

## POVERTY AND POVERTY REDUCTION ISSUE AMONG ETHNIC MINORITY GROUPS IN VIETNAM

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Poverty among ethnic minority groups has been and will continue to be a global issue, especially for multi-ethnic countries. In Vietnam, ethnic minority groups constitute approximately 14% of the country's total population (10 million) and live scattered throughout vast highland areas, covering over two thirds of the nation's total area. These groups hold an important position in the national economy, security, defense and environment. Due to special characteristics in their natural environment and their level of social development, Vietnam's ethnic minority groups are stricken by poverty, and the struggle against it will be long and tough. In the context of national industrialization and modernization, poverty reduction among ethnic minority groups has been of high priority in the Vietnamese government's national policy in mountainous areas. This report presents poverty-related situations and issues in ethnic minority areas in Vietnam.

### 1. Overview of poverty

Vietnam has three geographic regions: urban, rural plain and rural mountainous areas. The rural mountainous areas, inhabited mostly by ethnic minority groups, have been seriously affected by hunger and poverty, reflected in income levels, living standards, infrastructure, health care and education.

According to estimation by the World Bank, the poor household rate (less than 2,100 Calories/person/day) in Vietnamese ethnic minority areas was 86% in 1993 and 75% in 1998. The respective figures for the areas inhabited by the Kinh majority were 51% and 31% (Working group... 1999: 32). Compared to the national figures, the poverty rate of ethnic minority groups was 20% in 1993 and 29% in 1998 (Working group... 1999: 32). The northern

mountainous areas and the Central Highlands – which are mostly inhabited by ethnic minorities – are some of the poorest areas in the country. The following information, based on the poverty criteria of the Ministry of Labour, Invalids and Social Affairs, draws the same conclusions. A survey of living standards in 2,104,478 households in 11 mountainous provinces during the 1998-1999 period showed that poor households accounted for 23.8% of the population, and 51.2% in areas inhabited by ethnic minorities, double the general figure (The National ...2000: 1039). For the 6 northern mountainous provinces (Bac Giang, Phu Tho, Hoa Binh, Son La, Lao Cai, Yen Bai), in 1993, their total population accounted for 17% of the country's population, but the number of poor households accounted for 28% of the total poor households nationwide, of which 95% were ethnic minority households (Neil. Jamieson. 2000: 3). A sample survey conducted in Yen Bai province in November 2001 by the Ministry of Labour, Invalids and Social Affairs showed that the poverty rate for the Nung ethnic minority group was 33.55%, the Dao ethnic minority group 51.27%, and other ethnic minority groups was 35.22%, while the national poverty rate was just over 10% (Office... 2000: 1). Within the same ethnic groups, the poverty rate varies according to geographical location and topographic conditions. For example, a survey conducted by the Institute of Ethnology shows that in 1999, for the Gia-rai ethnic group in Gia Lai province, the poverty rate in Pleiku town was 25-30%, while in Ia Graih district was 70-80%. For the Thai ethnic group in Muong Trai commune, Muong La district, Son La province, the poverty rate was 42%, but it was 68% in the mountainous Nam Don commune. The poverty gap between the Kinh majority and ethnic minority groups has been remarkably wide. In

1999, the poverty rate in Lai Chau province was 35%, quadruple the 8.7% rate in Hung Yen province in the Red River Delta. The poverty rate in the mountainous areas of Phu Yen central province was 40%, quadruple the province's general figure of 9.6%. The poverty rate of households in the northern mountainous provinces was 18.9%, 2.6 times higher than the rate in the Red River Delta (The National... 2000: 1118). In 2000, in Lai Chau province, the poverty rate of the Si La ethnic minority group was 93.7%, 6 times higher than the rate of 4.5% of the Kinh inhabited area in the same province (The National... 2000: 1143). Poverty is especially serious in 2325 communes in the more disadvantaged areas, where most ethnic minorities reside. Most of these communes have a 60% poor household rate (Hoang Duc Nghi. 2001: 220). In general, the poverty rate among the ethnic minority inhabited areas is more than 50%, while the national rate was 20.3% in 1995, 19.23% in 1996, 17.7 % in 1997, 15.66% in 1998, 13.1% in 1999 and 11% in 2000.

The living standards and income of the ethnic minority people are low compared to national figures and to those of Kinh people. The following figures are in comparison to the income per capita in the mid 1990s of USD 250 per year (VND 2,800,000 per year). A survey conducted by the Committee for Ethnic Minorities and Mountainous Areas in April 1995 showed that in northern mountainous areas, the number of households earning less than VND 60,000/person/month was 65.85%, the number of households staying hungry from 3 to 6 months was 33.6%, and the number of households having assets worth less than VND 1,000,000 was 70%. In 1998, more than 50% of the total number of ethnic minority households earned an income of less than VND55,000/person/month (Ministry... 1999: 93). Also in 1998, nearly 50% of the total households in 1715 specially disadvantaged communes had asset valuing less than VND 200,000/person (Hoang Duc Nghi. 2001: 220). According to the

statistics of the General Statistic Office, there is an income disparity between the Kinh and the highlanders. If the income of the Kinh is 100, the Muong will be 59, the Thai 55, the Hmong 41 and the Sedang 30 (Hoang Duc Nghi. 2001: 230).

In rural mountainous areas, infrastructure is poor. By 1995, in ethnic minority inhabited areas, the percentage of bamboo huts was 82.6% and the proportion of households with water shortages was 66.8%. The number of communes having road access to their center was 56% in Lao Cai province and 59% in Lai Chau province (Vu Dinh Loi... 2000: 14). The number of communes having markets in the northern mountainous areas was 37%. In some provinces the figure is very low, 11% in Lai Chau and 19% in Hoa Binh (6:6). The illiteracy rate among the Si La and Mang ethnic groups was 96%, and the Chut group, 94.8% (Ministry... 1999: 93). In 1997, in northern mountainous areas, nearly 500 communes had no road access to their centers, 600 communes did not have health stations, over 2,500 did not have markets, 1,500 communes had no access to electricity, and over one third of the households had no access to clean water (Vu Dinh Loi... 2000: 67). In 1998, among the 1568 specially disadvantaged communes nationwide, nearly 400 communes had no road access, nearly 900 communes did not have markets, 800 communes did not have health stations, very few had access to the national electricity grid and 70% of the families live in makeshift houses (Hoang Duc Nghi. 2001: 221).

Despite the attention given to healthcare services, their effectiveness is low. Diseases such as malaria, diarrhea and goiter are common (Hoang Duc Nghi. 2001: 221). In the northern mountainous areas and the Central Highlands, the newborn mortality rate in the early 1990s was 55/1,000, much higher than the national figure of 36/1,000, and triple the figure in the Mekong and Red River Deltas (The National.. 2002: 555). While the national birth rate dropped to 3.8% in 1989, 3.1% in 1994, 2.7% in 1996

and 2.3% in 1999, in the Central Highlands, the birth rate was 4.4% in 1996 and 4.68% in 1999 (The National.. 2002: 555).

Up until 1998, education in the ethnic minority inhabited areas was scarce and of low standard - lower than the needs demanded and much lower than that in the Kinh inhabited areas. In the whole country, the education gap between the Kinh inhabited areas and the ethnic minority areas increased from 82.2% to 93.3% in primary education, 36.5% to 66.2% in lower secondary education, 8.1% to 39.1% in upper secondary education, and from 1.1% to 10.5% in tertiary education (Working group... 1999: 34). The illiteracy rate in the far-flung and remote areas is high, 96% in the Si La and Mang ethnic groups and 94.8% in the Chut group in 1998 (Ministry... 1999: 93). By 2000, in the especially disadvantaged communes, 60% of the population was illiterate and 50% of the commune People's Committees' chairmen and Party Committees' secretaries were illiterate (Hoang Duc Nghi. 2001: 221).

## 2. Causes of poverty

There are many causes of poverty in the ethnic minority inhabited areas. Many of these causes are the same nation-wide: a shortage of cultivating land, low quality cultivating land, a shortage of financial capital, a shortage of water for daily use and production, a shortage of labour, having many children, harsh climatic conditions, natural calamities, and flooding. There are many other causes specific to ethnic minority areas, such as remote geographical location, wide-ranging topography, poor transportation system, and limited awareness – leading to difficult access to development services, wastefulness and unplanned spending. There is a clear difference in the main causes of poverty between the rural plain area and rural mountainous area. In the plain area inhabited by the Kinh, the main causes of poverty are low quality cultivable land, harsh climatic conditions and shortages of capital for production. In

mountainous areas on the other hand, the main causes of poverty are degradation of natural resources, unplanned spending, and limited access to economic, social, health and education services. This explains why in many mountainous areas under the same natural conditions, the Kinh people have been stable and well-off after resettlement, while the local ethnic minority people are still living in poverty after many generations.



Tay women in Quoc Khanh commune, Trang Dinh district, Lang Son province

*Photo: Khong Dien*

## 3. Government's poverty reduction programs and projects

Since the late 1980s, poverty in general and in ethnic minority areas in particular has been

considered a national social problem by the Vietnamese Communist Party and Government. The resolutions of the 7<sup>th</sup> National Party Congress (1991) said that poverty was present in many areas, and was serious in remote ethnic minority areas of the country. At the 8<sup>th</sup> National Party Congress (1996) poverty reduction was officially included in the Congress's resolutions, which confirmed that poverty reduction was a priority for the Party in the new era. In the light of these two Party resolutions, the action against hunger and poverty in the ethnic minority areas has been gradually implemented. Since 1992, the government has officially implemented the project "*Support to disadvantaged people nationwide*", under the program "The national program on hunger eradication and poverty reduction". After 5 years of the project's implementation, the government issued a series of policies toward aimed at minority areas, such as granting credit loans to poor people without collateral from the Bank for Agriculture and Rural Development. Also, reforestation programs, improvement of cultivable land and bare hills, and resettlement programs for ethnic minority groups in the mountainous areas (Program 327, 1992). One program was a combination of many elements: a resettlement program; allocation of land and forest to local people for management and protection (Decision No. 656/TTg, September 1996); socio-economic development for the northern mountainous provinces in the period 1996-2000 (Decision No. 960/TTg, December 1996); and the establishment of communal centers for highland communes (Decision No. 35/TTg, January 1997). In July 1998, the "National program on hunger eradication and poverty reduction 1998-2000", known as Program 133, was officially launched. This program had many aims: reducing the household poverty rate from 17.7% in 1998 to 10% in 2000, assisting socio-economic development of specially disadvantaged communes, developing priority infrastructure, promoting production systems,

and increasing access to basic social services. Poor people in the ethnic minority areas are considered the major beneficiaries of the program. Also in July 1998, under the Prime Minister's Decision No. 135/TTg, an important poverty reduction program for the ethnic minority areas was launched - "Program on socio-economic development for the mountainous and specially disadvantaged remote communes", called Program 135. With the investment of 400 million VND/commune/year in two phases, the first phase from 1998-2000 and the second from 2001-2005, the program aims to invest in major infrastructure construction, such as roads, schools, and health stations for specially disadvantaged communes in remote areas.

The results of these poverty reduction programs are significant and encouraging. This has been expressed in many documents and reports from related agencies (TL Hoang Duc Nghi. 2001; The National 2000, Office... 2000). However, there have also been some unexpected constraints on the success of these programs. Settlements are not stable and the several groups have returned to nomadic life, making policy implementation difficult. The Hmong, Dao and other groups in the northwestern mountainous region; the Gia-rai, Ba-na, E-de, and Xo-dang groups in the Central Highlands; and the Tay, Nung, Thai, Dao, Hmong, Muong in the northeastern mountains have migrated freely between regions. In many distant and remote areas, where poverty reduction should be first priority, people's lives are slow to improve and poverty seems to have increased instead of decreased. A new culture has not been established and traditional culture is eroding. In these areas, forests continue to be destroyed for production purposes reducing the area of forest coverage. One source claims up to tens of thousands of hectares have been destroyed due to deforestation for shifting cultivation. In general, the effectiveness of poverty reduction

programs is low and does not match investment efforts. The poverty rate drops slowly, but it is still high in comparison to the national figure and that of the Kinh people.

There are many reasons for the ineffectiveness of poverty reduction policies and projects. One is that the policies have not been implemented creatively. The policies are not wrong but they are written as general principles not specific instructions. There is a gap between policy and practice, and there appears to be some confusion between different sectors and authorities at different levels. Many policies are to be applied to regions with varying natural conditions and at different levels of economic development and there is a lack of synchronized instruction and management. Poverty reduction aims, primarily, to improve the income of poor people and their living standards. Some programs and projects only focus on infrastructure development or construction without paying proper attention to the production potential of the region. Most poverty reduction programs are based solely on ideas and prejudices of policy decision-makers and academics, with little consultation of local knowledge and no involvement of people responsible for implementing the project. The 'delta' ideology also influences project design and implementation: "The mountainous areas catching up with the plain areas". Settlement efforts over the past decades have followed this model. There is room for the introduction of new technology in mountainous areas, especially the plantation of specialty crops. The training of human resources also leaves a lot to be desired. The popular approach is for technical staff to train intensively and then return to the provincial center. However, with the low knowledge and awareness that exists, trainers have to be patient and teach the proper steps from low levels to high levels so that the people can effectively absorb new things. The result of this working style is unsatisfactory; it wastes capital and loses

the people's confidence in new technology. There are also problems in the allocation of investment capital, the biggest problem being evenly spreading the investment without focusing on boosting production.

#### **4. Toward some key poverty reduction ideas and solutions**

Poverty reduction should be based on the socio-economic conditions of people. Compared to the delta, poverty reduction in the ethnic minority and mountainous areas is more complicated and takes more time. Because of the people's limited knowledge and other barriers, such as language, traditions, and customs, there should be other methods of poverty reduction. Ideal methods would be very specific and start at a low level moving to a high level within different target groups.

##### **1. Three objectives of hunger eradication and poverty reduction**

Compared to the objectives of the poverty reduction efforts in the plain and urban areas, the objectives of poverty reduction in ethnic minority areas have special characteristics. It is not just the development of production to raise income, but also to protect forests, the environment and to increase access to new social and economic services.

1. Hunger eradication and poverty reduction in line with the Party's nationalities policy.

The difference in geographical conditions and general knowledge is the main cause of socio-economic and cultural development gap between the majority Kinh people and other ethnic minority groups. Some ethnic minority areas were former revolutionary bases during the resistance wars against the French colonialists and the US imperialists. Therefore, the incorporation of hunger eradication and poverty reduction, and the implementation of the Party and State's nationalities policies has been a prerequisite to the three principles of unity, equality and mutual assistance. The main

component of this requirement is that there should be comprehensive priority policies focusing on the contingent of cadre and capital to promote poverty reduction in the ethnic minority areas.

2. Capacity building on policy assessment and project design for local staff and people through participatory approaches.

For the ethnic minority people, to give them a fishing rod is not enough. They should be helped to find the most suitable and best way to fish. Therefore, it is time to mobilize the local staff and people in devising their own poverty reduction plans for themselves. The mobilization should be flexible, basing on local social and cultural characteristics, and building their capacity on poverty reduction planning and implementation through on-the-job training.

3. Diversifying production, especially in cultivation and animal husbandry to generate income based on people's knowledge.

Currently, in the ethnic minority areas with high poverty rate, there are two trends appearing: mono-culture and specializing in long-term industrial crops. The diversification of production and income to solve the redundant labour force and increase the living standards on the basis of people's existing knowledge is a significant long-term solution to eradicate hunger and reduce poverty in the ethnic minority areas. The content of this activity may depend on different localities, but may include: development of wet rice farming in the direction of intensive farming and increasing the number of crops; development of suitable industrial crops, such as cotton, cashew, fruit trees; together with raising cows, buffaloes and new breeds of pigs; combining forest-related jobs and other auxiliaries household work. This incorporates household chores and commodity production. Among the solutions to diversify production and income are agricultural and forestry extensions: irrigation development and

the introduction of new strains and animal breeds, such as rice, maize, cassava, beans, orange, lemon, longan, pomelo, coffee, pepper, buffalo, cows, pigs, chickens. Also the organization of training classes on farming techniques and animal husbandry skills for the people should be considered prerequisite solutions.

4. Better settlement of the land issue for the ethnic minority people through flexible and suitable policy, taking into account the people's traditional patterns of land ownership.

The 1993 Land Law has opened a new way for the reasonable use of land resources nationwide, but has also indirectly causes constraints and conflicts in the ownership and use of land in the ethnic minority areas. The core of the land issue in the ethnic minority areas is the conflict between the traditional collective ownership of the community and state ownership. This has resulted in some ethnic minorities' loss of access to their traditional land and forests and a reduction in cultivable and residential land area. This has forced a number of people to return to nomadic life and has badly affected the Government's policies and relationships. To settle this issue, there should be a suitable land policy for the mountainous regions, of which the main objective is to maintain land ownership for the local people, while providing long and short-term cultivable land for ethnic minority groups.

5. Reasonable allocation of investment capital for hunger eradication and poverty reduction objectives.

Of all areas that need investment in the ethnic minority regions, priority should be given to the diversification of production and income, with the development of production having highest priority. Second priority should be rural infrastructure development such as electricity, roads, schools, health stations, clean water supply and other public facilities. In production

development and infrastructure development, any investment would be better than no investment. The focus should be on remote areas and former revolutionary bases, where there is a high rate of poverty and no access to new socio-economic services.

#### 6. Ensuring equality.

Equality should be ensured in the fields of gender, production, expenditure, infrastructure and market information, within ethnic minority areas and between the mountain and plain areas. Special attention should be paid to gender equality. Currently, in the ethnic minority areas, women are inferior to men in all fields, especially with their lower status in economics, society and education. The biggest constraint is that in the ethnic minority areas, women have to work harder than men. According to their tradition, they do not have the right to own land, to be equal in enjoying basic social services, and have no opportunities to join social activities.

#### 7. Minimizing the risks leading to poverty in ethnic minority areas.

These risks can be illness, social evils and artificial or natural risks. The solutions are to develop a health care network, maintain and ensure law and social order and security, better implement social welfare policies, prevent flood and fire, and promote forest and plant protection.

#### 8. Education and training of ethnic minority personnel should be promoted.

Due to the level of social development and knowledge, education in ethnic minority areas plays an important role in the process of long-term effective poverty reduction. Therefore, education should be understood in a broader sense: the development of human resources. An investment in education should be understood as economic investment having economic value. Together with long-term general education, attention should be given to training key personnel in ethnic minority areas. Currently, in

the ethnic minority areas, local key staff are lacking in both quantity and quality. Realities in the past years show that in these areas, local staff is a prerequisite to the success of development in general and poverty reduction in particular. Therefore, among a series of poverty reduction solutions available to ethnic minority areas, the training of local staff should be seriously considered.

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