Looking forward: Challenges to Poverty Reduction in Vietnam

Summary of Findings from Rural Poverty Monitoring Projects 2007-2011

Introduction

This paper summarizes the findings of the Synthesis Report of the “Participatory Poverty Monitoring in Rural Communities in Vietnam (2007-2011)” project, implemented by Oxfam and ActionAid. The project started in 2007, shortly after Vietnam’s accession to the World Trade Organization (WTO). WTO membership was acknowledged to bring both benefits and opportunities, as well as risks and challenges, especially for poor and vulnerable communities and people.

In this context, Oxfam and ActionAid, each with many years of supporting the poorest and most marginalized groups in Vietnam, selected monitoring sites in nine rural and three urban locations across various regions in Vietnam to carry out a longitudinal poverty monitoring. Monitoring sites were chosen to represent typical livelihoods and to reflect the diversity of conditions across the country. Communities were chosen to reflect the great diversity of rural Vietnam considering geographical and ethnic diversity, remoteness and the overall poverty outlook. It included communes with good poverty reduction results, as well as some extremely poor communes with poverty rates above 70 percent. Surveys were conducted annually and presented in a series of annual reports. Data used in this report comes from the panel sample of 600 households. Information was annually collected from more than 500 in-depth interviews, 190 group discussions involving about 1,000 villagers (adults and children), and commune and village officials.

The Synthesis Report summarizing findings for the period 2007-2011 and the annual reports in English and Vietnamese can be downloaded from http://oxfaminvietnam.wordpress.com/resourcesbao-caod/
The monitoring period from 2007 to 2011 has been a difficult time for poverty reduction in Vietnam. High inflation, the global financial crisis and economic recession, natural disasters and epidemics have affected the lives of everybody in Vietnam, particularly poor people. Nevertheless, the poverty rate continues to decline. Major government investments have provided poor people with improved infrastructure, increased economic opportunities, more non-agricultural jobs, and better housing, educational, health and agricultural extension services. The positive changes are observed in the 600 sampled households with 55 percent feeling that their lives have improved over the last five years. There are still challenges ahead despite a number of the government’s reforms from 2007 promoting further economic development and lifting the remaining poor households out of poverty. Nearly 40 percent of people in the monitoring sites do not see or are not sure of any changes while nine percent even felt that their lives had got "worse" in the last five years.

55 percent feel their lives have improved while nine percent feel their lives have got worse

Expanding Choices, Pathways Out of Poverty

Over the past years, poor farmers have tried a number of strategies to lift their families out of poverty, combining government support with their own - not all of them are fully successful.

- **Diversify labour division strategies**: Effective household labour division strategies vary between communes, villages and households, and often involve a combination of agricultural and non-agricultural employment (and education) between family members. Crop diversification and intensive farming, while making optimal use of land potentials, are key to improving productivity. Non-agricultural jobs can generate higher returns for the labourer, although it often requires migrating. Labour opportunities and wages of both men and women have gradually increased over the past five years. Some prefer jobs locally and some migrate to other provinces; working away from home is less common in mountainous and ethnic minority areas. Local casual jobs are usually unstable and irregular so incomes are normally too low for people to save. By contrast, remittances from men and women working away from home contribute remarkably to increasing household income. However, in the last few years, their savings and remittances reduced due to the increased of living cost in urban areas and unmatched increases in wages.

- **Diversified intensive commodity production and livestock breeding**: Diversifying and combining short-term and long-term crops such as growing rice and tea/vegetables, or maize and coffee. Diversification helps households manage risk and increases the effective use of labour and land in mountainous areas, it also increases income and crop yields by introducing new varieties and farming techniques in low land communities. Accumulation from livestock helps households invest in building houses, purchasing property, expanding productive land, and investing in children’s education. However, the profit rate from cattle breeding is low (buffalos and cows only give birth once a year), and is subject to risks due to adverse weather and diseases.

- **Expanding productive land**: In northern mountainous and ethnic minority areas, many households try to expand to small terraced water-fed fields. In other areas, households rent land from state farms. Land consolidation and exchange has advanced in some areas, but many constraints remain. In all of this, having labour resource in the household is crucial.

- **Government support policies** have assisted households in increasing their wellbeing. In particular, policies in relation to construction of housing, concessional loans, children with disabilities, and social assistance have helped poor people relieve difficulties in their lives.
• **Invest in education** for the next generation this is seen as crucial towards longer-term improved household wellbeing. However, these investments have often not yet yielded positive impact. In fact, in the short term, the cost of education is burdening the household economy. Many households are borrowing to cover the cost of secondary and higher education. In some places, young graduates cannot find suitable graduate level jobs and fall back on farming or casual work.

How life has changed 2007-2011

Escaping from poverty by improving production techniques
Key events showing the changes in the last five year of the family of Mr. D.T.M’s from Huong Tan Village, Duc Huong Commune (Vu Quang, Ha Tinh)

Relative living standards

Well-off

Average

Poor

Extremely poor

2007  2008  2009  2010  2011

Effective application of peanut farming techniques and investment, profit of 20 million

Continued applying advanced techniques and leased more land, profit of 50 million. Invested in maize

Rented more land, bought a milling machine (estimated profit of 80 million)

Head of Farmers’ Association Branch, took part in training courses

Wife illness

Father illness

Children illness

2007  2008  2009  2010  2011

Uses profits from pigs to buy tea-planting land

Wet rice land affected by road construction

Uses 9 million dong from land compensation to buy wet rice land and clear debt

Another buffalo was delivered

Another buffalo was delivered

Borrows money from Social Policy Bank to buy a buffalo and piglets

Four pig litters sold

Moves to a new house

A new buffalo was delivered

Households gradually accumulating from livestock
Key events showing the changes in the last five year of Tay ethnic family of Ms L.T.X., from Doi 1 Village, Ban Lien Commune (Bac Ha, Lao Cai) escaped from poverty with buffalo and pig farming
Multi-Dimensional Rural Poverty Picture, 2007-2011

Multi-dimensional poverty in Vietnam
Poverty is not related to income or expenditure only. In an ever more diverse society, with more wealth and resources, a multi-dimensional analysis will help policy makers identify target groups that need support and develop policies relevant to them. It is also crucial in understanding and appreciating people’s development aspirations, in particular, for example, of ethnic minorities whose culture and traditions formulate a development trajectory that is different from the Kinh majority perspective.

Multi-dimensional poverty measurements are being adopted worldwide and in Vietnam; the General Statistics Office (GSO) and UNDP have been using it but with different indicators. The Oxfam and ActionAid Poverty monitoring project uses ten poverty dimensions and specific criteria as highlighted by local residents and cadres in the surveyed communes including: income, assets, living conditions, children’s education, health, food security, agricultural employment, access to markets, access to information, and risk management, see figure.

Assets such as housing, motorbikes, and cattle and have seen the biggest improvements in the last five years. Living conditions (electricity, safe water, and latrines), agricultural employment, access to market (selling products and buying agricultural materials) and managing risks have seen limited improvements.

Multi-dimensional poverty can be evaluated against the number of shortage dimensions each household faces. Ethnic minority groups suffer higher number of shortage than Kinh group, the shortage in dimension also differ amongst deferent ethnic groups. The chart shows the differences comparing shortage of 1-5 dimensions (k).

Income poverty has fallen, but remains uneven between communes with cash-commodity production and diverse income sources in ethnic minority, remote and disaster-prone areas, 4-5 percent compared to two percent a year respectively. The percentage of poor households in most surveyed sites increased after the Government raised the poverty line in 2010, but this number declines differently ranging from more than 1-19 percent in different sites in 2011.

Shortages of basic family assets such as households living in non-solid and temporary houses, owning no cattle or motorbike fell strongly. Many households now have access to electricity at most monitoring sites, on average only 5 percent of households are not connected to the electricity grid in 2011 compared to 15 percent in 2007. However, living conditions, despite having improved over the last five years, remain poor at most monitoring points with the lack of latrines or temporary latrines and access to safe water.

Based on these dimensions, people’s living standards at the monitoring sites have improved in the last five years. The above figure shows comparison of the percentage of shortage by dimensions of poverty in 2007 (blue) and 2011 (red).

Education, assets, food security and access to information have improved the most since 2007. Access to information such as TV and telephone have seen the biggest improvements in the last five years. Living conditions (electricity, safe water, and latrines), agricultural employment, access to market (selling products and buying agricultural materials) and managing risks have seen limited improvements.

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Four in five families still live without latrines or temporary latrines

42 percent of the families have no access to safe water
**Education:** More children are going to school but children aged 6-15 dropping out of school remains high in some mountainous ethnic minority communes (in Ban Lien of Lao Cai, and Phuoc Dai and Phuoc Thanh of Ninh Thuan). Difficulties with the Vietnamese language remains a problem for some adults and the proficiency of the Vietnamese language between adult men and women are different (particularly reading and writing) in mountainous ethnic minority communes. The research found evidence showing the level of women’s education and its consequences in the roles and voices of women in family and society, which often results in inter-generation poverty.

**Healthcare:** The research found that there have been fewer epidemics and diseases, and illnesses leading to check ups and treatments at health facilities in the past five years. There are an increasing number of medical personnel and facilities: doctors, nutrition advisors, population advisors, and village healthcare networks. The percentage of women giving birth in commune health stations, having pre-natal checkups, and gynaecological checkups increased sharply. More people feel happier with the healthcare services especially for mountainous ethnic minority people due to the free medical insurance card, "unsatisfactory" ranking reduced from 16 to 6 percent on average between 2007 and 2011.

*Many people in ethnic minority areas, who traditionally made ceremonial offerings in order to treat disease, now use local health facilities*

The number of malnourished children under 5 in the monitoring families remains high. The highest rate of malnourished children is in Xy of Quang Tri where half of the children under 5 are malnourished.

**Food security:** For a country that ranks as one of the top exporters of several agricultural commodities, it is concerning that many of its population still do not have enough food to eat. In 2007, 23 percent of the families questioned throughout monitoring sites report that they experience regular food shortages. Although this number has reduced by nearly one third in 2011, the average number of months of regular food shortage among those families has increased by more than six weeks per year. People who are always short of food particularly include the vulnerable (disabled, long term sickness, elderly living alone and single mothers) who also lack productive land or live in disaster-prone areas.

**Agricultural employment:** Nearly one in three families still rely on only agriculture as their source of income, four percent less than five years ago. However, local residents perceive those with agriculture-based employment with no alternative income sources as poor. Non-agricultural income is mainly from wages, allowances from casual jobs and migrant work.

**Access to markets:** Limited access to markets reduced in the last five years but varies between surveyed sites. On average, the number of households selling no products (not including minor produce or items collected from the forest) and buying no agricultural materials in the last 12 months declined by 10-12 percent, but remains high at 30 and 42 percent respectively. Improvements in infrastructure, and information and communications provided residents with opportunities to have better access to markets.

**Access to information:** The access to information has increased sharply in the last five years as assessed by the number of families having TV sets and telephones.

*In 2007 one in three children were malnourished; this was one in four in 2011*

**Number of people having no telephone reduced by two thirds between 2007 and 2011**

Having a landline and/or mobile phone benefits people in information exchange, community activities and trading. However, many remote villages have not been supplied with electricity from the national grid nor telephone coverage. In other villages, TV and telephone coverage is weak and unstable.

**Risks:** Perceptions of risks amongst people in the monitoring sites have increased in the last five years. Six out of ten communes report more risks that greatly affect their lives in the last 12 months with an average increase of 10 percent. Risks cause direct losses in properties, houses, animals, food, crop and yield; local residents also suffer long-term negative impacts such as impoverished productive land, loss of capital sources for repayment of debts and restoration of production.

*Main risks include natural disasters, pests, disease, illness, inflation and adverse weather*
Risks Abound: Old and New

Risks and shocks increasing people’s vulnerability are the biggest challenge to sustainable poverty reduction

Natural disasters and adverse weather phenomena that affected people in monitoring sites over the past five years include storms, flood, long drought spells, lasting rain and severe cold. Natural disasters on average are ranked second of the top key risks greatly affecting household lives in 2011, which are most felt by monitoring sites between Nghe An and Ninh Thua provinces.

In Lao Cai, a severe cold spell in late 2007 and early 2008 killed 18,760 cattle, another cold spell in late 2010 and early 2011 killed a further 14,030 cattle in the province.

Disaster coping strategies: i). Within family: reductions in expenditure, purchase on credit, increase paid labour and more reliance on nature-based livelihoods, such as trapping wild animals and gathering bamboo shoots; ii). Within community: through direct and timely support by relatives, community, authorities, benefactors and community-based groups. However such measures, whilst useful, cannot completely eradicate the risks presented by natural disasters.

Other limitations found: Community-based disaster management measures focus mainly on relief and not yet on risk management strategies. In general, there is lack of activities assessing vulnerability, training and planning on community-based natural disaster risk management. Risk management has not been sufficiently integrated in local socio-economic development planning.

Pests and diseases seriously impacted several communes during 2007-2011. Losses in rice yield can be between 20-30%. The impacts on the poorest group are more significant than for the well-off group as they do not have adequate resources for proper mitigation actions. While local authorities have made investments in disaster prevention, they have not been highly effective. Improved farming systems were introduced into some areas, but rarely applied at scale because of limitations on land and irrigation, and old farming practices.

70 percent of respondents felt epidemics, pests, and diseases affect their lives the most

The overwhelming majority of communities reported that degenerated farmland is a significant problem. Increasing land pressure because of growing populations is one factor. In upland areas, the fallow periods are being shortened, resulting in further declining soil fertility. Drought and rain spells are leading to further land erosion; while improper agricultural farming rapidly reduces soil fertility. The overuse of chemical fertilizers and pesticide is a common problem in many communes, especially in lowland areas. While some programs on soil improvements have been implemented, few farmers have applied them continuously.

Meanwhile, volatile market prices, for example for coffee and cassava, have resulted in poor production strategies. Responding to (short-term) price signals, farmers change crops, resulting in unsustainable practices and poor returns. Contract farming arrangements have been introduced and expanded in several monitoring areas, with mixed results. The focus on mono-culture poses specific risks to the poor as they lack the resources to effectively manage soil degradation, drought, pests and diseases. Unfavourable prices can also affect food security through both lower sale prices for harvests and higher costs for food purchases.

Many farmers introduce new crops too quickly in response to changing prices

At household level, illness poses as a major risk to livelihoods. Sickness can lead to reduced or lack of labour and high medical costs. This was identified as the main reason preventing households from escaping or falling back into poverty.

In 2011 over a quarter of surveyed households suffered illness or accidents that proved costly in terms of medical costs and income lost
Coping with Price Volatility

Since 2007, Vietnam has been affected by high inflation. In particular, according to GSO data, in 2008 the inflation rate is nearly 23 percent, and in 2011 was 18.58 percent.

Inflation was a great challenge to macroeconomic stabilization as well as people’s lives including those in monitoring sites.

The correlation between the price of agricultural produce, agricultural supplies and food varies between monitoring sites depends on “exposure”, the ability to take advantage of price movements, or only suffer the consequences. In communes with favourable conditions for large-scale commodity production, the average sale prices of rice and maize increased by 25-30 percent and 50 percent for coffee while the price of key agricultural supplies increased 25-30 percent. However, in other communes, the price of agricultural inputs rose faster than outputs, forming “scissors pricing” resulting in farmers losing out.

In addition to inflation, seasonal price volatility by natural disasters, epidemics, diseases and world markets severely affects market prices. At the monitoring points, the price of rice, maize and coffee at the end of the harvesting season is often at least 20-30 percent higher than that of the beginning of the season or main crop harvest.

Sale agents reduce the amount of lending through agricultural supplies as a result of price volatility. Cooperatives and farmers’ groups providing agricultural material services can help farmers cope with changing prices, but this form of assistance is small and not very common. This support was seen in only two of 10 monitoring sites where cooperatives/mass organizations were active in selling fertilizer to members.

There are distinct differences in terms of the price impacts on production of main crops and livestock at the monitoring points. For examples, intensive commodity rice farmers increased their income in 2011 by up to 30 percent, similarly coffee growers increased incomes by 20 percent. Maize producers on the other hand experienced reduced incomes by 10-15 percent less than 2010. Commodity cassava producers increased income from the main crop, but saw it sharply reduced in the following crop; while pig farmers earned unstable incomes in 2011.

Poor farmers have proven to be very sensitive and vulnerable to increases in the price of agricultural inputs and thus have benefited little from the increasing price of farm produce. When the price of fertilizer and other supplies goes up, poor farmers have to reduce their usage resulting in lower yields and often also reduced quality production. The market send mixed signals, farmers are often not able to react strategically and cannot take advantage of higher market prices compared to better off households. Better market information and knowledge could enable farmers to make better investment and production decisions.

Farmers’ coping strategies in livelihoods include expanding short-term crops, using less fertilizer and more local seeds, or shifting towards a low-investment livestock model. The increases in prices have also resulted in some positive changes. To reduce costs, people in many places practised labour exchanges and found new ways of sharing costs, for example for transport of goods to the market. In some areas, people have sought to improve the quality of their products or shifted back to local breeds that fetch more predictable higher prices and rely on less commercial inputs or feed.

Cutting back on expenditure strategy includes consuming less meat and fish and turning instead to cheaper foods such as eggs, soy bean curds and dried fish, or find their own food; reducing the use of electricity, spending less on clothes, cutting social expenses on weddings and funerals, although spending on worship rituals in some places remained high. In mountainous ethnic minority areas, when the price of food rises, the poor people tend to rely more on nature in their traditional ways, such as gathering vegetables, bamboo shoots and firewood from forests, fishing in rivers and streams to improve their family meals and earn some income. This however often puts additional pressure on members of the household, especially women and girls.

In mountainous surveyed sites, poor people received rice from the Government in the period prior to harvests under Decision 471/QĐ-TTg, which was timely and greatly appreciated. However, no adjustments were made in key social assistance policies (Decree 67 and 13) in terms of level of assistance and categories of poor people, leaving out a significant number of people who were negatively impacted by rising prices. The adjustment of the prices of electricity for poor and low-income households (under Decision 268/QĐ-TTg) bypassed many as they many households share electricity meters and could thus not benefit from the reduced price for the 50Kwh/month consumption.
Women Voices and Choices

**Gender roles have not changed at the monitoring sites over the last five years**

Gender roles in the family are often attached to cultures, long-standing values, stereotypes and prejudices of each ethnic group, which are **not easy to change**. Men are still expected to undertake "heavy tasks" that require "technique", "calculation" and "social relations". Women are generally responsible for tasks that are time-consuming and are identified as "light" or "small". In poor households, women undertake a larger share of the labour and care for family life, preventing them from engaging fully in production and social activities.

Slight changes were observed in the monitoring sites. Many ethnic minority young men now share housework and child care with their wife. Investments in infrastructure projects, such as water supply systems and access to the electricity grid, help reduce the labour burden for women. Improvements in household assets also helps women to have more leisure time.

In terms of markets, women dominate the production and sale of short-term crops and low-value products while men are in charge of long-term crops’ and high value products such as buffalos, cows, pigs, coffee, pepper and tiger prawns. In remote mountainous ethnic minority areas, in 2007, men did most of the selling and buying. By 2011 more women control household finance and directly sell and buy goods of low value. The main reasons are improvements in infrastructure and communication and information; the emergence of more markets, shops, and street vendors in localities; and better education of young ethnic minority women.

**Physical violence was acknowledged to have reduced at all monitoring points.** Fewer cases of domestic violence have been brought to the commune authorities, while community attitudes on domestic violence have changed. In 2007, domestic violence was thought to be a family matter and should be dealt with within each family, but that attitude has changed. In many places, women can report domestic abuse to the head of the village, or share their experience with other women to receive support. Reasons for these changes are due to Women’s Union’s efforts in communication on prevention of domestic violence, and the increased involvement of local authorities in protecting affected women. Despite encouraging progress, cases of mental abuse are not yet recognized and acted upon. Women indicated they often restrain themselves when they suffer mental violence by their husband.

The proportion of women in politics at commune level has increased slightly in the last five years. The government’s Advancement of Women targets with 20 percent women on commune People’s Councils and 15 percent on Party Executive Committees are met in most lowland or Kinh communes but not in mountainous ethnic minority communes. Reasons for the shortfalls as grassroots cadres argued are because the low level the education and the lack of leadership experience, but the main reason is due to gender stereotypes.

At most of the monitoring points, people still think that it is hard for women to take part in social activities and that men in leadership positions are better than women in the same position.

**Committee for the Advancement of Women is not effectively operational** in seven out of the ten communes, affecting the candidacy and training of women cadres. At many monitoring points, the role and voice of women who are members of the People’s Council or Party Executive Committee are limited. Women deputies themselves often have an inferiority complex of their knowledge, thus feel hesitant to speak up.
Participation, Voice and Empowerment

Promoting further poverty reduction will require better participation and empowerment so that each impoverished individual, household, and community can take ownership of their development to make sure it suits their culture and identity.

At monitoring sites, visible improvements in participation were witnessed in the last five years, although challenges remain.

People have better access to policies, programmes and projects in the last five years at most monitoring points

Preference of communication channels

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<thead>
<tr>
<th>Channels</th>
<th>Key characteristics</th>
<th>Pros and cons</th>
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<tbody>
<tr>
<td>Direct: village meetings, activities of mass</td>
<td>Most preferable: timely,</td>
<td>+ Local language for explanation,</td>
</tr>
<tr>
<td>organizations</td>
<td>two-way exchange,</td>
<td>- The poor speak up less, and remember the content less</td>
</tr>
<tr>
<td>(e.g. Women's Union)</td>
<td></td>
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<tr>
<td>Audio-visual media: televisions, radios, and</td>
<td>One-way to provide information</td>
<td>+ TV access increased even in ethnic languages, can understand with images</td>
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<tr>
<td>loudspeakers</td>
<td></td>
<td>but information not specific</td>
</tr>
<tr>
<td>Printed: newspapers, magazines, leaflets,</td>
<td>less accessible to people,</td>
<td>- Many poor people are illiterate</td>
</tr>
<tr>
<td>brochures, and posters</td>
<td>printed word is not an effective source of information</td>
<td>+ Beautifully printed information, can be kept (hung, posted at home)</td>
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People, particularly in mountainous ethnic minority areas, do not proactively find information if it is not vital to them

Information needs depend mostly on the living standards and understanding of the people. In general, people in lowland areas or areas dominated by the Kinh are more interested in information on employment, agricultural extension, infrastructure policies, laws, contributions and financial expenditures in locality. Meanwhile, mountainous ethnic minority people are more interested in direct support policies such as poverty reviews, concessional loans, and assistance in housing construction, and provision of seeds.

Information about local socio-economic development plans, economic restructuring plans, and land use planning is not so appealing.
Participatory approaches to programs and projects, such as participative SEDP planning at commune level, have critically enhanced people’s interest.

Measurement of people’s evaluation of their participation in the implementation of policies, programmes and projects in the last five years gives mixed results. Where there is improvement, the main reasons are because “capacity of local officials is higher” and “information on policies is clearer and more specific”. Importantly, people’s participation in the designing and planning phases of public policies has not yet improved. Even commune and village cadres have little chance to give opinions in the designing and planning phase.

In half of the surveyed communes, the percentage of people felt “increased participation in the last year” in 2011 is higher compared to 2007

Participation of people in public policies, investments and management works well in community-initiated small construction projects where local residents showed good ownership through their self-motivated and active participation in the whole project implementation process. The number of such community initiatives, contributed to and implemented by local people themselves increased over the past five years.
Social capital and community relationships are maintained at most monitoring sites. It provides vital support for community members in time of food shortage, disasters or illness. People can borrow or access small food grants from relatives and neighbours, or village funds. In many places, the practice of labour exchange is well maintained and serves as a coping mechanism. Many clans play well the role of encouraging learning, maintaining social order and security and helping relatives in need. Many forms of groups are operational, helping members to participate in learning and sharing experiences, increase social contacts and social capital for themselves. In some places, people contribute labour, materials and money to build and repair small public facilities beneficial to community, such as expanded village roads and building of village headquarters.

Yet, in some places, social capital has worsened mainly due to market factors. In lowland communes, the practice of labour exchange is reduced because, for example, well-off households who have more land tend to hire labour and mechanization services. In places where more people work away from home, the effective operation of local groups is a major challenge. Attendance at weddings, death anniversaries, and birthdays require “gift money”, creating a heavy burden in social costs for the poor.

Community institutions play an active role in enhancing people’s participation in programmes and projects but the level operation and effectiveness varies in the last five years.

Village heads play the most important role in promoting villagers’ participation, however low allowances and additional costs incurred do not encourage people take the role. Limited opportunities to participate in comprehensive trainings result in a limitation of their understanding of policies.

Village patriarchs both “traditional” and “elected”, play an important role in mobilizing villagers. They assist the Village Management Board in communication and mobilization of people to implement government policies and local guidelines, build lifestyles of culture and resolve conflicts in the village.

Groups with community functions (such as Community Forest Protection Group, Construction Board, Water Project Management, Community Development Club, Inter-Family Group, etc.) operated very well in the last five years as they stem from direct interests of local residents. These groups help to maintain community functions but operate on a voluntary basis and with consensus of members. They can promote the participation and empowerment of villagers in the implementation of policies, programmes, and projects as appropriate to local customs, practices and socio-economic conditions.

Social Protection

As poverty becomes more concentrated, social protection policies are a crucial policy tool. They typically provide three circles of support. As Vietnam is now a low-middle income country, an effective comprehensive social security system becomes vital.

The targeting mechanisms used in Vietnam’s social security system are incomplete and have limitations, for example they fail to recognize different groups of poor people, and usages of overlapping criteria and definitions. Typically, each policy has its own targeting and selection mechanism, often with inconsistencies.

Three Circles of Social Protection

- Policies, institutions for capacity building, Reduction of vulnerability (vocational training, career orientation, agriculture extension, support for poverty reduction)
- Prevention and mitigation through insurance (Social insurance, medical insurance and others)
- Protection (“safety net”) through direct social support
The “list of poor households”, one of the basics to select beneficiaries for social security and other support policies showed many limitations at the monitoring sites. Households want to remain “on the list” in order to receive assistance, which limits others being added to the list.

Moving from poor and near-poor group means a “sudden” loss of many crucial direct support policies such as free medical insurance cards, concessional loans, provision of seeds, temporary house elimination support, financial support to school tuition fees, electricity subsidies etc.

This also makes the annual poverty surveys and reviews in villages difficult, as many people do not disclose their income information, causing mis-targeting, leakage and also broader adverse impacts on community cohesion and a mentality of passiveness and dependence.

Additional reasons for inaccurate poverty reviews as identified by officials and local residents include: current income poverty line is not adjusted to match with basic expenditures affected by inflation, price volatility; lack of poverty review training for local cadres, and pre-determined “poverty reduction” targets.

**Counting the poor**

**Assistance should be tailored to the needs of households with similar characteristics**
- “Chronically”/extremely poor: Include people who are disabled, suffering long-term illness, elderly and single, or single parents with young children. They tend to have limited or poor quality land, low levels of education, minimal proficiency in the Vietnamese language and no skills, their coping capacities are weak and limited. “Chronically” poor group remained poor for four consecutive years or more and are unable to escape poverty, can be intergenerational. They are regularly short of food and rely on small grants from relatives and villagers. Social security policies do help some extremely poor households. However, by tending to the needs of individual households minimal living standards can be assured. **On average 23 percent of the surveyed households are “chronically poor”**

- Temporarily poor: are the largest proportions of poor households. The temporarily poor have labour, but lack capital, technical knowledge, and access to markets to escape poverty. Effective policy should target capacity building, the generation of opportunities and the reduction of direct support and grants for the temporarily poor group.

- Vulnerable poor are typically households who live in disaster-prone areas. Policies should focus on mitigating risks associated with natural disasters, particularly as a result of climate change. Vulnerable households are also susceptible to sickness, epidemics, pests, diseases, and accidents. Others have specific social characteristics; for example they are geographically isolated or drug users. Assistance should concentrate on mitigating specific risks and supporting livelihoods.

- Near-poor are households who have just escaped from poverty, and their living standards are not much higher than those actually in poverty. The near-poor households also tend to lack savings. As a group they require a system of support policies similar to the temporarily poor.

Social assistance (provided under Decree 67) in general reaches the right beneficiaries in the monitoring sites and helps families in difficult circumstances partly cover necessary daily expenses.

Despite the recent adjustment, the basic level of assistance increase from 120,000 to 180,000 VND/month is too low compared to the cost of living today.

The number of poor households in the monitoring sites receiving social assistance from Decree 67 is low. Moreover, Decree 67 targets on the basis of people’s characteristics (old age, people with serious disabilities, orphans, single parents with young children...) rather than vulnerability.

In general, openness and transparency in the implementation of social assistance policies are limited, as the result local people do not know the details of social assistance policies. The application form is difficult for people in ethnic minority areas to complete because of the level of literacy, and unavailability of supporting documents such as birth certificate or disability certificate.
Access to Agricultural Extension Services

Agriculture, Forestry and Aquaculture extension services help reduce poverty in rural areas

A significant number of households have access to basic agricultural extension services, although the number accessing in-depth services is not high.

About half of the people interviewed took at least one agricultural extension service in the last 12 months, a similar rate as 2007.

The most popular types of extension service include: training - 70 percent, monitoring and dealing with diseases, immunization for animals – 41 percent, and “providing subsidized plants, animals, fertilizer” - 40 percent. While “demonstration model” or “agricultural extension services clubs, groups of community support” is much lower at 11 and 16 percent respectively.

The proportion of women participating in agricultural extension services has increased over the past five years, however on average more men take part in trainings than women with 63 percent comparing to 27 percent respectively. The reason for this difference especially in ethnic minority areas is the belief that men will benefit more from extension services than women because they “get technical knowledge” better and “have better social contacts”.

Agricultural extension service trainings have improved (e.g. content and visual-aid methods) but effectiveness is not high. On average throughout monitoring sites, the number of people understanding training, remembering the content and able to apply what they learn reduces at each step; more people from poor than near-poor households benefit from the trainings. In ethnic minority mountainous areas, trainings are conducted in Kinh language, limiting the accessibility, especially for women.

Feedback on Understanding and Applicability of Agricultural Extension Service Trainings, 2011 (%)

<table>
<thead>
<tr>
<th>Commune</th>
<th>“Understand all” or “Understand most”</th>
<th>“Remember all” or “Remember most”</th>
<th>“Apply all” or “Apply most”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-poor</td>
<td>Poor</td>
<td>Non-poor</td>
</tr>
<tr>
<td>Average</td>
<td>77</td>
<td>48</td>
<td>69</td>
</tr>
</tbody>
</table>

Demonstration models are an important tool for agricultural extension, and is an opportunity for farmers to “train themselves” in applying technology and increasing their income. Demonstration models however need to be more suitable to local conditions and farming practices of poor ethnic minority households.

“It’s hard to remember if someone just talks out of a book. IPM [integrated pest management] force people to work, to water and catch the insect, so it’s easier to remember… This is the first time we had practical class like this.”

(L.T.H, a woman participant from a poor Thai ethnic household, with Grade 2 education)

The number of extension staff at the local level has increased over the past five years. The extension staff are mainly from ethnic minority groups, most of them are men and under 30s and completed upper secondary school. The capacity of local agricultural extension staff remains low due the lack of intensive or in-depth training courses limiting them to give advices. Nevertheless, agricultural extension staff’s behaviour is highly appreciated.

In 2007 only half of monitoring communes had an agricultural extension staff, by 2011 only one commune was without their presence.

Three most popular suggestions to improve agricultural extension services according to the survey are “enhancing capacity and knowledge of agricultural extension staff”, “agricultural extension services should be provided on time to help people in need” and “increasing the support to poor people when participating in agricultural extension services.”
**Improve Access to Education**

*Education to improve the quality of human resources is vital to sustainable rural poverty reduction in the future.*

It is easier for students to go to schools due to improvements of schools and transport in the last five years. There are schools from kindergartens, primary schools to secondary schools in commune centres, solidly built and some reaching national standards in the monitoring sites. The availability of more schools and its branches covering most of the remote areas results in less travelling time for pupils to and from school. The travelling time for most younger children ranges from less than 15 to 30 minutes while it take upper secondary pupils in low lying areas around 30-60 minutes. For remote areas, however the distance to school is from 15-30 kilometres, and it takes half a day to walk to school, or 1-2 hours by motorbike. The distance to school is an important reason for low attendance of upper secondary schools in remote and mountainous communes.

**Semi-boarding helps to reduce the number of students quitting school, and increases attendance rates to over 95 percent**

At all monitoring points, from 90 – 95 percent of pre-school children enrol in full-day schooling/semi-boarding.

Semi-boarding is popular in remote mountainous communes. Semi-boarding students in primary and secondary education in these areas receive support from the government. Provinces such as Ha Giang also provide additional support policies for such students.

The number of out-of-school students varies between monitoring sites and age groups over the last five years. The number in the 6-10 age group reduced by half on average; encouragingly there is no dropout of children in half of the monitoring sites. The ratio of out-of-school girls and boys is equal, in some cases more boys drop out. There are more out-of-school children in lower secondary education compared to five years ago. Children quit schools mostly at the transition from primary to secondary education, and especially from lower secondary to upper secondary level. The dropout rate increased four percent over that past five years for upper secondary education but stands at a very worrying rate of 59 percent.

Data in surveyed communes show a rather equal ratio of school enrolment for both boys and girls. However, in some ethnic minority mountainous areas, there are cases of parents prefer sending boys to school over girls, especially lower secondary level upward, because girls can stay at home to do the housework.

### Percent of out of school children, 2007 - 2011 (%)

<table>
<thead>
<tr>
<th>Commune</th>
<th>6-10 years of age</th>
<th>11-14 years of age</th>
<th>15-20 years of age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>12</td>
<td>5</td>
<td>13</td>
</tr>
</tbody>
</table>

Main reasons for non-attendance include “lack of money”, “doesn’t like schooling”, “not doing well at school” and “staying at home to help parents”

Feedback from parents on educational services in the monitored communes show a general increase of those rating them as “satisfactory”. More than two thirds of parents rated “good” or “relatively good” for teaching methodologies, and subject matter understanding, although most of them have little knowledge of these areas.

**More than nine in ten parents are happy with teachers’ behaviour towards their children**

Over the past five years, there have been improvements in teaching methodologies, but less so in mountainous areas. Methods such as “active learning” and “student-centred learning” are in use by more teachers in low-lying areas and in some mountainous communes, but traditional methods still dominate remote areas.
Teachers’ rotation in ethnic minority mountainous areas has negative impacts on the quality of teaching and learning. Most teachers coming from low-lying areas don’t want to live and work in ethnic minority mountainous areas for more than three to five years.

**Educational outcomes have improved** but there are still challenges to education quality. Language barriers continue to be a problem in most ethnic minority areas.

Nine percent of primary students parents rank communicating with teachers and learning in Vietnamese “difficult” while more than four in ten parents find it “slightly difficult”. “Bilingual teaching” and “teachers’ support staff” are two methods to overcome the language barriers for the ethnic primary students. However, the bilingual method is difficult to implement due to limited funding, and a shortage of teachers and materials. Similarly, the “teachers’ support staff” program discontinued from 2010 after the funding from the World Bank ended.

The relations between families and schools have been improving, thanks to the teachers’ enthusiasm, and the improved understanding of the local cadres and parents on the students’ education. Teachers observe these changes by the high level of attendance at parents’ meetings ranging from 70-90 percent depending on areas. The interaction and relationships between families and schools is better in communes dominated by the Kinh than in ethnic minority mountainous ones.

**More than eight in ten families in mountainous areas receive government education support**

In low-lying communes, parents are concerned with the high extra costs. Between 12-45 percent of the parents “disapprove” of the requested for contributions, but most worry that if they do not contribute, their children will not receive equal treatment.

**Extra classes** are popular at better off communes. In low-lying communes near urban areas, half of the surveyed families have children attend 2-3 sessions of extra classes per week, which requires a fee of 20,000 – 30,000 VND/session. Parents feel these sessions necessary otherwise “children cannot get enough knowledge” or they will not receive proper attention from the teachers.

The rising cost of education at lower secondary level and above is becoming a burden for poor parents, in both low-lying areas and mountainous areas. In sub-urban areas, families contribute up to 1 – 2 million VND/year for lower secondary education not including the cost of extra classes. The cost for sending ethnic minority students to upper secondary in district centre can be as much as 1,000,000 VND/month. As a result secondary school students in ethnic minority mountainous areas tend to be those from well off families.

**Parents in the mountainous areas are pleased** about the State’s support for their children’s education, which include free schooling, free books and notebooks, learning aids, and cash transfers.

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**Toward Sustainable Poverty Reduction in Rural Areas**

*Further discussion based on the findings of the Rural Poverty Monitoring Projects 2007-2011*

**Highlight of successes of the current poverty alleviation measures**
- The Vietnamese success story of poverty alleviation continues and overall poverty rates continue to decline
- Social assistance programmes are reaching many vulnerable people and providing an important support to getting people out of poverty
- Agricultural extension services have expanded and now reach more people with a presence in more communes
- Migration of younger people to urban areas is bringing new job opportunities, learning and remittance income to rural households
- More schools are now accessible to more students and there is piloting of mother tongue education for ethnic minorities

**Challenges for the next phase of poverty alleviation**
- A significant number of people remain in chronic poverty and many more are vulnerable to falling back into poverty
- Social assistance programmes have patchy coverage, low levels of funding compared to the cost of living and are sometimes badly targeted
- Agricultural extension services are not always meeting the expectations of farmers for quality and fit to their contexts
- Migrants to urban areas face obstacles to accessing basic services and risks of precarious employment
- Out-of-pocket payments and informal costs for households for education are increasing and constraining access, putting at risk the gains in expansion of education provision

Despite lots of progress, poverty reduction remains an urgent priority. Headcount poverty in rural areas continues to reduce although progress has been uneven. Remaining chronic poverty is increasingly concentrated, especially amongst ethnic minorities. While the nation has advanced so much, many people are still faced with food shortages for up to five months of every year. Those living in near poverty remain vulnerable to falling back into poverty through high inflation, the global financial crisis, economic recession, natural disasters and epidemics.

To recognize and tackle on-going and emerging forms of poverty and injustices, a broader understanding of poverty is needed. Poverty is multi-dimensional and the causes and drivers of poverty are diverse and complex. Chronic, vulnerable, temporary and near poor groups all need different approaches; targeting is critical to make public policies and investments effective. Exclusion from the opportunities of wealth creation together with a lack of voice to make better choices and claim rights, are important contributing factors. Moreover, the aspirations and needs of diverse communities, such as the different ethnic minorities need to be better understood and appreciated.

Households need to have more options and choices to make their way out of poverty. Expanding choices through livelihood and crop diversification, access to quality and affordable agricultural services and education, labour mobility and migration are critical pathways out of poverty which also promote the economic transformation and modernization of Vietnam. As households, society and government need to make new and informed choices, people’s voices need to be heard in order for policy makers to design a growth strategy that is based on sustainability, equity and quality of growth. Those migrating for livelihoods face discrimination in accessing basic services and action needs to be taken to overcome that obstacle to both rural and urban poverty reduction.

Small-scale farmers and the rural economy will remain critical to Vietnam’s development process, although consolidation of landholdings and shifts towards other economic sectors will be part of the agriculture modernization process. Farmers in Vietnam have demonstrated their ability to act as vanguards in pursuing better wellbeing and at this stage in the development of Vietnam, control over land is the crucial issue in determining the future role of farmers.
Recommendations for the next phase of poverty alleviation measures

1. Vigorous support policies in favour of the chronic poor are needed, including core changes to the approach, strategy and delivery of social assistance programs. New innovations, such as direct cash transfers, should be piloted, with a particular focus on food insecure households and ethnic minority communities.

2. Social assistance programmes need to be expanded to cover the different segments of poor people. Payment levels need to keep pace with the overall increases in cost of living and graduation mechanisms should be in place to continue to support people as their lift themselves out of poverty.

3. Agricultural extension services should be reformed, particularly in mountainous ethnic minority areas. The training approach should be more participatory and field school based; the different needs of women and men farmers should be recognised; and new emphasis should be on projects aiming at improving and changing livelihood models of the poor, paying special attention to low-cost investment models, suitable to conditions and livelihood strategies of poor ethnic minorities.

4. Government policies should facilitate and support migration, rather than constrain it. In particular, government should focus on providing employment information, free legal support services for the migrants, and supporting the development of a community-based social network for the migrants in both departure and arrival places. Access to basic social services must be guaranteed to all migrant works. Special efforts are needed to support ethnic minorities in overcoming barriers. Good migration policies will also address urban poverty.

5. In education a review of the social assistance that can support education costs is needed, while also tackling corruption. Mother tongue education programmes for ethnic minority communities should be expanded.

Oxfam is an international confederation of 17 organizations networked together in 92 countries, as part of a global movement for change, to build a future free from the injustice of poverty. In Vietnam, Oxfam is recognized as one of the leading international non-governmental organizations, especially in rural development, disaster risk reduction and humanitarian response, civil society development, ethnic minorities, and women’s empowerment. www.oxfam.org

ActionAid is an international anti-poverty agency working in over 40 countries, taking sides with poor people to end poverty and injustice together. ActionAid International Vietnam (AAV) is an organic part of ActionAid International (AAI), targeted to be a full member of AAI global federation. AAV has been working in the country for 20 years with long-term development programmes in Northwest mountains, Central Highlands, and Mekong Delta. Applying human rights-based approach, AAV plans to deliver its commitments through five programme priorities: (1) Promote alternative livelihoods and sustainable agriculture; (2) Advance accountability and people-to-people solidarity for social change, increase youth leadership and civil society credibility; (3) Promote equal access to quality education for children; (4) Respond to disaster and climate change impacts with people-centered alternatives; and (5) Build social and political alternatives for women and girls. www.actionaid.org/vietnam