men who are presumed to be better at business and social relations to help cope with risks and shock. Men outnumbered women in migrant wage labour in many monitoring sites, leaving the burden of farming and housework to women. In Duc Huong, Thuan Hoa, there were only women, children, and elderly at home during harvest time since "men were all working away from home." Men refused to do "simple work" such as picking bamboo shoots, collecting firewood, and collecting cow manure, thus leading to increased burden on women. In households most heavily affected by risks and shocks, women suffer the most since they are in charge of daily expenditure and the because of their tendency to sacrifice for their husband and children.

*... while women are the ones who suffered most from risks and shocks*

### Decision making within households

*There was more pre-decision making discussion between husbands and wives in young families* Similar to the issue of labour division, family decision making primarily followed the traditional pattern of male dominance even among those groups that followed the matriarchal system. However, recently discussion between husbands and wives prior to shopping or production investment increased in young families below 25-30 years old. The trend that husbands tended to respect their wives' opinions in young families more than previously is even clearly visible among localities which have strong association with long-standing gender division such as Van Kieu and H'mong groups (Van Kieu and H'mong men often manage the finance and decide upon and perform big and small transactions. Furthermore, H'mong men in Ban Lien commune paid for their wives' Women's Association fee on their behalf).

*Family violence was more serious in reality than as revealed by statistics* Domestic violence tended to decrease but remained common in some monitoring sites, especially in mountainous villages further from the commune centre. In some cases, wives had to be taken to hospital for treatment. The actual number of domestic violence cases could be higher than statistics show as some households do not wish to reveal their family violence and lose self-esteem.

*Women and children suffered severely in cases of family violence* There were many reported reasons for family violence. A hard life may foster conflicts between husband and wife. In some places, girls marrying too early, with little knowledge and experience concerning marriage was attributed to husband dissatisfaction. Violence also occurred frequently in households with drunken husbands who beat their wives over unreasonable jealousy. Women were often victims in families with drug-addicted husbands. The tendency of women to sacrifice and negotiate makes it harder for them to escape the situation (minority women once divorced from their husbands find it difficult to gain respect from society and it is almost impossible for them to remarry). Children also suffer greatly in violent families.

--- *"I find my mother most miserable. My father does nothing but always gets drunk and beats up mom so that she has to run away. I just cry and don't know what to do"* (poor Raglai children in Ma Du commune, Phuoc Thanh).

## 4.2 Access to resources and services

### Access to land

*Practices of land division and inheritance among ethnic minority groups still followed traditions and customs* Little difference in land accessibility between men and women was reported in 2008 compared to 2007. Customs and traditions continued to co-exist with State regulations on dividing, using and inheriting land among ethnic minorities at monitoring sites. The patriarchal system (land is inherited by sons since daughters get married and leave to live with their husband) and the matriarchal system (land is inherited by daughters since sons get married and leave to live with their wife) remain the two deciding factors in land accessibility between men and women. However, the practice of traditional customs is more flexible now. Some Kinh and minority patriarchal households give a little land to daughters (and money or capital such as cattle, house) when they get married and the husband's family is poor.

*Patriarchal and matriarchal traditions have big influence on land inheritance practices* When husbands or wives die or undergo divorce, land inheritance practices in minority communities still follow the patriarchal or matriarchal traditions even if the land certificate is in the name of either one of husband or wife (in accordance with the old regulations) or both husband and wife. In the matriarchal Raglai and Ede groups, if the wife dies and the husband wishes to stay in her house to raise the children, he is allowed to continue to use his wife's land. However, if he remarries, he has to leave the house along with other properties belonging to the old wife, including the children.

*Some ethnic minority women* Many forward-thinking young minority women realise the benefits of co-ownership in preventing the husband from selling the property without consulting in advance. Legal

*cared more about their dual land ownership than others* co-ownership also helps weaken the notion of patriarchal ethnic minority men which is “*all property belongs to the husband and he can do whatever he wants with it*” and thereby showing his responsibility within the family.

---“*Normally, I trust and never doubt my husband but when he gets drunk, starts a row or beats me, I get very worried. He can decide to sell the land or deposit the land certificate when he is drunk. I’m concerned about my own prosperity. It’s my children’s future that I care about... How can I take care of my children without my land?*” (Women’s group in Ta Lu hamlet, Phuoc Dai)

*Renewal and new issuance of land certificates displaying the names of both husband and wife should be accelerated* Disseminating information to local people about Land Law and procedures for land certificates is necessary as land transactions will increase in the future. Only newly issued certificates display the names of both husband and wife while previous certificates display just the name of either one unless the household applied for a new certificate with a small fee. Local authorities should actively withdraw old certificates to ensure the rights of women in case of land disputes. Certificate renewal should be free of charge for poor, near- poor and ethnic minority households.

### **Access to capital**

*Males still took the leading role in making decisions to borrowing and using loans* There are numerous preferential loan policies offered by the Bank for Social Policies so that either husbands or wives can apply for loans. The fact that the application form must be signed by both husbands and wives (one is the borrower, the other is the inheritor) stimulates discussion and consultation between both. In Kinh communities, women have equal rights in borrowing and using capital. In some ethnic minority communities, men still dominate since they are considered “better at business”.

*Many women with typical disadvantages could not access preferential loans* Particularly in the case of single women or women with drug addicted husbands, it is more difficult for women to take out preferential loans because they themselves do not dare to borrow or the leader of their commune borrowing group is afraid of being guarantor them. They fear the borrowers being unable to repay loans negatively affecting the whole commune borrowing group.

### **Access to agriculture extension services**

*More women took part in training courses but only as replacement for men* In lowland communes like Duc Huong - HT and Thuan Hoa - TV, women outnumbered men in training course participation since men tended to work a long way from home. In the mean while, the opposite was reported in mountainous minority areas. Minority women only participated when their husbands were busy, far away, drunk or when agricultural extension courses invited women in person.

*Language limitation proved to be a big obstacle in women attending agriculture extension activities* Minority women often speak little Kinh language and are not confident to speak it, which limits their chances of participating in agriculture extension activities. The illiterate were not often invited to join training courses. Women from 17 to 25 years old were not invited either despite having good literacy since officials assumed they were too young and lacked experience.

*Improvement was made in training methods to make courses more favourable to women* In 2008, some positive changes were witnessed in training methods which made courses more favourable for women at monitoring sites. Training course information was delivered to women either with the help of women’s unions or via personal invitation resulting in an increase in female participants. Training methods were also improved to accommodate women with little Kinh language. For example, illustrations were added and local interpreters were integrated in the courses. These improvements meant an increase in women’s knowledge of agriculture and increased gender equality.

### Access to education

*Studying opportunities for aged women were limited and the percentage of people falling back into illiteracy was high among ethnic minorities*

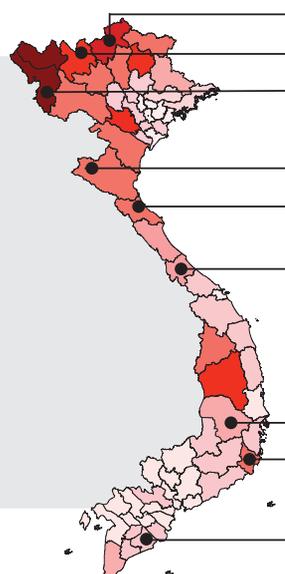
The difference in literacy between men and women remained the same compared to the last survey in the monitoring sites. The percentage of women who never attend schools and do not graduate from elementary school was higher than that of men. Complementary classes for minority adults were not very effective as a high percentage fell back into illiteracy. Complementary classes were regularly open but older women were reluctant to join since they were shy or busy with housework. Long-term studying to improve capacity for female officials was limited. Complementary classes employing the Reflect approach which is an initiative of ActionAid, proved more effective, as it was conducted in co-operation with the Community Learning Centres.

*There was no clear difference in education levels of and the percentage of children attending schools by gender at monitoring points*

The rate of children 6-11 years old (elementary) and 12-15 years old (secondary) who attended school was quite high. New policies for upgrading schools and teacher accommodation, full-day classes provided by local people, bursaries for tuition, study materials, meals for poor minority children who attend nursery, elementary and secondary schools took effect. Local people highly appreciated the efforts of teachers in encouraging children to attend school. The most notable point was the minimal difference in school attendance between boys and girls from 6 to 20 years. Boys dominated at some monitoring sites while girls dominated at others (see Table 28 and 29).

**TABLE 28. Education levels by gender, 2008 (%)**

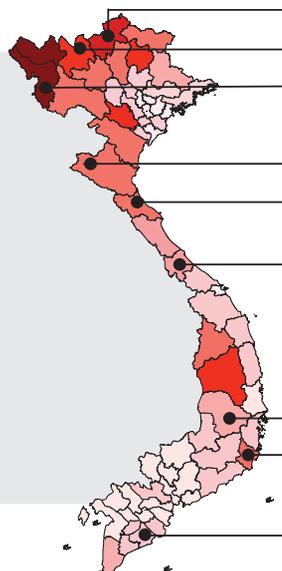
Commune	Never attended school		Did not finish primary school		Finished primary school		Finished secondary school		Finished high school	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Thuan Hoa	0	0	33	34	43	34	22	28	2	2
Ban Lien	9	10	32	43	34	32	25	18	0	0
Thanh Xuong	5	0	34	33	24	30	26	21	8	15
Luong Minh	2	9	49	40	38	43	11	9	0	0
Duc Huong	0	0	21	17	23	20	40	34	16	29
Xy	13	21	35	38	35	36	13	3	4	2
Cu Hue	2	4	27	33	40	38	28	20	3	6
Phuoc Dai	3	0	56	46	27	40	10	15	3	0
Phuoc Thanh	22	26	49	41	18	26	10	5	0	2
Thuan Hoa	10	6	46	35	27	31	14	26	2	0



SOURCE: Household survey data

**TABLE 29. Percentage of children attending school by gender 2008 (%)**

Commune	6 - 11 years old		12 - 15 years old		16 - 20 years old	
	Male	Female	Male	Female	Male	Female
Thuan Hoa	100	100	94	86	75	58
Ban Lien	96	95	88	95	22	33
Thanh Xuong	100	100	100	100	73	67
Luong Minh	95	100	75	71	35	18
Duc Huong	100	100	100	100	77	88
Xy	85	85	83	84	56	42
Cu Hue	83	93	88	80	38	58
Phuoc Dai	97	100	88	75	62	75
Phuoc Thanh	85	86	67	67	50	26
Thuan Hoa	100	100	42	67	10	26



SOURCE: Household survey data

*The tendency of placing the priority for higher education on boys rather than girls was clear among ethnic minorities*

In Kinh communities, parents try their best to provide their children with formal education without gender discrimination regardless of financial difficulty. Some localities even reported more girls than boys graduating from high-school (Duc Huong-HT). In some remote mountainous minorities, boys were still given the priority to schooling (Luong Minh - NA, Xy - QT). Although girls were more diligent than boys at school, girls tended to drop out when they reached higher grades as they were expected to help at home. In Cham Puong - Luong Minh, Kh'mu students studying at secondary school claimed that boys received financial support from parents for their tuition fee but girls had to earn the money themselves by picking bamboo shoots or selling firewood.

*Creative measures are needed to eradicate the language barrier faced by ethnic minority children*

Although school attendance grew, the quality of education in mountainous minority areas requires more attention. The most common barrier for children attending first grade was low language proficiency. Many minority communes employed teaching assistants who spoke both the Kinh and local languages to interpret in class. This practice should be replicated.

*The gap in support policies to poor and ethnic minority students attending high schools should be alleviated*

High-school attendance remains extremely difficult for both boys and girls, due to their families' economic status, distance from home to school and low academic capacity. Girls in some communities traditionally marry at a very young age, which narrows their educational opportunities. Support for poor and minority children to attend "full-day classes provided by local people" programme at high school level remains low (while those at elementary and secondary level are already enjoying the benefits). Moreover, providing equal educational opportunities for disabled children was still a big challenge in mountainous minorities.

#### **Access to health care services**

*There was improvement in reproductive health and good support models at village level*

The rate of women giving birth in local clinics or at home with assistance of nurses rose in 2008. In Xy commune, where previously only 30 percent women gave birth in local clinics, the number grew to 70 percent in 2008. This progress can be attributed to "commune nurse" programme in Phuoc Dai, Phuoc Thanh - NT. The commune nurse is a local who is trained to provide pregnant women with guidance during periodical pregnancy examinations and assistance when giving birth. This programme was highly appreciated by local women and therefore needs to be replicated in other areas as well (Box 22).

**Box 22. “Commune nurse” helps to improve the reproductive health of pregnant women**

Phuoc Thanh commune (Bac Ai, Ninh Thuan) is among many localities benefiting from the “commune nurse” programme, funded by UNFPA since 2007. The midwife is a local person who has studied up to 8 or 9th grade and receives basic training at Tu Du hospital. She is given a motorbike for travelling to spread awareness of pregnancy safety, delivering periodical health examinations and providing birth-giving assistance. Phuoc Thanh now has three commune nurses under the supervision of the commune and district clinics.

Fees for commune nurse services are VND 3,000 per visit for health examinations, VND 5,000 for birth-giving assistance at home and VND 10,000 at local clinics. Nurses receive payments every quarter according to actual records.

Since women maintained their habit of giving birth at home, this programme was of great value. Periodical pregnancy examinations used to be neglected but since the programme came into being, pregnant women received health examinations at home and any issues, therefore, were detected early and monitored so that women could receive timely medical help.

*Family planning was improved but the tendency to have many children was still prevalent in ethnic minority areas*

Commune and village health care networks, population and nutrition officials along with activities of community organisations like the Women’s Union were effective in making people aware of the negative impacts of having too many children. However, most officials were female and thus many limitations were encountered in approaching and disseminating information on reproductive health to men. Birth rates in some remote mountainous minorities remained relatively high since people preferred either girls (matriarchal system) or boys (patriarchal system). Birth control methods were supposed to be adopted by women. Only 22 percent of Van Kieu women in Xy - QT used birth control methods and some sometimes forgot to take pills or were reluctant to adopt other measures as they were time-consuming and affected farm work.

*Accessibility to health care for women and children faces many challenges in the coming years*

Despite the success in some communes, there are many more challenges to the accessibility of health care services among minority women. Many clinics were located up to 10 km from the commune and were difficult to reach resulting in a low number of people receiving health examinations. Many minority women contracted gynaecological diseases since they lacked medical knowledge and sanitary living conditions. A majority of households lacked private toilets causing many inconveniences for women. Though more households practiced “cooked food and boiled water” and used “mosquito nets”, the rate of those doing so was lower than expected, causing regular digestive diseases and dengue fever among many. Pregnant women faced many difficulties; the quality of their daily meals was bad. All of these resulted in a high rate of malnutrition among children under 5 years old in surveyed mountainous minority areas.

### 4.3 Representation and participation in social activities

*There was improvement in the percentage of women holding positions of public responsibility but it was still low*

Hindrances such as low education, family affairs and the community’s prejudice to see women as “slower and less competent” than men were the main reasons for fewer women holding important positions in the village as compared to men, apart those held in Women’s Unions. The percentage of women holding positions of public responsibility at commune level did not reach the national target of 30 percent. However, in some localities, this percentage did increase with women holding positions such as commune chairwomen, Fatherland Front’s official, poverty reduction official, legal official, agriculture extension official. The policy of “capacity standardisation” which stated that only women with at least college level education were qualified for professional positions at commune

level made it easier for young women to find employment after graduation.

### **Involvement in community organisations**

*The Women's Union organised many activities for their members*

At monitoring sites, the Women's Union was often the most active among mass organisations which held periodical meetings for members or organised activities in accordance with programmes such as the "mutual support in production among women" programme or the "saving-credit" programme, and the "happy family" programme. They also organised shows and performances or other activities to disseminate information about laws, educating children, environmental sanitation, and family planning. At some monitoring sites in mountainous ethnic minority areas such as Ban Lien-LC, Luong Minh-NA and Phuoc Thanh-NT, the Women's Union organised activities to raise a common fund which was well appreciated by members. Members enthusiastically participated in the organisation's activities despite remaining challenges.

*Training courses, communication on gender equality and group activities were reported in many Kinh and lowland areas*

Women in lowland areas, Kinh women in general, participated quite well in Women's Union activities. Training courses and communication activities were conducted on a large scale. A typical example was reported in Duc Huong-HT in a community development project implemented by HCCD. In accordance with the project, "inter-family groups" activities were organised into clusters of 15 to 20 households. The activities were organised at the participants' houses in turn. Female collaborators on gender equality were selected for each village and then trained on gender equality communication via "inter-family groups". The "inter-family groups" had good participation, with 55 percent of village women. The percentage of female group leaders increased reaching approximately 50 percent in 2008 (compared to 30 percent in 2007).

*Activities of the Women's Union in remote mountainous areas encountered many difficulties*

However, the mobilisation of ethnic minority women to participate in community organisations encountered a number of difficulties. Education and capacity of community organisations officials at village level were very limited. Many had not graduated from primary schools. These officials received no monthly allowances. Some were too involved with family affairs to join fully in community life which made it difficult to conduct activities. While most Kinh women could be mobilised to participate in periodical meetings, it was very difficult to engage ethnic minority women in these activities (often no more than 50-60 percent of women). Although very low, membership fees were sometimes not fully collected. In most cases, meetings were conducted in the evening as women were busy with farm work during the day. However, some could not join in the evening as they had to take care of the children and do other housework.

### **Taking part in meetings and other village activities**

*High percentage of women attending village meetings did not necessarily reflect the active participation of women and gender equality*

The percentage of women taking part in village meetings was quite high. In some ethnic minority and lowland areas, more women attended meetings than men. However, in some localities, the high percentage of women attending meetings did not necessarily reflect active participation and gender equality in community activities. Some women came to the meetings because their husband could not. A commonly cited reason for the high percentage of women attending meetings was that their husbands were working far away from home or they were exhausted after all the farm work or wage labour work (or even drinking) and did not wish to join meetings.

More minority ethnic women joined village meetings now than before. However, their participation was not high. Most women were too shy to speak up. Some attended meetings just for the sake of attendance and did not focus on the meeting content. Lack of confidence and the fear of "having nothing to say" posed a big barrier preventing women from speaking up and playing an active role in community activities.

*Group activities encouraged the participation of both husbands*

Ethnic minority women in remote mountainous areas such as H'Mong women rarely participated in community activities. Even single H'Mong mothers allowed their sons

*and wives which proved to be a good way to enhance gender equality among ethnic minority people*

if old enough to join meetings on their behalf. H'Mong villages are located in highland areas which are difficult to reach. This proved to be a hindrance to H'Mong women participating in community life. The community development programme conducted by Oxfam GB in Lao Cai had a lot of success in organising group activities which encouraged the participation of both husbands and wives. This activity achieved promising results and contributed to reducing domestic violence.

--- *“The village joins the group activity by Oxfam GB. Both husbands and wives attend meetings to receive information and this tends to help them listen to each other better. There was Mr. V.A.X who often got drunk and raised arguments with his wife. He attended meetings and received advice from the community on his family life. Thanks to this, his family now is happy.”* (V.T.N, Doi 2 village, Ban Lien commune)

#### **4.4 Conclusion: Gender equality and poverty reduction**

*Achievements in gender equality in Vietnam have been recognised...*

Vietnam is a country with impressive gender equality achievements which are widely recognised internationally. Many important policies have been promulgated in order to institutionalise equality between men and women in different aspects of the socio-economic, cultural and political life such as the Law of Gender Equality, the Law of Protection, Care and Education for Children, the Law of Prevention against Domestic Violence. Vietnam also approved CEDAW - the UN Convention for Elimination of All Forms of Discrimination against Women.

*... and could be clearly witnessed at monitoring points especially among young families*

Progress on gender equality could be witnessed clearly at monitoring sites. Men and women shared more in production activities, taking care of children and household chores. Improved infrastructure also helped to lessen the burden for women. Women have taken steady steps in assuming leadership roles at grassroots levels, participating more in village meetings and other chores. Young families with members 20 - 25 years old are now more forward-thinking on gender equality in the community.

*However, the disadvantages of women remained prevalent*

However, women still suffer from disadvantages stemming from deep-rooted prejudices and also from recent risks and shocks. Women are still the main labourers in production activities, child care and time-consuming house chores which are sometimes health degrading. When faced with risks of weather, disease, and price, women are those who suffer more adverse impacts and are also the ones that bear the burden of making ends meet. Men still have the say in the decision making process. Women's access to training opportunities for capacity building is still limited, especially for ethnic minority females in remote areas. Girls were restrained from opportunities for higher levels of education in many localities. Quality of participation of women in social activities at grassroots levels remained low, although the percentage of female participation increased.

*The promotion of gender equality within families provides a foundation for achieving actual gender equality in society*

To effectively monitor the implementation of the Law on Gender Equality and concrete sub-law documents focusing on actual gender equality are needed for sustainable poverty reduction. Promoting gender equality within families will provide a foundation for achieving gender equality at community levels. In addition to promoting efforts in mainstreaming gender equality into pro-poor programmes via specific measures, there is a need to increase support for programmes and projects which directly serve to enhance opportunities for women.

## 5. PARTICIPATION AND EMPOWERMENT

*Empowerment of the poor to help them to become self reliant is critical in the fight against poverty*

In 2008, the government continued implementing additional policies supporting poverty reduction. They are directed towards decentralisation of power so that districts and communes can themselves identify the actual needs of local people and make plans and implement programmes and projects. Programme 30A states, “the District People’s Committee (DPC ) is entrusted with general strategies, mechanisms, and policies to support the cause of poverty reduction so as to make decisions on investment allocation; based on the actual needs of people in each village, commune and also resources from current programmes and projects in the locality to ensure effective and comprehensive investment.”. There were some significant improvements in participation and empowerment at grassroots levels but the quality and effectiveness of the involvement of communities and people was still limited.

### 5.1 Participation by the Poor in Policies, Programmes and Projects

#### Access to Information

*Village meetings and activities of organisations are still the primary channel of information about programmes and projects for local people*

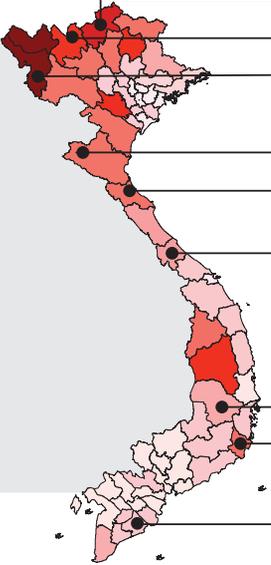
Table 30 shows that people received information about policies, programmes and projects primarily through direct and popular channels as village meetings and activities of mass organisations (Women’s Union and Farmers’ Union). The number of people participating in village meetings increased partly because of increase supervision of grassroots officials. Many new pro-poor policies were introduced in 2008, thus more people attended meetings. The increased use of telephones in remote villages also helped village officials easily organise meetings and disseminate information about programmes and projects, especially to the poor living in remote areas or those who temporarily stayed on farms during harvest time.

*TV serves as a good channel to disseminate general guidelines and policies*

TV also proved to be an essential channel of information as most monitoring sites had electricity networks and a high percentage of households had televisions. However, the rate of poor households having TV is lower than the rate of the better-off. Through televisions, people can understand general guidelines and policies, although village and union meetings continue to be the main channels providing detailed information about programmes and projects at grassroots level.

*Other channels of communication were still limited*

Written sources such as newspapers, magazines, leaflets, notices, and posters received less interest from local people. Language barriers remain a major limitation. At monitoring sites in poor mountainous areas, most ethnic minority people, especially women, know little Kinh language, they also rarely visit commune centres or public places to read messages. The State executed policies to provide newspapers and magazines free of charge in each village in accordance with Programme 135. However, in some places the use of newspapers and magazines to deliver information to people was ineffective. Most villages were equipped with radios and loud speakers which effectively serve to disseminate information; while in some hamlets broken radio systems were only slowly repaired, hence reduced effectiveness of the investment.

**TABLE 30. Channels of Information about Policies, Programmes and Projects in 2008 used by people (%)**


Commune	TV	Speaker, radio	Newspapers, Magazines	Commune and village meetings	Meetings and activities of mass organisations	Officer visits to HHS	Distribution of leaflets to HHS	Announcement, posters in offices and public places
Thuan Hoa	65	15	15	98		3	0	3
Ban Lien	33	0	12	88	30	8	3	12
Thanh Xuong	98	37	30	100	55	15	27	7
Luong Minh	12	25	3	95	60	25	0	27
Duc Huong	57	62	17	97	93	13	7	30
Xy	33	27	3	80	60	22	2	5
Cu Hue	88	43	10	87	37	13	0	7
Phuoc Dai	76	39	17	82	51	20	36	48
Phuoc Thanh	65	75	17	77	28	15	12	63
Thuan Hoa	73	47	7	78	30	47	22	24

SOURCE: Household survey data

*There are initiatives to strengthen information communication to local people*

Some localities disseminated information in creative ways. In the commune of Thuan Hoa-TV, each hamlet has a notice board posting essential information from the village headquarters so that people can know, discuss and monitor (according to the orientation of the Ordinance on Grassroots Democracy). The propagation and dissemination of information were also coordinated with head monks in the temples of Khmer people. In the commune of Ban Lien-LC, the newly-opened fair was also an opportunity to improve access to information. For minorities in highland areas, the fair was not only a place to trade goods but also a cultural hub for exchanging and sharing of information. The Lao Cai agricultural extension centre had run the “fair for agricultural extension” for many years to disseminate agricultural extension information and received positive feedback from local people.

### Participation in the implementation of policies and projects

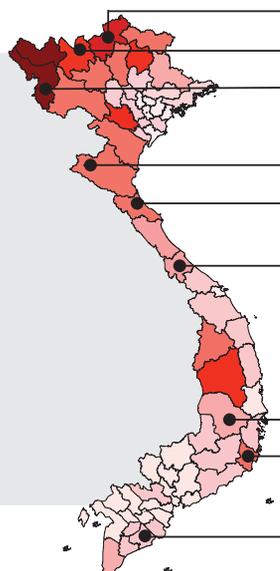
*Both poor and non-poor people recognised the improvement in participation at grassroots level*

Table 31 shows the improvement in most monitoring sites in people’s awareness about participation in implementation of policies, programmes and projects in localities in 2008 compared to 2007. Both poor and non-poor groups showed improvement in participation although the non-poor felt that their participation was better than the poor. The main reasons for stronger participation are better dissemination of information and increased numbers of village meetings for selecting project beneficiaries and information on the methods of project implementation.

**TABLE 31. People’s perception about household participation in the implementation of policies, programmes, projects in communes and hamlets in the last 12 months (%)**

Commune	Perceived participation		Of which			
			Poor households		Non-poor households	
	2007	2008	2007	2008	2007	2008
Thuan Hoa	42	55	30	44	49	68
Ban Lien	18	33	11	33	28	33
Thanh Xuong	45	27	33	14	50	30
Luong Minh	48	37	42	36	57	40
Duc Huong	60	50	56	59	61	47
Xy	7	20	11	14	0	26
Cu Hue	17	20	0	16	21	22
Phuoc Dai	15	17	8	10	19	23
Phuoc Thanh	15	14	14	9	17	25
Thuan Hoa	17	38	9	34	28	43

SOURCE: Household survey data



*The efficiency of programmes and projects can be improved based upon the dedication of staff and active participation of citizens*

Some limitations in implementing programmes and projects in previous years were overcome in 2008. In Luong Minh-NA, the delivery of forestry seeds was made to villages right on planting time (in 2007, seeds were delivered to the commune centre and thus were late in reaching villages for plantation). There was a breakthrough improvement in shelters built for cattle (in 2007, unsheltered and unvaccinated cattle lead to the spread of diseases and damage of newly planted trees). The lesson drawn is that to increase the effectiveness of project and programme implementation appropriate direction from local authorities should be accompanied by a mechanism promoting active participation of local people. (See Box 23).

**Box 23. Lesson learned about “Direction” and “Participation” in the implementation of breeding regulations in Minh Luong Commune**

In 2007, cattle epidemics were very common in Luong Minh commune (Tuong Duong, Nghe An), resulting in a decrease in the total number of cattle. In 2008, Luong Minh commune authority directed villages to mobilise local people for careful discussion about breeding regulations with a clear punishment policy. The commune authority also encouraged households to administer full vaccination to livestock at home. Grassroots officials did so first to set an example. The result was that in 2008 in some villages near the commune centre, almost 100 percent of households build shelters for cattle and vaccinated them. Thanks to stricter obedience to breeding regulations, 83 hectares of newly planted forest remained healthy and untouched by cattle.

The above results show that the close direction and dedication of department staff at all levels can create obvious changes in the mobilisation of local people. These directing measures are effective only when local people have chance to discuss and unanimously approve. This creates community pressure for those who do not follow. This lesson should be completely utilised for the implementation of Programme 30a since the support policies in this programme are extremely good opportunities to successfully implement socio-economic development strategy in poor villages in the district.

At monitoring sites, in 2008, there were some good examples in which the voices of people were heard in order to improve project design and to overcome the limitations of the implementing stages. When local people were given opportunities, they actively participated and proposed ideas. There was a break in the tendency of receiving only what the state gives. (Box 24).

#### **Box 24. People's voices heard**

##### **Xy Commune (Huong Hoa, Quang Tri)**

In 2007, the poverty reduction project in Central Vietnam proposed the building of communal house for Troan O hamlet. The construction was designed by the district. The Commune held a meeting to elicit people's opinions about the drafted design. It was suggested that the building be a multi-level instead of one-level as originally planned and the recommendation was approved. The communal house design was changed and according to the desire of the commune and the construction was completed in June, 2008, providing a good meeting place for local people.

---"Before the execution, they gave the draft of a one-level building. It was believed the kind of building originally planned in Thuan commune is prone to getting dirty so local people prefer a different one. The drafting committee received comments from villagers after which The draft was changed to a multi-level building." (Core group of Troan O hamlet).

##### **Phuoc Thanh Commune (Bac Ai, Ninh Thuan)**

The programme 135 provided productive cows for people in Da Ba Cai hamlet. In the beginning, the project delivered cows of poor condition and local people did not accept them. Hence, the project replaced those with better ones in response to the opinions of local people.

--- "In early 2008, 7 cows were delivered to local people in accordance with the Programme 135. But the cows were too old so local people did not accept them. The project had to take them back and one week later, seven younger ones were brought to the village. Only then did local people accept the cows"(the core group of Da Ba Cai hamlet).

*Participation in many localities is still low; people primarily implement already-decided programmes*

Unfortunately, this is not the norm. In many other cases, local participation is quite low. Participation usually begins with local people selecting beneficiaries and locals only implement programmes and projects which have been decided in advance. Passiveness of beneficiaries is considered as the main reason for a lack of participation. Despite showing an improvement compared to the 2007/08 survey, the level of participation is still low (see Table 31).

*Some poorly implemented projects negatively influenced people's perceptions of participation*

At some monitoring sites, the percentage of local people who recognised better participation fell in 2008 compared to 2007 due to the shortcomings of one or two typical local constructions. For example, in Thanh Xuong-DB, the planning of the district administrative centre had been delayed for four years, but the information delivered to people was limited; in Duc Huong-HT, a project which was initially expected to provide local people with 120 wells was later reduced to 60 wells. However, the re-selection of beneficiaries was not properly done. In Luong Minh-NA, although the water supply construction was poorly designed, it was slowly revised.

*Support for people can be a waste if it not consistent with their customs and practices*

When support programmes and projects fail to be careful of local people's practical needs and are unsuited to traditional customs and practices of minority groups, they risk being wasteful. The allocation of speakers, drums, electronic musical instruments such as guitars and organs among villages recognised as "culture villages" is an example of such misallocation. Surveys revealed that minority people did not use such modern instruments but their traditional instruments in festivals. (see Box 25).

### **Box 25. Support the preservation and development of indigenous culture**

Da Ba Cai hamlet, Phuoc Thanh commune (Bac Ai, Ninh Thuan) was granted a set of musical instrument and sound equipment worth VND 15 million, including organs, drums, electric guitars, amplifiers, speakers and two microphones, to support the cultural life of local people. However, people were unable to use these instruments and kept them in storage and they eventually degrade. In festivals or parties, local people still use traditional musical instruments such as mala, chapi, horn, and flute. A representative of a core group of the village said, *“we were please to have the support but we do not know who granted it or why we were not consulted in advance. If we had been, we would have chosen other things. None of us can play guitars or Yamaha organs.”*

Supporting the improvement of local people’s cultural life is a good policy however, if there is no consultation with the community or survey of local needs, the effort will be wasted. It would have been better to support traditional musical instruments and help local people retain and develop Raglai traditional dances and folk songs instead of introducing electronic guitars and drums.

*Participation in terms of labour contribution for community construction is quite high*

*... Especially in the village’s self-constructed work which all participants are of one accord*

People actively contributed their labour or local materials in projects implemented in their villages under the direction of the village management unit. With Program 134 supporting the elimination of temporary houses, relatives and neighbours often help in the house-building process. Contributing to the work the village plans on its own (with little or no external support), usually turns into a huge communal event in the village. An example is building a village cultural house, (Thuan Hoa-HG, Phuoc Thanh-NT) village kindergarten (Ban Lien-LC) or inter-village roads (Duc Huong-HT). Each household, including the poorest contribute to the project, of which the village head keeps records. Those who do not participate in the construction phase help with the maintenance. This shows that if the local people are really empowered in development activities, their ownership and participation will reach the highest level.

### **Participation in monitoring and managing**

*Community monitoring mechanisms were widely utilised but effectiveness of supervision needs improvement*

*In many localities, the management of water supply constructions was weak*

Weaknesses in people’s participation in supervising and managing construction works at monitoring sites have not been radically overcome in 2008. Community supervision mechanisms were widely utilised but in many localities they were superficial due to inherent shortcomings in information, ineffectiveness of supervision and unclear task assignment among members of the supervision board.

The good management practice of 2007 was maintained in 2008. However, there was no improvement in the post-investment management of water supply constructions. The problem of water supply constructions becoming damaged or not working persisted in the villages of Ban Lien-LC, Luong Minh-NA, Xy-QT and Cu Hue-DL. People’s lack of enthusiasm towards the management, maintenance and repair of these constructions revealed the reasons to be: water pipes going through another town (XY-QT) or impractical design (Luong Minh-NA) or lack of participation from the beginning (Ban Lien-LC, Cu Hue-DL).

*Awareness of ownership is enhanced when local people are involved from the beginning,*

To enhance people’s sense of ownership at grassroots level, there should be consistent measures aimed at increasing people’s participation from the very beginning and through each stage from defining needs, designing, planning, implementing to supervising the construction. The lack of people’s participation in early stages will limit their participation in each of the following stages.

## 5.2 Role of the community and organisations in strengthening participation

### The role of self-managed groups

*Self-managed groups play an important role in promoting community activities*

Poverty assessment reports often emphasise the role of agents at village level in promoting people's participation in policies, programmes and projects. Practical surveys show that below the village level, self-managed groups also play a very important role in community activities.

Populous villages are usually divided into several self-managed groups. Each group elects a leader, deputy, and secretary working voluntarily, without any allowance. Information regarding production plans, household data collection and other community activities from the village management Board reaches households via self-managed groups. Meetings among all households in the village are held when a particular task is assigned by higher ranking authorities or when opinions of all villagers are required. Most of the other activities like mediating, mobilising children for school attendance, and contributing to storms and flood victims are implemented via self-managed groups.

Some self-managed groups still retain their tradition of community cooperation in such activities as doing field work, contributing money, raising funds through cattle breeding or exchanging voluntary labour. Strengthening community activities through self-managed groups could be an effective measure to enhance people's participation towards sustainable poverty reduction among the minorities in the coming time. (See Box 26).

#### **Box 26. The role of self-managed groups in community activities**

The hamlets of Dai Phuoc commune and Phuoc Thanh (Bac Ai, Ninh Thuan) maintain self-managed groups. Groups form according to population locations; each group contains 10-30 contiguous households. Hamlet Ta Lu 1 has four groups, hamlet Ma Hoa has five groups, Ma Du has seven groups, and Da BA Cai has seven groups. Self-managed groups include a leader, a deputy and a secretary, elected and approved by the commune. These members work for their groups voluntarily, without any allowance.

The groups' activities include meetings to disseminate information about crops, sanitation and security or to support the village head collect statistics of households and to mobilise people to join community activities (such as building a culture house, road maintenance). Group meetings are usually held in the evening. A combination of self-managed groups and the family or village head is the first board to resolve conflicts among households. If the conflicts cannot be solved, the village authority will then be involved.

Some self-managed groups still maintain a common fund. For example, Group 1 of Ma Hoa hamlet has four cows which are raised by group members. In the past, Group 1 had more cows, but they sold five to build the group hall. Group 3 of Ma Hoa hamlet, and Group 1 and Group 2 of Da Ba Cai hamlet maintain common rice and corn farms crops to raise their funds.

The role of self-managed groups is highly appreciated by village officials. Ta Lu, a hamlet head said, "Without the team, the hamlet head would be overloaded with work. Obtaining data to report to the commune, calling people to participate in common tasks of the hamlet, are also done by the groups. The hamlet is so big that the hamlet head alone cannot handle it."

With such characteristics as voluntarism and unity among their members, self-managed groups can be a good model for programmes and projects to rely on to promote the participation of local people in the implementation of community development activities, instead of establishing completely new farmers' groups as seen in some recent projects.

### Role of village and family heads

*The role of village head in mobilising and mediating has been valuable in programmes and projects*

Among minority communities, village and family heads play an important role in community activities. The village head, who is unanimously elected by villagers, must have extensive knowledge, experience, good capacity and a strong voice in the community. In the past, village heads used to be elderly; nowadays, a middle-aged person can be elected as a village head. A village head acts as chairman in religious activities and festivals. He also settles conflicts among villagers according to the culture and customs of each ethnic group. At present, authorities at all levels and the Fatherland Front pay great attention to consultation among village heads in mobilising local people in the implementation of policies, programmes and projects. While the role of the village remains strong more attention is needed to strengthen the role of clan heads as clan heads are an important voice for encouraging their family members to participate in community activities.

### Role of mass organisations

*Unions play an important role in promoting the participation of members however lack of an allowance limits their effectiveness*

Unions such as Women's Union, Farmers' Union, Youth Union, and Veterans' Union have branches in each village. Unions organise many activities to attract the participation of members in implementing programmes and projects. However, the capacity of union staff in mountainous areas is limited. Although, union staffs are a main source of information for members, in many cases, the staffs themselves have little information and do not understand the policies, programmes and projects. In particular, the staffs of village union branches receive no allowance, leading to limitations in their willingness and effectiveness (see Box 27).

#### **Box 27. Policies giving allowances to the village union branch staff should be supplemented in the Programme 30a**

The Programme 30a strongly focused on capacity building for grassroots officials, such as increasing short-term and long-term training programs and supporting to employ a full-time agriculture extensionist for each village. In recent years, the allowance for village officers (chief, deputy, secretary and police) has been gradually raised.

For the time being, there is no allowance for staff of union branches at grassroots level, (Women's Union, Farmers' Union.) These officials usually have to spend some time earning money on the side. Hence, they cannot devote all their time to union activities and work performance is not high. Meanwhile, these officials play a very important role in informing the community of guidelines and policies, and mobilising participation of members in the implementation of programs and projects. In fact, the poorer the villages are, the more inefficient the staffs tend to be and the fewer activities are held for members. Localities with strong unions participate more actively, leading to better effectiveness of pro-poor policies.

Amending policies to provide allowances for staff of union branches at villages should be considered as an important component of the Programme 30a. This in return promotes the activities of unions, achieving the goals of faster and more sustainable poverty reduction in each village which is the foundation to achieving the objectives of the 30A Program in the broader scope.

### Role of community groups

*Many forms of official and non-official community groups are operating*

At the monitoring sites, there are various forms of community groups, including official groups (set up and recognised by the government and unions) and non-official groups (self-initiated). Community groups in the village have varied forms and names such as household groups (mentioned in the Circular of the Ministry of Agriculture and Rural Development 12/2009/TT-BNN issued on March 6, 2009 guiding the implementation and Supporting the development of production Projects in the 135 Program, Phase 2), cooperative groups (according to Decree 151/2007/ND-CP issued on October 10, 2007 on Organisation and operation of the cooperative team) , hobby groups, clubs, service groups, water management groups and the inter-family team.

*Community groups can help the poor and women of minorities in many ways*

Many models of community groups have brought practical benefits to poor and minority women members. Community groups are usually small scale (less than 30 members) including voluntary members and have regulations place by members. Members of community groups can share work experience, and assist one another in production and daily life. They manage machine use and funds for cattle husbandry and capital together. Community group members may also jointly manage resources such as water, mitigate risks, join processing activities, offer small-scale services, or become a hub for receiving aid from agricultural expansion, education and health care agencies<sup>11</sup>.

*The Program 30a should strengthen its support via community groups*

A recommendation for discussion is to consider the addition of pro-poor measures via community groups and support policies for these groups to the guiding documents upon the implementation of the Programme 30a (see Box 28).

#### **Box 28. Delivering support to poor households via community groups**

Program 30a, which supports rapid and sustainable poverty reduction for the 62 poorest districts, has clearly set the goal to narrow the gap between the rich and the poor along with the vision of making prompt changes to the physical and mental life of the poor, and the minorities in poor districts, ensuring equality among districts in the region by 2020. An important component of the Program is to directly support poor households. However, Programme 30a does not mention pro-poor support programmes via community groups (and therefore, there is no budget to support the establishment and operation of these community groups).

Supporting poor households via community groups through the “wholesale” approach has proved to have many advantages compared to direct support to poor households through the “retail” approach in many programmes and projects for community development and poverty reduction in Vietnam in the past years. Changing poor household support from “retail” to “wholesale” via community groups is a process that needs synchronised solutions and supervision. Sustainability of community groups remains a problem. Priority should be given to current community groups and there should be guidance on the establishment of community groups and support for the initial phase or for capacity building among group members.

<sup>11</sup> See further reference on organisation and activities of community groups in the document “Building a network to enhance the performance of community learning centres,” AAV, September 2009

### 5.3 Conclusion: Strengthening participation and empowerment of the poor

*There is still a gap between policy and reality*

Promoting participation and empowerment is strongly advocated by the Government so that poor people and communities can master their poverty alleviation agenda and the effectiveness of pro-poor policies, programmes and projects can be improved. Despite much progress in participation in recent years, there is still a gap between policies and reality.

*Creating opportunity for participation and improving participation capacity should be conducted hand in hand*

The approach towards improving the quality of participation should combine two directions: **creating opportunity for participation** through improving procedures, accountability of local authorities at all levels and in all programmes and projects; and **building participation capacity** through the development of community institutions.

Recently, many policies have been established in the direction of creating opportunity for more extensive participation among poor people and communities, particularly the Programme 30a. *The Decision 167 on supporting the removal of temporary houses* employs a poor-centred process to create opportunities for poor people to exert effort and actively build their houses according to their own desire, at the same time, increasing community support in ensuring the quality of the houses.

*Participation capacity building should focus on the role of community institutions at villages*

Enhancing capacity building in participation among poor people and poor communities is not an easy task. Greater efforts are required to promote the positive role of grassroots officials, mass organisations, self-managed groups, village and family heads and community groups at the village level. There are many models for the development of community institutions which are incorporated in the Government's projects in poor villages throughout the country. The current pressing issue is to summarise practices, share lessons learned from successful and unsuccessful experiences, from which effective measures to support and promote the participation and empowerment of the poor can be drawn.

## Part 3: Towards Sustainable Poverty Reduction in Rural Vietnam

*Monitoring rural poverty contributes to deeper understanding of the evolution of poverty in the vulnerability context, toward sustainable poverty reduction*

Vietnam has made great achievements in poverty reduction over the years. The initiative to track poverty by participatory method in rural communities carried out by Oxfam GB, ActionAid Vietnam and local partners is adopted at a time when the agenda of sustainable poverty reduction in Vietnam is facing numerous challenges, particularly the risks and shocks related to climate change, unfavourable price and global economic recession. It is expected that changes at monitoring sites since the first survey round at the end of 2007, as described in this report, will make a small contribution to deepen the understanding of poverty trends in the context of risks. Based on this, recommendations for discussion and major themes which need more monitoring for sustainable poverty reduction in Vietnam's rural areas are put forward.

### 6. RECOMMENDATIONS FOR DISCUSSION

#### 6.1 Poverty and vulnerability

This second poverty monitoring report continues to track the trends of poverty reduction in accordance with four main themes: the gap between the rich and poor, vulnerability, gender relations, participation and empowerment.

*Risks and shocks negatively affected sustainable poverty reduction at monitoring points*

In 2008 there were still some positive trends relating to infrastructure, models for livelihoods and agricultural and silvicultural extension, commodity production, education and health care, contributing to the foundation for life improvement of the people. However, unexpected risks in forms of price volatility and unfavourable weather (including the impact exerted by the world financial crisis since the end of 2008) created strong, swift and widespread negative impacts on the lives of the people in the short-term. The quality of life of the poor at monitoring sites measured through poverty rate reviewed annually against the Government's poverty standard (quantitative) or through assessment (qualitative) of the people themselves reduced at most monitoring sites.

The main factors which impacted the gap between the rich and the poor in 2008 remain. The better-off households still enjoy better quality for their livelihood capital source, better access to institutions and process, and thus better strategic livelihoods choices can be made to obtain better income, in comparison to the poor.

*Risk factors have made the picture of the gap between the rich and the poor more complex*

The risk factors have made the picture of the gap between the rich and the poor more complex. Shocks in 2008 exerted adverse impacts on the poor and the non-poor in different ways. The better-off have a larger commodity production scale and thus have witnessed a larger amount of their income dwindle during periods of price volatility and weather and epidemic risks. However, the poor and near poor households of typical social groups are most vulnerable and could face hunger and other adverse effects since their capacity for facing risks is already low.

*Progress on gender equality also meets challenges in the face of risks*

Certain achievements in terms of gender equality are visible at monitoring sites. However, there are still many aspects in which women are facing disadvantages due to long lasting prejudice. In time of weather, epidemic, and price risks, women are those who suffer most and also those who have to shoulder the added burden to meet the family needs. When gender equality within families is adversely impacted then gender equality in the community and society at large cannot be achieved either.

Although many achievements have been made in terms of participation in the past months, the quality of participation in many cases has not been high. In times of emergency due

to risks and shocks that require prompt decision making by organisations and agencies people's participation may be badly impacted.

## 6.2 Toward sustainable poverty reduction in rural Vietnam

*Poverty trends in 2008 show that improving the capacity to cope with risks among poor people and poor communities is top priority*

Vietnam has been very successful in reducing poverty over the last years but there are still many limitations in reducing vulnerability among poor people. Poverty trends in 2008 showed that improving the capacity to cope with risks among poor people and poor communities should be the top priority if poverty reduction agenda in Vietnam is to be continued in the coming years.

*The Program 30a brings hope for the most disadvantaged areas.*

The Programme 30a is a radical policy of the Government which aims at mobilising resources for the most disadvantaged regions in rural areas towards gradually narrowing the gap between the rich and the poor. However, additional supplementary policies are needed to fully take advantage of the Programme 30a.

*Developing resources and improving access to institutions and processes for the poor need to go hand in hand*

Some recommendations for discussions towards sustainable poverty reduction in rural areas which are mentioned in the above sections of this report are summarised as follows:

**1.** To design a model for more balanced investment for the poor between development of resources and improvement of access to institutions and processes for the poor and poor communities, with a stronger focus on results and impacts. Special attention should be paid to post-investment phases (management, operation, work maintenance, accompanied synchronised support measures, close monitoring and supervision) rather than mere increases in investment or support rates. "To work thoroughly and work with sustainable results" should become the principal approach of poverty reduction in the time to come.

*Deep understanding of the diversity and specific characteristics of each poor minority community is the basis for promoting the values of indigenous knowledge*

**2.** A change in awareness accompanied with specific measures to improve the effectiveness of livelihood strategy for the poor among ethnic minorities via the utilisation of indigenous knowledge. Focus on thorough analysis of diverse and typical issues of the poor, in each poor community among ethnic minorities when faced with difficult choices to come up with support forms suitable for each ethnic group and the features of each village community - aiming at promoting the organic combination between indigenous knowledge and modern knowledge. This is vital to the process of poverty reduction in areas of ethnic minorities.

*Improving pro-poor methods and processes among minority groups with the community development approach*

**3.** To apply widely the community development approach to each village, with the three pillars being community capacity building, promotion of community institutions and implementation of community-based programmes and projects, while implementing Programme 30a. Improvement of methodology and support process (such as education method, agricultural extension methods and so on) should be first priority. Promote the role of community institutions such as the community learning centre, agricultural extension network and village and community groups. There is also an urgent need to integrate community based disaster risk management to address climate related vulnerabilities.

*Social security should be based on increasing accessibility and support rate, and enhancing the role of the informal safety net*

**4.** To accelerate the drafting and consultation among the community of the comprehensive strategy for social protection for Vietnam's rural areas and vision towards 2020. Within the strategy, the policies aimed at extending accessibility and increasing the support rate of Government to the vulnerable groups should be integrated, including typical support measures for rural families in the poorest districts in Program 30a. To promote creative models to enhance the role of the informal safety net at community level to provide timely and effective support to the vulnerable in the face of risks and shocks. It is also necessary to adjust the poverty line and define criteria for target groups in the forthcoming social protection strategy.

*There should be focus on actual gender equality*

**5.** To effectively monitor the implementation of the Law on Gender Equality and concrete sub-law documents, focusing on actual gender equality to attain sustainable poverty reduction. To increase gender equality within families to form a foundation for gender equality at community and society levels. Beside the continued integration of gender issues via specific measures, further support is needed for programmes and projects with direct contribution to greater opportunities for gender equality for women.

*To enhance the quality of participation and empowerment based on creating opportunity for participation and improving the participation capacity of the poor and poor communities.*

**6.** To pay attention to quality of participation so that the poor and poor communities are true owners of their growth and to improve the effectiveness of policies, programmes and projects aimed at poverty reduction. The approach should combine both dimensions: creating participation opportunities through the improvement of procedures and working methods, improving the accountability of programmes and projects and the lower levels of agencies; and improve participation capacity through the development of community institutions. To enhance understanding, lessons learnt and best and worst practices should be shared, and thereupon, recommendation for support measures facilitating effective participation and empowerment of the poor, promoting positive value in the culture and customs of each ethnic group in each area of the country, should be made.

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