Poverty Task Force

REGIONAL POVERTY ASSESSMENT

Red River Delta Region

2005

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A Regional
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Acronyms and Abbreviations

ADB      Asian Development Bank
CPRGS    Comprehensive Poverty Reduction and Growth Strategy
CoC      Code of Conduct
GSO      General Statistics Office
HEPR     Hunger Eradication and Poverty Reduction
IEC      Information Communication Education
MARD     Ministry of Agriculture and Rural Development
MDG      Millennium Development Goal
MOLISA   Ministry of Labour, Invalids and Social Affairs
NGO      Non-Governmental Organization
OSS      One-Stop Shop
PAR      Public Administration Reform
PPA      Participatory Poverty Assessment
PTA      Parent-Teacher Association
RDSC     Rural Development Service Centre
RRD      Red River Delta
UNDP     United Nations Development Programme
VBSP     Vietnam Bank for Social Policies
VDG      Vietnam Development Goal
VHLSS    Vietnam Household Living Standards Survey
VLSS     Vietnam Living Standards Survey
VNHS     Vietnam National Health Survey
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Foreword

In May 2002, the Government of Vietnam finalized its Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and embarked on a process to make the CPRGS a reality at local levels of Government. Through information campaigns and a series of regional workshops, officials from key national ministries have been explaining to representatives from local authorities how local level planning processes could be made more pro-poor, more evidence-based, more outcome-focused, better aligned to resource allocation decisions and better monitored.

While the CPRGS sets national objectives, policy making at both the national and provincial levels needs to take into account the local dimensions of economic growth and poverty reduction. During 2003, members of the Government-donor-NGO Poverty Task Force (PTF) have supported the Government by carrying out regional poverty assessments in the seven regions of Vietnam. These draw on a range of data sources to paint regional-level pictures of poverty. Analysis of the 2002 Vietnam Household Living Standard Survey (VHLSS 2002) is used to discuss regional trends in poverty and social outcomes over time. Additional qualitative data from a series of participatory poverty assessments is used to capture dimensions of poverty that are poorly described by quantitative data. This information has been particularly valuable in investigating progress in promoting good governance and local democracy and these participatory poverty assessments are also being published separately. Where available, the regional poverty assessments also draw on official data sources produced by provincial authorities.

The discussions, and the new information emerging from the regional poverty assessments, are expected to build capacity at local levels of Government and to inform the preparation of the next provincial plans. Though the actual field work has been carried out only in two provinces in each region, the processes surrounding the fieldwork have already drawn in officials from other provinces in the region. These will form the analytical basis for a substantial agenda of future dialogue and work on the development of pro-poor planning processes at both central and local levels of Government. These poverty assessments have also been used to update knowledge and fill analytical gaps in the CPRGS, to inform the preparation of the CPRGS Progress Report and to assist the Government in establishing a strong monitoring framework for parts of the CPRGS that currently lack clear indicators.

Across the regions of Vietnam, seven external development partners have worked with teams from national and local government organizations, with local NGOs and research institutes and with international NGOs to produce these poverty assessments. It is hoped that these partnerships will continue as the PTF supports the Government in the challenge of making the CPRGS meaningful at the local level.
Acknowledgement

This report was written by Melissa Wells with inputs by Rob Swinkels and Carrie Turk of the World Bank office in Vietnam. It draws heavily on two participatory poverty assessments (PPAs) managed by Dang Ngoc Quang of the Rural Development Services Centre (RDSC). Le Thai Thi Bang Tam, Duong Chi Thien, Tran Van Vy and Le Tieu La also worked intensively on the PPAs.

Ngo The An of Hanoi Agricultural University produced the maps used throughout this report. The input of Nguyen Bui Linh from the General Statistics Office was extremely valuable in providing many of the tables with results from the Vietnam Household Living Standards Survey (VHLSS). Le Minh Phuong of the World Bank edited and formatted the final document.
Executive Summary

The Red River Delta region has made significant progress in poverty reduction. It has the second lowest general poverty rate in Vietnam, after the South East region. However, a dense population means the Red River Delta still has a high number of poor households. In 2002, nearly 3 million people in the Red River Delta were still poor comprising around 17 percent of all the poor in Vietnam. Nonetheless, the region’s share of national poverty has substantially declined over the last decade.

The reduction in poverty has led to greater food availability, better housing and increased purchase of household items. The reasons behind poverty reduction tend to be identified differently by officials and households. Officials attribute falling poverty to successful reform policies, particularly in agriculture, while households see the non-farm economy as the way out of poverty. Indeed, these factors are linked with reform policies freeing up households to take advantage of the growing non-farm economy.

Like the rest of Vietnam, most households that remain poor in the Red River Delta live in rural areas and are employed in farming. Many of the households in the Red River Delta that are no longer poor combine farming with non-farm and wage employment. And the difference between households that are able to take advantage of economic opportunities and those that are not is leading to rising inequality.

The Red River Delta has an impressive education record with higher enrolment rates at all levels of school compared to the national average. But out-of-pocket expenses for education are becoming a serious burden for households especially those that are poor. Similarly, good quality health care is not easily accessible for poor groups. Those that do seek health treatment tend to rely on under-resourced commune health centres and face proportionately high out-of-pocket expenses. This is partly a result of low effectiveness of the health cards and unofficial payments. Access to other social infrastructure like clean water, roads, and quality housing is relatively good compared to the nation as a whole but there is a serious sanitation problem with very few poor households having hygienic toilets.

The allocation of public resources (investment and recurrent spending) from the national level to the provinces through block grants shows that, within the River Delta, public spending is highest in the Delta’s richest provinces, when public spending is expressed per capita. When expressed in a percentage of provincial GDP, the distribution appears fairly even. But the allocation of resources from provinces to districts and communes looks less encouraging. District and commune budget allocation norms that take into account poverty rates (assessed in a reliable manner) would be needed to help ensure resources go to the areas where the needs are highest.

Targeted assistance such as fee exemptions through the provision of poor household certificates, and health insurance cards under the HEPR programme, subsidized credit and
pension schemes generally seem to be assisting the poor. However, there are concerns about the limited coverage of these programmes and a possible gap in the social security net for people experiencing short-term acute financial difficulties or the misfortune of accident or illness. The growing importance of the market economy is also leading to new vulnerabilities such as the risk of falling agricultural prices, a sudden loss of job and rising indebtedness.

Administrative reform and grassroots democracy are showing signs of increasing people’s access to services and government. However, there are few measures to encourage accountability in practice and there is little consultation with the poor on key issues such as the provincial socio-economic development plan and sub-provincial development plans and budgets.

In short, the pattern of poverty reduction in the region is partly a story of high population pressure on land combined with market integration prompting growth in agricultural productivity and non-farm income generation. And this is creating new considerations and challenges for policy makers. Migration is one of these issues. Migration offers households the prospect of higher incomes and enhanced family well-being. However, the poor from the Red River Delta tend to migrate to work on nearby farms or take day jobs in urban centres like Hanoi. This usually means low pay, little job security and potentially other risks such as lack of personal safety. Unregistered migrants, commonly in urban areas, may face many difficulties with limited access to social services.

Although the growth in non-farm employment has certainly been a positive outcome for the region, not all households engaged in non-farm and wage employment have escaped poverty. As such, measures that work to raise the ‘assets’ of the poor (education, health care, access to credit, etc) remain important to enable the poor to achieve a better position in the emerging market economy. Labour standards should be enforced to ensure workers in wage employment are adequately protected from accidents at the work place, excessively long working hours and an unhealthy work environment.

Finally, an efficient land transfer market is important so that poor households can combine farm, non-farm and wage earning activities according to their productivity levels. However, evidence is emerging that lack of transparency associated with land transactions is causing dissatisfaction in some parts of the Red River Delta that are seeing conversion of land use from agriculture to other uses. Without clear mechanisms to ensure integrity in land deals the possibility remains for tension between local authorities and local residents in the future.

Rising economic development in the Red River Delta region is having serious downsides for the environment. Although limited budgets remain a constraint to comprehensive environmental protection at present, measures at the local level like household and business waste management schemes are feasible and these will yield direct benefits to households.
Introduction

Snapshot of the region

The Red River Delta is the most densely populated region in Vietnam. It consists of 11 provinces\(^1\) spread over an area of only 1.5 million hectares (4.5 percent of the land mass of Vietnam) with a total population estimated at 17.6 million in 2003 (22 percent of the total population of Vietnam)\(^2\). It is known as one of the two “rice bowls” of Vietnam along with the Mekong Delta.

![Figure 1. District level population numbers in the Red River Delta](source)

Nearly 80 percent of the population of the Red River Delta live in rural areas. Of the eight regions in Vietnam, the Red River Delta has the second lowest total land area for agriculture and forestry, although it has the second highest water surface area for aquaculture according to the 2001 Rural Agricultural and Fisheries Census (GSO, 2003a).

A large proportion of Vietnam’s enterprise activity is concentrated in the Red River Delta. According to the Enterprise Census of 2002 (GSO, 2004a), the Red River Delta accounted for 25 percent of all registered enterprises in the country, employing around 1.1 million people. Only the South East region accounts for a bigger share of enterprise activity. The Red River Delta is also home to two large cities: Hanoi, the nation’s capital and Hai Phong, a port city.

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\(^1\) Ha Noi, Hai Phong, Vinh Phuc, Ha Tay, Bac Ninh, Hai Duong, Hung Yen, Ha Nam, Nam Dinh, Thai Binh, Ninh Binh

\(^2\) GSO Statistics Yearbook 2003
with fast developing export processing and industrial zones. The enterprises registered under the Enterprise Law are largely concentrated in these two cities. In 2002, Hanoi and Hai Phong accounted for more two thirds of the total of 16,000 enterprises in the Red River Delta. These two cities employ about 800,000 out of a total of 1.1 million employed in the formal sector in this region. Ha Nam, in contrast, only had 318 registered enterprises in 2002 or 2% of the region’s total. As is the pattern for all of Vietnam, the majority of registered enterprises in the Red River Delta operate in the mining, quarrying, manufacturing, construction and wholesale/retail trade industries.

The Red River Delta has a low proportion of ethnic minorities – less than 2 percent according to the Population and Housing Census (GSO, 1999).

**Why do a regional poverty assessment?**

In 2003, a significant amount of new data and analysis on poverty in Vietnam became available. Particularly useful sources of data include the Vietnam Household Living Standards Survey (VHLSS) providing reliable quantitative data on poverty and the series of participatory poverty assessments (PPAs) carried out in 12 sites across the country generating qualitative data.

This regional poverty assessment draws together the VHLSS data collected in 2002 and relevant findings from the PPAs to provide current information on poverty in the region and major emerging issues. VHLSS data are representative for the region as a whole and therefore set a sound basis for telling a general regional story about poverty. The PPA data, though very detailed, is not representative in the same way. It can be used to add depth to the analysis arising from the quantitative data, to fill gaps where the quantitative data are not available and to illustrate possible areas of difference within the region.

The intended audience is government and other organizations working in any of the Red River Delta provinces. In particular, it is hoped that this analysis can provide a helpful starting point for provinces embarking on the five-year planning process and for the donor agencies supporting provinces in this task.

**VHLSS**

The Vietnam Household Living Standards Survey (VHLSS) in its present form was carried out by the GSO in 2002 with government funding and is to be conducted every 2 years until 2010. It provides reliable quantitative data on household consumption expenditure and income as well as on various social outcomes. Together these data enable a comprehensive assessment of poverty levels and living standards across the various parts of Vietnam and measure progress towards meeting the Vietnam Development Goals (VDGs) as spelled
out in Vietnam’s Comprehensive Poverty Reduction and Growth Strategy (CPRGS). As the data from the 2002 VHLSS are comparable with the 1993 and 1998 Vietnam Living Standard Surveys (VLSS) reliable comparisons can be made over time to assess social progress.

Although the VHLSS provides a wealth of information on household characteristics, household expenditure and access to services, one shortcoming of the VHLSS is that it may not adequately capture the situation of unregistered migrants. This can make accurate measurement of urban poverty difficult and also impede assessment of whether unregistered migrants are a disadvantaged group in terms of access to social services. Also, the main unit of analysis for the VHLSS is the “household”. As such, it does not report on the poverty experience of individual household members.

The poverty line applied in the analysis of the VHLSS data is based on an internationally accepted methodology. It is calculated as follows. First a food poverty line is determined. This line represents the cost in Vietnam of a basket of food items that supplies 2100 calories per person per day. This a WHO established minimum. In 2002 the food poverty line was VND 1,372,774 per person per year or around 110,000 per person per month. The general poverty line is then calculated by adding the cost of a set of basic non-food items. In 2002 the general poverty line was VND 1,906,950 per person per year or around 160,000 per person per month. These poverty lines are average for rural and urban Vietnam. In the analysis corrections are made for price difference that exist between urban and rural areas in each of eight regions of Vietnam.

PPA

PPAs are an important source of qualitative information on poverty issues not adequately captured by quantitative data from the VHLSS. In 2003, the nation-wide PPAs were supported by 7 donors in collaboration with research teams from national and local government organizations, research institutes and international and local NGOs. For the Red River Delta PPA, a research team of 40 members carried out 20 days field-work primarily in the form of focus group discussions and semi-structured interviews. The sites visited were Dan Phuong and My Duc districts in Ha Tay province and Nam Sach district in Hai Duong province. Hai Duong was selected to represent an urban centre surrounded by many rural communities, while Ha Tay’s distinguishing feature is close proximity to the nation’s capital. More information on the PPA methodology and limitations is included in the Red River Delta PPA report (RDSC and World Bank, 2003).
Structure of the report

This report is structured as follows:

- **Part 1: Who are the poor and why are they poor?** Describes trends and patterns in poverty reduction over the period 1993 to 2002.

- **Part 2: Improving the well-being and prospects of the poor** Looks at delivery of basic social services, targeted assistance, public spending and people’s participation in decision making.

- **Part 3: Emerging issues** Considers aspects of migration, non-farm income generation, land constraints and environmental impacts of development.

- **Part 4: Progress toward the Vietnam Development Goals (VDGs)** A quick reference guide to achievements and shortcomings of the region to date.
Part 1: Who are the Poor and why are they Poor?

1. Trends in poverty indicators

1.1 General poverty based on GSO data

In the Red River Delta, 22 percent of the population were reported to live below the general expenditure-based GSO poverty line in 2002, down from 29 percent in 1998. That means about 3 million people in this region are still poor. The last four years saw a slight easing in the pace of poverty reduction in the Red River Delta following a dramatic drop over 1993 to 1998. The region remains well placed though to realize the CPRGS goal of less than 20 percent of households in poverty by 2010 (see Figure 2).

Figure 2: Poverty incidence relative to the 2010 CPRGS goal


Food poverty rate is half the national average

The food poverty rate also fell over 1998-2002, but by less than the national average. Nonetheless, at around 5 percent, the region has the second lowest food poverty rate of Vietnam (behind the South East region) and a rate that is half the national average.

1.2 The MOLISA poverty line

According to MOLISA’s poverty line, for the Red River Delta, rural households with an average income of less than VND 100,000 per person per month are considered poor. For urban households the figure is VND 150,000 per person per month. As a result, the MOLISA poverty rates are lower than the GSO expenditure-based general poverty line used with the VHLSS data, which is around VND 160,000 per person per month (as said this is the average for rural and urban area). The MOLISA poverty rates are in principle based on an annual survey carried out to decide which households are defined as poor. In practice this exercise takes place at village meetings on the
basis of the very good knowledge local officials have they have of their communities. The resulting figures are aggregated to the commune level first, then to the district and province levels, and finally consolidated into a national poverty rate. The main weakness of this method stems from the different criteria applied by different officials. Not only are perceptions of poverty different across villages, but also the number of reported poor is heavily influenced by the availability of resources to help them. The method is also vulnerable to manipulation by local authorities, most often to report fast progress in the fight against poverty in the jurisdictions they are responsible for. The poor household classification is critical as it determines which households have access to the HEPR programme and other social assistance (see Part 2).

1.3 Provincial poverty rates

Table 1 shows that, according to MOLISA, in 2003, eight percent of the people in the RRD were poor. It also shows that on average, the rate of poverty has declined in the Red River Delta over the last three years. In 2003, Hanoi had the lowest poverty rate of all the cities/provinces in the Red River Delta and Ha Nam had the highest rate.

<table>
<thead>
<tr>
<th>Province</th>
<th>End 2001 (MOLISA)</th>
<th>2003 (MOLISA)</th>
<th>2002 (GSO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of Red River Delta</td>
<td>11</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Ha Noi</td>
<td>5</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Hung Yen</td>
<td>10</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Ha Tay</td>
<td>9</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Bac Ninh</td>
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<td>12</td>
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<td>Ninh Binh</td>
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<td>Nam Dinh</td>
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<td>29</td>
</tr>
<tr>
<td>Ha Nam</td>
<td>17</td>
<td>14</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: MOLISA (poverty reports) and GSO (VHLSS 2002)

However, according to the GSO data, Vinh Phuc and Thai Binh are the poorest provinces, followed by Ha Nam and Ninh Binh.

The provincial poverty rates based on the GSO data are not only higher than the MOLISA rates, they also show a much higher variation among provinces. This is important because the distribution norms of the national budget need to
Part 1: Who are the Poor and why are they Poor?

reflect local needs, and it is thus important that these norms are based on reliable information on poverty levels. A distribution pattern based on MOLISA poverty rates would look very different than one based on the rates generated by the GSO expenditure method (Figure 3). The newly proposed plan to adopt the method based on living standard surveys for measuring poverty at the national and provincial in Vietnam is therefore to be welcomed.

Figure 3. Provincial poverty rates in the Red River Delta according to MOLISA data (A) and according to GSO data (B)

A.

B.

Source: MOLISA (poverty reports) and GSO (VHLSS 2002)

1.4 Depth of poverty

The depth of poverty measures the gap between the poverty line and expenditure of poor households. The further below the poverty line the spending of poor households, the greater the poverty gap.
The depth of poverty has fallen dramatically over the last decade. Nonetheless, poor households in the Red River Delta region are on average 32 percent closer to the poverty line than in 1998 and nearer to the poverty line than the national average. The reduction in the poverty gap from 1998 to 2002 has been most significant for households in urban areas.

### 1.5 The impact of reduced poverty

**Box 1: Life is better**

“Our lives have been improved. The poor now have enough food around the year. Rice is affordable to us, and we do not have to eat food from subsidiary crops such as maize, cassava or sweet potato.” (Women’s group in Te Tieu town)

“In our district, in general the living standards of people has improved and poverty has been reduced. There are not so many thatched-roof houses; every village has at least two TVs and a telephone. Village roads were upgraded to gravel surfaces or asphalt. People do not have to eat subsidiary crops. They can afford three meals a day with an improved diet enriched with protein.” (District officials, Hai Duong)

Reduced poverty has led to greater food availability, better housing and increased purchase of household items. The perspectives presented in Box 1 are not isolated examples. According to the PPA, people consulted at all levels reported that living standards have improved. Progress, as described by households means:

- **greater food availability.** As noted, the VHLSS indicates the food poverty rate is very low for the region. The PPA also reveals that the number of months of food shortage in districts such as My Duc district, Ha Tay province, has been drastically reduced.

- **better housing.** The PPA found that there has been a significant decrease in the number of thatched roof houses. The VHLSS also indicates that on average, poor households in the Red River Delta have better housing compared to the poor in Vietnam as a whole (see Section 9 on housing).

- **increased purchase of household items.** Data from the VHLSS show that there has been a steady increase in the overall proportion of households...
with durable assets such as a colour TV, fridge or motorbike (see Figure 5). However, very few poor households have a fridge or motorbike. For the poor, their main durable asset is still a bicycle.

![Figure 5: Ownership of durable assets in the Red River Delta](image)

**Source:** GSO, based on data from the VHLSS 1993, 1998, 2002

2. **Why has poverty fallen by so much?**

According to the VHLSS 2002, commune officials in the Red River Delta overwhelmingly attributed poverty reduction to changes in agricultural policies (74 percent of officials surveyed mentioned this as the main reason). Other reported drivers of poverty reduction include expansion of non-agricultural jobs (17 percent), changes strengthening capacity, education and career level (4 percent) and changes in access to social services (3 percent).

These factors also emerged in the PPA with government officials attributing reductions in poverty to reform policy, crop diversification, job creation and wage earning opportunities. The *Doi Moi* spirit in itself was also seen as motivating initiative and innovation.

For the poor, the most important factor in reducing poverty reported in the PPA was increased opportunities for non-farm income generation. Men are going to work in the construction sector, women are engaging in small scale trade of processed food and other goods, and craft villages are emerging to service domestic and overseas demand for products such as ceramics, bamboo and rattan. The VHLSS also indicates that farming as a share of total employment in the Red River Delta has fallen significantly over 1998 to 2002 while non-farm employment and wage employment have risen substantially (more analysis of this issue is contained in Part 3). Lastly, improved knowledge and skills in farming technology are also said to have increased the income of poor people.
Access to markets in the Red River Delta is also likely to be high as in 2002 about 93% of the people live in a village to which there is a road on which cars can drive, compared to 86% for Vietnam as a whole.

3. Who are still poor?

3.1 People in rural areas

The VHLSS 2002 reveals that there has been a significant improvement in the situation of rural poverty in the Red River Delta. On most measures this improvement exceeds the national average. But within the region, there are large and growing rural-urban disparities. In 2002, household expenditure in Hanoi was 5.1 times higher than the rural areas in the Red River Delta (see Table 2).

Table 2: Real consumption expenditure per person (‘000 VND per year)

<table>
<thead>
<tr>
<th></th>
<th>Vietnam</th>
<th>Red River Delta</th>
<th>Hanoi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>5812</td>
<td>6749</td>
<td>13370</td>
</tr>
<tr>
<td>Rural</td>
<td>2447</td>
<td>2603</td>
<td>-</td>
</tr>
<tr>
<td>Ratio of urban to rural</td>
<td>2.4</td>
<td>2.6</td>
<td>-</td>
</tr>
<tr>
<td>Ration of Hanoi to RRD rural</td>
<td>-</td>
<td>-</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Source: GSO, based on data from the VHLSS 2002

The rural-urban expenditure gap is a typical pattern observed in most developing countries and indeed in Vietnam. However, the rural-urban difference in the Red River Delta region is higher than the national average. In part this result is a reflection of the relative affluence of many Hanoi residents. In fact the gap is probably higher than the data show as there is some evidence of underreporting of expenditure by the richest households in the 2002 survey. Certainly this rural-urban gap in expenditure is a factor contributing to rising inequality discussed in Section 4 and is also an incentive for urban migration (see Section 18.4 & 18.5).

Sub-provincial poverty rates can be calculated using a statistical technique known as poverty mapping. This involves combining data from population censuses with the results from the household survey. Results of this recently completed work (Inter-ministerial Poverty Mapping Task Force, 2003) using the 1999 Census and the 1998 VLSS are presented in Figure 6 for the district level in the Red River Delta. District level poverty rates and the district cumulative poverty gap (the total of the poverty gap of all poor individuals in a particular area) show that in pockets of high poverty exist in particular districts on the edges of the Red River Delta especially in western Ha Tay, Vinh Phuc, Ninh Binh and Hai Phong.
Although more poor households live in rural areas, urban centres also have poor populations. Many of these urban poor are migrants and also people who are dependent on street-based informal work for their livelihoods and who labour with unstable incomes (see Box 2).
3.2 Households employed in the primary sector

Figure 7 shows that in Vietnam, the majority of the heads of poor households are employed in the primary sector (agriculture, forestry, fisheries). The Red River Delta follows this pattern with 60 percent of poor households having the household head employed in the primary sector, although this figure is lower than the national average of 74 percent. Rather, the Red River Delta has a greater proportion of heads of poor households employed in manufacturing (21 percent) compared to the national average (11 percent).

Source: GSO, based on data from the VHLSS 2002

Generally, non-farm employment is associated with an exit from poverty. However, Figure 7 shows that this is not always the case. As such, poverty
Part 1: Who are the Poor and why are they Poor?

Reduction strategies in the region should, to some extent, also address other sectors such as the needs of labourers active in manufacturing.

Figure 8: Proportion of household heads working in agriculture and Fisheries

![Proportion of household heads working in agriculture and Fisheries](image)


3.3 Female or male: the evidence is mixed

Table 3 shows that female-headed households have consistently had a lower incidence of poverty than male-headed households. Also, between 1998 and 2002, poverty fell more rapidly for female-headed households than male-headed households in Vietnam and in the Red River Delta.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>61</td>
<td>65</td>
<td>40</td>
<td>31</td>
<td>31</td>
<td>24</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>55</td>
<td>28</td>
<td>25</td>
<td>20</td>
<td>17</td>
</tr>
</tbody>
</table>


However, this finding is not supported by other field research carried out using participatory and other methods. The VHLSS classifies households as headed by a male or female according to self-identification of the household. As such, male or female-headed households often have a spouse present. The Red River Delta PPA and other research suggests that female-headed households without a husband may be vulnerable to poverty. Single female-headed households have only one adult to shoulder both earning and

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3 These studies are referenced in MARD. 2002. Resources for sustainable livelihoods: Targeting female-headed households.
family care responsibilities. Additionally, they have no adult partner to share the hardship of ill health or other misfortune. The Red River Delta PPA confirmed that two groups who are more likely to be poor are single female-headed households with school-age children or women who have lost their “rice-catcher” (husband and primary breadwinner).

3.4 Other factors

Unlike other regions in Vietnam, poverty in the Red River Delta region is not driven by ethnic minorities as the region has a very small ethnic minority population. However, for the few ethnic minority households in the region, the VHLSS does suggest that poverty rates are much higher. Family size also plays a minor role in household poverty rates for the Red River Delta. Larger families tend to have more young children which means they have greater expenditure requirements and therefore make up a greater proportion of poor households.

4. Reduction in poverty but rising inequality

Table 4 presents figures that show that inequality is growing at a faster pace than for Vietnam as a whole. In 1993, the richest 20 percent in the Red River Delta on average spent an estimated 4.2 times as much as the poorest 20 percent. In 2002, this figure had increased to 6.0 times as much.

<table>
<thead>
<tr>
<th>Quintile</th>
<th>1993</th>
<th>1998</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest</td>
<td>854</td>
<td>919</td>
<td>1099</td>
</tr>
<tr>
<td>near poorest</td>
<td>1233</td>
<td>1235</td>
<td>1632</td>
</tr>
<tr>
<td>Middle</td>
<td>1582</td>
<td>1580</td>
<td>2125</td>
</tr>
<tr>
<td>near richest</td>
<td>2098</td>
<td>2104</td>
<td>2929</td>
</tr>
<tr>
<td>Richest</td>
<td>3911</td>
<td>3887</td>
<td>6032</td>
</tr>
<tr>
<td>ratio of richest to poorest</td>
<td>4.6</td>
<td>4.2</td>
<td>5.5</td>
</tr>
</tbody>
</table>


Given that rich households might have underreported their expenditure in the survey, the ratio for the Red River Delta in 2002 could well be higher, perhaps 7.5 or 8.

Another measure of inequality, the Gini coefficient, also shows inequality in the Red River Delta over time increasing faster than for Vietnam as a whole (see Table 5) although it is still below the national average.
Part 1: Who are the Poor and why are they Poor?

Table 5: Expenditure Gini by year

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>1998</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of Vietnam</td>
<td>0.34</td>
<td>0.35</td>
<td>0.37</td>
</tr>
<tr>
<td>Red River Delta</td>
<td>0.32</td>
<td>0.32</td>
<td>0.36</td>
</tr>
</tbody>
</table>


4 The Gini coefficient is a measure of inequality which varies between 0 (everyone has the same income/expenditure) and 1 (one person has all the income/expenditure). The higher the Gini coefficient, the greater the inequality. For most developing countries, Gini coefficients for expenditures or incomes range between 0.3 and 0.6
Part 2: Improving the Well-Being and Prospects of the Poor

Delivery of basic services

5. Education

Parents see the benefits of education for their children. The PPA indicates strong awareness of the role of education in poverty alleviation in the Red River Region. The PPA also revealed that the need for educated labour from local industrial enterprises and labour export companies is another factor driving education demand.

5.1 Enrolments

Figure 9 shows that enrolment rates in the Red River Delta exceed the national average for all levels of school.

![Figure 9: Net school enrolment rates from primary to upper secondary](image)

Source: GSO, based on data from VHLSS 2002

5.2 School drop-outs

School drop-outs are low at the primary level but common at secondary level for poor children. The PPA discussions indicated that primary school education has improved as a result of economic advances and there is now almost no drop-out at this level. However drop-outs of poor children are common at secondary school. In Nam Sach district, Hai Duong Province, the children of the poor leave school before reaching Grade 10 while in Ha Tay they leave school after finishing primary school. In Hai Duong, early drop out is more common in urban towns than in villages, with the opposite pattern observed in Ha Tay.

According to the VHLSS, commune officials in the Red River Delta say the main reason for school drop outs at the primary school level is illness or disease. For
secondary school, the main reasons are that the students are not capable, do not want to study or families face economic difficulties (see Table 6).

Table 6: Top 3 reasons for school drop outs in the Red River Delta according to commune officials (%)\(^5\)

<table>
<thead>
<tr>
<th>School Level</th>
<th>Vietnam as a whole</th>
<th>Red River Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary school</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools are too far from home</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Economic difficulties/High cost</td>
<td>55</td>
<td>26</td>
</tr>
<tr>
<td>Illness/Diseases</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Not capable or not like to study</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td><strong>Lower secondary school</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools are too far from home</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Economic difficulties/High cost</td>
<td>54</td>
<td>33</td>
</tr>
<tr>
<td>Illness/Diseases</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Not capable or not like to study</td>
<td>19</td>
<td>34</td>
</tr>
<tr>
<td><strong>Upper secondary school</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools are too far from home</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>Economic difficulties/High cost</td>
<td>48</td>
<td>31</td>
</tr>
<tr>
<td>Illness/Diseases</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Not capable or not like to study</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>School are too crowded/No more room</td>
<td>5</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: GSO, based on data from VHLSS 2002

5.3 Out-of-pocket expenses for education

“They removed the school fee but they created a lot of other fees”

Poor woman in Nam Sach district, Hai Duong Province

In comparison with the rest of Vietnam, the VLSS indicates that school fees in the Red River Delta in 1993 and 1998 were lower for all levels of school. However in 2002, this trend was reversed with school fees in the Red River Delta higher than the national average. In part, this likely reflects high school costs in Hanoi. School fees per student as a share of total household expenditure rose significantly for all levels of school over 1993 to 2002 to be 2.4 percent for primary school, 3.3 percent for lower secondary and 5.4 percent for upper secondary. This is equivalent to around VND 300,000 for primary school, VND 431,000 for lower secondary school and VND 833,000 for upper secondary school per child per year (GSO, 2004b).

\(^5\) Note that the percentages do not sum to 100 percent due to other reasons reported in the survey but not represented in this table.
Part 2: Improving the Well-Being and Prospects of the Poor

There are many “extra costs” of education

Although primary education is supposed to be “free” the PPA indicates that households are generally required to pay school contributions to cover items such as school maintenance fees or PTA membership. Secondary education is more expensive with the added cost of tuition fees and sometimes boarding school expenses.

Taking into account all expenses (including school fees, textbooks, notebooks, school maintenance, membership of parent associations, drinking water, parking for bicycles, health insurance, examination fees, dental programme, etc) sending a child to school in the Red River Delta is a costly exercise. All the poor households consulted in the PPA agreed that the aggregate schooling costs are too much for poor households to afford.

Few poor households are entitled to complete fee exemptions

Poor households are generally entitled to school fee exemptions or reductions. However, Figure 10 shows that the proportion of children aged 6-14 with complete exemptions from public school fees and contributions is significantly lower in the Red River Delta compared to the national average. In fact, the proportions for the Red River Delta are negligible. In part, this reflects the fact that there are few ethnic minority children in the Red River Delta region (a key target group for education exemptions).

Figure 10: Proportion of school-age students (6-14 years old) with total education cost exemption from poor to rich

For those households that are entitled to fee reductions or exemptions, research from other regions indicates there are some problems in accessing these entitlements. Poor parents are often unaware of their entitlements (Mekong Delta PPA) or the criteria for fee exemptions are said to be too narrow (Nghe An PPA). People in the Red River Delta PPA said that sometimes the necessary “poverty card” is not available at the start of the school year when fees are due.
Payments for ‘extra classes’ are a burden to poor households

In the Red River Delta, a common theme emerging from the PPA was the additional burden of unofficial payments for education such as “extra classes”. In many schools in the Red River Delta the teacher is the main supplier of the extra classes, which often take place at his or her house after official school hours. People in the PPA singled out the costs of these extra classes as being particularly punitive but felt that they had to do this in order to “please the teachers and avoid problems for our children”.

5.4 Community participation in education

One mechanism to improve the delivery of education is through parents associations. The PPA reported that a Parent-Teacher Association (PTA) operates in every school in Ha Duong and Ha Tay provinces. However, these associations do not operate particularly inclusively or effectively in matters of school management.

Parents associations are one way to improve the quality and efficiency of education delivery

Consultation with parents, especially those coming from poor groups shows that the elite (or in local language ‘power people’) make up the PTA management and leadership. The poor feel marginalized and unwelcome. The PTAs also perform a beneficial but limited role, providing material incentives to encourage good teachers or students and assist students of poor families. School staff are said to reject the idea that the PTA should be able to comment on or evaluate teaching quality or be involved in class planning.

A stronger PTA has the potential to deliver many benefits including better relations between parents, teachers and school management, in turn, fostering stronger commitment to education. It can also create greater transparency and understanding about school fees and contributions and improved quality and usefulness of education as a result of feedback from parents.

5.5 Adult literacy

A high literacy rate may mask issues of coverage and quality

The Red River Delta has the highest recorded literacy rate of all the regions for the population aged 10 years and over. It is 96 percent according to the VHLSS 2002. However, this figure should be read with some caution. Other studies have shown that high official literacy rates tend to mask pockets of illiteracy and low quality. PPA discussions throughout Vietnam indicated the drop-out rate for literacy classes is high and those that do graduate are often said only to write their name or spell a few words but not understand the meaning. These findings come from regions with higher ethnic minority populations (Ha Giang, Lao Cai, Dak Lak PPAs). The Red River Delta PPA did not report on this issue as the problem of adult illiteracy is said to be insignificant in Ha Tay and Hai Duong provinces.
6. Health care

High health care costs can mean people may not seek treatment

Ill health is commonly cited in the PPA and numerous other studies as a significant cause of poverty. Access to adequate and affordable health care is therefore a key component of poverty alleviation efforts. This section discusses access and expenditure for health care services. One issue that complicates the assessment is that households can choose not to seek treatment, or at least professional medical treatment for either financial or other reasons. This type of behavior is not picked up by the VHLSS, but the Vietnam National Health Survey 2001-02 (VNHS) can shed more light on this issue.

6.1 Use of health services

The VHLSS 2002 indicates that around 53 percent of households in the Red River Delta used some kind of health care service in the 12 months before the survey. This is a little lower than the national average of 59 percent. Figure 11 shows that those that do use health care services in the Red River Delta region rely more on government hospitals and less on private facilities than the nation as a whole.

Figure 11. Type of health care facility used by proportion of households accessing health care services

![Graph showing type of health care facility used by proportion of households accessing health care services.]

Source: GSO, based on data from the VHLSS 2002

The poor tend to use commune health centres while the rich use government hospitals

Figure 12 highlights differences in the type of health services used according to the expenditure of the household. The poor have a greater reliance on commune health centres than the rich and much lower access to government hospitals. For the rural poor, this is likely a function of both cost and distance to regional clinics and government hospitals. The PPA also revealed that the poor consider that the commune health centre gives them the best and most humane treatment given the cost. However, according to the PPA, these centres are reportedly not well staffed or equipped and available drugs are limited.
Figure 12. Access to different health care services in the Red River Delta from poor to rich

![Graph showing access to different health care services in the Red River Delta from poor to rich.](image)

Source: GSO, based on data from the VHLSS 2002

The VHLSS data on use of health care services do not tell us about people that were sick and chose not to use health services. The Vietnam National Health Survey (VNHS) 2001-02 provides some information on this issue. Results from the VNHS show that a very small proportion of households in the Red River Delta (less than 5 percent) left an illness go untreated in the 4 week period under the survey. However, the overwhelming majority of ill people in the Red River Delta did not use health service facilities but opted for self-treatment (72 percent). The main reasons households said they opted for self-treatment was that they had a slight illness (59 percent) or medicines could be purchased with the old prescription (18 percent). Only 3 percent overall of those that self-treated said they did so because of economic reasons. But economic reasons are more important to poor people. For Vietnam as a whole, 17 percent of the poorest expenditure group gave economic reasons for self-treatment (figures not available for Red River Delta alone).

### 6.2 Out-of-pocket expenses for health services

The VHLSS indicates that out-of-pocket health care expenses for the Red River Delta were lower than the national average in 1993 and 1998 but higher in 2002. This follows the same pattern for household education expenditure. Health services expenditure as a share of total household expenditure rose significantly for all expenditure groups from 1993 to 2002 to be 5.2 percent for the poorest group and 6.2 percent for the richest group.

Households may be eligible for health care fee reductions or exemptions according to different criteria. Children under 6 are entitled to free primary health care, ethnic minorities in certain provinces (not in Red River Delta), are entitled to free health consultation and treatment at commune health stations and state-run hospitals, the poor and “policy beneficiary” families are given health insurance cards, and people living in communes in especially difficult circumstances (not in Red River Delta) are also targeted for health assistance.
Figure 13 shows that, with the exception of “policy beneficiary” families, people in the Red River Delta on average qualify less for health care fee reductions or exemptions than the nation as a whole.

**Figure 13: Proportion of people eligible for reductions or exemptions in health care fees by eligibility criteria**

One consequence of the current system of classifying poor households for the purpose of health care exemptions is limited coverage. Poor households are entitled to fee reductions or exemptions only if MOLISA has determined that they are poor under the Hunger Eradication and Poverty Reduction programme (see Section 10). Results of the VNHS 2001-02 show that of the poorest 20 percent of the population across Vietnam, still one fourth are not eligible for any type of financial assistance. Box 3 also highlights some problems with the health insurance cards in practice.

**Box 3: Health insurance cards: failing to deliver**

Health insurance cards have been in place since 1998. Up to now, this has been the main form of assistance to the poor for out-of-pocket health expenses. According to commune officials interviewed in the Red River Delta as part of the VHLSS 2002 survey, 37 percent of poor households have received health insurance cards. However, household interviews in the VHLSS 2002 showed that only 10% of the poor (as defined by the GSO expenditure method) have a health insurance card and only 10% of the poor have a poor household certificate (Paul Shaffer and Nguyen Thang, 2004; UNDP and MOLISA 2004; Nguyen Viet Cuong, 2003). In addition to its low coverage, the PPA revealed several major shortcomings of the health card system in practice. For instance, incidents were uncovered of people with health cards not using their card even though they had sick family members. In fact, the majority of cardholders consulted said they had not had the chance to use it. There was also one case of health cards being delivered to some communes but not further distributed to individual households. Implementation of Decision 139 will hopefully remove some of these problems. Clearly though, only supplying health cards is not
enough. According to the Vietnam National Health Survey (VNHS) 2001-02, around 8 percent of ill people aged 6 and over in the Red River Delta left an illness untreated even though they were eligible for a reduction or exemption by virtue of being poor. This suggests that other measures such as information and awareness campaigns on how to access health care benefits are also important.

Source: Interviews as part of the Ha Tay PPA (RDSC and World Bank, 2003)

‘Envelopes’ are an extra cost of health care

On the need for ‘envelopes’ given to medical staff, the PPA returned varying results. Some villagers with health insurance said that the patient can be given lower quality treatment or care if no ‘envelope’ is given. In contrast, others reported that health staff treated them well without extra cash incentives. Recently conducted research using report cards to collect citizen’s opinion on government service delivery shows that in Nam Dinh province out of the households using health services in the 12 months prior to the survey, 7 percent were requested to pay unofficial fees. A further 18 percent paid unofficial fees on their own accord. Half the households that paid these fees said that if they did not pay, they would receive poorer quality service (SDC and World Bank, forthcoming).

Decision 139 may improve delivery of health services to the poor

The Government has introduced a new mechanism for tackling out-of-pocket payments by the poor, in the form of Decision 139. This aims at providing health insurance cards (or free health care cards) to three disadvantaged groups (with some overlap) including: ethnic minorities in 10 provinces in difficult circumstances, people living in communes in especially difficult circumstances and the poor living in all provinces and cities throughout the country. Decision 139 has the potential to make a significant difference in the delivery of health services to the poor, but its success will very much depend on its practical implementation.

7. Safe water and sanitation

The Red River Delta has seen a dramatic increase in access to clean water over 1993 to 2002 for all groups from poor to rich (see Figure 14). The overall proportion of households in the Red River Delta with clean water (76 percent) is significantly higher than for Vietnam as a whole (49 percent).

Nonetheless, access levels vary according to whether the household is poor or rich and whether the household is in a rural or urban area. While 93 percent of the richest group have access to clean water, the same is true for only 55 percent of people in the poorest quintile. In the Red River Delta, 93 percent of households in urban areas have clean water compared to only 71 percent of households in rural areas. But the rate of access to clean water in rural areas for the Red River Delta is almost twice the national average.

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6 Defined as tap water, rainwater, purchased water and drilled well water
Part 2: Improving the Well-Being and Prospects of the Poor

![Figure 14: Access to clean water in Red River Delta from poor to rich](chart)

Source: GSO, based on data from the VHLSS 1993 and 2002

But hardly any poor households have sanitary toilets. Overall, the proportion of households in the Red River Delta with sanitary toilets (26 percent) is around the same as the national average (25 percent). However, this reflects improved sanitation access of rich households only. Figure 15 shows that while the proportion of households with sanitary toilets doubled from 1993 to 2002, only a tiny proportion of poor households have hygienic toilets, compared to more than 70% of the richest fifth.

![Figure 15: Households with sanitary toilets in Red River Delta from poor to rich](chart)

Source: GSO, based on data from the VHLSS 1993 and 2002

8. Agricultural extension

Agricultural extension has the potential to assist poor households through improving productivity of land and labour and better interaction with markets. The PPA reports that in both Hai Duong and Ha Tay provinces, extension systems are well established right down to the commune level.
There are permanent staff in the province and district offices and an extension worker in each commune who cooperates with veterinary and pest control officers.

**The poor are not a special target group**

Agricultural extension services are available to all. However, the PPA reveals that the poor face a number of constraints in accessing these services. They are often ill informed about local extension workers, too preoccupied with survival income generation and the costs of inputs (seeds, fertilizer) are too high. Additionally, extension service providers say that they have no responsibility to assist the poor as a special group.

**Farmers want to learn more about markets**

Non-poor groups are well informed about extension techniques and are eager to learn more, particularly with respect to meeting the needs of the new market economy. In contrast, the staff of extension services say that they are not responsible for assisting farmers with access to markets or to deal with risks associated with price fluctuation.

**Agri extension should involve the poor more and be responsive to market needs**

In summary, agricultural extension services are well established in Ha Tay and Hai Duong provinces and generally service non-poor farmers well. But the system could work a lot better with greater involvement of the poor. Also, in addition to traditional training such as intensive farming techniques, extension workers could be more innovative and responsive to economic developments. With the growing market economy, farmers need to know how to connect with buyers and manage price risks. Agricultural extension workers could also potentially advise farmers on how to strengthen linkages within the marketing channel to better meet consumer demand and move into more high value commodities.

### 9. Local infrastructure and housing

**Rural households have good access to electricity and decent roads compared to the nation as a whole**

Overall, access to basic infrastructure in the Red River Delta is at rates higher than the national average. According to the VHLSS 2002, practically all Red River Delta households (99 percent) have access to the national electricity grid, which is better than the national average (86 percent). And most Red River Delta households in rural areas live in a village with a road suitable for vehicle access (93 percent), again higher than the national average (86 percent) (GSO, 2004b). The 2001 Rural, Agriculture and Fishery Census indicates that 70 percent of agricultural land in the Red River Delta is irrigated which is double the rate for Vietnam as a whole (GSO, 2003a).

**Housing is of a high quality**

Poor households in the Red River Delta are also better off than the nation as a whole in terms of quality of housing. Table 7 shows that poor people in the Red River Delta are more likely to be in a semi-permanent house or a permanent one, compared to the rest of the nation. They are also less likely to be in temporary accommodation. Targeted housing programmes at the local level will also lead to more improvements in housing for the poor (see Box 4, Section 11).
Part 2: Improving the Well-Being and Prospects of the Poor

Table 7: Type of housing of poorest and near poor groups (%)

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Vietnam</th>
<th>Red River Delta</th>
<th>Vietnam</th>
<th>Red River Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>poorest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent house</td>
<td>5</td>
<td>14</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>Semi-permanent house</td>
<td>54</td>
<td>66</td>
<td>60</td>
<td>67</td>
</tr>
<tr>
<td>Temporary house</td>
<td>41</td>
<td>20</td>
<td>31</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: GSO, based on data from the VHLSS 2002

10. Allocation of Public Spending across provinces

The Vietnam government is increasingly operating in a decentralised fashion. Under the 2002 State Budget Law, provinces receive a block grant, as decided by the National Assembly. Within that envelope, the power to allocate resources rests with Provincial People’s Councils, which also decide how much of the envelope is transferred to the district level. The resources actually spent at the provincial level depend on the envelope allocated by the National Assembly to the province, the fees and contributions raised at the local level, the recurrent expenditures of line ministries in each of the provinces, the investment programmes undertaken from the central level, and spending by national targeted programmes.

A recently completed review of public expenditure in Vietnam revealed that the amount of public resources (for investment and recurrent spending) spent in each province, appears diverse, although weak information systems on actual spending make it difficult to get precise estimates (Ministry of Finance, World Bank and others 2004; World Bank and others 2004). Public spending per capita in Red River Delta provinces is equally diverse. Figure 16 shows that in the Red River Delta public spending per capita is high in Hanoi followed by Hai Duong and Hai Phong, which is largely driven by high investment levels per capita. These are among the richest provinces of the region. The poorer provinces in this region have public spending levels that are below the national average.
A Regional Poverty Assessment

Figure 16: The distribution of government public spending (investment and recurrent) in 2002 among provinces in the Red River Delta (expressed in VND per capita)

![Map of the Red River Delta showing distribution of public spending.](image)

Source: World Bank calculations based on data from Ministry of Finance (MoF) and the General Statistics Office (GSO)

In percentage of provincial GDP, however, the distribution of public spending looks more even across provinces (Figure 17).

Figure 17: The distribution of public spending (investment and recurrent) in 2002 among provinces in the Red River Delta (expressed as a percentage of GDP)

![Map of the Red River Delta showing distribution of public spending (% of GDP).](image)

Source: World Bank calculations based on data from Ministry of Finance (MoF), and the General Statistics Office (GSO)

The 2004 Public Expenditure Review in Vietnam also revealed that at a national level the allocation of public resources through block grants has
Part 2: Improving the Well-Being and Prospects of the Poor

resulted in transfers from the richest to the poorest provinces. But the allocation of resources from provinces to districts and communes is less encouraging. Old budget norms, involving inputs such as the number of civil servants or the number of hospital beds, are used in this process. As a result, the resources available at local levels are not commensurate with local needs, and the allocation process itself is not always fully transparent (World Bank and others, 2004).

Simple formulas involving population and poverty rates (assessed in a reliable manner) would considerably increase transparency. Budget allocation norms taking poverty rates into account would help ensure that more resources go to poorer districts and communes. This in turn would reduce the need to rely on contributions from poor people for the provision of education and health services and for local investments (World Bank and others, 2004).

**Targeted assistance**

The Government of Vietnam has in place a variety of targeted measures to assist the poor. These measures are not aimed at increasing the overall supply of basic services. Instead the resources are usually tied to improving access to those services through education fee exemptions (see Section 5.3) or health insurance cards (see Section 6.2). Other measures targeted at the poor include subsidized credit, housing assistance and exemptions from various taxes such as land tax.

11. HEPR

**HEPR** includes education fee exemptions, health cards, subsidized credit

**Most components of the HEPR programme appear to be reaching the poor throughout Vietnam.**

The Government’s Hunger Eradication and Poverty Reduction (HEPR) programme was formally established in 1998. It provides a nation-wide framework to coordinate and integrate targeted poverty reduction efforts of various sectors at different levels. Some of its benefits are aimed at poor households and others at poor communes. Key measures under the programme include the provision of ‘poor household certificates’, ‘health insurance cards’, partial or full exemptions for school fees and subsidized loans.

Research on the impact of targeted transfers for the whole of Vietnam indicates that three of the components of the HEPR programme (poor-household certificates, health care cards and access to subsidized credit) are fairly effective in making sure their benefits actually reach the poor (UNDP and MOLISA 2004; Nguyen Viet Cuong, 2003). Less than 30 percent of the households who receive these benefits can be classified as non-poor, based on the expenditure method used by GSO. These “leakage” rates are not high by international standards. However, the coverage rate of these three components is low with only 6-10% of the poor having access to these benefits. The education fee exemption programme for poor households and ethnic minorities has a somewhat higher coverage rate of 13-20% (UNDP and MOLISA 2004; Nguyen Viet Cuong, 2003).
The resource allocation of the national targeted programmes shows that provinces in the Red River Delta are allocated less than VND 10,000 per person and less than VND 40,000 per poor person (as defined by the GSO expenditure method). These are low amounts compared to the VND 150,000-200,000 allocated per poor people in, say, the Northern Mountains. Arguably, this could be defended by the lower poverty gap of the poor in the Red River Delta compared to the northern mountains (i.e. the poor in the Red River Delta are less poor than the poor in the northern mountains). Although Thai Binh has the second highest poverty rate (37%) of the region it seems to receive a relatively low share compared to other provinces in the region (Figure 18).

Figure 18. Spending on HEPR and Programme 135 in the Red River Delta by province

Source: based on data from MoF, GSO and the VHLSS 2002
12. Housing programmes

The ‘affection housing’ programme has been carried out by most provinces for some time now. It targets families of those killed in action and families of people who made great contributions during the war. Although a valuable and highly appreciated programme, it only reaches a small section of the community. In recent times, many provinces have expanded this programme to a broader target group, the poor. The programme has a different name in different places but in general is known as “eradicating thatched-roof and muddy wall houses” (see Box 4).

Nonetheless, the VHLSS 2002 indicates that only 3.8 percent of poor households (as classified by commune officials) in the Red River Delta received assistance to repair or build housing with an average value of 1 million VND per household. This is lower than the national average of 5 percent of households. The average assistance is valued at VND 1.9 million per household.

**Box 4: A solid roof over our heads**

A housing programme for the poor has been implemented in Hai Duong since 2001 under the slogan “no houses with thatched roofs or muddy walls for the poor”. Since then, more than 1,000 houses were built or repaired for poor households. It is estimated that there are some 3,000 houses with thatched roofs and mud walls left in the villages. The programme aims to improve all these houses by 2005. The cost of the support for a new house is VND 8.7 million of which VND 5 million comes from the district government. The remainder is mobilized from the community, which includes the family and its clan and the village. The support for repairing a house is VND 4 million with a similar matching arrangement. According to government officers, this programme is strongly supported by communities.

*Source: Interviews as part of the Ha Tay PPA (RDSC and World Bank, 2003)*

13. Access to credit

According to the VHLSS 2002, in line with the national average, around 32 percent of households classified as poor by commune officials have taken a loan in the past 12 months. This figure is 9 percent if we define poor households on the basis of the GSO expenditure-method. The majority of poor households in the Red River Delta who take loans receive them from the Vietnam Bank for Social Policies (VBSP), or Bank for the Poor as it was known at the time. However, in comparison with the national average, poor households in the Red River Delta have a lower rate of accessing the VBSP and higher rates of accessing other sources of credit such as socio-political organizations, private lenders and relatives or friends (see Table 8).
Limited or expensive sources of credit can be a significant constraint to greater income generation. According to the 2001 Rural, Agriculture and Fishery Census, shortage of capital was identified as a difficulty by 80 percent of farmers in the Red River Delta.

14. Emergency relief

In the Red River Delta, like the rest of Vietnam, hundreds of people obtain irregular grants under special circumstances such as following natural disasters and floods, during pre-harvest or pre-Tet food shortages. However, the level of assistance is reportedly quite low. In Nam Sach town, Hai Duong province, among the 70 beneficiaries of irregular support in 2002, only three people were given a grant of VND 500,000. All others were assisted at a level of VND 50,000.

The PPA reveals that emergency support (and also other forms of regular support) is controlled at the district level. The commune government and mass organizations consider that this makes the process of funds transfer unnecessarily lengthy and brings additional inaccuracy as district level officials usually have limited and out-of-date knowledge.

15. Social assistance programme

Under Decision 167 of the Prime Minister, regular payments are provided to certain groups who are considered unable to provide for themselves and who have made sacrifices for the nation. This includes people with severe disabilities, mental disorders, orphaned children, HIV/AIDS infected people, Victims of Agent Orange and “Policy Beneficiary Families”. Government officials interviewed in the PPA consider the social assistance programme to be large, practical and appropriately targeted to those who are needy. But as the PPA research team points out, they are not able to help poor people fully

Table 8: Loan source for proportion of poor households (as classified by commune officials) taking loans in the last 12 months (%)\(^7\)

| Source: GSO, based on data from the VHLSS 2002 |

<table>
<thead>
<tr>
<th>Loan source</th>
<th>Vietnam as a whole</th>
<th>Red River Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam Bank for Social Policies</td>
<td>58</td>
<td>43</td>
</tr>
<tr>
<td>Bank for Agriculture and Rural Development</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Other Banks</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>National Employment Fund</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Mass organisations</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Socio-political organisations</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Private lenders</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Relatives and friends</td>
<td>7</td>
<td>12</td>
</tr>
</tbody>
</table>

\(^7\) Note that the percentages sum to greater than 100 percent as households may take out more than one loan
maintain their daily life (see Box 5). The support provided in the research sites is only half that required for a person to live above the poverty line.

**Box 5: A hole in the social safety net?**

People experiencing short-term financial difficulties or the misfortune of accident or illness may not be covered by government assistance. Often the only possible support is arranged by local mass organizations. PPA team discussions with nine poor households showed that financial problems often started when the household was unable to cope with the loss of the primary earner (usually the husband), a health problem (such as a disability as a result of a traffic accident) or an investment failure. Very poor households also include some female-headed households and old couples without children to look after them. These facts are said to point to a missing social protection system that does not provide safety nets for these vulnerable groups.

*Source: Interviews as part of the Ha Tay PPA (RDSC and World Bank, 2003)*

Figure 19 indicates that a small share of the population in the Red River Delta receive social insurance or social subsidies. On average, a greater proportion of households in the Red River Delta receive social insurance which probably reflects a higher proportion of retired officials and formal sector workers receiving pensions but less other social welfare income\(^8\) compared to the national average.

**Figure 19: Proportion of households receiving social welfare income**

![Bar chart showing proportion of households receiving social welfare income](chart)

*Source: GSO, based on data from the VHLSS 2002*

---

\(^8\) “Social insurance funds” includes permanent disability allowance, pensions and redundancy pay, “Social Subsidies” includes assistance for disabled people, and ‘policy’ households (these are martyrs from the war and their families, heroic mothers etc). “Other” includes income from poverty alleviation programmes (disaster relief, pre-harvest hunger relief, etc.) but also includes lottery winnings.
16. Cutting through the red tape

Since 2001, the Public Administration Reform (PAR) Master Programme has sought to establish a more responsive, transparent, accountable and efficient public sector. In other words, reduce the ‘red tape’ and opportunities for corruption. The PAR programme has set in motion a framework to improve service delivery especially to the poor: the one-stop shop model (OSS). As at September 2004, across Vietnam, 40 percent of provincial agencies, 80 percent of district agencies and 10 percent of commune agencies had implemented OSS. At the time of the PPA, OSS had not been implemented in the districts surveyed in Hai Duong and Ha Tay provinces.

Nonetheless, due to other administrative reforms, villages in Ha Tay province reported that the commune level administration processes are already much more efficient and transparent resulting in households saving time and money. By contrast, while some citizens in Hai Duong said they appreciate progress in administration reform, most were not satisfied with service delivery citing complicated administrative procedures and related costs.

These types of inefficiencies can be extremely costly to poor households in terms of services foregone. In the PPA, parents cited the high non-monetary cost of obtaining the certificate for school fee exemption from the commune and district governments as one reason for not accessing benefits. And the case of health cards arriving at the commune office and not distributed further (see Box 3) does not reflect a well-functioning public office.

As the public administration reform process gathers speed in this region, some issues are emerging for policy makers. The first is how to deal with multi-function officials and potential conflicts of interests. Many officials have dual roles in government and mass organizations. Another issue is confusion over authority and responsibility. The PPA indicates that commune and district level authorities are often unclear on who is responsible for what, for example in land issues or resolving justice cases.

A third issue is accountability and complaints mechanisms. The PPA notes evidence of empowerment of citizens, especially those who have had experience working with the government or army, in claiming their rights. But the poor and women are unclear about where to get legal or administrative advice.
Box 6: Doing business in Ha Tay province

Since the introduction of the enterprise law in 2000 the number of registered enterprises has grown rapidly. In Ha Tay alone, 600 new enterprises were reportedly registered from 1999 to 2003. These enterprises are generating employment and boosting regional income. Interviews with entrepreneurs as part of the PPA reveal that they are satisfied with the costs of registration and the time required for processing. All stated that the current processes are simpler and the paperwork requirements are minimal. None reported hidden or under-the-table costs. Government offices now also work to pre-announced hours, which has made a big difference.

Source: Interviews with entrepreneurs as part of the Ha Tay PPA (RDSC and World Bank, 2003)

Participation in decision-making

17. Voice of the poor

As administration reform and decentralization intensifies, sound monitoring of institutional change becomes increasingly important. Feedback from all citizens, and in particular the poor on basic service delivery and targeted assistance, is vital to keep reforms relevant. The framework for citizens to participate in decision-making is already in place, the challenge is to make it work effectively in practice.

17.1 Grassroots democracy

“The people know, the people discuss, the people do and the people monitor”

(Ho Chi Minh)

The mandate for people’s participation in local decision-making, the Grassroots Democracy Decree, draws its inspiration from the above quote of Ho Chi Minh. The first grassroots democracy decree was issued by the central government in May 1998 and is known as Decree 29.

The PPA indicates that both government officials and mass organizations widely publicized the concept of grassroots democracy when Decree 29 was first introduced. The Decree document was made available to all government officials and village heads. Community meetings were organized to communicate the Decree at which attendance was reportedly very high ranging from 60-90 percent of the local population.

However, government officials and leaders of mass organizations in all communes and districts pointed to weak and unsystematic activities used to maintain awareness of the Decree. Lack of village facilities, such as community houses, also constrains the ability to communicate and maintain the message of the Decree.
Decree 29 was replaced in July 2003 by Decree 79. The new decree makes clearer the areas that are to involve the people’s input and supervision. The PPA was carried out too soon after the issue of the new decree to analyse its impacts. It is likely to have acted as a catalyst for again raising the importance of community participation at the commune and village level. This may also foster greater acceptance of community participation on the part of government officials and prevent cases like the one described in Box 7.

**Box 7: Falling on deaf ears**

In 2002, following several unsuccessful talks, the People’s Committee in Nam Sach district confiscated electric fans from those families in a village who had decided not to pay cash contributions for irrigation canals under a government-funded project. In this village, the majority of households did not agree with the decision of the People’s Committee to build the irrigation canals in the first place. Although the construction was viewed as beneficial to the village, the households considered that priority should have been given to on-the-field roads, which are more important for transporting farm inputs and products. Eventually, after repeated complaints and negotiations, the People’s Committee returned these assets to the villagers but both sides remained unhappy. One villager was quoted as saying “Our participation is not meaningful if the government does not listen to us”.

*Source: Interviews as part of the Hai Duong PPA (RDSC and World Bank, 2003)*

**17.2 Government decision-making in practice**

Two major activities of local authorities that directly impact on the poor are formulating the local socio-economic development plan and identifying the poor for the purpose of accessing social services and benefits. Both of these activities involve little or no participation from poor households.

Drafting the five-year plans, the annual plans and corresponding budget allocations at the commune level is the responsibility of the People’s Committee. At the district level this also involves the local department of Planning and Investment. The PPA reveals that the current practice does not require or involve input from the local population. Consultation is only carried out when financial contributions are needed.

The process of identifying poor households eligible for poor certificates depends on the commune but the PPA found the process to be similar in all sites surveyed. The process usually starts off with an officer of the Commune People’s Council organizing a survey with the support of the village heads. The list of identified poor households is discussed in a meeting with the village secretary, before it is submitted to the commune level. The list is then passed to the district level for final approval. In general, poor households do not participate in this process and those listed as poor often do not know the reason they are listed. On the positive side, all consulted agreed that the selected people were definitely from poor households.
Aside from direct consultation with the poor, another way the voice of poor people can be heard in decision making is through the People’s Councils. But they tend to operate with limited effectiveness in practice (see Box 8).

<table>
<thead>
<tr>
<th>Box 8: People’s Councils and People’s Committees</th>
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</thead>
<tbody>
<tr>
<td>Members of the People’s Council are elected to represent the will of the people as they are directly chosen by the people. The People’s Council then appoint the People Committees to perform the functions of public management (executive functions). The People’s Council is supposed to supervise and ensure the efficiency of the People’s Committee. In principle, this system encourages greater accountability of the executive. However, this does not always occur in practice. The PPA revealed that officials in Commune People’s Committees were unclear about what should be reported to the People’s Council and the power of this body. Clearly this then limits the effectiveness of the voice of the people in the People’s Council.</td>
</tr>
</tbody>
</table>

Important changes are underway in the planning process. Recently-issued guidelines insist that provincial planning processes should be reformed to be:

- more poverty focused;
- more outcome-oriented with a monitoring framework which can measure progress against desired outcomes;
- based soundly on robust analysis of the challenges of growth and poverty reduction;
- more participatory and consultative in nature; and,
- better linked to budgets.

Several provincial governments across the country have piloted these reforms under an effort called “CPRGS rollout”. Ninh Binh, in the Red River Delta, is one of the provinces exploring a more-outcome focussed approach to medium term planning. More information on the pilot in Ninh Binh is available from the CPRGS website (www.cprgs.org). In the coming period, all provinces will be expected to use a more participatory approach as they prepare their five year plans.

**17.3 Increasing people’s participation: a two way process**

The benefits of more effective implementation of the grassroots democracy decree are significant. Officials participating in the PPA identified some benefits as:

- **better resource mobilization from the community** - more ideas, monetary and in-kind contributions to public works;
- **improved relations between government and constituents** – citizens’ complaints and conflicts have reportedly decreased markedly; and
- **less corruption** – empowerment of citizens has forced government staff and officers to be ‘cleaner’.

Villagers may not be concerned with issues such as the full detail of the commune budget but they are interested in those decisions that directly relate
to their lives, in village plans and activities, and in knowing how their contributions in cash or in kind were spent.

Community meetings are said to be an effective means of facilitating dialogue between government representatives and citizens. At present, village meetings may be conducted once or twice a year and largely involve one-way communication, causing villagers to become disinterested in the process. The PPA research team suggests more frequent meetings (quarterly) to increase community satisfaction with proposals. Even if frequent meetings are not feasible, especially for poor people whose first priority is income generation, then at least the meetings could be made a more effective two-way process.

**17.4 Further decentralization: Decision making at the village level?**

Villagers and village heads have suggested that more decision-making power should be delegated to village authorities. This would certainly encourage and facilitate easier participation at the village level. Decisions on issues such as village roads, irrigation or land distribution could potentially be undertaken at the village level.

However, careful assessment should be made as to whether village heads have the capacity to assume a resource mobilization and allocation role. Such responsibility will likely require training for village heads, improved village facilities (such as a meeting hall) and greater remuneration. Currently village heads are said to be underpaid (they receive only VND 90,000 per month), poorly trained and over-loaded with work. Unless these issues are addressed, village heads are not well placed to take on additional roles and responsibilities.
Part 3: Emerging Issues

Emerging issues include migration, growth in non-farm income, land, and environment. This report has painted a picture of a region with a relatively low proportion of the population living in poverty compared to other regions. But poverty is high in absolute numbers due to the large population. In part, the emergence of households from poverty reflects the situation of limited land which has prompted the search for sources of non-farm income and also the presence of two large cities in the region, Hanoi and Hai Phong, which act as a catalyst for non-farm opportunities. However, this has created new challenges for policy makers, which will be reviewed in this section. Also discussed is the effect of the growing economic expansion on the environment.

18. Migrating out of poverty

Migrant remittances to the region are the second highest. In the Red River Delta region, people are on the move and this is an important source of income and poverty alleviation. The average amount of domestic remittances per household in the Red River Delta in 2002 was VND 335,000, the second highest amount behind the South East region (VND 479,000) (World Bank et al, 2003). However there are increased vulnerabilities associated with migrant workers, particularly the poor. To date, these issues have not been fully recognised by policy makers.

Type of migration is connected to wealth. PPA research in Hai Duong and Ha Tay provinces indicates that the type of migration and consequent job is connected to the initial wealth of the individual. The better off have a better chance of being hired for salary-based jobs at home or overseas while the opportunities for the poor lie in local, temporary or seasonal work with low pay and little job security. Gender divisions are also apparent – women find jobs as domestic aids or small-scale traders while men mainly work on farms or construction sites.

Migration patterns in the Red River Delta may be classified according to the movement of residents to find work in:

- Nearby localities and regional centres
- Other places in Vietnam
- Overseas

18.1 Nearby localities and regional centres

These migrants are more commonly the poor. They move to nearby farms for seasonal work or urban centres to engage in small-scale trade. Many households lease out their land to go and work elsewhere: “It becomes our main source of livelihood as agriculture is too small a source of income.”

Migrants to nearby localities are likely to be poor. Many villagers living near urban centres commute daily – particularly women whose husbands do not want them to stay overnight in the town. This brings...
new vulnerabilities. Women in Lien Ha commune reported that sometimes on the way back home from Hanoi they are stopped by drug addicts who try to attack them and rob their daily earnings. Stories of rape have also been reported. The policy of ‘clearing the streets’ which means that day traders are not allowed to sell on the streets of Hanoi is also exacerbating these risks for women who may turn to night markets to sell their wares (see Box 9).

**Box 9: Women risking their safety to earn a living**

“There are people from our village who were hired to work in the city but when they got there, the city people said that there was no work, and they just flirted and asked to have sex."

“In some cases, people from our village were asked to go to work but instead they were taken to China and had to escape.”

“Or, when it was storming, some women couldn’t take back home and had to stay the night and when they came back home, their husband wanted to get divorced.”

“Now the traders with bicycles attached to their baskets are frequently arrested. They [the police] are too strict, thus we are quitting these kinds of jobs. A few of us decided to trade in Green Markets, which operate at night”.

*Source: Women interviewed as part of the Ha Tay PPA (RDSC and World Bank, 2003)*

### 18.2 Other places in Vietnam

Research in Hai Duong shows that people migrating out of the Red River Delta are more likely to be middle-income young adults who migrate to places like the big cities in the South mainly to work in seasonal or temporary jobs. For men this means jobs requiring manual labour like masonry and carpentry and for women, house helpers. A few migrants go to work for private enterprises.

### 18.3 Overseas migration

Participation in labour export programmes can be a lucrative source of income for a lucky few. A woman in Hai Duong province (which is estimated to have exported around 6,000 labourers) reported that her daughter sends home a monthly remittance of 200 USD. Most exported labourers are relatively well off young adults going to work in countries such as Malaysia, Taiwan, Germany and South Korea.

Some men go overseas to work on farms or for industrial enterprises. But the majority of overseas migrants are women who are hired in both industry and service sectors, most commonly as house helpers. More likely this risk is higher for poor women who cannot afford the fees of reputable labour export companies.

The poor make up a small proportion of officially registered overseas migrants for two main reasons. Firstly, the deposit required by labour export companies is too high for the poor. An applicant may be required to deposit some VND 20 million to 80 million to take part in job orientation and language training. Secondly, the education level required for an overseas job
(12 years of schooling) is often higher than the level achieved by the poor (who typically have 9 years or less).

### 18.4 Migration: positives and negatives

“Our sons are doing quite well [in Ho Chi Minh City]. If they stayed in the village, we would not have been able to make ends meet”

Mother in Dan Phuong district

Migrants can earn higher income and enhance the family well-being

Migration has both positive and negative impacts on the life of migrants, their families and the community. On the upside, migrants may have broader life experiences, are able to send remittances to family member staying back home and increase savings. However, the size of remittances is observed to vary between families and not all migrants send money home.

But there are many downsides too

The downsides are many and varied. Particularly for urban migrants, a polluted environment, limited access to social services for unregistered migrants and the absence of the strong social networks characteristic of villages, are drawbacks that increased expenditures may not compensate. At the village level, women with migrant husbands away from home have said they are left with the dual burden of housework and fieldwork. Other emerging social problems include broken families, health problems and increased spread of HIV/AIDS transmitted from errant husbands returning from work in high HIV/AIDS risk areas.

### 18.5 Moving to the city

As noted in Section 3.1, households in urban areas in the Red River Delta spend on average around 3.4 times more than households in rural areas. Households in Hanoi spend at least 5.1 times more than households in the region’s rural areas. This creates a huge incentive for people to migrate to the cities. Most migrants are likely to gain in terms of well-being. However, the insufficient development of urban infrastructure and current administrative mechanisms that limit the mobility of the population may keep many migrants in poverty too.

Urban migrants without registration are particularly vulnerable to poverty

These mechanism currently prevent migrants from obtaining permanent resident status. This is a huge barrier to leading a full and comfortable life. Poor unregistered migrants have no access to social services or formal channels of credit and face costly administrative inconveniences like only being able to obtain leave permits for 6 months at a time and having to return home to register a newborn in the original residence of the parents. Fair treatment by local governments and services like health, water and electricity may be available – but only if you can afford to pay.

Future VHLSS should have better information on migrants

These barriers to migration not only impact on the lives of individual migrant families but also potentially affect the economic progress of the nation (see Box 10).
Unfortunately, a major shortcoming of the VHLSS 2002 is that there is no way to identify unregistered migrants through the responses to the questionnaire. This makes it difficult to assess whether access to services differs between migrants and non-migrants. This limitation is partly addressed in the VHLSS 2004.

**Box 10: Learning from China’s experience**

Amazingly, as reported by the Economist Magazine (October, 9-15th 2004), China is experiencing labour shortages. In a country with around 150 million people in the countryside with little or nothing to do, such a phenomenon seems unbelievable. But the days of unlimited cheap labour from the countryside flooding industrial centres appear to be numbered. Guangdong province is said to be facing the most acute labour shortages, but many other areas have similar problems. According to a report of the Ministry of Labour and Social Security, in Guangdong’s Peal River Delta, about 19 million migrant labourers are registered, leaving firms short about 2 million. One of the key causes of the labour shortages is said to be the differing rates at which barriers to migration are being dismantled in different parts of China. These barriers prevent many migrants from settling down permanently with their families and becoming assimilated into urban life. Another big barrier cited is the lack of well-enforced social security and health care provisions for migrant workers.

*Source: The Economist Magazine, October, 9-15th 2004*

### 19. Growth in non-farm employment

In the Red River Delta region there has been very strong growth in non-farm employment. Encouragingly, this has been associated with a reduction in poverty.

Table 9 shows the drop in farm employment and rise in both non-farm employment and wage employment in the Red River Delta over 1998 to 2002. This pattern is stronger in the Red River Delta than Vietnam as a whole. Associated with the growth in non-farm and wage employment is a decrease in public sector employment and increase in the private sector, which now employs twice as many people as the public sector.
Table 9: Employment of population over 15 years old by sector (%)

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Share in Total Employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Wage Employment</td>
<td>19</td>
<td>17</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>- Household Farm Employment</td>
<td>63</td>
<td>64</td>
<td>47</td>
<td>41</td>
</tr>
<tr>
<td>- Household Non-Farm Employment</td>
<td>18</td>
<td>20</td>
<td>24</td>
<td>27</td>
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<tr>
<td><strong>Share of Formal Sector Employment</strong></td>
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<tr>
<td>in Total Employment 1</td>
<td>9</td>
<td>8</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td><strong>By Public/Private</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Sector</td>
<td>42</td>
<td>51</td>
<td>31</td>
<td>37</td>
</tr>
<tr>
<td>Private Sector</td>
<td>58</td>
<td>49</td>
<td>69</td>
<td>63</td>
</tr>
</tbody>
</table>

1 defined as wage jobs in urban areas

Source: GSO based on data from the VHLSS 1998 and 2002

Most households combine farming with non-farm self employment and/or wage employment.

Further research on rural labour market participation (Nguyen Chien Thang, 2004) based on the VHLSS 2002 shows that 78 percent of households in the Red River Delta are still engaged in farming but only 17 percent work in farming only. Most households combine farming with non-farm self employment and/or wage employment.

The Red River Delta has the highest proportion of household members in non-farm self employment (24 percent) along with the South Central Coast (also 24 percent). In the Red River Delta, non-farm self employment is more common among the rich but the proportion of household members in wage employment is around the same across poor to rich groups (see Table 10).

Table 10: Labour market participation of household members from poor to rich (%)

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Farming</th>
<th>Non-farm self-employment</th>
<th>Wage employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest</td>
<td>86</td>
<td>16</td>
<td>31</td>
</tr>
<tr>
<td>Near poorest</td>
<td>81</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>Middle</td>
<td>76</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Near richest</td>
<td>61</td>
<td>24</td>
<td>29</td>
</tr>
<tr>
<td>Richest</td>
<td>33</td>
<td>27</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: Nguyen Chien Thang, 2004
Wage employment does not mean the end of poverty. An income from wage labour does not necessarily mean moving out of poverty. The type of wage labour is important. Poor household members are likely to be employed in low wage industries, seasonal work or day jobs with little job security. Rich household members are more likely to be employed in well-paid positions in the public service or private companies.

Table 11 shows that there is little difference between expenditure of the poorest to the middle expenditure groups according to whether the household member is only employed in either wage employment or farming. But for household members in the richest group, expenditure is much higher for those in wage employment compared to farming. This suggests that wage employment provides more income than farming mainly for richer households who tend to have better education and therefore can seek out higher paid jobs.

Table 11: Average real expenditure per household member from poor to rich (‘000 VND per year)

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Wage employment only</th>
<th>Farming only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest</td>
<td>1571</td>
<td>1492</td>
</tr>
<tr>
<td>Near poorest</td>
<td>2052</td>
<td>2055</td>
</tr>
<tr>
<td>Middle</td>
<td>2712</td>
<td>2657</td>
</tr>
<tr>
<td>Near richest</td>
<td>3831</td>
<td>3600</td>
</tr>
<tr>
<td>Richest</td>
<td>6846</td>
<td>5936</td>
</tr>
</tbody>
</table>

Source: Nguyen Chien Thang, 2004

Measures to increase the assets of the poor enable them to take better advantage of market prospects. As discussed in Sections 2 and 3.2, the majority of households remaining in poverty in the Red River Delta are employed in farming. By contrast, many households have escaped from poverty due to non-farm income opportunities. However, some households engaged in non-farm employment and wage employment are still poor. As such, measures that work to raise the ‘assets’ of the poor (education, health care, access to credit, etc) remain important to enable the poor to become better positioned in the market economy. An efficient land transfer market is also important to ensure that poor households can combine farm, non-farm and wage earning activities according to their productivity levels (see Section 19).

Protection of workers rights is also important. Associated with the growth of the private sector is the issue of worker protection, particularly for the poor who are likely to be least empowered in the workplace. Certain safeguards are important to prevent people from falling into poverty when getting sick, facing family care responsibilities or having an accident in the workplace. In the past, certain labour standards were automatically accorded to State employees. However, with the emergence of private enterprise, the State now has to play a role in enforcing these labour standards (see Box 11).
20. Land

In contrast to some other regions of Vietnam, poor rural households in the Red River Delta do not suffer from a problem of landlessness9. The VHLSS 2002 shows that only 7 percent of the poorest households living in rural areas in the Red River Delta do not have any land.

However, the average land size in the Red River Delta is much lower than the national average as the region is so densely populated. The VHLSS 2002 data show that the average landholding per household with land in the Red River Delta is only 2,317m² compared to 8,121m² per household for Vietnam as a whole. In the Red River Delta, the majority of land is classified as annual cropland (mainly rice) and it is fairly evenly distributed from poor to rich. This reflects the history of collectivism and subsequent policy of equal land allocation in the North in contrast to more uneven patterns of landholding observed in the South.

The shortage of land in the Red River Delta region means that it is quite valuable. Already a market for land rentals has emerged in the Red River Delta which is outpacing the national average. According to the VHLSS, in 2002, 23 percent of households in the Red River Delta were renting-in land compared to only 11 percent of households for Vietnam as a whole (see Table 12). Also in the Red River Delta, 7 percent of households rented out land compared to only 4 percent of households for Vietnam as a whole. Further analysis shows that, as expected, rich households are the primary source of land rented out. For land rented in, all expenditure groups from

---

9 Landlessness refers to households in rural areas that do not hold any land for the purpose of agriculture, forestry or fisheries.
the poorest to near richest have between 20 to 25 percent of households renting land (see Table 12).

**Table 12: Proportion of households with land rented by expenditure quintile (%)**

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Vietnam</th>
<th>Red River Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Near poorest</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Middle</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Near richest</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Richest</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td><strong>ALL</strong></td>
<td><strong>11</strong></td>
<td><strong>23</strong></td>
</tr>
</tbody>
</table>

*Source: GSO, based on data from the VHLSS 2002*

International evidence suggests that land rental markets increase efficiency and are generally beneficial to the poor (see Box 12).

**Box 12: Rental markets and the poor**

It is thought that rental markets generally benefit the poor. Rental markets can mean that additional land is transferred to farmers and allows other households to pursue non-farm income opportunities. Compared with administrative allocation by village cadres who have only limited opportunities to observe ability, land rental markets allow more productive households to gain access to land and so increase output. This suggests that in an environment where land ownership is initially distributed equally (as is the case for most of Vietnam), decentralized land rental markets permit much greater productivity gains without the danger of negatively affecting equity.


*Land markets are in their infancy* The continued development of rental markets and expansion of private enterprise relies on the efficiency of land transfer markets, which in Vietnam are still in their infancy. In 1988 the collective land system was abandoned in favour of private land use rights. While land remained (and still remains) the property of the State, rights to use the land were assigned to households. However, such rights were not tradeable. In 1993, a new land law was enacted allowing land rights to be inherited, transferred, exchanged, leased and mortgaged. It was then that the formal land transfer market was born. The Land Law 2003 contains more provisions to deal with the developing land transfer markets, including the principle of setting land prices according to the implied market value and improvements to the system for compulsory land acquisitions.
The challenge now for public administrators is to make land allocation and trading systems transparent and flexible enough to cope with the demands of economic development, whilst ensuring adequate land rights for the poor.

There is emerging evidence that some land regulations are too restrictive and may be constraining expansion (see Box 13). A study into livelihood diversification in the Red River Delta (Dang Nguyen Anh, Tacoli, C., and Hoang Xuan Thanh, 2004) found rigidity in the land system a constraint to further development in Ha Nam province. In a craft village it was found that “access to land for expansion of rattan and bamboo crafts for production activities is problematic”. In another agricultural village it was reported that provincial regulations stipulate only farms with a minimum area of 3 hectares can be transformed from rice to multi-crop. No household in the area can meet this requirement so there are few existing multi-crop farms.

<table>
<thead>
<tr>
<th>Box 13: Ready to expand but lacking land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Hoa, 59, from Dan Phuong district is an entrepreneur. From a humble carpentry business started in 1973, he now employs 9 labourers. His sons and daughters-in-law are also involved in marketing, quality control and accounting for the business. Since 1998, the carpentry workshop has expanded its liquid assets from VND 25 million to VND 35 million. Mr Hoa would like to expand his business further and employ more labourers but he is facing a couple of barriers. First and foremost, he cannot expand without additional workspace. Although the People’s Committee has planned a craft zone in the fringe of the village, the 10 year lease term is too short a time for him to move his workshop there and invest more. Second, the cost of the lease is VND 19.5 million for a sao of land which is quite challenging for his family business. Mr Hoa thinks that if the land issue can be resolved, his workshop could engage in big contracts valued at more than VND 200,000 and employ more than 30 workers.</td>
</tr>
<tr>
<td>Source: Interviews with entrepreneurs as part of the Ha Tay PPA (RDSC and World Bank, 2003)</td>
</tr>
</tbody>
</table>

The introduction to the report on the consolidated Enterprise Surveys (GSO, 2004) recognizes that land is an important factor for enterprises. It comments that state enterprises have an excess of land and non-state enterprises have a shortage. It concludes that state enterprises should economize on land and the government should attempt to meet the demand for land from new and existing enterprises.

Finally, administrative land transactions must be carried out in an open and transparent way to avoid inefficient land allocation. In China, abuses of power by village authorities reallocating land in a way that provides them with personal benefits has been identified as a growing problem. In 2002, the Chinese government adopted a new land law which, amongst other things, aims to protect households against arbitrary expropriation by village cadres by requiring that even small reallocations be approved by a two-thirds majority of village members (Deininger, K., 2003). Ongoing research suggests
that lack of transparency associated with land transactions is causing dissatisfaction in some parts of the Red River Delta that are seeing conversion of land use from agriculture to other uses. Without clear mechanisms to ensure integrity in land deals the possibility remains for tension between local authorities and local residents in the future. This research describes the situation in one commune in Ha Tay Province where sales of land had generated substantial revenues for commune authorities but local residents felt under-informed about how the funds had been used (The Asia Foundation, forthcoming).

Reports about the increasing privatisation of what once were common properties raise concerns about whether poorer farmers may be excluded from activities traditionally used as a safety net or income source. For example, recent discussions with inhabitants along coastal shores of some Red River Delta Provinces indicate that inter-tidal land areas are being auctioned at very low rates to private clam-producers who can make considerable profits. This closes off the area to other residents who had previously supplemented their incomes from farming or fishing through clam collection.

21. Environment

The Red River Delta is not a region where forestry issues feature prominently with only 8 percent of the area of the region classified as “forestry land covered by trees” (GSO 2003a). Rather, key environmental concerns for the area as identified by the PPA are:

- Water pollution;
- Land degradation; and
- Waste management.

21.1 Water pollution

“We used to wash ourselves in our ponds or river. The water was clean. Nowadays, nobody dares to use water from rivers or ponds”.

Poor woman in Phuc Lam Commune

As described in Section 7, rural households in the Red River Delta have a much higher rate of access to clean drinking water than the nation as a whole. Nonetheless, risk of contamination from human waste has always been a problem. The VHLSS 2002 data shows that only 13 percent of rural households in the Red River Delta have hygienic toilets. And with economic development, new sources of contamination are emerging such as pesticides, animal waste and industrial waste. The PPA revealed that water pollution is perceived to be an increasing problem (see also Box 14).
21.2 Land degradation

Villagers consulted in the PPA felt that the quality of land and thus its productivity is decreasing because of intensive and long-term use of chemicals. Encouragingly, the PPA also reported that Integrated Pest Management (IPM) techniques and knowledge about skills in pest management are assisting farmers to make rational use of pesticides and chemical fertilizers thus helping maintain a better environment.

21.3 Depletion of inland fish stocks

Vietnam’s rivers are generally quite productive. For example, according to the Ministry of Fisheries, the Mekong River provides more than 30,000 tons of fish annually, landed by around 48,000 fishers. However, the rivers in the Red River delta, which were once highly productive, are now almost devoid of fish, due to extensive flood control and the closure of flood plain fish breeding and nursery areas. This is likely to have negative impacts on the incomes of in particular poor people, as they often are the ones that depend on open access water resources for important parts of their livelihoods.

21.4 Waste management

The PPA reveals townships are developing ways to collectively deal with waste management but this concept is yet to emerge in rural areas. Increasingly, the rural environment is coming under pressure from animal production industries while the sluice or drainage system has remained unchanged for many years. The system is said to be incapable of processing human waste, let alone the increase in animal waste. By way of contrast, in townships, community based waste management schemes are emerging. These schemes operate on a collective basis with households covering the costs of waste collection.

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**Box 14: Business and the environment**

Rattan and bamboo processing, popular in Ha Nam province, is just one example of a small-scale sector that is potentially quite damaging to the environment. At the household level, those who are able to store materials need to fumigate them to destroy fungus and other parasites. This is often done in the home area creating high levels of air pollution and affecting the health of household members. Outside the home, two other processes carried out are bleaching of forest rattan and the final stage of lacquering and polishing. Both are often undertaken close to or within residential areas where they create high levels of pollution of underground and surface water used for domestic and agricultural use. Concentrating these activities in a central location such as small industrial or handicraft zones is clearly desirable, but policy makers need to think clearly about the capacity of household enterprises to pay for the services provided in these zones.

Adapted from Dang Nguyen Anh, Cecilia Tacoli, Hoang Xuan Thanh (2004) “Stay on the farm, weave in the village, leave the home”
21.5 Ensuring environmental sustainability

Environmental degradation is recognized as harmful. There is some awareness among villagers that pollution can have adverse effects on people’s health and livelihoods. In Nam Sach, Hai Duong province, villages reported they make limited use of wells and rivers relying more on rainwater because of the pollution caused by unprocessed liquid waste and fear of contamination from pesticides. Villages also recognise that the productivity of the land is declining due to uncontrolled use of chemicals.

However, there is no systematic or comprehensive approach to ensuring environmental sustainability. In part, this stems from limited awareness of the long-term benefits of preserving the environment. In this area, there may be a case for greater government intervention in the form of clearly regulated and enforced environmental standards that create incentives to protect the environment. Environmental issues should also be included in socio-economic planning, specifically the issue of waste management, according to villagers surveyed for the PPA.

The PPA team noted that a key challenge to environmental sustainability policy is that the capacity for fund raising and budget allocation for these public goods is very low and planners have limited skills in environmental management issues. As a result, perhaps more localised initiatives are a good place to start. The experience of waste management in townships shows that communities can mobilize funds if there is seen to be tangible benefits directly related to people’s living and working conditions.
The Red River Delta has witnessed fast progress towards meeting the Vietnam Development Goals, as outlined in the CPRGS. Table 13 below provides an overview of the latest available figures and their respective data sources.

**Table 13: Red River Delta progress towards the Vietnam Development Goals (VDGs)**

<table>
<thead>
<tr>
<th>Target/Goal</th>
<th>Indicator for Red River Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goals and targets directly based on MDGs</strong></td>
<td></td>
</tr>
<tr>
<td>Reduce percentage of poor and hungry households</td>
<td></td>
</tr>
<tr>
<td>Reduce by 40% proportion under international poverty line by 2010 (equivalent to target for general poverty line of 20%)</td>
<td>General poverty: 22% (estimated from VHLSS 2002)</td>
</tr>
<tr>
<td>Reduce by 75% number of people under international food poverty line by 2010 (equivalent to target for food poverty line of 3%)</td>
<td>Food poverty: 5% (VHLSS 2002)</td>
</tr>
<tr>
<td><strong>Universalize education, improve education quality</strong></td>
<td></td>
</tr>
<tr>
<td>Increase net enrolment primary school to 97% by 2005 and 99% by 2020</td>
<td>Net primary enrolment rate: 95% (VHLSS 2002)</td>
</tr>
<tr>
<td>Increase net enrolment junior secondary to 80% by 2005 and 90% by 2010</td>
<td>Net junior secondary enrolment rate: 85% (VHLSS 2002)</td>
</tr>
</tbody>
</table>
| Eliminate gender gap in primary and secondary education by 2005 and the gap among ethnic minorities in primary and secondary education by 2010 | Primary enrolment:  
  - Kinh - 95%, Ethnic minority - 79%  
  - Lower secondary:  
    - Kinh - 85%, Ethnic minority - 61%  
    - Upper Secondary:  
      - Kinh - 57%, Ethnic minority - 33% (VHLSS 2002) |
| Increase literacy to 95% of under 40 women by 2005 and 100% by 2010 | Female under 40 literacy rate: 99% (VHLSS 2002) |
| **Ensure Gender Equality and Empowerment for Women** | |
| Increase the number of women in elective bodies and in government bodies at all levels (national, provincial, district and commune). | N/A |
| Increase the participation of women in agencies and sectors at all levels by an additional 3-5% in the next 10 years. | N/A |
| Ensure that the names of both husband and wife appear on land-use right certificates by 2005. | Percentage of households with husband and wife on Land Use Certificate: 2.1% |
| Reduce the vulnerability of women in family violence. | N/A |
| **Reduce child mortality, child malnutrition and the birth rate** | |
| Maintain the trend reduction in the birth rate in order to reach the average substitution level for the whole country by 2005; in remote and poor | Total Fertility Rate: 1.65  
(Committee for Population, Family and Children, 2003; based on the Demographic and Health |
<table>
<thead>
<tr>
<th>Area</th>
<th>Target</th>
<th>Year</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce infant mortality rate to 30 out of 1,000 live births by 2005 and 25 out of 1,000 by 2010.</td>
<td>Infant mortality rate: 21 out of 1,000 live births</td>
<td>Survey 2002</td>
<td></td>
</tr>
<tr>
<td>Reduce the under 5 mortality rate to 36 out of 1,000 live births by 2005 and 32 out of 1,000 by 2010.</td>
<td>Under 5 mortality rate: 26 out of 1,000 live births</td>
<td>(Demographic and Health Survey 2002)</td>
<td></td>
</tr>
<tr>
<td>Reduce under 5 malnutrition to 25% by 2005 and 20% by 2010</td>
<td>Percentage of under 5 children that are malnourished: 22%</td>
<td>(VNHS 2001-02)</td>
<td></td>
</tr>
<tr>
<td>Rapidly reduce the rate of children of low weight at birth (less than 2.5 kilograms) to 7% in 2005 and to 5% in 2010.</td>
<td>Birth weight less than 2.5 kilograms: 4.5%</td>
<td>(Demographic and Health Survey 2002)</td>
<td></td>
</tr>
<tr>
<td>Improve maternal health</td>
<td>Maternal mortality rate: 46 out of 100,000 live births</td>
<td>(Ha Tay province, MOH Research on maternal mortality in Vietnam 2000-01)</td>
<td></td>
</tr>
<tr>
<td>Reduce maternal mortality to 80 out of 100,000 live births by 2005 and 70 out of 100,000 by 2010</td>
<td>Maternal mortality rate: 46 out of 100,000 live births</td>
<td>(Ha Tay province, MOH Research on maternal mortality in Vietnam 2000-01)</td>
<td></td>
</tr>
<tr>
<td>Reduce HIV/AIDS infection and other major diseases</td>
<td>Percentage of households heard of IEC on Malaria prevention: 30%</td>
<td>(VHNS 2001-02)</td>
<td></td>
</tr>
<tr>
<td>Maintain the achievement of polio eradication; minimize the number of people sickened by cholera, typhoid, hemorrhagic fever, malaria, and plague, etc.</td>
<td>Percentage of households heard of IEC on HIV/AIDS in last 6 months: 86%</td>
<td>(VNHS 2001-02)</td>
<td></td>
</tr>
<tr>
<td>Slow the rate of HIV/AIDS transmission</td>
<td>Percentage of households heard of IEC on HIV/AIDS in last 6 months: 86%</td>
<td>(VNHS 2001-02)</td>
<td></td>
</tr>
<tr>
<td>Control and move towards restraining social diseases.</td>
<td>Percentage of households heard of IEC on TB in last 6 months: 81%</td>
<td>(VNHS 2001-02)</td>
<td></td>
</tr>
<tr>
<td>Ensure environmental sustainability</td>
<td>Extending forest cover to 38% by 2005 and to 43% by 2010</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Ensure that there are no slums and temporary houses in all towns and cities by 2010</td>
<td>Percentage of urban households living in temporary housing: 4%</td>
<td>(VHLSS 2002)</td>
<td></td>
</tr>
<tr>
<td>Ensure that 100% of all waste-water is treated in towns and cities by 2010.</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Ensure that 100% of solid waste is collected and disposed of safely in all towns and cities by 2010. | Percentage of households who throw garbage away in no fixed place:  
• 5% - urban  
• 22% - rural | (VNHS 2001-02) |
| By 2005, air and water pollution must attain national standards | Percentage of households heard of IEC on safe use of herbicide or pesticide: 73% | (VNHS 2001-02) |

10 IEC = Information, Education, Communication
### Goals and targets not directly based on MDGs

<table>
<thead>
<tr>
<th><strong>Reduce vulnerability</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve significantly the income of the poor. By 2005, increase the average income of the lowest expenditure quintile to 140% of that in 2000 and up to 190% by 2010.</td>
<td>113% (compared to 1998) (VHLSS 2002)</td>
</tr>
<tr>
<td>Improve the access of the poor to basic social services, production services and resources</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Good governance for poverty reduction</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure grass-roots democracy</td>
<td>N/A</td>
</tr>
<tr>
<td>Ensure budget transparency</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Ensure pro-poor infrastructure development</strong></th>
<th></th>
</tr>
</thead>
</table>
| Provide basic infrastructure for 80% of poor communes by 2005 and 100% by 2010. | **Percentage of poor households\(^{11}\) in rural areas with:**  
- Road suitable for vehicle access: 91%  
- Primary school in village: 40%  
- Nearby Commune PC: 47%  
- Post office in village: 32%  
- Telephone stand in village: 61% (VHLSS 2002)  
| Expand the national transmission grid to 90% poor commune centres by 2005. | **Percentage of poor households with access to electricity grid: 99% (VHLSS 2002)**  
| Provide essential infrastructure, especially water supply and environmental hygiene, for poor areas in cities and towns. | **Percentage of households with sanitary toilets:**  
- 77% - urban  
- 13% - rural (VHLSS 2002)  
| Ensure that 80% of urban and 60% of rural population will have access to clean and safe water by 2005; 85% of rural population to have access to safe water by 2010. | **Percentage of households with access to clean water:**  
- 93% - urban  
- 71% - rural (VHLSS 2002)  

**Note:** This table summarizes a fuller set of the VDGs outlined in the CPRGS

**N/A:** not available

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\(^{11}\) Refers to households in the poorest expenditure quintile (that is, the poorest 20 percent of households according to expenditure).
References


Ministry of Labour Invalids and Social Affairs (MOLISA) and Institute of Labour Science and Social Affairs (ILSSA). 2004. Study on Corporate Social Responsibility. Hanoi


POVERTY TASK FORCE

REGионаL POVERTY ASSESSMENT

Red River Delta Region

2005

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