

Poverty reduction in the Northern Mountains

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**a synthesis of
participatory poverty assessments
in Lao Cai and Ha Giang province
and regional VHLSS data**

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TABLE OF CONTENTS

Table of Figures	iii
Acknowledgements	iv
List of acronyms and abbreviations	v
Suggestions for discussion	vi
Summary	viii
1. Introduction	1
1.1 <i>Objectives of the provincial PPAs and the regional poverty analysis</i>	1
1.2 <i>Methodology of the provincial PPAs</i>	2
1.3 <i>The two PPA provinces and research communes</i>	4
1.3.1 Ha Giang province	5
1.3.2 Lao Cai province	6
1.3.3 The research districts and communes	6
1.4 <i>Structure of this report</i>	7
2. Perceptions of Poverty	8
2.1 <i>Improved well being and reduced poverty</i>	8
2.1.1 Well being improvements	8
2.1.2 Primary reasons for improvement of food security and income	11
2.1.3 Secondary reasons for improvements in food security and income	14
2.2 <i>Social equality</i>	18
2.3 <i>Vulnerability</i>	22
3. Participation in local decision-making and empowerment of poor households	25
3.1 <i>Grassroots democracy</i>	25
3.2 <i>Transparency, participation in budgeting, and local project management</i>	26
3.3 <i>Representation and monitoring</i>	28
4. Delivering basic services to poor people	30
4.1 <i>Education</i>	30
4.1.1 Pre-school enrolment	30
4.1.2 Primary school education	30
4.1.3 Secondary school education	33
4.1.4 Adult literacy	34
4.2 <i>Health</i>	37
4.2.1 General health care	37
4.2.2 Clean water supply and public hygiene	41
4.3 <i>Agricultural extension</i>	43
5. Quality and Targeting of Social Assistance	46

5.1	<i>Poverty criteria and targeting general social assistance programmes</i>	46
5.2	<i>Special social assistance</i>	48
6.	Public Administration Reform	51
6.1	<i>Recent improvements in public administration</i>	51
6.2	<i>Plans and suggestions for improvements in public administration</i>	52
7.	Migration	55
7.1	<i>Spontaneous migration</i>	55
7.2	<i>Seasonal migration</i>	55
7.3	<i>Organised migration</i>	55
8.	Environment	57
8.1	<i>Forest and land quality</i>	57
8.2	<i>Land, forest and livelihoods</i>	58
	References	60
	Appendix 1 VHLSS Regional Data Tables	61

TABLE OF FIGURES

Figure 1	Overview of interviews and meetings of the two PPAs	3
Figure 2	Maps: Northern Mountains region, provinces, districts and communes	4
Figure 3	PPA districts and communes	7
Figure 4	Comparison of well being ranking criteria in the 1999 and 2003 PPAs	8
Figure 5	Difference between local poverty perceptions and the MOLISA classification of poor households in the researched villages in Ha Giang province	10
Figure 6	'General poverty' rates in Vietnam and the Northern Mountains region by ethnic groups (1993-2002)	11
Figure 7	Highlights of production subsidies reported by the two PPAs	12
Figure 8	Increase in staple productivity and expansion of credit - Pha Long commune - Muong Khuong district	13
Figure 9	Poverty reduction rates by education completed - Northern Mountains	16
Figure 10	Poverty reduction rates by education completed – Vietnam	16
Figure 11	Percentage of households owning different durables - 2002	17
Figure 12	Growth in per capita expenditure by quintile of the population (% increase upon baseline)	19
Figure 13	Poverty gap index by ethnic groups (%)	19
Figure 14	Explanation of different poverty trends in statistics and perceptions of poverty – Northern Mountains region (1998-2002)	20
Figure 15	Education attainment - share of population	31
Figure 16	Education attainment by gender NE&NW region (share of population)	32
Figure 17	Education attainment by ethnicity NE&NW region (share of population)	32
Figure 18	Literacy rates women under 40 year old	35
Figure 19	Main illness in communes (share of total illness)	37
Figure 20	Proportion of children under 5 who are wasted (low weight for age) in 1997 and 2002 (%)	38
Figure 21	Mean number of under-15 children per household, per quintile of the population (NE&NW region)	39
Figure 22	Average health expenditure per household in 2002 (VND thousand)	40
Figure 23	Access to clean water (%) per expenditure quintile of the population	41
Figure 24	Percentage of poor households with hygienic latrines	42
Figure 25	Incidence of total Social Welfare Income for Vietnam and Northern mountains region by quintile (thousand VND/annum/capita) (1993-2002)	48
Figure 26	Incidence of Social Welfare Income in 2002 for Northern Mountains region by quintile (thous and VND/annum/capita)	49

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LIST OF ACRONYMS AND ABBREVIATIONS

AAV	Action Aid Vietnam
ADB	Asian Development Bank
CEWs	Commune extension workers
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DARD	(province, district) Department of Agriculture and Rural Development
DFID	Department for International Development (UK Government)
DHC	District Health Centre
DOET	(province, district) Department of Education and Training
DOLISA	(province, district) Department of Labour, Invalids and Social Affairs
DPI	(province, district) Department of Planning and Investment
FU	Farmers' Union
GSO	General Statistics Office
HDI	Human Development Index (as in the UNDP Human Development reports)
HEPR	Hunger eradication and poverty reduction
MOLISA	Ministry of Labour, Invalids and Social Affairs
MPI	Ministry of Planning and Investment
MRDP	Vietnam-Sweden Mountains Rural Development Programme (operated in several provinces; completed in 2002)
NE & NW	North East and North West region = Northern Mountains region
PAR	Public Administration Reform
PC	People's Committee
PPA	Participatory Poverty Assessment
PRA	Participatory Rural Appraisal – a methodology for community development and for example applied research, that makes use of 'semi-structured interviews', 'focus group' discussions, and several diagrammatic tools, and promotes facilitative behaviour
REFLECT	a participatory, PRA-based and Freire-based approach to adult education
UNDP	United Nations Development Programme
VDGs	Vietnam Development Goals
VEWs	village extension workers
VHLSS	Vietnam Household and Living Standards Survey (2002/03)
VLSS	Vietnam Living Standards Survey (1993/94 and 1997/98)
VND	Vietnamese Dong (at the time of the PPAs, July 2003: US\$ 1 = VND 15,500)
WU	Women's Union
YU	Youth Union

SUGGESTIONS FOR DISCUSSION

The following are suggestions for discussion, especially at the province level in the context of sharpening the implementation of the social economic development strategy 2001-2010. Discussions should be based on evidence from the VHLSS, provincial data, the two PPAs, and other well-researched materials.

TARGETING

Better targeting of poverty reduction and social welfare programmes is needed, because intra-community inequality is increasing. A ‘hard core’ of poverty is arising, with people who are difficult to help, including certain ethnic groups, many women, elderly, disabled, and so on. Simple classification as a ‘135 commune’ or not is no longer sufficient and the poverty criteria of MOLISA are not consistent with people’s perception of poverty: a large group of ‘near poor’ should be reached. Procedures for assessing who is ‘poor’ as per MOLISA guidelines are not always implemented well, and there is a tendency to distort data because of the benefits that being ‘poor’ may bring. Good targeting should ensure that the ‘dependency mentality’ is challenged, but ‘redistribution policies’ are needed. Good targeting means that subsidised goods and free handouts should be of good quality and arrive timely, where and for those who need it most. It requires more decentralised planning and implementation, and needs to be well-facilitated by skilful people. What should be done?

LIVELIHOOD DIVERSIFICATION

Livelihood support for people in the Northern Mountains has so far focused on (subsidised) input support, i.e. inputs into staple food production and also livestock. However, there are questions regarding increased or high vulnerabilities related to the weather, landslides and market prices. Cash crops, and their processing and trade, are being promoted by the Government, such as tea and some fruits, but past experience and the market outlook for tea suggest that there may be high risks for farmers, despite cheap credit. Some people, mainly young men, find seasonal employment in construction, inside and outside their communities, but there are reports of abuse and non-payment of those workers (especially ethnic minorities). *How can livelihoods be strengthened and diversified sustainably?*

LAND & FORESTRY

Tree planting has apparently not contributed sustainably to incomes of poor upland farmers: it was not an important factor in poverty reduction in the researched communities, despite major investments over the past decade. Tree survival rates may have been low, and local tree nurseries do not exist. Allocation of uplands has progressed, but allocation of forestland is not yet completed everywhere. Not all restrictions in land use are adhered to by local farmers, mainly because of the need to grow staple food. Perhaps land use restrictions can be eased, but that must be combined with widespread adoption of sustainable agro-forestry technology. That has been promoted, but has not been widely adopted yet. *What should be done?*

EXTENSION

In Lao Cai investment into the commune and village level extension system is considerably less than in Ha Giang, and it should ‘catch up’. However, in both provinces there is scope for improvement of technical and communication skills of these extension workers; there is scope for strengthening relations between them and district agriculture, forestry and livestock services; and at the district level ‘horizontal integration’ is needed for more effective service provision. Needs in highland and lowland communities are different and therefore services ‘on offer’ should be different. In general, the services and extension system should take a

‘household economy’ outlook, instead of a narrowly technical one, in order to respond better to local needs and develop opportunities in a participatory manner. *What should be done?*

CAPACITY BUILDING

Public Administration Reform is touching upon provincial and district administrations, and communes’ administrative and professional capacities are being reinforced in various ways. However, the critical roles of village heads need to be recognised better, and their capacities need to be strengthened with great urgency. They could be supported by a (young, educated) remunerated deputy head of village. In addition, communication with and development of highland communities requires rapid improvement of capacities of the adult population, for example through reinforced adult literacy programmes with appropriate contents and methodology, information supply in ethnic languages, and appropriate (reinforced) personal communication skills of commune and district officers. *What should be done?*

REPRESENTATION AND MONITORING

The commune People’s Councils; the Party; the commune People’s Inspection Boards under the Fatherland Front with village inspectors; the Mass Organisations; the commune Poverty Reduction Steering Committees; the commune Supervision Boards for supervision of Programme 135; etc., all have some kind of monitoring role and should contribute to improved transparency, more popular control, and the strengthening of grassroots democracy. However, their roles and powers are not always well defined vis-à-vis the commune PC and district departments; their members may be weak or ‘overlapping’ with the PC; and their means are limited. Women are strongly under-represented amongst these representatives of the local people. Discussions are often about development ‘inputs’ and ‘outputs’, instead of achievements such as poverty reduction and improved participation. ‘Streamlining’ (e.g. through mergers) and strengthening these bodies is a pre-requisite for further decentralisation, better project management and reaching other development goals. *What needs to be done?*

QUALITY OF EDUCATION

Education provision has very expanded, and now reaches the poorest villages. Primary school universalisation is nearly achieved in the midland communes, and can be reached soon in the highlands. However, kindergarten coverage is still limited, which reflects on Kinh language skills of ethnic minority children entering primary school; girls still drop out more easily than boys at all levels of schooling; relatively few children reach lower secondary school, and very few reach upper secondary school; and the quality of teaching at all levels is still limited. More and better boarding schools are needed; curricula that are appropriate to local livelihoods and cultures; more teachers who speak local languages and who can teach ‘Kinh as a second language’ to pre-schoolers and also adults (in literacy classes); and all teachers need to be trained further. *What can be done, within the existing resource constraints?*

QUALITY OF HEALTH CARE

Investment in health care services has increased substantially in recent years, and health problems have reduced substantially. The implementation of Programme 139 is gearing up, despite a somewhat slow start. There are substantially increased numbers of health workers at all levels, and also village health workers / motivators with some training and modest remuneration. However, there still is a high incidence of various preventable diseases; there are still high rates of malnutrition (that are not just caused by lack of staple food); safe water supply has not reached every village; and public hygiene is still very low in many villages, especially highland villages. *What can be done within existing resource constraints?*

SUMMARY

The Participatory Poverty Assessments (PPAs) in Lao Cai and Ha Giang province aim to complement the poverty trends observed in the Vietnam Household and Living Standards Survey (VHLSS) data. They focus on assessment of the causes of poverty and of poverty reduction, primarily from the perspective of citizens and local officials. The provincial PPAs also assessed participation, service delivery, the quality of social assistance programmes and targeting, public administration, migration, and environmental quality.

Interviews and meetings with local people and leaders were held in eight diverse and comparatively poor communes, i.e. four in each province. The locations in Lao Cai were also the focus of a PPA in 1999; those in Ha Giang were included in the sample of the VHLSS of 2002. Dialogues with officials at district and province levels were also held. Secondary data were collected at different levels, notably local statistics and provincial strategy documents.

In this report the local perspectives are put in the context of the trends that can be observed in the VHLSS data and in some other official statistics. The analysis focuses on the comparative effectiveness of Government policies and their implementation at the local level. These are articulated in the *Social Economic Development Strategy 2001-2010*, in further detail in the *Comprehensive Poverty Reduction and Growth Strategy (CPRGS)*, and in the strategies at province and lower levels.

The text also makes some recommendations, based on statements from local people and officials, and also flowing from the combined analysis of qualitative and quantitative data. In several cases these recommendations are related to current annual and medium-term plans of the two provinces.

The following is a summary of findings and recommendations.

Local explanations of poverty and poverty reduction

The people in the researched communes are still comparatively poor, but there is strongly improved food security and reduction in income poverty, even for the poorest households in the poorest communities. This is mainly because of ...

- subsidised inputs (fertilizer, seeds) and subsidised credit (for livestock)
- better market supply (of agricultural inputs) and better marketing opportunities (demand for maize, beans, flax, and livestock in the lowlands and China; transport and improved marketing infrastructure).

Local poverty statistics according to the national poverty criteria also show a strong reduction in poverty. However, well-being ranking reveals that despite improvements over the past few years, people still perceive high rates of poverty and also a lack of (staple) food, especially in the highland communes.

The main efforts are of course those of people themselves, and the improvements that they achieved were helped by various Government pro-poor policies and support programmes, which are partly funded by foreign donors.

Noticeably absent from the causes of poverty reduction, according to local perceptions, is upland / forestry land allocation and exploitation of trees and plantations. In some research

villages tea has become an important income earner, but effects of large tree planting programmes over the past decade or so (Programme 327, Programme 661, ...) on household income and food security were not claimed by local people and officials in the two provinces.

Secondary reasons for improvements in food security and incomes are

- agricultural land (re-)allocation played a role in lowland communes in the past five years, but this was unimportant for highland poverty reduction (formally allocated uplands were already in use for food cultivation, grazing, and collection of e.g. fuel wood).
- agricultural knowledge improvement (the agriculture and forestry extension systems seem more effective in Ha Giang, compared to Lao Cai) and general knowledge improvement (higher educational achievements).
- improved infrastructure (time savings from improved water supply and availability of electricity; improved information supply)
- improved health (strongly reduced malaria incidence; free health care)

The reduction in poverty in Vietnam and also in the Northern Mountains region is strongly correlated to the level of educational achievements, according to VHLSS data. The rate of poverty reduction for those with no primary school completion are lowest, they are higher having completed primary school, higher again for those with lower secondary school, etc.

The percentage of households who own durable assets has substantially increased.

The VHLSS data show that of the poorest quintile of households in the region 50.7%, 25.9% and 6.8% now own bicycles, TVs and motorbikes, respectively. This is a sharp increase since 4 and 9 years ago. It is corroborated by well being ranking: even in the poorest communes there are now several households with motorbikes, and a substantial number own TVs.

This will have significant impact on accessing information, communication, and trade. However, the poorest ethnic minorities in the highland villages still have limited access to this. Where the electricity grid has not yet arrived, only a few villagers have a TV, powered by hydro-electricity (as is still the case in one of the four research communes in Lao Cai).

Poverty reduced, but slower for some than for others.

In the VHLSS data analysis the GSO uses two poverty criteria that are determined following international methodology. The trend in ‘food poverty’ (in 2002 equivalent to household expenditure of approximately VND 115,000/capita/month) shows a decrease faster than the decrease in Vietnam, but it remains two times higher. The rate of ‘general poverty’ decrease is also higher than the national average, though the percentage of poor in the region is still 1.5 times higher than the national average – this criterion equalled in 2002 about VND 160,000/capita/month. Although total poverty in the Northern Mountains region is decreasing slightly faster than poverty in Vietnam, the share in total national poverty of the Northern Mountains region has increased since 1993.

The ‘food poverty’ amongst ethnic minorities increased slightly since 1998 in the Northern Mountains region, and stayed the same for the country. However, the ‘general poverty’ data shows that ethnic minority poverty decreased in the region, though much slower than that of the Kinh and ethnic Chinese, and is now nearly three times higher.

In addition, the poverty gap index suggests that the depth of poverty of the ethnic minority poor has hardly changed, whereas the depth of poverty of the Kinh and Chinese poor has

decreased substantially. This means that over the coming few years the latter may be expected to move out of poverty much more easily than the ethnic minority poor.

The VHLSS data ‘fits’ the qualitative data and local perspectives, and locally collected poverty data by MOLISA criteria (VND 80,000/capita/month in upland rural areas), although these all show improved food security and income, and reduction in poverty, also amongst ethnic minorities. This can be explained as follows.

- Poor people’s food security and income *did* improve substantially, as per their own perception, but the bulk of the ethnic minority poor stayed well below the ‘food poverty’ line of the GSO.
- Many of those moved above the MOLISA poverty line, but the local perception is that they are still (very) poor (which validates the correctness of the ‘food poverty’ criterion of the GSO).
- Some others were above the GSO’s food poverty line in 1998, and improved to above the ‘general poverty’ line of the GSO by 2002. This included ethnic minorities, but those are likely to be people from for example the Tay and Thai groups, and less likely to be for example Hmong or Dao, who are amongst the people in the highland PPA villages.

Intra-community inequality has increased.

The somewhat better off people in generally poor communities have improved their food security and income more than others. This can be explained by for example better education, access to credit (roughly 30% poorest households in the researched communities do not access credit for several reasons, including fear of not being able to repay), and labour availability in the household.

They can also improve livelihoods faster because they tend to have better and more land that is closer to water sources (especially compared to newcomers and newly formed households), and are slightly better educated and more able to adopt new production techniques.

This is confirmed by, for example, the regional household expenditure data in the VHLSS. The people in the poorest quintile in the region experienced a growth of 5.7% over the period 1998-2002 (below the 8.9% growth of the poorest quintile at national level), whilst the expenditure growth rate is higher for the ‘near poorest’ (9.6%) and higher again in each of the other quintiles (13.0%, 17.8% and 39.9% for the ‘middle’, ‘near richest’ and ‘richest’ quintiles). People in the poorest communes tend to be found in the poorer two quintiles.

The PPA teams feel that gender inequality may have remained as it was over the past few years. This means, for example, that amongst the very poorest there are still several female headed households. However, this cannot be corroborated by the draft regional VHLSS data.

A ‘hard core’ of persistent poverty is emerging.

The data from the PPAs and the regional VHLSS analysis thus suggest that despite recent poverty reduction, a ‘hard core’ of poor people is emerging, people who are not as capable of taking the opportunities offered by many poverty reduction measures, compared to others. This ‘hard core’ is made up of large numbers of people of certain ethnic groups, the lonely-elderly, disabled people, female headed households, and so on. And relatively many are found in remote, upland communities in the Northern Mountains region.

Local officials and local (poor) people feel that vulnerability has remained high, or it has even increased, because of ...

- subsidies and increased use of external inputs (dependency on external knowledge and supply; variable seed-quality; future fertiliser and pesticide needs may increase)
- landslides and soil erosion (major threats to sustainability of production, which may have increased, especially in Lao Cai)
- markets (increased dependency on traders; fluctuating prices; top-down production policies that are not guided by markets)
- low quality veterinary services (more cattle with cheap loans, but cattle death may cause debt spirals)

Participation in local decision-making and empowerment of poor households

People in lowland or better off communes perceive reasonable improvements in behaviour of officials, i.e. improved transparency, information supply, and consultation. This is because of ...

- implementation of the grass roots democracy decree
- gradually improving capacity and motivation of commune staff (higher status and pay; secondments of district and also province staff)

In the highland or poorer communities there is some improvement, but transparency is still low, information supply is limited, and little real consultation is taking place. This is because of ...

- (ethnic minority) villagers have limited Vietnamese language abilities, so that all information supply and feedback goes through village leaders and the village meetings that they lead; however, the leaders often have low literacy levels
- low capacities of commune and also district officials (there is a strong need for improved professional knowledge, facilitation and communication skills)
- low literacy rates and low status of women, that cause low participation of women in village meetings, and almost no role for women in leadership
- communication infrastructure is still lacking

People in all communes perceive little change in actual decision making and monitoring, for example regarding commune budgets and Programme 135 investments.

Transparency in planning, budgeting and expenditure, and local participation in project management should be enhanced. This requires major capacity building efforts and further decentralisation of responsibilities.

In all communes there is scope for improvement in the effectiveness of representative bodies, i.e. the People's Council, Mass Organisations, and the People's Inspection Board.

The People's Inspection Board is for monitoring infrastructure projects in cases where the district is the formal investor, which is common in the implementation of Programme 135 in the researched localities.

A suggestion for improving communication to local people is to provide feedback on development in their locality as per the CPRGS targets and indicators, instead of the

production outputs that are commonly collected (and reported). These indicators are more meaningful.

Delivering basic services to poor people: education

Enrolment in kindergartens has increased significantly, even in the remotest villages, but this is limited to 5-year olds, and therefore many ethnic minority children may still have limited knowledge of Vietnamese when entering primary school, because of ...

- a lack of infrastructure
- a lack of good (local) teachers
- limited awareness of the advantages of kindergartens
- costs (need to be carried locally)

Primary school enrolment and completion rates improved significantly, also for ethnic minority girls in highland communities, although they still lag behind boys, because of ...

- improved infrastructure
- more teachers with better pay
- free textbooks and materials in 135 communes
- higher awareness of parents regarding the importance of education
- teachers, who ask parents to send drop-outs back to school

This conclusion is supported by the VHLSS data. The ‘maximum education’ increased substantially over the past decade, and those without completing even primary school decreased – from 57.9% in 1993 to 41% in the Northern Mountains region. This is slightly higher than the average of Vietnam.

However, unlike the above conclusion on girl enrolment, the gender gap in educational attainments is unchanged around five percentage points for those who did not even complete primary school, which is below the country average.

The VHLSS data suggest that the ethnic minorities have been significantly slower at reducing the rates of those without completion of any school, in Vietnam and in the Northern Mountains region. However, the minorities in the Northern Mountains do better in their educational achievements when compared with the average of the minorities for the country.

The VHLSS data are not yet broken down by (main) ethnic group, which could show that the trends amongst some are positive (e.g. the Tay and the Thai), whilst others do not improve (e.g. the Hmong and Dao) – as was concluded from the 1993 and 1998 VLSS data.

Secondary school enrolment is still far from universal.

Costs for attending secondary school is prohibitive to many households in the poorer communes, especially for grade 10-12 (with schools in the district centre).

Additional reasons are that in some communities early marriage persists, and parents do not see the practical use of knowledge acquired in the highest grades. For enabling more ethnic minority children to attend secondary school more boarding schools are needed.

In the lowland and slightly better off communes the completion of grade 12 is seen as advantageous for getting non-farm jobs.

Adult illiteracy persists, especially in the highland communities. The literacy adult classes were ineffective in those areas, with high drop-out rates, because ...

- they focus on a limited age-group (15-25)
- there are few opportunities to maintain what was learned (e.g. newspapers)
- limited teacher quality and inappropriateness of teaching materials
- some women find it difficult to attend (evening) classes

It was claimed that in Lao Cai about 20% of the Women's Union leaders (of all levels) are functionally illiterate.

Improving the quality of education is now the main challenge, with more interaction between teachers and parents; more comprehensive curriculum (multi-year) kindergartens; more ethnic minority teachers (kindergarten, primary schools, adult literacy classes); better teachers; and curricula adapted to local (upland) reality.

Delivering basic services to poor people: health

Health care for the poor improved significantly, especially for women.

- Incidence of some diseases reduced
- There are lower birth rates, also in highland communities with Hmong and Dao
- There are more health posts / centres
- There is more staff, including village health workers / visitors (awareness raisers)
- There is free examination and free supply of drugs in '135 communes'
- There are improvements in safe water supply (e.g. free water tanks).

The VHLSS data confirm that the incidence of malaria reduced, relative to other health problems. Regional comparison of expenditure data suggests that in 2002 the average per capita health expenditure in the Northern Mountains was the lowest of the 7 regions.

The number of under 15-year old children per household has continued to decrease in all income (expenditure) quintiles. In the Northern Mountains region they are the same or slightly below the national average. Safe motherhood programmes have had some impact, but home deliveries persist, especially in the remotest communes. Indeed, the national health survey of 2002, combined with some VLSS data (1997) suggest that home deliveries are much more common in the region, when compared to the average in Vietnam.

The national health survey also shows that child malnutrition has reduced (e.g. wasting of under 5-year old children), but that the malnutrition rates in the Northern Mountains region remain well above the national average.

Low awareness of what the health services can deliver and unrealistic expectations persist, according to the two PPAs. Few people from remote villages visit district hospitals because of 'secondary costs' (travel, accompaniment of patients).

The quality of commune health staff and village health workers / visitors is still low, according to local people and officials, and many professionals are contracted from midland provinces. Provincial teaching for health-professionals and local health worker training should be reinforced.

A parallel system of drug supply through the market is emerging, primarily in the lowland communes. This is mainly accessible for the slightly better off. This indicates that the public system cannot satisfy all needs, but also that choice is increasing.

Implementation of free health care under Programme 139 is in the early stages, with lists of beneficiaries are currently being compiled. In Lao Cai the health cards will be issued but kept in the commune clinics – some people and officials expressed that this system may create possibilities for corruption (health workers declaring falsely that medicines were handed out, whilst illiterate local people cannot check their cards).

Clean water supply is not yet universal, and public hygiene is still low, especially in many highland villages.

Clean and safe water supply has improved, with Government and international funding. However, this needs to expand further, according to local people, especially in the remotest villages.

This is consistent with the findings from the VHLSS: despite a rate of increase above the national average, less than 8% of rural people and ethnic minorities in the region have access to ‘clean’ water, and fewer get ‘safe’ water. The PPAs found that care must be taken with water collection from (new, often donated) fibro-cement roofs, because of toxic chemicals.

Public hygiene is yet to improve in many highland villages, meaning that several disease-vectors persist. Indeed, despite some improvement, the percentage of households in the Northern Mountains region with hygienic latrines is still well below the national average, especially amongst ethnic minorities in rural areas. Improvements require concerted efforts of different services in promotion of alternative practices, notably the health services, veterinary services, and district departments that are responsible for rural water supply.

Delivering basic services to poor people: extension

The agricultural services contributed much to increased maize and rice productivity, tree planting and livestock production. This was supported by the extension system, but the quality of extension and access to technical knowledge by women and the poorest farmers is still limited, especially in Lao Cai. This is mainly because ...

- agricultural input supply shops in for example commune-cluster centres in the highlands have become more effective, notably because of transport improvements, steady supply of (imported) maize and rice seeds, and because supply of for example fertiliser on credit that is guaranteed by the Social Policy Bank (against the commercial lending rate of 0.7% per month)
- agricultural inputs are reasonably priced in remote highlands because of subsidies on the transport of fertiliser and seeds; the price of seeds has also been subsidised, but the subsidy is now decreasing
- agricultural input supply in the lowland communes has benefited from a steady expansion of the private sector
- high yielding variety (HYV) seeds were promoted (usually sterile hybrids)
- the provincial authorities provide interest-subsidies on loans by the Social Policy Bank and others, in addition to the subsidies from the Central Government, meaning that cheap loans are widely available in ‘135 communes’ – these loans are used especially for livestock

- training in various crop, tree and livestock production techniques by the extension and technical services

Commune extension workers (CEWs) in Lao Cai province remain low-paid, but in Ha Giang they are rewarded as ‘local civil servants’ and get remunerated much better. In Ha Giang there are also village extension workers (VEWs) with a small remuneration, but not in Lao Cai. In Lao Cai the CEWs should also become local professional staff, and the province should start investing in VEWs.

The effectiveness of the CEWs and VEWs in Ha Giang in promoting new technologies appears be higher than that of the CEWs in Lao Cai, but in both provinces they are not well connected to all the district and province agricultural services. Gender biases of extension and technical services are still prevalent, with male staff targeting male farmers.

It is suggested that the CEWs focus on communication and stimulating cooperation between (district) services and village leaders and MOs in order to respond to farmers needs. The aim should be to support the household economy.

The poorest farmers do not always access new technical knowledge from training, for example because of lack of time and lack of Vietnamese language skills. However, with further efforts at developing and using audio-visual materials in local languages they may also be reached.

Farmers’ clubs became inactive at the end of projects, apart from some input supply. However, traditional labour exchange is a forum for knowledge exchange, and continues to be important. The contents and methodology for pro-poor extension is not yet not well developed and applied. Particularly important is further improvement of veterinary services.

Quality and targeting of social assistance

Quality of targeting of social assistance has started to improve, but must improve further because of limitations in the scope of the criteria and inconsistencies in applying them. The Government’s income poverty criteria and process for assessment (guided by MOLISA) needs improvement, because data do not match perceptions, and often seem to be incorrect.

Many officials blame flaws in the survey process and dependency on the interviewers, who get little training. The data are thus inconsistent. In some cases poverty is under-reported. In other cases officials / interviewers seem to feel incentives to over-report poverty, because of the advantages that this may bring to the community.

By adding to the poverty assessment process a kind of poverty ranking of villages (for example in a meeting between commune PC staff and all village leaders of a commune) and well being ranking of all households (by groups of villagers) data may become more trustworthy, compared to the common practice that PC staff and village leaders make lists.

The income criteria are not always appropriate, for example in poor wards of rural (upland) towns the criteria of VND 150,000 / month/ capita must be applied, and yet in adjacent communes it is VND 80,000 / month/ capita. In addition, to be classified as ‘not-poor’ with an income just above the poverty line does not mean the household is rich. The ‘near-poor’ should also be targeted, because small incidents may cause them to fall back into poverty.

The main targeting instrument until now is the classification as a ‘135 commune’, or not. This is based on a range of criteria, with a stress on the community rate of income poverty, the quality of physical infrastructure, and remoteness. A ‘poor-certificate’ now has little meaning in 135 communes, though in future it will have significance for accessing credit.

However, with gradual improvement of infrastructure and economic growth (that benefits the better off more), intra-village poverty analysis must become ‘sharper’. The bulk of assistance is now through production incentives (notably interest subsidies), but some of the poorest cannot work themselves out of poverty, though others can.

Nevertheless, the Lao Cai PPA suggests that the ‘near-poor’ (by MOLISA criteria) should also be targeted by certain programmes, because they may fall back into poverty easily.

Newcomers to the communities, i.e. people whose residence has not (yet) been officially recognised tend to benefit less from social assistance programmes, and they are not considered for land allocation. However, their children are usually allowed to attend school.

The suggestion has been made to link direct assistance for certain social groups and villages to improvements in e.g. hygiene conditions and vaccination. A degree of competition or ‘conditionality’ could motivate villagers to clean up, and the criteria for rewards should indeed be widely agreed, and the poorest and most vulnerable should not be excluded.

In addition, the researchers and some local people and officials agree that there is a continued ‘dependency mentality’ amongst the population and officials. Local capacities have improved only modestly, and some so called ‘social evils’ persist.

Special social assistance programmes are highly appreciated, but they are generally modest in contributions, and some can be targeted better.

Special categories of people, including the disabled, orphans, war heroes, and elderly people who live alone, are targeted by a range of programmes. These programmes are delivered routinely. The benefits are small, e.g. 12 kg/rice/month for the disabled and lonely-elderly.

In cases of emergency relief following natural disasters the tendency has been to provide relief to all villagers, instead of the most affected and / or the poorest, including cases of distribution of free fertilizer.

There were some complaints about late delivery of some emergency assistance. There were also cases of low quality of in-kind free handouts (e.g. a case of goats in Ha Giang that died soon after distribution) and low quality of subsidised seeds (an example in Lao Cai).

A surprising VHLSS finding is that social assistance (excluding pension and other insurance payments to officials and retired officials) is positively correlated with expenditure: the poorest quintile of the population in the Northern Mountains gets least, and the richest quintile gets most. This phenomenon should be carefully analysed by the authorities.

The local communities themselves, i.e. neighbours of victims of natural disasters or for example house fires and of lonely-elderly and for example disabled people also provide important (regular) assistance, voluntarily.

The focus of planning, delivery and monitoring of social assistance, production incentives and emergency relief should move further to the commune and village level, especially the decisions on welfare targeting. The Ha Giang PPA suggests that commune level emergency assistance funds should be created under the local Red Cross or Fatherland Front.

In Lao Cai some people stressed the need for (better quality) legal services, especially for settling land disputes.

Public Administration Reform

PAR has not yet affected the upland districts, and has had limited impact elsewhere.

The registration of new enterprises is for example supported with a ‘24 hours green light’ policy in Ha Giang, and lowland districts such as Boa Thang in Lao Cai have started to integrate agricultural services at district level.

The status and remuneration of commune officials is being upgraded, including some ‘technical staff’. The poorest communes often get one or more staff who are seconded from the district and also the province, and who may for example have the role of vice-chairman of the PC. In the highland communes the local capacities are so low that in some cases this means that external people effectively manage the commune.

The two provinces also plan to place young graduates in communes, in support of the PC and as a way to gain working experience (natives from the localities).

The existing needs for improved public administration are strongly related to the capacities and resources at all levels, including the village level.

The need for decentralisation and horizontal links remains, across the two provinces, for example between agricultural, forestry and veterinary services. Project management should be decentralised along with developing stronger commune capacities.

There is scope for streamlining the ‘poverty reduction board’ and various project management teams that may have been set up at commune level. The former is mainly for the classification of households as ‘poor’ or ‘not-poor’ according to Government criteria and does not seem to take on other roles, in practice. Project or poverty reduction boards should be well connected to specific district departments, in order to be able to access support.

These boards should include the ‘professional staff’ of the commune PC (who may be seconded from the district or province). In fact, both provinces are developing a policy of attracting local intellectuals and placing newly graduated students in commune PCs, for gaining practical experience and supporting the weakest communes.

Upland village leaders are in fact a ‘one-door shop’. Their capacities need to be increased, and (young) deputy village leaders with small remuneration could greatly improve two-way communication and consultation of local women and men.

Migration

Migration is not a burning issue in Ha Giang and Lao Cai.

However, there are some topics that need careful attention by policy makers. Spontaneous migration to for example the Central Highlands has been halted, but the causes of such migration in the period prior to 2002 need continuous attention of the authorities. The local

authorities should make big efforts to protect unskilled (ethnic minority) workers from abuses by contractors. And organised migration, i.e. resettlement needs a learning attitude and full consultation and involvement of the population and local authorities concerned.

Environment

Forest quality and coverage may have decreased in quality in the researched communes and districts in Lao Cai, and improved in those in Ha Giang. Land slides and soil erosion still occur in several parts.

The combined regional VHLSS data and the qualitative surveys (with a focus on just 4 communes per province) are not entirely conclusive on forestry trends (cover, quality) and causes of the apparent difference between Ha Giang and Lao Cai. Ha Giang seems to have made more efforts in capacity building and motivation of extension workers, has progressed faster with (forest, ‘barren’) land allocation.

Slash and burn agriculture has become rare in both provinces. Officials in Lao Cai have halted forestland allocation because this would be used for expansion of maize cultivation. However, there are also reports that state-owned forest enterprises have converted forest for cash crop cultivation.

Other environmental problems include continued occurrence of landslides and soil erosion, and pollution of stream from for example building materials and pulp plants.

Local ideas for improvement of environmental quality focus on awareness raising, strict implementation of forest protection policies, and subsidised tree planting programmes.

Livelihoods can be supported significantly with amended policies and implementation of land use rights and extension.

There are reports from Lao Cai that some of those who were allocated sloping land in the 1990s leave some of that fallow, whilst others (newcomers, newly established households) lack land, and ask for re-allocation. This is a sign that the value of land and of ‘Red Books’ (Land Use Certificates) is now perhaps more recognised than a few years ago.

Some people now realise the benefits of trees, with increased markets for timber. Furthermore, traditional ‘spirit forests’ still exist, despite past deforestation. This suggests that there are opportunities for creation of village tree nurseries and private sector support for local initiatives in tree planting. This is a departure from current practice of seedling multiplication by the forestry services – however, long transport distances and delays were associated with low tree survival rates in past planting programmes.

Most upland that was allocated should formally be used for trees (forestry, plantations) but much is in practice used for crops. Success in terms of further improvements in food security and income generation through local investments in land, crops and trees may depend on relaxing restrictions in land use (but the land user should of course remain responsible for protection of land quality), and good communication of land use rights and obligations.

There remains a strong need for sustainable agro-forestry technology for soil protection with intensification of crop, fodder and tree production. Technological options should consider limitations labour availability in poor households, and immediate food and income needs.

1. INTRODUCTION

1.1 Objectives of the provincial PPAs and the regional poverty analysis

Over the period July-August 2003 two participatory poverty assessments (PPAs) were done in the Northern Mountains Region, in Lao Cai and Ha Giang province. The aim of this was *to capture elements of poverty and its causes that are not sufficiently understood at present and / or are difficult to measure through a formal household survey*¹.

More specifically, the PPAs should do the following:

- Provide a better understanding of poverty and its determinants
- Assess current patterns of participation in local decision-making
- Assess current service delivery mechanisms
- Assess current coverage by social assistance programs
- Analyse effectiveness of current government policy measures
- Build capacity of local level officials and researchers
- Support the government in the implementation of the CPRGS², through filling analytical gaps and capacity building at sub national levels of government
- Help strengthen the monitoring framework of the CPRGS, for example by defining indicators related to governance and service delivery

It was stressed that the PPAs should provide *perspectives* of citizens and local officials, on the causes of poverty and poverty reduction, success with the implementation of various social development policies, etc. This synthesis report summarises these perspectives from the two provinces, and compares them.

In addition, the provincial PPAs and this regional synthesis should help in getting *a better understanding of how good current approaches of targeting are, and how to revise them to get more appropriate indicators for targeting of anti-poverty programs and better approaches for poverty monitoring at different levels*³.

Targeting currently happens in several ways, for example through lists of poor households according to the national poverty standards issued by the Ministry of Labour, Invalids and Social Affairs (MOLISA). Poor communes are identified according to criteria agreed under ‘Programme 135’, making them eligible for various infrastructure investments and also various social support programmes. Large-scale internationally funded programmes may use slightly different criteria for identifying poor communities and social groups.

The assessment of social development in the two provinces is seen as complementary to the analysis provided by the third round of the Vietnam Household and Living Standards Survey (VHLSS)⁴. The aim of the VHLSS is to update poverty trends in Vietnam, through a common set of indicators for all regions. This includes assessment of progress towards the Vietnam Development Goals (VDGs), and calculation of the Human Development Index (HDI). This

¹ See part 3 on Participatory Assessment in: ADB/World Bank (2003)

² The CPRGS (Comprehensive Poverty Reduction and Growth Strategy) is was approved by the Prime Minister in 2002 – see: SRV (2002)

³ See part 2 on Targeting Mechanisms in ADB/World Bank (2003)

⁴ This third round was completed in 2002. The previous two rounds were called Vietnam Living Standards Survey (VLSS), and were done in 1993/4 and 1997/8.

report includes some preliminary analysis of regional VHLSS data and compares them with the qualitative data from Ha Giang and Lao Cai and some other official statistics.

The analysis focuses on the comparative effectiveness of Government policies and their implementation at the local level. These are articulated in the *Social Economic Development Strategy 2001-2010*, in further detail in the *Comprehensive Poverty Reduction and Growth Strategy* (CPRGS), and in the strategies at province and lower levels.

During the PPAs many informants made suggestions for improvements and expansion of poverty reduction strategies and programmes. The analysis of the qualitative data (including the perspectives of officials and local people in the two provinces), the comparison between the two provinces, and the comparison with the quantitative data from the regional VHLSS have also led to suggestions for improvement.

In some instances we have put these suggestions in the context of the current social economic strategies and plans for the coming years in Lao Cai and Ha Giang. However, this report does not pretend to present a comprehensive analysis of these strategies, and of course even less so of the strategies of other provinces in the Northern Mountains region. This report should be seen as a contribution to discussing and perhaps improving the provincial strategies, based on the data, and based on the CPRGS – this is ongoing and will get international support in several provinces.

1.2 Methodology of the provincial PPAs

The PPAs in 12 provinces and cities were all based on a concept note by World Bank and ADB staff⁵, and discussions (‘experience sharing’) between core researchers and staff of donors and Government were facilitated by e.g. World Bank staff. This concept note articulated the objectives of the PPAs (see section 1.1) and the main topics. A ‘possible outline’ for the PPA reports was circulated before the fieldwork took place.

The methodology for engaging with officials at all levels and citizens in the selected communes was informed by past experience, national and international⁷. The draft PPA methodology and list of detailed questions for dialogues with citizens and officials was tested in Ninh Thuan province. This ‘test’ was important for agreeing a refined set of questions, which remained closely linked to the CPRGS targets.

Research teams, based on the guidance provided, prepared detailed research plans for the PPAs. The research team in Lao Cai was led by Hanoi based experts with extensive experience in the Northern Mountains region, including Lao Cai. The core of the team in Ha Giang was made up of staff of Action Aid Vietnam, who run a development programme there. The two teams also included a number of provincial and district officials, who were trained at the outset of the fieldwork.

Interviews and meetings with localmen and women, children, and with leaders were held in eight diverse and comparatively poor communes, i.e. four in each province. The locations in Lao Cai were also the focus of a PPA in 1999; those in Ha Giang were included in the sample of the VHLSS of 2002. Dialogues with officials and leaders of mass organisations at district

⁵ The two provincial PPAs in the Northern Mountains region in 2003 are reported in DFID (2003) and AAV/UNDP (2003)

⁶ ADB/World Bank (2003)

⁷ See for example the PPA in Lao Cai of 1999: MRDP (1999). See also Norton *et al.* (2001).

and province levels were also held. Secondary data were collected at different levels, notably statistics and provincial strategy documents.

The interviews and meetings were ‘semi-structured’. Open-ended questions and topics for discussion were prepared in advance, and the researchers encouraged discussion and dialogue, which is quite different from questionnaire-based research. In these dialogues the researchers used various participatory tools, including well being ranking, seasonal diagrams, cause-effect diagrams, daily time use charts, and various forms of (matrix) ranking.

An overview of the interviews and meetings by the two PPA teams is given in figure 1.

Figure 1 Overview of interviews and meetings of the two PPAs

Ha Giang							
<i>interviews/group discussions with the participation of 504 people, of which 205 were women, and 87% are from ethnic minorities (Hmong, Tay, Dao). Specifically: 7 group discussions with provincial departments and mass organisations 12 group discussions with district departments and mass organisations</i>			<ul style="list-style-type: none"> • 8 interviews with commune leaders • 8 interviews with village heads and staff 4 groups of teachers 4 groups of children 20 interviews with groups of heads of households 41 individual household interviews. 				
Lao Cai							
level	group discussions	participants	participants divided by				in-depth interviews
			male	female	Kinh	ethnic groups	
province	1	16	12	4	15	1	11
district	7	48	41	7	38	10	15
commune	12	131	111	20	50	81	25
village	25	258	156	102	64	194	71
Total	45	453	320	133	167	286	122

The methodology has some obvious strengths and limitations.

It is very suitable for articulating the *perspectives* of interviewees on the causes of poverty and poverty reduction, the quality of social services, etc. – indeed, the assessments sought out the views of specific groups, including children and ethnic minority women. The PPAs are also strong in explaining some of the trends observed in quantitative social economic data. These were amongst the agreed objectives.

However, at the time of the fieldwork the trends observed in the VHLSS were not yet known. Furthermore, even the comparison of multiple perspectives (of different stakeholders) does not necessarily uncover the objective causes of for example poverty or poverty reduction.

The PPAs interacted with officials at different levels, but focused on just 4 communes in each province, and just a few villages in each commune. This limits the validity of the findings with regards to the district or province, i.e. extrapolation of the findings must be done with care. This is despite informed sampling, i.e. the selected communes represent the diversity in the province, and yet focused on the relatively poor communes.

The weaknesses were addressed in different ways. The teams of researcher-facilitators made an effort to ensure non-threatening situations for interviews and meetings, enabling people to speak freely. The researchers also probed, so that a degree of depth of analysis was achieved during the meetings / interviews. Furthermore, the teams compared their (initial) findings with local statistics and other secondary resources, and organised meetings at several levels to validate draft conclusions and recommendations. The use of multiple tools in the semi-structured dialogues also enabled a degree of cross checking ('triangulation').

1.3 The two PPA provinces and research communes

The maps in figure 2 show the provinces, districts and research sites of the PPAs.

Figure 2 **Maps: Northern Mountains region, provinces, districts and communes**

[insert maps]

1.3.1 Ha Giang province

Ha Giang province borders China to the north, and the provinces of Tuyen Quang, Cao Bang, Lao Cai and Yen Bai. The total population is 632,500 people, and includes 22 ethnic groups. The five main ethnic groups are the Hmong (31% of the population), Tay (25%), Dao (15%) Kinh (12%) and Nung (10%). Ha Giang is divided into 9 districts and 1 town. 88% of the people live in rural areas.

Based on geographic and climate characteristics Ha Giang can be divided into three distinctive zones:

Zone 1: the northern high rocky mountains, with Dong Van, Meo Vac, Quan Ba and Yen Minh district, which are among the 9 ‘most difficult’ districts in Vietnam.

Zone 2: the western hills with two districts, Hoang Su Phi and Xin Man.

Zone 3: the low mountainous area with 3 districts, Bac Quang, Vi Xuyen, Bac Me, and Ha Giang Town.

Ha Giang was ranked 60 out of 61 provinces and cities as per the UNDP’s Human Development Index in 2001, i.e. it is the second least developed in Vietnam. It had in 1999 the lowest GDP of all provinces and cities of Vietnam, at VND1.52 million per capita, according to the same source⁸. Nevertheless, according to provincial data, economic growth in Ha Giang was 10% per year over the period 1996-2002, and GDP per capita was VND 2.14 million in 2002 – this is above average national GDP growth.

Ha Giang is gradually shifting its economic structure toward services, commerce and industry-construction. In 2002 about 48% of the provincial GDP was generated by Agriculture, Forestry and Fishery, which was 62% in 1995⁹. However, the industrial base in the province is still small and has remained without foreign investment. In 2002 local contributions counted for only 18% of the province’s total budget (of VND 953 billion¹⁰) – the rest came from the central Government.

According to the ‘new’ MOLISA criteria, 26% of the population was poor in 2001. By the end of 2002 this declined to 18%, whilst local authorities claimed that there were no ‘hungry’ households in the province anymore¹¹. Ha Giang town had the lowest rate of poor households (2.4%) and Meo Vac district was the poorest (38%)¹². The Hmong are the poorest ethnic group (50% of all poor households in 2001), and the Kinh and Tay are the better off groups.

Of the total of 191 communes/wards in Ha Giang, 142 are classified amongst the ‘most difficult’ communes in Vietnam, which benefit from ‘Programme 135’ and other special support measures. In Xin Man, Dong Van and Meo Vac all communes and the districts towns (wards) are ‘135 communes’.

⁸ NCSSH-IoS (2001)

⁹ Ha Giang Statistical Year Book 1996

¹⁰ Report of Provincial People’s Committee 2002

¹¹ The ‘old’ MOLISA poverty line (often called ‘food poverty line’) was based on kg of rice per capita per month: 15 kg in rural mountainous areas, 20 kg in rural lowland areas, and 25 kg in urban areas. The ‘new’ MOLISA poverty line (since 2001) is based on income per capita per month: VND 80,000 per capita / month in rural mountainous areas, VND 100,000 in rural lowland areas, and VND 150,000 in urban areas.

¹² *Mid-term Review Report of the Ha Giang HEPR Board*, July 2003

1.3.2 Lao Cai province

Lao Cai province also borders China to the North, and Ha Giang, Yen Bai, Son La and Lai Chau provinces. Lao Cai consists of 9 districts and 2 townships, and 180 communes and wards of which 138 are ‘Programme 135 communes’. It has a total land area just over 8,000 km². Agricultural land per capita is nearly 1500 m². The total population is around 620,000 so the average population density is about 77 people/km².

Lao Cai has one of the main border gates, and the main rail link between Vietnam and China’s Southwest – big investments are currently taking place in for example Lao Cai town to take advantage of the economic growth opportunities that this offers. Lao Cai is also the ‘home’ of one of the main tourist ‘hubs’ of Vietnam, Sa Pa town and district, which brings increasing investment from the lowlands and now also from abroad.

Nevertheless, Lao Cai was ranked 56 out of 61 provinces and cities as per the UNDP’s Human Development Index in 2001, i.e. it also belongs to the ‘low human development’ group of provinces in Vietnam. It had a GDP per capita of just VND 2.11 million in 1999¹³.

Income per capita in 2001 was just VND 2.5million, i.e. considerably far less than the VND 3.5 million average of the country. By the ‘new’ MOLISA poverty line, the poverty incidence of the province in 2002 was 19%.

Lao Cai is home to 33 ethnic groups which gives rise to extremely complex patterns of locally adapted land use systems and socio-cultural characteristics. In the midland areas Kinh, Tay, Thai, Lao and Giay ethnic groups predominate. The Hmong, Dao, Nung, Phu La and several smaller ethnic groups tend to live at the higher elevations. The largest ethnic groups are the Kinh (approximately 33%), Hmong (20%), Tay (13.7 %) and Dao (12.5%). Many rural communes and villages have two or more ethnic groups living side by side.

The economy of Lao Cai is predominantly agriculture based. In the midland areas farmers practice mixed farming systems including wetland rice and rainfed hill crops, and intensive home-garden and forest-garden production systems that combine livestock, horticulture, forestry and fisheries. There are greater market opportunities in these parts of the province. In highland areas farmers are more reliant on rainfed agriculture, with terraced rice and maize.

1.3.3 The research districts and communes

The communes in Lao Cai where the PPA took place were also included in the 1999 PPA¹⁴, and the four Ha Giang communes were included in the 2002 VHLSS. They are all classified as ‘135 communes’ but they are diverse in terms of comparative well being and income, infrastructure and remoteness, ethnic make up, and agro-ecological zone¹⁵.

They should represent some of the diversity of the two provinces and the Northern Mountains region, but conclusions cannot be extrapolated to other communes, districts and provinces without other information and very careful interpretation. The districts and communes where the PPAs took place are given in figure 3.

¹³ NCSSH-IoS (2001)

¹⁴ MRDP (1999)

¹⁵ This report labels some communes and villages as ‘highland’ or ‘upland’, which is taken as synonymous, and others as ‘lowland’. The latter are in reality ‘midland’ communities, which is also used in some places.

Figure 3 PPA districts and communes

Ha Giang	Lao Cai
<p>Sang Tung and Thai Phin Tung communes in Dong Van district in ‘zone 1’, the high rocky zone with the poorest districts. The population is mainly of Hmong ethnicity. Sang Tung and Thai Phin Tung often face severe shortage of water in dry season. Thai Phin Tung is not yet connected to the national electricity grid.</p>	<p>Pha Long and Ta Gia Khau communes in Muong Khuong district are in the ‘highland’ area with difficult access and weak infrastructure. The communes are border communes to the north. Pha Long and Ta Gia Khau often face severe shortage of water in dry season. Ta Gia Khau is not yet connected to the national electricity grid.</p>
<p>Thuan Hoa and Cao Bo communes in Vi Xuyen district, i.e. ‘geographic zone 3’, the low mountainous area (but Cao Bo is in fact in the ‘clay hills’, and represents ‘zone 2’).</p>	<p>Ban Cam and Phong Nien communes in Bao Thang district in ‘midland’ area with generally good access and infrastructure. The communes are along the road Lao Cai – Yen Bai (Hanoi).</p>
<p>All four communes are classified as ‘135 communes’.</p>	<p>All four communes are classified as ‘135 communes’.</p>

1.4 Structure of this report

The structure of this report follows closely what has been suggested at the design stage of the regional poverty assessment process, and indeed the structure of the two provincial PPAs.

Chapter 2 describes and compares perspectives on poverty and poverty reduction, and presents some of the initial analysis of regional VHLSS data in this regard. This includes a brief discussion of vulnerabilities, and inequalities within communities, between ethnic groups, and between the Northern Mountains region and the rest of the country.

The participation of local people in decision-making is discussed in chapter 3.

In chapter 4 we discuss the delivery of social services: education, health, and agricultural extension. The health section includes aspects of public hygiene and drinking water supply, even though that is elsewhere presented as part of ‘the environment’.

The quality and effectiveness of social services is presented in chapter 5. This includes a brief discussion of current targeting of poor people by various programmes.

Public administration reform has not yet had much impact in the two provinces, but there is some, which is discussed in chapter 6. Migration is discussed in chapter 7¹⁶.

In chapter 8 environmental aspects are discussed, with a focus on forestry and the use of hill and mountain slopes for agriculture, which are centrally important to the poor people of the region and indeed the rural people in the two provinces with PPAs.

Finally, in several places the reader finds a box with a suggestion for further discussion, especially by officials at the province level, and also the national and the district level. These suggestions are also presented on page vi.

¹⁶ We do not discuss urban poverty issues in this report, unlike reports of other regions, because they are not prominent in the Northern Mountains region and were not addressed in the two PPAs.

2. PERCEPTIONS OF POVERTY

2.1 Improved well being and reduced poverty

2.1.1 Well being improvements

Local perspectives on improvements in well being were discussed in groups of men and women, with leaders, and in household interviews. This happened in several villages of each of the researched communes. Figure 4 gives two examples.

Figure 4 Comparison of well being ranking criteria in the 1999 and 2003 PPAs

Xin Chai An upland and remote, border village in Pha Long commune, Muong Khuong district, Lao Cai		Coc Sam No. 1 A midland and easily accessible village, Phong Nien commune, Bao Thang district, Lao Cai	
1999	2003	1999	2003
<p><i>The richest:</i></p> <ul style="list-style-type: none"> - Have more land than others - Crop fields are closer to home and more fertile - Good livestock raising skills, cattle and poultry is less vulnerable to disease - Have buffaloes and cows (3 heads on average) - Food sufficiency year-round - Solid wooden house 	<p><i>The richest:</i></p> <ul style="list-style-type: none"> - Have abundant upland fields - Have motorcycle - Have television, rice husking machine (no access to electricity in 1999) - House of high value - Abundant cattle (3-4 heads), abundant pigs - Abundant paddy, maize, bean yields - Can afford fertilizer - Business minded - Proficient in Vietnamese 	<p><i>The richest:</i></p> <ul style="list-style-type: none"> - Have cash income – a number of households save and lend money - Food sufficiency year-round - Have motorcycle, television, other furniture and appliances - Some have wooden house or beautiful brick house - Children all go to school - Have cattle and some have a rice husking machine 	<p><i>The richest:</i></p> <ul style="list-style-type: none"> - Stable income: salary or from service provision - Developed livestock raising (especially pigs) - Do trading at market - Have road-facing house - Have cultivation land (except teachers) - All have tile-roofed house, television
<p><i>The poorest:</i></p> <ul style="list-style-type: none"> - Do not have cattle, have to borrow cattle for ploughing etc. - Have remote and less fertile land - Short of labour - Staple food shortages 3-4 months / year - Do not raise livestock or livestock vulnerable to disease - Dilapidated beds with no mosquito net - Some do not work as laboriously as others - Young couples which have just separated from parents 	<p><i>The poorest:</i></p> <ul style="list-style-type: none"> - Have few cattle, pigs - Old couples, disabled, divorcees (women headed households) - Not business minded - Many children; children are small - Staple food shortages of 1-2 months / year - A number of households have house with cement sheet roofs, - Beds with mosquito nets - Workers for others (growing vegetables, maize, beans; weeding) - Children are less educated - Not proficient in Vietnamese 	<p><i>The poorest:</i></p> <ul style="list-style-type: none"> - Short of crop land, land is less fertile - Vulnerable to sickness and disease - Few children go to school - Temporary house with thatched roof - Have little furniture, only bed and table - Short of food for 5-6 months a year - Less connection with community and outsiders - Have to sell their labour to get income 	<p><i>The poorest:</i></p> <ul style="list-style-type: none"> - Elderly, living alone, have many children - Suffer from sickness - Female headed households - Short of labour - No trading activity - No application of techniques - Becoming poor due to sending children to secondary school - Seven of 17 households live in thatched house - Three of 17 households do not have access to electricity (now 90% of households have access to electricity; in 1999 it was 50%)

People focused on several indicators for explaining changes in well being, including income, the quality of assets such as livestock and homes, and the number of ‘hungry months’ per year, which usually means the period over which a household or a well being category of households lacks staple food from production on their own fields. Staple food in the lowland communes is predominantly rice (from some irrigated land and also dryland paddy); in the highland communes it is predominantly maize.

Our main conclusion from these dialogues about changes in well being is as follows.

The people in the researched communes are still comparatively poor, but there is strongly improved food security and reduction in income poverty, even for the poorest households in the poorest communities.

The local criteria for falling in the richest and the poorest categories in 1999 and 2003 that are presented in figure 4 illustrate this. The figure gives a summary of what local men and women, village leaders and some commune officials see as well being and poverty. The better off in the poorest, highland village now have motorbikes, which is a significant step compared to 1999. The poorest in the same village now have some cattle, and they suffer less hunger (lack of staple food). The poorest in the slightly better off (lowland, midland) village include households who are poor because they have children at secondary school, but a few years ago there were no children of very poor households attending secondary school. These trends were observed in the other research villages too, in both provinces.

The majority of the poorest are (still) in that category because of factors that are difficult or impossible to avoid: they are old, sick, disabled, divorced mothers with children, and so on. But there are different perspectives on why some households moved out of poverty and others not:

- Several (district, commune) officials blame the poor people themselves, i.e. many people would be lazy or ignorant of the best ways to make a living.
- Many poor women and men deny that they are lazy, and stress that they know certain things (for example from extension training), but that they cannot apply their knowledge for many reasons, even though they are trying. They are often afraid to take a loan, because if they fail to repay, things will get even worse.

Local poverty statistics according to the MOLISA criteria also show a strong reduction in poverty. However, well-being ranking reveals that despite improvements over the past few years, many people still perceive high rates of poverty and a lack of staple food, especially in the highland communes. Figure 5 illustrates the local perception of ‘poverty’ in the Ha Giang villages and especially the notion of ‘hunger’ (staple food insecurity), and how different that is from the statistics according to the MOLISA poverty criteria.

Local people perceive more poverty than the statistics of provincial and district DOLISAs suggest (Departments of Labour, Invalids and Social Affairs). In the Lao Cai PPA this has led to strengthening of ideas of some officials and local people that the ‘near poor’ must also be supported with special programmes. In section 2.3 their vulnerability, i.e. the risk of falling back into poverty are discussed. In chapter 5 we discuss the quality of data collected according to the MOLISA criteria and guidelines for assessment, and the idea of targeting the ‘near-poor’ further.

Figure 5 Difference between local poverty perceptions and the MOLISA classification of poor households in the researched villages in Ha Giang province

<i>Village (Commune, district)</i>	<i>Poverty rate by MOLISA criteria (%)</i>	<i>Poverty rate from well being ranking: perception of local people (%)</i>
Hoa Bac (Thuan Hoa, Vi Xuyen)	8.5	24
Lung Ray (Thuan Hoa, Vi Xuyen)	13.5	32.4
Thac Tau (Cao Bo, Vi Xuyen)	6.5	32.6
Chat Tien (Cao Bo, Vi Xuyen)	6.0	38.9
Ta Lung A (Sang Tung, Dong Van)	39.4	23.2*
Lung Thang (Sang Tung, Dong Van)	42.8	29*
Nheo Lung (Thai Phin Tung, Dong Van)	25.5	54
Ta Lung Chu (Thai Phin Tung, Dong Van)	22.4	73.5

Note: * in two villages the well being ranking data are lower than the official poverty data – however, the Ha Giang PPA team believes that the well being ranking exercises were wrongly communicated and local people strongly under-reported perceived poverty.

The trends observed in the regional VHLSS data suggest that total poverty in Vietnam and total poverty in the Northern Mountains region are decreasing. The GSO's 'food poverty' for Vietnam shows a strong decrease over the period 1998-2002, though at a rate of reduction slower than for the period 1993-1998. The 'general poverty' data according to GSO criteria also show that poverty reduction in Vietnam is slowing down¹⁷.

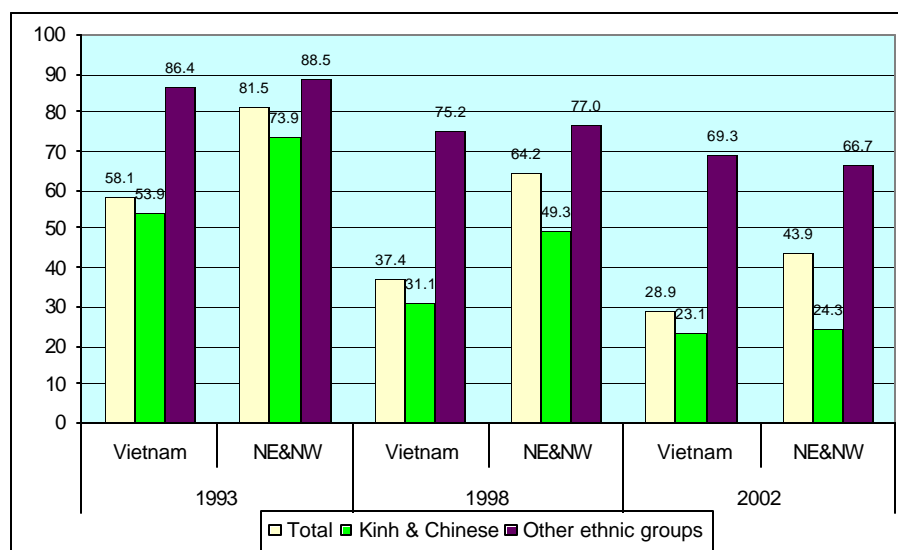
Both suggest that the rate of poverty decrease is higher in the Northern Mountains region than the national average over recent years, and that it is speeding up (higher rate of reduction over 1998-2002, compared to 1993-1998). Nevertheless, by the food poverty criterion the percentage of poor in the region is now two times higher than the national average, and by the general poverty criterion it is 1.5 times higher. The share in national poverty of the Northern Mountains region has increased since 1993 (along with the share of the North Central Coast and the Central Highlands regions) (see the VHLSS tables in Appendix 1).

However, 'food poverty' amongst ethnic minorities in the region increased slightly in the Northern Mountains region, since 1998, whilst the average for ethnic minorities in Vietnam remained the same over the period 1998-2002. On the other hand, ethnic minority poverty *decreased* according to the general poverty data, though slower than that of the Kinh and ethnic Chinese: between 1998 and 2002 poverty amongst the former decreased with 13%, but the latter halved in the region. The difference between ethnic minorities and the Kinh and ethnic Chinese is similar for the average in Vietnam, but poverty reduction was slower in both groups over the 1998-2002 period. This is shown in figure 6. Overall, ethnic minority

¹⁷ Food Poverty Incidence is defined as the proportion of the population living below the GSO Food Poverty Line for 2002. This is based on assessment of expenditure, needs and prices according to internationally agreed procedures. In 2002, the year of the VHLSS, it was equivalent to VND 1,372,774 per person per year, or nearly VND 115,000 / capita / month, but it changes from year to year. The General Poverty Incidence is the proportion of the population living below the GSO General Poverty Line for 2002, which is calculated in a similar way and was in 2002 the equivalent of VND 1,906,950 per person per year, or nearly VND 160,000 / capita / month.

poverty is now nearly three times higher than the Kinh and ethnic Chinese, overall in Vietnam and also in the Northern Mountains region.

Figure 6 'General poverty' rates in Vietnam and the Northern Mountains region by ethnic groups (1993-2002)



Source: GSO (2003) (Table I.2 NE & NW region)

This may fit with the DOLISA statistics and the ‘perception data’ but needs careful reflection. The complexity of all the different criteria for poverty is summarised in figure 13. It suggests that some ethnic minorities have moved out of ‘general poverty’, along with a substantial group of Kinh people¹⁸. A large group of ethnic minorities and also poor Kinh have improved, as per their perception and the MOLISA criteria, but many still remain below the GSO’s food poverty line or general poverty line. Inequalities and the relative depth of poverty are discussed further in section 2.2.

2.1.2 Primary reasons for improvement of food security and income

The primary reasons that were given for improvement of food security and income, include the availability of high yielding variety seeds (HYVs, of maize and rice), affordable fertiliser, and (additional) livestock.

All of those are strongly supported by policies of the central and provincial Government. The price of seeds is subsidised, and transport of seeds and fertilisers to remote communes or commune-cluster centres is subsidised. State-owned input supply companies import some of that, and sell it in the remote areas (often on shop credit, with some subsidy on the interest). Livestock is often purchased on credit from the Social Policy Bank, with strongly subsidised interest rates.

Figure 7 gives highlights of production subsidies that the two PPAs found.

¹⁸ There are very few ethnic Chinese in the Northern Mountains region. However, the GSO generally puts those together with the Kinh because experience has shown that their relative well being (expenditure) is very similar to that of the Kinh people, and dissimilar from the other 52 ethnic groups in Vietnam.

Figure 7 Highlights of production subsidies reported by the two PPAs

Lao Cai	Ha Giang
<p><u>HYV seeds:</u> 30% subsidy on the market price of VND 17-18,000 per kg rice or maize, i.e. the subsidised price is VND 12-13,000 dong/kg). This is being phased out over three years in the lowland ‘135 communes’ but not yet in the upland communes. Some households receive free handouts of seeds.</p> <p><u>Livestock:</u> commercial interest is 0.7% / month, the normal Social Policy Bank rate for e.g. livestock is 0.4-0.45% / month. This is ‘double subsidized’ to 0.21% / month for the poorest, with provincial resources.</p> <p>Fertilisers: transport costs between province and commune cluster centres. Shop credit on fertilisers in remote areas may be subsidised (State supply shop) Some households receive free handouts of fertilisers.</p> <p><u>Tea farming:</u> 50% subsidy on the interest of loans (Agricultural Bank)</p>	<p><u>HYV seeds:</u> subsidise 70% of the market price of HYV rice and maize varieties for people living in the high/remote areas and disadvantaged lowland communes, and 50% for other lowland commune. This is being phased out, notably in the lowland communes. Free provision of 5 kg seeds per crop to some extremely poor families.</p> <p><u>Fertilisers:</u> transport costs to poor communes. Free supply of 20 kg per crop to extremely poor households.</p> <p>Fruit trees: subsidise 30-50% of the seedling price (e.g. mango, pear, orange, mandarin), for all local people who want to grow them</p> <p><u>Livestock:</u> Subsidise 100% of interest in 3 three years for buying one cow/buffalo. In 2002 the province supported loans to 4,950 poor households, for one cow or buffalo each. The total number of cattle provided by this specific policy is now 36,982. Some extremely poor households received free goats. 50% of vaccination cost for cattle (VND 500-1,000 per dose) is subsidised</p> <p><u>Tea farming:</u> 100% of interest subsidy for anybody who pursues this (Agricultural Bank)</p>

Notes: the above subsidies and support measures are provided through a range of Government Programmes; the tables may not give all the currently provided subsidies to (poor) farmers, but they will include most.

We do not have comprehensive data that would allow calculation of the total subsidy per poor farming household and non-poor farming household in the two provinces. We thus cannot compare in detail. We also cannot conclude which of the two provinces does more, targets poor households better, or is more effective in achieving the goals of the subsidies (productivity and production increase, improved food security, higher income). Nevertheless, the subsidies and related support measures are apparently very similar in the two provinces, both in nature and in extent.

The supply of agricultural inputs improved with, for example, improvements in transport infrastructure in most of the remote communes (or at least commune-cluster centres). In the lowland and better off communes input supply happens increasingly through the private sector, and there are no transport subsidies on seeds and fertilisers, even though they may be ‘135 communes’¹⁹. However, many people in lowland ‘135 communes’ also benefit from subsidised interest on loans for livestock.

¹⁹ Note that during the PPA in 1999 in Lao Cai the same communes and villages were included. At that time Ban Cam and Phong Nien communes in Bao Thang district were not yet classified as ‘135 communes’.

Figure 8 summarises the increases in staple food production (paddy, maize, also beans) and livestock in one of the researched upland communes over the past years. The data are from local officials, and illustrate that the improvements are indeed significant, especially the staple food productivity and also livestock.

Figure 8 Increase in staple productivity and expansion of credit - Pha Long commune - Muong Khuong district

	1999-2000	2003
<i>productivity</i>		
maize	20 t/ha	28 t/ha
terraced rice	32 t/ha	40 t/ha
beans	5.5 t/ha	7 t/ha
<i>% Households using new seed</i>		
Quan Cai maize	70%	> 95%
rice HYV	50%	> 95%
<i>Agricultural land</i>		
terraced land	587 ha	602 ha
maize and bean	102 ha	107 ha
	445 ha	450 ha
<i>food per capita</i>	280 kg/year	345 kg/year
<i>Credit</i>		
principal	VND 160 million	VND 900 million
no. of borrowers (households)	n/a	385 (of total 467)
<i>Cattle</i>		
Ox	182	287
Buffalo	578	607
Horse	69	64
Pig	1513	1888

Note: 1 t = 100 kg, so that 20 t / ha = 2 ton / ha

Source: interviews with officials

The PPA team in Lao Cai estimates that overall there was about 30-50% increase of staple food production in the surveyed communes, which is higher than the data given in figure 8. This is primarily due to productivity increase and there was no or very little increase of crop land area (actually cropped, annually), as is indeed suggested in the example of Pha Long. The example also suggests a high rate of adoption of HYV maize and paddy varieties.

Although the subsidies are substantial in overall financial terms, their effects on annual production costs per household are limited, especially when the opportunity cost of household labour is considered. However, in both provinces local people and officials attributed improved incomes and food security to these policies. The most likely explanation of this is that relatively cheap seeds and fertilisers have convinced many farmers that they should try them out, and low interest loans have encouraged some households to take loans that they would otherwise not have taken – the subsidies are thus a kind of extension tool, a mechanism for technological change and increase in productive assets.

Improved marketing was also given as a primary reason for increased local incomes. Much of the (additional) staple food was consumed locally, but some was sold. Strong demand for maize, beans, flax, and livestock in the lowlands and in China combined with improved transport and marketing infrastructure.

The better off families sell small and also large livestock, and several of the poorest manage to sell increasing amounts of maize and also other crop products and small livestock. The strong demand for maize is important, and is primarily sold to traders from the lowlands and China. It is mainly used as feed for pigs and cattle.

The ‘middle groups’ and comparatively better-off households have started to diversify their on-farm production and income sources. In the lowland communes people have found (seasonal) employment in the construction sector in towns, but in the highland communes this is restricted to a few local ‘135’ construction projects.

The main efforts that led to improved well being are of course those of people themselves. What they achieved was supported by some of the main Government pro-poor policies and support programmes, which are partly funded by foreign donors (i.e. various subsidies and for example transport infrastructure).

2.1.3 Secondary reasons for improvements in food security and income

The secondary reasons that were given for improvements in well being (especially: improved food security and income), include the following.

Agricultural land (re-)allocation and settlement policies

Re-allocation of land played a role in income generation and reduction in poverty in lowland communes in the past five years, which concerns ‘agricultural’ land, often irrigated, and very small plots.

In the Ha Giang case the claims are that upland allocation has been more or less completed. This means that some of the mountain / hill tops are classified as protected forest and are excluded from allocation to individuals, but the rest of the forestry land, ‘unused land’ or ‘barren hills’, and ‘agricultural land’ (dryland, hill slopes) has been allocated through an official process.

In fact, Ha Giang seems to have advanced more than Lao Cai province in this regard, and perhaps more than some other provinces in the region, but we did not access the official statistics. In the two researched highland communes in Lao Cai all agricultural land has been allocated formally, 25% and 39% of the forest land, and 35% and 50% of the ‘unused’ land.

However, land allocation and re-allocation in the uplands was not highlighted by local people and officials in the researched communities as a cause of highland poverty reduction. The explanations include that formally allocated uplands were already in use before formal ‘Red Books’ (land use certificates) were issued (despite the official classification as ‘unused’ or ‘forest’), for food cultivation, grazing, and collection of e.g. fuel wood.

In the four surveyed communes in Lao Cai there is no more shifting cultivation, and no more ‘free’ or unallocated land for shifting cultivation is available. The Ha Giang team also reports that shifting cultivation in the PPA communes has stopped.

Effects on household income and food security of large tree planting programmes over the past decade or so (Programme 327, Programme 661, ...) were not claimed by local people and officials in the two provinces. It was observed that few local people invested *themselves* in forests or fruit tree planting, and that there are no local tree nurseries. Tree planting has been funded by the Government and also international agencies, and seedlings tend to come

from State-owned tree nurseries / forest enterprises. In other words, noticeably absent from the causes of poverty reduction is upland / forestry land allocation and exploitation of trees and plantations.

In some villages tea has become an important income earner, but this may also be increasing vulnerabilities (see section 2.3). There are also reports that some people in highland communities have started to realise the potential benefits from trees, for example for house building, now that there are relatively few left and the market price has gone up (see also section 8 on environment).

Figure 8 shows a modest increase in terraced land in Pha Long commune in Lao Cai, which helps increasing productivity. The Ha Giang team reports that in some communities farmers are terracing their land. They are being subsidised from a special fund that is operating in all the mountainous provinces of the region. In Ha Giang the authorities reward a household with VND 5 million for a hectare terracing if they grow (rainfed) paddy, and VND 2 million if they grow maize. It must be noted that this requires a very substantial effort (labour input) from the household. This programme appears to be gaining momentum, but has not yet had much impact.

Agricultural knowledge improvement

The agricultural and forestry extension systems seem more effective in Ha Giang, compared to Lao Cai. The provincial authorities of Ha Giang are investing more in upgrading the reward and status of commune extension workers (CEWs), and are supporting village extension workers (VEWs) with modest remuneration too, unlike Lao Cai. Local people and officials in the communes and villages of Ha Giang were more positive about the achievements of these extension agents, compared to the feedback received in Lao Cai (see also section 4.3).

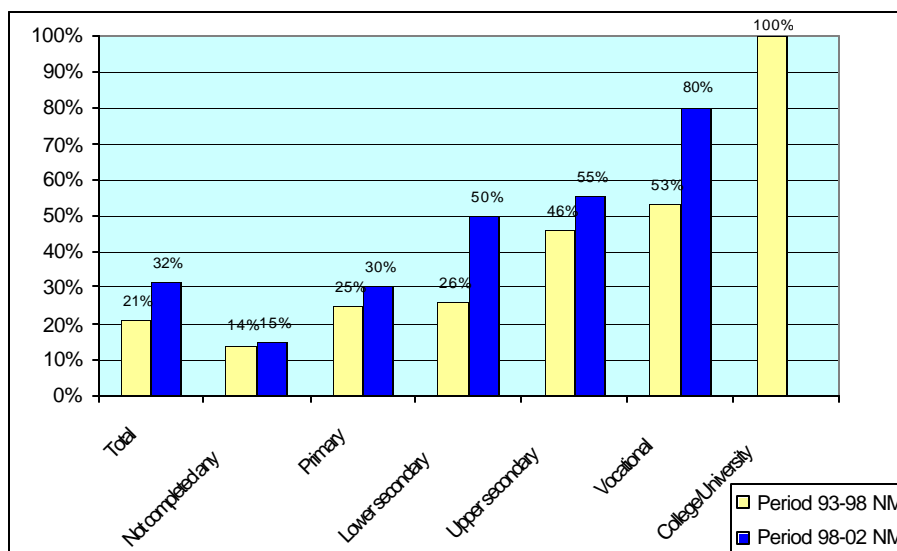
It must be stressed that in both provinces the extension services (staff at different levels) appear not well connected to several technical services (plant protection, veterinary centres, etc), and that institutional improvements could help improve local knowledge development. This is discussed in further detail in section 6.

General knowledge improvement is also seen as a reason why people are managing to access and understand production knowledge better. Indeed, the regional VHLSS data show that there are considerably higher educational achievements compared to the situation in 1998 and 1993. The reduction in poverty in the Northern Mountains region and also in Vietnam correlates strongly with the level of educational achievements.

Figure 9 shows that the rate of poverty reduction in the Northern Mountains region for those with no primary school completion are lowest, they are higher having completed primary school, higher again for those with lower secondary school, etc. The figure also shows that in each category the rate of reduction was higher over the period 1998-2002, compared to the period 1993-1998, meaning that poverty reduction in the region is speeding up, rather than slowing down. Importantly, the speed of reduction of those with no education completed improved very little, whilst for those with primary school and especially with lower secondary school it increased substantially. It also increased substantially for those with upper secondary education and vocational training, but the numbers of people with such attainment levels are limited.

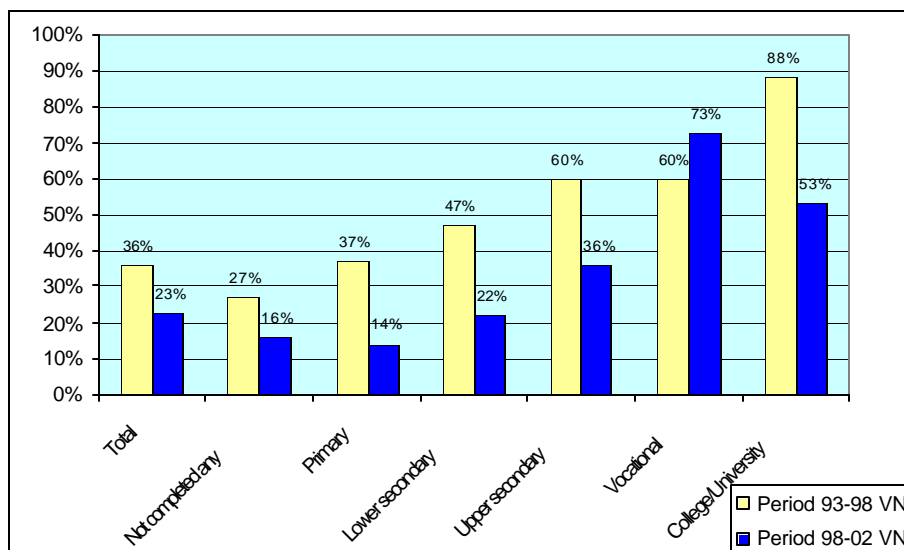
In contrast, the average speed of reduction in poverty reduction in Vietnam has slowed down over the period 1998-2002 (see figure 10, also figure 6). This is for all groups of education attainment, except vocational training. The trends in the Northern Mountains and the average Vietnam trend are an encouraging sign of the importance and potential of education: higher education is associated with higher rates of poverty reduction (till poverty is eradicated, as in the group with college / university in the Northern Mountains). In addition, the effects seem to be stronger than average in (arguably) the poorest region, where most gains can be made.

Figure 9 Poverty reduction rates by education completed - Northern Mountains



Note: percentage change in 'general poverty' per attainment group with the beginning of each of the periods as baseline
 Source: GSO (2003) (Table III.1 NE & NW region)

Figure 10 Poverty reduction rates by education completed – Vietnam



Note: percentage change in 'general poverty' per attainment group with the beginning of each of the periods as baseline
 Source: GSO (2003) (Table III.1 NE & NW region)

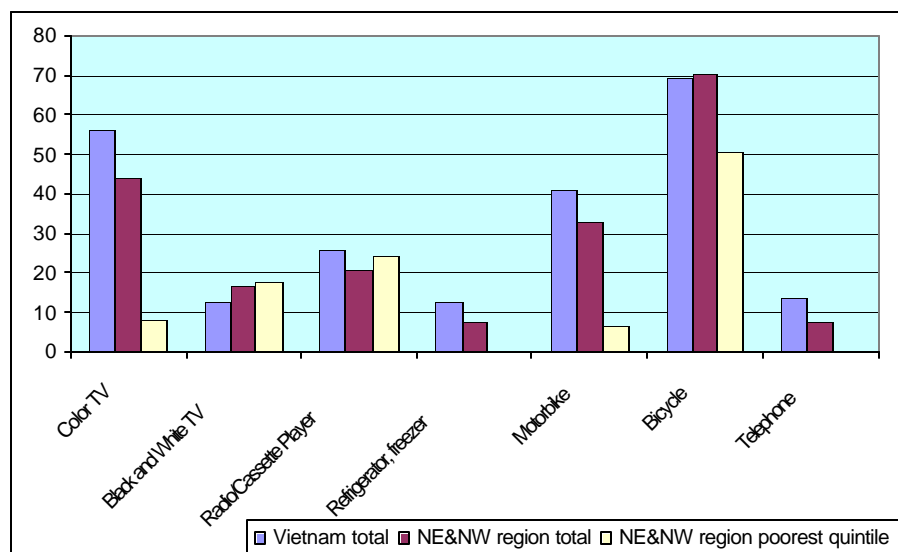
Improved infrastructure and durable assets

Interviewees in different villages also gave time savings as a reason for improved food security and income. Time saving from improved water supply is especially important for women and therefore their contribution to other reproductive and productive activities increased, according to interviewees.

The availability of electricity means that in some cases electric huskers are now used, which also gives primarily a time saving for women. Improved infrastructure also helps to improve (production) information supply, especially electricity, which is associated with more TVs.

The VHLSS data indeed show that the percentage of households who own durable assets has substantially increased. Even within the poorest quintile of households in the Northern Mountains region now 50.7%, 25.9% and 6.8% own bicycles, TVs and motorbikes, respectively. This is a sharp increase since 4 and 9 years ago, which is illustrated in figure 11.

Figure 11 Percentage of households owning different durables - 2002



Source: GSO (2003) (Table I.12 NE & NW region)

This particular finding is corroborated by well being ranking: even in the poorest communes there are now several households with motorbikes, and a substantial number have TVs. This has impact on accessing information, communication, and trade. However, the poorest ethnic minorities in the highland villages still have limited access to these durables. Where the electricity grid has not yet arrived, only a few villagers have a TV, powered by hydro-electricity (as is still the case in one of the four research communes in each PPA province).

Improved health

Improved health is also seen as a contributing reason for improved food security and income. For example, there is strongly reduced malaria incidence in most communities, which is also supported by the regional VHLSS data (see also figure 19 and section 4.2). Free health care is also seen as a reason for a reduction in diseases.

2.2 Social equality

A second important conclusion from the PPAs, backed up by VHLSS data, is the following.

Poverty reduced at a rate above the national average rate of reduction, but reduction is slower for some than for others. Intra-community inequality has increased; most ethnic minority people benefit less than the Kinh and ethnic Chinese; and the relative share in total Vietnamese poverty of the Northern Mountains region is increasing. A ‘hard core’ of persistent poverty is emerging.

According to well being ranking and household interviews in the two PPAs, the somewhat better off people in generally poor communities have improved their food security and income more than others. This can be explained by for example better education, higher labour availability in the household, and access to credit. Roughly 30% of the households in the researched communities do not access credit for several reasons, which are mainly the poorest households. The reasons for this include fear of not being able to repay – see figure 7 for an overview of credit with subsidised interest rates in the two PPA provinces.

It should also be noted that nearly all credit supply in highland villages goes through the village heads, unlike in lowland villages, where the (heads of) the Mass Organisations play an important role (Women’s Union, Farmers’ Union) and group or ‘trust collateral’ is used for encouraging repayment. In some highland villages the village head’s personal Land Use Certificate is often kept as collateral by the Social Policy Bank, also for the supply of credit to others in the village – this means that there is a strong incentive for the village head to be careful not to recommend loans to people who are unlikely to be able to repay.

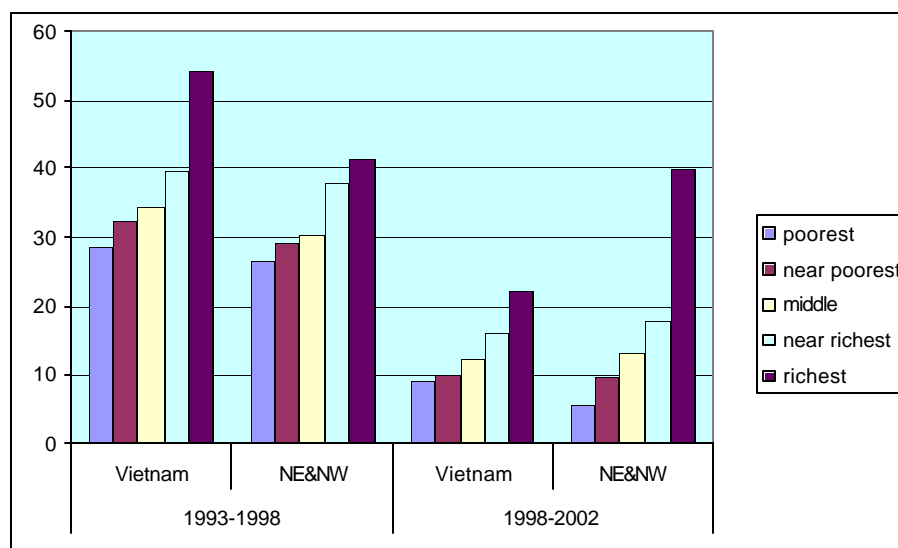
The somewhat better-off can also improve livelihoods faster because they tend to have better and more land that is closer to water sources (especially compared to newcomers and newly established households), they are slightly better educated and more able to adopt new production techniques, and they often have more household labour available.

The trend is confirmed by the regional household expenditure data in the VHLSS. The people in the poorest quintile in the region experienced a growth of 5.7% over the period 1998-2002 (below the 8.9% growth of the poorest quintile at national level), whilst the expenditure growth rate is higher for the ‘near poorest’ (9.6%) and higher again in each of the other quintiles (13.0%, 17.8% and 39.9% for the ‘middle’, ‘near richest’ and ‘richest’ quintiles of the population). People in the poorest communes tend to be found in the poorer two quintiles.

This trend is shown in figure 12. The figure also suggests that the rate of growth in expenditure over the period 1998-2002 is much slower than over the period 1993-1998. This is consistent with a slowing down of poverty reduction in the country, but it contrasts with a higher rate of poverty reduction over recent years in the Northern Mountains region (see also figures 6, 9 and 10 and Appendix I).

The slowing down in expenditure increase within the poorest quintile in the Northern Mountains region can only be consistent with a speeding up of poverty reduction if a large number of poor people were just under the poverty line in 1998 and moved above that by 2002 (see also figure 14).

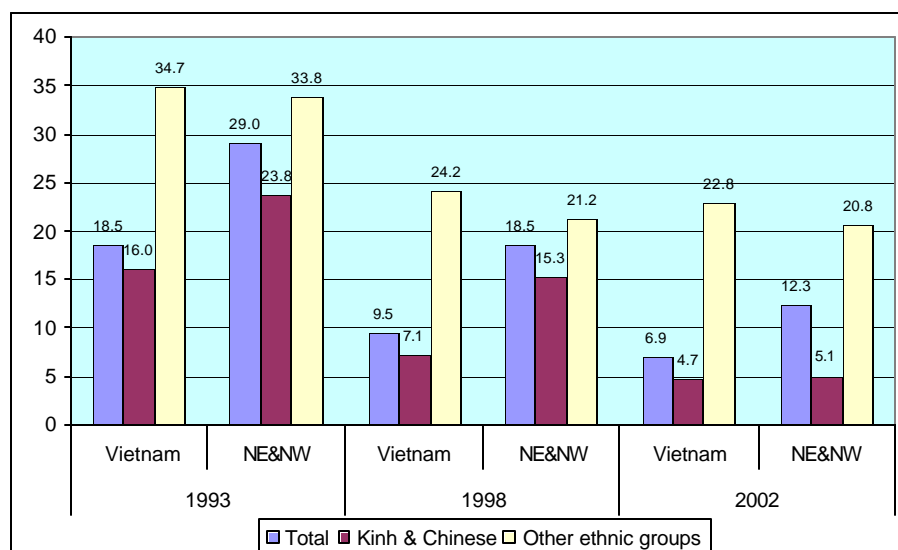
Figure 12 Growth in per capita expenditure by quintile of the population (% increase upon baseline)



Source: GSO (2003) (Table I.6 NE & NW region)

The VHLSS data presented in figure 6 show that poverty has reduced in the Northern Mountains region, and faster than the rate of reduction in the country over the period 1998-2002, but that it remains much higher in the region. It reduced amongst ethnic minorities, but the rate of reduction is slower than poverty reduction amongst the Kinh and ethnic Chinese.

Figure 13 Poverty gap index by ethnic groups (%)

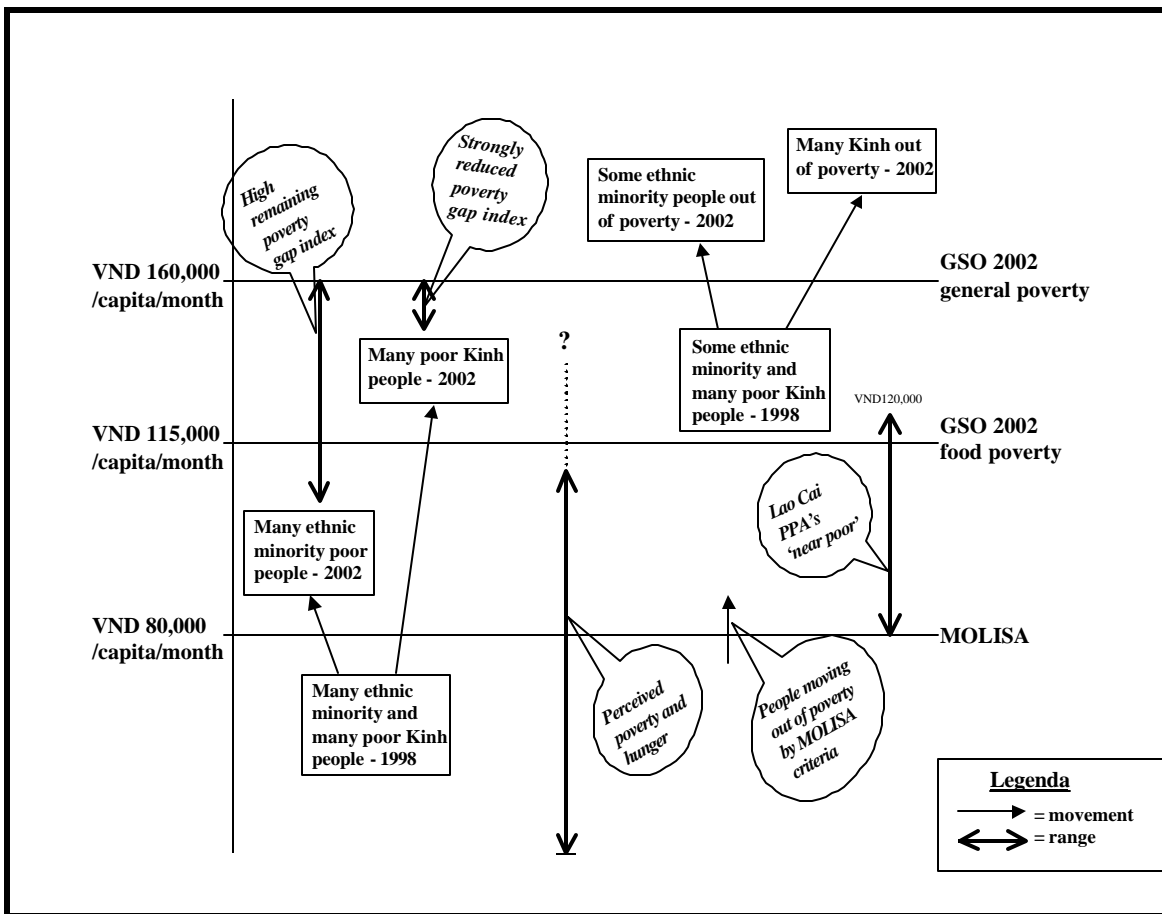


Source: GSO (2003) (Table I.3 NE & NW region)

The ‘poverty gap index’ (see figure 13 and Appendix 1) suggests that the depth of poverty of the ethnic minority poor has hardly changed since 1998, whereas the depth of poverty of the Kinh and ethnic Chinese poor has decreased substantially. The poverty gap index measures the ‘shortfall of the poor’s expenditure from the general poverty line, as an average of all people in the population (%)’. This means that over the coming few years the remaining Kinh and ethnic Chinese poor may be expected to move out of poverty much more easily than the remaining ethnic minority poor.

The trends in the poverty gap index are summarised in figure 14 – along with the different poverty lines, perceptions of people, and various observations about poverty trends in the region (as in this section and in section 2.1).

Figure 14 Explanation of different poverty trends in statistics and perceptions of poverty – Northern Mountains region (1998-2002)



The figure presents a ‘reconciliation’ of the different observations, as follows:

- Some ethnic minorities and relatively many Kinh moved out of ‘general poverty’ over the period 1998-2002 – this is despite the fact that increase in expenditure in

the poorest quintile (and all other quintiles) slowed down over the period, compared to 1993-1998.

- Food security and income have improved strongly over the period 1998-2002, even for the poorest ethnic minorities.
- Improvements were faster for the poorest Kinh compared to ethnic minorities, including those Kinh who remain poor by the ‘general poverty’ criterion. This explains differences in the poverty gap index.
- Getting out of poverty by MOLISA criteria does not mean that people perceive to be ‘non-poor’: the GSO food poverty line and general poverty line are more consistent with perceptions of poverty.

The ethnic minorities in the Northern Mountains region have on average slightly lower poverty rates than the ethnic minority average of the country. This should however be qualified. Analysis of social economic trends over the period 1993-98 has shown that there are big differences between for example the Tay and the Thai on the one hand, and the Hmong and Dao on the other – these four groups are amongst the most populous ethnic groups in the Northern Mountains region. The former two groups did reasonably well on decreasing poverty and for example improving school enrolment rates and the gender gap in school enrolment, but the latter two remained far behind the national average. The same was observed for income improvements and poverty reduction.

The VHLSS data have not yet been analysed in sufficient detail to ascertain such trends over the period 1998-2002. However, there is a strong possibility that amongst the ethnic minorities who moved out of general poverty over the period 1998-2002 we would find relatively many Tay and Thai, and few Hmong and Dao. On the other hand, those who improved their food security and income, but remained under the GSO’s food poverty line (though perhaps got above the MOLISA line) may include relatively many Hmong and Dao (see figure 14). Such a finding from further VHLSS analysis would be entirely consistent with the findings of the two PPAs in the highland villages.

The PPAs also observed that gender in-equalities have remained strong, i.e. there is not much change in comparison to 1998 / 1999 (though there are some changes in social indicators, as is highlighted in sections 4.1 and 4.2). Amongst the poorest we still find several female headed households (widows, divorced mothers) (see also figure 4).

However, this is not supported by the (draft) analysis of regional VHLSS data. Several of those data are presented by gender, including the poverty data, but they suggest that women would be getting out of poverty much faster than men (see Appendix I). This can be explained by, for example, the fact that many households that are registered as female headed are not actually without the male spouse. Female headed households may also have relatively few children, and include unmarried female teachers and health workers.

In conclusion, the data suggest that despite recent poverty reduction, a ‘hard core’ of poor people is emerging, people who are not as capable of taking the opportunities offered by many poverty reduction measures, compared to others. This ‘hard core’ is made up of large numbers of people of certain ethnic groups, the lonely-elderly, disabled people, female headed households, and so on. And relatively many are found in remote, upland communities in the Northern Mountains region.

2.3 Vulnerability

The PPAs generate the following conclusion.

Local officials and local (poor) people feel that vulnerability has remained high, or it has even increased.

Farmers of maize and (dryland) rice, and also of other crops are using more and more high yielding varieties (HYVs), which tend to be sterile hybrid seeds. This means that farmers cannot save seeds from their harvest for the next crop and that they need to buy new seeds every year. They also use more (and more) fertiliser, and the HYVs tend to be more vulnerable to pest and diseases and to extreme weather conditions, when compared to traditional varieties. There is thus a dependency on input-supply, which in the highlands are usually single shops in commune -cluster centres – the private market has not yet started to play a significant role there.

The transport subsidy is helping to keep the fertiliser price at the same level of lowland commune centres (a degree of equality), but also prevents the development of private market input supply. Private suppliers cannot compete because transport infrastructure is still limited and distances are often significant, whilst the Government subsidises the transport costs of fertilisers and seeds that are supplied through the State-owned input supply companies (see figure 7 with an overview of production-related subsidies in the two provinces). The limited presence of private input suppliers also means that there is less information supply to farmers, compared to communes in the lowlands / midlands (though there are increasing numbers of traders who buy produce, also in the highland communes).

The price of the seeds is also subsidised, but the subsidy rates are decreasing, notably in the lowland ‘135 communes’. Seeds are a minor investment of farmers, with or without subsidies, compared to fertilisers for example, and the subsidies seem to have had the primary role of extension, i.e. demonstrating the advantages and thus convincing farmers to adopt them. However, there are reports of low quality HYV seeds, causing immediate problems for farmers, especially because many buy fertiliser on credit, which had to be repaid, regardless of harvest failure.

Experience from elsewhere shows that the amounts of fertiliser that are needed to maintain high yields on poor soils increases gradually from year to year – the hill slope soils are indeed generally poor in the two provinces, especially since fallow periods have decreased substantially with the increase of population and the policy to settle farmers. Local farmers did however not report this increasing need for fertiliser during the two PPAs.

A certain ‘addiction’ to the higher yields of these seeds and the use of fertilisers and also pesticides, and a gradual erosion of local genetic material means that there is ever less possibility not to buy seeds. Nevertheless, many farmers still grow some of the traditional varieties, especially because of taste preference.

The overall reliance on financial support (especially: subsidies) that comes ultimately from outside the provinces is discussed further in section 5.1. The increased use of agricultural inputs and changes in qualities of seeds also implies an increase in dependency on external knowledge, i.e. on how to use HYVs, fertilisers and also pesticides effectively. A good example of this, found by the Ha Giang team, is as follows. Some Dao and Hmong people worried because when they preserved their HYV maize seeds by traditional methods, the

grains became hollow after several months and were of no (food) value, even though their traditional seeds were still fine. Local Kinh dried the (HYV) seeds two to three times in the sun, and did not have the problem.

Local capacities (knowledge, skills of farmers and local leaders) have improved only modestly, especially in the upland communities. Improved knowledge of production techniques generally helps reduce risks, especially in situations where new seeds and other inputs have been introduced. Furthermore, some so called ‘social evils’ persist according to for example the Ha Giang PPA, such as high levels of consumption of alcohol. This has particular impacts on livelihood-vulnerability, for example because of unnecessary expenditure and a reduction in household labour.

Landslides and soil erosion remain major threats to sustainability of production. This threat may have increased, especially in Lao Cai, where the reports indicate a reduction in forest quality (this is based on feedback from villagers in just four communes, and officials in the two districts and the province – not on ‘hard’ data on forest coverage and quality). However, if the Governments investments in terracing are successful, this should also have positive effects and reduce the vulnerability to crop failure from landslides and soil erosion (see section 2.1).

The quality of veterinary services remains limited, especially in the remotest highland communes and villages. However, many households have taken out loans with subsidised interest rates, also many in the remotest ‘135 communes’ (see also section 2.2). However, cattle death may cause debt spirals, because even if interest is subsidised, the loan (principal) must be repaid, for which some people may have to borrow privately or sell assets.

Market dependency has strongly increased. Poor people, even some of the poorest, sell some maize and for example beans, small livestock and also cattle. Traders who have improved access to local markets because of improved infrastructure buy much of this. Demand for maize and e.g. cattle in the lowlands and also China is currently good. However, prices fluctuate, and there are ‘market shocks’.

People in midland communes of Bao Thang district in Lao Cai have a costly experience with the price drop of many crops that were promoted by the government, such as sugarcane, longan, litchi, and plum. Sugarcane was grown on a widespread basis in 1997 and was considered to be a crop for poverty reduction. Some communes grew dozens of hectare of sugarcane, yet the price of molasses in two years reduced from VND 3,000-4,000 to a level lower than the cost for cutting the sugarcane. For a while sugarcane was exported to China, but then Chinese traders stopped buying. In 2001, almost sugarcane was cut down. Fruit trees were also promoted by the State but the market price is not favourable. One example is longan, which sold for VND 8,000-9,000 per kilogram in 1999, but now fetches only VND 2,000, resulting in a situation that many households ‘let the children pick the longan for fun’.

The provincial governments are currently implementing tea programmes with preferential credit (see also figure 7) and a guarantee on output purchase (for example, in Lao Cai the authorities direct a state-owned farm enterprise to sign procurement contracts with communes, guaranteeing an exchange rate of one kilogram of fresh tea leaves to one kilogram of un-husked rice). It was found from interviews that many households including poor ones have borrowed VND 8-10 million to grow tea. The tea trees have not yet reached harvesting age, but the market outlook for tea in the years ahead contains many risks.

Both PPAs report that people who moved out of poverty by MOLISA standards (income above 80,000 VND/person-month) are by local perception not necessarily free of hunger, and many of them face the risk of falling back into poverty by the same standard.

The Lao Cai PPA calls vulnerable people who are just above the MOLISA poverty line the ‘near poor’. These households can fall back into poverty at any time given the risky agricultural conditions in mountainous areas. The Social Policy Bank of Lao Cai recently extended loans to some of these households at an interest rate of 0.4 to 0.45%, in between concessional rate for the poorest (0.21%) and the commercial rate (0.7%) (see also figure 7). The ‘near poor’ households are selected by villages. Their estimated income is in the range of VND 80-120,000 /person-month.

The Lao Cai PPA suggests that specific policies are needed for this ‘buffer zone’ in poverty, in order to achieve sustainable poverty reduction. This may also help reducing the attitude of ‘wishing to be poor’ (being classified as ‘poor’ by MOLISA criteria means potential access to preferential treatment under several programmes). The ‘near poor’ are also included in figure 14. The importance of targeting them is also discussed in section 5.1.

Suggestion for discussion

LIVELIHOOD DIVERSIFICATION

Livelihood support for people in the Northern Mountains has so far focused on (subsidised) input support, i.e. inputs into staple food production and also livestock. However, there are questions regarding increased or high vulnerabilities related to the weather, landslides and market prices. Cash crops, and their processing and trade, are being promoted by the Government, such as tea and some fruits, but past experience and the market outlook for tea suggest that there may be high risks for farmers, despite cheap credit. Some people, mainly young men, find seasonal employment in construction, inside and outside their communities, but there are reports of abuse and non-payment of those workers (especially ethnic minorities). *How can livelihoods be strengthened and diversified sustainably?*

3. PARTICIPATION IN LOCAL DECISION-MAKING AND EMPOWERMENT OF POOR HOUSEHOLDS

3.1 Grassroots democracy

With regards to grassroots democracy, especially as that is expressed in ‘Decree 29’²⁰, the changes over the past few years are quite different in different communes and villages:

People in lowland or better off communes perceive reasonable improvements in behaviour of officials, i.e. improved transparency, information supply, and consultation.

In the highland or poorer communities there is some improvement, but transparency is still low, information supply is limited, and little real consultation is taking place.

However, people in all communes perceive little change in actual decision making and monitoring, for example regarding commune budgets and Programme 135 investments.

Provincial steering committees exist for the implementation of the Grassroots Democracy Decree (GRD), and at all levels the Fatherland Front has an important role in disseminating and implementing it. The village heads and / or village Party heads have been informed and have the responsibility to inform the villagers through village meetings. However, the research shows that some newly appointed village heads were not aware of the Decree, and in most of the researched villages the local people were not sure about what it entailed.

Information supply to local leaders and people about the Decree, and consultation about a range of issues is better in the lowland communes with for example Tay people who speak reasonably good Vietnamese, compared to highland communes and villages with for example Hmong people, who are less literate and often have difficulty with Vietnamese language. The capacities of commune staff are generally higher in the lowland communes – in fact, the researchers perceived strong differences in this regard (see also section 6 on Public Administration Reform).

Several of interviewed local officials continue to think that participation (i.e. grassroots democracy) means that ‘the people know, the people do’, and do not stress the second half of the slogan, ‘the people discuss, the people monitor’. That is often justified by low educational levels of the local people and village leaders. However, many district and provincial officials have limited skills and training in facilitation / consultation techniques, and may not be fluent in important local languages, such as Hmong – this limits their ability to encourage local people to discuss and monitor.

Many villagers complained that there is a lot of stress on ‘the people do’, and that they generally have no choice but to supply their labour when requested. Several people expressed the wish that commune and district officials should visit villages more often, disseminate information, and listen to their feedback.

Commune and district officials, on the other hand, feel that they have to participate in many meetings and have to deal with a very large number of policies, resolutions, guidelines, etc.

²⁰ The Government issued Decree 29/1998/NĐ-CP on 11 May 1998, following a Party Resolution and various Government Decrees and Decisions; this was replaced on 7 July 2003 by Decree 79/2003/NĐ-CP.

Travel to distant villages is also prohibitive. They need clearer priorities if they are to be more frequently in villages and implement the GRD more effectively.

Most policy and legal information supply to villagers goes through the village heads, in (usually monthly) village meetings. The heads are also responsible for relaying feedback from villagers to the commune authorities. In the highland villages this is more or less the only channel of communication between the people and the authorities.

According to the recent update of the GRD, various information must be posted more widely, but in highland villages many people are illiterate. An estimated 30% of the village heads in Lao Cai is 'not very literate'. In many cases the village leader is one of the few competent people in those villages to hold that position, and thus will get re-elected for several terms. They get little compensation for their work: usually VND 90,000 per month.

Women do participate in village meetings, and in some cases perhaps more than before, but their participation is often passive (they rarely speak). However, in the highland villages women's participation is less common. Women from those villages are very often illiterate and may speak no Vietnamese at all. They rarely go to commune centres and less so to commune PC offices. Many of the highland women do not know the commune PC leaders. There are almost no women leaders in the researched communes, except heads of the local Women's Union. In this regard there appears to be little change over the past few years.

In some localities people made proposals for doing better. Targets and indicators of progress regarding implementation of the GRD should focus on the quality and degree of participation in the village meeting, notably of women. Indicators are also needed regarding the quality of formulation and implementation of village bylaws; and the degree to which the GRD contributes to poverty focus and poverty reduction.

One way of monitoring the GRD is through the semi-annual meeting of the People's Council with the electorate. According to the Lao Cai PPA this meeting is an increasingly effective way for ordinary people to raise questions and provide comments. However, the organisation of these meetings should be improved; the meetings should not be 'separate events', and should be integrated in a process, with a focus on evaluating the situation and actions 'before' and 'after' introduction of the GRD and various concrete, local decisions.

Decree 79, the updated GRD, mentions the importance of local customs and responsibilities of village heads – this opens perhaps the possibility of making bylaws that fully comply with Vietnamese law as well as traditional customs of different ethnic groups.

3.2 Transparency, participation in budgeting, and local project management

Transparency in planning, budgeting and expenditure, and local participation in project management should be enhanced. This requires major capacity building efforts and further decentralisation of responsibilities.

Local planning and budgeting in the PPA communes is normally done by the commune PC finance officer, and consultations take place with the local Party cell and commune People's Council before it gets approved. Local people usually do not participate in this process, and village leaders only hear about it after approval. There were no suggestions that this practice changed since the introduction of the GRD.

Annual socio-economic targets and indicators are set by the district PCs, such as poverty reduction rates, and tax collection revenue. In theory the communes can propose to adjust these targets, but in practice they rarely do so. The targets generally do not correlate with locally available resources and budgets of commune PCs.

Importantly, all the research communes were ‘135 communes’ but local officials and leaders do not actually decide about the use of the Programme 135 funds and do not manage the ‘135 projects’, let alone local people. Many grassroots officials said that they know little about the construction of for example the school, health station, or PC office in their commune.

This is decided and managed between the district Project Management Boards and contractors. Provincial and district officials explained that local cadre is weak, unable to understand the designs, and unable to supervise these projects. Communes are only given the responsibility for construction of for example village offices, classrooms, and concrete lining of irrigation canals. Several commune officials said that they do not know about provincial and district budgets.

For projects undertaken in the communes but outside the scope of Programme 135, the commune officials are even less informed. The new Decree 79 stipulates that local people must know and monitor all projects affecting them, so the need for change in the regulations and better participation is recognised at the Central level, but this has yet to be implemented locally.

The GRD stipulates that financial information should be disclosed, but ordinary people can normally not really understand that, even if they are literate. Local people need information that is understandable, and communicated in ways that are appropriate to the local reality. A suggestion for improving communication to local people is to provide feedback on development in their locality as per the CPRGS targets and indicators, instead of the production outputs that are commonly collected (and reported). These indicators are more meaningful. Reports to the people on inputs (budgets, expenditures) are also necessary and should focus on the core of the matter: was the budget spent on what it was meant for?

Explanations for difficulties in implementing the GRD and limited success are primarily about the limited capacities of commune PC staff, village leaders and local people. Many officials, local leaders and ordinary citizens confirmed the need for enhancing the capacity of commune and village cadre (see also section 6). But this should not be used as a justification for slowing down democratisation until all village leaders are fluent in Kinh language and fully literate.

In addition, communication infrastructure is still lacking, especially in the communes and villages that are not yet connected to electric grid, that have limited loudspeaker systems, and the terrestrial telephone network (the latter is still true for many 135 communes, and all researched villages). But progress with infrastructure is expected in the near future.

Information is often only available in Kinh language, in written form, although the national and local (provincial, district) efforts to broadcast radio and TV programmes in minority languages is increasing. More efforts could be made in this regard, including the production of videos with appropriate information that is accessible for all.

3.3 Representation and monitoring

In all communes there is scope for improvement in the effectiveness of representative bodies, i.e. the People's Council, Mass Organisations, and the People's Inspection Board.

Villagers normally elect the village head, and as explained in sections 3.1 and 3.2, this person fulfils various roles, including information supply and, importantly, consulting villagers and channelling their comments and concerns to the commune authorities.

The People's Councils at commune level are seen as very weak, especially the 'ordinary members', and nearly all members are men. This is despite some positive feedback, for example regarding the monitoring of GRD implementation in meetings between People's Councils and the electorate (see section 3.1). Many People's Council members only operate as information sources to local people – there is no real representation of local people's interests or monitoring of the People's Committee (i.e. the executive) and its technical staff. There are usually several People's Council members who also have other ('executive') roles, meaning that to some extent they are expected to monitor themselves.

This weakness is again primarily because there are very few local people with further education, especially in the highland communes. In addition, there also appears to be a lack of clarity amongst local people and officials about the distinct roles of the People's Council and People's Committee. These roles and also the resources that are at the disposal of People's Councils (including the time key members are expected to allocate to their 'Council work') are addressed in forthcoming legislation that is expected to be passed by the national Assembly at the end of 2003. This is expected to improve the functioning of People's Councils at commune, district and province levels.

The mass organisations are membership organisations, and especially the Women's Union (WU) and Farmers' Union (FU) have many members, also in the highland villages. However, their local leaders are weak. For example, about 30% of the local heads of the Muong Khuong district WU are more or less illiterate. Heads of Mass Organisations are often also members of the People's Councils (at different levels) – low literacy of these heads obviously implies that they cannot do a thorough job at studying budget and expenditure information from the commune PC (before approval by the People's Council), and for example Programme 135 information.

This also means that the local leaders of the Mass Organisations cannot and do not help facilitate loans to groups of women in their villages from special credit schemes or the Social Policy Bank, which WU leaders do in some villages of the lowland communes that were researched. And even the village and commune heads of the mass organisations may find it difficult to communicate the concerns and needs of their members to the commune PCs and district technical services.

The Commune Supervision Board is normally set up for monitoring infrastructure projects in cases where the district is the formal investor, which is common in the implementation of Programme 135 in the researched communes. Several of the interviewed commune leaders in Lao Cai said that this Board does not function well because of inadequate monitoring and evaluation (M&E) training, and limited information access.

The role of village-level Party cells ('chi bo') in grass roots democracy is very important. Important matters in the village must be discussed first among party members to set the

general direction, especially when there are different ideas among local residents. The difficulty is that in some villages there is no party member or there are not enough members to set up a cell (a general minimum of three is needed).

A People’s Inspection Board is set up by the Fatherland Front at the commune level. This board has members in every village. A village inspector is directly elected by the villagers, and is expected to ‘inspect’ all village activities for transparency and accountability (e.g. the use of household contributions to public events and works). The inspectors regularly report to the commune Fatherland Front leadership. However, most villagers in Lao Cai who were asked about this, did not rank the role of this inspector high in implementing the GRD. The inspectors get no remuneration and are not well motivated or passive as a result, and they have limited capabilities (e.g. they are ‘not able to know’ and they do not ‘dare to say’).

It remains somewhat unclear how the role of the People’s Inspection Board is different from the (formal) role of the People’s Council, and how it will change with the revised legislation on People’s Councils and People’s Committees. But it does appear that there is room for both strengthening and ‘streamlining’ of different representative bodies at the grassroots level.

Suggestion for discussion

REPRESENTATION AND MONITORING

The commune People’s Councils; the Party; the commune People’s Inspection Boards under the Fatherland Front with village inspectors; the Mass Organisations; the commune Poverty Reduction Steering Committees; the commune Supervision Boards for supervision of Programme 135; etc., all have some kind of monitoring role and should contribute to improved transparency, more popular control, and the strengthening of grassroots democracy. However, their roles and powers are not always well defined vis-à-vis the commune PC and district departments; their members may be weak or ‘overlapping’ with the PC; and their means are limited. Women are strongly under-represented amongst these representatives of the local people. Discussions are often about development ‘inputs’ and ‘outputs’, instead of achievements such as poverty reduction and improved participation. ‘Streamlining’ (e.g. through mergers) and strengthening these bodies is a pre-requisite for further decentralisation, better project management and reaching other development goals. *What needs to be done?*

4. DELIVERING BASIC SERVICES TO POOR PEOPLE

4.1 Education

4.1.1 Pre-school enrolment

Enrolment in kindergartens has increased significantly, even in the remotest villages, but this is limited to 5-year olds, and therefore many ethnic minority children may still have limited knowledge of Vietnamese when entering primary school

Many children now enter into pre-schools, which is a major difference with the situation of 5 years ago. However, this is generally limited to the 5-year old group, and is only for half-day sessions, in the research communes. The coverage and enrolment is also not yet ‘universal’; in Ha Giang it was 46.5% overall in the province in 2002, according to the provincial statistical yearbook. In Lao Cai the enrolment is much higher, i.e. 80-90% in the two survey districts. In two upland villages in Lao Cai the gender ratio was checked: about 45% of the enrolled children were girls.

Children do benefit from this, and to some extent mothers and older girls (who have slightly less child care responsibilities). The main benefit for children may be that they learn (better) Vietnamese (Kinh) language, which they must use at primary school – thus pre-schools are expected to improve the achievements of children at the primary school. The findings from the PPAs are however not conclusive on that – perhaps it is too early to tell.

There is a shortage of good kindergarten teachers, who are local and fluent in both the locally dominant language and in Vietnamese. Often primary school teachers also take responsibilities for implementing the ‘reduced pre-school curriculum’ for kindergartens in remote areas, and in those cases the periods per week that children attend kindergartens may be less than every weekday morning.

In remote villages and communes the quality of infrastructure and teaching materials and toys for kindergartens is still very limited. One of the explanations for that may be that most costs for kindergartens need to be carried locally. Parents’ awareness of the advantages of kindergartens is also still limited, especially in the highland villages.

4.1.2 Primary school education

Primary school enrolment and completion rates improved significantly, also for ethnic minority girls in highland communities, although they still lag behind boys.

The highland communes and villages are focusing on achieving universal primary education, and the lowland communities have already more or less achieved that. Enrolment rates are high – generally above 90% in the highland communes in Ha Giang, according to local data, and dropout rates have reduced.

However, the Lao Cai team found that although in the highland villages the formal enrolment rate may be quite high, the rate of children who actually attend school is perhaps 75-80%, so not yet universal (the ‘ty le chuyen can’ - diligence rate is not high). Furthermore, the gender gap is still significant in the upland villages. Even though many more girls now appear to be enrolled than before, they still make up just 47% of the pupils in two upland villages that were checked, and girls account for almost all the dropouts.

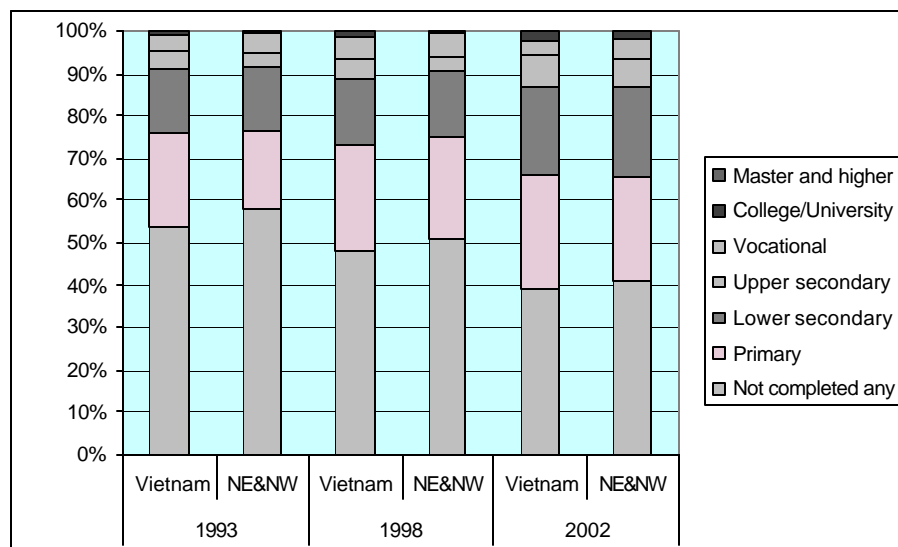
One important reason for the improvements is that all communes now have primary schools, the number of teachers has expanded and their pay is better. In ‘135 communes’ textbooks and materials were handed out free to all children, and children are exempt from school fees.

In addition, local people and officials indicated that parents have a higher awareness of the importance of education. Many teachers now ask parents to send dropouts back to school, and indeed according to the Lao Cai PPA they are getting rewarded for low dropout rates.

This implies that there were very substantial additional investments in education, especially in primary education, which is confirmed by provincial data shared with the PPA teams. Indeed, it is estimated that about ¼ of the provincial budget in Lao Cai is now spent on education, of which 90% goes into salaries of (increased numbers of) teachers (at all levels, not just primary schools).

This overall, positive conclusion regarding primary education enrolment and completion is supported by the VHLSS data. The ‘maximum education’ increased substantially over the past decade in the Northern Mountains region, and those without completing even primary school decreased – from 57.9% in 1993 to 41% in the Northern Mountains region. This is still slightly higher than the average of Vietnam. This is shown in figure 15.

Figure 15 Education attainment - share of population

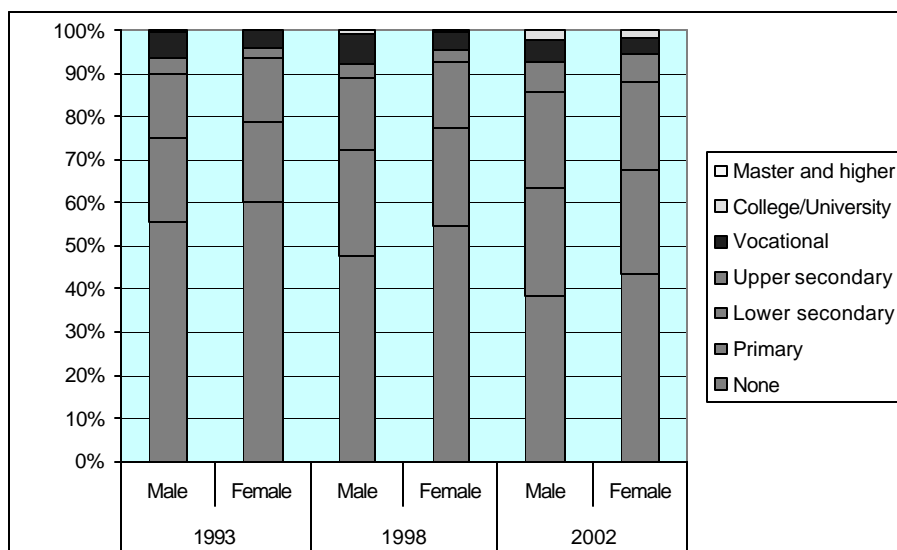


Source: GSO (2003) (Table III.1 NE & NW region)

However, unlike the above conclusion on girl enrolment, the gender gap in educational attainments is unchanged at around five percentage points for those who did not even complete primary school, which is slightly below the country average. This can be concluded from figure 16.

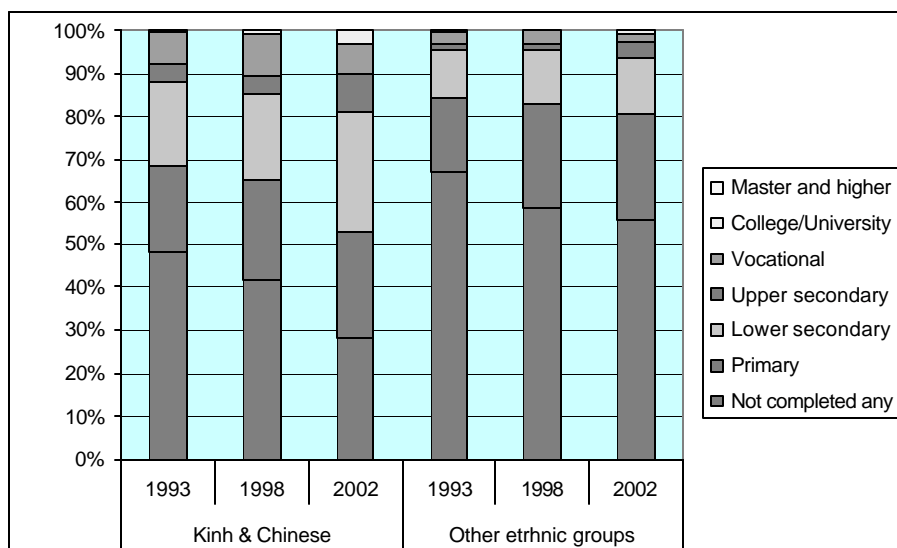
The gender gap in primary education is still a problem, especially in highland villages, according to the PPAs. Girls more often than boys help their parents with works at home, including livestock raising and taking care of younger children.

Figure 16 Education attainment by gender NE&NW region (share of population)



Source: GSO (2003) (Table III.2 NE & NW region)

Figure 17 Education attainment by ethnicity NE&NW region (share of population)



Source: GSO (2003) (Table III.4 NE & NW region)

The VHLSS data suggest that the ethnic minorities have been significantly slower at reducing the rates of those without completion of any school, in Vietnam and in the Northern Mountains region. However, the minorities in the Northern Mountains do slightly better in their educational achievements when compared with the average of the minorities for the country. This is illustrated in figure 17.

The VHLSS data are not yet broken down by (main) ethnic group, which could show that the trends amongst some are positive (e.g. the Tay and the Thai), whilst others may keep lagging behind (e.g. the Hmong and Dao), as were conclusions from detailed analysis of the VLSS data of 1993 and 1998 (see also section 2.2).

The statistics also ‘hide’ differences in quality of education between different regions and communities. The PPAs did not produce very conclusive and ‘hard’ data on this, but the suggestions are that the quality of education needs to improve further, including the quality of primary education, and especially in the remotest communities.

The Lao Cai PPA also concludes that it is important to improve communication between parents and teachers, and to motivate the parents in highland villages further to guard the quality of education and to encourage their children to keep going to school.

Some jealousy was reported over the fact that village and commune teachers now may earn more than VND 1 million per month, because of premiums to attract teachers to remote communities. This compares with VND 400,000-500,000 for ‘local civil servants’ at the commune level, and a remuneration of usually VND 90,000 per month for village leaders.

4.1.3 Secondary school education

Secondary school enrolment is still far from universal.

In the lowland communes the goal is now to universalise lower secondary school education. Out of 191 wards and communes in Ha Giang province there are now 135 with lower secondary schools. However, this does not mean that all children of the age group concerned can attend those schools, for example because of distances. From the highland communes only a limited number of children attend (lower and higher) secondary schools, some of which are boarding schools.

Nevertheless, the overall trend in the Northern Mountains region is upwards, for lower and higher secondary school completion, which is also illustrated by VHLSS data that are presented in figures 15, 16 and 17.

Some parents in Lao Cai commented that they are now poor because of sending children to secondary school. Indeed, several costs for attending secondary school are prohibitive to many households in the poorer communes, especially for the upper secondary school, i.e. grade 10-12: with schools in district towns and some commune-cluster centres, parents have additional expenditure for travel, board and lodging. These costs are also to be met by most parents whose children are eligible for the boarding schools.

The Ha Giang team listed the following reasons for low secondary school enrolment and high dropout (lower, also higher secondary school).

- A poor family in the highlands would need to pay 220 kg of maize and VND 15,000 to go to boarding school.
- The school is far away, which is a disincentive in itself, and there may be travel costs.
- Parents are not fully aware of the importance of (secondary) education, and want their children to work at home.
- Children do not wish to go to (secondary) school.
- Marriage at a young age, especially girls.

Parents do not see the practical use of knowledge acquired in the highest grades – the curriculum does not relate to their (highland) livelihoods and cultures. In the lowland and slightly better off communes the completion of grade 12 is seen as advantageous for getting non-farm jobs, including jobs in local Government. The latter would of course be especially necessary for ethnic minority youngsters, so that local people can take more control over local affairs in the medium to long term – but not all parents see that point.

For enabling more ethnic minority children to attend secondary school, the local informants and the PPA teams suggest that more (secondary) boarding schools are needed, and perhaps more support can be given to selected families in meeting the additional costs.

Also at secondary schools the improvement in teaching quality should be a key priority in the coming years. Both PPAs recommend this, based on various explanations of local officials and parents, though despite the fact that they did not have the opportunity to analyse current teaching methods and teacher quality in depth.

4.1.4 Adult literacy

Adult illiteracy persists, especially in the highland communities. The literacy adult classes were ineffective in those areas, with high dropout rates.

It was claimed that in Lao Cai about 20% of the Women’s Union leaders (of all levels) are functionally illiterate.

Based on the national census data from 1999, the general literacy rates in Lao Cai and Ha Giang were 69.3% and 68.1% respectively. This compares with the average of 90.3%. In fact, there was only one out of 61 provinces and cities with a higher rate of illiteracy at the time: Lai Chau province, which is also in the Northern Mountains region²¹.

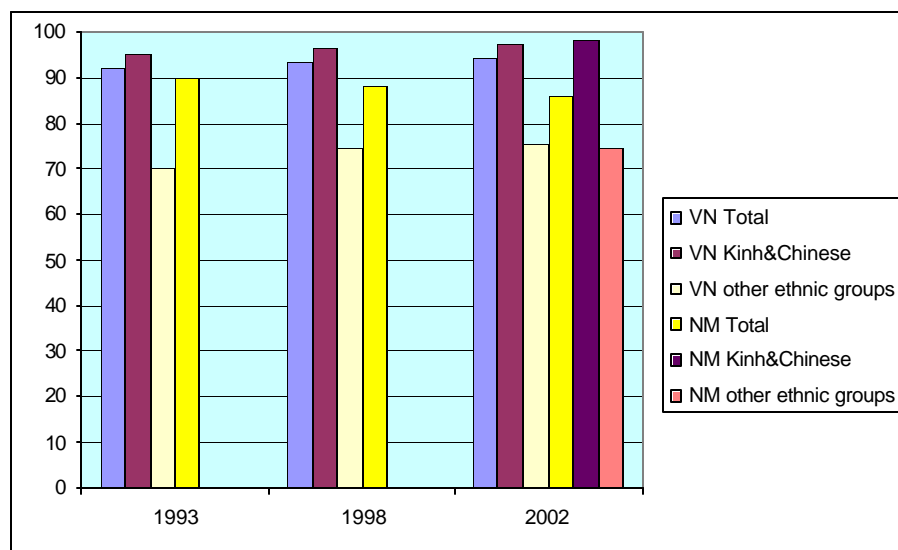
The improvements in rates of people with completion of at least primary school that are shown in figures 15, 16 and 17, may be seen as proxies for improvement in literacy. However, those gains are for children and youngsters only, and do not have immediate impact on communication with adults, their participation in parent-teachers groups, local infrastructure construction management and monitoring, and general community management.

Illiteracy is especially persistent amongst women in highland communities, who often do not speak Kinh language either. The Ha Giang team estimates that female illiteracy may be as high as 50%, and the Lao Cai team feels that in some highland villages this may be considerably higher yet. Indeed (female) illiteracy may be strongly correlated with ethnicity, with Hmong and Dao women more frequently illiterate compared to the average of the provinces quoted above.

The draft regional VHLSS data do confirm that ethnic minority women in the Northern Mountains region are much less literate than the Vietnamese average for women of that age group, with over 25% of them still illiterate in 2002 – this is shown in figure 18. However, these data still ‘hide’ differences between provinces and between different ethnic groups that are all called ‘other’ – further analysis should reveal the trends of for example literacy amongst Hmong and Dao women, which may be much worse than those of Thai and Tay.

²¹ NCSSH -IoS (2001)

Figure 18 Literacy rates women under 40 year old



Source: GSO (2003) (Table II.3 NE & NW region)

Adult literacy classes are thus most needed in the highland communes and villages, however, the current classes focus on a limited age-group (15-25), whilst in lowland provinces that is 15-35. Some women in the researched communities find it difficult to attend classes, for different reasons. For example, classes may be in the evenings when some husbands prefer women to stay home, or during inconvenient parts of the day when women have certain tasks.

In fact many ethnic minority people in the highlands know two or even three languages, including Chinese (Quang Hoa) because of trade contacts and also because in several communes and increasingly in villages more than one ethnic group lives (after different waves of migration, and settlement programmes). The Kinh language is becoming important where trade has increased and lowland Kinh traders have started to penetrate more.

However, an important observation by the PPAs is that there are few opportunities to maintain what was learned. Even in upland district centres there are only newspapers for subscribers, and no single issues for sale at the main post office. This means that for those who want to maintain their literacy, the opportunities to find regular, and accessible printed materials are extremely limited.

The teaching materials are limited in extent, and also limited in terms of appropriateness to local interests, cultures and the reality of highland life and livelihoods. Teacher quality is also limited, and primary school teachers often run the adult literacy classes with little specific training for that.

Improving the quality of education is now the main challenge, which may include teaching people in their own language and in Kinh language. In Lao Cai, pilot classes where people are taught in their own language as well as Kinh language are happening, but not in the researched communes. The Ha Giang PPA team proposes that more use is made of the REFLECT methodology. Action Aid Vietnam and several local partners in provincial and

district departments of education and training (DOETs, including in Ha Giang) now have experience with that²². Teachers should be trained in the REFLECT approach, curricula should be adapted, and continuous experience sharing should be supported.

There is however still a shortage of ethnic minority teachers who can teach Kinh as a second language to people of their own ethnicity (and also others – in many communes and also villages several ethnic groups live together). More resources for adult literacy are needed, and training to the group of 15-35 years old should start happening, also in the highlands.

Suggestion for discussion

QUALITY OF EDUCATION

Education provision has very expanded, and now reaches the poorest villages. Primary school universalisation is nearly achieved in the midland communes, and can be reached soon in the highlands. However, kindergarten coverage is still limited, which reflects on Kinh language skills of ethnic minority children entering primary school; girls still drop out more easily than boys at all levels of schooling; relatively few children reach lower secondary school, and very few reach upper secondary school; and the quality of teaching at all levels is still limited. More and better boarding schools are needed; curricula that are appropriate to local livelihoods and cultures; more teachers who speak local languages and who can teach 'Kinh as a second language' to pre-schoolers and also adults (in literacy classes); and all teachers need to be trained further. *What can be done, within the existing resource constraints?*

²² REFLECT: a participatory, PRA-based and Freire-based approach to adult education

4.2 Health

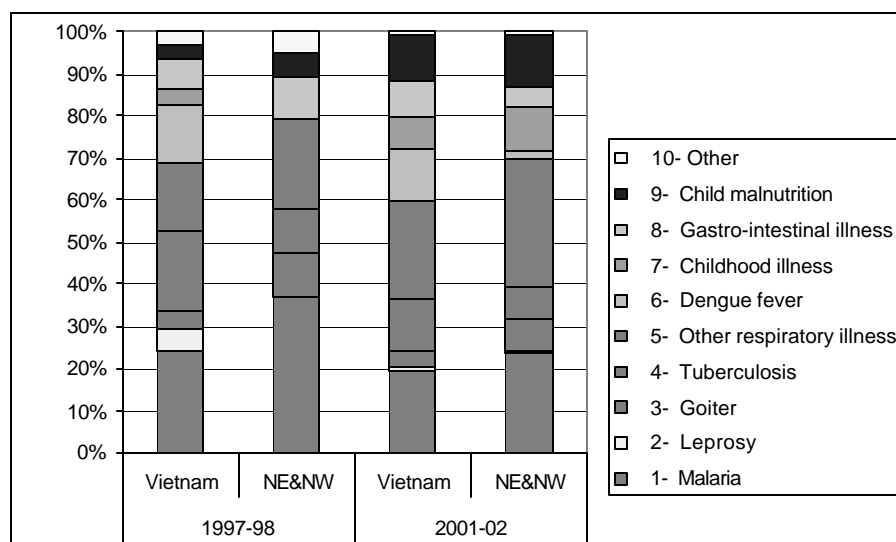
4.2.1 General health care

Health care for the poor improved significantly, especially for women.

According to local people, some health workers, and local officials, the incidence of some diseases reduced over the past few years, for example of malaria. The people interviewed during the PPA indeed highly appreciate the improved, expanded health care services – most households have at least one member who visited a commune health centre recently and received medicines.

The perceived improvement in service provision is partly supported by the regional VHLSS data, but the indicator used for access to health services in 2002 is different from the one used in the VLSSs of 1993 and 1997, making them incomparable strong conclusions about the trend in the past five years cannot be draw (see Appendix I, table III.11)

Figure 19 Main illness in communes (share of total illness)



Source: GSO (2003) (Table III.9 NE & NW region)

The VHLSS data confirm that since 1998 the incidence of malaria reduced, relative to other health problems, but it remained an important health problem. Of all illness in the communes of the Northern Mountains region, the share of respiratory diseases increased and is now nearly one third. Child malnutrition and various child diseases also require much attention (see figure 19). The (draft) regional VHLSS data are however not conclusive on the absolute number of cases of a particular disease.

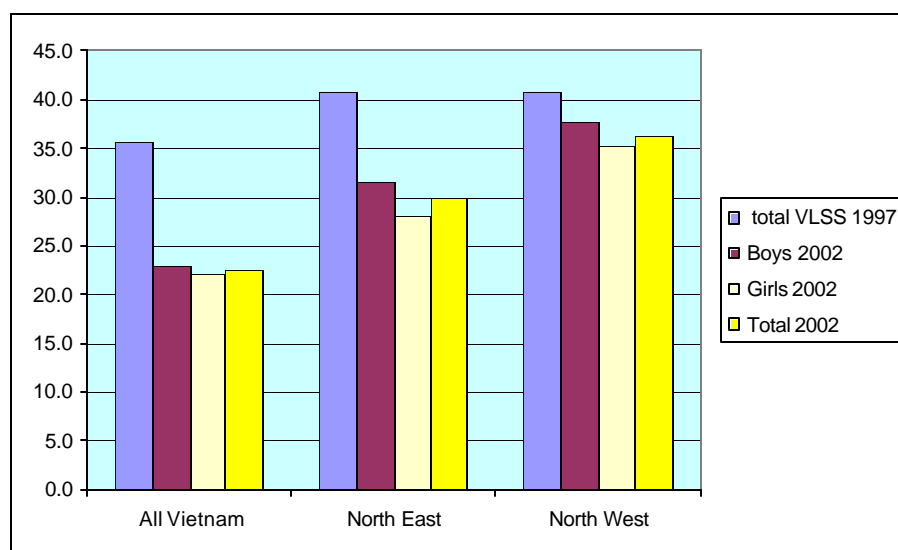
The data from the 2002 national health survey show that child malnutrition has reduced: the data for under 5 year old wasting are presented in figure 20 (see also Appendix I, health table 2). However, the rates of malnutrition in the Northern Mountains region remain well above the national average. The fact that it proportionally increased (see figure 19) can only be

correct if overall illness reduced (substantially), which is what many local people and officials claimed in the PPAs.

The remaining high rates of malnutrition are consistent with people’s perception of remaining poverty and hunger, despite recent improvements in staple food availability (see chapter 2). It should also be noted that malnutrition is not just related to staple food availability, but also correlates often with intestinal diseases and therefore safe water supply and personal hygiene.

It should be noted that in figure 20 the data for the North East and North West region are separated. Although Lao Cai and Ha Giang are in the North East region as per normal classification, the provincial data may be more comparable to the North West average – however, we do not have the provincial data.

Figure 20 Proportion of children under 5 who are wasted (low weight for age) in 1997 and 2002 (%)

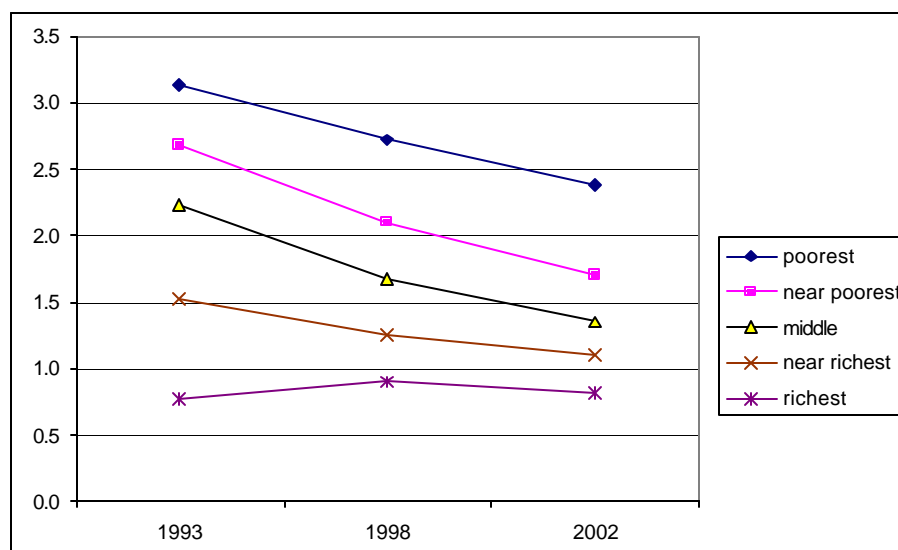


Source: Vietnam National Health Survey 2002 (preliminary results)

Birth rates have reduced, also in highland communities with Hmong and Dao people, which was observed by the two PPAs. This is seen as good for (the health of) women, and for household income, particularly by officials – who also consider this a relative success of various family planning programmes. The reduction in birth rates is also clearly visible in the regional data by income-quintile of the total population – see figure 21.

In the Northern Mountains region birth rates are the same or slightly below the national average, for all expenditure quintiles. There is also a strong increase in the use of contraceptives in the region, to above the national average (see Appendix I; health table 5 and 6). Safe motherhood programmes may have had some impact on the reduction in childbirth, but home deliveries persist, especially in the remotest communes. Indeed, the national health survey of 2002 suggests that home deliveries are much more common in the Northern Mountains region (North East: 32.6%; North West: 64.6%), when compared to the average in Vietnam (16.6%).

Figure 21 Mean number of under-15 children per household, per quintile of the population (NE&NW region)



Source: GSO (2003) (Table I.9 NE & NW region)

There are more health posts / centres, with more staff, and people seem to be using them more often, especially the commune health facilities. In Ha Giang all districts now have a hospital and one or two polyclinics, and there are 172 communes and wards with a health station, out of 191 wards and communes in the province. In Lao Cai all 180 communes and wards have a health station and 87% of villages have a village health worker. Total investment in construction of health care facilities and expenditure on salaries of increased numbers of health workers has steadily increased in the past few years.

Free health care provision has expanded significantly, notably to all ‘135 communes’, free examination and free supply of drugs. However, ‘Programme 139’²³ is not yet fully ‘on steam’. The implementation process is slow and monitoring systems are generally weak in highland communes, with little participation of the poor.

The Ha Giang PPA found that many local people do yet know about Programme 139. The households eligible for free health care are currently being registered (village heads are preparing lists) and cards are still to be issued (by DOLISA).

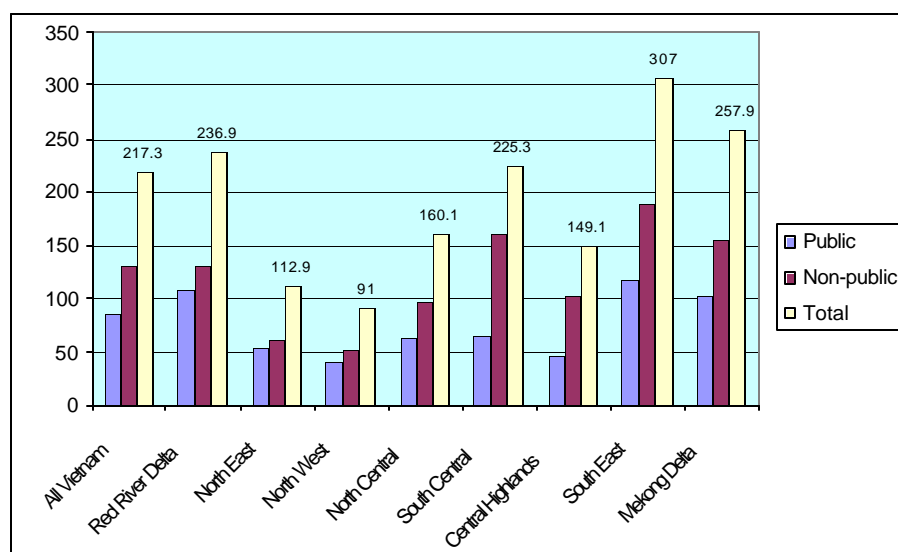
In Lao Cai only the poor and the ethnic minority people in ‘135 communes’ are entitled to free healthcare under Programme 139. Some categories are excluded: Kinh people in ‘135 communes’ and ethnic minority people in non-135 communes. Lao Cai will not use the ‘health insurance card’ mode of implementation. At commune level a fixed quota of medicines will be issued, of VND 10,000 / capita / year. The registration will thus be done in the commune clinics – only patients who must go to district and provincial health facilities will be given health cards. Some people and officials expressed that this system may create possibilities for corruption (health workers declaring falsely that medicines were handed out, whilst illiterate local people cannot check their files).

²³ ‘Programme 139’ refers to Decision 139/2002/QĐ-TTg dated 15 October 2002 of the Prime Minister on the national fund for free health care for the poor.

There are now village health workers (awareness raisers) in most villages of both provinces. They are local people with some training and a small remuneration, whose roles are awareness raising and advising people on visiting commune health centres. An apparent difference between the two provinces is that in Lao Cai they also provide initial health checks and some basic medicine, whilst in Ha Giang their role is limited to awareness raising.

Regional comparison of expenditure data suggests that in 2002 the average per capita health expenditure in the Northern Mountains was the lowest of the 7 regions. This is shown in figure 22. The figure also illustrates that in each region the household expenditure on ‘non-public’ health services is higher than that on public health services. This should be explained by a combination of lower living standards and the fact that public health care is essentially free in poor and remote communities, which make up a large proportion of all communes in the North East and the North West, i.e. the Northern Mountains region.

Figure 22 Average health expenditure per household in 2002 (VND thousand)



Source: Vietnam National Health Survey 2002 (preliminary results)

The PPA teams found that a parallel system of medicine supply through the market is emerging, primarily in the lowland communes. This is mainly accessible for the slightly better off. This indicates that the public system cannot satisfy all needs, and also that choice is increasing.

Low awareness of what the health services can deliver and unrealistic expectations persist, according to the two PPAs. For example, there are cases where people came to claim ‘their’ amount of medicines, following miscommunication about the way the Government budgeted what needs to be available in communes (*on average* VND 5,000 worth of drugs per capita per year in Ha Giang and VND 10,000 in Lao Cai). Some village leaders come to collect drugs from health posts, instead of sending patients for a check up.

Only very few people from remote villages visit district hospitals because of ‘secondary costs’ (travel, accompaniment of patients, food).

The quality of commune health staff and village health workers / visitors is still low, according to local people and officials, and many professionals are contracted from midland provinces. There are also some complaints about rude behaviour of some health workers. Provincial teaching for health-professionals and local health worker training should be reinforced in both provinces, in order to increase the number of locals in the local health sector, and the quality of health care staff. The capacities / skills of village health workers should be improved through a training programme.

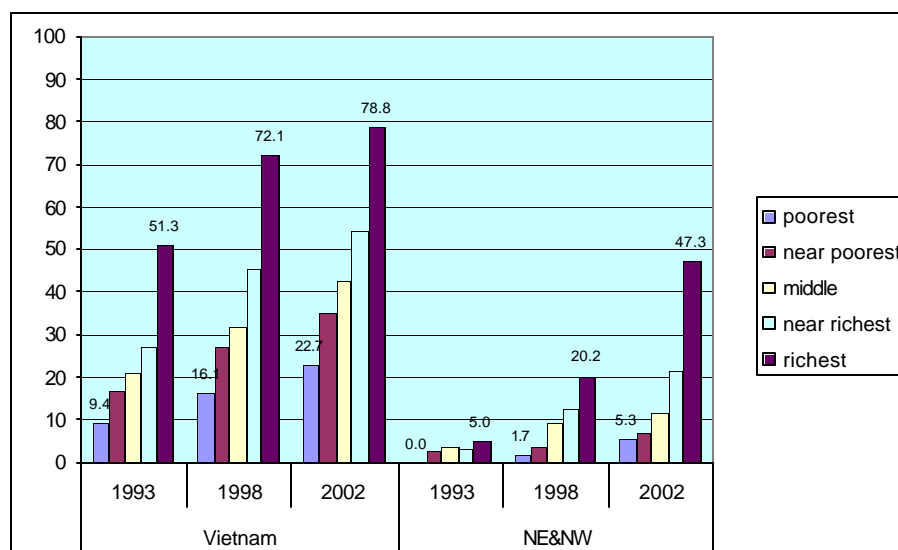
4.2.2 Clean water supply and public hygiene

Clean water supply is not yet universal, and public hygiene is still low, especially in many highland villages.

There are significant improvements in safe water supply in both PPA provinces, for example through the free supply of (building materials for) water tanks. The (central) Government and international funding has helped a great deal, also with new village water supply systems and wells. However, water supply needs to expand further, according to local people, especially in the remotest villages.

This is consistent with the findings from the VHLSS: despite a rate of increase above the national average, just 7.7% of rural people and 7.1% of ethnic minorities in the region have access to ‘clean’ water, and fewer get ‘safe’ water²⁴. The data are presented per expenditure quintile of the population in figure 23.

Figure 23 Access to clean water (%) per expenditure quintile of the population



Source: GSO (2003) (Table IL.4 NE & NW region)

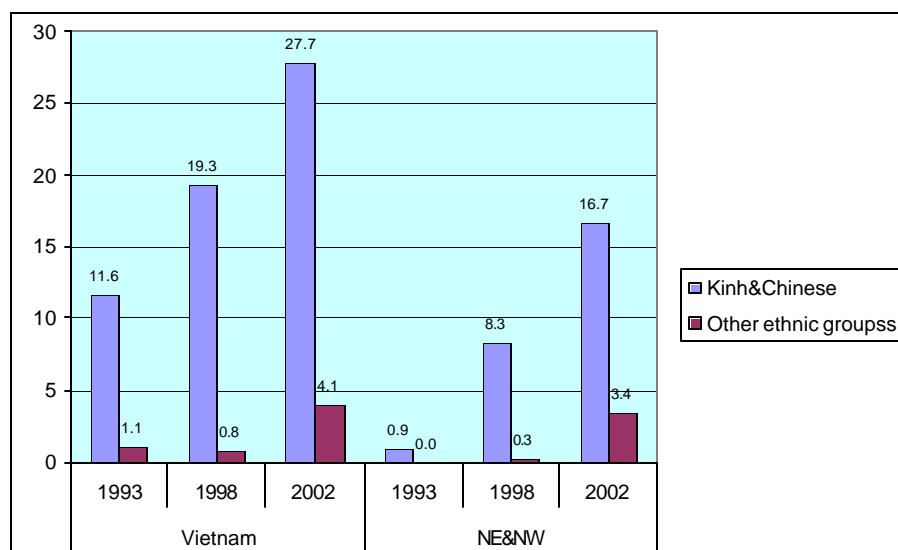
²⁴ The ‘safe’ water data are the same as ‘clean’ water, minus the water supplied from wells, according to the GSO classification. However, the PPA teams and others question how safe it is to collect rainwater from fibro-cement roofs, which is included in ‘safe’ water. Furthermore, drilled wells with pumps can produce a very ‘safe’ water supply, if protected.

In Ha Giang the authorities continue their support in improving water sources, for example with the construction of more water tanks for water collection from for example roofs, especially for the high rocky mountain zone. The PPAs found however that care must be taken with water collection from (new, often donated) fibro-cement roofs, because of toxic chemicals – this is against common practice and regulation in other parts of the country.

Public hygiene is yet to improve in many highland villages, including those researched during the PPAs. Several disease-vectors persist. Some traditions and beliefs are difficult to change, especially the proximity of people and their livestock, which is still prevalent in the highland villages. There is also an absence of toilets.

Indeed, despite some improvement, the percentage of households in the Northern Mountains region with hygienic latrines is still well below the national average, especially amongst ethnic minorities in rural areas. This pattern that emerges from the VHLSS data is very similar to the clean water supply data by quintile (see above) – the number of hygienic latrines is presented by ethnicity in figure 24.

Figure 24 Percentage of poor households with hygienic latrines



Source: GSO (2003) (Table II.8 NE & NW region)

The recommendations from local people, officials and the PPA teams are to provide more clean-water supply systems, and more hygiene training, especially to village leaders and village health workers. Training is also needed in for example operation, maintenance and management of clean water supply systems (where systems have been constructed). Public sanitation can also improve through targeted distribution of materials for improving wells and construction of toilets. It is important that different (district) services coordinate their awareness raising activities, especially the veterinary care and health services, and also those responsible for clean water supply (which is often DARD).

Suggestion for discussion

QUALITY OF HEALTH CARE

Investment in health care services has increased substantially in recent years, and health problems have reduced substantially. The implementation of Programme 139 is gearing up, despite a somewhat slow start. There are substantially increased numbers of health workers at all levels, and also village health workers / motivators with some training and modest remuneration. However, there still is a high incidence of various preventable diseases; there are still high rates of malnutrition (that are not just caused by lack of staple food); safe water supply has not reached every village; and public hygiene is still very low in many villages, especially highland villages. *What can be done within existing resource constraints?*

4.3 Agricultural extension

The agricultural services contributed much to increased maize and rice productivity, tree planting and livestock production. This was supported by the extension system, but the quality of extension and access to technical knowledge by women and the poorest farmers is still limited, especially in Lao Cai.

Agricultural input supply shops in for example commune-cluster centres in the highlands have become more effective, notably because of transport improvements, steady supply of (imported) maize and rice seeds, and because supply of for example fertiliser to customers is on credit that is guaranteed by the Social Policy Bank (usually against the commercial lending rate of 0.7% per month). These inputs are amongst the primary explanations for improved food security and income, especially in the poorest communities (see chapter 2).

Agricultural inputs are reasonably priced in remote highlands because of subsidies on the transport of fertiliser and seeds, making them roughly equally priced when compared to lowland communes. The price of seeds has also been subsidised, but the subsidy is now decreasing, especially in lowland ‘135 communes’. Agricultural input supply in the lowland communes has benefited from a steady expansion of the private sector.

High yielding variety (HYV) seeds were promoted, which are usually sterile hybrid seeds, meaning that every year a farmer needs to buy new ones. This has generally worked, but there are also reports of bad seed quality, causes germination failure (see also section 2.3).

The provincial authorities provide interest-subsidies on loans by the Social Policy Bank and others, in addition to the subsidies from the Central Government, meaning that cheap loans are widely available in ‘135 communes’ – these loans are used especially for livestock. This is also an important explanation for improved incomes in the poorest communes, though not for the very poorest households (see also section 2.2).

Tree planting programmes have taken place in every commune, over the past decade. Various forestry services and special programmes have supported this. However, the effects of this on local incomes and food security is being questioned on the basis of the findings of the PPAs (see also section 2.1 and chapter 8).

The supplies and loans were accompanied by various technical advice and training from / by extension workers (in extension departments and at commune level) and various technical services that all relate indirectly to MARD (forestry, veterinary care, plant protection, etc.). The work of extension services, paravets, and others is generally appreciated, and local people attribute increased yields and improved animal health to this support.

In Ha Giang there are Commune Extension Workers (CEWs) in all 191 communes and wards and also village extension workers (VEWs), in 1,285 out of a total of 3,035 villages. Lao Cai also has CEWs in all communes, but it does not have VEWs. CEWs in Lao Cai province remain low-paid (VND 90,000 / month), whilst in Ha Giang they are rewarded as ‘local civil servants’, i.e. they get about VND 400,000 / month. The VEWs in Ha Giang get a small remuneration, generated locally, which is usually VND 100,000 / month but can also be as little as VND 40,000 / month. The Lao Cai PPA team and some local officials recommend that in Lao Cai the CEWs should also become local professional staff, and the province and local authorities should start investing in VEWs.

The effectiveness of the CEWs and VEWs in Ha Giang in promoting new technologies appears to be higher than that of the CEWs in Lao Cai, but there is scope for improvement in staff quality in both provinces. There are now reports that they lack skills in most technical fields. For example, the local people in Ha Giang explained that the extension agents were incapable of containing a livestock epidemic and that the district services were needed.

However, perhaps they should not be expected to become experts in everything. The roles vis-à-vis the various district services should also become clearer. Facilitation between district services and farmers (village leaders, local representatives of the MOs) may be their most important role. Extension agents fall under district DARDs and indirectly under provincial Extension Centres. There are indications that in both provinces the extension agents are not well connected to all the district and province agricultural services (including livestock, forestry, plant protection, input supply ...).

The two PPAs suggest that the CEWs should focus on communication and stimulating cooperation between (district) services and village leaders and MOs, in order to respond to farmers' needs. Their aim should be to support the household economy, which is broader than the production of single crops or promotion of specific livestock animals. They should be trained further in various technical fields, and also in broad household economy models.

According to the Lao Cai PPA, the need for extension varies among different household groups, who all have a wider livelihood outlook. The poor, women, and highland ethnic groups prefer technical guidance along with material support (seeds and credit). The better-off groups appreciate the new techniques, and regularly updated market information. The younger groups want vocational training and through that additional employment opportunities. In contrast, the extension agents still focus on supplying ‘pure’ technical training and information, with a focus on demonstration models. This difference between needs / preferences and what is ‘on offer’ should be addressed.

The contents and methodology of pro-poor extension is not yet not well developed and applied. Particularly important is further improvement of the veterinary services, especially in the highland villages where (Hmong, Dao) people see livestock keeping as a key opportunity for improvement of livelihoods, combined with low-level exploitation of forests.

Gender biases of extension and technical services are still prevalent, with male staff targeting male farmers. This could be addressed through pro-active recruitment of women as VEWs and CEWs, and training of young women farmers with a reasonable degree of education, who can grow into these roles. The situation is particularly pertinent in the upland villages, where local women are rarely fluent in Kinh language (see also section 4.1).

The poorest women and men farmers are not always reached by the services, for example because they lack time (household labour is limited) or ability to communicate in Vietnamese. However, with further efforts at, for example, developing and using audio-visual materials in local languages they may also be reached. Service providers should be further sensitised, and district and commune staff may be trained particularly in communication and facilitation skills.

Farmers' clubs became inactive at the end of projects, apart from some input supply. However, traditional labour exchange is a forum for knowledge exchange, and continues to be important locally. In order to reach the poorest farmers this custom should be built upon by extension workers.

Technical, practical information also gets to farmers in different ways, increasingly, and until now especially in the lowland communes. The main ways are through radio and TV broadcasts, which are mainly in Kinh language. Particularly important for farmers is accurate and regularly updated information on market prices. This may be stimulated further, and be part of broadcasts in ethnic minority languages.

In addition, the importance of indigenous knowledge and planting materials is clear in the highland and also the midland and 'lowland' communes. For example, many households still reserve a portion of their land for old/traditional crop varieties. This should be supported in the context of existing vulnerabilities and heavy reliance on hybrid seeds and chemical fertilizers.

<p>Suggestion for discussion</p> <p><i>EXTENSION</i></p> <p>In Lao Cai investment into the commune and village level extension system is considerably less than in Ha Giang, and it should 'catch up'. However, in both provinces there is scope for improvement of technical and communication skills of these extension workers; there is scope for strengthening relations between them and district agriculture, forestry and livestock services; and at the district level 'horizontal integration' is needed for more effective service provision. Needs in highland and lowland communities are different and therefore services 'on offer' should be different. In general, the services and extension system should take a 'household economy' outlook, instead of a narrowly technical one, in order to respond better to local needs and develop opportunities in a participatory manner. <i>What should be done?</i></p>
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5. QUALITY AND TARGETING OF SOCIAL ASSISTANCE

5.1 Poverty criteria and targeting general social assistance programmes

Quality of targeting of social assistance has started to improve, but must improve further because of limitations in the scope of the criteria and inconsistencies in applying them. The Government's income poverty criteria and process for assessment (guided by MOLISA) needs improvement, because data do not match perceptions, and often seem to be incorrect.

The main poverty targeting instrument until now is the classification as a '135 commune', or not. This is based on a range of criteria, with a stress on the community rate of income poverty by MOLISA criteria, the quality of physical infrastructure, and remoteness.

However, the data produced according to the MOLISA criteria are not always trusted, and in comparison with the GSO criteria they are less appropriate. The GSO's methods for assessing 'food poverty' and 'general poverty' are very complex and not useful for issuing poor-certificates locally, but they match local perceptions of poverty and hunger better, at least in the surveyed communes and villages in Lao Cai and Ha Giang (see chapter 2 and figure 14).

In addition to the limitations explained in chapter 2, the MOLISA income criteria for different sections of Vietnamese society are not always appropriate, in practice. For example, in poor wards of rural (upland) towns the criteria of VND 150,000 / month/ capita must be applied, and yet in adjacent communes it is VND 80,000 / month/ capita. In addition, to be classified as 'not-poor' with an income just above the poverty line does not mean the household is rich. The 'near-poor' should also be targeted, because small incidents may cause them to fall back into poverty (see also section 2.3, and below).

Many officials blame flaws in the survey process for classification of households as poor or not, and dependency on the interviewers, who get little training. In some cases poverty seems to be under-reported. In other cases officials / interviewers seem to feel incentives to over-report poverty, because of the advantages that this may bring to the community. For example, free hand-outs such as fibrocement tiles are valued at around VND 2 million per household. This makes local people 'want to be poor' and hide their true income, the outcome of the surveys unreliable, and the survey process difficult.

Interviewers at the commune level have a low literacy level, and limited experience with interviewing and calculating income (despite a training session of a week in the Lao Cai cases). Some external interviewers may also have limited understanding of highland communes and ethnic minorities, as has been the case in instances in Lao Cai.

By adding to the poverty assessment process a kind of poverty ranking of villages (for example in a meeting between commune PC staff and all village leaders of a commune) and well being ranking of all households (by groups of villagers) data may become more trustworthy, compared to the common practice that PC staff and village leaders make lists.

However, a 'poor-certificate' now had until now little meaning in '135 communes', because several special programmes have started to target the entire populations of these communes, such as free textbooks and school fee exemptions for primary school children, and free healthcare (i.e. not just the special infrastructure funds). The certificate or classification *will*

have significance in future for accessing credit, which will be subsidised only for the households classified. This differentiation is already happening in lowland ‘135 communes’.

In chapter 2 it is argued that a ‘hard core’ of poverty is emerging, with people whose lives and livelihoods have improved just a little over the past decade, despite opportunities offered by a range of poverty reduction programmes. With gradual improvement of infrastructure and economic growth (that benefits the better off more), intra-village poverty analysis must become ‘sharper’. The bulk of assistance is now through production incentives (notably interest subsidies), but some of the poorest cannot work themselves out of poverty, though others can.

The Lao Cai PPA suggests that the ‘near-poor’ (by MOLISA criteria) should also be targeted by certain programmes, for example loan programmes, in order to prevent them from falling back into poverty. They suggest that a rough criteria for determining this group could be households with incomes between VND 80,000 and 120,000 / month / capita. This upper limit is still below the GSO’s ‘general poverty’ line for 2002, as has been used in the VHLSS (see figure 14). This practice would also be consistent with the findings from both PPAs that local people perceive more hunger and poverty in their communities than most data by MOLISA criteria suggest.

Newcomers to the communities, i.e. people whose residence has not (yet) been officially recognised tend to benefit less from social assistance programmes, and they are not considered for land allocation. However, their children are usually allowed to attend school (see also chapter 7).

The researchers and some local people and officials agree that there is a continued ‘dependency mentality’ amongst the population and officials. This means that passive attitudes would dominate. People (including officials) are seen to wait until the (Central, provincial) Government comes to help, and do not use local resources and development opportunities to their potential. Furthermore, the two PPA provinces get much of their budgets from the Central Government, and only a minor part from local revenues. This mentality is explained by a long history of direct support to poor people, including many ethnic minorities, a history of top-down planning, lack of education, and so on.

The fundamental policy that may partly cause this mentality is one of ‘redistribution’ of lowland Vietnamese wealth to the highlands, but this policy must in principle be applauded because the provinces and their populations are amongst the poorest in Vietnam. The dependency behaviour should thus be addressed through setting different spending priorities and following different implementation strategies that lead to sustained development processes, not by challenging the need for wealth redistribution.

The suggestion is made by the Lao Cai team to link direct assistance for certain social groups and villages to improvements in e.g. hygiene conditions and vaccination. Introducing a degree of ‘conditionality’ or competition between villages and communes is not unusual in Vietnam, and could motivate villagers to clean up. This should of course be carefully applied so that the poorest and most vulnerable people and communities are not excluded, and the criteria for rewards should indeed be widely appreciated, across cultures and communities.

5.2 Special social assistance

Special social assistance programmes are highly appreciated, but they are generally modest in contributions, and some can be targeted better.

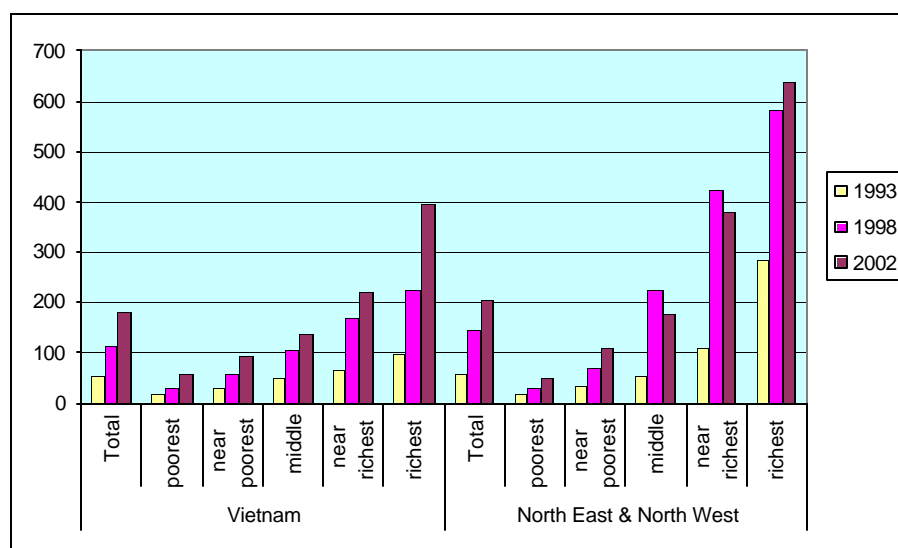
Special categories of people, including the disabled, orphans, war heroes, and elderly people who live alone, are targeted by a range of programmes. These programmes are delivered routinely. The benefits are small, e.g. 12 kg/rice/month for the disabled and lonely-elderly.

In cases of emergency relief following natural disasters the tendency has been to provide relief to all villagers, i.e. spreading it ‘thinly’ instead of focus on the most affected and / or the poorest. This has included cases of distribution of free fertilizer. It must be stressed that emergency relief is generally very much appreciated, and is seen as strengthening people’s confidence in the Government.

There were however also complaints about late delivery of some emergency assistance, and the fact that some assistance was limited, i.e. did not compensate for all the incurred losses in harvest and assets. There were also cases of low quality of in-kind free handouts (e.g. in a case of distribution of goats in Ha Giang, most died soon after delivery) and low quality of subsidised maize seeds (with an example in Lao Cai).

The regional VHLSS data provide an overview of all social welfare payments, with regional averages by quintile of the population in terms of expenditure. The total social welfare payments for the region follow closely the trends in Vietnam, which is shown in figure 25. The total payments per capita have steadily increased over the past decade. It is also remarkable that there is a strong positive correlation with income. That is, the better off quintile gets the highest welfare payment, the poorest quintile the lowest, and over the decade the gap appears to be increasing.

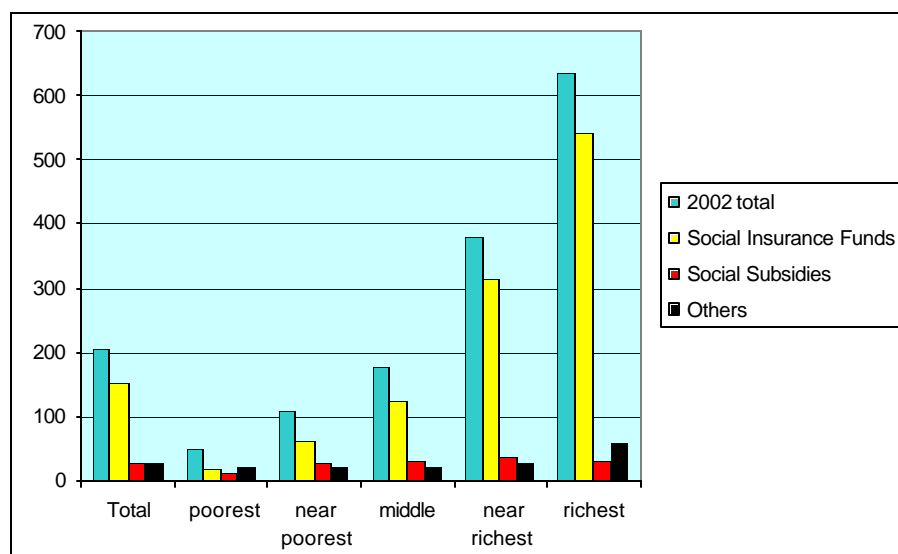
Figure 25 Incidence of total Social Welfare Income for Vietnam and Northern mountains region by quintile (thousand VND/annum/capita) (1993-2002)



Source: GSO (2003) (Table V.1 NE & NW region)

This can be explained by breaking down the data into a number of categories, which has been done in figure 26 for the Northern Mountains region for the year 2002. It shows that the bulk of the social welfare payments are from Social Insurance Funds, which includes pensions and other insurance payments to (retired) officials and leaders of the Party and MOs.

Figure 26 Incidence of Social Welfare Income in 2002 for Northern Mountains region by quintile (thousand VND/annum/capita)



Source: GSO (2003) (Table V.1 NE & NW region)

The remaining social welfare payments are ‘social subsidies’ (of various kind) and ‘others’ (including disaster relief and pre-harvest hunger relief handouts). These two categories are minor average totals per capita, but, surprisingly, they are also positively correlated with expenditure, i.e. the poorest get least (VND 30,000 / year /capita total average for the Northern Mountains) and the richest quintile gets most (nearly VND 90,000 /year/ capita). The authorities should carefully assess this phenomenon.

The local communities themselves, i.e. neighbours of victims of for example natural disasters, lonely-elderly and disabled people also provide important assistance, voluntarily. The Lao Cai PPA also reports community-based social funds, like the ‘fund for the poor’ and the ‘fund for mercy’ (‘quy tinh thuong’). These get contributions of several thousand VND per year from local residents. These funds are used to support some of the poorest and needy people, who will receive small hand-outs around for example the Tet holidays or in case of emergencies. Local people appreciate these funds, but sometimes raise their concerns about equality in defining the beneficiaries and surveying the poor.

The focus of planning, delivery and monitoring of social assistance, production incentives and emergency relief should move further to the commune and village level, especially the decisions on welfare targeting. The Ha Giang PPA suggests that commune level emergency assistance funds should be created under the local Red Cross or Fatherland Front.

In Lao Cai some people stressed the need for (better quality) legal services, especially for settling land disputes.

Suggestion for discussion

TARGETING

Better targeting of poverty reduction and social welfare programmes is needed, because intra-community inequality is increasing. A ‘hard core’ of poverty is arising, with people who are difficult to help, including certain ethnic groups, many women, elderly, disabled, and so on. Simple classification as a ‘135 commune’ or not is no longer sufficient and the poverty criteria of MOLISA are not consistent with people’s perception of poverty: a large group of ‘near poor’ should be reached. Procedures for assessing who is ‘poor’ as per MOLISA guidelines are not always implemented well, and there is a tendency to distort data because of the benefits that being ‘poor’ may bring. Good targeting should ensure that the ‘dependency mentality’ is challenged, but ‘redistribution policies’ are needed. Good targeting means that subsidised goods and free handouts should be of good quality and arrive timely, where and for those who need it most. It requires more decentralised planning and implementation, and needs to be well-facilitated by skilful people. *What should be done?*

6. PUBLIC ADMINISTRATION REFORM

6.1 Recent improvements in public administration

Until now there has been very limited impact of Public Administration Reform (PAR) on the districts and communes where the two PPAs took place, especially the highland districts, communes and villages. This is our primary conclusion:

PAR has not yet affected the upland districts, and has had limited impact elsewhere.

There are also some initial achievements in the two PPA provinces, and some of the districts and communes, although perhaps not all are strictly part of the national public administration reform process (see section 6.2 for plans and suggestions for further improvement).

Ha Giang province officials explain in a report the province's progress with administrative reform. Administrative documents (forms) were assessed and modified, recruitment and management of civil servants was assessed and improved, the number of People's Committee offices and departments was reduced, and so on. The province also piloted some reform measures in Vi Xuyen district, where some of the PPA research took place. The number of offices and staff reduced there too, and training took place of officials, students (to be placed in communes), commune cadres and village heads.

In Bao Thang district in Lao Cai the PAR process has already led to changes in defining, 'standardizing' job descriptions and required qualifications of different civil servants, and budgeting and expenditure responsibilities. The district receives a lump sum for administrative costs and can make its own decisions about the exact use of it. The leaders of the district see the initial PAR process as positive, because it makes staff more responsible, more active in improving their qualifications, and because of savings on administrative costs. However, discussion with some district staff show that the PAR may also cause reductions in for example incentives for staff to travel to villages, which could result in fewer contacts – but 'the jury is still out' on such effects.

The registration of new enterprises is for example supported with a '24 hours green light' policy in Ha Giang, and lowland districts such as Bao Thang have started to integrate agricultural services at district level.

The status and remuneration of commune officials is being upgraded: about 15-20 people in each commune are becoming 'local civil servants'. This is locally seen as helpful in motivating the leaders of the People's Committees and Councils, administrative and 'professional' staff and some staff/ leaders of the Party, Mass Organisations and police. There were however comments in Lao Cai that the difference of remuneration between the head and the deputy of these organisations is now is too big (5-8, even 10 times), making it difficult to motivate the deputy to be active. The commune PCs in Lao Cai will all have 4 'professional' staff, on land, finance/accounting, administration and legal affairs – in Ha Giang there is / will also be a CEW.

The poorest communes often get one or more seconded staff from the district and / or the province, for example as '135 facilitators' (often relatively young, male). In addition, some seconded staff have been given temporarily the role of vice-chairman of commune PCs, and the Party also places staff/members temporarily in some instances. These

supplemented/seconded staff and the ‘135 facilitators’ are doing well in some of the surveyed communes in Lao Cai, because they are well educated and link with district departments for getting information and producing upward reports. However, most of them need more comprehensive training to become genuine poverty reduction facilitators, and aiding other aspects / work, instead of just managing and monitoring construction projects under Programme 135. In Lao Cai, the DOLISA is proposing to the provincial PC to allocate one professional poverty reduction staff at every ‘135 commune’; it seems that the current ‘135 facilitators’ can play this role, with more/appropriate training.

In the highland communes the local capacities are so low that in some cases this means that external people effectively manage the commune. For example, a commune in Dong Van district in Ha Giang had to ask the Finance Office of the district to help them with preparation of commune plans and budget. However, not all seconded officials have good capacity and in one reported case in Ha Giang such an official became a burden on the commune. There are also reports that the seconded people who stay for a limited do not ‘hand over’ sufficient detail to their successors, meaning that problems occur after their departure.

Local people and officials insist that relying on outsiders is undesirable in the medium and long term, but at present it is unavoidable. In fact, both provinces are developing a programme for attracting and placing newly graduated students in commune PCs, for gaining practical experience and supporting the weakest communes. This is necessary, especially because until now the number of capable officials from certain ethnic groups is still very limited – yet they would be best placed to communicate with the local people.

6.2 Plans and suggestions for improvements in public administration

Based on dialogues with commune and also higher-level officials, village heads and villagers, we also draw the following conclusion.

The existing needs for improved public administration are strongly related to the capacities and resources at all levels, including the village level.

The training / capacity building of local leaders and professional PC staff is a high priority in both provinces, and rightly so.

Good public administration also depends a great deal on transport and communication infrastructure, which is generally improving and expected to improve further. Commune officials and also some local people are aware of the general plans, for example for connecting communes to the electric grid in the coming few years (see also figure 7).

Upland village leaders are in fact a ‘one-door shop’, but because of limited capacities they are not very effective. Village heads are responsible for dissemination of information from the commune to the people (guidelines, resolutions, policies ...), and communicate villagers’ feedback to the higher levels. They are also central in solving problems between households, and collecting various contributions from the villagers. In lowland communes, people often have other ways of accessing information, and visit the commune centres more often. But even in the researched lowland communes most of village heads were only educated up to grade 4 or 5.

The capacities and remuneration of village leaders need to be increased, and (young) deputy village leaders with small remuneration could greatly improve two-way communication and consultation of local women and men. The role of deputy already exists in many places, but that is not formal and not remunerated. Lao Cai is already interested in considering the formal position of deputy village leader, meaning that there would be a second remunerated person in each village. It could be a younger person with more education, operating as some kind of administrative support to the village leader (people talk of the role to ‘translate’ all kinds of things).

There is indeed weak decentralisation of fund management. Even under Programme 135 the districts remains the formal investor in the researched communities. Lao Cai province has the idea of developing the 135 facilitators into a general community facilitator, who can for example use PRA techniques for helping various planning and monitoring processes.

With improved capacities the focus of planning, implementation and monitoring of various programmes and (small) projects, could move further to the village level, as the Vietnam-Sweden Mountains Rural Development Programme (MRDP) has attempted with village development funds in the Northern Mountains.

The training / capacity building of local leaders and professional PC staff will be a high priority in the near future. However, the CEWs in Lao Cai could be usefully upgraded in skills, remuneration and status, as is the case in Ha Giang. This person should be central to all kinds of agricultural services from higher levels, and build relationships with district and provincial services and departments of extension, plant protection, veterinary care and forestry and perhaps more. These services are currently very segmented at the higher levels, which is a problem that needs to be addressed urgently (see also section 4.3).

There is scope for streamlining the ‘poverty reduction board’, which is set up under a MOLISA policy in each commune; the structures that were created for the implementation and monitoring of Programme 135 (including the Supervision Board – see also chapter 3); and various project management teams that may have been set up at commune level for different reasons. The poverty reduction board is mainly for the classification of households as ‘poor’ or ‘not-poor’ according to Government criteria and does not seem to take on other roles, in practice. Project management teams are often related to internationally funded projects. Project management teams, ‘135 facilitators’ and the Supervision Board, and the poverty reduction boards seem to overlap, especially in the communes with least number of people with a minimum degree of education and administrative / leadership capacity: the same people wear several different hats.

These structures may be merged in some cases, and in other cases roles could be clarified – this could well be different from commune to commune. These boards or teams should always be well connected to specific district departments, in order to be able to access support. They should include the ‘professional staff’ of the commune PC, and some of those who are seconded from the district or province may take advisory roles. Whatever the external human resources that get placed in communes and the committees that get created or merged (or both), all this should support and not undermine the strengthening of commune Peoples Committees and Peoples Councils (see also section 3.3).

One concern now is how to monitor and evaluate the impacts of PAR in terms of people’s benefits such as reduced waiting and travel times and costs, better information, participation

in decision making, etc. The 2001-2005 PAR plan of Lao Cai contains very little on monitoring, and proposes to do it mainly through the formal (bi-annual) reporting system. The plan focuses on the province and district levels, with little mention of the commune and villages levels. However, improvements are particularly needed in the highland areas, which would suggest that monitoring must include the commune, and especially village levels. In addition, good monitoring needs to involve, or at least inform the representative structures, i.e. key members of People's Councils and MOs at different levels (see also section 3.3).

Suggestion for discussion

CAPACITY BUILDING

Public Administration Reform is touching upon provincial and district administrations, and communes' administrative and professional capacities are being reinforced in various ways. However, the critical roles of village heads need to be recognised better, and their capacities need to be strengthened with great urgency. They could be supported by a (young, educated) remunerated deputy head of village. In addition, communication with and development of highland communities requires rapid improvement of capacities of the adult population, for example through reinforced adult literacy programmes with appropriate contents and methodology, information supply in ethnic languages, and appropriate (reinforced) personal communication skills of commune and district officers. *What should be done?*

7. MIGRATION

Our main conclusion regarding migration into and out of the researched rural areas is that...

migration is not a burning issue in Ha Giang and Lao Cai.

However, there are some topics that need careful attention of policy makers and implementers.

7.1 Spontaneous migration

Free migration became a burning issue in 2000-2001 when several hundreds Hmong households migrated from Lao Cai and Ha Giang to the Central Highlands region. Some of those households have returned, who were allowed to re-register and were allocated land (equally to other households).

Since 2002 both Lao Cai, Ha Giang and provinces in the Central Highland have strongly discouraged this migration pattern. There are also some projects aiming at stopping 'free migration' by supporting local livelihoods at places of departure, and places of return. Indeed, interviewees confirmed that there has been very little spontaneous out-migration, recently.

Although spontaneous migration in and out of the area is currently not very significant, the causes for interest in migration need continued attention of the authorities.

7.2 Seasonal migration

Labour exchange between families is common in the researched communities, for agricultural activities and also in, for example, house construction. Women do less work as hired labourer since they 'have to stay at home to do the housework'. Some people work on the construction of small infrastructure projects in their localities – as unskilled labour.

Young men from the researched lowland communes in the two provinces occasionally do seasonal work at construction sites outside their communes. They do unskilled work such as digging and transportation of construction material. They get paid as little as VND 10,000-15,000 per day.

Some of those seasonal migrants do not speak Vietnamese, and find it difficult to complain and take action when they are badly treated by contractors and foremen. There are reports that workers were refused payment of their due salaries (of VND10 million in one case), foremen who suddenly vanished without paying workers, and threats of being beaten up when asking for their salaries.

The authorities should make efforts to protect migrant workers from such abuses, especially ethnic minority and unskilled workers.

There is also in-migration into the areas from neighbouring districts and provinces, mainly of professional workers (builders, carpenters).

7.3 Organised migration

Government resettlement programmes continue. They focus on settling people from the highest and remotest parts into small communities with basic infrastructure and services

(education and healthcare). The most common practice is that households get resettled in their own localities. In Ha Giang many are moved to Bac Me and Vi Xuyen districts. All settled households receive support from government in term of homesteads and arable land, community infrastructure, and subsidised or free seeds and food. A report from Ha Giang province shows that 2,115 households were resettled in 2002, i.e. scale is modest but significant.

This programme does enable service provision, communication, and State management. However, the changes in living style and livelihoods that are caused by it (notably: settled agriculture) are not always appreciated by the people concerned, who have different habits.

The PPA teams feel that organised migration (resettlement) should be done cautiously and with the full participation of the people concerned and local authorities / leaders. Lessons need to be learned continuously, also from other provinces and regions, and zoning of cultivation land and population settlements needs to be done in ways that are appropriate to local customs and preferences.

8. ENVIRONMENT

8.1 Forest and land quality

The combined regional VHLSS data and the qualitative surveys (with a focus on just 4 communes per province) are not entirely conclusive on forestry trends (cover, quality). However, the feedback from villagers and officials suggests the following.

Forest quality and coverage may have decreased in quality in the researched communes and districts in Lao Cai, and improved in those in Ha Giang. Land slides and soil erosion still occur in several parts.

Slash and burn agriculture has become rare in both provinces, because of settlement and land allocation programmes, and enforcement of local forest use regulations. Most upland has been allocated to households. However, it is also reported that cropland continues to expand, gradually by converting land that is officially meant for something else, especially for expansion of maize cultivation on land is officially classified as forest land. On the other hand, the main explanation for increased maize production and food security is increased productivity, not expansion of cropped area (see section 2.1).

The Ha Giang PPA claims that all informants, local people and officials, perceive an improvement of the environment over the past 5 years, but that it is still not as good as say 40 years ago – this concerns especially the cover and quality of forests. They perceive a reduction in forest fires and also improved water supply in natural streams. Forest statistics suggest that forest cover increased from 33% to 39.1% over the past 5 years – the forest are however mainly ‘secondary forests’, meaning that the natural and economic value is (still) limited.

The improvements in Ha Giang are attributed to increased awareness, land allocation and tree planting programmes and better enforcement of settlement and forest protection policies. Land allocation programmes have reduced the land disputes. Local people are allowed to collect fuel wood from the forest and graze their livestock, but need to seek permission from the commune PC for cutting trees.

In Lao Cai the general impression of the PPA team is that forest coverage has improved a little bit over the past few years (according to official statistics it increased from 25% in 1995 to more than 30% now). However, the quality of the forests is still poor, and in some places degrading. The forest coverage in some highland communes is very low, even though these areas have an important function for water retention and year-round water supply to small streams that are used for, for example, drinking water supply.

Local households continue to go into the forest to collect firewood, which is a serious problem according to the forest protection services. It is estimated by local people that an average 6-member family uses 20m³ of firewood per year - this equals the production of about 1.5 to 2 ha of forest. One idea of the Lao Cai PPA is to promote fuel-saving stoves.

The PPAs and regional VHLSS data do not permit drawing strong conclusions on the causes of the apparent differences in forest quality between Ha Giang and Lao Cai. However, there are several possible explanations.

Ha Giang seems to have made more efforts in capacity building and motivation of extension workers, and has started earlier and progressed faster with (forest, ‘barren’) land allocation. In Lao Cai the allocation of forestland has stopped, according to some officials because it is / was being used for (expanding) crop cultivation, which is against official policy. However, there are also reports that State-owned forest companies converted natural forests for the cultivation of cardamom seeds and other cash crops. Blaming poor people and ‘backward traditions’ for deforestation and soil erosion is perhaps a simplification of reality.

In both provinces some environmental concerns persist, and new ones are growing:

- Land slides and soil erosion
- Illegal forest destruction and forest fires
- Pollution, for example of streams, which is associated with production of construction materials, road construction, pulp production, and the use of agrochemicals

The former concern is of local people and officials; the latter two were mainly expressed by officials at district and province level.

The majority of ideas for improving the quality of land and forest are from officials, and include the following:

- awareness raising
- stricter implementation of forest protection policies
- subsidise tree seedlings and enhance tree planting programmes

These plans and suggestions are however not necessarily supportive of the needs of local, poor people, improving food security and raising incomes, unless certain conditions are met.

8.2 Land, forest and livelihoods

It is argued in chapter 2 that there are no claims from local people and officials that livelihoods in the provinces have significantly improved as a result of allocation of upland / forest land and various tree planting programmes. There is however some potential:

Livelihoods can be supported significantly with amended policies and implementation of land use rights and extension.

There are reports from Lao Cai that some of the households who were allocated sloping land in the 1990s leave parts of that fallow, whilst others (newcomers, newly established households) lack land, and ask for re-allocation. There are also reports, from both provinces, about substantial numbers of land disputes, which sometimes involves hill and mountain slopes. These are signs that the value of land and of ‘Red Books’ (Land Use Certificates) is now perhaps more recognised than a few years ago.

Some people now realise the benefits of trees, with increased markets for timber (especially; poles for house construction). Furthermore, traditional ‘spirit forests’ still exist, despite past deforestation. This suggests that there is interest in growing trees, and local understanding of protection.

The very large majority of ‘forest’ and fruit trees that have been planted under Programme 327 and Programme 661 and with support of internationally funded projects were bought as seedlings from forestry enterprises, which are often ‘owned’ by the provinces. This is in fact somewhat unusual, by international standards, because the technology for multiplication of most trees is simple and often commercially viable, and can be done by private farmers.

This contrasts with reports that seedlings that were transported over fairly large distances and planted with some delay since leaving the nurseries are often of low quality – local people give this as an explanation for low survival rates in tree planting programmes. There are thus unexplored opportunities for the creation of village tree nurseries and private sector support to planting trees on land that is allocated to households and to villages.

Most upland that was allocated should formally be used for trees (forestry, plantations) but much is in practice used for crops. Success in terms of further improvements in food security and income generation through local investments in land, crops and trees may depend on relaxing restrictions in land use and good communication of land use rights and obligations. However, the land user should of course remain responsible for protection of land quality.

There remains a strong need for sustainable agro-forestry technology for soil protection with intensification of crop, fodder and tree production. In fact, several internationally funded projects have supported such technology development and promotion, and the limited evidence of success in the research communes is worrying. Technological options or ‘models’ should consider limitations in labour availability in poor households, and address immediate food and income needs. The Lao Cai team reports that some people are drying manure before taking it to their fields, and they questioned this practice. It may however make a lot of sense in terms of the transport burden, and minerals are not lost by drying.

The Lao Cai team recommends that legal and practical possibilities must be created for land allocation and forest ownership by villages or other communities / groups, especially because that may fit the traditional customs of some ethnic groups and it may enhance their efforts at forest protection. In fact, this is a possibility that may be reinforced by the current draft amendments to the land law (due to be adopted at the end of 2003). Of course, the exact arrangements should be made following close consultation with villagers, and the best arrangement may be different in different localities.

There is room for increased collection and use of cattle manure in the upland areas, for example by keeping animals longer or permanently in sheds and collecting feed instead of

grazing the animals. The Lao Cai team now estimates that only 50% is used. Cattle manure is not collected in the raining season because it cannot be dried in the sun (which enables transport). Not collecting and using it also implies hygiene problems in the communities. On the other hand, chemical fertilizers are costly, and gradually deteriorating soil quality means that ever more is needed. Dependency on external inputs is facilitated by subsidies, but only as long as the subsidies continue.

Suggestion for discussion

LAND & FORESTRY

Tree planting has apparently not contributed sustainably to incomes of poor upland farmers: it was not an important factor in poverty reduction in the researched communities, despite major investments over the past decade. Tree survival rates may have been low, and local tree nurseries do not exist. Allocation of uplands has progressed, but allocation of forestland is not yet completed everywhere. Not all restrictions in land use are adhered to by local farmers, mainly because of the need to grow staple food. Perhaps land use restrictions can be eased, but that must be combined with widespread adoption of sustainable agro-forestry technology. That has been promoted, but has not been widely adopted yet. *What should be done?*

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APPENDIX 1 VHLSS REGIONAL DATA TABLES