

**PARTICIPATORY POVERTY AND
GOVERNANCE ASSESSMENT**

DakLak Province

Prepared in Collaboration with
ActionAid Vietnam

August 2003

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PPGA Team

Abbreviations

AAV	ActionAid Vietnam
ADB	Asian Development Bank (Vietnam Resident Mission)
CECI	Canadian Center for International Studies and Cooperation
CG	Consultative Group
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CRP	Center for Rural Progress
DANIDA	Danish Bilateral Aid Agency
DFID	Department for International Development (UK)
DOLISA	Department of Labour, Invalids and Social Affairs
GDP	Gross Domestic Product
Ha	Hectare
HEPR	Hunger Eradication and Poverty Reduction
ICARD	Information Centre for Agricultural and Rural Development
Kilo	Kilogram
Km	Kilometre
MOLISA	Ministry of Labour, Invalids and Social Affairs
NGO	Non-governmental Organisation
OSS	One Stop Shop
Oxfam GB	Oxfam Great Britain
PPGA	Participatory Poverty and Governance Assessment
PRA	Participatory Rural Assessment
UNDP	United Nations Development Program
US\$	United States Dollars
VND	Vietnam Dong
VHLSS	Vietnam Household Living Standard Survey
WB	The World Bank

Current Exchange Rate

US\$ 1 approximately equal to 15,500 VND

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A. INTRODUCTION

1. Background

In May 2002, the Prime Minister of Vietnam approved the Comprehensive Poverty Reduction and Growth Strategy (CPRGS). During its implementation process a series of meetings at the central level, and 'rolling-out' workshops at the regional level, were held to introduce the strategy to local government officials and other development actors. Before developing the work plan that would effectively translate all targets set out in the CPRGS into action, the National Coordinating Committee, led by the Ministry of Planning and Investment with the support of the Government-donor-NGO Poverty Task Force, decided to conduct a Regional Poverty Assessment (RPA) in July and August 2003. The assessment was aimed at updating and deepening understanding and knowledge of the nature of poverty, marginalization, exclusion, and deprivation from experiences. It would include the perspectives of people living in condition of poverty, as well as that of local government officials, representatives of government agencies and other sectors. Findings from these RPA would largely inform the overall plan of work to be submitted to the Consultative Group (CG) Meeting in late 2003. The CG Meeting will create recommendations that will enable cooperating agencies to fight poverty together.

As one of the development actors who has been fully involved in the formulation process of the CPRGS, ActionAid Vietnam (AAV) decided to work in collaboration with the Asian Development Bank, Vietnam Resident Mission (ADB) in conducting the Participatory Poverty and Governance Assessment (PPGA) in DakLak Province, which forms part of the whole Regional Poverty Assessment 2003.

The overall objective of the PPGA in DakLak Province was to assess and analysis poor peoples' perceptions and thoughts about issues related to poverty and its determinants, with special reference to the non-material dimensions of poverty, poverty dynamics, and sources of vulnerability; the quality and effectiveness of service delivery; voice and participation in local planning and policy making processes at the local level; quality and targeting of social assistance; actual progress made in public administration reform; and the implication of issues concerning free migration and environmental degradation in relation to poverty.

Conducting the PPGA, ActionAid Vietnam also aimed at achieving the following specific objectives.

- To obtain in-depth insights into the socio-economic and cultural dimensions of poverty from different stakeholders, service delivery mechanisms for poor and marginalized people under decentralization systems, and local governance in DakLak Province.
- To analyze success factors and constraints in the poverty reduction programs so as to formulate policy recommendations.
- To encourage potential stakeholders, with special reference to poor communities, to become involved in policy-making processes at the grassroots level.
- To build up capacity for local people and government staff in conducting research and surveys, using a participatory approach, for the design and, particularly for, planning of poverty reduction projects.
- To undertake policy dialogue with Government officials and policy makers at local and central levels for the best possible solutions to poverty and governance issues; hence to accelerate poverty reduction and growth, ie CPRGS targets.

Findings from this PPGA would potentially enrich the understanding and knowledge of ActionAid Vietnam on issues experienced by poor communities that would significantly inform ActionAid Vietnam's planned program expansion into this region.

2. DakLak Province

DakLak Province is located in the middle of the Central Highlands, bordered by Phu Yen and Khanh Hoa provinces to the east, Lam Dong and Binh Phuoc provinces to the south, Gia Lai province to the north, and Cambodia to the west.

The natural area of DakLak is 1,959,950 hectares with a complex topography. There are large areas covered by mountains, such as Chu Dju and Chu Dleiya to the north, and Chu Yang Sin, Nam Nung and Ta Dung to the south. DakLak has more than 790,000 hectares of fertile basaltic soil which is quite suitable for the production of annually-produced food, and perennial industrial crops such as maize, ground nut, beans of several species, cotton, mulberry, cashew, pepper, tea, and especially coffee. DakLak's coffee is one of Vietnam's famous agro-product exports. There are also many meadows in the province where cattle can be raised. DakLak has high potential for the development of a sustainable agro forestry program, as its natural forest area is the largest in Vietnam. More importantly, the more than 1.1 million hectares of natural forest is also a home for many kinds of valuable timber, non-timber products, and wild animals, for example, elephants, tigers, panthers, bears, deer, pigs, and bulls.

In 2002, DakLak's population was 2,003,520 people, consisting of ethnic Kinh and a wide range of 43 different ethnic minority groups, with 79.49 percent of the population living in rural areas. The provincial population density is about 92 people per square kilometer, lower than the national average (219 people/km²). The annual population growth rate is 6.18 percent, the highest in the country, a combination of a high birth rate and inter-country migration. Indigenous ethnic minority communities account for 30 percent of the total population, predominantly ethnic E'De (18.4 percent), M'Nong (4.8 percent) and J'Rai. Other ethnic groups are much smaller. Most of the indigenous ethnic inhabitants and inter-country migrant ethnic minority communities are categorized as poor.

DakLak Province has a relatively low development base. The infrastructure system in the province is underdeveloped, especially the transportation, irrigation, water supply and drainage systems. It is a heavily agriculturally based economy, characterized by traditional subsistent farming practiced by the majority of local farmers. Since the economic reforms began in 1986, local minorities have begun to apply improved farming techniques, changing cropping patterns and gradually altering farming practices by specializing in perennial cash crops such as coffee, rubber, and cashew. However, old farming traditions and practices still prevail, hindering these inhabitants from introducing modern farming methods and fully utilizing local advantages. To date, its forestry and agriculture products account for 74.16 percent of total revenue while local industry (8.72 percent) and other services (17.16 percent) are yet to be developed due to its geographical isolation.

The coffee sector, the most profitable and potentially sustainable farming activity in the province, is heavily dependent on the world market. The impact of the globalized market, through frequent fluctuations of the prices of agro-products, virtually puts all coffee growers (the vast majority of whom are small-scale), and the Central Highlands as a whole, at high risk and creates uncertain conditions. The sharp collapse of coffee prices in the world market during the recent past made the GDP per capita in DakLak drop from US\$380 in 2000 to US\$368 in 2002. The other source of risk is the hard

climatic conditions. Local farmers have suffered heavily from long spells of drought that have occurred regularly over the last few years.

The potential for economic development of DakLak province, in terms of the availability of natural resources (land) and especially the high profitability gained from the coffee industry during the 1990's, has attracted a huge number of migrants from the north central and northern parts of the country to settle in DakLak. As a result, the population of the province has dramatically increased from 35,000 people after the liberation in 1975 up to a little more than 2 million to date. Statistically, migrants account for 60 percent of the total provincial population.

Inter-country migrants, though a majority of them are poor, play important roles in introducing new practices and new farming technologies, knowledge and expertise, and capital. The ethnic Kinh, who have migrated into the area from the north and north central coastal provinces, have played an important role in sustainable agricultural development, and made use of the basal soil for cash crop production and other improved multi-cropping practices, while the ethnic minorities of Muong, Tay, Nung and Dao who have come from the northern mountainous region are all hard working people who have good experience farming on the upland and paddy fields. The alarming population growth rate, however, has put much heavier pressure on local natural resources. The search for food, or cash with which to purchase food, and the need to meet new expenses associated with health, education etc have created a situation where land, soil, water and forest resources are dwindling through over-exploitation. Since 1975, a million hectares of tropical forest has been converted into agricultural land.

The local Government is committed to alleviating poverty and promoting development. One of the primary initiatives is to implement the diversification of cropping patterns to replace the mono-cropping system of cash crops, and the expansion of irrigated land. Since the launch of the renovation, the DakLak economy has started to improve and now is ranked the first in development indexes in the Central Highlands. GDP per capita went up from US\$218 in 1991 to US\$258 in 1995 and US\$368 in 2002¹. Agriculture, industry and services have sustained positive growth rates for several consecutive years. The agricultural growth rate from 1991 to 1995 was 10.8 percent per annum and from 1996-2000 it was 11.2 percent, which can be considered as an impressive success. Agriculture has made a considerable contribution to provincial export revenues, of which coffee accounts for 95 percent. The living standard has improved remarkably, especially in the rural areas. Poverty has been brought down significantly. The number of households ranked as poor and hungry in 1999 and 2002 accounted for 25.55 percent and 18.92 percent of the total population, respectively. Under the Provincial Plan for Poverty Reduction and Hunger Eradication 2001-2005, it is planned to further reduce the rate to less than 15 percent by the end of 2005². In summary, people in DakLak do benefit from the development process, but in varying degrees.

3. Process

DakLak has a total of one municipal and eighteen rural districts. Three districts, two rural and one sub-urban, were selected for assessment. Two communes from each of the two rural districts, and one ward from the municipal district, were then selected randomly, making a total of five communes to be assessed. These were also the communes that were chosen for the quantitative survey by the Government's General

¹ DakLak Statistical Department

² Source: The Department of Labor, Invalids and Social Affairs, DakLak Province.

Statistic Office. In each of these communes, one village was selected for the PPGA. The following is a complete list of districts and communes surveyed.

Dak'Rlap District

Rural

- Dao Nghia Commune Area II³, ethnic minority M'Nong and ethnic Kink
- Quang Tan Communes Area III, ethnic minority M'Nong and ethnic Kinh, under the HEPR Program 135

Ea'Hleo District

Rural

- Ea'Ral Commune Area II, ethnic minority J'Rai
- Ea'Hiao Communes Area III, migrants, under HEPR Program 135

Buon Ma Thuot Town

Suburban

- Eatam Ward Area I, ethnic E'De

The main criteria for selecting these five communes was their representation of i) the different ecological zones and geographical spreads of the province; ii) ethnicity; iii) accessibility to markets; and iv) migrant settlers (see Appendix 1 for summaries of each communes).

To start the PPGA exercise, a series of meetings to agree on objectives was held with the provincial officials. The Department of Planning and Investment (DPI) was assigned to coordinate all activities of the PPGA.

The PPGA multidisciplinary team was formed, consisting of 27 members (6 women and 21 men) from different sectoral departments at the provincial level (9), Dak'Rlap and Ea'Hleo districts and Buon Me Thuat Provincial Town (5), the selected communes under research (4), ActionAid Vietnam (8), and the Asian Development Bank (1). (see Appendix 2 for further detail).

When conducting the field exercises, PPGA team members from provincial departments and ActionAid Vietnam were divided into sub-teams with 6 to 7 members each working in all selected sites. The district and commune-level members only participated in the field exercises taking place in their own sites.

In preparation for the PPGA field exercises, a two-day orientation training course for all PPGA team members was held, followed by two more days to directly practice recommended approaches and tools at the selected villages before actual fieldwork started. This enabled the field workers to understand basic methodologies as well as practice the PPGA tools, and to develop a simple line of enquiry to support their fieldwork.

There were 431 informants (123 women and 308 men) made up of local officials, government employees, representatives of various sectoral agencies and mass-organisations at commune, district and provincial levels (see Appendix 3 for a detailed list of organisations), representatives from a majority of households, and poor children from the five selected villages, who participated in different types of group discussions (35), individual interviews (189) and other exercises. Great efforts were made by the PPGA teams to focus discussions with poorer villagers exclusively. The active participation of non-poor villagers would potentially bring in diverse perspectives and

³ Communes are classified into three categorizations, depending on geographical conditions and accessibility to market. Area I is suburban delta communes; area II are mid-land and low hilly areas; area III is communes in remote areas with special difficulties. The term 'market' in this report does not only mean a physical place in which commodities are sold or purchased, but also refers to production and consumption decisions by households and individuals, the combined effects of which result in the determination of a market price for a commodity.

differentiation in age, gender, and social, economic and political status in the small societies of these rural communities in DakLak Province

The PPGA exercise was based primarily on the PPA basket of visual tools, the most frequently used ones being

- social and resource mapping;
- focused group discussions, some with mixed groups of informants;
- semi-structured interviews;
- wealth/well-being rankings;
- matrix and preference ranking and scoring; and
- diagramming.

A half-day feedback workshop at the provincial level to present PPGA processes and initial findings was held on the last day of the PPGA exercise with the participation of provincial officials, leaders and representatives of provincial-level departments and related organisations, and leaders of the three selected districts. Apart from its primary aim of inviting critical comments on findings and relating them to the socio-economic development strategies of the province, this workshop actually became a good forum at which face-to-face dialogue between PPGA team members and local policy makers could take place in order to influence thinking and encourage pro-poor policies and strategies.

4. Limitations of the Research

The research team faced several constraints that may have led to some errors in the report.

- Some of the information collected from villagers was possibly inaccurate; for example, villagers had difficulty recalling events that took place in the past, or the amounts of expenditure and income from their farms. It was found that records had not been kept systematically.
- There was a lack of, and inconsistencies in, the existing information and data from different sources in the province. As a result, the assessment and analysis had to rely heavily on the initial research findings only. In order to provide good policy recommendations, the research team would need more time to verify information and data.
- This was one of the first efforts to undertake qualitative research in the province. Differences in methodology practices probably did occur, meaning that the fieldwork, though unintentionally, was possibly not conducted in a fully participatory manner.
- The researchers' inability to communicate directly with villagers due to language barriers was a large constraint. The majority of researched households did not speak Vietnamese, while 26 out of a total of 27 interviewers spoke no local ethnic minority languages used in the area.

5. Report Writing

Team members wrote fieldwork reports at the end of each day in the local language. Any diagrams, matrix, maps etc. were either drawn on flip charts on the field or were transferred to A4-size paper sheets each day. At the end of the fieldwork, a provincial-level field report, to capture all findings and information, was compiled and circulated for further comments and input.

This final report was put together primarily by a team of five PPGA team members (see the list in Appendix 2). The information and data for the compilation of this report came primarily from about a hundred and fifty pages of daily reports and other associated field notes. Secondary data and information taken from reports, project documents, strategy papers, and the statistic yearbook of DakLak Province were also used to support background information and analyses where appropriate.

This report is presented in eight sections. Section A presents the background to the PPGA, a brief introduction to DakLak Province and the selected communes, the process and the methodology of the PPGA and this report. Section B discusses perceptions of poverty from different groups, focusing on poverty dynamics, causes of poverty, vulnerability, and the Government's policies and strategies on poverty reduction. Section C provides findings on the local planning process and the extent to which local people participated in decision-making. Section D discusses poor people's perceptions of the basic services of education, health and agricultural extension. Section E focuses on analyzing the quality and targeting of social assistance. Section F presents the findings on public administration reform and Section G presents issues concerning migration and the environment. This report ends with concluding remarks and recommendations in Section H.

B. PERCEPTIONS OF POVERTY

1. Dynamics of Poverty

1.1. Poverty Trends in the Recent Past

From interviews with government officials, and leaders or representatives of various government agencies at district and provincial levels, most think that, in general, life has improved over the last five years. This is confirmed in the rates recorded in the reduction of the incidences of poverty in the provincial statistical records. The poverty incidence fell from 25.5 percent in 1999 to 18.92 percent in 2002. But the actual progress made has varied greatly from one group of indigenous inhabitants to the other.

A more complex picture on poverty change over the last five years emerged from discussions with villagers at commune and village levels. Most people from Eatam ward (sub-urban) perceived that overall poverty has been reduced to a certain extent, although they acknowledged that many people are still poor, while only half of the informants of the Dak'Rlap and Ea'Hleo rural districts said that there had been some improvements in their life but slowly paced. Villagers from Quang Tan commune (Dak'Rlap district) and Ea'Hiao commune (Ea'Hleo district) expressed the view that the level of poverty had remained unchanged, or was even worse, in the last five years in their areas.

The disparity perceived by informants was confirmed by the most recent statistics on income provided by the provincial statistical office as follows.

- The income of the richest household is 13.2 times that of the poorest households. This figure is 7.73 times for urban areas, 15.74 times for rural areas II, and 5.38 times for rural areas III. The income gap between the rich and the poor in rural areas is larger than that in urban areas.
- The income gap between the rich and the poor within the indigenous ethnic minorities is as high as 14.37 times, while their average per capita income is low and just equal to 52.9 percent of that of the ethnic Kinh.

1.2. Reasons for Changes in Poverty

The driving forces by which incidences of poverty has been reduced in the province were perceived differently by officials and villagers. Government officials believed national strategies and policies to alleviate poverty, especially targeting to ethnic minorities, was important in this respect. Under its national and local programs, the Government has allocated more resources for infrastructure such as transportation and schools. Other policies related to promoting agriculture extension, generating off-farm employment and vocational trainings were also acknowledged. Government targets aim to ensure an equitable development between the Kinh majority and ethnic minorities by its support and provision of key essential supplies.

So, what's good for the poor? The poor assessed themselves and gave priority and importance to knowledge, improved farming practices, and credit availability in the fight against poverty. These are the reasons why the ethnic Kinh cross over the poverty line faster and become richer than the local ethnic minorities. They are more educated about and able to adopt modern techniques in cultivation. The implication is that the possession of various types of tangibles (land, money) and intangibles (education level and hence knowledge) are crucial for households in capturing income earning

opportunities opened by cash crops like coffee production. The interviewers' findings indicated that households with higher educational attainment and younger heads are likely to have benefited more from the boom of the coffee sector. The findings also suggest the importance of reviewing policy in order to help the remaining poor, especially the local ethnic minorities.

At the village level, there was a strong similarity of opinion on why different households moved up and down the poverty scale. People moving up the scale felt that their life had improved as they had less numbers of months of starvation and they were able to take advantage of the government support for rice (Program 135), and medicines (Program 139) for example. They mentioned the improvements in increased access to infrastructure, for example the roads to villages, schools, electricity, and markets. Improvement in life was also reflected in an increased social infrastructure; for example, new community houses. However, the gap between rich and poor has increased, but less in urban areas than in rural ones.

The factors that supported households to become better-off were the ability and capacity to learn and apply new farming techniques and models, especially for cash-crop production; the holding of large areas of cultivated land, and the possession of good equipment and tools for farming; capacity to improve investment capital and the ability to diversify sources of income apart from subsistence agriculture; for example, running small village-level shops and other trading services; having able-bodied laborers; obtaining more income from local wage labor; and working hard.

Box B-1: A family became better-off through diversifying sources of income

Mrs Uyen, 46 years old, ethnic Kinh, Buzara village, Dao Nghia commune

In 1994, Mrs Uyen joined her husband who had been working in the Buzara village for several years. At first, she missed her native place in the central coastal province of Quang Tri as almost everything in the new village was strange and not supportive: new ethnic people with a quite different culture, new farming practices, no relatives to rely on when needed etc.

Being a hard working farmer, she started her life in this village with two pieces of land for coffee while her husband did his carpentry, earning at least 20,000 VND per day. With some 100,000 VND she had brought from Quang Tri, she set up her village shop, serving villagers with any basic family items and agricultural products. Anyone in the village could get small loans in cash or in kind from her. After only a few years, she was able to build a new house, and buy some more land for coffee and pepper. Nowadays, she owns 3 hectares of land. Villagers ranked her family as better off.

Several villagers added that households moving up the scale contained healthy household members who were able to keep themselves free from diseases that could potentially effect their economic performance. They also raise livestock under better conditions and are able to keep them free, or suffer less, from animal epidemics, sometimes only due to good luck. When an outbreak of disease occurs, better-off households may loose some cows and poultry, but they usually can manage to recover in a shorter period of time as they have more reserves to rely upon. Several of these households choose to accumulate more land, or other kinds of assets, from poorer households during hard times.

On the other hand, households who became worse-off experienced their hard times because of crisis and shocks like poor health problems, or epidemics of disease in animals; having many children to support; being elderly or newly married households with lack of labor power; lacking capital to invest in agriculture and this being the only source of income to make a living, living with ill health and not having any reserves as back-up; and lacking arable land. Natural disasters like the droughts and floods that are increasingly taking place in the area certainly affected all villagers not only the poor. But those households that were better off manage to re-invest in agriculture and other activities to secure their living, while poor and hungry households were not able to do the same.

The most frequent issue raised, particularly at the commune and higher levels, was the potentially negative impact of cash crop production. People claimed that DakLak's economy has grown significantly quickly over the last decade thanks to several economic reforms, and the rapid expansion of cash crop production, most notably coffee for export. However, attractive coffee market signals in the 1990s encouraged local farmers to expand and reclaim new land, converting natural forest for coffee. This period also witnessed a huge rush of inter-country migration. People from different parts of the country migrated into DakLak to fell trees, buy new pieces of land and set up their coffee farms. The natural environment was seriously devastated as a result. Forest coverage decreased from about 90 percent in the 1960s to 57 percent in 1995 and to less than 50 percent in the late 1990s⁴. People complained that under the inadequate zoning system, the development of the coffee sector was one of the main causes of deforestation and natural resource degradation. The poor and indigenous inhabitants suffered most, as they rely heavily on natural resources and are not financially and technologically ready to diversify and create alternative sources of income other than subsistence agriculture. If the poor are not able or ready to take advantage of growing investment opportunities, how can they compete in a more open market?

Box B-2: A poor farming household suffered from land degradation

Thi Brep, 38 years old, ethnic M'Nong at Buzara village of Dao Nghia commune

Ten years back or so, poverty was not really an issue for Thi Brep and her family; with seven members she could collect 2 tones of coffee on her 1 hectare coffee farm. Year by year, it has become worse as she has only had poorer harvests of 500 to 600 kg on that field. This is just enough for her family's daily living. She does not have any other resources, and the state bank refused her loan application due to her failure to fully repay the previous loan. She is planning to rent the coffee farm out though she does not want to.

Almost all small-scale coffee growers suffered seriously from the sharp drop in coffee prices in the late 1990s. Those who managed to survive the crisis started accumulating cultivated land, while other unsuccessful growers had no choice but to lease out or sell off part of their land so they could continue to invest in the remains of their coffee farms. Once their own land had been sold, poor and indigenous people then sought out other land deeper in the forest and in less favorable areas with steep slopes, low fertility, less water for irrigation and more difficult living conditions overall. The heavier population pressure due to increased inter-country migration caused the per capita land holding of newly-established and poorer households in the province, whether migrants or local inhabitants, to further decrease.

⁴ The Provincial Department for Natural Resources and Environment

Thus the critical dimensions of the impact of coffee production relate not only to the degradation and depletion of natural resources, but also to some social aspects, making local poor communities more vulnerable to risk during times of crisis, and breaking down their social communities. Such adverse impacts are inevitable unless the ethnic minorities can find alternative ways to cultivate their farms and alternative sources of incomes. This is a major reason why some groups of people move up the poverty scale faster while others stay unchanged or even become worse off.

Box B-3: Becoming worse-off due to investment failure in the coffee sector

Mr An, 27 years old, Tay ethnic minority, Village 7C, Ea'Hiao commune

Mr An came to settle in Village 7C in 1996. As a poor migrant, he could only buy some small pieces of land with a total area of 5,000 m². In his native place in the remote area of Cao Bang province in the north, the life was much harder because high mountains dominate the area and local inhabitants had just a little land for farming purposes. Though having to work hard in the new village, he felt happy as he could produce a sufficient amount of food for his own family.

It was also in late 1996 when coffee prices in the world market started rising to more than 20,000 VND per kilo. Most villagers, including Mr An, decided to invest in the coffee sector. He had to borrow more than 5 million VND for his expenses.

Unfortunately, three years later when his product was about ready to market, coffee price started dropping down to 7,000 VND (in 2000) and eventually less than 5,000 VND (2001), driving him into a tight corner of food shortage and indebtedness. He has had to sell one piece of land to pay a part of the debt. He felt that he was getting worse off. Several households in the villages experienced the same situation.

1.3. Poverty Level Ranked by Villagers

Findings from the wealth/well-being ranking exercises confirmed the fact that there was a disparity among different groups of people, depending on their endowments of land and capital, educational attainment and accessibility to markets and information. At the suburban village of Ale B in Eatam Ward, the rate of poor and hungry households accounted for less than 38 percent of the total households in that village, while at the other four rural villages these rates varied from 60 to 79 percent (see Table B-1 for details).

The poverty rates identified by villagers at the five selected villages under research were higher in comparison to the Poverty Rate in 2002 VHLSS of 25.3 percent for urban areas, and 61.1 percent for rural areas. Local people explained that this was understandable as the three ethnic minority people ranked as the poorest in the province mainly inhabit these selected villages. In the current context, a majority of village-level informants did not think that the poverty rate could be halved in the next five years.

In contrast with the perspective of villagers, officials at different levels all confirmed that the MOLISA poverty line of 80,000 VND per capita per month for mountainous region appears to be too low for DakLak. They therefore set a local poverty line at 2 million VND per capita per year. It virtually indicated a big gap in income between indigenous inhabitants and other groups of people.

Table B-1: Results of the wealth ranking exercises at the five villages (percent)

Categorization	Name of Villages									
	Buzara		Village 2		Jung Kuh		Ea'Hiao		Ale B	
	M	F	M	F	M	F	M	F	M	F
Better off	13.2	9.2	8.9	5.7	6.0	9.0	7.6	4.2	6.3	3.2
Average	28.9	30.3	30.9	22.0	38.4	12.2	15.1	25.2	55.0	60.8
Poor	36.8	31.6	48.8	54.5	27.3	29.3	35.3	31.9	29.2	25.9
Hungry	21.0	28.9	11.4	17.8	28.3	49.5	42.0	38.7	9.5	10.1

M: males and F: females

2. Causes of Poverty

2.1. Different Perspectives on Causes of Poverty

Local authorities and poor people expressed varying perspectives on the causes of poverty. The following is a summary of these causes, listed in descending order of importance. The order was based on the frequency with which people cited the scores during group discussions (Table B-2).

It is clear that poor people are much more concerned about non-income dimensions of poverty. The following presentation therefore focuses on non-income dimensions of poverty only.

Table B-2: Causes of poverty identified by local authorities and poor villagers

By Poor People	By Local Authorities
<ul style="list-style-type: none"> • Poor infrastructure: irrigation systems, roads • Poorly developed markets • Ineffectiveness of Government policies and programs at grass-roots level • Lack of transparency, accountability, resulting in corruption; lack of people participation in decision making • Inability and weakness of grass-roots authorities and cadres • Villagers' inability to apply new farming techniques and their low level of education • Shortage of land • Lack of capital • Frequent inter-country migration • Poor health and lack of labor • Harsh climatic conditions: drought 	<ul style="list-style-type: none"> • Lack of capital • Shortage of land • Many dependents to support • Lack of experience, and inability and incapability to apply new farming techniques. • Investment failure, risks in agriculture (coffee price dropped) • Poor health, disability, getting old • Lack of labor • Social diseases and laziness • Harsh climatic conditions: drought, flood

2.2. Non-income Dimensions in Relation to Poverty

- ***Poorly developed markets and distorted market prices appear to be at the top of the list of local people's concerns.***

In contrast with the local authority's desire to rank the need for capital as the most important issue, poor people are more concerned with geographical isolation. This

means that traders not producers benefit most from underdeveloped markets and heavily distorted prices for agro-products. People claim that traders intentionally manipulated the price of agro-products, especially in hard and lean seasons, at the expense of the poor. It is the farmers who are most often disadvantaged in this respect since, as they are living in relatively isolated villages with few regular lines of communication with the 'commercial world', they are likely to have little access to information about prices and market conditions elsewhere. They must rely on the people with whom they are negotiating the sale of their product for such information. This prevents local poor communities from taking part in Vietnam's current development process. According to the local people's views, such a market structure provides the strongest reasons for the government's intervention to address issues of i) the absence of well-functioning marketing institutions due to poor infrastructure, inadequate market information and 'thin' or unpredictable markets which would contribute to market failure; and ii) the monopolistic control of particular markets by a small group of single traders. This happens in Daklak in both input (for example, fertilizers or seeds) and output markets. It is not uncommon in this case for trading channels to be tied up through debt or social obligation to particular trading individuals (and firms as well), leading to monopolistic patterns of behavior even in the presence of many buyers.

- ***Issues concerning poor targeting of poverty reduction programs***

For several reasons, Government poverty reduction policies and programs have not been targeted to those who should directly benefit from them. Of several programs and directives named by people, only Program 135 for communes with special difficulties was assessed to have brought in some benefit in the form of infrastructure development and provision of production loans. There were several issues associated with administering programs at grass-roots level. Participants of the woman's group at Jung'Kuh village, in Earal commune, pointed out that it was not the issue of insufficient amount of money, physical materials, or projects for the poor people. It was an issue of inequitable distribution of the benefit of poverty targeting programs.

Assessment on poverty reduction programs and policies was also made by local authorities and officers at commune, district and provincial levels (presented in Section E). Participants of these groups cited that as, traditionally, local minorities live in a close community kinship, any support to a given community must be equally distributed. In this case, village and/or cluster customary practices might work better in implementing the Government's supported programs.

- ***Ineffective governance for the poor***

There were actually two issues concerning ineffective governance for the poor that were raised by village-level informants. First, informants of the men's group at Village 2 (Quang Tan commune), the commune-level group of Ea'Ral commune, the women's group of Jung Kuh village (Ea'Ral commune), and the men's group of Village 7C (Ea'Hiao commune) raised concerns about the lack of transparency in the financial administration of supported projects and programs of the State budget, as well as at the commune and village level. Villagers were only given financial information for programs or projects to which they contributed in part or in full. Within such a mechanism, some form of corruption is likely to occur, though people did not have any concrete evidence apart from speculating that the construction of, for example, a spill-way, class-room or road in a certain village cost as much as double or even triple the actual expenditure using their calculations. Second, getting villagers involved in community affairs is not yet a normal practice. Findings from the two rural districts confirmed that, at village meetings, villagers were not invited to participate. They were just told what to do.

- **Poor health and lack of labor**

Poor families, especially families of elderly people, suffer the most from illnesses due to poor health care conditions and food shortages. They therefore cannot take advantage of any increased day-labor opportunities to fill in the gaps in their income between farming activities. Poor health, as already discussed, is always a problem for poor households as it incurs extra costs for medical treatment and reduced working days, and thus has a knock-on income effect in future years. Diseases that could be classified as being of 'economic importance' are primarily malaria and water-borne diseases, such as dysentery.

Box B-4: A household that became worse off due to several crises

Mrs Trinh, 55 years old, ethnic Tay, Village 7C, Ea'hiao commune

Mrs Trinh's family came to settle in Village 7C in 1995. The family was doing 'alright', meaning it could obtain enough income for the family's daily needs from farming their half hectare of coffee and a piece of land for paddy rice.

Unfortunately, her happy days did not last long. She remembered that several people in the village have severely suffered from malaria outbreaks since 1999, including her husband and herself. She had to spend a significant amount of money on medical treatment. At the same time, the coffee price sharply dropped. She had to sell two out of her five pieces of coffee land because of these crises.

Due to an extended period of illness and food shortages, her husband could not work in the fields for the last two years. Her elder daughter had to leave school to work in the fields, while she herself had to go out to work to meet her family's daily consumption requirements. Villagers ranked her family as hungry.

- **Lack of capacity and information at the grassroots level**

People complained about the poor performance of local officials, largely referring to village-level cadres and commune-level officials. According to their views, a majority of the problems discussed above, if not all, were due to the inability and incapability of the village head to transfer or deliver information they received from the next level of government up, and to generate discussion when it was needed. Villagers do not have any basic equipment like radios or television sets, and so the poor performance of village heads makes the people even more socially, economically and politically marginalized.

- **Other reasons**

Results of the study suggest that women worked harder than men, often beyond their physical capacities, and that they had very little time for relaxation. Women complained about the expenditure made by men on alcohol and tobacco, and said that over-drinking was one of the main reasons for domestic violence.

Due to the high profitability of the coffee industry, it was reported that almost all farmers, including the poor in DakLak province, were engaged in the coffee sector. The risks faced by these small-scale and poor households were significant. Poor farmers cannot feel secure within a free market economy where they have no control over drops in coffee prices. These circumstances may force them to deplete their already minimal

assets, while their reliance on income from this sector means they cannot quickly diversify away from coffee. Natural disasters, particularly droughts, makes life more difficult for poor people. All these factors make it easy for near-poor households to fall into the poverty trap.

In summary, the groups which remained the poorest were considered to be the local ethnic minority, poor free migrants with less land for farming, and the elderly.

3. Effectiveness of Programs and Policies

3.1. Administration of Poverty Reduction Program

Several poverty reduction programs such as Program 135, Decision 132 (Land Redistribution), Decision 178 (Landholdings of Ethnic Minorities), Decision 139 (Health Insurance Services for the Poor), Decision 120 (Credit to the Poor) and agricultural forestry programs, for example, have been implemented in the province in order to alleviate poverty. At all levels, the discussions did not tend to focus on the programs themselves. Instead the focus was on several issues concerning management and coordination between service providers as, in their view, poor coordination and overlapping functions among government agencies that manage poverty reduction programs appeared to be a key problem that made several programs relatively ineffective.

Almost all officials interviewed stressed the importance of a change in attitudes and practices in order for targeted groups to benefit from these supported programs. In their view, a reactive provisioning system does not assist in the long term, only providing some urgent relief. Providing goods or cash in this ad hoc way often does not work; for example when poor villagers were provided with cloth, they sold the cloth to traders right after receiving it for half the price in order to buy the things they needed most. In addition, supported programs somehow make poor people dependent on the provisions of the government and discourage them from making more positive moves to work independently.

Most importantly, lack of consultation with grass-roots people has resulted in poor targeting, sometimes in providing poor people and/or local agencies with things that they did not need. Take the case of Mr Ni Bong from Buzara village, Dao Nghia commune (see Box D-7). He was asked to take two exotic cows as a loan but he did not know how to take care of them. The health clinic at Eral commune received an electric autoclave, but it did not have any electricity to run the equipment. Most informants proposed having a more workable mechanism in which the most appropriate department or organization would be authorized to make decisions rather than the current system where there is a lack of clarity about authority and responsibility.

3.2. Clarification of Poor Households

At the grassroots level, again, villagers bitterly complained about the way local officials identified poor households in 2000. It was largely left to the discretion of village heads and commune-level leaders, who did not consult people in the villages. As a result, several households who were comparatively really poor were left out, while other non-poor ones got their poor household certificates. In comparison with the household wealth ranking of the PPGA, there were from 25 to 35 percent of households categorized as poorest by the local administration but which did not rank as poorest by villagers

Box B-5: How did the identification of poor households take place in 2000?

The men's group at Village 7C, Ea'Hiao Commune, Ea'Hleo District

In 2000, the head of Village 7C was asked by the commune leader to submit, within a week, the list of poor households so that the poor household certificates could be issued. As there were nearly 300 in-migrant households at the village, the Head did not know everyone. He just collected information from those he knew well. As a result, many poorer households were left out.

At the commune level, the commune leader was delegated to delete some households in order to keep the number of poor households from each village within the given number set in advance by the district. In the case of village 7C, all of this work was done without consultation with any villagers. In other villages, some form of consultation was held but not all villagers were invited.

In early 2003, it was decided by the provincial government to review the list of poor households classified in 2000, but this review was only based on the existing lists, meaning that a number of poor households who were not in these lists continued to be left out. As presented earlier, targeting methods for poor households become a crucial issue in this context.

3.3. People's Proposals on Poverty Reduction Programs and Policies

What is to be done in the case of DakLak province? Almost all informants proposed to have a more workable mechanism in which the most appropriate agencies or organisations should be authorized to decide on what supported programs to adopt, who are the targeted groups, and how to provide support, in consultation with related departments. This would replace the current system where there is a lack of clarity about which organization is responsible, and overlaps of administrative procedures, in poverty reduction programs.

Many of the government programs could not be named properly by the villagers. They ranked highly programs that provided investment in roads, markets, construction of schools and small loans, which implies that they received assistance from Program 135 (for communes with special difficulties).

The credit program under Decision 120 was not highly ranked because the loans extended were too small for any production purposes. Village-level informants also pointed out that poor households could not easily access loans due to several cumbersome procedures. For example, villagers were requested to submit their registration book together with their land certificate (Red Book) in order to apply for a bank loan, but as many as a half the households researched did not have these books. In addition, physical collateral was required when applying for loans of any size. These conditions did not result in improved access for the poorest sections of society. In the case of Village 7C, Ea'Hiao commune, there have been only four non-poor borrowers, out of a total of 109 households, who were approved for loans from the Bank for Agriculture and Rural Development since 2000.

The provincial Government, under Decision 132 and 178, planned to provide poor indigenous communities with arable land by reclaiming new land and buying existing land from other larger landholders. It was reported that these techniques did not work

well as there is little un-allocated land available for reclaiming, and resource-rich people are not willing to sell their land at the much lower prices set by the local government.

A majority of informants proposed to drop the initiative to subsidize transport costs for goods and physical materials to remote areas as it only largely benefited intermediary agencies, but not the poor.

The future policy for the coffee industry was also one of the hot topics for discussion. Under Decision 168/2001/QĐ-TTg by the Prime Minister, which considers long-term social and economic development in the Central Highlands, it is planned not to further expand new areas for coffee. Almost all informants agreed it is one solution to the many problems experienced by small-scale and poor farmers. However, they all claimed that, although coffee prices may continue to drop for some time, coffee has been, and is clearly, the most potentially profitable crop. Every coffee grower wanted to maintain their coffee farms and not replace them with other crops as advised. Moreover, the current policy of forest conservation and management made afforestation work much less attractive than the production of industrial crops, in particular coffee, in terms of generating profit. A poor woman would receive 20,000 VND for one day's labor on a coffee farms but would only get half that much, or even less, if working with forest conservation programs. So it is necessary for local government to reallocate investments and development a policy of forest resource conservation that will attract the active and effective participation of local people.

As the local government can no longer effectively control the relative power of producers and traders, it is anticipated by several informants that the coffee industry, under the market-driven economy, would continue its negative impact on land, water and forest resources in DakLak Province. The high profitability of coffee production would lead to further accumulation of land and forest by population groups with varying levels of capital. People also pointed out that the majority of poor farmers are unlikely to have any chance to gain access to formal sources of credit for coffee, and other cash crop production, on the land either allocated to or reclaimed by them. Asset-rich households with big farms that can be used as physical collateral continued to enjoy easier access to credit and, as a result, they could further expand land areas for coffee production. In this context, it is unlikely that the market itself would dictate a proper allocation of land in favor of the sustainable development of the forest resources and of the poor. It therefore requires some government intervention, through socio-economic development policies, to keep the poor and indigenous inhabitants from continuing to loose their arable land on the one hand, and to promote conservation practices on the other.

C. PARTICIPATION IN DECISION-MAKING

1. Actual Local Planning Processes

The local planning process takes place in October or November each year. To begin with, the commune-level economic section makes its annual socio-economic plan and budget for the following year. The commune-level people's council reviews this draft plan and budget before submitting it to the district-level office for planning and investment. This draft is then reviewed and approved by the district-level people's council.

According to the view of almost all commune-level officials who attended the PPGA interviews, they have, to a certain extent, played their roles correctly in setting and deciding annual plans and policy lines, as well as resource allocation for short and long term plans on economic development, population, land use, cultural education and society, defense security and social order and religious policies, among others.

Commune-level officials, however, raised the point that investment plans for infrastructure development and supported programs, for example, were planned and authorized by district officials without any local consultation, though those projects and programs were the responsibility of the commune. Officials of all four selected rural communes voiced the opinion that they did not fully know about the district and provincial plans and budgets.

At the local village level, villagers have little opportunity to participate in financial or other planning for programs. As the commune level is the lowest administration tier from which local planning processes start, it is the responsibility of village-level officials to agree on activities and investment in order to implement plans which have already been approved. But this is not often the case, although village-level consultation exercises were launched from time to time. But in any case, villagers cannot change any plans that have already been decided. Villagers did not perceive that they participated in the local planning process in any real sense.

2. Grassroots Democracy and People's Participation

2.1. How the Grassroots Democracy Has Been Implemented

Provincial and district officials were fully aware of the importance of implementing the Grassroots Democracy decree that encourages participation in planning, management and supervision of local government projects by the wider public. It is also a mechanism to promote the dynamism and creativity of the commune level of government. At the grassroots level for which the Decree was institutionalized, however, officials have only a limited knowledge about it.

In early 2000, almost every village family was provided with a book that summarized the key content of the Grassroots Democracy. When asked, at least four fifths of the respondents at the village level did not know what was written in the book. Informants in Village 7C (Ea'Hiao commune) and Buzara (Dao Nghia commune) commented that it contained too many words so they could not even read it.

Participants of the provincial feedback workshop to discuss the initial research findings confirmed that, apart from distributing this book provincial-wide in 2000, there have not actually been any further plans and guidelines for the introduction and implementation of Grassroots Democracy.

When discussing Grassroots Democracy, almost every official claimed to have done something good in the form of mobilizing villagers' contribution to several infrastructure development projects. Officials of all selected communes cited that it was Grassroots Democracy that promoted villagers to participate in, and to make their contribution to, construction of projects that they had failed to do so previously.

With the same subject on Grassroots Democracy, villagers informed that in many village meetings, they participated only in some community related work but there were still several other areas they did not have opportunities to have their saying yet.

Box C-1: Villagers' actual participation in decision making

Women's group in Buzara village and men's group in Village 7C

Villagers participated in:

- mobilizing local contributions in the form of labor and financial resources for grassroots development projects;
- ranking priorities for poverty reduction programs;
- identifying the poorest households for issuing the poor household card;
- nominating village-level officials; and
- developing village customary regulations and practices.

Villagers did not have opportunities for participating in:

- managing and supervising projects constructed or implemented at their villages;
- monitoring plans and budgets at village level;
- getting information about commune level annual plans and budgets;
- creating forums by which village women could have their say in community affairs;
- representing women's rights and the rights of different ethnic minority communities, particularly in the administration system.

Provincial and district officials admitted that there was still a long way to go to get Grassroots Democracy implemented at the grassroots level, even though there is a strong commitment by the provincial government.

2.2. Constraints to the Implementation of Grassroots Democracy and Poor People's Participation in Decision Making

The problems which various local officials raised largely involved i) the lack of a clear regulatory framework defining the specific responsibility at each level of local government; ii) the lack of human capacity at the local level; iii) the absolute lack of funding in almost every district; iv) the lack of interest of people at the grass-roots level in this area; and v) imbalanced representation of ethnic minorities and of women in the local administration system and other policy making organisations.

- ***Lack of a clear regulatory framework and the current top-down planning process were identified as key constraints***

According to the Provincial Office for Personnel and Organisation, there was a relatively lack of clarity up until recently on who took responsibility for the implementation of the Grassroots Democracy at the provincial level. In fact, almost every organization and

agency have had some roles/responsibility for this and there was not any one assigned to take the lead, resulting in “every one’s business is no one’s business”. District and commune level officials were requested to introduce and promote it into their location but again there was not any clear framework that defined their responsibility and obligation for the work. Moreover, there was actually no incentive to make them pro-actively engaged in.

- ***Lack of human capacity at the grassroots level***

The issue of lack of human capacity at the grassroots level is already partly presented in Section B2. It is clear that the performance and commitment of grassroots level officials is the key to any success in encouraging local people, particularly the poor, to become involved in local decision-making. Group discussions with commune-level leaders and the village heads of Eatam ward and Dao Nghia commune, highlighted that the educational level of the members of local representative bodies is comparatively low, with only 80 percent having completed secondary school. The majority of them also have not yet received any training in administration. In their opinion, the provincial and district government has paid significant attention to the policy context in relation to the participation and empowerment of poor households via the launch of Decree 29, without paying enough attention to the problem of local authority capacity to implement these decrees, and other programs as well. Officials sometimes feel uncomfortable with the extra responsibilities and workload these programs impose on them.

Box C-2: A case study on the workload of village heads

Group meeting of commune officials and village heads at Ea’Hiao commune

We have to work almost every day. Every village is too large and is also distant from the commune center. How can heads of villages visit households often and travel to the commune office for regular meetings when they get an allowance of 90,000 VND per month? For all the other members of local representative bodies, how can they work well without any honorarium?

We find it sometimes difficult as we do not have an acceptable level of knowledge and understanding of government policies. Villagers were in turn not able to get sufficient information on policies, for example, that the Government have targeted and aimed at them, though we have tried our best.

There was certainly an increased willingness among grassroots officials to take up new responsibilities but these officials were often unaware of recent legislation, as they expressed above. Their willingness is not enough to address the real problem of the lack of participation in local decision making.

Villagers made some assessments on the performance of commune officials. As many as two thirds of informants of Ale B and Ea’Ral villages agreed that they did not see much improvement in commune leaders in regard to their interacting with villagers. They pointed out that commune leaders only visited their villages twice a year on average, primarily for meetings on construction projects. There was an agreement by the majority of villagers that it would be better if the commune-level officials became government employees. This would have an impact on the ability and willingness of officials at this level to provide villagers with better services, including increasing the participation of people in the decision making process. Villagers emphasized, however, that it is not a matter of money, but it is more the official’s capability, attitude and ability

to learn new things that will be the most important in opening up more space by which poor people could participate and have their say in local decision making.

The results of discussions about where villagers go when they experience difficulties, risks or disputes are presented in Table 3.1 below. The women's group from Buzara village (Dao Nghia) and the men's group from Village 7C (Ea'Hiao) ranked various institutions, organisations and individuals. It should be noted that there was a tendency to think about institutions in terms of formal institutions. As a result, the importance of informal institutions in people's lives has been unavoidably under-represented.

Table C-1: The assessment of importance of village-level institutions to poor people

Institutions	Criteria					Overall importance (Ranking 1 = most important)
	Effective	Trusted	Provide help when needed	Listen to poor people	Total score	
Village Policeman	10.0	10.0	10.0	10.0	40.0	01
Farmers' Association	07.5	10.0	10.0	09.0	36.5	03
Women's Union	04.0	01.0	01.0	05.0	11.0	09
Youth's Union	05.0	01.0	01.0	0	07.0	10
Party Cell's Chief	Just recently elected so no ranking					
Heads of Village	08.0	04.0	08.0	10.0	30.0	04
Intermediation Board	05.0	06.0	05.0	07.0	23.0	07
National Front	08.0	05.0	08.0	08.0	29.0	06
Veterans	04.0	04.0	04.0	01.0	13.0	08
Aged people's Association	10.0	09.0	08.0	10.0	37.0	02
Health Worker	0	0	0	0	0	11

Note: Scoring out of 10, the higher the score the better the performance of the institutions.

The ranking showed that the aged people and farmers associations were the most important ones to villagers. In case of disputes, the village police appeared to be the most reliable place people turned to. Local administration and organisations seemed not to be so much appreciated.

- **Lack of funding**

The lack of funding appeared to be an outstanding issue as it was the local government who had to reallocate some funding for Grassroots Democracy. Lack of a clear regulatory framework, coupled with insufficient budgets, inevitably resulted in little action taken place at the grassroots level.

- **Lack of poor people's interest in decision making processes**

There were many different views on the issue of the lack of poor people's interest in local planning and decision-making processes. The majority of village level informants expressed that i) they did not see any difference in either participating or not in such boring meetings held by the village, almost certainly held for the purpose of informing

people what they should do and what they have to contribute; ii) due to language barriers, it is hard for them to understand issues relating to new policies; iii) people are too busy making their own living, anything that does not directly or immediately make their life better would not be their real concern; and iv) there is an inferiority complex among the poorest, particularly in women. The head of Village 7C of Ea'Hiao commune said, "villagers only come to meetings when there is something in kind to offer them; otherwise it is hard to gather even one third of households for other purposes".

The question of who most often participated in meetings was raised at groups and to individuals representing different ethnic groups, different educational attainments and different social positions. The answer was that male participants accounted for 75 to 85 percent. While the Women' Union was not so active in these villages (see table C-1), this appeared to be a critical problem as women suffered more from a serious starvation of information and the right to participate.

Box C-3: Lack of participation by village-level women in decision making

Mrs P'Rom, 43, ethnic M'Nong from Buzara village, Dao Nghia commune

I did not know how frequently people held village meetings and for what purpose. When we were informed, my husband went to meetings but in several cases he did not. I felt reluctant to go there as I did not know what to say, and did not really understand what other people discussed either. There were not many women there at meetings anyway.

Did he brief you on returning home? "I did not ask him what happened there at meetings. From time to time he briefed and discussed with me if there were any things directly related to my family."

- ***Ethnic minority people and women have less voice than others to some extent***

The issue of imbalanced representation of ethnic minority communities and of women in the local administration and policy-making bodies was raised by villagers at Buzara village, Dao Nghia commune, and by Ea'Hleo district. There is only one ethnic M'Nong representative out of 25 members in the commune-level people's council, and only one woman working at the commune level administration. The same situation occurs in Ea'Hleo district. According to officials from these locations, it may be a temporary situation caused by the low level of education among ethnic minorities and women.

2.3. How to Monitor the Impact of Grassroots Democracy

There were some issues raised by villagers relating to the lack of a regulatory framework to define the functions of the 'People's Supervising Board' which they believed did not work as well as it should. The local administration's officials heavily influenced this body.

In this case, there is no need to establish a new board, as the people's representatives are already there. Rather, efforts must be made by the local administration to develop clear plans that will assist in making public any information and data related to programs, budgets and any other areas of information or data as stipulated in Grassroots Democracy. The supervising body has to closely monitor the use of these

resources. It is also the responsibility of the board members, as elected representatives of the people, to report back to regular village meetings with this information.

In addition, it is the responsibility of local officials to collect villagers' opinions before any programs and projects are launched in their location. Selected villagers' representatives must be in a position to monitor progress and expenditure. Commune-level leaders should be in a position to manage small-scale projects with less technical requirement.

Suggested indicators for this involved i) information and data being made available to villagers regarding services, programs and policies including clear planning arrangements, such as what kind, for whom or who does it involve, tentative schedule, and where it takes place; ii) level of budget transparency at the commune level; iii) percentage of the poor to benefit from these poverty reduction programs; iv) the number of local government officials to listen to poor people's ideas and be responsible for ensuring that poor people's proposals are heard by higher level policy makers; and v) the number of meetings at which poor people could have a say in a truly participatory manner.

2.4. Overall Assessment and Proposal

From the perspective of villagers, government policies, directives, poverty reduction programs and the rights of people as a whole are not always well known at the local level. Consequently local officials were still operating within a top-down framework in local planning processes. This system in fact does not create room for participation by local people. The current mechanism in DakLak is largely dependent on the ability and willingness of grassroots level officials and cadres to undertake increased planning and decision making, and to increase the public consultation process. Under the present system, where access to information is limited, poor people become disempowered. They are not confident to participate when they have little knowledge and limited understanding of policies and their right to information and participation.

At the last feedback workshop, provincial and district officials, and leaders of sectoral departments, committed to implementing the work necessary to facilitate a more active participation by local people. However they admitted that it will take some time for the province to ensure that local people fully participate in decision-making.

The main proposals made by villagers and officials included i) encouragement and promotion of traditional community activities and practices through existing groups and/or organisations; ii) building capacity of grassroots level leaders; iii) provision of support to literacy program with community development; and iv) development of a strategic plan to get adequate representation of ethnic minority communities and of women into the local administration system.

D. DELIVERING BASIC SERVICES TO POOR PEOPLE

1. Education

1.1. Recent Trends in the Field of Education

Education has been, and continues to be, an high priority issue in Government policy throughout the country, including DakLak province. Investment in education in DakLak has increased considerably from 24 billion VND in 1999 to 38 billion VND in 2002.

The education system has experienced increases in the number of children attending school at all levels except pre-school. In ethnic minority and mountainous areas the number of children attending primary and lower secondary schools also significantly increased. Parents observed that their children now receive more education than they themselves did. Even in the poorest families, most children attended school long enough to learn to read and write.

Participants perceived that access to education services had improved, with a more developed infrastructure, including an increased number of schools. All communes have primary schools, and the number of villages that have no schools has dramatically decreased.

At primary and lower secondary education levels there were not many differences in terms of access to education for children of school ages between the ethnic minorities and the ethnic Kinh. However, higher levels of education were seen to be out of reach of poor families. There were only a few children from Ale B village, Eatam commune, and almost none from the other four rural villages, who could continue their higher education. School enrollment records showed that more children of ethnic Kinh could access higher levels of education than those of local ethnic minorities.

Interaction between representatives of the education system and parents of school children in the selected villages was not always successful. Parents are only invited once or twice a year to attend meetings at the school, at which time they are informed about the plan for the school year and most importantly the contribution and fees they have to make. These meetings, in the opinion of the local villagers, did not really make any sense in terms of creating community participation in the provision of education.

In spite of increased attendance at primary school, participants expressed many concerns about the quality of education and, in particular, the qualifications and attitudes of teachers. The behavior of teachers was in some cases a barrier to children attending school. The increased cost of education was a major concern and a factor that limited the attendance of children from poorer families. A majority of informants complained that they did not see any improvement in primary education in their communes in the last several years. Villagers proposed having more interaction with local schools in order to find solutions to these problems.

1.2. Barriers to Achieving Increased Community Participation

There were quite different views and ideas on the actual barriers that prevented communities from active participation in the provision of education. From the perspective of local villagers and school children it was because i) the local education system does not include components for liaising with parents in a respectful and participatory manner; and ii) the bad behavior and attitude of several teachers encourages parents to disregard them. In contrast with the views of parents, education

officials and teachers said that people do not pay proper attention to educational institutions and staff.

Findings from the interviews at all selected villages showed that parents were not consulted on the amount they had to pay for several kinds of fees and contributions, which were a burden for poor households. In the case of the lower secondary school of Ea'Hiao commune, three school children were sent out of the classroom for not having money for the construction fees. One of them eventually dropped out of Grade 5, partly because of embarrassment.

Box D-1: A child dropped out school because the school fees were unaffordable

Thi Loan, 16 years old, ethnic Tay, Village 7C, Ea'Hiao commune

Miss Thi Loan was born into a poor family in Village 7C. She studied rather well though almost every day she had to work in the fields to help her parents after school. Last year, the paddy field and coffee gave poor harvests due to bad drought. She had no money for the construction fee and other contributions. She felt so ashamed when her teacher sent her out off the class. Eventually, she had to drop out of Grade 5, partly because the school fees were unaffordable, and partly because her family also needed her to work at home.

Parents expressed dissatisfaction with what their children were learning in schools and about the unacceptable behavior of teachers. They commented on the fact that they did not know how to approach the teachers when the children were treated badly. They said that the teachers should have informed the parents first if the child did not bring the money for construction fees. This is particularly a concern with children at the young ages of 6 to 12 years, as it is difficult to encourage them to go back to school. Some parents said that they wished they could have teachers who were friendlier.

The teachers' low level of skills, and their unfriendly behavior, made children reluctant to go to school. Parents indicated that they were not certain whether their children were attending school or not. They wanted to have more communication with the school about their child's education, but did not know how to do this as, on average, only one teacher visited some of the villages once a year.

Several informants also raised their concern about the way funds collected from parents, and from the state budget, were used as there was not any report on how much of these funds were used and for what purpose.

Many of the parents frequently indicated that the education of their children is an investment for the future, even though local people and education officials identified several reasons why parents were not supported or allowed to participate in the provision of education. Firstly, it is the farming practice. For example, villagers in Village 2, Quang Tan commune, go to the fields and stay there for several weeks at a time. The low-income base farming system also makes them too busy to earn their living and they therefore do not pay due attention to education. Secondly, poor households always feel reluctant to participate in any school meetings because they feel they cannot afford the contribution, even though largely they have already been exempted. Thirdly, several people do not see much difference in sending children to school beyond Grades 1 or 2, so why bother spending time at school meetings.

What to do in this case? Most parents expressed a strong interest to be more involved in their children's education. They suggested that parents and teachers need to

establish relationships of mutual respect through i) setting up parent-teacher associations, where appropriate, to bridge the gap between school and home in order to improve the education of children; such associations should be forums for two-way communication between parents and teachers, where the role of parents in their children's education is recognized; ii) teacher training curriculum that includes components for liaising with parents in a respectful and participatory manner; and iii) giving a voice to households that make contributions to school facilities and activities in the establishment of priorities for the use of such funds, and create opportunities for more involvement in planning school activities.

1.3. Constraints in Gaining Access to Education

Despite advances in the education sector in the last few years, the challenges remain great in DakLak. The real costs associated with education were a serious barrier for poorer households. Almost all informants realised that under Government Decree 35 and Decision 186, tuition and construction fees are exempt for ethnic minorities. However, local education officials decided that the exemption and reduction policy should be applied only to poor households instead of to all ethnic minority communities. As the central government did not provide sufficient funds for education services, the local government, based on Decision 24, decided to mobilize local contributions for education. Households who held a poor certificate have to pay half of the construction fee instead of being exempted, while others without the certificate have to pay the full cost. Together with other fees and contributions such as those for hygiene, education encouragement funds, security, and uniforms, for example, the lump sum a school child has to pay varied from 50,000 VND to 70,000 VND at primary school and 150,000 VND to 200,000 VND at secondary school per year. These fees are always too expensive for any poor households in the area. Mrs Hai, who belongs to the Tay ethnic women's group of Village 7C said, "I have four children who are attending school. With the current contributions to school, at least one or two of them must drop out as we cannot afford such a huge amount due to our difficult circumstances".

Indirect costs occur because of the loss of labour for the time the child is attending school. The labour of even young children is important to the family economy and as the child matures the potential income represented by this labour increases, making attendance at school a more expensive undertaking, especially for a poor family. On average the rates of school enrolment for girls and boys at primary and lower secondary school is almost equal. However, among the poor and ethnic minority communities, girls have fewer opportunities for education, reflecting a long-standing tradition which places a higher value on the education of boys.

Other issues which hindered educational attainment in the primary and secondary levels were the lack of infrastructure, such as classrooms, facilities and learning aids, as well as the lack of qualified teachers.

Language and culture posed an additional barrier to communication and learning in ethnic minority areas. It is only in recent years that ethnic minority children living in remote areas have had some form of stable low-level education. Previously, the shifting farming practices of indigenous communities made it virtually impossible for them to attend school regularly. At school, ethnic minority children find it difficult to study in Vietnamese with almost no non-ethnic minority teachers. This partly explained why ethnic minority children get such a poor quality of education, and why educational attainment was much lower than in other ethnic groups. In poor families, children, especially girls, dropped out temporarily or permanently before attaining higher educational levels. In times of hardship, because access to higher levels of education is

generally limited to the higher income levels of society, the potential for widening the gap between the rich and the poor is high.

This was confirmed by the records of the enrolment rate in Table D-1 below. Children from scattered villages could study up to class one, two, or three only in their local schools.

Table D-1: School enrolment in DakLak province

Unit: School child

	Kindergarten	Pre-school	Primary school	Lower Secondary	Higher Secondary
1999	2,406	60,860	312,217	133,270	38,907
2002	6,207	56,440	308,420	172,200	64,380

Source: DakLak Provincial Education Department

Various reasons were given by local people as to why children dropped out of school, the main reasons being the i) unaffordable school fees; ii) lack of interest of parents in the education of their children; iii) fact that children have to earn money for their family; iv) unsuitability of the curriculum for ethnic minority students so that they cannot follow the studying schedule and keep-up with their classmates; v) poor qualification and teaching skills of teachers; and vi) far distance from school to home.

Box D-2: Children have to travel a long distance to get to school

Thi Voi, 16 years old, ethnic M’Nong, Village 2, Quang Tan commune

Thi Voi said that her school is located at commune center, 5 kms away from her village. There were some other friends in Grade 6 from this village but they had school in the morning. They were sometimes punished because they came late to school. Thi Voi had more time as her school was in the afternoon, but she always got frightened when returning home in the late afternoon.

Many parents in Ea’Hleo district expressed the view that if more children completed secondary or higher levels of education they would get well-paid jobs, which certainly would ensure a better life in the future. People in Village 2, Quang Tan commune, also shared the same ideas and expectations. In reality, almost all secondary school students can hardly find any better jobs. This does not motivate parents to send their children to school.

A majority, if not all, of the teachers do not speak the languages used by the local ethnic minority people. All school children interviewed complained that they and their teachers alike have a major problem in communicating with each other, especially at the beginning of each school year.

Newly graduated teachers are first sent to remote villages for at least two or three years before they can get a job in a town or other more accessible locations. In fact, many teachers have to work in remote areas for several years. That is why they are not willing to work in remote areas. The high level of turnover of teachers inevitably leads to poorer educational quality. Almost all education officers and teachers raised their concerns about the inequitable benefit package for teachers to work in remote areas. Under Decree 35, only teachers who began work in remote areas after 1998 got their first

lump-sum allowance of 4.7 million VND and 170 percent of their salary each month, which was not received by others who had already been working in the area.

1.4. Issues Concerning Pre-school

All local people interviewed raised their concerns about the lack of pre-school investment. Almost all local people were in need of sending their children to kindergarten and pre-school when they were away doing fieldwork. They were willing to pay fees, provided there is a pre-school in the village.

In an ethnic village like Tung Kuh, Ea'Ral Commune, pre-school was seen as a step for children to accustom themselves to formal language and the Roman alphabet. It was evident that pre-school functioned as a stepping-stone for primary school and did have its effect on education quality, especially for ethnic children.

No more public pre-school teachers are planned under current policies in the studied areas. The number of current teachers is just enough to cover central areas where infrastructure has been made relatively sufficient. Poor people in remote areas have to look for a class and to pay teachers themselves. In some of the visited communes, classroom space was created by local people, sometimes in the house of the teacher or local leader. Whilst regular salaries for public pre-school teachers are fixed no matter how many children they teach, the income of teachers in private schools is dependent on the number of children enrolled. Some parents prefer sending their children to private pre-schools since they believe that the teachers are more qualified there.

1.5. Adult Literacy

Shifting cultivation practices do not support local ethnic communities in regularly accessing the education system. As a result, the actual illiteracy rate amongst older villagers is close to 80 percent, especially among women. Literate villagers, with ages ranging from 15 to 40 years, account for roughly 60 percent of the total population.

In the recent past, a two-year literacy program was launched in the area, exclusively focusing on people between the ages of 15 to 25 years. However due to several constraints (lack of teachers, language barriers and funding, for example), this literacy program could not continue. Most of the students who had attended the program were unable to keep up their studies and so lost any literacy skills they had learned.

The proposals put forward by interviewees included i) more financial support for teachers; ii) the content of curriculums and learning programs should directly relate to villager's daily life, for example, agricultural farming practices; iii) more appropriate timings for classes, for example, not during harvesting time; and iv) situating the place of learning close to the village.

1.6. Education Quality

The poor quality of education was really of serious concern in all the surveyed villages. When working with a group of children in Village 7C, five children in Grade 5 at the local school were invited to read a paragraph. Only three of them could read fluently, one had a hard time reading, and the other could not read a word.

Officials of every district emphasized that improving the quality of education should be given more priority now instead of concentrating on motivating children to attend school. What were the reasons for the poor quality? A majority of parents did not feel that the

teachers had sufficient qualifications. Many teachers did not have a high level of education or a broad knowledge of the subject areas, resulting in low quality education for children. Women in the villages of Village 7C, Buzara and Ea'Ral said that there were several school children who have graduated from primary school but could not write their names properly. When their parents requested that these children be allowed to return to the lower grades to learn to read, the school refused to admit them. There were two reasons for this, namely i) teachers were under heavy pressure to have the highest rate of school children successfully completing the school year; and ii) there were no seats for more school children to attend class.

Low attendance rates appeared to be an important factor in children experiencing a low quality of education. During coffee harvest time, many children simply drop out of school temporarily, even up to a period of several weeks. Several of these children could hardly follow the study schedule on returning to school. A harvest holiday for school children was proposed as a solution to this problem by the men's group in Village 2, Quang Tan Commune.

Informants from Dak'Rlap District emphasized that the shortage of teachers and classrooms is one of the key reasons for poor quality education. Children cannot study well when several of them have to share a classroom and a teacher. Villagers raised issues concerning multi-grade education (where several grades are combined in the one classroom), which requires children to do a lot of work on their own or in groups, as not many teachers were readily qualified in this method. In this case, teachers were often unable to cope with new techniques, and the children suffered the consequences.

Box D-3: Poor quality education due to the lack of teachers and classrooms

Women's group discussions, Village 2, Quang Tan commune

One third of our villages, especially in remote areas where there has been migration by ethnic minority people from the North, have a critical shortage of classrooms and teachers. As a result, several children have no access to primary education. School children from two or three classes must sit together in the same room and share a teacher.

2. Health

2.1. Recent Trends in the Field of Health

Participants in this study noted that, over the recent past, their health status has improved due to better knowledge about prevention and increased services. Improvements included more commune health clinics, more vaccination and other health promotion programs, fewer epidemics and mortality from disease, better knowledge of hygiene and sanitation practices, and greater availability of medicines. There are 19 health centers in each of the districts, and 207 commune-level clinics out of a total of 212 communes throughout the province. There are 95 doctors in 160 communes and wards, accounting for 76 percent of commune level clinics.

During 2003, according to provincial officials, DakLak has been provided with an amount of 32 billion VND for healthcare under Decision 139. This allocated budget significantly meets local needs. According to provincial officials, the local health sector in the last few years had planned to provide poor households with 20,000 VND per capita per annum for free medical treatment under Decision 139.

There were some challenges, however, in the provision of health services and the implementation of Decision 139 within the province. Several obstacles, especially the distance to services, quality of services and cost, prevent access to and full benefits from improved services. Overall, those interviewed felt that health services were improving but that, without money, a family could not benefit from these improvements.

2.2. Quality of and Access to Health Services

According to Decision 139, ethnic minorities, and people living in communes with special difficulties and in mountainous or remote areas, are provided with free medical and curative healthcare. DakLak Department of Health decided to provide these poor households with a check-up and treatment card for this purpose. Up until mid-July 2003, however, none of the targeted people had received any cards. This is mainly because of the critical delay in issuing poor household certificates to targeted households by the Department of Labor, Invalids and Social Affairs (DOLISA), without which the health sector could not provide the cards.

At the commune level medicines were provided but most of them were only for diseases with no economic importance. People in Village 7C, Ea'Hiao commune, reported that, almost every time, patients receive the same kind of medicine regardless of the type of health problem. The amount of medicine provided each time was far from enough for full treatment. The total cost for medicine provided ranged from just 2,000 VND to 3,000 VND each time. Villagers also complained that the quality of medicine at the commune-level clinic was poor. Many people said they could not recover from their illness if they only used medicines provided by the local health station. Normally, villagers had no choice but to buy more costly medicines from private pharmacies.

Health services provided at the commune-level health station were poor both in terms of quality and quantity; only some basic services were provided. Several villagers in Ea'Hleo district reported on the poor sense of responsibility of health workers, and the absence of on-duty staff. People also cited that each time they visited the commune health station, patients were asked to buy a health book at a price of 5,000 VND while what they could get in terms of medicine was valued at just 2,000 VND to 3,000 VND, as noted above. As discussed by villagers, running out of medicine at the health station was very common, but medicines were readily available privately at the local health workers' home.

Poor quality services at the commune level make people dissatisfied and encourage them to move to higher-levels of the health care system. However, there were also many complaints about administrative procedures and the attitude of staff in hospitals at provincial and district levels. Participants in the men's group in Tung Kuh village said that, even when the procedures to get free health care were strictly followed, the health staff still made things difficult for them. The slowness of reception staff and some indications of discrimination against poorer patients were clearly observed. For example, health workers were not very enthusiastic with or friendly to the poor and ethnic minorities who came with the check-up and treatment cards, in comparison with those who paid cash directly. Informal payments were also frequently required. It was suggested to some patients that they use the better and more careful private services available at the home of the health workers, in order to avoid "careless" medical treatment at the health center. Tired of the health workers' attitudes and discrimination, several people tried hospitals in nearby provinces, like Binh Duong and Gia Lai hospitals, for better and more convenient treatment.

Box D-4: Poor people had to pay for their hospitalization

Mr Y, 54 years old, Tung Kuh village, Ea Ral commune, Ea'Hleo district

Last year when my son got a paralysis of the sciatic nerve, I took him to the provincial hospital. Despite the fact that I had fulfilled all the required formalities, and also had the introductory letter from the district hospital, the staff at the reception desk pushed away my papers several times, and told me to go to meet some others. After going around for a whole morning without success, I had to pay the informal fee of 200,000 VND. Only after that was my son hospitalized.

To obtain free curative health at the district and provincial level, poor patients were asked to show their identification cards or a letter of introduction from their commune's administration or health service. But the majority of ethnic minority people do not have identity cards. In addition, a large number of ethnic minorities do not know about the procedures, so usually hospital staff refuse to provide free services for them.

In comparison with some years ago, the flow of inter-country migration has basically reduced. Migrants, however, experienced great difficulties as most of these poor communities settled in remote areas that were almost certainly out of reach of healthcare services. For these communities, poor health is always one of the critical reasons that they are poor.

2.3. Provision of Medicine and Medical Equipment

During discussions with district health centers, the burning issue that emerged was the provision of medicine and medical equipments, which was very often not based on actual community needs. Informants at district level complained that the Provincial Department of Health completed their planning without paying attention to the specific needs of health centers and stations. This resulted in the provision of several kinds of medicines that are useless for the community's needs, while all district health centers experienced a critical shortage of necessary medicines.

Staff at all district health centers reported that several kinds of specialized medicines for diseases of economic importance were always in short supply at district and commune health posts, while other less needed medicines were readily available. Most of the medicines provided were of poor quality.

Villagers frequently raised several other issues concerning the inequitable distribution of those limited stocks of selective medicines. Informants of the two villages from Quang Tan and Dao Nghia communes observed that it was easier to obtain sufficient quantities of medicine and better treatment for non-poor people who live next to the health center and/or have close relations with health workers. Consequently, the indigenous and poorest M'Nong inhabitants in these communes received the least.

In addition, medicines were supplied at an inconvenient time where there was no opportunities to store them. District centres and commune clinics do not have facilities for the safe storage of medicines.

The provision of medical equipment tells the same story. Earal commune, for example, was provided with autoclaves for sterilization and tools for vaccine protection but there was no electricity to run them. Currently there are two organisations involved in the provision of equipment, namely the Department of Health and The Committee for Population, Family and Children. But there was no discussion between these two

bodies, resulting in an overlap in the provision of medical equipment. Some commune health stations received quantities of equipment that were not urgently needed, like childbeds, while other stations who needed the childbeds as a matter of priority did not receive any. Since 1995, there has been no serious inspections from the Department of Health on the effectiveness and safe use of the medicine and medical equipment provided.

2.4. Access to Information

Findings from interviews suggest that local officials are fully aware of Decision 139, while all groups of villagers said that they were not informed sufficiently about potential benefits from Decision 139 and other social assistance as well. Poor people only knew about health stations because they had seen other people go to them. The flow of information only just reaches the commune, to a lesser extent the village levels, and not at all to the poor people.

There are also other poverty reduction and supported programs that provide medicine and medical equipment, resulting in oversupply of some items and confusion amongst local people. Many people said they did not know the target of each program and whether or not they were its beneficiaries.

2.5. Current Policy and Some Recommendations

Since early 2003, salary payments for commune health workers was transferred from the district-level health center to the commune people's committees. This decentralizes the responsibilities and enhances the role of local authorities in the supervision and management of local health stations. But local health workers raised issues about this transfer. Firstly, there was a critical delay in making the payment. Currently, salary payments on average are made three months behind schedule, as reported by almost all commune health workers. The situation for the health workers' duty allowance was even worse, being sometimes up to six months behind schedule.

Secondly, commune authorities were said to not always provide support to the health station for implementing national health programs, such as vaccination campaigns for children and malaria prevention, for example. In some communes, the local health worker has to use their own money for these programs and then make their claims later.

Box D-5: Good doctors often leave commune-level clinics for better jobs elsewhere

Group discussion with EaRaI commune leaders, Ea H'leo District

Officially, there must be four health workers and one doctor to work in our commune level health station. For the last two years, however, we have never seen the doctor there. People said that he was working somewhere in one of the hospitals in Dong Nai province.

The shortage of health workers, with special reference to the commune-level, means that current health workers are overloaded with work. The province needs an additional 450 doctors to fully cover all commune-level clinics throughout the province by the year 2010. This is potentially achievable. However, a majority of people interviewed raised their concerns about the un-attractive remuneration for doctors to work in more remote and disadvantaged areas. In some cases, doctors only registered their names with

commune-level clinics but in fact they looked for better jobs in higher-level hospitals or in bigger cities like Buon Ma Thuot or Ho Chi Minh City.

Overall, those interviewed felt that health services were improving, and that people had clinics closer to their homes. District and provincial hospitals were seen as having better services if they could be reached. However, for poor and ethnic minorities, access to these facilities is still a problem.

Apart from the issue of the poor quality of service in commune health centers, the cost of health services and cumbersome administrative procedures were key concerns in the five communes. Though the systems are seen to have improved and become more physically accessible, resources are required to access them. So the ability of the poor to benefit from these improvements continues to be limited by lack of funds.

Clearly, progress has been made both in terms of people's own investment in improving their health and education, and the investment of the state in providing more services over the recent past. However, in order to further advance there is a need for greater emphasis on service to the poor and to remote areas. The issue of affordable services for the poor in education and health, in terms of lower contributions or insurance, must be addressed to prevent further widening of the gap between the poor and the better off.

Some recommendations for better implementation of Decision 139 from local officials and poor people included i) completion of the process to issue the health check up and treatment card; ii) more detailed discussions between related institutions involving in the provision of medical equipment; iii) combining all health related supportive organisations into one managed institution; iv) a more regular supervision of targeting issues; v) making public all information relating to health services for the poor; and vi) more investment for improving the profession and capacity of health workers, and upgrading healthcare facilities.

3. Agricultural Extension

3.1. People's Perspectives on the Agricultural Extension Service

The DakLak Agricultural Extension Center has been assessed as one of the better centers among the provinces in the central region. The center has paid great attention to those disadvantaged and ethnic minorities who live in remote areas. It is also closely linked its extension services with HEPR programs, making great contributions to economic development through improved farming techniques.

A series of agricultural extension initiatives were launched, for example, crop cultivation (hybrid rice, hybrid corn, coffee pruning), animal husbandry (chickens, lean-oriented pigs, new breed of cow), aquaculture, and agricultural diversification. Extension services primarily focused on i) science-technology information dissemination; ii) demonstration of new models; iii) technical training; and iv) setting up agricultural extension systems at grassroots level. There were, however, several limitations concerning extension approaches.

- ***Poor people could not benefit from agricultural extension training programs***

Participants in training programs were mainly non-poor and better educated people . Training agendas are not at all based on poor people's training needs, and in fact they

are too theoretical. Poor people, under these circumstances, do not have any interest in participating in these programs.

Box D-6: Poor people cannot benefit from extension training

The Village Head of Village 2, Quang Tan commune

Nobody ever asked us about what we wanted for agricultural extension trainings, they did not even inform us about training schedules beforehand. Every day we must go to the field that is so far from home, so how can we participate in training opportunities held by the extension services?

Participants in the group discussion in Tung Kuh village, Ea Ral commune

Training was only conducted in Kinh language with many strange words, we forgot almost everything we learned before even leaving the training room.

Mrs Thi Dinh, Village 7C, Ea'Hiao commune

A majority of participants in extension trainings were men. Women came only when men were not at home. Culturally, people explained that women normally are too busy working in the field. Husbands in general could not brief wives after trainings as they did not remember anything at all.

Language is one of the barriers to access to training. Training programs are not conducted in the local language, and a large proportion of ethnic minorities, especially women, face difficulties in understanding Vietnamese.

There are no training manuals designed for ethnic minorities. People had only been given leaflets from companies advertising their products, for example, new varieties of corn, fungicide and herbicides. Training manuals were not available, let alone suitable for people with low literacy skills to read and understand.

- ***Agricultural extension offers poor people new models which are far beyond their capacity to adopt***

There is no doubt about the potential positive impact of extension models that demonstrate new farming techniques in more visual and easily understood ways. But the ability of poor people to adopt new models will largely depend on their knowledge and economic situation and the model's suitability to local conditions. Villagers complained that the new extension models were not based on local conditions or the capacity of poor farmers to adopt them. For example, the model of raising Tam Hoang chickens in Quang Tan was very good, but farmers had to sell the chickens after just a few months because of the high price of the chicken's feed and the too complex feeding technique. In another example, farmers were provided with a new bamboo variety for producing shoot, but they felt afraid they would not be able to market new kinds of products because of the lack of market information. It is really difficult for the poor to apply new agricultural extension models because of the high input requirements.

Villagers complained that agricultural extension workers often set up the demonstration models in one place only in each commune, so it was difficult for farmers to observe and learn because of the distance from their village to the demonstration site. Also, according to informants in Village 2 of Quang Tan commune, extension workers always selected well-off households to work as demonstration holders, even though the poor really need to have more opportunities to 'learn by doing and on-the-job training'.

- ***Extension services did not always reach the poor and indigenous communities***

During the recent past, the funding for agricultural extension work has increased. In addition to the agricultural center's own budget for extension services, there is supplemental funding sources from Program 135, government projects, social development organisations and companies who invest in projects or promote their products. However, officials at all levels raised the fact that these funds were far from enough to meet the increasing basic needs of local people. In Dak'Rlap district this budget was about 100 million VND for ten communes, while in Ea'Hleo district it was only 15 million VND for nine communes and one town.

Extension services in Dak'Rlap and Ea'Hleo districts could not increase their outreach due to the shortage of agricultural extension workers. In Ea'Hleo district there are only three extension workers and 16 villages or inter-villages, while in Dak'Rlap the situation was almost the same. The big challenge is how could those few staff reach such large areas and accommodate the needs of the poor? In the discussions, village-level extension worker raised concerns about their current allowance of 80,000 VND. The low remuneration means that they cannot increase their coverage or perform any better than they already have.

The other issue raised by both local officials and villagers is the poor qualifications of local extension workers. They need to be trained not only in agricultural science and technologies, but also in approaches to working with poor communities.

Box D-7: Being trapped in debt due to lack of extension guidance

Mr Ni Bong, 63, M'Nong ethnic minority, Bazarat village, Dao Nghia commune

Mr Ni Bong lives in Buzara village. The family has six members. He was often sick as he suffers from cirrhosis. The household owns 17,000 m² on which he grows coffee and rubber, but each year he only yielded 800 kg of coffee because of poor investment, while the rubber had just been cultivated for a little more than two years. The harvests from a piece of paddy field and coffee support the family's food needs for only six months per year.

To make a living, two out of the four children had to leave school to do field work. He sometimes had to borrow money from private lenders at a very high rate of interest, using his coffee farm as collateral. Under his calculation, he could send his coffee to the lenders at a price that was as low as one fourth of the market. Last year he was granted a bank loan of 6 million VND for two exotic cows, some pigs and chickens. Unfortunately, all of them died just after a few months. The loan did not help him but put him deeply in debt instead. He said that people did not give him any technical guidance to assist in raising the cows.

- ***Poor access to formal credit services make it difficult for farmers to adopt new farming techniques***

While financial services have been improved in rural areas, the access of poor households to formal credit services was still rather limited. Informants found it really difficult to get bank loans, especially poor households. A men's group in Ale B village said that following agricultural extension models requires a lot of capital but it is hard for

the poor to get loans. Heads of Buzara village said that poor households could borrow money from Program 120, but only small loan sizes of 2 million VND for poorer households, 5 million VND for average households and 10 million VND for the better off.

Box D-8: Bank loans require complicated procedures

Mr Adrong, 57, J'Rai ethnic minority, Jung Kuh village, Ea'Ral commune

Mr Adrong is the breadwinner of a 13-member family that owns 2 ha of coffee planted in 1999. It was a pity that, in 2002 when his coffee was ready for its first harvest, coffee price dropped sharply. He could make no profit. In order to keep his coffee farms he had to borrow from the bank.

At first, he felt it was too difficult as he had to get several signatures from local administration, and to go to the bank several times. The bank staff asked him to submit several papers. In the end he could get his loan but only after waiting more than three months. Since that time he has obtained another loan, but he had to informally pay more than 500,000 VND for it.

Under current procedures, borrowers are required to have red books to obtain bank loans. Many poor people do not have their red books yet, therefore they cannot borrow. While money sits in the bank, people in Village 2, Quang Tan commune, suffered much from the severe drought last year that almost entirely damaged their monsoon season rice crop. The village head complained that 18 poor households in this village applied for loans with the hope of buying fertilizers and upgrading the irrigation systems, but failed to get them. The women's group in Ea'Ral commune said that the banks lend money little by little, and the procedures are complex. The Ea'Ral communal Women's Union especially complained that the banks asked the chairwomen of the communal and village women's unions to mortgage their houses, gardens and coffee farms so that their members could get loans. Households that have fewer than 2 ha of coffee trees cannot borrow money.

Local officials said that, unlike other provinces, many households, including poor ones, engage exclusively in coffee production. When coffee prices dropped in early 2000, as previously noted, the majority of small farmers are now deeply in debt as a consequence. The bank therefore refuses to lend to any defaulters though they apply for loans with feasible farming purposes.

- ***The extension structure, with the lack of clarity between technical advice and resource management, made it hard to focus on extension services for the poor***

There are two different agricultural extension models in the two districts surveyed. In Dak'Rlap, extension functions come under the District Agriculture and Cadastral Service, while in Ea'Hleo the extension station stays independent. Dak'Rlap District leaders thought that merging Agricultural Extension Stations into the District Agriculture and Cadastral Service would help manage the program more easily. According to the Deputy of the Provincial Office for Organization and Personnel, this model is being replicated in other districts. However, in DakLak in particular and in the Central Highlands in general, the merging of the Cadastral Department into Agriculture Services in accordance with Decree 12/2001/ND-CP appears to be not appropriate as it inevitably leads to greater workloads and more complicated management, particularly when current managerial skills and the capacity of staff are still at issue.

The two districts set up agricultural extension clubs at commune and village levels. There are about 12 to 13 voluntary members in each club. Club members tend to be educated people and have to contribute fees. All informants felt it was not possible for the poor to become a member of the club. In fact, most poor people do not know about the agricultural extension clubs. It was suggested that clubs should be established for each target group, so that the poor has a club for the poor: "one should avoid the situation of a Grade 1 pupil having to learn with a Grade 10 pupil".

Another issue is the poor quality of agricultural materials purchased from distribution agencies: fertilizers, pesticides, animal breeds and crop varieties. Leaders in Quang Tan commune complained about un-germinated cottonseeds and really poor quality fertilizer. Heads of Ea'Hiao commune also had similar complaints. They thought that technical transfers were not effective since seed, fertilizer and pesticides were not of good quality. It is essential to have an agency to control the quality of these distributors.

3.2. Poor Farmers and Market Issues

- ***Failure to provide local farmers with market information***

Poor farmers in DakLak have bitterly 'tasted' the possible impact of a market-oriented economy characterized by regular fluctuation of coffee prices. Many households from the North came to settle in the fertile soil in DakLak with the hope of having a better life from growing coffee. However, the rapid drop of coffee prices in late 2000 put them deeply into debt. The first lesson learnt from this was that the lack of agricultural diversification caused too many problems. In recognizing this, farmers have been provided with technical support to diversify cropping patterns. Unproductive coffee areas have been replaced by rubber, cashew, cotton, coca, and annual food crops such as corn and cassava.

It was claimed that even with more agricultural diversification, poor people still faced difficulties from the lack of market information and distorted prices imposed by local merchants. Cassava growing farmers in Quang Tan Commune, for example, could not sell products. Farmers in Ea'Ral commune grew cotton successfully in the first year, but in the second year free traders started manipulating prices at the expense of these growers. Hybrid corn in Quang Tan was harvested in the middle of the rainy season and therefore could not be dried for sale.

Local farmers proposed that there should be an organization to take care of these problems. The extension service could play a key role, and should have done so, in providing farmers with longer-term market information, and to propose policies for the active control and regulation of local markets.

- ***Failure to prioritize investment to deal with burning issues***

There is a great need for more diversified agriculture as well as diversified sources of income. In fact, local investment policies in agriculture did not reflect this priority. Many proposals for dams to increase rice-growing areas were not approved, while loans or investment funds continued to be disbursed to areas of less priority like commune level offices. For example, farmers in Village 2, Quang Tan Commune, proposed a dam for some tens of hectares of paddy field that would support at least one fifth of poor households of this village to overcome their chronic hunger but they did not receive a reply. Villagers from Village 7C, Ea'Hiao commune, complained about the loss of their paddy fields because a private company had constructed a lake for raising fish.

3.3. How Can Agricultural Extension Help Ethnic Minorities?

- ***Agricultural extension workers should speak local languages***

Most ethnic minority people are poor farmers with low literacy rates, lack of production funds and inability to speak the common language, Vietnamese, fluently. To date, most district-level extension workers cannot communicate with ethnic minorities in local languages. The recruitment of local village-level extension workers did not help to address this issue. As already discussed, their modest allowance could not actually motivate them to have a greater commitment to their work.

- ***On the job training rather than theoretical training***

Findings from every group discussion and individual interview on the capability and ability of poor indigenous communities to apply new farming techniques showed that local indigenous people, even those who had obtained up-to-date information, just followed what other people did. Agricultural extension services did not help them much due to i) too many theoretical training opportunities offered once or twice a year; ii) the difficulty in communicating information about extension programs to indigenous villagers through the unsuitable forum of village meetings and with the problems of not having the information in their first language; and iii) farming technologies delivered by extension services not taking into account local knowledge and farming practices but just introducing new technologies that poor indigenous farmers could not afford.

Villagers who had participated in district agricultural extension services were asked what they had learned from the last program attended, but they normally did not remember anything. People proposed that there must be some form of 'on-the-job training in the field' for indigenous communities in DakLak.

- ***Providing support must go hand-in-hand with extension advice***

Almost all ethnic minority people interviewed felt that it was more important to work directly with indigenous villagers on how to improve their farming productivity, using models with low input. Further appropriate support must then be provided. The current support mechanism did not help much but it did raise people's expectation. A poor J'Rai woman in Jung Kuh said, "First people should know as much as they can about how to use loans or increase productivity. This would help to avoid dependent thinking on behalf of the local people and loan misuses. Loans in kind should be decided by the borrowers based on what they need, with the advice of agricultural extension workers".

- ***There should be extension services designed for ethnic minority communities***

Extension services should make use of local knowledge and traditional farming practices. Extension messages should be simple. The head of Ale B village suggested that more illustrative visual aids should be used. Students in literacy classes could use these materials for adult education as well.

E. QUALITY AND TARGETING OF SOCIAL ASSISTANCE

1. Quality of Social Assistance

New cropping patterns have largely replaced local farming practices and changed the landholding tenure system, but at the expense of the poor. Poor informants most frequently expressed that their difficulties came from an increased reliance on new cropping patterns. The new model in fact puts the local farmers up against the vagaries of market conditions, which are not generally in favor of poor and small-scale farmers.

Poor people suffer the most from the negative impacts of the depletion of natural resources such as land degradation, deforestation and depletion of water resources. People also suffer from natural disasters like drought and flood, illness, the increased flow of inter-country migration, and poor targeting of support programs. These are largely the result of external events over which the villagers have little control, especially natural disasters, the secured tenure system of the natural resource base, and international prices.

In several discussions, poor people did appreciate the support provided by various government schemes, confirming that they were helpful. But they also expressed the urgent need for a more responsive and pro-active social assistance system, rather than the current reactive system largely organized on an ad hoc basis. The majority of recipients claimed that they did receive support but, because of the cumbersome procedures causing delays, the payments did not come in time.

Some form of social safety net that takes the local socio-economic and cultural dimensions of poverty into account, under local people's perceptions, would be the most likely to assist in improving access of the poorest to social assistance. The absence of safety nets in the surveyed villages might be one of the reasons limiting the implementation of the best possible cost-effective social assistance scheme.

Box E-1: Social assistance did not help much because of a very long approval process

Chairwoman of village-level Women's Union, Village 7C, Ea'Hiao commune

Village cadres were active in making a list of those people who suffered from the serious drought that has taken place over the last few years. They submitted this to the commune and district for approval. But it took up six months for the approval process. On the other hand, some poor households in the proposed list were deleted without any consultation. In the end, people received 5 kg of rice per head, as support to those poorest families in the hungry period, but this was not at the time they needed it most.

Unlike the government poverty reduction programs and support presented earlier (see Section B), social assistance in DakLak was provided largely in the form of emergency relief on an ad hoc basis. Since 2000, due to serious drought, each poorest household received some support in kind, including rice, 5 kg of salt, 4 meters of cloth for each family member, and 5 liters of petrol.

Regular support is not well implemented in DakLak. There were only some special cases of elderly people who really suffered illness who received the support of 45,000 VND per capita per month. From 2000 to 2001, there were only 359 elderly people in

the entire province who received medical support from the program under Decree 07, Provision of support to disadvantaged groups.

According to the Department of Labor, Invalids and Social Affairs (DOLISA) and local officials, the risks associated with subsistence farming, illness and natural disasters constituted the major causes of poverty and vulnerability in DakLak province. Social assistance and emergency relief funds to a certain extent helped poor people overcome difficult circumstances, especially in coping with natural disasters that had taken place in the last few years. Regular support was provided to improve the living conditions of disadvantaged groups, including orphans and helpless children, and disabled people. Direct assistance was also given to provide basic necessities for poor families. An amount of 30 billion VND was spent on emergency relief from 1999 to 2001, and 10.2 billion VND from 2001 to June 2003. In addition to these funds, poor families in drought-affected areas were provided with twenty-five tones of rice during the last two years. Since 2002, an amount of 30 million VND was allocated to set up a rehabilitation fund for emergency relief for communes covered by the HEPR Program 135.

2. Social Assistance Targeting

A critical issue raised by villagers concerned the inadequate targeting of social assistance caused by insufficient classification of poorer households (see Section C 3.2.). This made the targeting of social assistance schemes a very hot issue. As the criteria for social assistance schemes in many cases was not clearly defined, and planning and decision making functions for targeted groups were almost always assigned to close kinship ties in the local administration system, grassroots people's initiatives and proposals inevitably received little attention. It certainly has resulted in poor targeting of support programs including social assistance schemes.

Box E-2: Lack of information about assistance schemes at the grassroots level

Group discussions at the commune and village levels in Dao Nghia commune

Most local leaders, officials and villagers were not well informed about Decree 07, the Provision of Support for Disadvantaged Groups, and its objectives. Some support for elderly people under the Decree was not put into operation in our commune until recently due to the lack of funding.

The villagers, and the poor in particular, have generally experienced a lack of information on social assistance and their entitlement to it. Poor people have a limited perception about what criteria are needed in order to obtain social assistance and are very passive when given social support from the government. This reflected insufficient communication at a grassroots level. The poor have kept their poor certificates in suitcases without a proper understanding of how to use them.

The study found that beneficiaries of social assistance schemes varied from one place to the other because the methods of putting the lists together were different. Local participation in the selection of the lists was minimal, though local government officials were committed to providing support to those with poor certificates and had reviewed the lists. Villagers at Village 7C, Ea'Hiao Commune, and Village 2, Quang Tan Commune, suggested a review of the lists using a process of active participation by the villagers.

Poor administration and coordination of social assistance is another issue that hindered the quality of programs. Currently in DakLak, disaster rehabilitation is managed in a fairly uncoordinated way by different government organisations and agencies. Overlapping and poor targeting often occurred as a result.

3. Poor People's Proposals

The most frequently cited proposal was the need for long-term intervention and more decentralized systems to make support in any form available to targeted groups in times of need. To improve the provision of rehabilitation assistance, for example in times of natural disaster, a fund needs to be set up. This should be easily accessible to those localities most hit by disasters. Support provided so far on an ad hoc basis has helped but it also raised too many expectations among local communities.

Box E-3: More sustainable ways to provide assistance according to the views of poor people

Leader group in AleB village, and men's group in Quang Tan communes

As a priority, more effort should be made to raise people's awareness on the nature of social assistance. Any forms of subsidies should exclusively be focused on the elderly, disabled, women-headed households or orphans without any relatives to assist them. For other poor families, development of a labor force, agricultural programs and vocational training are likely to be more appropriate.

In the absence of social safety nets, local people indicated that they first rely on extended entitlements from relatives and neighbors. In Ale B village, villagers confirmed the significant impact of common interest groups organized by the Women's Union. In these groups, several families voluntarily helped each other, with special reference to poor households and women, by offering loans, sharing experiences of cultivation and livestock raising. This is really a good point at which several inclusive development initiatives, that would further promote participation and empowerment, could be started.

Once again, two-way information dissemination should be given priority. Factors such as local customary practices and extended entitlements among local communities should be taken into account when implementing social assistance. In addition, community-based groups would benefit from continued support.

F. PUBLIC ADMINISTRATION REFORM

1. Achievements, Opportunities and Challenges

1.1. Achievements

Public administrative reform (PAR) has been piloted in DakLak, with technical and funding support from DANIDA, since 1997. All officials interviewed realized the importance of this reform and understood its long-term strategies. In the communes and villages visited, however, the majority of people interviewed do not have appropriate knowledge and understanding of the reform, as PAR has not officially started in their locality. Though it was still a bit early to discuss in detail, of course the perspective and view of government officials was that beneficial changes had taken place since the launch of PAR. These views may not only refer to potential changes brought in by the reform, but also reflect changes in general.

When discussing administrative reform, local informants frequently referred to i) the improved simplification of administrative procedures; ii) less time required for administrative procedures; iii) fewer unnecessary fees; and iv) better publicity of administrative procedures and their fees.

Box F-1: Example of PAR Results

There were many examples people gave of the positive impact of PAR :

In the past procedures for business registration required several papers such as the application form, copy of identity card, residential registration book, professional certificate etc. But nowadays one needs only the application forms for business registration. People used to have to go to the notary office several times to have their papers certificated but now, only once. Procedures for a land-use certificate required people to go to several related offices but now only it is only one, taking only ten days in total in comparison with more than a month in the past. If it used to take a long period of time for issuing a business-registration certificate for private enterprises, nowadays it takes just five days on average. The former procedure to settle social policies, such as policies regarding Invalids or revolutionary martyrs took so much time but it takes only, at the most, 26 days now. If people had no clear information about procedures for a land use certificate before, now the procedures are publicly posted at the reception office. People are well instructed in all the necessary steps in what to do, what kind of papers are needed and the fee for each step.

People who came to have some administration work done at Buon ma Thuot city's reception office said, "Now I know what to do, everything is clear for me. This makes me happy when leaving the People's City Committee".

Having completed its pilot, the Provincial People's Committee, in Decision 719/QD-UB of 10 March 2003, has formally approved the 'One Stop Shop' model (OSS) as part of the public administration reform program. According to the relevant provincial officials, it will be launched province-wide by the end of 2003. A provincial committee will be formed to coordinate the reform. Based on the experience of the pilot period, a detailed proposal on the model of OSS, with its working regulations and procedures, will be developed by this committee. According to the Provincial Office for Organisation and

Personnel, it is proposed that the piloted OSS will be adopted. This model primarily aims at improving coordination among key government agencies so as to simplify administration procedures in terms of reducing time, paper work, and unnecessary fees.

1.2. Challenges and Inadequacies

Challenges listed by local informants included i) the slow process to implement the reform; ii) no clear plan of action yet for the implementation, making the integration of this reform into the overall development less of a regulatory obligation; iii) lack of ability of staff working in the field; iv) lack of equipment and facilities; and v) lack of clarity about decentralized mechanisms at the grass-roots level.

Administration reform in Eakar District, Buon Ma Thuot City, KrongPac District and the Provincial Cadastral Department only began in May 1997. On 20 February 2002, the DakLak People's Provincial Committee approved the plan for reform implementation in the period 2001 to 2005. During discussions at the commune and village levels, it became clear that local peoples were not aware of public administrative reform.

PAR has initially brought about a general improvement in administration work. Most provincial officials interviewed, however, had concerns with the fact that the piloted OSS model only focuses on addressing bad practices and poor coordination, but as yet has little to do with organisational structure or government staff's capacity and commitment. This might lead to the unproductive situation of a 'new pot but old wine'; meaning that there might not be any qualitative changes in the long run.

It is hard to implement reforms in the field when DOLISA is not a member of the Steering Committee. The current procedure of issuing the land use certificate and settling land disputes is only carried out by the Cadastral Department. The procedure sometimes got stuck at the Tax Office. If DOLISA were a member of the Steering Committee, this would not have occurred because DOLISA would be in a position to push the procedure at the Tax Office.

There is a lack of clarity about the designation of responsibility in the administrative hierarchy. Any cases that the district could not solve were transferred to the province. The province in turn transferred them to the higher-level administration and waited.

The ability of staff working in the field is limited. Their salaries still remain too low. Key grassroots staff are poorly educated, and have limited knowledge about people's rights. Since workloads have increased, many leaders at provincial levels have had to undertake a lot more work that is not usually their responsibility.

At present, only Buon Ma Thuot City People' Committee has a photocopy machine. All birth certificates and some other papers had to be entered/typed into the computer, but there were not enough computers for all communes. One inhabitant in the TungKuh village of Ea'Ral commune complained that he had to travel on foot for 7 km to photocopy his documents, and he had to go there many times as the commune staff weren't satisfied with the poor quality of the photocopy.

All members of the steering committee of PAR at provincial and district level have to undertake this work as an additional task. For example, the Chairman of the province, head of the board, holds 15 to 20 different positions at the same time. It was the same situation at the district level. The Chairman of the district holds many other leading positions. Consequently, they spent only a little time on this work. They wished to have 26 hours per day so as they could spend the extra two hours on public administrative

reform work. Carrying out public administrative reform where the main protagonists have many different roles means that the implementer would certainly also be the supervisor of the work. This could mean that people would be placed in a compromising position. According to Mr Tri, the Deputy of the Provincial Office for Organisation and Personnel, it is necessary to have one agency that is responsible for public administrative reform.

There was a lack of clarity about the decentralization and devolution system. Recruitment of teachers for districts for example was decided by the provincial authorities, but why this could not be done at the district level remains unclear. Usually, staff selected from other areas did not have good experiences working in a new area, resulting in poor commitment to their work. Almost all teachers recruited by provincial authorities did not want to work at the grassroots level.

2. People's Proposals for Further Reform

- ***It is necessary to simplify banking procedures***

Villagers in Ea'Ral commune complained about the complex banking procedures that required them to go to the bank many times and to pay several kinds of fees. On average a borrower had to pay a sum of 300,000 VND for a loan of 5 million VND, depending on the relationship between the borrower and bank staff. It took people several visits to the bank to obtain a loan. As it is very far to travel from the village to the bank, in some cases people decided that they did not want to borrow money from the bank any more. The Communal Women's Union of Ea'Ral commune claimed that the late disbursement of loans was due to the borrowers' lack of knowledge of banking procedures, but also due to the too complex procedures imposed by the bank. Moreover, the bank requested that the Communal Women's Union have physical collateral when applying for loans, but under the regulations they should be able to obtain loans with social collateral only.

- ***Public administrative reform should be launched further at the commune level***

Public administrative reform was implemented only at provincial and district levels to date. A great distance separates villages from district centers, especially for poor villagers.

A legal service center was set up for the poor, according to provincial officials, but it is very difficult to get access to this service, as it is located in the provincial city. In the future such centers should be set up in the districts and 'one stop shop' administrative reform should be implemented at the commune level.

Box F-2: Poor people faced difficulties in dealing with administration procedures

Mr Dieu Duong, Village 2, Quang Tan commune, Dak'Rlap district

The son of Dieu Duong passed the lower secondary school exams in 2000. He wished to continue studying further at the higher secondary school but the family was so poor. Dieu Duong was advised to meet the district leaders to ask for a tuition fee exemption. When he got to the district he was told to go to the province and there he didn't get the information on how to continue the procedure. As a result the son of Dieu Duong had to leave school.

- ***Running training courses for the head and vice head of the hamlet***

Almost all village officials needed to be trained to improve their working ability and capacity. Villagers also complained about the village officials' poor accountability to villagers. In the course of clarifying poor households for example, many poorer ones were left out. Similarly, village officials could not deal with the critical issue of the shortage of land under Decision 132, so the number of households who experience a shortage of land is much higher than initially listed.

The financial allowance for village officials should be reconsidered. At the present time, allowances for the village head and deputy head are only 90,000 VND and 70,000 VND respectively. Under the hard conditions of traveling far distances from village to village, that allowance could not even begin to compensate for their work burden.

- ***A system of two way accountability should be strictly applied***

The villagers in Village 7C, Ea'Hiao commune, complained about the delay in issuing residential registration books for the whole village. Since late 2000, villagers also had to pay a considerable amount of money for land certificates but they have not received them yet. People therefore proposed to have clear incentives for those who performed well and vice versa.

Box F-3: Local administration failed to address land tenure issues

Mr Dieu Dinh, 53 years old, Village 2, Quang Tan commune

Mr Dinh has ten children, of whom five are married. His family has lived in the village for quite a long period of time and they have their land tenure certificate. In 1985 the state owned farm No 6 was set up. His land and other land belonging to villagers was seconded to the farm. In 1998 he and the inhabitants in the village requested that the commune solve the land tenure matter, but the problem remained unsolved as it is beyond the authority of commune-level officials. Since then there has been no concrete action on the issue. As a result, as many as 70 local households, out of the total of more than 80, decided to leave the village for more remote areas.

G. MIGRATION AND ENVIRONMENT

1. Migration in DakLak Province

After 1975, the Government of Vietnam had a policy of moving people from the Northern and Central provinces into the Central Highlands for the development of new economic zones. In addition to the planned migration, there has been 'free' inter-country migration as well. Migration increased rapidly during the period between 1995 and 1999 when coffee prices rose. As of the end of the first quarter of 2003, there were 557,652 migrants of which 181,000 of them were free migrants. About 30 percent of migrants come from ethnic minority groups such as Tay, Nung, Dao and San Chi, who came from Northern mountainous provinces. For the last few years, the majority of free migrants are H'Mong people. Most of them migrated to forests to reclaim lands for agricultural production. DakLak then faced the serious problem of deforestation, especially during the period between 1995 and 1999. Reclaimed land areas varied from household to household. Depending on their labor force and capital resources, some have more land than others. A busy land market emerged during the period of high coffee prices, with several land traders (also called 'land tycoon'), coming to forest areas to hire local people to reclaim land and then selling this land to migrants at a profit.

Though the flow of inter-country migration has reduced relatively in the last few years, it has been, and is currently considered to be, one of the main causes of poverty in Daklak province. The rapid increase of the population put pressure on local natural resources that in turn negatively affected local land tenure, particularly at the expense of the poor and indigenous communities. Almost all the people interviewed believed that inter-country migrants have overwhelmingly contributed to the rapid increase of population in the past twenty years or so.

1.1. The Situation for Migrants

- **Land shortage**

The causes of land shortages for free inter-country migrants can be listed as follows.

Selling off land: Not only native people but also free inter-country migrants suffered land shortages. Coffee production requires a lot of investment, apart from household labor. Direct investment in one hectare of coffee is about 10 million VND which is beyond the capacity of most poor households. They have to get loans from banks or other sources. When coffee price drop, their income is not enough to pay back their debts and they have to sell their land.

Hiring out the land: A six to twelve year land lease contract could bring a farmer 10 million VND per hectare⁵, making this an attractive option. In addition, high coffee prices increased the area of coffee-producing land so that some rich migrants could buy more land to expand into coffee farms. After selling lands to others, land sellers go further and deeper into forests to find lands that are in worse condition, steeper, farther from water sources and where the living conditions are more difficult.

⁵ In some areas, a directive was issued in which farmers were banned to sell off their allocated land. However, this problem still occurs in reality.

Box G-1: Landless farmers are considered to be orphans

Lam Van S, 31 years old, ethnic Chinese, Village 2, Quang Tan commune

Lam Van S came to Quang Tan in 2000 together with his wife and two small children. To make their living, he hired 3,000 m² from his father-in-law and lived in one small cottage built temporarily on that piece of land. He tried to reclaim 2,000 m² for paddy, but it was impossible to cultivate because of drought in dry seasons and flood in rainy ones. He wished to have money to build a fishpond on that land. Their main income source was from day labor, and working as a transporter and/or weeder in coffee farms. There were not many opportunities for wage labor when coffee prices dropped. He wanted to obtain a loan from the bank and borrow from their relatives to buy land for production.

• **Poverty**

According to the Provincial Resettlement and Sedentarisation Committee (PRSC), migrants to Daklak could be categorized into four groups.

- Rich migrants: very few, they bought land from people to set up their farms.
- Ethnic Kinh households living in towns and cities or in good land areas where there are favorable conditions for cultivation: they are often better off.
- Ethnic minority migrants (often Tay and Nung people) who came earlier than others: they are now mostly not poor.
- Ethnic minority migrants who came recently: they still suffer economic difficulties. According to the PRSC's statistics, there are about 13,000 households of this kind in the province.

The last group of migrants is ranked as the 'chronic' poor. They lack production lands and cannot permanently register since they do not have essential legal documents. It is difficult for them to access loans because they do not have red books. In Village 7C, Ea'Hiao commune, for example, there are only four out of 119 households who have red books. Thus, they have little choice but to borrow money at high rates of interest, sometimes up to 40 percent in any one season. In Dak'Rlap District, from 1986 to 2003, the population increased from 12,000 to 80,000 people, and 20,000 of these are not registered as permanent residents. They often sell their labor to earn a living. These migrants are living in remote areas with poor infrastructure systems. According to the PRSC, in some cases they settled deeply into the forests, but local authorities do not know exactly where they are.

• **Dropping out of school and low literacy rates among adult people**

The sharp drop in coffee prices, capital shortages, little land for food crops, and a shortage of irrigation water all result in low agriculture productivity. Because of this, children from poor households often have to drop out of school because their parents cannot afford the fees, or they are required to earn income for their families. The school drop out rate is high for both migrants and native people. The literacy rate among adult ethnic migrants is very low, especially for women. Local informants said that it is unlikely that illiteracy could be eradicated in these areas.

• **Debts and capital shortage**

Though the bank has rolled over some bad loans, poor migrants were afraid of not being able to make their loan repayments. The banks themselves faced great

difficulties, with a large amount of bad debts. A lot of poor people, including migrants could not find a way to clear their debts and waited for preferential credit policies of the Government to be applied. They live in hope that coffee prices will go up, otherwise, they are at risk of selling their lands. Many informants recommended that the Government should have more pro-poor and pro-migrant policies so as to create favorable conditions for these poor and landless migrants, for example, to settle their permanent residential registration or to provide loans with longer terms for production purposes.

Box G-2: Without a red book, poor household cannot get a bank loan

Trieu Van An, 35 years old, Tay ethnic, Village 7C, Ea'Hiao commune

Trieu Van An, a Tay person from Trung Khanh District, Cao Bang Province in the North migrated to Daklak in 1992. He bought 3,000 of upland from an Ede person in 1996 for 200,000 VND to grow coffee, and 1,000 m² of wet rice at 2.5 million VND in 2003. There are five people in his family who live in a small house with wooden walls of 25 m². Their main income is from coffee and wet rice, however, the productivity is unstable due to drought in dry seasons and flood in rainy ones. They experience food shortages from two to three months a year. During hard times, they work for neighboring villages at the rate of 15,000 VND per day. Not only he, but also the whole village cannot get bank loans for production purposes since they do not have red books.

- ***Less attention from local administration***

Free migrants tended to live in more remote areas, and local authorities therefore could not pay due attention to these groups of people. Migrants often complained that “the local communities are given more attention while we have none”. Dealing with the problem of land shortage, “we have to share among ourselves whilst local inhabitants are allocated with more land by the local government”. Many of the migrants are illiterate, which is why they could not get access to information particularly about government policies. Social assistance has focused on indigenous minorities but not on migrants who are also poor.

1.2. What Local Authorities and Indigenous Communities Think about Migrants

- ***Introduction of new technologies, new farming models***

Those who migrated to the province before 1999 often had certain levels of education and production experiences. Therefore, they could help introduce new farming techniques and develop large cash crop areas. A majority of informants, especially indigenous people, emphasized that migrants enabled them to vary their experiences of farming, especially coffee growing. However, migrants also created certain economic and social difficulties for the province in general, and indigenous communities in particular.

- ***Upsetting socio-economic development plans and natural resource management, especially land resources***

The large number of migrants caused heavy population pressure on local natural resources, upsetting local socio-economic development plans. For a lot of local officials and villagers, migration meant deforestation for agricultural production and residential

lands. The survey found that most of in-migrants first settled on the areas previously cleared by former inhabitants. They then started to expand their coffee farms through many ways, such as to rent in some pieces of land and/or to buy more land from local inhabitants, and to reclaim new land. These activities in any cases put much heavier pressure on local natural resources on the one hand, and consequently upset the local socio-economic development plans as well as land tenure management systems on the other.

Before 2002, a series of land conflicts occurred between migrants and local ethnic minority people, and between various migrant populations. Tensions on land tenure even occurred among different forest enterprises. At present, many cases have not been settled leading to petitions and tension between ethnic groups, namely the Kinh and Thuong people. The causes of land conflicts can be listed as being (i) migrants bought pieces of land from indigenous people and then started expanding further little by little; (ii) ethnic minorities practiced shifting cultivation and migrants reclaimed into the areas that the ethnic minorities had cultivated; (iii) areas of agro-forest enterprises were so large that they could not all be managed, so migrants encroached on the land and reclaimed it.

- ***Breaking social security***

It was claimed that life was safe and secure previous to the influx of migrants. Nowadays several social evils are prevalent, such as opium addiction. Local officials were also concerned that remote areas became homes for criminals. Indigenous inhabitants complained a lot about thieves.

1.3. Some On-going Measures to Stabilize the Life of Migrants

DakLak Province has made a lot of improvements to address the problems that face migrants, such as issuing residential registration and red books, and improving access to health and education services. Informants confirmed that support has been given to developing infrastructure systems such as schools, health centers, transport, domestic wells and irrigation. Migrants in areas under Program 135 still received the same benefits as other groups of people.

Supported programs to provide migrants with rice, oil, salt and cloths, to give exemption from school tuition and the school construction fee, provide free health care, and the provision of transportation fees and price support have been implemented for poor migrants in Area III. However, according to village-level informants, these supports helped migrants only for a short period with low effectiveness. For example, there is a school fee exemption policy, but other school expenses are too costly and, as a result, their children have to drop out of school. Or, for example, transportation fees and price support only benefit distributors since poor people do not have the money to buy materials.

2. Environment

2.1. The Degradation of the Environment and Natural Resources in DakLak

Total land for agriculture production has doubled in comparison with that in 1993, with an annual increase of 46,000 ha on average. A majority of newly reclaimed land has been used for cash crop production, notably coffee. Due to the rapid expansion of land for agriculture, the forest-covered area decreased from 90 percent in 1960 to 57 percent

in 1995, then further to less than 50 percent in late 1990s. For last 20 years, DakLak has lost 20,000 ha of forest every year⁶ on average. According to the local informants' view, the main reason for the deforestation has been rapid inter-country migration. Migrants have no capital, and they have had to reclaim forest land for farming purposes. The need for agriculture land by migrants in combination with the price increase of coffee and pepper speeded up the deforestation to a peak between the years 1994 to 1998. Besides, there were other subjective causes such as weak management of local forest enterprises, delays in land allocation and land zoning, and unclear and unreasonable administrative boundaries for land use planning, for example. As a consequence, serious natural resource degradation in the form of land erosion occurred. Due to deforestation, water sources become exhausted in the dry season, and floods occurred in the rainy one, causing great losses.

2.2. Environment and Hunger Alleviation and Poverty Reduction in DakLak

- ***The poor are more negatively affected by deforestation***

Farmers, especially poor ethnic minorities in mountainous areas, have relied heavily on natural resources from generation to generation. They have good knowledge about how to use and protect natural resources. However, 30 years of war, coupled with the rapid increase of population, has resulted in a lack of cultivated land for their use. After selling the cultivated land, many poor households had to move further into the forest for cultivated land, though living conditions were harder. As a consequence, forest land has been gradually converted into agricultural land of low productivity and with high levels of vulnerability.

Decision 132 issued by the Government has been a sound policy to meet the needs of local ethnic people. But there has still been many difficulties in addressing the issue of land shortage and tenure, and the unavailability of local land resources.

- ***The poor suffer most from land degradation***

Ethnic minority communities traditionally practiced shifting cultivation. Nowadays with increasing population pressure on available land resources, fallow periods must be inevitably shortened, resulting in declining soil fertility. Indigenous informants believe they need to get technical advice from the agricultural extension workers on how to maintain the fertility of agricultural land. Many poor people in Tung Kuh, Ea'Ral commune, experienced problems with poor harvests after only three to four cropping seasons, as they could not afford fertilizers or other agricultural materials. They have no options as there is no more unallocated land for them to move to. The coffee field was in the same situation. The productivity of coffee fields has rapidly decreased. However, increasing land degradation would require a larger fertilizer investment that the poor could not finance without taking out loans. That was why in Dak'Rlap and Ea'Hleo districts, poor people proposed that the bank lend money to them through the agricultural extension workers, who could then give them technical advice to use the loan more productively.

Living with the forest for generations means that ethnic people have a lot of knowledge and experience of forest management and protection. Nowadays with less and less forest and other natural resources to rely on, poor ethnic minorities feel they must integrate into the new economic environment, where, though they are a part of it, they

⁶ DakLak Land Office

cannot yet financially and technologically compete in it. One of the main socio-economic reasons for environment degradation is the fact that the local ethnic community is forced into separating from practices that traditionally protected forest resources. For indigenous people, policies on forest management and protection make the forest as a source of livelihood less attractive than that of developing industrial crops. To conserve and protect the forest resource – a difficult task – the Government must adequately support programs and policies that encourage the population to be fully aware of environmental issues. It should mobilize a wide-ranging movement to protect the environment, preserving and using natural resources soundly.

- ***Water sources become exhausted and contaminated***

The arable area for wet rice in DakLak accounts for only a small proportion of the total agriculture land in the province. The paddy productivity per capita in 2002 in Ea'Hleo and Dak'Rlap was just between 30 kg to 40 kg. Therefore, most households have to draw on upland farming for their food consumption and on industrial crops to supplement the family income. Cultivation on the upland depends heavily on water and soil conservation. The deforestation experienced in the last few years resulted in serious lack of water in the dry season.

Farmers have to water coffee farms four times per day in order to have a good harvest. This is difficult for many poor coffee growers as their fields are often far from water sources and the poorer soil in their fields, with low water holding capacity, made the cost of watering much higher. The Government has a program to provide each poor household with 5 liters of diesel oil for their water pumps, but this was just like putting a piece of salt in the sea.

It is more important to conserve the forest, elderly informants at Tung Kuh village, Ea'Ral commune said. "Please allocate the forest to the people, otherwise Truong Thanh Wood Furniture Enterprise will destroy it soon". Forest allocation for each household is a good policy. However, according to informants in Quang Tan commune, the payment for forest conservation was very low. People are paid only 20,000 VND to 30,000 VND per hectare, not 50,000 VND as stipulated in the policy, while they could earn 20,000 VND a day working for coffee-growers.

2.3. Environment and Women

- ***Firewood, heavier burden to ethnic Thuong women***

Unlike the ethnic Kinh, ethnic Thuong minority people (including Ede, M'Nong and other ethnic people) live in a matriarchal culture. Women do most of the housework, including fetching firewood and chopping wood. According to the women interviewed, they have to travel between 10 to 15 km to fetch firewood, as nearby forests no longer exist. There have been some initiatives to introduce improved cooking facilities using biogas, which would potentially reduce the current pressure to collect firewood. However, villagers found the installation relatively costly.

- ***Poor people hope to have enough fresh water for daily use and farming purposes***

Local people are very much concerned about the scarcity of water for farming activities, and even for local people's daily use, during dry seasons. For the last few years, several long spells of serious drought have taken place. Even with the supported water supply program to build wells in Dao Nghia Commune, local people did not get enough

water for daily use during dry seasons, as all the constructed wells were only 1.5 meters deep. The stream in Eatam sometimes dried up during dry seasons. In contrast, water levels in the stream rose so high during rainy seasons that they flooded large areas. As almost all the wells of local inhabitants are built close to the stream, so drinking water sources therefore became dirty and contaminated.

The intensive farming of coffee inevitably led to over-use of chemical fertilizers and insecticides, which in turn contaminated land and water resources. Coffee growers should use biological products to replace non-organic fertilizers and pesticides. However, the poor could not afford these environmentally safer but more expensive bio-products. It is necessary to have a policy to encourage and assist the poor to apply the new technology to ensure sustainable agriculture and ecosystem conservation.

- ***It is more difficult to ensure daily consumption***

According to commune-level informants, about 30 percent of the poor population rely heavily on forests for making a living. Products included timber as well as non-timber products like bamboo shoots, honey, rattan, and bamboo, for example. Villagers used a lot of timber for building materials, and for pepper pillars as well.⁷ Most of the houses of ethnic groups are made of wood. There are no official statistics on the amount of wood used for construction and pepper pillars. It is estimated to be a significant amount. Then it becomes very important to find a replacement material to reduce the pressure on the forest.

It has become increasingly difficult to collect both timber and non-timber products, as all forests have been over-exploited. Forest protectors have set up strict control over any forest products. However, several women said that now they have to work harder since the coffee price has dropped, they must “go to the forest once every two or three days to collect non-timber products mainly for our family’s use, and now we have to almost every day not only for our own use but also for sale”.

2.4. Environment Protection Measures: Difficulties and Challenges

- ***Forest allocation – a good measure but only on paper***

Leaders in Ea’Hleo district said that there are four forest enterprises which control and manage 60,000 ha of forest in the district. These enterprises have been requested to hand over forest lands to the communes for protection and management according to Decision 168/2001/QD-TTg. However, only small areas of protected forests have been allotted to the commune. Similarly, the handing-over of forest land in Dak’Rlap District has not occurred as planned, despite repeated requests to forest enterprises.

- ***Land use planning – a necessary measure but there have been many obstacles to translate it into action***

Lack of diversification has also been identified as one of critical causes of environment degradation in DakLak. Most of the arable land with basal soil has been used for coffee mono cropping, even though this land would be appropriate for other crops of high value. Diversified and multi-cropping patterns could help improve the income of local farmers as well as reduce risks associated with cash-crop monoculture like price fluctuation and natural disasters, for example.

⁷ According to Provincial Statistical Year Book, in 2002 the total amount of timber and firewood exploited was 168.005m³ and 1.088.491m³, respectively

To diversify agriculture activities, the first step should be to develop land use planning. At the same time, the agricultural extension services should focus on helping farmers to change their crop patterns, particularly by setting up appropriate extension models. The globalized market would certainly have its impact on the use of land, water and forest resources in DakLak as presented earlier. To prevent local farmers from being at the mercy of these external forces, it is necessary to diversify agricultural production activities.

In all the villages and communes surveyed, informants said that there have not been any clear plans and/or guidelines for diversification initiatives from either local administration or agricultural extension services. The Provincial Department of Agriculture and Rural Development developed a policy to promote short-term crops that would certainly be more beneficial for resource-poor farmers. But what kind of crop and animals would be good for the poor in DakLak is always a difficult question. Poor people really need some support, otherwise they end up producing products with low market prices (See Section D 3.2).

- ***Sustainable agriculture: not any work done though people talk about it a lot***

Under the monoculture system, the land quickly becomes exhausted if appropriate water and soil conservation methods are not applied. In the two districts visited, villagers said the coffee yields decreased from about 2 tones per ha a year, some five years before, to about 0.5 tones per ha now, or even no harvest at all. The same situation was observed in other areas under short-term crop cultivation in which the crop yield seriously decreases after two or three years. Crop productivity cannot be maintained or improved without sustainable farming techniques. Villagers said that extension workers and other leaders were involved in many discussions about sustainable agriculture, but there have been no concrete activities introduced to date. That is why villagers are becoming more concerned about the degradation of natural resources.

H. KEY FINDINGS AND RECOMMENDATIONS

1. Perceptions of Poverty

Findings

According to local people, there has been a significant reduction in the incidence of poverty over the past five years or so, but the actual progress made has varied greatly across different income groups depending on their initial capital assets, educational attainment and ability to apply new farming technologies and capture new income earning opportunities opened up by the boom of cash crop production. While some groups of people managed to experience financial improvement, a majority of indigenous and ethnic minority inhabitants like M'Nong, J'rai and E'De, stayed unchanged, and even became worse off. Findings from the research showed that the gap between the rich and the poor in rural areas is wider than that found in the urban area. For example, the average income of an ethnic minority household is only 52.9 percent of that of an ethnic Kinh household.

The reasons for being poor, identified by local officials, were attributed to the lack of capital, arable land, and knowledge and skills in which to take advantage of new investment opportunities, as well as the establishment of new markets that were not accessible to the poor. The majority of poor people interviewed thought poverty was caused by, among other things, poorly developed markets characterized by distorted prices for agricultural products due to geographical isolation, weak governance for the poor (in terms of the lack of suitable environments to promote the participation of poor people in decision making processes and empowerment, and lack of transparency in the financial management of programs and projects resulting in corruption), and lack of human resources and the weakness of the local administration at the grassroots level.

The boom in the coffee industry during the last decade was one of the main burning points in any of the discussions. It was the coffee sector that supported rapid economic growth in DakLak on the one hand, but put almost every small-scale coffee grower at risk on the other. The sharp price drop in the late 1990s drove many farmers into the poverty trap. Moreover, it was the boom of the coffee industry, coupled with the relatively abundant land resources in DakLak, which attracted a huge number of inter-country migrants. All of these factors put heavier pressure on local natural resources through changing local cropping patterns, upsetting the landholding of local people at the expense of indigenous communities, who could not technologically and economically compete with new market forces.

Government poverty reduction policies, programs and projects have played important roles in reducing the incidence of poverty through i) the development of infrastructure projects including electricity, roads, schools and health stations; ii) the improvement of basic services for the poor in terms of both quality and their coverage; and iii) the creation of employment opportunities for the poor. However, the mechanisms for administrating and managing these supported programs have not to a large extent suited the local conditions or customary practices. Poor targeting of government poverty reduction programs emerged as one of the critical issues.

The number of households ranked as poor and hungry was higher than that of the VHLSS for 2002. Under the circumstances, poor people believe that it will be very hard to halve the poverty rate in the next five years.

Recommendations

There should be a more workable mechanism in which the most appropriate agencies and organisations should be authorized to decide on what programs should be supported, who exactly are the targeted groups, and how to provide support. This should be undertaken in consultation with related departments, in order to replace the current system where there is lack of clarity about responsibility and an overlap in the administration of poverty reduction programs.

It is quite true that under the context of integration into the wider market, benefits in the new environment will not automatically reach poor people, who face many barriers to participating in the market economy. While policies at the national and even international level play a vital role, the way in which government and institutions at the local level operate is of great importance. Pro-poor policy needs to work at all these levels if the potential benefits of the integration process are to reach the poor.

An improved mechanism in which poor farmers are provided with sufficient market information, improved and relevant extension services, adaptable technologies and new skills, for example, should be created by the government and appropriate development actors. Local farmers face a huge number of barriers in taking up new investment opportunities, from the lack of productive resources to limited access to credit, limited access to information and technology, low skills and poor education levels, poor health, and lack of adequate food.

More involvement of local institutions, including the private sector, is essential in the remote DakLak Province, and the Central Highlands overall, as this involvement would potentially and effectively help small-scale farmers to diversify income sources through labor intensive investment. This may reduce the heavy reliance of poor farmers on Government support, which, due to many reasons like poor top-down assessment of needs and poor management, did not always effectively address the real problems of local poor farmers.

There should be a long-term investment in infrastructure so as to ensure more equitable development. Small-scale farmers, especially the poor ones in remote rural DakLak Province and in the Central Highlands overall, are physically disconnected from market opportunities through the absence or inadequacy of basic infrastructure such as rural roads, electricity, schools, clinics, market places, and communications.

There should be clear policies in place to conserve natural resources, namely to put under control the uncontrolled reclamation/conversion of natural forests for farming purposes. Concerning land tenures of poor ethnic minorities, current policies to promote multiple cropping patterns must be further enforced to prevent poor ethnic minorities from continuing to lose their fertile land.

The provision of financial services to poor communities is greatly needed in local communities. Access to credit is a particular problem for indigenous communities and for women as well. In general, poor people, who lack assets and have no savings to fall back on, are also particularly vulnerable in times of economic change.

2. Participation in Local Decision Making

Findings

Government policies, directives, poverty reduction programs and the rights of people as a whole were and are not always well known at the local level. Consequently local officials were still operating within a top-down framework in local planning processes. This practice reserves a rather narrow space for the participation of the people and communities, and does not define clear roles for other potential development actors. The current mechanism in DakLak is largely dependent on the ability and willingness of grassroots level officials to undertake increased planning and decision making, and to increase the public consultation process. In such a non-supportive environment, poor people in DakLak were and are minimally empowered. As a result, they are not confident enough to participate in any local planning processes with their limited knowledge and understanding about policies and about their rights to information and participation.

The perceived constraints hindering poor people's active participation and empowerment are largely associated with i) the lack of a clear regulatory framework defining specific responsibilities at each level of local government; ii) the lack of human capacity at the local level; iii) the absolute lack of funding in almost every district; iv) the lack of interest of people at the grassroots level in this area; and v) imbalanced representation of ethnic minorities and of women in local administration systems and other policy making organisations.

The practice of having grassroots people participate in decision making, as per the essence of the Grassroots Democracy 'people know, people discuss, people implement, and people review', is only in its early stages in DakLak province.

Recommendations

Under conditions of relatively low levels of education, there should be efforts to promote traditional community-level activities and practices through existing groups/organizations such as the Farmers' Association, Veterans' Association, Women's Union etc. To establish these grassroots organisations and keep them running, there must be appropriate training opportunities to enhance local heads' skills and knowledge in encouraging people's participation. Supported programs should be designed as a process to get local people involved in development work through a concrete program such as literacy within community development.

More importantly, there must be a strategic plan to ensure a balanced representation of different ethnic groups in the local administration and government organisations.

Local people are basically not much aware of any work supported or funded by different sectors other than that of government organisations. The poverty-focused work to support sustainable uses and conservation of natural resources greatly demands all program activities to respond to the problems and potentials of the physical, socio-economic and institutional environment. NGOs in this case have potential to introduce innovative approaches to create an enabling environment in which poor communities would have opportunities to participate in local planning and decision-making process. By doing this, poor communities would certainly be empowered to inform program designing, planning, implementation and any intervention through truly participatory poverty assessments, and to engage in debates for pro-poor policies and strategy formation. Greater advocacy efforts should be made to create some space for policy

debates of NGOs, given the fact that there remain some restrictions and controls on the intervention of civil society organisations in development work and policy advocacy.

3. Delivering Basic Services to Poor People

Findings

The education system in DakLak province has seen increases in the number of children attending school at all levels except pre-school over the last five years. Parents in all areas observed that their children now receive more education than they ever did. Even in the poorest families most children attended school long enough to learn to read and write, if not more.

At the primary and lower secondary education levels, there was not much difference in terms of access to education by children of school ages between ethnic minorities and the ethnic Kinh. Higher levels of education were, however, seen to be out of reach of poor families. School enrollment records showed that more children of ethnic Kinh could access higher levels of education than those of local ethnic minorities.

Interactions between the local education system and parents of school children in the studied villages were not beneficial to either party primarily because of i) no formal framework and forums that promote the participation and two-way communication between the school and the parents; ii) behaviour and attitudes of teachers; and iii) local villagers's low level of interest in education.

In term of health services, participants remarked that over the recent past their health conditions have improved due to better knowledge about prevention, and increased services. Improvements included more commune health clinics, vaccination and other health promotion programs, fewer epidemics and mortality from diseases, better knowledge of hygiene and sanitation practices, and greater availability of medicines.

Quality of service, however, at local health centers and at schools was a major concern. People frequently raised issues concerning the low skills and unprofessional behavior in both schools and clinics, and this indicates a serious problem in the delivery of health and education services. Parents were upset about teachers' behavior and perceived that it affected their children's motivation to learn, but did not know how to approach the system to address the problem.

At the same time, interviews with teachers and health workers revealed that they were also dissatisfied with the conditions of their work and the services they could provide. Many perceived they required more training. Improved understanding of and improved communication between the service providers and poor people therefore must be addressed in order to improve the quality of the services.

The cost of education and health services was a key concern in all areas under research. While systems are seen to have improved and become physically more accessible, resources are required to access them. Those interviewed did not express that they had less access than in the past. However, while opportunities have expanded, the ability of the poor to benefit from these improvements continues to be limited by a lack of funds.

Significant progress has been made both in terms of people's own investment in improving their health and education, and the investment of the state in providing more services over the recent past. However, in order for further advancements to be made

there is a need for greater emphasis on services to the poor and to remote areas. The issue of affordable services for the poor in education and health, in terms of lower contributions or insurance fees must be addressed to prevent an increase in the gap between the worse-off and the better off.

In recent years, agricultural extension has significantly contributed to social and economic development, with special reference to the poverty reduction of the province. A number of agricultural extension programs have been carried out, primarily for disseminating science and techniques, in the form of agricultural demonstrations, technical training, and the development and strengthening of agricultural extension systems at the grassroots level.

However, agricultural extension services have not fully delivered the intended benefits to poor people, since i) extension activities still practice top-down planning approaches whereby the extension services dictate what is provided to poor people despite these services being inappropriate to community needs; ii) technical transfer forms have been theoretically oriented and not relevant to local conditions; (iii) agricultural demonstrations have usually required high input while the poor all have a critical lack of funds for this purpose; and (iv) local agricultural extension workers have been both short in number and poor in qualifications and working approaches.

Improvement of access of poor people to these basic services will remain a big question in the course of hunger eradication and poverty reduction in the coming years.

Recommendations

The local Government has prioritized social equity in the health sector and has implemented policies to ensure that the poor have access to primary health care. However, the cost of medicines and treatments for serious illnesses take a major portion of the budget of poor families. To further improve access to health it is necessary to: i) identify and analyze options to eliminate affordability as a barrier to obtaining primary health care through reviewing the application of policies on cost exemptions in different parts of the province and effective follow-up to ensure policies are followed; ii) continue investment and allocation of resources for staffing, equipment and medicine for commune health clinics in poor and remote communes; iii) improve training programs for health workers to address poor quality issues; and iv) strengthen efforts to recruit and train ethnic minority and women health workers.

The findings of this study showed that both better-off and poorer families place a high priority on education of their children as a means to improve their conditions. Poorer families have made sacrifices to invest in their children's education but the need to pay various fees and contributions has become an increasing burden. It is recommended that: i) improved mechanisms be developed to verify that poor households are benefiting from fee exemptions and that cost is not a barrier to accessing primary and lower secondary education; and ii) investment in education and infrastructure facilities be continued in order to construct schools as close as possible to villages.

This study revealed a major concern among parents about the quality of the education they were receiving, the qualifications of teachers, and teachers' attitudes towards pupils and the community. To address these issues it is recommended that: i) in-service teacher training programs be increased in order to upgrade the knowledge and qualifications of teachers in remote areas; ii) financial and training incentives for teachers be improved to encourage a consistent professional approach to their work; iii) a professional code of behavior for teachers be established; iv) parent-teacher

associations be established to bridge the gap between the school and home to order to improve the education of children; and v) teacher training curriculum include components for liaising with parents in a respectful and participatory manner.

In term of agricultural extension service, there must be more practical services that meet the needs of the poor and ethnic minorities rather than a general approach that is applied to all communities. These include i) the development of extension approaches primarily focused on 'learning by doing' or 'on the job training'; and ii) diversification of extension networks through setting up extension clubs at the grassroots level.

There should be close links between extension services and credit programs so as to enable farmers to use loans more productively.

It has become essential to recruit local extension workers and provide them with training opportunities, focusing on approaches to work with poor people, and low input and sustainable agriculture.

As for some proposals to introduce insurance schemes to farmers, most people said that it should be piloted first as local people are not usually very aware of any schemes.

4. Quality and Targeting of Social Assistance

Findings

The risks associated with subsistence farming, illness and natural disasters constituted a major cause of poverty and vulnerability in DakLak province. Social assistance and emergency relief funds to a certain extent helped poor people overcome difficult circumstances, especially in coping with natural disasters that had taken place in the last few years. Regular support was provided to improve the living conditions of disadvantaged groups, including orphaned and helpless children, and people with disabilities. However, all forms of social assistance have been practiced only on an ad hoc basis. Though there have been more funding resources allocated for social assistance in the form of reserves for rehabilitation purposes, local people do not see this as the best solution. It is essential to set up a more accessible system for long-term intervention rather than the one-off assistance currently practiced.

There was a critical issue raised by villagers concerning the targeting of social assistance due to the inadequate classification of poorer households. As the guidelines for social assistance schemes were not always clearly defined, and planning and decision making functions were almost always assigned to closer ties in the local administration system, grassroots people's initiatives and proposals inevitably received little attention. It certainly resulted in poor targeting of supported program including social assistance schemes.

Recommendations

There should be a more responsive and long-term program of intervention to deal with the situation of vulnerability of poor communities, rather than the currently reactive system. Locally extended entitlements should be promoted to address timely issues and also to avoid too much expectation of government support.

Good social policies are needed to help poor people to cope with change and to take advantage of new opportunities. Rural people, with special reference to the indigenous communities in DakLak and the Central Highlands, need to have a better system of

social safety nets, for example, mutual interest groups to help each other, appropriate non-agriculture vocational training centers for indigenous inhabitants (preferably in the form of 'on the job training'), improvement of formal education attainment for poor children and adult literacy program. A more accessible and good quality health service is one of the urgent needs in remote areas.

It is strongly believed that good economic policies working together with good social services and social protection would potentially and effectively create an enabling environment and mechanism to protect those who may lose and be marginalized from rapid economic changes.

5. Public Administration Reform

Findings

PAR has only just been piloted in DakLak. Initial steps have brought in positive impacts such as the simplification of administration procedures, much shorter time for administration work, limitation of trouble and negative attitude, and making a good contribution to settling outstanding issues that have accumulated for many years.

This pilot administration reform has been just launched at provincial and district level. Poor people proposed that it be expanded into commune levels so as to improve the access of the poor to public administrative services.

Recommendations

In order to effectively increase the presence of PAR, a clearly defined framework should be set up with a competent government body to be assigned to coordinating all PAR work among related multidisciplinary agencies.

Capacity building for government staff becomes a top priority. Local government employees need to improve their knowledge and skills in policies, laws, regulations and procedures, and people's rights, and improve their behavior and attitudes.

There should be a clearer system of decentralization and devolution of authorities at each local administration layer to avoid overlapping management and inefficient coordination of programs, projects and public resources. The local government should treat as a priority the delay in issuing residential registration and land tenure certificates to farmers.

The increase of PAR at the grassroots level is an essential task, but it also largely depends on whether conditions and factors have been created that will sustain the system in the long run.

6. Migration and Environment

Findings

Inter-country migration has been, and continues to be, seen by local people as one of the causes of poverty in DakLak. The abundance of land resources with fertile soil, which is potentially lucrative for farming purposes, especially cash crop production, makes it very attractive to migrants from northern and central parts of the country.

A majority of inter-country migrants are poor farmers. They came to settle in DakLak with the hope of improving their living conditions. In most cases, they are seen as hard working people with good experience and knowledge of farming. But migrants also place the natural resource base under a much heavier pressure. The change of land tenures at the expense of poor indigenous communities, coupled with the degradation of local natural resources, has made the lives of the poor, including both indigenous and migrant inhabitants, more difficult. Landless migrants, though these do not number many, have been ranked as the poorest.

In the selected areas under research, migrants have been equitably treated, i.e. they can gain access to all poverty reduction programs and other services. However, great effort must be urgently made to provide migrants with residential registration and land certificates so that they can gain access to services like banking, for example.

Relating to environmental issues, local people most concerned about the changes in land tenure, land degradation, deforestation and depletion of water resources. Perhaps, most issues closely related to the expansion of coffee farms, leading to over-exploitation of the natural forest base. The more profitable but much higher-input coffee industry with mono-cropping patterns put the local natural resource base at high risks of degradation. The coffee industry development disproportionately benefited those indigenous and small-scale farmers due to their un-affordability. As result, good land was accumulated by better off growers, pushing poorer households back up high mountains and destroying forests for their living. Such adverse impact was inevitable unless these households apply more modern methods of cultivation and find alternative ways of making their living. The rapid removal of forests coupled with over uses of water for coffee production, high application of non-organic fertilizers and pesticides, polluted local water resources and more importantly reduced the water retention capacity of land for long-term uses.

Recommendations

Despite many discussions about the issue of inter-country migration, no clear solutions have been reached. Local officials have repeatedly proposed the importance of a long-term solution whereby the central Government keeps free migration under control. In the meantime, efforts should be made to ensure that inter-country migrants, with special reference to landless ones, get improved access to services and programs.

For the sustainable use of natural resources and the assurance of secured land tenure systems, together with the further enforcement of current policies and laws, any related local knowledge and customary practices which have been traditionally applied by local communities should be observed and promoted, for example, the allocation of land to local tribal groups.

7. In Conclusion

This project is an initial research project, conducted in a participatory manner in the field. More efforts will really be needed to explore in-depth insights into the socio-economic and cultural dimensions of poverty from the perspectives of the poor and other stakeholders, using truly participatory tools and techniques. It is hoped that findings from this research will actively inform planning processes at different levels and make a contribution to formulating pro-poor policies and programs that properly address issues concerning poverty and poor governance for the poor.

Basic Information About the Researched Communes

1. Dak'Rlap District

1.1. Dao Nghia Commune

The commune was established in 1960, with a majority of people coming from Quang Tri, Quang Nam and Quang Ngai provinces. It currently has 10 villages with 2,908 households. Buzara village is inhabited mainly by the ethnic M'Nong with 76 households in total (61 M'Nong and 15 Kinh households). The average land holding of the ethnic minority households is 1.4 ha/household, compared with 1.0 ha/household for the ethnic Kinh. More than 60 percent of the arable land in the commune is used for cash crop production like coffee, rubber, cotton, pepper and other crops. Paddy land is very limited at only 170.6 ha out of the total area of 17,474 ha commune wide.

At present, when coffee prices have slightly increased, farmers have started making more investment in coffee farms while really poor households have continued to destroy their unproductive coffee farms for annual crops like hybrid maize, legumes, vegetables, cotton and fruit trees.

The village selected for the PPGA is Buzara, one of the poorest villages in the commune. Of 76 households in total, 52 of M'Nong households (68 percent) were classified as poor and hungry by the local administration. Of the 52 poor and hungry households, more than half of them have poor household cards. In 2000 the income per capita per month of these poor households with the poor cards ranged from 40,000 VND to 55,000 VND.

1.2. Quang Tan Commune

Population

Population: 6,105 people

Population density: 47.13 person/km²

Ethnic people

	Households	People
• Kinh	950	3,858
• M'Nong	248	1,532
• Hoa	111	445
• Tay	11	57
• Muong	1	4
• Others	8	17

Area

Total area: 129.54 km²

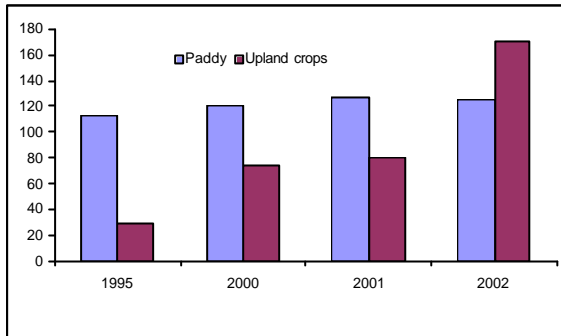
Agricultural land area: 5,476.09 ha

Forest land area: 3,983.80 ha

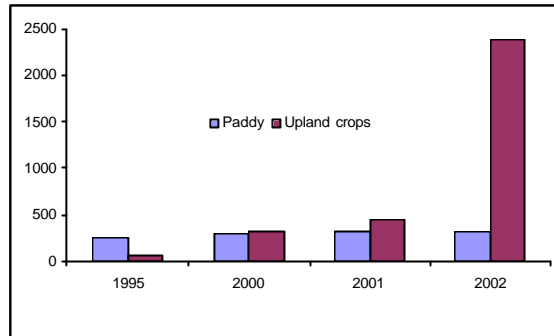
Unused land area: 3,015.87 ha

Economic Development

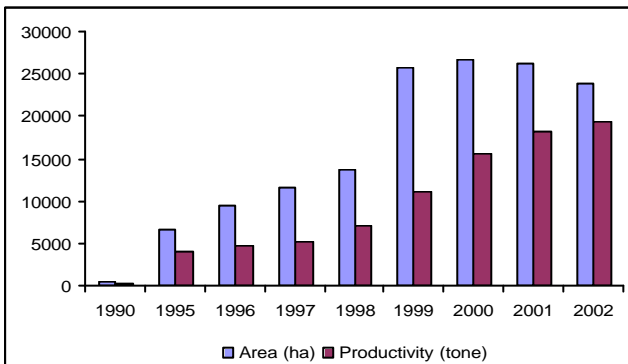
Cereal area by years (ha)



Productivity of cereal crops



Area and productivity of coffee by years in Dak'Rlap



Education

Primary School

Number of pupils: 684

Number of classes: 26

Kindergarten

Number of pupils: 93

Secondary school

Number of pupils: 320

Number of classes: 10

High school

Number of students: 150

2. Ea'Hleo District

2.1. Ea'Hiao Commune

The commune has been separated from Easoc commune since 1981. It currently has 23 villages with 2,333 households. There are 12 different ethnic minorities in the commune. Ethnic minorities include E'de, J'Rai, Tay, Nung, Giao, Muong, Thai, Cham, Chinese, Bana and Cao lan, accounting for 48 percent of the total population in the commune. It is categorized as a commune with special difficulties under the HEPR Program 135.

With a total natural area of 13,600 hectares, agricultural and forest land accounts for 44 percent and 47 percent respectively.

The average land holding of the ethnic minority households is 1.0 ha/household, compared with 0.5 ha/household for the ethnic Kinh. More than 70 percent of the arable land in the commune is used for cash crop production like coffee, rubber, cotton, pepper and other fruit trees. Paddy land is very limited at only less than 200 ha. There are some flat areas for paddy but local people face difficulties to irrigate these paddy fields.

There is a commune clinic with three assistant doctors and two nurses. There is a primary school with 25 classrooms for 50 classes. Total enrolment in 2003 at the primary school was 1,524 of which ethnic minority children accounted for 29 percent. The lower secondary school enrolment in 2003 is 645 (ethnic minority children accounted for 25 percent).

The village selected for the PPGA is Village 7C, one of the poorest villages in the commune and fully inhabited by ethnic minority migrants like Tay and Nung from Northern mountainous provinces. Of 109 households in total, only four of them have the residential registration. The figure on percentage of poor and hungry households classified by the local administration is not available. There are 21 households who have poor household cards. In 2000, the income per capita per month of these poor households ranged from 20,000 VND to 35,000 VND.

2.2. Ea’Ral Commune

Population

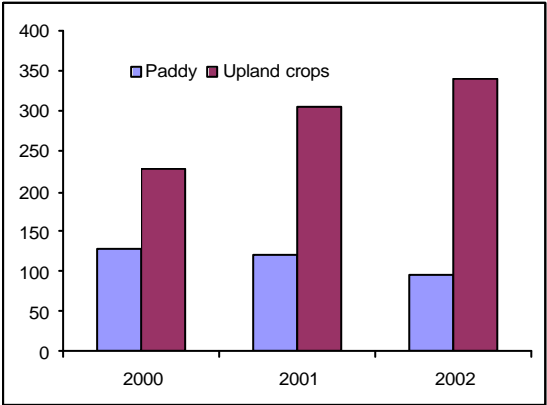
Population: 11,404 people. Females: 5,773; Males: 5,631. Population density: 158.23 person/km²

Area

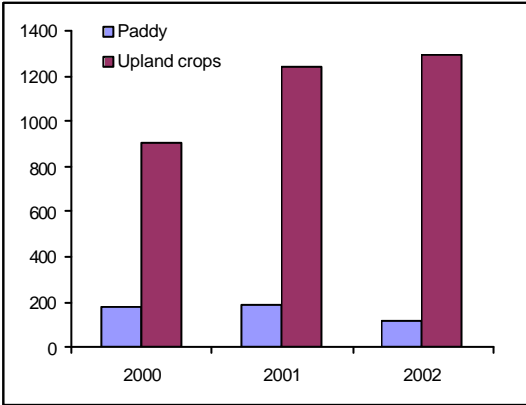
Total area: 72.07 km²
 Agricultural land area 4,231 ha
 Forest land area 1,509 ha
 Unused land area 1,247 ha

Economic Development

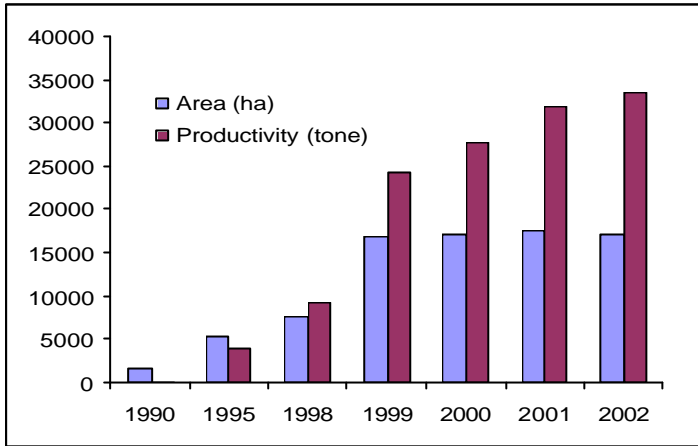
Area of paddy and upland crops by years (ha)



Productivity of paddy and upland crops by years (ton)



Area and productivity of coffee of the district by years



Education

One kindergarten school, two secondary schools and one High school branch

Health care

One health station with three staff, ten villages with health staff

3. Bon Ma Thuot City

3.1. Eatam Ward

Population

Population: 19,532 persons. Population density: 1,447 person/km²
 Total households: 3,848. Total poor households: 227, of which Kinh household: 84;
 Native ethnic households: 136; policy households: 2; others: 7

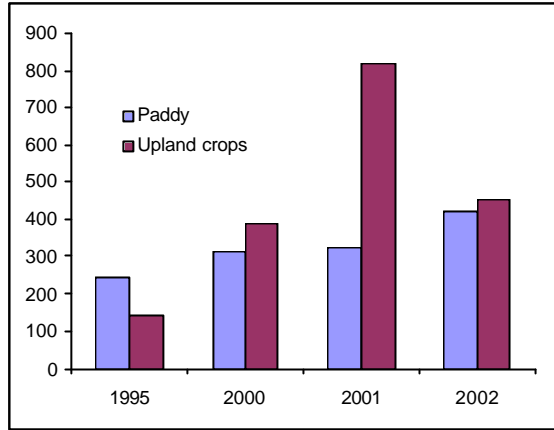
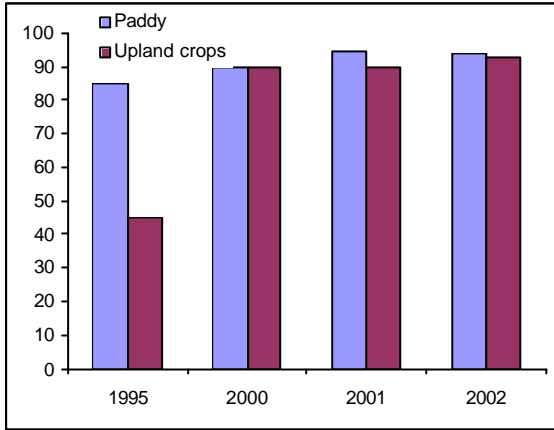
Area

Total area: 13.5 km²
 Agricultural land area 847.86 ha
 Forest land area 206 ha
 Unused land area 50.23 ha

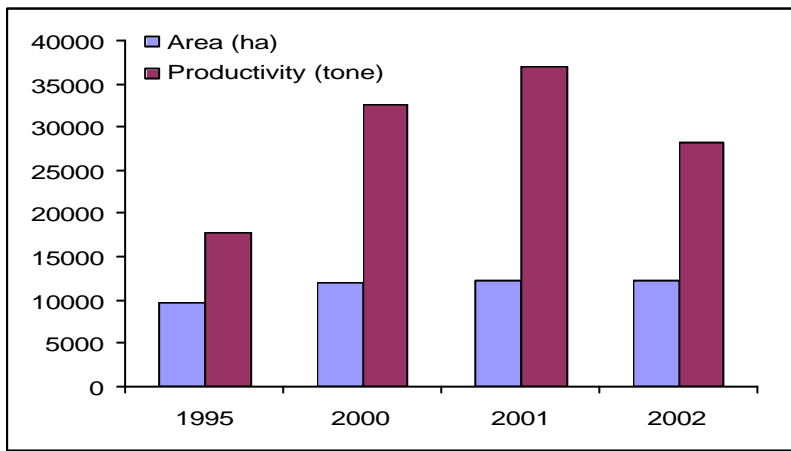
Economic Development

Area of paddy and upland crops (ha)

Productivity of paddy and upland crops (ton)



Area and Productivity of coffee of Buon Ma Thuot city by years



Health care

One health station with one doctor and two physicians

PPGA Team Members

No.	Name	Institutions/organisations	Remark
01	Tran Van Thuan	Department of Planning and Investment	
02	Nguyen Van Duc	Department of Planning and Investment	
03	Tran Thanh Tung	Dept. of Agri. & Rural Development	
04	Do Ngoc Sy	Dept. of Agri. & Rural Development	
05	Pham Mai Khanh	Dept. of Resources & Environment	
06	Hrum Nie	DakLak Women'Union	
07	Vo Thi Hoa	Provincial Trade Union	
08	Bui Cuong	Department of Health	
09	Tran Xuan Thuong	Dept. of Labor, Invalids & Social Affairs	
10	Nguyen Van Dung	Bon Ma Thuot City People 's Committee	
11	Nguyen Xuan Huong	Ea'Hleo District People's Committee	
12	Nguyen Quang	Personnel Office, Dak'Rlap District	
13	Le Thanh Cac	Dak'Rlap District's People's Committee	
14	Le Ngoc Tung	Ea'Hleo District Extension Station	
15	Tran Dinh Van	Ea'Hiao Commune People 's Committee	
16	Ksor Y Giap	Ea'Ral Commune People's Committee	
17	Luong Van Lam	Dao Nghia Commune People's Committee	
18	Khong Minh Ngau	EaTam Ward People's Committee	
19	Nguyen Tat Canh	Researcher, Agri. University, Hanoi.	
20	Ta Van Tuan	Senior Program Officer, AAV	
21	Ngo Minh Huong	Senior Impact Assessment Officer, AAV	
22	Tran Thi Nhieu	Senior Southern Program Officer, AAV	
23	Nguyen Quang Minh	Program Officer, AAV	
24	Vo Cong Hoan	Commune-level Coordinator, AAV	
25	Lo Van Huong	Commune-level Coordinator, AAV	
26	Pham Van Ngoc	Policy Research & Advocacy Manager, AAV.	Team Leader
27	Nguyen Nhat Tuyen	Gender and Development Specialist, VRM/ADB	

Report Writing Team

1. Nguyen Tat Canh
2. Ta Van Tuan
3. Ngo Minh Huong
4. Nguyen Quang Minh
5. Pham Van Ngoc

List of Organisations Interviewed

1. At the provincial level

1. Department of Planning and Investment
2. Department of Agriculture and Rural Development
3. Department of Natural Resources and Environment
4. DakLak Provincial Women'Union
5. Department of Health
6. Department of Education
7. Department of Labor, Invalids and Social Affairs
8. Office for Personnel and Organisation
9. Office for Ethnic Minority and Mountainous Region
10. The Committee for Population, Family and Children
11. The Provincial Red Cross

2. At the district level

The PPGA team held discussions and/or interviewed, either in groups or with individuals, representatives of district-level organisations, functions and agencies as listed above in the two selected districts and Buon Me Thuot City.

3. At the commune level

The PPGA team held discussions and/or interviewed, either in groups or with individuals, representatives of commune level administration, people's council, mass-organisations, and heads of villages.

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