

# **The Regional Poverty Assessment Mekong River Region**

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## Abbreviations

ADB	Asian Development Bank
CHS	Commune Health Station
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GSO	General Statistical Office
HCMC	Ho Chi Minh City
HDI	Human Development Index
IMR	Infant Mortality Rate
IPM	Integrated Pest Management
IUD	Intra-uterine device
MDPA	Mekong Delta Poverty Analysis
MRPA	Mekong Regional Poverty Assessment
NCSSH	National Centre for Social Sciences and Humanities
PPA	Participatory Poverty Assessment
PTF	Poverty Task Force
R&D	Research and Development
TFR	Total Fertility Rate
UNDP	United Nations Development Program
VDG	Viet Nam Development Goal
VHLSS	Viet Nam Household Living Standards Survey
VLSS	Viet Nam Living Standards Survey
VND	Viet Nam Dong
VNHS	Viet Nam National Health Survey
VOV	Voice of Viet Nam (radio)
VTV	Viet Nam Television



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## Foreword by the Poverty Task Force

In May 2002, the Government of Viet Nam 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 Viet Nam. These draw on a range of data sources to paint regional-level pictures of poverty. Analysis of the 2002 Viet Nam 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 Viet Nam, 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.

This report entitled “The Regional Poverty Assessment - Mekong River Region”, funded by UNDP and AUSAID, pulls together (i) qualitative poverty assessments using information from the Ben Tre and Dong Thap provincial participatory poverty assessments by a team of the Long An Primary Health Care Center staff, led by Dr. Le Dai Tri and (ii) quantitative analysis based on data from the VHLSS and other studies and sources of information by Ms. Sarah Bales (UNDP-AUSAID consultant), Ms. Pham Lan Huong (CIEM) and Mr. Juan Luis Gomez (UNDP). The main aim of the report is to provide the analytical basis for the work on the development of pro-poor planning processes at both central and local levels.

## Executive Summary

This report pulls together qualitative poverty assessments using information from the provincial participatory poverty assessments and quantitative analysis based on data from the VHLSS and other studies and sources of information such as data of the Rural and Agricultural Census 2001, National Health Survey 2002 (VNHS), Labour and Employment Survey 2002 and Survey of Population Dynamics. The main objectives of the assessment are to:

- Obtain updated information and insights on the poverty situation and specific dimensions/issues of poverty in the Mekong Delta region to fill analytical gaps that will help the government target assistance in order to reach Viet Nam Development Goals and priorities stated in the Comprehensive Poverty Reduction and Growth Strategy (CPRGS).
- Assess current patterns of participation in local decision-making, service delivery to the rural poor and urban migrants, coverage by social assistance programs.
- Analyse the effectiveness of current government policy measures, their implementation and service delivery mechanisms for the poor and discuss measures for improving them.

The PPA was implemented in three communes each of the provinces of Ben Tre (representing the coast) and Dong Thap (representing the provinces of the Plain of Reeds) through interviews and meetings with local people and leaders based on a research framework and methodology commonly developed and adopted by the Poverty Task Force. The following techniques were used to collect data: household interview, focus group discussion, case study, wealth ranking, time trend and social mapping. The team used triangulation methods to analyse problems/issues from different angles expressed by villagers, by government officers, and from secondary sources.

### **Recent increased rate of poverty declines but urban-rural and ethnic gap remains**

Poverty rates in the Mekong Delta are relatively low, ranking 6th among all regions, but the large population in the 12 provinces of the region means that the absolute number of poor people in the region is still very large. Between 1992 and 1998, the Mekong Delta saw slower poverty reduction and income growth than other regions of the country leading to concerns that the region was losing its competitive edge. The results of the 2002 VHLSS indicate that in contrast to the slowing pace of poverty reduction for the rest of the country, poverty reduction in the Mekong Delta has been quite rapid with a decline from 37% to 23% in the general poverty rate between 1998 and 2002 and a correspondingly large reduction in food poverty as well.

Evidence from the PPA in Ben Tre and Dong Thap is consistent with these findings as evidenced by greater ability to purchase consumer goods, better infrastructure and overall declining number of households considered poor and hungry.

Poverty reduction between 1998 and 2002 was more rapid among urban dwellers leading to an increase in inequality between urban and rural areas, although the urban-rural gap in the Mekong Delta remains smaller than in other regions of the country.

Poverty reduction among male-headed households was more rapid than among female-headed households, although the proportion poor among female headed households is lower than for male-headed households. Possible explanations given for this phenomenon are that female headed households have migrant husbands sending remittances back home so living standards are relatively high. Patterns in reduction of poverty among ethnic minorities in the region are somewhat complicated. Between 1993 and 1998, poverty reduction among ethnic minorities in the Mekong Delta was more rapid than among the Kinh/Chinese. However, between 1998 and 2002 general poverty rates came down much less for ethnic minorities (primarily Khmer) than for the Kinh/Chinese majority. Nevertheless, ethnic minorities in the Mekong Delta region seems to fare much better than ethnic minorities in other regions when examining indicators for level and depth of poverty or rate of change between 1998 and 2002.

Not only have poverty rates fallen, but the depth of poverty has also declined as poor people's expenditures per capita increase to not far below the poverty line. The large number of people not far below the poverty line in 1998 may be one of the main factors explaining the recent rapid decline in poverty.

## **Explanations for improved well-being**

There are numerous explanations for improved well being in the Mekong Delta. Officials interviewed in the VHLSS 2002 attribute it primarily to changes in agricultural policies, non-agricultural job expansion and low inflation. PPA findings put more emphasis on:

- improved infrastructure
- education
- government policies
- job expansion
- price stability and improved agricultural terms of trade
- more favorable climate with no major natural disasters since the 1997 Typhoon Linda and 2000 floods.

PPA findings suggest that a number of government policy targeting the poor, such as investment in infrastructure with a special program for the poorest

communes, preferential credit schemes for job creation and poverty reduction, education and healthcare policies, has worked well and brought visible positive changes in poverty. Nevertheless, the PPA points out that there are still limited opportunities for the poor to escape from poverty on a sustainable basis with major obstacles being landlessness and slow development of local business and creation of job opportunities in the region.

## **Inequality increasing moderately**

In the Mekong Delta analysis of traditional inequality indicators shows non-statistically significant changes in inequality over time in the region. Rising inequalities are more easily perceived in analysis of expenditure growth. The Mekong Delta region reported the third highest mean per capita expenditure in the country, just behind the Southeast and the Red River Delta. Expenditure in the Mekong Delta region, as for the country as a whole grew considerably faster for the richest quintile of the population than for the poorest 20%. In contrast, for the 1993-1998 period expenditure growth was far more balanced with all quintiles reporting growth in expenditure of over 33%.

Probably the most noteworthy feature in per capita expenditure growth in the Mekong Delta was the faster increase in this indicator in rural areas than in urban ones, contrary to national trends. Expenditure growth among the top quintile was slower in the Mekong Delta compared to other regions which helped to moderate growth in inequality. Of some concern is the growing ethnic expenditure gap - average expenditures grew seven times faster for the Kinh and Chinese than for other ethnic groups.

## **Explanations for increasing inequality**

The PPA report gives some explanations for the continued disparities between the rich and the poor groups.

- Insufficient means of production and access to financing
- Limited technical support
- Assymetric information on business and employment opportunities
- Risks in income generation
- Limited employment opportunities
- Poorly targeted HEPR policies

## **Characteristics of the poor**

In the Mekong Delta region, the rural poor represent 96% of all poor people in the region. Faster growth patterns in the manufacturing and services sector, as opposed to agriculture, forestry and fisheries allowed for a more rapid reduction in poverty rates in urban areas.

### **Primarily agricultural livelihoods**

Over 77% of poor households are employed in the primary sector (agriculture, forestry and fisheries), 9% in industry and 13% in services. PPA findings confirm that poverty is closely associated with farming, noting that most poor households live in rural areas and are engaged solely in paddy cultivation.

Among farmers, poverty incidence is substantially higher for landless or farmers with a shortage of land, who are dependent on earnings from hired labour. Low educational attainment leaves them few opportunities outside of farm work which tends to be unstable and have low wages. Few off-farm employment opportunities have been created over the last few years. Migration to large urban and industrial centres (e.g. HCMC, Binh Duong) for people with some qualification and skills and increased seasonal farm labour jobs might be behind the overall increase in expenditure levels in the region.

### **Low education**

Poverty incidence is inversely correlated with educational attainment. While poverty rates among those who have not completed primary education is 30% in the Mekong Delta region (lower, however, than the 40% national average), poverty is almost non-existent among those with higher education or vocational training. Without sufficient education attainment, workers face greater difficulties in acquiring new skills and techniques for improving productivity. Parents with low education often underestimate importance of and returns from education, thus do not try hard to send their children to school, to encourage them to work hard at school and progress to higher education.

A notable characteristics of the region is low educational, skill and professional levels of its labour force relative to that of the remaining regions. Given possible marginally declining returns from agricultural diversification and intensification in the region, the low educational and qualification levels may turn into a major impediment to high and stable growth and rapid poverty reduction in the forthcoming period through applying agricultural R&D and expansion of rural industries.

Investment in vocational training may serve as a critical component of a strategy for poverty reduction in light of low poverty rates for those with technical skill training. The PPA report gives some consistent evidence that adults with skills can go to industrial centres in other provinces or go overseas through various labour-exporting programs, have a good job and send remittances to their family. Farmers who have obtained techniques for raising crops, fish or shrimps were able to reduce risk associated with their production to a substantially larger degree and earn good, steady income. In that way, their family could escape from poverty or become even better off.

There is a high correlation between educational attainment and other characteristics of the poor. Educational attainments are lower in rural areas and are considerably lower for ethnic minorities than for the Kinh/Chinese majority.

### ***Few assets, including land***

Landlessness, has been one of the main obstacles to poverty reduction in the Mekong Delta. Cross-regional comparison reveals that the Mekong Delta region is placed second in terms of the share of landless farmers in rural areas in 2002, just behind the Southeast region. Furthermore, only landlessness in the Mekong Delta region has some positive correlation with poverty (the poorer the quintiles the higher the share of landlessness) while it is the opposite for the remaining regions. Thus landlessness becomes a most urgent issue in rural area. It was found that severity of landlessness depended on geographical and climatic conditions. A vicious circle exists: no land – no chance to access credit – no development – no escape from poverty. Causes of landlessness are complicated, and existing land distribution and re-allocation system does not take into account the needs of the poor (AusAID 2003).

In terms of ownership of *durable assets*, their distribution among households was extremely unequal especially for telephones, refrigerators, bicycles and motorbikes.

The Mekong Delta region has the highest share of temporary houses compared to other regions and the poor are most likely to be living in temporary houses.

### ***Strong ethnic dimension***

Poverty in the Mekong Delta region has a strong ethnic dimension. The Khmer ethnic minority accounts for an overwhelming share of ethnic minorities in the region. The provinces with the highest poverty rates are also those with the largest Khmer populations. Within any province having Khmer people, poverty among them is always substantially higher than among the other ethnic groups.

The geographical location of Khmer communities partly plays a role. Often, these communities are cultivating on marginal soils or have limited access to infrastructure. The educational/professional attainment of the Khmer was very low, much lower compared to Kinh and Chinese people in the Mekong Delta. This influenced the Khmers' capacity to plan expenditures and make savings for further investment in production and improve their livelihoods. Most Khmer people were unfamiliar and very cautious about applying new technologies, which involved perceived risk but could also develop new skills and opportunities in agricultural activities. Last but not least, Khmer social institutions (of culture, religion, and customs) may have a great impact on livelihoods and poverty reduction capacity within the Khmer minority.

## People's participation in development and poverty reduction

The Grassroots Democracy decree (Decree 29) is an important initiative of the government which if used effectively can be an important tool for more effective policy-making for poverty reduction. In particular, participation in decision-making about investments or programs can help to ensure they are correctly targeted and designed to serve local needs. In addition, supervision of such investments and programs by local people can help to reduce corruption and shoddy workmanship or skimping on materials. Assessment of households living in poverty and the types of assistance they need can be enhanced by including the poor and other local residents in the poverty assessment process.

According to the Mekong PPA, local government officials seem to think that Decree 29 has been strongly implemented. However, in reality, it has not reached the people. Most people and many officials interviewed did not understand clearly the basic principles of the decree.

It is important to understand the reasons for the inefficacy of the implementation of Decree 29 to find solutions to overcome them. Some major problems identified include:

- Poor communication between government officials and the people due to ineffective meetings and/or inadequate loudspeaker systems.
- Low level of training of local officials in how to organize meetings and sharing of information
- Lack of opportunities for people to openly discuss local issues and lack of understanding of their rights, benefits and obligations.
- Continuing top-down approach to decision-making so even communes are not allowed to make decisions affecting their own development, much less the people.
- Corruption leading to hiding information or delivering incorrect information.

## Local poverty assessment

Poverty assessment is done annually. The general perception is that the first time it was done, it was done relatively openly and fairly, but subsequent assessments of poverty lacked the participation of the people, especially the poor. The criteria for determining who is poor differs by province as do the levels of benefits given to the different categories of the poor.

There is a tendency of commune officials to underreport poverty for various reasons so the number of poor households categorised by the government staff seems to be less than the number of poor households classified by the local people themselves. However, it is noted that almost all the *very* poor households



identified by villagers were accepted by local authorities and included in the official list.

In both areas, the selection process to identify the poor was carefully revised and considered fair in the first year. However shortcuts taken in subsequent years made the process for assessing poor households lose transparency and the poor people, and even some local officials are not clear on what determines whether one is poor or not. For those who have "escaped" from poverty the sudden removal of benefits especially for health and education could have an important impact on the sustainable reduction of poverty.

## **Basic service delivery and targeting**

### ***Education***

Enrolment rates calculated from the VNHS 2001-02 indicate that people in the Mekong Delta continue to have lower access to secondary education compared to the nation as a whole despite recent increases in enrolments.

Poor children in the Mekong Delta are particularly disadvantaged in regards to education. For example for upper secondary, rich children are 10 times more likely to be enrolled than the poor. Education is considered an important means to escape from poverty, especially when households rely on paid jobs for income earning, yet education appears to be least accessible to the poor.

The PPA attributed increased primary enrolments among the poor to more local schools and classrooms being constructed and the program of exemption and reduction of school fees for the poor and lending of school books for free.

However, the PPA also found that a large number of families do not allow their children to continue on to secondary education. The reasons given were because it is expensive and a financial burden on families, lack of parental attention, flooding which affects transport and the distance from homes to upper secondary schools.

Some efforts were made by teachers to convince parents to keep children in school or to increase communication with parents, but with poor households these were not found to be effective means to decrease dropouts.

From VHLSS results, in 2002, average school fees in the Mekong delta were lower than the national average for all levels of schooling. School fees as a share of total expenditure for primary school declined to 1.5% in 2002. For lower secondary, school fees account for 2.3% of total household expenditures and in upper secondary for 3.6%. Obviously for families with a large number of children, these costs can be prohibitive.

Current government assistance to poor households includes exemptions and reductions from various school fees. However distribution of this assistance varies by province. The proportion of children aged 6 to 14 with complete exemptions from public school fees and contributions has increased slightly between 1998 and 2002 from 6.9 to 10.1% in the Mekong Delta while it has seen a slight decline in the nation as a whole. The share receiving full exemptions is still quite low for the poorest quintile at less than 20%. The policy on reductions and exemptions in school fees is cited in the PPA as being of average benefit to poor households.

### ***Literacy eradication***

According to the VHLSS, approximately 6% of the population aged 15-24 is illiterate and the proportion illiterate has fallen by half since 1993 overall. Reduction in illiteracy among those aged 15-24 has been highest among women falling from 13% to 5% compared to a smaller decline from 11% to 7% for men.

Results from the PPA nevertheless indicated a lack of efforts to organize illiteracy eradication classes or follow-up to literacy courses to help retain literacy in the research communes. Reasons given were that the target for universal literacy had been reached and funds were therefore not made available from the education department and teachers were too busy teaching extra courses that they didn't have time to teach literacy and illiterate people themselves were too busy to attend.

### ***Vocational/technical education***

The proportion of the population with technical or university level training in the Mekong Delta is quite low, only 2.2%. For the poor, near poor and average income households, less than one percent of people have vocational or university level training compared to 9% for the better off. The proportion of the population with vocational/university level training has declined for the four lower quintiles while a large increase was seen for the highest quintile between 1993 and 2002.

According to the PPA, the majority of poor people cannot afford non-agricultural skills training (vocational training) courses organized in the provincial and district towns. Government technical training establishments also usually require at least lower secondary level education to be eligible to attend formal technical training programs. Yet industrial zones and labour exporters require at least secondary or technical training diplomas leaving those with lower education to few opportunities for higher paying, stable, off-farm employment.

## **Health care**

Results from the VHLSS indicate that the Mekong delta has relatively high health care service utilization rates with about 65% of the population utilizing some health care service in the 12 months before the survey. The region relies more

heavily on private and commune level health facilities and less heavily on government hospitals compared to the nation as a whole.

The poorest quintile has lower overall utilization of health care facilities than the richest quintile, a greater reliance on the Commune Health Station (CHS) and much lower access to government hospitals and private facilities than the richest quintile.

Among married women aged 15-49, results from the VNHS show that women in the Mekong Delta are slightly less likely to use modern contraception, and among contraceptive methods are more likely to use the pill, and less likely to use condoms or IUD than for the nation as a whole. The rate of unwanted pregnancy and abortion in the Mekong delta is lower than for the nation as a whole. Mekong Delta women are slightly less likely to have any prenatal care or be fully vaccinated against tetanus during pregnancy, nevertheless, 91% have their babies in a health facility compared to only 77 for the nation as a whole.

## **Safe water and sanitation**

According to the VHLSS 2002 results, the Mekong Delta has seen a strong increase in access to clean water since 1993 for all living standard quintiles. Nevertheless, the situation varies substantially by living standard quintiles. While over 70% of people in the richest quintile have access to clean water, the same is true for only about 40% of people in the lowest two quintiles.

Sanitation in the Mekong Delta is a major problem. Only 16.3% of Mekong Delta households have sanitary toilets. Among households in the average to poorest quintiles, less than 5% of households had sanitary toilets compared to 45% among the richest quintile. This is particularly worrisome as the poorest households are also those that have the least access to clean water sources.

The PPAs also found a large proportion of households with unhygienic toilets and problems of sanitation particularly in the flood season when there was no access to hygienic toilets. In Ben Tre, despite a 1995 government decree to eradicate toilets flowing directly into fishponds and rivers, a large proportion of toilets still do. An additional concern is the increasing and heavy use of chemicals used in agriculture which are entering surface and ground water used for human consumption.

## **Agricultural extension**

Escape from poverty through agricultural production would require that poor households improve productivity, interact favourably with the market, manage risks and cope with changes in commodity prices. However, poor households have no or little land, lack technical knowledge and capital, production is mainly

subsistence farming with little surplus for sale. Agricultural extension has the potential to assist farmers in all those areas, but so far has not proved to be driving force for poverty reduction in the Mekong Delta and in fact, agricultural extension was assessed by the PPA as having no clear concrete benefits for poverty reduction.

- Factors affecting this low access to agricultural extension include:
- insufficient trained staff to fulfil current tasks
- Little coordination between the three types of substation leading to overlapping and duplication of efforts. Low annual budget for extension services

The number of people provided extension services is low, and the poor have the lowest access. Currently in the communes researched in the PPA, agricultural extension services are focused on support to breeding animals, reducing costs to produce rice, expansion of rice cultivation for export, changes in crop structure. Yet local people are unaware of extension activities implemented in their communes as they tend to be implemented at a small scale with few beneficiaries. The PPA found that new technical services often bring more benefits to average and well-off households, but not yet to the poor. Agricultural extension workers consider that the poor don't have land or have too little land so they don't put much effort into including the poor in extension activities. Currently extension services do not target the poor who have borrowed funds for cultivation or animal husbandry who are in great need of technical assistance to guarantee the returns to their investments and the ability to pay back their loans.

Effectiveness of technical services is also low. Participants in the PPA complained of animals dying after treatment by the veterinarian, lack of confidence in the effectiveness of Integrated Pest Management (IPM) by farmers who had been trained by extension workers, and a continued lack of skills and experience of shrimp farmers.

With little access to government extension agents, the poor are more likely to rely on neighbours or private traders and agents selling animal feed, fertilizer, pesticides to provide production advice. There are obvious disadvantages to taking advice from private sales agents as they have an obvious interest to provide information that will sell more of their products. Although many of the traders are former agricultural extension agents, the information they provide may not always be the most accurate technical information.

Poor farmers are interested in obtaining more relevant and appropriate technical training especially support to diversity into higher value crops, safeguarding against risk especially for livestock and assistance for marketing. Farmers also wanted to be able to procure production inputs through government extension agents rather than through private traders as there is a sense that government

supplied inputs are of higher quality. In particular, farmers want to be able to buy inputs on credit from extension agents.

## Housing

Housing in Viet Nam and in the Mekong Delta improved considerably between 1993 and 1998 when the share of temporary structures declined from 37 to 26% for Viet Nam and 67 to 51% for the Mekong Delta. However, between 1998 and 2002, the share of temporary structures in all housing has remained relatively constant, even increasing slightly as a share of all housing in the Mekong Delta. The annual flooding in low-lying areas makes any investments in housing risky, as they are likely to be swept away or heavily damaged each year. The poor have the lowest access to solid housing.

Residential housing clusters in the Plain of Reeds is a government sponsored strategy to cope with the annual flooding. In principle, poor and landless households are given priority and allowed to pay on instalments over a long period of time. The PPA in Dong Thap indicated that the poor consider housing support as one of the more successful efforts to improve living standards. However, several problems remain with this strategy:

- The amount of housing is so far insufficient to meet the needs of the poor
- Insufficient care was taken in developing proper sewerage systems leading to polluted water supplies.
- Residents of the residential clusters are forced to live far from their farmlands and can no longer raise pigs, chickens or go fishing as they could before.
- Living expenses have increased as they are less able to be self-sufficient in some basic fruit and vegetables or fish and meat and they must pay guards to watch their production assets

## Credit

Economic development in the region has been partially attributed to rural finance services. Funds from the National Job creation program no. 120 and other preferential funds have created favourable conditions for the middle and well-off groups to invest more in their production and businesses. However, poor households who had received loans in a given year were often reclassified as having escaped from poverty the next year to make funds available for other poor households, and to show achievements in poverty reduction even though many had not benefited significantly from loans or had fallen into greater debt due to failed investments. There is still little coordination between agricultural extension and loans for poor people leading to greater risk of failure in investment projects and greater indebtedness of the poor.

## **Job placement (Employment) services**

Employment service centres have not been active and people lack information on available jobs in the region and outside the region.

Little enterprise development has taken place in the PPA research communes. This is attributed to unfavourable geographic location of the district, difficult transportation and unavailability of clean water. The cost of levelling land for construction is also very high and local authorities have no concrete solutions to attract investments from outside investors.

To assist the poor gain access to labour export programs guidelines were designed to assist the poor and free-of-charge training or loans to cover expenses were provided. Unfortunately, information on the labour export program has not been disseminated widely, low education and skill levels of poor applicants don't meet requirements of foreign partners, procedures are complicated and the loan amount is insufficient to cover all expenses required during training and the application processing period.

## **Production and transportation infrastructure development**

Electrification of the Mekong Delta has continued strongly, but the overall level of electrification is somewhat lower than the national average. According to the PPA, increased electricity availability has made positive impacts on middle class households allowing them to expand and diversify production, however the impact on poor households is not as clear.

Development of bridges and roads have made transportation and business easier and an association can be seen between areas with more roads and lower poverty rates.

Irrigation infrastructure is quite important for increasing the productivity of agricultural land, however, it tends to help the poor landless households only indirectly by creating more hired job opportunities working for those with large amounts of land and multiple crops per year.

## **Public administrative services and reforms**

Access to public administrative services at the commune level is essential for poor people to gain access to such services. The PPA found that public administrative services in general have improved except for banking services, household registration and land use right certificates. The clarification of procedures, payment of salaries to commune officials and clear allocation of working time by the local officials to deal with inquiries and complaints has speeded up processing time and increased accountability according to the local officials.

Nevertheless, many administrative procedures are still unavailable at the commune level and people must go to higher levels to deal with important papers such as land user rights, civil disputes and loan applications. Commune officials, however, fear that current human resources, facilities and capacity at the commune level are inadequate to take over tasks currently covered by the district level, especially regarding land use certificates.

## **Vulnerability**

Factors leading to people falling into poverty identified in the PPA include illness, unexpected accidents such as fire or house collapsing, natural disasters/floods, failure in investments in animal husbandry or aquaculture, decline in agricultural prices, indebtedness.

## **Disabilities, chronic diseases and financial assistance for health**

Disabilities, chronic diseases and lack of money for health care are important indicators used by local people to identify poor households. Not only the high costs of health care, but loss of work time for patients and their caretakers places the entire household at risk of falling into debt and poverty. The PPA found that free health care was considered one of the most beneficial services and one of the most frequently used services provided to poor people.

Health insurance coverage of the poor in the Mekong Delta was quite low, however two-thirds of people with poverty certificates were given exemptions or reductions when requested at government health facilities. Decision 139 when fully implemented is expected to be more effective in ensuring health care for the poor and near poor. Nevertheless some problems should be taken into account.

Many of the poor with insurance cards are not sure how to use them or don't even know what they are for, especially those who are illiterate who cannot even read what is written on the cards.

Many medications are not covered by insurance and quality of care was lower for those with insurance. Outpatient services at the CHS are not covered by health insurance so people must incur high transport costs to get services covered by insurance.

Procedures to use the insurance cards tend to be complicated and procedures are unclear to the poor.

## **Natural and personal disasters and relief assistance**

In the Mekong Delta, floods occur annually, lasting 3 months or more in some areas such as the Plain of Reeds. Relief assistance to households affected by

flooding includes cash (for moving costs, food, house repairs), transportation and fishing equipment (boats, fish nets) and essential commodities mainly coming from the government budget. In addition, child care centres during the flooding season have also been developed to reduce the risk of drowning and allow parents to work knowing their children are safe. Most participants in the PPA agreed that emergency relief is important as it reduces hardship during disasters, especially after the Linda Typhoon in 1997 and severe flooding in 2000.

Some problems with relief assistance were identified in the PPA including unfair, slow and insufficient relief assistance, lack of coordination and low participation of local people in targeting of assistance and quality and type of assistance provided.

The large share of temporary dwellings in the Mekong Delta means high risks of collapse, fire, theft or washing away during floods. Assistance for families losing their housing is quite low and comes mainly from local mobilization. Assistance to build stronger structures has only benefited a very limited number of households.

## **Failed investments, indebtedness and landlessness**

Heavy reliance on agriculture makes the region vulnerable to effects of natural disasters, pests and disease and market price fluctuations for both inputs and outputs. Borrowers investing in agricultural activities are at risk of falling into cycles of indebtedness and loss of land because of these vulnerabilities. Recently increased living standards resulting from stable prices and fewer natural disasters are not necessarily sustainable as it is not possible to control market prices or natural disasters in the future.

## **Social safety net**

Under Decision 167 of the Prime Minister, regular subsidies are provided to certain groups in the population who are considered unable to provide sufficiently for themselves but also for those who have made sacrifices for the nation. The current level of assistance provided is assessed as insufficient to cover living costs of the beneficiaries and the PPA identified some problems with the fairness in distribution of benefit payments. Currently a very small share of the population receives such assistance.

## **Urban poverty and migration**

The Mekong Delta is seeing a net outflow of migrants from the region and a large amount of intra-regional seasonal migration to find work.

Working as hired labour within the Mekong Delta during harvest times is a common income source for most agriculture-based poor households in the



Mekong River Delta. Mekong Delta residents also seek work outside the region in the Central Highlands or Southeast. Earnings from this source are quite high and can sustain a family for several months if employment is found during migration.

Some long-term migration is occurring, primarily to high-growth provinces in the Southeast. Rapid urbanisation and development of industrial parks in these provinces attract some of the abundant labour from the Mekong River Delta. Most work found is simple low-skill jobs such as construction workers, shoe/slipper makers, coffee-shops assistants and house keepers. Few migrants are able to find jobs in companies, factories or in industrial parks. Their monthly income is quite good compared to their family living standards.

Few poor Mekong Delta residents have benefited from labor export programs because of a lack of necessary skills and complicated, expensive procedures to apply which have not been widely announced in the region.

While remittances to the Mekong Delta from labor out-migration are important, there remains some concern about the contribution of migrant workers to social problems in the destination areas, and their living and working conditions.

Opportunities for seasonal migration for agricultural work may decline in the future as the mechanization of agriculture is increasing and area being prepared for aquaculture is reaching its limits.

## Environment

The environment problems in the Mekong Delta region are created by both nature and human beings. Major problems identified by local officials and people in the research communes are as follows:

- Low agricultural productivity due to high levels of alum.
- Pollution of drinking water resources is severe due to poor sanitation and increased use of pesticides.
- Natural aquaculture resources have been exhausted due to uncontrolled exploitation.
- The Melaleuca forest and its associated bio-ecological system has been reduced and deprivated with the development of agricultural land.

Local people are increasingly aware that environmental pollution causes dangers for people's life and health. However, local people, especially the poor, have difficulty when protection of the environment comes in direct conflict with their livelihood, culture or customs.

Regulations on environmental protection, when they exist, are not enforced and incentives are not in place to ensure people abide by them. A large number of

regulations and measures on environmental protection has not been in place, or if exist, they have not yet created good incentives for environment protection or not enforced. Of particular concern is protection of wildlife in national parks, river/fishpond toilets and salinity of the soil.

## Progress in Achieving the Viet Nam Development Goals (VDGs) in the Mekong Delta

The following table summarizes the progress of the Mekong Delta towards achieving the VDGs:

Indicator	Mekong Delta Status
Poverty rates	Only 4 provinces have achieved the goal to date, 4 are close and 4 will have difficulty meeting the goal
Electricity access	Close to CPRGS goal for communes, but still far from universal access by households
Road access	Still low for the region as a whole due to high reliance on waterway transport, especially in the provinces further to the south
Urban unemployment	Close to goal of 5.4% for all provinces in the region
Rural underemployment	No province has achieved the goal of 80%, but all are above 70%.
Primary enrolment	Only 6 provinces have primary enrolments exceeding 90%. Only one exceeds the goal of 97%.
Lower secondary enrolment	No province has achieved 80% enrolments in lower secondary
Literacy for women aged <40	Half the provinces have achieved goal
Infant mortality rate	According to Census 1999 results, only 3 Mekong Delta provinces had achieved the 2005 goal of 30/1000 live births.
Child malnutrition	Only one province has achieved the goal, 3 are close.
Birth rates	Only 4 Mekong provinces have achieved the target fertility rates.
Contraceptive prevalence rate	Use of modern contraceptives is low overall, although unwanted pregnancy is less of a problem than for other regions
Assisted delivery	Half the provinces have over 90% of women with assisted delivery, higher than national figures
VTV and VOV	No Mekong Delta province has achieved the goal of 90% access to VTV or 95% access to VOV
Clean water	10 provinces achieved goal for urban areas and 7 achieved goal for rural areas
Sanitation	Only 2 provinces have more than 20% of households with proper sanitation. The rest are below 20%.
Temporary housing	All provinces have over 20% of households living in temporary structures in urban areas. The share is higher for rural areas
Health insurance	Only 1 province has coverage of over 20% of the population with most provinces having only 10% or less covered.

# 1. Introduction

The Mekong Delta is one of the two most populated areas of Viet Nam. It consists of 12 provinces with a total population of 18 million people, and is considered rich in agricultural resources, dynamic, and open for diversification and commercialisation. Although the Mekong Delta is not among the regions with the highest poverty incidence rates, its large population implies that the absolute number of poor people in this region is still relatively high (only after the Northern Uplands and North Central Coast)<sup>1</sup>.

Four years ago, development results in this region were cause for concern as findings from the Viet Nam Living Standard Survey (VLSS) 1998 showed that between 1992 and 1998 the growth rate and speed of poverty reduction in the Mekong Delta were lower than other regions. Some even thought the Mekong Delta could be losing its dynamic edge and would be bypassed by other regions in the near future and fall behind. However, the Viet Nam Household Living Standard Survey (VHLSS) 2002<sup>2</sup> provided an interesting surprise - the Mekong Delta seems to have made a very good come-back now with its poverty rate reduced from 37% in 1998 to approximately 23% in 2002 (more rapid decline than any other region) and real expenditure per capita increased by 19% (more rapid increase than other regions)...

This joint UNDP-AusAID poverty assessment report for the Mekong Delta region (MRPA) aims to enrich knowledge and understanding of the poverty situation in the region.

## ***1.1. Objectives of the regional poverty analysis***

Objectives of this report are to pull together the qualitative and quantitative poverty assessments using information from the provincial participatory poverty assessments and quantitative analysis based on data from the VHLSS and other studies and sources of information such as data of the Rural and Agricultural Census 2001, National Health Survey 2002 (VNHS), Labour and Employment Survey 2002 and Survey of Population Dynamics in order to:

- Obtain updated information and insights on the poverty situation and specific dimensions/issues of poverty in the Mekong Delta region to fill analytical gaps that will help the government target assistance in order to reach its stated priorities in the Comprehensive Poverty Reduction and Growth Strategy (CPRGS).

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<sup>1</sup> According to VHLSS 2002, 60% of Vietnam's poverty is shared by three regions: Northern Uplands (22.2%), the North Central Coast (20.4%) and Mekong Delta (17,2%).

<sup>2</sup> GSO estimates based on VHLSS 2002.

- Assess current patterns of participation in local decision-making, service delivery to the rural poor and urban migrants, coverage by social assistance programs.
- Analyse the effectiveness of current government policy measures, their implementation and service delivery mechanisms for the poor and discuss measures for improving them.
- Build capacity of local level officials and researchers to undertake a participatory dialogue with the poor on policy issues.
- Help strengthen the monitoring framework of the CPRGS through a better definition of indicators, especially where these are currently ill-defined, including those related to governance and service delivery.
- Serve as a substantial input for national/regional policy dialogues, and direct contribution to the Poverty Task Force's (PTF) national poverty assessment report.

### **1.2. Participatory Poverty Assessment (PPA)**

The participatory assessment forms a key component of the overall poverty assessment. It aims to capture elements of poverty and its causes that are not sufficiently understood at present and or are difficult to measure through quantitative General Statistical Office (GSO) household surveys.

#### **1.2.1. Methodology of the provincial PPAs**

The PPAs in the Mekong River delta have been conducted based on a research framework and common methodology proposed by the Poverty Task Force.<sup>3</sup> The following techniques were used to collect data: household interview, focus group discussion, case study, wealth ranking, time trend and social mapping. The team used triangulation methods to analyse problems/issues from different angles expressed by villagers, by government officers, and from secondary sources.

The research team included experts from various areas such as public health, agriculture, community development, health care. Local officers who were involved in the Hunger Elimination and Poverty Reduction (HEPR) program at the province, district, commune and village levels were invited to join the research as local members of the team.

The criteria to select the research communes were: i) Having been selected for VHLSS in 2002; ii) Having geographic and socio-economic characteristics, which are representative of a larger area of the province.

The informants from villager groups include people from groups of the certified poor, the non-certified poor, poverty-escaped households, and medium-income and better-off households. In the key person group, the researchers also interviewed the leaders and the officials involved in implementation of the HEPR

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<sup>3</sup> See World Bank/ADB (2003) for more detail.

program at province, district, commune and village levels. Table 1.1 presents a summary description of the informants who participated in the PPA.

**Table 1.1 Structure of informants in the research sites**

Informant	Number of informants involved in group discussion			Number of informants in household interview		Total informants	
	Male group	Female group	Mixed group	Male	Female	Male	Female
<b>Dong Thap</b>	22	11	9	48	37	170	115
Officials	8	0	3	9	1	50	6
Villagers	14	11	6	39	36	120	109
<b>Ben Tre</b>	12	7	15	56	32	156	132
Officials	6	0	3	6	0	40	7
Villagers	6	7	12	50	32	116	125
Total	68	36	48	208	138	652	494

### 1.2.2. The two PPA provinces and research communes

The PPA was conducted in Ben Tre and Dong Thap provinces, which represent two important geophysical areas of the Mekong Delta, the coast and the Plain of Reeds. The PPA was carried out in three communes in each province with two villages per commune.

### Ben Tre province

Ben Tre covers three big islands: An Hoa, Bao and Minh. Ben Tre is bordered by Tien Giang province to the North, Vinh Long to the West and Tra Vinh to the Southwest. To the east is a 65 km long coastline on the South China Sea. The area of the province is 231,501 ha, and the population is 1,316,356. Ben Tre province is divided into 8 administrative areas including Ben Tre town and seven districts.

Ben Tre was among four provinces having the lowest poverty rates in the Mekong Delta region in 2002 (below 20%).<sup>4</sup> By MOLISA standards, there are 22,718 poor households in the province in 2003, which accounts for 7.5% its population. Ben Tre's economy is dominated by agriculture, aquaculture and fishing, which together contributed up to 67% of the total provincial GDP in 1999. Manufacturing and services are underdeveloped. Annual GDP per capita in the province is VND 3.96 million, slightly lower than the average for the Mekong Delta region as a

<sup>4</sup> This figure is provided by GSO from VHLSS 2002 data using the international poverty line.

whole (VND 4.2 million). Ben Tre was ranked 27 out of 61 provinces in terms of the Human Development Index (HDI) in 1999, among the top provinces within the medium human development group. (National Centre for Social Sciences and Humanities (NCSSH) 2001).

The PPA was conducted in My Hung and Thoi Thanh communes of Thanh Phu district and Thanh Thoi B commune of Mo Cay district.

### ***Thanh Phu district, My Hung and Thoi Thanh communes***

Thanh Phu district is about 50 km away from the provincial centre. It is located at the end of Minh island and adjacent to the South China Sea. The total area of the district is 41,179 ha. The district has one district town and 17 communes. Main economic activities of the district are agriculture and aquaculture. There are 4,536 poor households in the district (15.3% of its population).

My Hung commune has four villages with an area of 5,125 ha, in which 47 ha is agricultural land. Rice cultivation and aquaculture are the two primary economic activities of the commune. There are 319 poor households (7.8% of its population) in the commune. Nevertheless, the poverty rates of households in the two researched villages are higher, at 18.8% and 12.8% respectively.

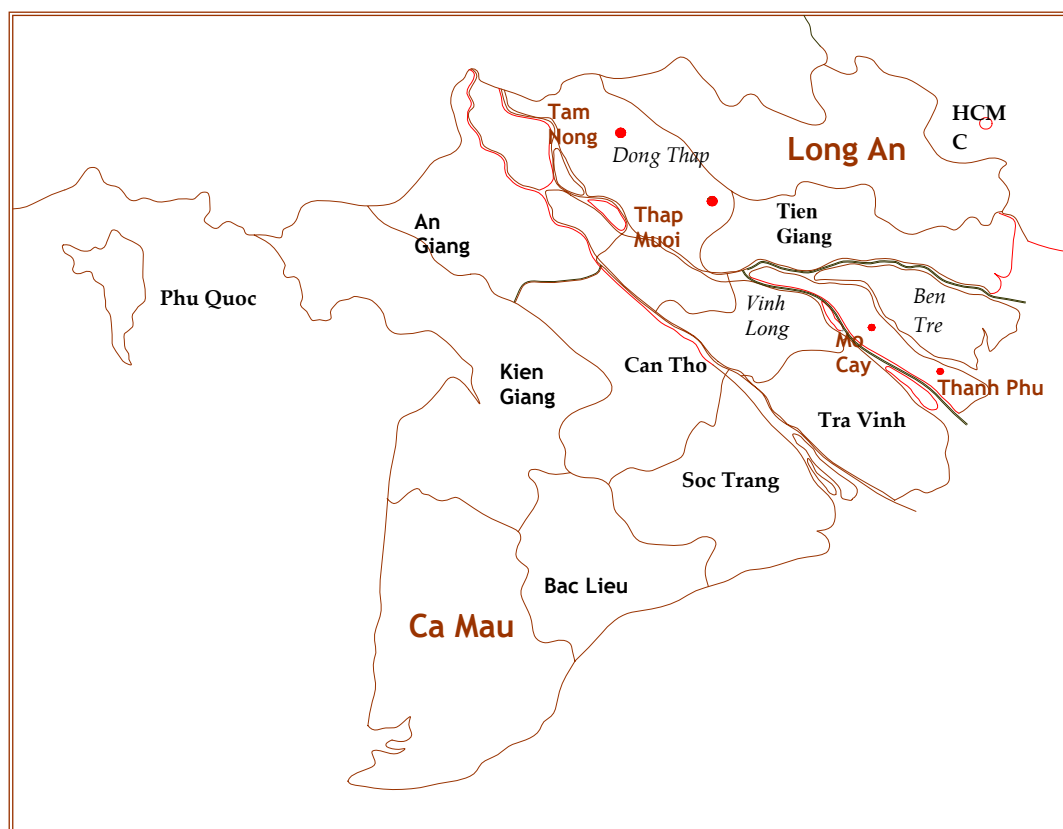
Thoi Thanh commune has a total area of 5,125 ha. Main economic activities of the commune are rice cultivation, animal husbandry and gardening. There are 370 poor households out of 1,778 total households in the commune, accounting for 20.8% of its population. The poverty rates of households in the two research villages are much lower, just 9.9% and 10.4% respectively.

### ***Mo Cay district and Thanh Thoi B commune***

Mo Cay district is located in the middle of Minh island and around 15 km away from the provincial centre. The total area of the district is 35,351 ha. The district has one district town and 27 communes. The main economic activities of the district are rice production, fruit tree cultivation and handicrafts. The poverty rate is 8.0% (5,043 poor households).

Thanh Thoi B commune has four villages with an area of 1,820 ha. The main sources of income of the commune accrues from rice production, fruit trees, sugar cane and handicrafts. There are 286 poor households in the commune (14.1% of the population). The poverty rates of households in An Thien and An Trach Tay villages are 11.5% and 16.8% respectively.

Figure 1.1. Map of the Mekong Delta region



## Dong Thap

Dong Thap is one of the four provinces in the area of Dong Thap Muoi plain of reeds. The provincial area is 323,800 ha and the population is 1,558,182. Dong Thap administratively includes two provincial towns and nine districts.

In sharp contrast with Ben Tre, Dong Thap was among four provinces that had the highest incidence of poverty (around 30%) in the Mekong Delta region in 2002.<sup>5</sup> By MOLISA standards there are 35,247 poor households in Dong Thap, which accounts for 10.3% of all households in the province. As per UNDP's HDI, Dong Thap was ranked 40 out of 61 provinces in 1999, thus lying in the lower end of the medium human development group. Its GDP per capita of VND 3.26 million is far below the average level of the Mekong Delta region (NCSSH 2001).

The economic structure has been shifting, though slowly, toward manufacturing and services. But agriculture, forestry and aquaculture still dominate, contributing up to 68.2% of the provincial GDP in 1999. Rice growing and melaleuca planting are the two main sources of income. In the past 10 years, Dong Thap has expanded fish raising. A specific feature about Dong Thap and other provinces

<sup>5</sup> This figure is provided by GSO from VHLSS 2002 data using international poverty line.

located in Dong Thap Muoi is the importance of inland waterways through the system of interlaced canals. They play a primary role in transportation although road traffic is being developed.

The research areas in Dong Thap were Phu Hiep and Phu Tho communes of Tam Nong district and Thanh Loi commune of Thap Muoi district.

### ***Tam Nong district, Phu Hiep and Phu Tho communes***

Tam Nong district lies towards the northwest of the province and around 35 km away from the provincial centre. Total area of the district is 45,915 ha, with the majority of land used for agriculture. There are 21,929 households in the district, of which 3,715 households are poor accounting for 16.9%. Rice cultivation and melaleuca planting are the two main sources of income of the district. Tam Nong is known for the Tram Chim national park which has a rich ecological resources. Waterways are the main form of inter-commune transportation.

Phu Hiep commune is about 12 km away from the district centre having four villages with an area of 6,054 ha. Main economic activities in the commune are rice and Chinese onion cultivation. There are 503 poor households accounting for 28.5% of the population. K10 and K12 are the two research villages having poverty rates of 23.9% and 17.8% respectively.

Phu Tho commune is 8 km away from the district centre with an area of 4,836 ha. Rice growing and snake-skin fish raising are the two main sources of income for the commune. There are 2,228 households including 402 poor households which account for 18.0% of its population. The PPA was conducted in Long Phu and Phu Tho B villages where the rates of poor households are 12.8% and 14.4% respectively.

### ***Thap Muoi district and Thanh Loi commune***

Thap Muoi is located towards the northeast and approximately 40 km away from the provincial centre. The total area of the district is 51,766 ha. The district includes one district town and 12 communes. There are 2,608 poor households (10.0% of the population). The district is a major rice producer of the province.

Thanh Loi commune is 30 km away from the district centre. Thanh Loi was newly established in November 1997. The total area of the commune is 6,776 ha. Monoculture of rice constitutes the main source of income for the commune. There are 159 poor households accounting for 19.0% of the total in the commune. The poverty incidence in Villages 1 and 2 where the PPA was conducted is 20.0% and 32.1% respectively. The major traffic in the commune is waterways. In some areas near the commune centre, rural roads were paved.



### **1.3. Limitations of the PPA**

The PPA focuses primarily on poverty issues. Although researchers had discussion with different population groups in the communities, the picture drawn by the PPA reflected the situation of the poor and associated issues rather than an overall socio-economic situation of the research sites.

In Ben Tre, the PPA findings do not cover the views of cadres of District People's Committees due to their unavailability during the interview time despite the fact that they themselves had arranged the interview schedule. In Dong Thap, there are inconsistencies in the data on poor households in 2002 provided by officials at various levels (provincial, district and commune ones). Therefore, the PPA team chose the data provided by commune officials, which were based on the list of poor households and which were believed to be more reliable.

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

To overcome some of these limitations and to get more qualitative information regarding other provinces in the Mekong Delta researchers from the Mekong Delta Poverty Assessment were consulted for their ideas on problems and priorities of the region as a whole.

### **1.4 Structure of this report**

The report is structured as follows. The second section covers findings on trends and patterns of poverty primarily from quantitative data. Key characteristics of the poor are described in Section 3. Section 4 focuses on participation of the people in poverty reduction. Section 5 examines delivery of basic services. Section 6 deals with vulnerability and targeted transfers and Section 7 attempts to explore urban poverty and migration. Section 8 looks at linkages between environmental issues and poverty reduction. Section 9 presents quantitative indicators assessing progress of each province in achieving Viet Nam Development Goals (VDGs).

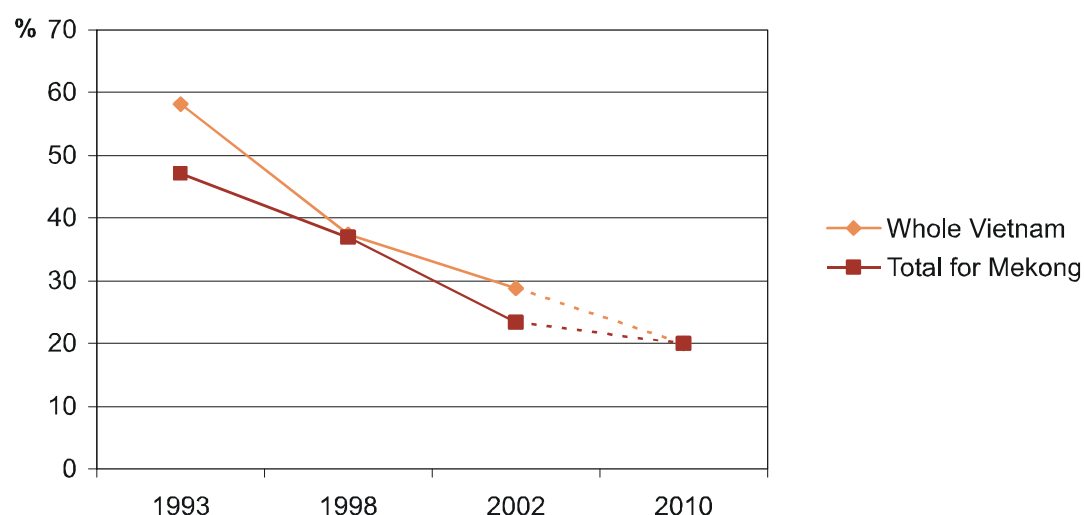
## 2. Trends and Patterns of Poverty

### 2.1 Poverty and food poverty rates

Results from the VHLSS indicate that general living standards for the Mekong Delta region have improved importantly overall, although disparities are on the increase. Some 23% of households were reported to be below the poverty line<sup>6</sup>, down from 37% in 1998, a drop of 14 percentage points, almost double the national average reduction. The decline in food poverty rates in the Mekong Delta region was also substantial. Current levels stand at 6.5%, considerably lower than the 1998 rate of 11.3%. 98% of commune officials interviewed in the VHLSS in the Mekong Delta believed that the living standards in their commune had improved and only 0.7% reported that living standards had gone down.

Evidence from the PPA in Ben Tre and Dong Thap are consistent with these findings of recent improvements in living standards. Over the last 10 years living standards have improved for the majority of people in the researched sites. Women's lives have become better. They have more job opportunities to earn income and cheaper and more diverse commodities have become more available. Women in middle or well-off groups also have more chances to participate in social activities of their communities. Positive changes in living standards are reflected in a declining number of poor households; increasing food consumption and increasing demand for non-food commodities and services; better infrastructure (road, electricity, health clinics, schools, market places, and others).

**Figure 2.1 Poverty incidence and trends in the Mekong Delta Region in relation to the 2010 CPRGS goal, 1993-2002 (%)**



Source: VHLSS 1993, 1998, 2002

<sup>6</sup> The general poverty line in 2002 is 1,906,950 VND, and the food poverty line is 1,372,774 VND per person per year.

Although the poverty rate of the region as assessed in all three VHLSSs has always been lower than the national average, trends in poverty reduction have not been similar to the national trends. Figure 2.1 shows that in a sharp contrast with the period 1993-98 where the Mekong Delta region had a slower pace in poverty reduction than the whole country, it managed to improve the pace somewhat for the period 1998-2002, while Viet Nam has slowed down in this respect. Among all regions, the Mekong Delta reports the second largest reduction in poverty rates in Viet Nam since 1998, just behind the Northern Uplands. The poverty reduction progress over the period 1998-2002 has lifted the region from the third poorest region to the fourth.

### 2.2 The rural-urban divide

In the Mekong region, following national patterns of a faster pace of poverty reduction in urban areas than in rural ones, poverty reduction in urban areas was larger in relative terms than in rural areas. In the former, rates were reduced from 15% to 8% in 2002, whereas in the latter, 27% of rural households were below the poverty line in 2002, down from 42% in 1998, still 3.5 times higher than in urban areas. Indeed, the largest gaps in the poverty rate in this region are the ones for rural/urban and among different ethnic groups. With 81.5% of the population in the region living in the countryside, the region will have to make great efforts to reduce this disparity.

Nevertheless, the rural-urban gap in the Mekong Delta region is smaller than the national average and milder compared with that in all other regions.

**Table 2.1 Food poverty incidence by urban/rural residence, ethnicity, and gender (%)**

	1993		1998		2002		%change 1998-2002	
	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta
<b>Total</b>	24.9	17.7	15.0	11.3	10.9	6.5	-27%	-43%
<b>Urban/Rural</b>								
Urban	7.9	8.2	2.5	4.5	1.9	1.1	-26%	-75%
Rural	29.1	19.7	18.6	12.8	13.6	7.6	-27%	-41%
<b>Ethnicity</b>								
Kinh & Chinese	20.8	15.2	10.6	9.8	6.5	5.3	-39%	-46%
Other ethnicity	52.0	41.9	41.8	25.1	41.5	22.6	-1%	-10%
<b>Gender</b>								
Male	26.0	17.6	16.2	12.5	12.0	6.7	-26%	-47%
Female	21.0	18.0	10.6	6.3	6.6	5.8	-37%	-9%

Source: VHLSS, 1993, 1998, 2002

**Table 2.2 General poverty by urban/rural, ethnicity, and gender (%)**

	1993		1998		2002		%change 1998-2002	
	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta
<b>Total</b>	58.1	47.1	37.4	36.9	28.9	23.4	-23%	-37%
<b>Residence</b>								
Urban	25.1	25.0	9.2	15.3	6.6	8.1	-28%	-47%
Rural	66.4	51.9	45.5	42.0	35.6	26.6	-22%	-37%
<b>Ethnicity</b>								
Kinh & Chinese	53.9	44.3	31.1	34.8	23.1	21.2	-26%	-39%
Other ethnicity	86.4	74.5	75.2	58.0	69.3	52.3	-8%	-10%
<b>Gender</b>								
Male	61.0	48.7	39.9	38.3	31.2	24.3	-22%	-36%
Female	48.3	41.1	28.2	31.4	19.9	20.2	-29%	-36%

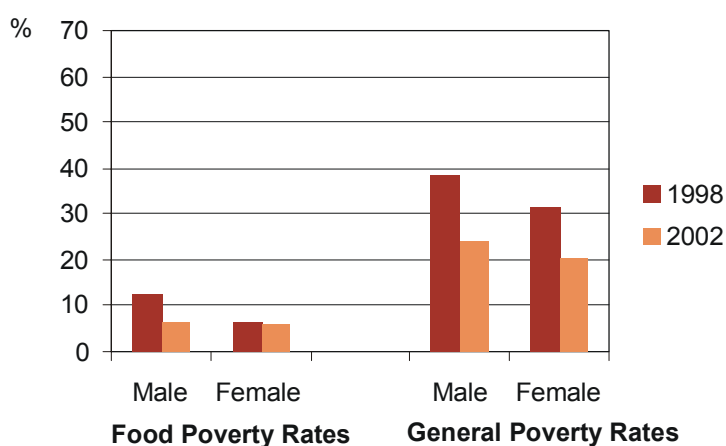
Source: VHLSS 1993, 1998, 2002

### **2.3 Poverty incidence by gender**

As Table 2.2 shows, poverty reduction in the Mekong Delta Region was evenly distributed in gender terms in comparison with the national pattern, but female-headed households still fared better than male-headed ones. The region reported rates of 20.2% for female-headed households and 24.3% for male-headed, both levels more than one third lower than in 1998. Improvements in food poverty rates seem to concentrate almost exclusively, however, in male-headed households. (Table 2.1)

However, the data tabulations do not distinguish between female headed-households with spouse present and single female-headed (arguably more vulnerable to falling into poverty), so poverty rates by gender of household head presented here are likely to mask the true situation of single women. The PPA sheds some light on this issue, noting that in Ben Tre and Dong Thap a household headed by a widow, separated or divorced are more likely to be poor. Thus, the typically lower poverty rates reported by female headed-households in Viet Nam might reflect the fact that female-headed households are commonly recipients of large remittances from migrant husbands.

Figure 2.2 Poverty incidence by gender in the Mekong Delta



Source: VHLSS 1998, 2002

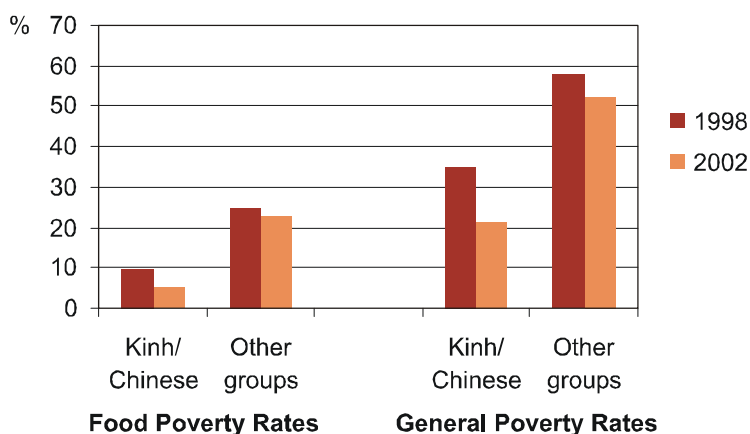
#### 2.4 Poverty incidence by ethnic group

Patterns in reduction of poverty among ethnic minorities in the region are somewhat complicated. Between 1993 and 1998, poverty reduction among ethnic minorities in the Mekong Delta was more rapid than among the Kinh/Chinese in contrast to the national pattern of Kinh/Chinese poverty reduction being faster. However, between 1998 and 2002 general poverty rates came down from 58% to 52% for ethnic minorities during the same period (or a 10% reduction), which compares negatively with a reduction of nearly 40% (from 35% to 21%) for the Kinh/Chinese majority (see Figure 2.3).

The picture for ethnic minorities is even worse if the evolution of food poverty levels is analysed. Food poverty rates of ethnic minorities decreased by a mere 10%, from 25.1% in 1998 to 22.6% in 2002. This compares with a decline in food poverty rates of nearly 50% for the Kinh/Chinese majority.

Nevertheless, ethnic minorities in the Mekong Delta region seem to fare much better than ethnic minorities in other regions when examining indicators for level and depth of poverty or rate of change between 1998 and 2002.

Figure 2.3 Poverty Incidence by ethnic group in the Mekong Delta

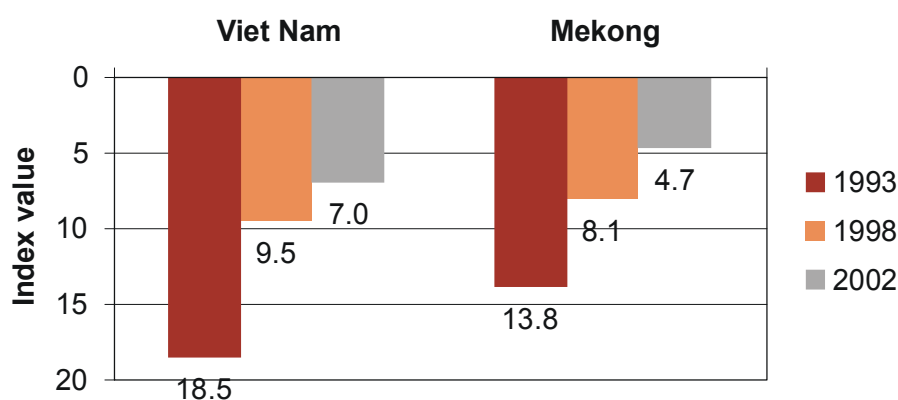


Source: VHLSS 1998, 2002

## 2.5 Depth of poverty

The depth of poverty is measured by the poverty gap index which is higher the further below the poverty line the household income's are. The poverty gap index has fallen between 1998 and 2002 and poor households in Viet Nam are, on average 27% closer to the poverty line than in 1998. Declines in the depth of poverty have been especially remarkable in the Mekong Delta region, where poverty depth has almost been halved from its 1998 levels. As a result, the depth of poverty in the Mekong was lower on average than for the country as a whole. This could explain the fact that moderate (relative to the 1993-1998 period) increases in real per capita expenditure concentrated in rural areas, may have lifted a large share of the population out of poverty.

Figure 2.4 Depth of poverty in Viet Nam and the Mekong Delta 1993-2002



Source: VHLSS 1993, 1998, 2002

Although general improvements in poverty depth are perceived across the board in the Mekong region, progress has been unevenly distributed by ethnic group, by urban and rural areas and by gender. (See Appendix A)

In the Mekong Region, the poverty depth seems to have been reduced 50% more in urban than in rural areas, and the reduction in poverty depth among the Kinh/Chinese is around four times greater than among other ethnic groups.

## 2.6 Explanations for improved well being and reduced poverty

There are numerous explanations for improved well being in the Mekong Delta. According to the VHLSS 2002 data, 75.7% of local officials in the Mekong Delta region attach high importance to changes in agricultural policies for improving living standards. Other reasons behind such improvements include non-agricultural job expansion (14.1%), low inflation (6%), changes for strengthening capacity, education attainment and career level (2%), mild climate and few major natural disasters (1%), changes in access to social services (0.8%).

PPA findings complement the quantitative explanations, putting emphasis on some factors such as access to improved infrastructure and education, various government policies, job expansion in both on- and off-farm activities, price stability, improved agricultural terms of trade and more favorable climate

recently. Factors that made the largest impact on poverty reduction include:

- *Infrastructure development*: The development of bridges and roads has made transportation and business easier. In recent years the economy of the whole region has been boosted significantly thanks to the My Thuan bridge and the upgraded highway 1A. Improved transport services facilitated trade of materials/outputs and people's travel. An increasing number of young people go out to cities and other regions for both farm and non-farm work. Remittances from these temporary migrants help improve lives of their families who stay in the villages.
- Internal field irrigation (tertiary canals) and dyke system has been enhanced allowing two paddy crops in Ben Tre and Dong Thap, and helping wash the alum from soil for higher productivity and outputs in Dong Thap<sup>7</sup>. In turn, that creates higher demand for seasonal farm labour within the region/sub-region. The main electricity line in Ben Tre has made positive impacts on the middle-income group of households through development of animal husbandry and rural industries such as coconut fibre rope plaiting, mat and carpet weaving, coconut cover peeling. Schools were built with more classrooms which helped reduce the three-shift schooling.
- *Improved rural finance services/preferential credit program*: Funds from the national job creation program (referred to as Program 120) and other preferential funds have created favourable conditions for middle and well-off groups to invest more in their production and business such as tiger shrimp raising in My Hung, snake-skinned fish raising in Tam Nong.
- *Social policies of exemption and reduction of school and hospital fees for the poor*: These policies really help the poor by reducing the financial burden that would put pressures on limited budgets of the poor. The villagers in the two researched areas all stated that if social welfare programs were cut down, the poor group and those who had just escaped from poverty would become vulnerable first.
- *Only minor fluctuation in prices of agricultural products produced in the region*: In recent years, agricultural prices have been relatively stable, especially the price for rice, so the farmers have made profits.
- *Alignment of prices for manufactured goods with household income*: Consumer goods such as fabrics, motorbikes, television sets have become more affordable for most families.
- *Lower frequency of severe floods and natural disasters*: With the exception of the Linda typhoon in 1997 (which may have negatively affected expenditures and poverty rates in the region in 1998) and the severe flood in 2000, the weather conditions in recent years were fairly favourable for production. It is emphasised that except when there is severe flooding, most people in Dong

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<sup>7</sup> Although poor households often get less direct benefits from the improved irrigation systems (they have no land or little land), they have indirect benefits from getting more farm labor jobs (planting, harvesting, etc.) for medium and well-off people who have larger lands, more crops per year and higher productivity.

Thap Muoi adjust their lives to the floods and take advantages of the improvements in soil resulting in higher productivity.

- *Increased remittances:* With the increasing out-flow of migrants to major urban areas, the flow of remittances back to the Mekong Delta is probably also helping to increase living standards of people who remain behind.

The discussion above suggests that a number of government policy targeting the poor, such as investment in infrastructure with a special program for the poorest communes, preferential credit schemes for job creation and poverty reduction, education and healthcare policies, has worked well and brought visible positive changes in poverty. Section 5 will explore whether there is any further scope for improvement and policy changes to serve the poor better.

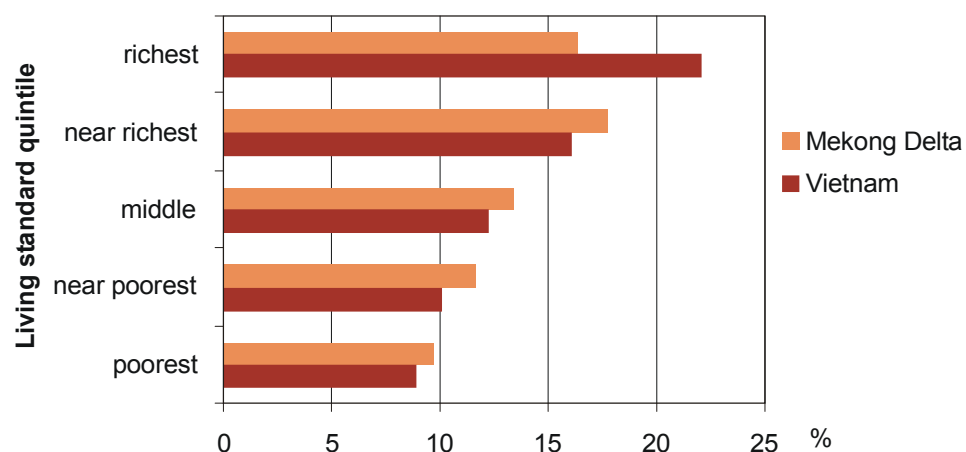
Nevertheless, the PPA points out that there are still limited opportunities for the poor to escape from poverty on a sustainable basis with major obstacles being landlessness and slow development of local business and creation of job opportunities in the region.

### 2.7 Inequality

The Northern Uplands, Red River Delta, Central Highlands, Southeast region and Viet Nam as a whole experienced the same trend of rising expenditure inequality between 1998-2002. In the Mekong Delta, however, the analysis of traditional inequality indicators shows non-statistically significant changes in inequality over time in the region, either measured by the Gini coefficient or the Theil L Index. The Gini coefficient remains stable at 0.31 (the same level as in 1998), whereas the Theil L coefficient value for 2002 is 0.14 (slightly lower than 0.15 in 1998).

Rising inequalities are more easily perceived in analysis of expenditure growth. The Mekong Delta region reported the third highest mean per capita expenditure in the country, just behind the Southeast and the Red River Delta. The per capita expenditure growth patterns in the Mekong region present some common features with the national aggregates but also differ importantly in several aspects. (See Figure 2.5)

Figure 2.5 Real per capita expenditure growth in the Mekong Delta region



Source: VHLSS 2002



Expenditure in the Mekong Delta region, as for the country as a whole grew considerably faster for the richest quintile of the population than for the poorest 20%. Whereas the better-off 20% of households saw their expenditure grow on average by around 17%, the expenditure per capita of the poorest quintile of households in the Mekong grew at 9.7%. In contrast, for the 1993-1998 period expenditure growth was far more balanced, as Table 2.3 shows, with all quintiles reporting growth in expenditure of over 33%.

**Table 2.3 Growth in per capita expenditure by urban/rural residence, living standard quintile, ethnicity, and gender (%)**

	1993-1998		1998-2002	
	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta
<b>Overall</b>	42.7	19.1	16.8	19.4
<b>Residence</b>				
Urban	60.3	35.7	20.3	7.2
Rural	29.8	12.3	12.9	26.2
<b>Quintile</b>				
Poorest	28.7	34.1	8.9	9.7
Near poorest	32.3	33.1	10.1	11.7
Middle	34.3	35.2	12.3	13.4
Near richest	39.6	39.1	16.1	17.7
Richest	54.2	38.4	22.1	16.3
<b>Ethnicity</b>				
Kinh & Chinese	45.5	18.3	16.4	19.4
Other ethnicities	22.4	31.7	8.5	2.9
<b>Gender</b>				
Male	40.8	20.7	14.5	18.6
Female	49.7	15	25.1	20.3

Source: VHLSS 1993, 1998, 2002

Probably the most noteworthy feature in per capita expenditure growth in the Mekong Delta was the faster increase in this indicator in rural areas than in urban ones, contrary to national trends. Real per capita expenditure grew by 26% in the rural areas of the Mekong region, whereas urban areas witnessed an increase of just over 7%. The increase in real per capita expenditure combined with a large number of people just below the poverty line in the rural areas of the Mekong may be suggested as the primary reason for the rapid reduction in poverty rates. Expenditure gaps have closed up accordingly, and while urban mean per capita expenditure in 1998 was nearly twice the level of rural areas in the Mekong region, in 2002, the gap seems to have fallen to only 1.6 times.

Whereas the region's average expenditure per capita by quintile is well over the national average for quintiles 1 to 4, the Mekong River ranks only 6<sup>th</sup> nationally in

terms of average per capita expenditure growth of the richest 20% of households. This moderates the expenditure differences between the poorest and richest households. Whereas mean per capita expenditure of the 20% richest households in Viet Nam is over 5 times higher than that of the poorest 20%, in the Mekong Delta the richest 20% report mean expenditure per capita 4 times higher than the 20% poorer (a greater gap, however, than in 1998).

Regarding inequality by the ethnic dimension, as was the case for the country as a whole, real per capita expenditure over the period 1998-2002 increased considerably faster for the Kinh and Chinese majority than for other ethnic groups. However, the ethnic expenditure gap increased faster in the Mekong, where expenditure grew seven times faster for the Kinh and Chinese than for other ethnic groups.

## **2.8 Explanations for income inequality**

The PPA report gives some explanations for the continued disparities between the rich and the poor groups.

- *Insufficient means of production and access to financing*: many poor people (almost half) in the research sites have no land or too few land assets for subsistence. They also have very little or no capital for investment in production activities;
- *Limited technical support*: lack of (updated) technical knowledge leads to failure in animal husbandry and aquaculture;
- *Assymmetric information on business and employment opportunities* between the rich, usually public servants or their relatives, and the poor;
- *Risks*: investments in high risk activities and fluctuation in agricultural prices led to losses in business and rapidly increasing cumulative debt. On the other hand, agricultural price changes also affected household income. In Tam Nong district, poor households became poorer due to a drop in rice price and Chinese onion during 1994-99. As a result they had to sell their land;
- *Limited employment opportunities*: poor (landless) people earn cash income mainly from jobs as hired agricultural labour, which are not stable. Agricultural seasonality and flooding threat put pressure on high underemployment during the off-harvest season. These people have difficulty finding non-farm jobs due to low levels of education and skills;
- *Poorly targeted HEPR policies*: sometimes the better-off households benefit from programs (such as business support through agricultural and aquaculture extension, handicraft development in poor communes, agricultural tax exemption or reduction policies, support in information system upgrading, risks reduction and social welfare policies for spontaneous migrants, poor widowed/abandoned women) to a greater extent than the poor.

## 3. Characteristics of the Poor

### 3.1 Poverty profile

Poverty remains mostly a rural phenomenon, with 95% of all poor living in rural areas in Viet Nam in 2002. This is also true in the Mekong Delta region, where the rural poor represent 96% of all poor people in the region. Faster growth patterns in the manufacturing and services sector, as opposed to agriculture, forestry and fisheries allowed for a more rapid reduction in poverty rates in urban areas. As discussed above, even though increases in expenditure were lower on average than during the 1993-1998 period, the lower poverty depth in urban areas made it easier to lift a greater share of the poor over and above the poverty line.

#### 3.1.1 Employment

As has traditionally been the case, most of the poor households are employed in the primary sector (See Table 3.1). In 2002, over 77% of all poor in the Mekong Delta were employed in agriculture, forestry or fisheries activities (lower than the national average of 84%), whereas just 9% of the poor were employed in the industrial sector, and nearly 13% in services. The latest data are a departure from national figures, which shows a higher share of the poor in industry than in services. Nevertheless, the occupational structure of poverty in the region has changed with a decreasing share of the poor in agriculture and a growing share in services compared to the national figures. This suggests that strategies for reaching poor households will have to change to not only focus on agriculture, but to also assist households working in low skilled services.

PPA findings confirm that poverty is closely associated with farming, noting that most poor households live in rural areas and are engaged solely in paddy cultivation. This is to be expected for a region which still relies heavily on the agricultural sector (40 to 72% of provincial GDP comes from agriculture). An AusAID empirical study (2003) also suggests that the poverty rate by province in the Mekong Delta region has a positive correlation with both the provincial share of population reliant on agriculture and the share of agriculture in total provincial GDP.

**Table 3.1 Poverty by main sectoral occupation for people from 15 years old or higher who have job in the past 12 months (%)**

Occupation	Poverty Incidence		Share of total poverty		Share of population	
	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta
<b>Total</b>	27.6	22.0	100.0	100.0	100.0	100.0
Agriculture, forestry and fisheries	38.9	27.8	84.0	77.6	58.7	62.4
Construction	15.3	13.2	8.5	8.7	17.0	12.9
Services	9.9	13.4	6.4	12.8	18.6	20.3
Other	4.9	3.7	1.1	0.9	5.7	4.4

Source: VHLSS 2002

Among farmers, poverty incidence is substantially higher for landless or farmers with a shortage of land, who are dependent on earnings from hired labour. Due to a low level of education or skills, most of them can only find jobs in the farm sector. However, this source of income is not stable because of agricultural seasonality and diminishing land holding per capita in the region. Finding an off-farm job for those poor who have some skills (although they are few) is not easy in the Mekong Delta region. Data on domestic business registration (and registered capital) in the region after the implementation of the new Enterprise Law, and the figures on FDI attraction, show that few off-farm employment opportunities have been created, in relative terms, over the last few years in the region. Migration to large urban and industrial centres (e.g. HCMC, Binh Duong) for people with some qualification and skills and increased seasonal farm labour jobs might be behind the overall increase in expenditure levels in the region. However, this also contributes to increasing income inequality within the region.

### 3.1.2 Educational attainment

Poverty incidence is inversely correlated with educational attainment. While poverty rates among those who have not completed primary education is 30% in the Mekong Delta region (lower, however, than the 40% national average), poverty is almost non-existent among those with higher education or vocational training. Although every group by educational attainment enjoyed reduced poverty over the 1990s, poverty incidence decreased more sharply and more rapidly than national aggregates for those who progressed beyond primary education, as Table 3.2 shows. Low education and lack of necessary skills often result in failure of crops, livestock and aquaculture, which push farmers to poverty (the Mekong Delta PPA report 2003). Without sufficient education attainment, workers face greater difficulties in acquiring new skills and techniques for improving productivity. Parents with low education often underestimate importance of and returns from education, thus do not try hard to send their children to school, to encourage them to work hard at school and progress to higher education.

**Table 3.2 Educational attainment and poverty (%)**

Maximum Education completed	Poverty Incidence		Share of total poverty		Share of population	
	Viet Nam	Mekong	Viet Nam	Mekong	Viet Nam	Mekong
Total	29	23	100	100	100	100
Less than primary	40	30	55	67	39	52
Primary	28	21	26	28	27	31
Lower secondary	22	8	16	4	21	10
Upper secondary	9	5	3	1	8	4
Vocational	4	1	0	0	3	1
College/University	1	1	0	0	2	1
Masters and higher	0	0	-	-	0.1	0.0

Source: VHLSS 2002

Individuals who have not completed primary education represent therefore 67% of all poor, and another 28% is accounted by those who have completed primary education. Accordingly, of all poor in the region, only 5% report educational achievements higher than primary (compared with 20% at the national level).

A notable characteristics of the region is low educational, skill and professional levels of its labour force relative to that of the remaining regions. Surprisingly, the region has the highest share of the population who has never completed primary education (52%). Given possible marginally declining returns from agricultural diversification and intensification in the region, the low educational and qualification levels may turn into a major impediment to high and stable growth and rapid poverty reduction in the forthcoming period through applying agricultural R&D and expansion of rural industries.

Investment in vocational training may serve as a critical component of a strategy for poverty reduction in light of low poverty rates for those with technical skill training. The PPA report gives some consistent evidence that adults with skills can go to industrial centres in other provinces or go overseas through various labour-exporting programs, have a good job and send remittances to their family. Farmers who have obtained techniques for raising crops, fish or shrimps were able to reduce risk associated with their production to a substantially larger degree and earn good, steady income. In that way, their family could escape from poverty or become even better off. Poverty reduction for the group of those completing vocational training between 1998-2002 was around 90% of the 1998 figures.

**Table 3.3 Educational attainment (%)**

Maximum Education completed	Urban	Rural	Kinh/Chinese	Other ethnicity
Total	100.0	100.0	100.0	100.0
Less than primary	39.3	54.5	50.6	69.3
Primary	29.7	31.6	31.8	24.0
Lower secondary	14.4	9.2	10.5	5.1
Upper secondary	9.6	3.2	4.6	1.0
Vocational	3.0	0.9	1.3	0.6
College/University	3.9	0.6	1.2	0.1
Master and higher	0.1	0.0	0.0	0.0

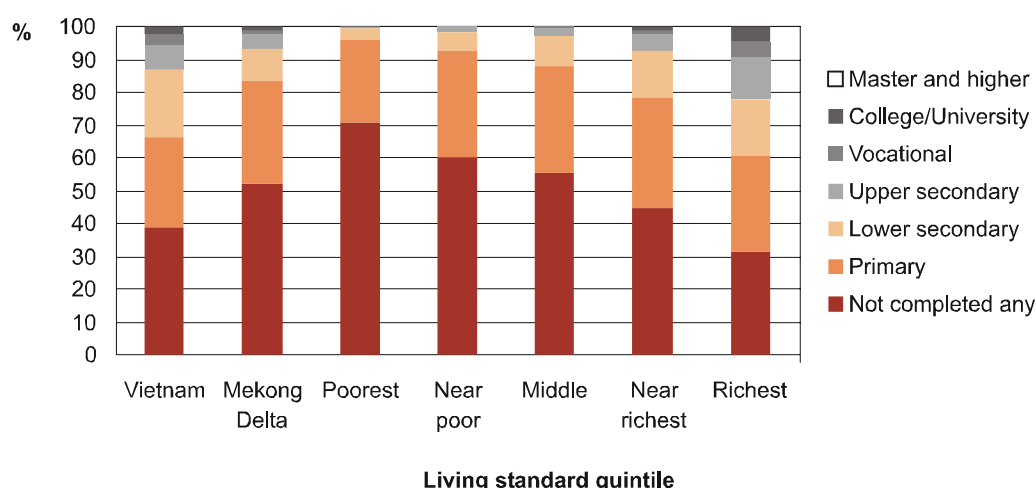
Source: VHLSS 2002

As was expected, the data seem to suggest a high correlation between educational attainment and other characteristics of the poor. Educational attainments are lower in rural areas for all of Viet Nam and for the Mekong region in particular. In the Mekong Delta, only 14% of individuals in rural areas have attained higher levels of education than primary. This share increases to 31% in urban areas.

In addition, educational levels are considerably lower for ethnic minorities than for the Kinh/Chinese majority. Nearly 70% of individuals from ethnic minority groups have not completed primary education in the Mekong Delta region, compared to 50% for Kinh/Chinese. Just around 7% of ethnic minorities people went further than primary education levels, compared to nearly 18% for Kinh/Chinese.

Among all provinces in the delta, those with a low provincial literacy rate and a large share of unskilled labour, such as Soc Trang and Tra Vinh have higher poverty incidence. In a sharp contrast, Can Tho and Long An having both the highest education levels and the largest share of skilled workers are also among provinces with the lowest poverty incidence. Nevertheless the picture is not so simple as there are better-off provinces such as An Giang and Kien Giang which have relatively low education and qualification of the labour force with other factors affecting their poverty status (AusAID 2003).

Figure 3.1 Distribution of education attainment by quintile (%)



Source: VHLSS 2002

A complementary classification, that breaks down educational attainments by expenditure quintile, confirms the trends exposed above for the Mekong Delta region. Whereas 70% of the individuals ranked among the 20% poorest in the region have not completed primary education and only 4% attained educational levels higher than primary, the richest quintile report primary completion rates or higher of some 70% (with 40% of individuals in the top 20% expenditure quintile having achieved educational levels higher than primary).

### 3.1.3 Family and demographic characteristics

Another feature traditionally highly correlated with poverty levels is family size. Average family size has declined importantly since 1993 for each expenditure quintile in Viet Nam. Still, larger family size is directly correlated with poverty incidence and vice versa.

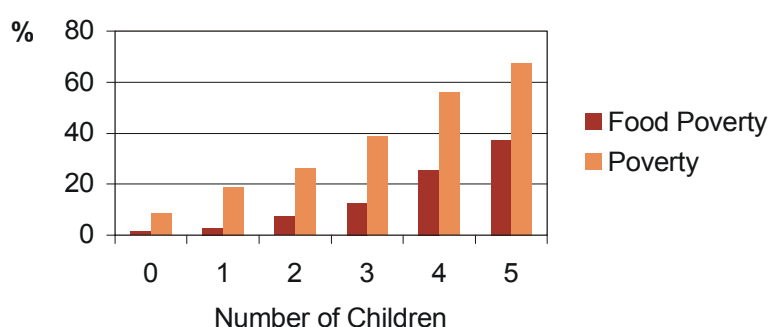
Table 3.4 Mean number of children under age 15 per household

	Quintile for Viet Nam					Quintile for Mekong Delta				
	poorest	near poor	middle	near richest	richest	poorest	near poor	middle	near richest	richest
Total	2.4	1.8	1.5	1.2	0.9	2.3	1.8	1.4	1.2	0.9
Urban	2.4	1.8	1.5	1.3	1.0	1.6	1.8	1.4	1.3	1.0
Rural	2.4	1.8	1.5	1.2	0.9	2.4	1.8	1.5	1.2	0.9

Source: VHLSS 2002

Figure 3.2 describes this relationship in the Mekong Delta region. While average general poverty rate among households with no children is some 8.5%, the poverty levels reach over 67% on average for those households with 5 or more children. This characteristic is also highlighted in the PPA as an indicator of poverty, elaborating further that few earners and numerous dependants (children, elderly, a member with a chronic disease or disabled) are among major causes of impoverishment. Families headed by a widow, separated or divorced are more likely to be poor, too.

Figure 3.2 Poverty rates and family size



Source: VHLSS 2002

In addition, the mean age of the poorer households' heads seem to be slightly lower than in richer ones, both for Viet Nam and the Mekong. This may point out at the traditionally poor living standards of newly formed households due to a shorter time to accumulate savings and assets compared to older, more established households.

### 3.1.4 Land and Other Assets

*Landlessness*, which has been typically in the Mekong Delta region one of the main obstacles to poverty reduction, was reported to be 21% in rural areas in 1998. Preliminary data would suggest landlessness levels are still high in the Mekong, and might even be increasing in light of preliminary data. Data from the VHLSS 2002 on land size is not directly comparable with the previous surveys in 1998 and 1993, and does not include land rented in or out so their comparison would be misleading. But the AusAID study (2003) confirms the increasing trend in landless

and emphasises that it has become one of the most urgent issue in rural areas of the Mekong Delta.

Cross-regional comparison reveals that the Mekong Delta region is placed second in terms of the share of landless farmers in rural areas in 2002, just behind the Southeast region. Furthermore, only landlessness in the Mekong Delta region has some positive correlation with poverty (the poorer the quintiles the higher the share of landlessness) while it is the opposite for the remaining regions. This and a PPA finding about the close connection of landlessness with poverty suggest that rural people in this region are highly reliant on access to land for their livelihood.

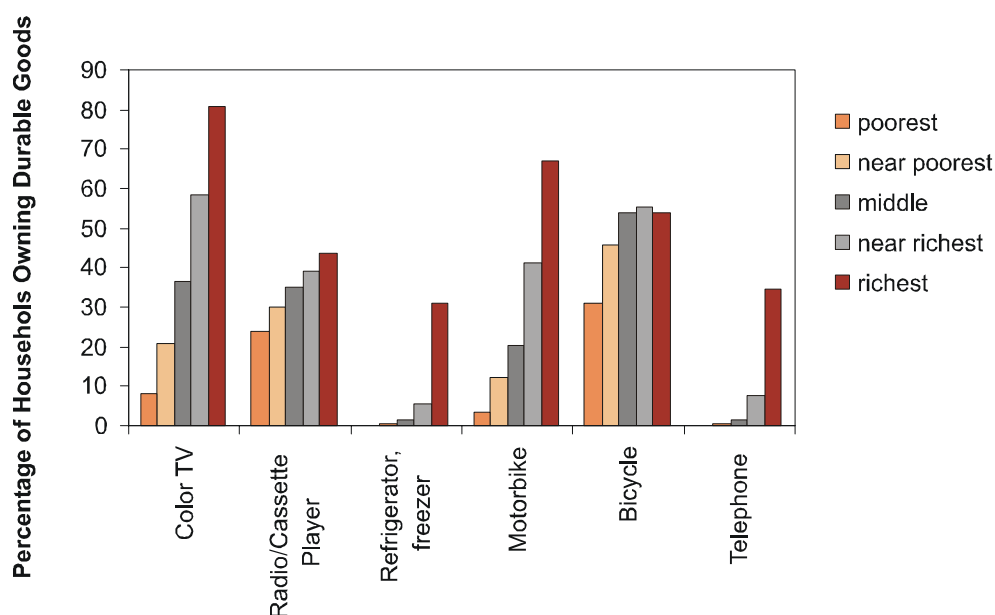
As discussed earlier, landless farmers are increasingly dependent on income from selling their labour on farms, which is low and unreliable source due to its high seasonality. There is an oversupply of labour, which helps to keep wages very low. In Dong Thap 26.3% of the poor do not have stable employment and only have paid work for 100-150 days per year. The average income for many of these people is from 70,000 to 90,000 VND per month, which provides enough for basic food but not enough for other essential non-food needs, such as clothing and medicines.

Thus landlessness becomes a most urgent issue in rural area. It was found that severity of landlessness depended on geographical and climatic conditions. A vicious circle exists: no land – no chance to access credit – no development – no escape from poverty. Causes of landlessness are complicated, and existing land distribution and re-allocation system does not take into account the needs of the poor (AusAID 2003).

In terms of ownership of *durable assets*, their distribution among households was extremely unequal. In 2002, nearly 10% of all households in the Mekong region had telephone lines. This is double the 1998 levels, but it would seem that, as with other durable assets, disparities were enormous between the bottom and top quintiles. Whereas the poorest quintile of households reported no telephone lines, over 34% of the richest 20% had a telephone. This situation repeats itself in relation to other basic durable good, like refrigerators, bicycles and motorbikes. Only 3.6% of the poorest households reported having a motorbike, and this lack of transport means could be an important barrier to employment opportunities for this particular group.



**Figure 3.3 Ownership of Durable Good in the Mekong Region by Expenditure Quintile**



Source: VHLSS 2002

The poor do not have a decent roof to be shielded. The problem is especially acute for the Mekong Delta region which has the highest share of temporary houses (52.1%). The figure is about double of that in the region with the second ranking (the Central Highlands having 26.5% of this type of house). Similar to the case with other assets, the poor are in the worse situation. Up to about 99% of the poor (the poorest and the near poorest quintiles) live in semi-permanent and temporary houses made of leaves and bamboo, which are often in a dilapidated shape. Some of the poor even do not have their own living space and stay with their relatives or employers.

### **3.1.5. Ethnicity**

Poverty in the Mekong Delta region has a strong ethnic dimension. Table 14 shows that the majority of Khmer population in the delta were located in Soc Trang and Tra Vinh provinces, and these two provinces have the highest poverty rates: Soc Trang – 30,75%, Tra Vinh – 18,84%. Furthermore, within any province having Khmer people, poverty among them is always substantially higher than among the other ethnic groups.

**Table 3.5 Khmer population in the Mekong Delta**

By locality	Khmer population (persons)	Share of population (%)	Poverty incidence among Khmer population	Poverty incidence among the remaining ethnicities	Provincial poverty rate, 2002 (%)
<b>Whole Viet Nam</b>	1055147	1.38	na	na	28.9
Remaining regions	33288	0.06	na	na	
<b>The Mekong Delta</b>	1021859	6.33	na	na	23.4
Long An	234	0.02	0	15.6	16.2
Dong Thap	364	0.02	na	31.3	31.4
An Giang	78,706	3.84	23.2	14.0	15.1
Tien Giang	404	0.03	na	16.4	16.6
Vinh Long	20,430	2.02	68.6	22.5	24.9
Ben Tre	226	0.02	na	14.7	16.1
Kien Giang	182,056	12.18	53.0	16.2	22.8
Can Tho	35,284	1.95	73.5	19.3	21.9
Tra Vinh	290,932	30.13	45.6	27.4	33.6
Soc Trang	336,269	28.65	55.1	30.7	37.5
Bac Lieu	56,132	7.62	30.8	20.4	21.3
Ca Mau	20,822	1.86	93.2	33.7	32.0

Source: 1999 Census, AusAID's (2003) estimates of poverty incidence by ethnicity and VHLSS 2002 estimates of provincial poverty.

The Khmer ethnic minority accounts for an overwhelming share of ethnic minority people in the Mekong Delta. Moreover, 96,8% of all Viet Nam's Khmer people live there, and they are concentrated in Soc Trang and Tra Vinh, the two poorest provinces in the delta. An AusAID study (2003) gives several explanations as to why Khmer minority has substantially higher poverty incidence than the Kinh and Chinese majorities.

The geographical location of Khmer communities partly plays a role. Often, these communities are cultivating on marginal soils or have limited access to infrastructure. The educational/professional attainment of the Khmer was very low, much lower compared to Kinh and Chinese people in the Mekong Delta. This influenced the Khmers' capacity to plan expenditures and make savings for further investment in production and improve their livelihoods. Most Khmer people were unfamiliar and very cautious about applying new technologies, which involved perceived risk but could also develop new skills and opportunities in agricultural activities. Last but not least, Khmer social institutions (of culture, religion, and customs) may have a great impact on livelihoods and poverty reduction capacity within the Khmer minority.

## 4. People's Participation in Poverty Reduction

The Grassroots Democracy decree (Decree 29) is an important initiative of the government which if used effectively can be an important tool for more effective policy-making for poverty reduction. In particular, participation in decision-making about investments or programs can help to ensure they are correctly targeted and designed to serve local needs. In addition, supervision of such investments and programs by local people can help to reduce corruption and shoddy workmanship or skimping on materials. Assessment of households living in poverty and the types of assistance they need can be enhanced by including the poor and other local residents in the poverty assessment process.

### *Current implementation status of Decree 29*

According to the Mekong PPA all local officers interviewed believed that commune, district officers and people understood clearly about grassroots democracy principles. They reported that the districts have deployed the government decree on grassroots democracy to all local officers of different levels. Furthermore, every commune has established a committee to supervise and report on the implementation of the grassroots democracy decree.

In reality, it was found that Decree 29 has not been sufficiently and effectively implemented. The majority of poor people have not heard about the principle "People know, people discuss, people implement and people supervise". They understood this phrase in many different ways, and most of them understood it incorrectly. Some village and commune officers interviewed did not explain the concept correctly either. They could not explain how people can supervise. A majority of them think "participation" means people are informed of plans, so that they have ideas what the plans are about. These principles appear to be just formalities in some interview sites.

Local people interviewed in the PPA did not know about development plans and the budget of their own commune as the local annual budget was not made public and the costs of infrastructure projects were not publicly announced either. Usually local people only find out about a particular investment plan only after it has been approved and they are requested to contribute funds for the project. When asked about concrete activities for poverty reduction such as loans for animal husbandry, development of road, bridge and water pipes, some people had heard about these things, but did not know any details. Without the participation of local people, especially the poor, it will be difficult to ensure that their priorities are considered and that the investments actually benefit them.

### **Problems hindering effectiveness of Decree 29**

It is important to understand the reasons for the inefficacy of the implementation of Decree 29 to find solutions to overcome them.

Communication and sharing of information is crucial to the Democracy decree. The two major means of communication are village broadcasting systems using loudspeakers and village meetings. The current commune loudspeaker system in PPA research sites does not yet cover remote villages and the content and style of broadcast programs is poor.

Meetings have not yet proven to be an effective means for the people to access information from the government for several reasons. With the exception of "cultural villages" meetings were not organized regularly or at all. Villagers do not like to attend as they find the content boring, they already knew the issues to be covered or found the meeting topics irrelevant for their needs. For example, the topics covered in the meetings in a cultural village revolved around the local security situation, new government decrees and regulations, conflict resolution for people in disputes and praise for households that complied with commune/village instructions. The villagers were only really interested in issues relating to their entitlements such as subsidized loans, new techniques for agricultural and animal husbandry. Half of the interviewees in Dong Thap do not attend the meetings for the above reasons and because they were busy, the meeting place was far away or in some cases because they were not invited.

Local officials have little training on how to run meetings effectively and how to facilitate people's participation. They are also overloaded with many implementation issues at the grassroots level and until the recent public administration reform were not paid a regular salary.

The lack of information and opportunities to discuss local issues combined with a lack of understanding of their rights, benefits and obligations severely limits the ability of the people to participate in local decision-making. Most decisions were made by commune officials or village self-management groups before people were informed. Even decisions about who should participate in agricultural extension trainings were made by commune and village level officials.

Another problem identified in the PPA is the top-down approach for decision-making. For some types of investments, the actual decisions are made by higher levels of the administration and even the commune leadership doesn't have much of a chance to participate, for example construction of health stations, schools, roads and electricity development. Commune level officials are used to being given orders from above and following these instructions or targets. People lack self-confidence to express their concerns and participate in discussions. In most cases, people think their voice is not respected. They said,

"we do not see our recommendations incorporated in decisions made ". People have also gotten used to the fact that cadres would make decisions for them, therefore they tend to wait for decisions from the higher levels, rather than taking their own initiative.

Corruption is a huge obstacle for implementation of the Grassroots Democracy Decree. The hiding of information or delivery of wrong information is part of corrupt intentions. Most infrastructure work at present is decided on and bids requested and assessed at the district level with local participation and consultations rather symbolic. These officials have little incentives to increase the people's participation especially in supervision of such investments.

### **Local poverty assessment**

With regard to implementing the poverty reduction program and in particular of targeting assistance to the poor, the participation of local people can have a large impact. To be eligible for a poor household certificate, households have to undergo several rounds of ranking and screening based upon some major indicators. First, those recognised as poor households are actually categorised into several types. Each province has its own way to classify poor household and this leads to different benefits and entitlements that the poor households in the two provinces can have.

For example, poor households in Dong Thap are classified into three types based on their inability to earn a living (e.g. disabled, elderly), their lack of desire to earn a living (e.g. drug addicts, laziness) and their inability to earn a living (lack of capital, business skills, production means). Assistance is targeted to each type of household depending on their needs. In contrast, in Ben Tre the classification is purely based on income per capita per month and different levels of assistance are provided for different levels of income.

In this way, in Dong Thap, poor benefits are awarded to a larger share of the poor and in fact, Dong Thap has one of the highest coverage of health insurance for the poor of all provinces. In contrast, Ben Tre severely restricts benefits only to the poorest of the poor leaving others with possibly insufficient levels of assistance. Although having a system of gradual removal of benefits could be quite useful to encourage people to escape from poverty without fear of sudden loss of benefits.

There is a tendency of commune officials to underreport poverty for various reasons so the number of poor households categorised by the government staff seems to be less than the number of poor households classified by the local people themselves. However, it is noted that almost all the *very* poor households identified by villagers were accepted by local authorities and included in the official list.

With regard to local poverty assessment, the people were unaware of the official criteria for identification of poor households, including for those who have poor household certificates. Even some commune officers were not clearly aware of criteria applied in their own communes. In the two districts of Dong Thap, people were not aware because the village and commune officers intentionally did not announce the set of criteria. They were concerned if the households knew the criteria they would report untruly to match the criteria. In Ben Tre, government officials announced the criteria once, just during the first selection in 1999, so people hardly remember anymore; and those who did not participate in the first selection, were not aware of the criteria. Furthermore, poor households in Dong Thap were not invited. In Ben Tre the poor were only partially involved in the selection process. This lack of transparency could lead to abuse of the poverty targeting.

In both areas, the selection process to identify the poor was carefully revised and considered fair in the first year. In the following years shortcuts were taken to make the process simpler and everything was decided at the meeting of the village board. People were only aware of the poverty ranking results, but did not understand why they were considered to have "escaped from poverty" since the officials in charge did not explain. Many households at the researched areas were requested to return their poverty certificates and found themselves in the poverty-escaped list without knowing when and how they had escaped from poverty. The sudden removal of benefits especially for health and education could have an important impact on the sustainable reduction of poverty.

## 5. Basic Service Delivery and Targeting

Access and use of basic services is not only an essential aspect of living standards but plays an important role in reducing vulnerability and aiding people to escape from poverty. This section explores findings from the VHLSS, other quantitative sources and the Mekong Delta PPA regarding education, health care, water and sanitation, housing, agricultural extension, credit, employment services, infrastructure and loans. The focus is to explore the current situation of access and utilization and understand some of the factors affecting this.

### 5.1 Education

#### 5.1.1 Enrolment in general education

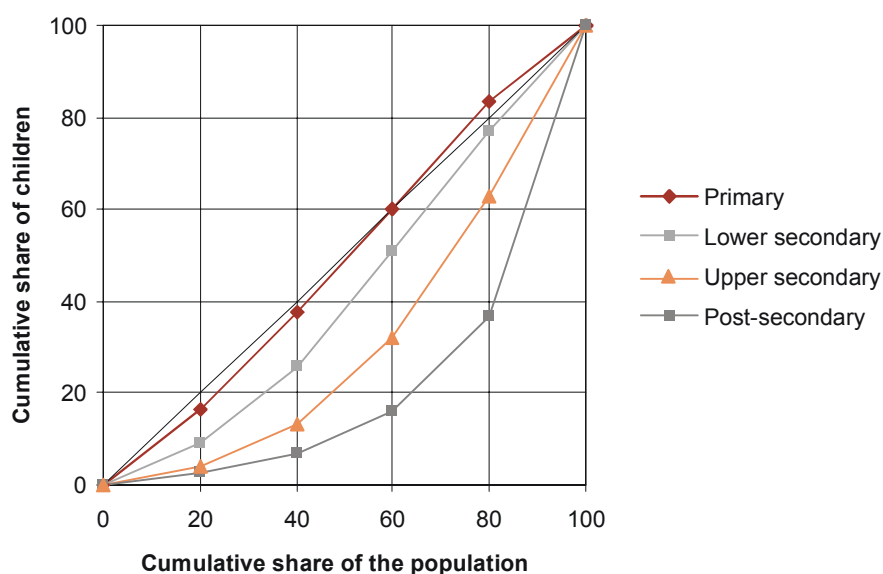
Access to education can be measured by looking at the proportion of children of a given age who are in a given level of schooling (net enrollment rates). Enrolment rates calculated from the VNHS 2001-02 indicate that the Mekong Delta continues to have lower enrollment rates for secondary school compared to the nation as a whole. Although enrollment rates have increased in the Mekong Delta between 1998 and 2002, in a comparison of all 8 regions, the Mekong Delta still ranked 7th of all regions in terms of enrolments in primary and secondary schooling. Whereas for the nation as a whole the most rapid increase in enrolments was seen in upper secondary school, for the Mekong Delta the highest increase was seen in lower secondary.

**Table 5.1 Enrolment rates for the Mekong Delta and Viet Nam by level of schooling**

	Primary	Lower Secondary	Upper Secondary
Viet Nam	93.1	71.2	42.1
Mekong Delta	88.8	59.5	29.3

Source: Primary, VHLSS 2002; Secondary, VNHS 2001-02

**Figure 5.1 Lorenz curves for enrollment at different levels of education in the Mekong Delta 2002**



Source: VNHS 2001-02

Poor children in the Mekong Delta are particularly disadvantaged in regards to education as an evident in Figure 5.1. The gap in school enrolments increases remarkably as level of education increases; for example, for upper secondary, rich children are 10 times more likely to be enrolled than the poor. Education is considered an important means to escape from poverty, especially when households rely on paid jobs for income earning, yet education appears to be least accessible to the poor.

The PPA in Dong Thap and Ben Tre found that primary school enrolments have increased among the poor which was attributed to more local schools and classrooms being constructed and the program of exemption and reduction of school fees for the poor and lending of school books for free.

However, the PPA also found that a large number of families do not allow their children to continue on to secondary education. The reasons given were because it is expensive and a financial burden on families despite policies for school fee exemptions and other support for poor children such as uniforms, school supplies and pocket money. Parents don't yet see education as an important investment with returns in the form of higher future income. Parents also don't have time or often the knowledge to help their children with homework. Flood season is particularly difficult due to transport difficulties. Upper secondary is particularly difficult to access because schools are far and parents are afraid of corrupting influences that might affect their children if they live away from home.



### **5.1.2 Early school drop-outs and low rate of continuing on to secondary education**

In Dong Thap, early school-drop-out is mentioned as one of the indicators to identify poor households. Comparison of results from the 1998 VLSS and 2002 VHLSS commune questionnaire regarding commune officials' assessment of reasons for dropping out at all levels of schooling show a large increase in the proportion reporting economic difficulties and a concurrent decline in the proportion reporting schools too far from home or children not capable of studying. Flooding can also contribute to school drop-outs if school is missed for extended periods.

The PPA asked what efforts were made to reduce drop-outs. Teachers made an effort to persuade drop-outs to go back to school and to communicate frequently with parents of poorly performing children to solicit parents' support and assistance. However, parents in poor households rarely cooperated with these efforts. Villagers themselves felt that improvement of living standards was the main way to reduce drop-outs.

Reasons for early school drop-outs were primarily financial, i.e. the high cost or family having economic difficulties. Lack of parental attention was also mentioned for all levels, but for upper secondary, distance from home to school was another important factor affecting drop-outs.

### **5.1.3 Assistance for education**

Current government assistance to poor households includes exemptions and reductions from various school fees. Table 4.1 shows the level of school fees in the Dong Thap and Ben Tre study areas in general and for poor children as well as information from the VHLSS on average school fees in the Mekong Delta. In addition to the official fees presented in the table, there are other fees such as for purchase of the family liaison book, school reports, class funds, electricity if school uses fans.

Pupil health insurance is in principle voluntary, but some schools require pupils to purchase health insurance making it mandatory. Accident insurance is probably mandatory although this should be checked. Parents rarely know the breakdown of school fees and usually have to pay a lump sum at the beginning of the year.

From VHLSS results, School fees in the Mekong Delta in 1993 and 1998 were higher than the national average for all levels of schooling. However in 2002, average school fees in the Mekong delta are lower than the national average for all levels of schooling. School fees as a share of total expenditure for primary school was 1.2% in 1993, increased to 2.4% in 1998 and has declined again to 1.5% in 2002. For lower secondary, school fees account for 2.3% of total household expenditures and in upper secondary for 3.6%. Obviously for families with a large number of children, these costs can be prohibitive.

Table 5.2 Cost of public education and reductions/exemptions

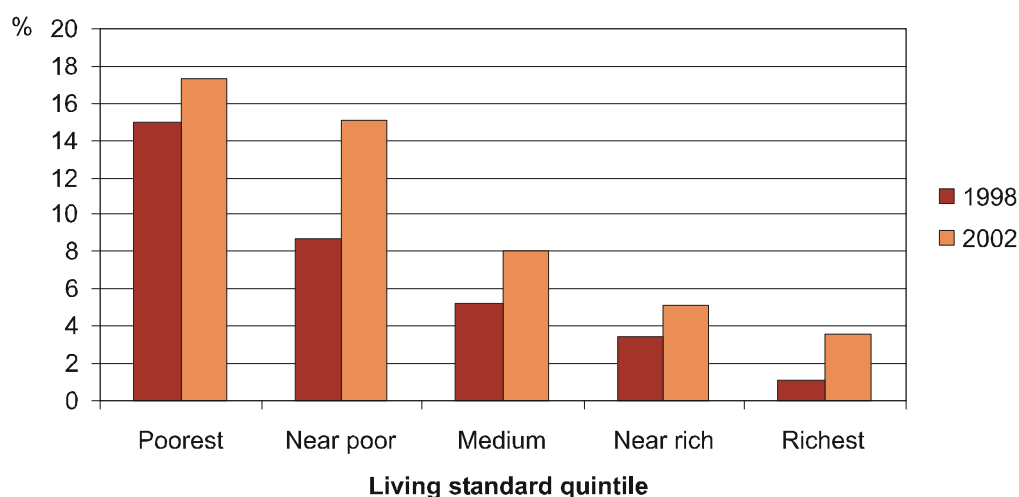
unit: VND per year

	Dong Thap normal full fees	Ben Tre normal full fees	Dong Thap Poor children	Ben Tre poor children	Mekong Delta average fees
Kindergarten	75,000	101,000	55,000	16,000	
Primary	55,000	76,000	0	36,000	177,000
Lower secondary	116,000-143,000	121,000	76,000-103,000	36,000	310,000
Upper secondary	181,000-217,000	150,000	141,000 - 177,000	36,000	608,000

Source: PPA for Dong Thap and Ben Tre; VHLSS2002 for Mekong Delta average

In Dong Thap children from poor and hungry households, orphans and homeless, disabled children, children benefiting from social welfare programs, children of revolutionary martyr families or of invalids with 60% or more loss of ability to work are exempt from construction fund contributions and school fees. In Ben Tre, Households of Types A and B are exempt from school fees and construction fund contributions, and households of types C and D and families with 3 or more children attending school enjoy a reduction of 50% in the school fees and construction fund contributions.

Figure 5.2 Proportion of Mekong Delta children aged 6 to 14 given complete exemptions in public school fees and contributions by living standard quintile and year



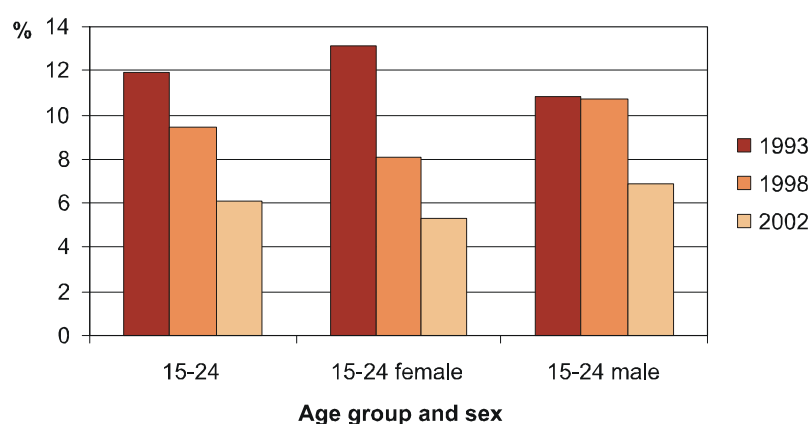
Source: VHLSS 2002

The proportion of children aged 6 to 14 with complete exemptions from public school fees and contributions has increased slightly between 1998 and 2002 from 6.9 to 10.1% in the Mekong Delta while it has seen a slight decline in the nation as a whole from 6.4 to 5.1% of children. Complete exemptions are most prevalent among the poorest and near poor, with the share declining to less than 4% among

the richest. Nevertheless, this share for full exemptions is still quite low for the poorest quintile at less than 20%. The policy on reductions and exemptions in school fees is cited in the PPA as being of average benefit to poor households. School fees are particularly burdensome for children in lower and upper secondary school and some concern was expressed in the PPA about the negative impact on households when education assistance is withdrawn once a household has escaped from poverty.

### 5.1.3 Adult literacy is somewhat neglected

**Figure 5.3 Illiteracy rates among the Mekong Delta population aged 15-24 by year and sex**



Source: VHLSS 1993, 1998, 2002

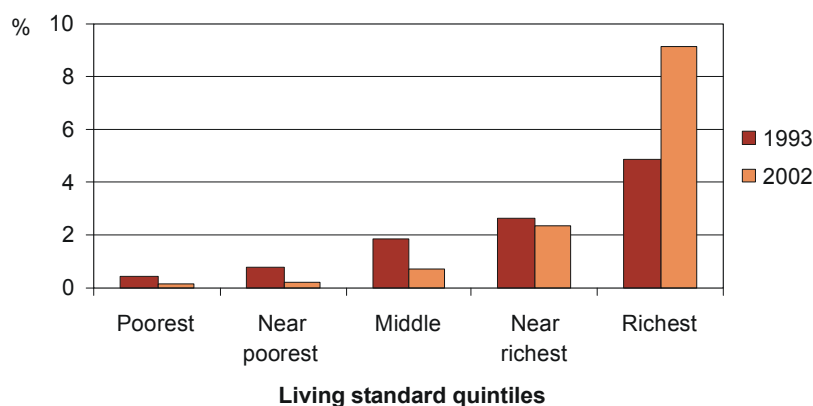
According to the VHLSS, approximately 6% of the population aged 15-24 is illiterate and the proportion illiterate has fallen by half since 1993 overall. Reduction in illiteracy among those aged 15-24 has been highest among women falling from 13% to 5% compared to a smaller decline from 11% to 7% for men.

Results from the PPA nevertheless indicated a lack of efforts to organize illiteracy eradication classes or follow-up to literacy courses to help retain literacy in the research communes. Reasons given were that the target for universal literacy had been reached and funds were therefore not made available from the education department and teachers were too busy teaching extra courses that they didn't have time to teach literacy and illiterate people themselves were too busy to attend.

### 5.1.4 Vocational education/training underutilized, especially by the poor

The proportion of the population with technical or university level training in Viet Nam is quite low, only 5.6%, but for the Mekong Delta it is even lower at only 2.2%. For the poor, near poor and average income households, less than one percent of people have vocational or university level training compared to 9% for the better off. The proportion of the population with vocational/university level training has declined for the four lower quintiles while a large increase was seen for the highest quintile between 1993 and 2002.

**Figure 5.4 Proportion of adult population with vocational, university or higher education by living standard quintiles**



Source: VHLSS 1993, 1998, 2002

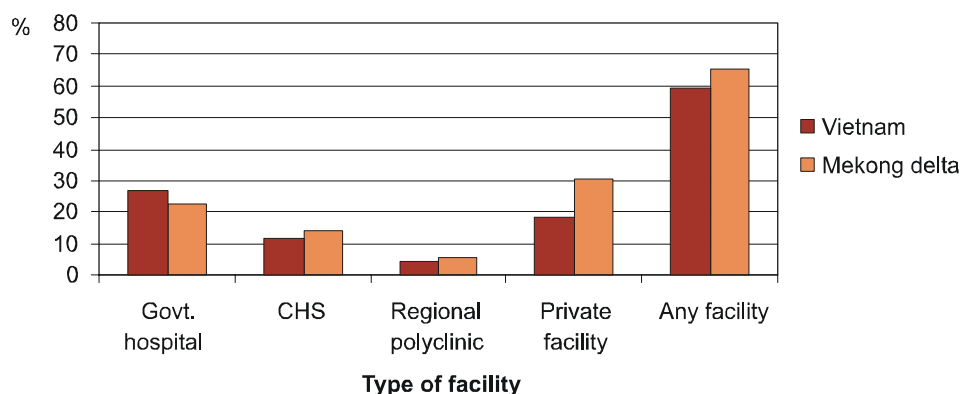
According to the PPA, the majority of poor people cannot afford non-agricultural skills training (vocational training) courses organized in the provincial and district towns. Government technical training establishments also usually require at least lower secondary level education to be eligible to attend formal technical training programs. Yet industrial zones and labour exporters require at least secondary or technical training diplomas leaving those with lower education to few opportunities for higher paying, stable, off-farm employment.

## 5.2 Health care for the poor

### 5.2.1 High levels of access to health care

Results from the VHLSS indicate that the Mekong delta has relatively high health care service utilization rates with about 65% of the population utilizing some health care service in the 12 months before the survey. The region relies more heavily on private and commune level health facilities and less heavily on government hospitals compared to the nation as a whole.

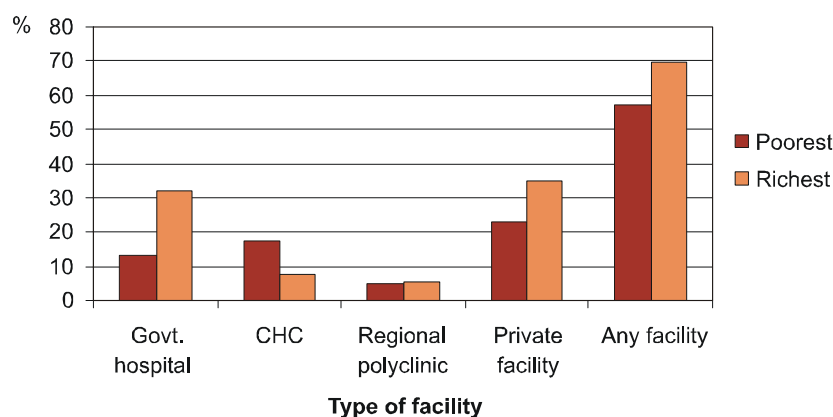
**Figure 5.5 Proportion of population having at least one visit in the past 12 months by type of facility for Viet Nam and Mekong Delta**



Source: VHLSS 2002

Information from commune leaders suggests that overall utilization of commune health facilities has increased since 1998, yet there remains a large proportion of communities where households do not use commune health facilities. Commune leaders suggest it is because private facilities are more convenient, the commune level facilities have low quality of equipment and medications, other public facilities are better and commune health staff are insufficient and of poor quality.

**Figure 5.6 Proportion of population having at least one visit in the past 12 months by type of facility and comparing the richest with the poorest quintile**

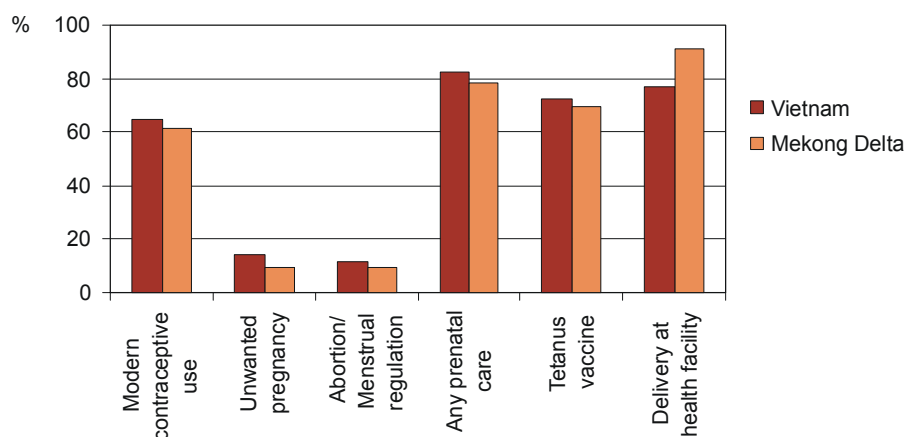


Source: VHLSS 2002

The poorest quintile has lower overall utilization of health care facilities than the richest quintile, a greater reliance on the Commune Health Station (CHS) and much lower access to government hospitals and private facilities than the richest quintile. If commune leaders assessment of commune health facilities is true this suggests that the poor have less access to the convenient and better quality facilities available in the private sector or in government hospitals.

### 5.2.2 Reproductive health not far behind the nation

**Figure 5.7 Selected reproductive health indicators for the nation and for the Mekong Delta**



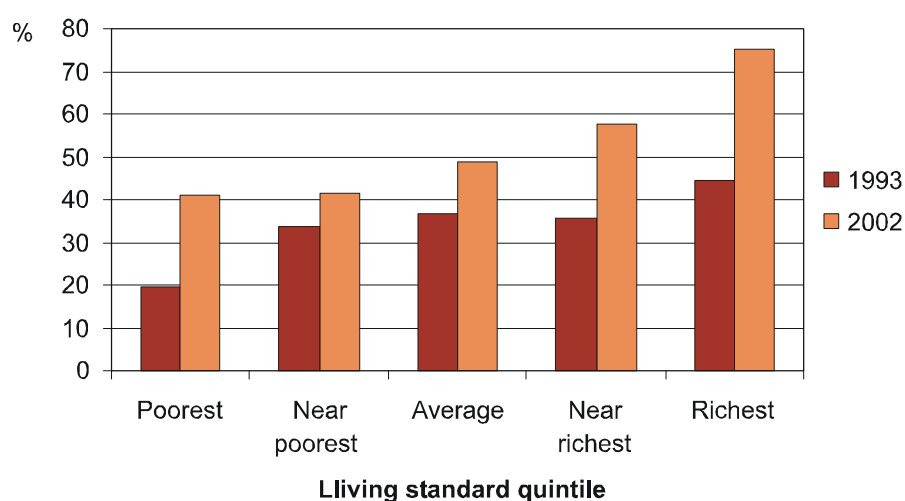
Source: Contraceptive use- Population Dynamics Survey; Other indicators - Viet Nam National Health Survey 2001-02

Among married women aged 15-49, results from the VNHS show that women in the Mekong Delta are slightly less likely to use modern contraception, and among contraceptive methods are more likely to use the pill, and less likely to use condoms or IUD than for the nation as a whole. Despite the slightly lower use of modern contraceptives, the rate of unwanted pregnancy and abortion in the Mekong Delta is lower than for the nation as a whole. Mekong Delta women are slightly less likely to have any prenatal care or be fully vaccinated against tetanus during pregnancy, nevertheless, 91% have their babies in a health facility compared to only 77 for the nation as a whole. About 14% of women in the Mekong Delta deliver their babies at a private facility compared to only 6% overall for the nation. This suggests that access to reproductive health services in the region is not deficient compared to national figures, and that the private sector plays an important role in providing reproductive health in that region.

### 5.3 Safe water and sanitation

According to the VHLSS 2002 results, the Mekong Delta has seen a strong increase in access to clean water since 1993 for all living standard quintiles (including tap water, rainwater, purchased water and drilled well water.) The overall proportion of households in the Mekong Delta with clean water sources is now higher than for the nation as a whole (54.6% compared to 48.5%). Nevertheless, the situation varies substantially by living standard quintiles. While over 70% of people in the richest quintile have access to clean water, the same is true for only about 40% of people in the lowest two quintiles.

**Figure 5.8 Proportion of households (population) in the Mekong with access to clean water by living standard quintile and year**



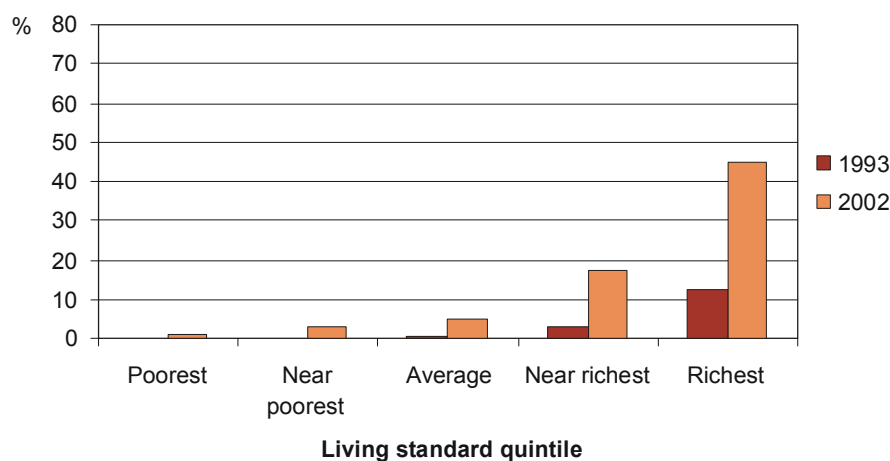
Note: Clean water includes tap water, rain water, drilled well water, purchased water, not dug well or surface water.

Source: VHLSS 1993, 2002

Sanitation in the Mekong Delta is a major problem. Only 16.3% of Mekong Delta households have sanitary toilets compared to 25.3% on average for the entire

country. Among households in the average to poorest quintiles, almost no households had sanitary toilets in 1993, and the rate in 2002 remains at or below 5% compared to 45% among the richest quintile. This is particularly worrisome as the poorest households are also those that have the least access to clean water sources.

**Figure 5.9 Proportion of Mekong Delta households with hygienic toilets by living standard quintile and year**



Source: VHLSS 1993, 2002

The PPAs also found a large proportion of households with unhygienic toilets and problems of sanitation particularly in the flood season when there was no access to hygienic toilets. In Ben Tre, despite a 1995 government decree to eradicate toilets flowing directly into fishponds and rivers, a large proportion of toilets still do. An additional concern is the increasing and heavy use of chemicals used in agriculture which are entering surface and ground water used for human consumption.

#### **5.4 Agricultural extension services**

Escape from poverty through agricultural production would require that poor households improve productivity, interact favourably with the market, manage risks and cope with changes in commodity prices. However, poor households have no or little land, lack technical knowledge and capital, production is mainly subsistence farming with little surplus for sale. Agricultural extension has the potential to assist farmers in all those areas, but so far has not proved to be driving force for poverty reduction in the Mekong Delta and in fact, agricultural extension was assessed by the PPA as having no clear concrete benefits for poverty reduction. According to the VHLSS 2002 the proportion of rural communes having frequent visits by agricultural extension agents is quite low. In fact, about one third of rural communes in the Mekong Delta had only 5 or fewer visits by agricultural extension workers in the past 12 months. Another 28% only had from 6 to 10 visits in the 12 month period.

#### **5.4.1 Problems with government agricultural extension services**

PPA results found insufficient trained staff to fulfil current tasks. At the district level there are three agricultural extension stations, agricultural extension, veterinary services and plant protection. Each station has only 4-6 officers to meet the needs of all the communes in the district. There are no commune level agricultural extension workers, only people who had been summarily trained to assist in providing vaccinations to animals. There is little coordination between the three types of substation leading to overlapping and duplication of efforts. The annual budget for extension services is too low with only about 6-8 million per commune per year.

The number of people provided extension services is low, and the poor have the lowest access. Currently in the communes researched in the PPA, agricultural extension services are focused on support to breeding animals, reducing costs to produce rice, expansion of rice cultivation for export, changes in crop structure. Yet local people are unaware of extension activities implemented in their communes as they tend to be implemented at a small scale with few beneficiaries. For example in Tam Nong district, the program to reduce production costs in rice cultivation was implemented in only 5 out of 13 communes/towns with a total area of only 13 hectares.

The PPA found that new technical services often bring more benefits to average and well-off households, but not yet to the poor. Agricultural extension workers consider that the poor don't have land or have too little land so they don't put much effort into including the poor in extension activities. Currently extension services do not target the poor who have borrowed funds for cultivation or animal husbandry who are in great need of technical assistance to guarantee the returns to their investments and the ability to pay back their loans.

Effectiveness of technical services is also low. Participants in the PPA complained of animals dying after treatment by the veterinarian, lack of confidence in the effectiveness of Integrated Pest Management (IPM) by farmers who had been trained by extension workers, and a continued lack of skills and experience of shrimp farmers.

#### **5.4.2 Informal sources of agricultural extension**

Other sources of information to assist farmers with agricultural production are available including neighbours, agricultural extension clubs, traders and advertisements for agricultural inputs. While agricultural extension clubs tend to appeal more to the better off with substantial resources who are able to invest in new techniques or more diversified crops, the poor are more likely to rely on neighbours or private traders and agents selling animal feed, fertilizer, pesticides to provide production advice. There are obvious disadvantages to taking advice from private sales agents as they have an obvious interest to provide information that will sell more of their products. Although many of the traders are former



agricultural extension agents, the information they provide may not always be the most accurate technical information.

#### 5.4.3 Expressed needs of the poor for agricultural extension

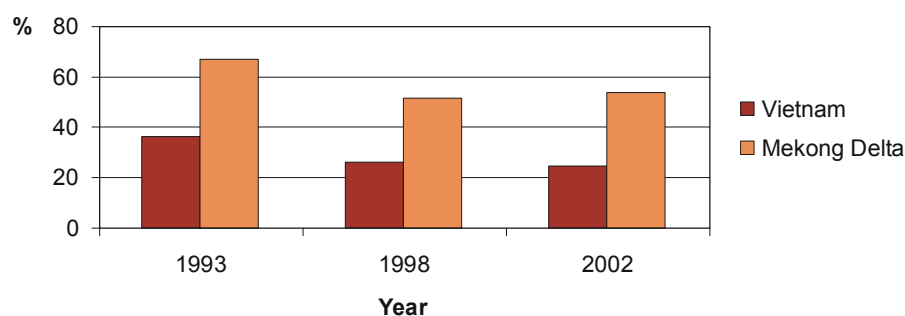
When asked what services they wanted to receive from government agricultural extension officers, households in the PPA replied that they wanted more relevant and appropriate technical training especially support to diversity into higher value crops, safeguarding against risk especially for livestock and assistance for marketing. Farmers also wanted to be able to procure production inputs through government extension agents rather than through private traders as there is a sense that government supplied inputs are of higher quality. In particular, farmers want to be able to buy inputs on credit from extension agents.

Currently agricultural extension services in Ben Tre and Dong Thap do not assist in marketing of products. In the past government procurers demanded farmers bring products to their office for quality checking whereas private traders went to the farm and didn't care too much about the quality with only 50 dong per kg lower price. Participants in the PPA would like government agents to buy at market prices directly at the farm like private traders do. But government agents are concerned that farmers who sign procurement contracts with government agents will renege on them if private traders come early and buy at slightly higher prices than in contracts. They are also concerned about how to guarantee the quality of farmer's output.

#### 5.5 Housing

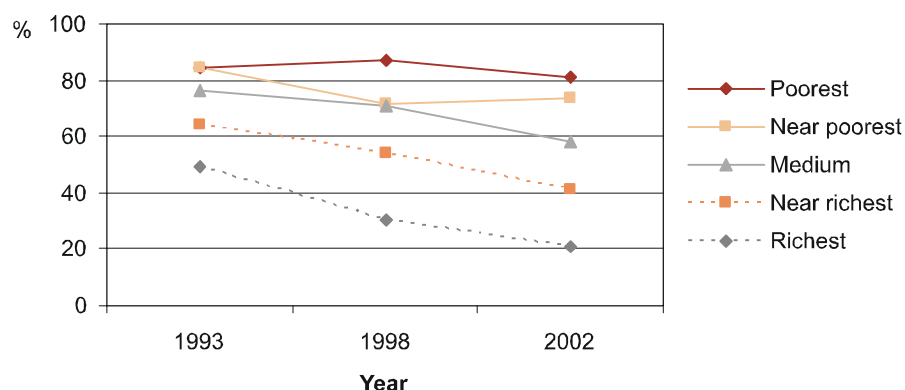
Housing in Viet Nam and in the Mekong Delta improved considerably between 1993 and 1998 when the share of temporary structures declined from 37 to 26% for Viet Nam and 67 to 51% for the Mekong Delta. However, between 1998 and 2002, the share of temporary structures in all housing has remained relatively constant, even increasing slightly as a share of all housing in the Mekong Delta. The annual flooding in low-lying areas makes any investments in housing risky, as they are likely to be swept away or heavily damaged each year.

**Figure 5.10 Share of households with temporary structures for housing by year for the Mekong Delta and Viet Nam**



Source: VHLSS 1993, 1998, 2002

**Figure 5.11 Proportion of households having temporary structures by year and living standard**



Source: VHLSS 1993, 1998, 2002

Figure 5.11 shows that the improvements in housing have not had a large impact for the poor and near poor compared to other living standards groups although slight improvements were found for the poor between 1998 and 2002.

The Plain of Reeds is a low-lying area covering 4 provinces which suffers from annual flooding for about 3 months every year. As part of a coping strategy called "living with floods", the government has made large investments to establish residential clusters. Poor and landless households are given priority and allowed to pay on instalments over a long period of time. The PPA in Dong Thap indicated that the poor consider housing support as one of the more successful efforts to improve living standards as they now have a stable and safe place to live during the floods, their children can go to school and have lower risk of drowning.

However, the amount of housing is so far insufficient to meet the needs of the poor. In addition, there are problems due to insufficient care taken in developing proper sewerage systems leading to polluted water supplies. Residents of the residential clusters are forced to live far from their farmlands and can no longer raise pigs, chickens or go fishing as they could before. Their living expenses have increased as they are less able to be self-sufficient in some basic fruit and vegetables or fish and meat and they must pay guards to watch their production assets. In some cases they continue to build and live in temporary structures near their farmland for the non-flood seasons.

### 5.6 Credit

Economic development in the region has been partially attributed to rural finance services. Funds from the National Job creation program no. 120 and other preferential funds have created favourable conditions for the middle and well-off groups to invest more in their production and businesses, for example Tiger shrimp raising in My Hung and snake skinned fish raising in Tam Nong.

Poor households who had received loans in a given year were often reclassified as having escaped from poverty the next year to make funds available for other poor households, and to show achievements in poverty reduction even though many had not benefited significantly from loans or had fallen into greater debt due to failed investments. There is still little coordination between agricultural extension and loans for poor people leading to greater risk of failure in investment projects and greater indebtedness of the poor.

According to results from the VHLSS, 25% of poor households in the Mekong Delta have received loans compared to 32% for the nation as a whole. A vast majority of the poor received loans from formal and usually subsidized sources with only 6% receiving loans from money lenders and 3% from relatives and friends.

### **5.7 Job placement (Employment) services**

Employment service centres have not been active and people lack information on available jobs. Many people seek seasonal jobs in the sub-region or in other regions, but mainly through informal networks and not always successfully. Long-term jobs in HCMC for people with low education and skills levels are rare and the PPA found that few people have obtained permanent jobs through assistance of government channels.

The need for establishment of enterprises is quite clear with a large number of underemployed residents. However, so far, little enterprise development has taken place in the PPA research communes. This is attributed to unfavourable geographic location of the district, difficult transportation and unavailability of clean water. The cost of levelling land for construction is also very high and local authorities have no concrete solutions to attract investments from outside investors.

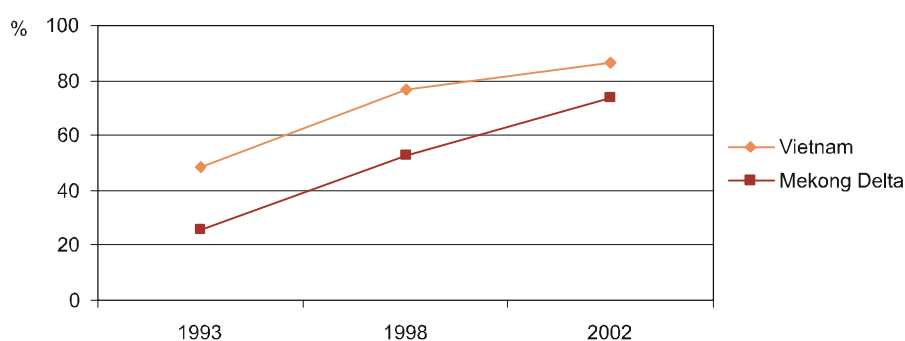
Labour export programs have issued many guidelines to assist poor people to participate in labour export programs. Applicants are to be provided with relevant training on a free-of-charge basis and provided loans to cover all application related expenses after signing a labour contract. Unfortunately, information on the labour export program has not been disseminated widely, low education and skill levels of poor applicants don't meet requirements of foreign partners, procedures are complicated and the loan amount is insufficient to cover all expenses required during training and the application processing period.

### **5.8 Production and transportation Infrastructure development**

One of the major ways the government can assist the poor is through development of infrastructure to facilitate production and marketing of output. This section examines briefly the changes in access to production infrastructure that have been seen in the Mekong Delta recently.

Figure 5.12 indicates a strong increase in access of households to electricity over the past 10 years, but the overall level of electrification is somewhat lower than the national average. According to the PPA, increased electricity availability has made positive impacts on middle class households for animal husbandry and other production activities such as coconut fibber rope plaiting, mat weaving, carpet making and coconut cover peeling however the impact on poor households is not as clear. Results from the VHLSS indicate that among the poorest quintile in the Mekong Delta only 44% have electricity from the power grid compared to 66.6% among the near poorest and 93% among the richest.

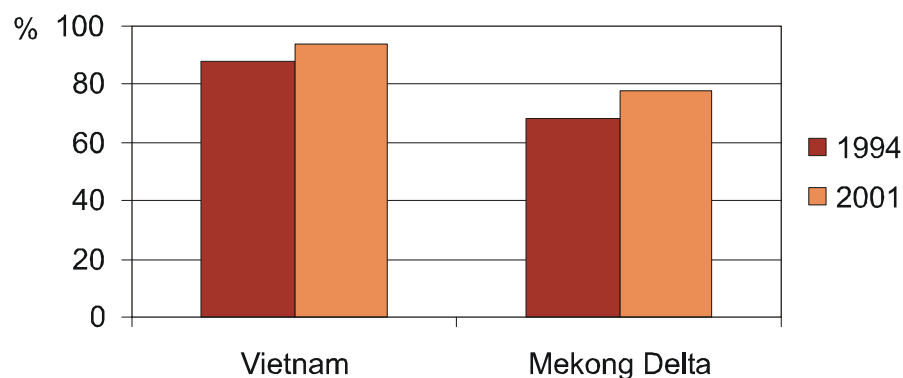
**Figure 5.12 Proportion of households having access to electricity from the power grid by year for the Mekong Delta and Viet Nam.**



Source: VHLSS 1993, 1998, 2002

Development of bridges and roads have made transportation and business easier. Research from the AusAID Mekong Delta Poverty Analysis (MDPA) indicates that areas with access to roads have lower costs of transportation allowing greater profits from market sales and in general, the provinces with more developed road infrastructure have lower poverty rates.

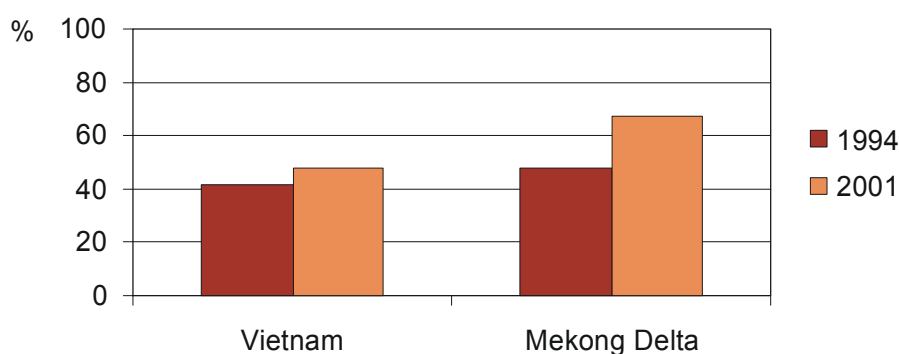
**Figure 5.13 Proportion of rural communes with roads passable by car to the commune center**



Source: Rural and Agricultural Census 1994, Rural, agriculture and aquaculture census 2001

Irrigation infrastructure is quite important for increasing the productivity of agricultural land. The PPA found that tertiary irrigation canals and dyke systems have been improved in the research areas allowing two rice crops in Ben Tre and Dong Thap and helping to wash alum from the soil for higher rice productivity in Dong Thap. Overall for the Mekong Delta, the proportion of annual crop land that is irrigated is much higher than for the national average and has increased more rapidly because of the appropriateness of the delta for irrigated crop cultivation. Irrigation helps those with land to increase productivity, and only indirectly helps the landless poor by creating more hired job opportunities working for those with large amounts of land and multiple crops per year.

**Figure 5.14 Proportion of annual crop land that is irrigated**



Source: Rural and Agricultural Census 1994, Rural, agriculture and aquaculture census 2001

### **5.9 Public administrative services and reforms**

Access to public administrative services at the commune level is essential for poor people to gain access to such services. The PPA examined public administrative reform in the research areas, primarily implementation of the one-stop shop. Local people agree that public administrative services in general have improved except for banking services, household registration and land use right certificates. The clarification of procedures, payment of salaries to commune officials and clear allocation of working time by the local officials to deal with inquiries and complaints has speeded up processing time and increased accountability according to the local officials.

Nevertheless, the commune level only resolves birth, marriage and temporary residence certificates while more important papers such as land user rights, civil disputes, loan applications still have to be done at the district level. In Phu Tho commune the PPA found that many of the officials are not clear on how to process much of the paperwork which is why people still must go to the district level to resolve various administrative procedures. In fact, household permanent residency books and ID cards are processed at the provincial level.

The people have the expectation that more and more services should be provided directly at the commune level rather than requiring the expensive and time-consuming trip to the district to resolve their paperwork. The commune officials, however, fear that current human resources, facilities and capacity at the commune level are inadequate to take over tasks currently covered by the district level, especially regarding land use certificates.

Few people complained about the cost of doing paperwork which is around 5000 dong for most documents. However, for temporary leave pass to go away to work, the officials require people pay their corvee labour contribution of 50,000 for men and 30,000 for women. If travel papers are requested at the district level it is more expensive.

## 6. Vulnerability

The PPA results identified factors that make people poorer. For both Dong Thap and Ben Tre, illness, unexpected accidents such as fire or house collapsing, natural disasters/floods, failure in investments in animal husbandry or aquaculture, decline in agricultural prices, indebtedness were identified. Dong Thap identified also increases in input prices, and Ben Tre identified death of main labourer as other factors making people fall into poverty. This section address some of these issues and several programs designed to target the poor with assistance.

### ***6.1 Disabilities, chronic diseases and financial assistance for health***

The PPA indicates that serious or chronic illness remains an important cause of households falling into poverty in both Ben Tre and Dong Thap and disabilities, chronic diseases and lack of money for health care are important indicators used by local people to identify poor households. In fact, in Dong Thap, households are classified as type 1 poor (requiring regular social support) if the household has members with disabilities or with chronic disease who are unable to work. Not only the high costs of health care, but loss of work time for patients and their caretakers places the entire household at risk of falling into debt and poverty.

According to the VHLSS, average annual cost for inpatient care in the Mekong Delta was 1,656 thousand dong and for outpatient care at 346 thousand dong per patient, which is the second highest for inpatient and third highest for outpatient out of all regions. In comparison to incomes, annual inpatient costs for those who have inpatient stays is about one third of average annual income and the annual cost of outpatient visits are a little less than the average monthly income per capita in the Mekong Delta. Thus policies to reduce or exempt health care fees are quite important components of poverty reduction programs.

#### ***6.1.1 Health insurance cards and exemptions/reductions for the poor***

The PPA found that free health care was considered one of the most beneficial services and one of the most frequently used services provided to poor people and was listed first when asked about policies found to be most beneficial to the poor.

Nevertheless, according to the VHLSS, only 22% of poor households in the Mekong Delta have at least one person with health insurance cards compared to 29% on average for the nation. In addition, not all members of poor households were issued health insurance cards for the poor and results from the VNHS show that only 7.5% of poor people aged 6 and older had health insurance.

The policy for health care for the poor included health insurance which was a funded component and an alternative instruction to exempt or provide reductions in health care fees for the uninsured poor which was not funded. VHLSS results

indicated that 49% of poor households in the Mekong Delta had been issued a poverty certificate and 64% of those with poverty certificates had received exemptions or reductions in health care fees in the past 12 months.

The new policy to provide health care to the poor according to Decision 139 allows the provinces to decide whether they want to obtain health insurance for the poor or to reimburse facilities for services used by the poor. Implementation of Decision 139 so far varies greatly by province and does not yet ensure that the poor receive free health care. For example, in Dong Thap, health insurance is granted to every member in a household classified as poor (including migrants) but in Ben Tre, only families of Type A, i.e. households with average income below 50,000 dong per month who tend to be households with disabled or elderly people, receive health insurance cards. The remainder, receive various reductions from 50% to 10% as income increases. Nevertheless, because of the establishment of a health care fund for the poor there is a higher chance that this policy will provide more comprehensive coverage of health insurance or reductions/exemptions for the poor than previous policies.

### ***6.1.2 Hurdles to implementation of health care for the poor***

Other problems exist with the implementation of health insurance for the poor. The PPA found that many of the poor with insurance cards are not sure how to use them or don't even know what they are for, especially those who are illiterate who cannot even read what is written on the cards.

Insurance card holders receive free treatment at provincial and district hospitals. However, when medicines not listed in the insurance scheme's medicine list are prescribed, households must pay out of pocket. Poor people complained in the PPA that the medicines listed under the insurance scheme did not work well for their illness and that people received better treatment when they paid.

In addition, for outpatient services at the commune/ward health stations, with the exception of a few that are registered in the health insurance scheme, users must pay full fees. To use their insurance, patients must travel far to get to a registered facility (such as a district hospital) which leads to high transport and other costs to the hospital which can exceed the cost of seeking medical care.

Procedures to use the insurance cards vary by province, but tend to be complicated. For example in Dong Thap, use of insurance at the provincial hospital requires a referral from the district hospital except in the case of emergency. In Ben Tre province, the insured poor have to show not only the insurance card but also poverty certificates, ID cards or household registration books. While this is reasonable from a management perspective to reduce fraud and bypassing of lower levels, the procedures are not clear to the insured poor and causes many problems when they seek health care.



## **6.2 Natural and personal disasters and relief assistance**

The PPA in Dong Thap and Ben Tre identified floods breaking the dyke, natural disasters and unexpected accidents such as fire or house collapsing as factors that make people poorer.

### **6.2.1 Disaster relief**

In the Mekong Delta, floods occur annually. At times they are more severe such as in 2000, and their effect varies depending on the geophysical characteristics of the provinces. For example, Dong Thap lies in the Plain of Reeds which is flooded 3 months in each year. Ben Tre is closer to the ocean and the flood water recedes more quickly.

Relief assistance to households includes cash (for moving costs, food, house repairs), transportation and fishing equipment (boats, fish nets) and essential commodities mainly coming from the government budget. In addition, child care centres during the flooding season have also been developed to reduce the risk of drowning and allow parents to work knowing their children are safe. Most participants in the PPA agreed that emergency relief is important as it reduces hardship during disasters, especially after the Linda Typhoon in 1997 and severe flooding in 2000.

In the PPA some households reported that relief assistance was unfairly distributed. In Ben Tre, the participants said the relief was too slow and too little. Some feel that the annual nature of disasters and relief assistance has created a dependency attitude among some villagers. The PPA also suggested that targeting should be more focused on the most vulnerable villagers. Coordination of relief activities is still poor leading to uneven provision of relief. The villagers should be allowed to participate more in the targeting of who should receive emergency relief and in the selection and purchase of relief goods to ensure better quality rather than relying only on commune and district authorities.

### **6.2.2 Assistance for housing**

The large share of temporary dwellings in the Mekong Delta means the risk of housing collapsing or being carried away by the floods is quite high. The high share (22%) of households using oil lamps for lighting also makes this temporary style housing particularly vulnerable to house fires. Temporary structures are also less able to protect households from theft, and from the elements.

The level of assistance for families suffering from accidents affecting their housing in Ben Tre is only 200 to 300 thousand dong per household and in Dong Thap it is higher at 1 to 2 million dong. Funds for this purpose are mobilized locally which affects the amount available to distribute.

The VHLSS shows that only 6.8% of poor households in the Mekong Delta have received assistance to repair or build housing with an average value of 2.9 million

dong per household which is high compared to the national average of only 5% of households with a national average value of assistance of 1.9 million per household.

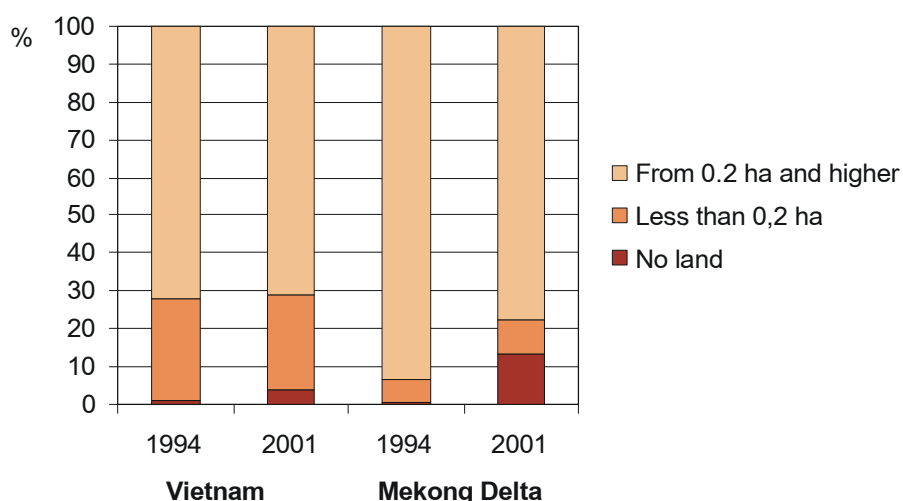
In the Plain of Reeds, a longer-term solution to "live with the floods" has been developed involving the development of residential clusters as mentioned in Chapter 3. Unfortunately this solution still only benefits a limited number of individuals although priority is given to the landless households.

### 6.3 Failed investments, indebtedness and landlessness

Agriculture, forestry and aquaculture account for 37.3% of household income in the Mekong Delta compared to 28.4% for the nation as a whole. In particular, aquaculture and fishing account for almost 10% of Mekong delta incomes, more than twice the national average. Heavy reliance on agriculture makes the region vulnerable to effects of natural disasters, pests and disease and market price fluctuations for both inputs and outputs. Borrowers investing in agricultural activities are at risk of falling into cycles of indebtedness and loss of land because of these vulnerabilities.

Landlessness is a growing problem for agricultural households in the Mekong Delta with over 10% of households not having any land and another 10% with less than 0.2 hectares according to the 2001 Agricultural Census (See Figure 6.1). As mentioned above, the poor are more likely to be landless.

**Figure 6.1 Distribution of size of landholdings among agricultural households for the Mekong Delta compared to the nation as a whole**



Source: Rural and Agricultural census 1994, Rural, Agriculture and Aquaculture Census 2002.

Among the reasons for recent improvements in living standards in the region, the PPA found relative stability of output prices and lower frequency of severe floods and natural disasters. This suggests that recently increased living standards are

not necessary sustainable as it is not possible to control market prices or natural disasters in the future.

Government policies in the area of provision of agricultural extension services, exemption of agricultural taxes for the poor have not been well targeted to the poor and have not proven effective in dealing with the high risks inherent in agricultural activities in this flood-prone region.

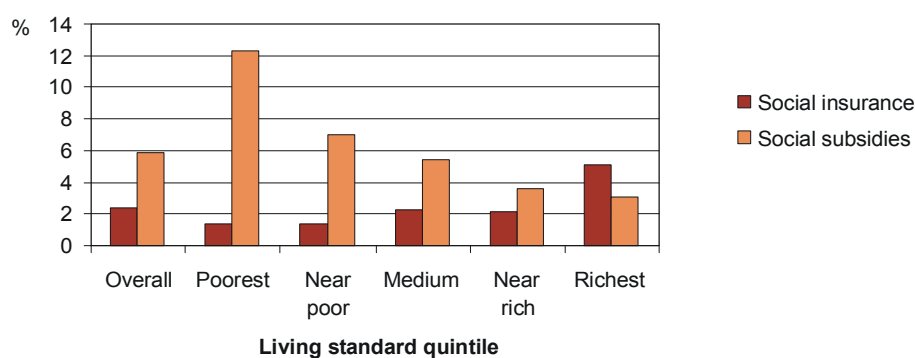
Debt can also be incurred for non-agricultural activities or in efforts to find work in other provinces or overseas. The low level of educational attainment means households have little understanding of the risks involved in diversifying out of agriculture and the lower their success rate in finding stable non-farm work. In order to find stable work, many people pay large amounts of money to intermediaries to arrange a permanent job, but lose the money due to unscrupulous intermediaries or low skills not meeting the standards required by employers.

#### 6.4 Social safety net

Under Decision 167 of the Prime Minister, regular subsidies are provided to certain groups in the population who are considered unable to provide sufficiently for themselves but also for those who have made sacrifices for the nation. Those receiving social subsidies include households with members having severe disabilities, mental disorders or orphaned children, HIV/AIDS infected people, Victims of Agent Orange and Policy beneficiary families. The current level of assistance provided is assessed as insufficient to cover living costs of the beneficiaries and the PPA identified some problems with the fairness in distribution of benefit payments.

Figure 6.2 indicates that a very small share of the population receive social insurance or social subsidies. But among those who do, the better off are more likely to receive social insurance, the poor more likely to receive social subsidies.

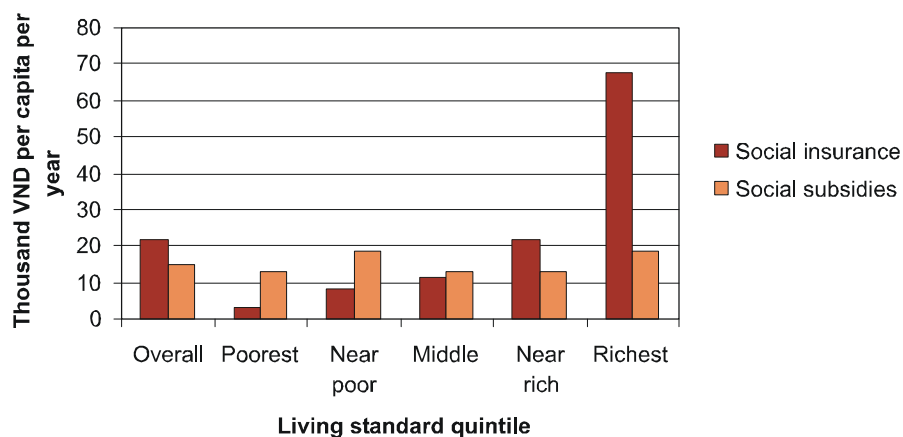
**Figure 6.2 Proportion of Mekong Delta households receiving social welfare payments by living standard quintile and type of payment 2002**



Source: VHLSS 2002

Figure 6.3, however, indicates a strong bias towards the better off in the amount of payments received especially for social insurance. Social insurance includes primarily retirement funds and tends to be received by the richest quintile. The amount received in social subsidies is highest for the near poor and near rich more than other groups. This pattern of incidence is similar to the finding in research by Van de Walle (2002) on the incidence of Viet Nam's public safety net.

**Figure 6.3 Amount of social welfare payments received in the Mekong Delta per capita by living standard quintile and type of payment 2002**



Source: VHLSS 2002

## 7. Urban Poverty and Migration

Urban residents in the Mekong Delta region account for 18% of the population. Rapidly increasing migration to large urban centres within the region as a result of urbanisation does not create a serious problem for the delta, though it may be the case for intra-regional migration to large industrial centres, such as HCMC, Binh Duong or Dong Nai. Statistics collected by Dang Nguyen Anh, et. al. (2003) suggests that during the period 1994-99 except for Kien Giang, which has an inter-provincial flow of in-migrants exceeding its flow of out-migrants, in all other Mekong delta provinces the movement took the opposite direction, leaving the region with the net outflow of migrants. While major types of migration in the delta are outlined below, most part of the discussion confines itself to potential problems of intra-regional migration, which to a large extent is of a seasonal nature.

### **7.1. Seasonal Migration**

#### **7.1.1. Seasonal Migration within the Mekong Delta Region**

Working as hired labour during harvest times is a common income source for most agriculture-based poor households in the Mekong River Delta. The Plain of Reeds is a vast field, stretching through four provinces and is always flooded from three to four months every year. In order to harvest rice before the flood season comes, all farmers have to sow and harvest simultaneously. This results in a sudden increased demand for labour during the sowing-harvesting periods. During harvest seasons, poor households from Dong Thap and Ben Tre go to work in the rice fields located in Dong Thap Muoi's provinces. They usually go in big groups twice a year - in January and May. Each trip often takes up to 1-2 months. Each person could earn about fifteen to twenty five bushels of rice or approximately VND 400-600 thousand after paying all expenses. This amount of grain or money is sufficient to feed them and their families for several months after returning home.

Most of the men in My Hung go to Ca Mau province to prepare land for shirmp farms or to dig ponds. The number of people going to Ca Mau has recently declined as farmers in Ca Mau have begun using machines for many agricultural activities. In addition, shrimp farming development has about reached its limits.

#### **7.1.2. Seasonal Migration to Other Regions**

People in Ben Tre province seek agriculture-related works in provinces outside the region such as Lam Dong, Dong Nai, Dak Lak and Binh Phuoc. However, this group is much smaller compared to those going to harvest rice in the Plain of Reeds. Typical jobs that they do in other regions are cultivating coffee or preparing land for large farms. Usually these people go during the coffee-harvesting season which takes place around November - December. Each person can earn VND 15 thousand per day.

## **7.2. Long-Term Migration**

### **7.2.1. Long-Term Migration to Ho Chi Minh City and Other Provinces**

Most of the families in the two interviewed sites have their members working long term in Ho Chi Minh City, Dong Nai and Binh Duong. Rapid urbanisation and development of industrial parks in these provinces attract some of the abundant labour from the Mekong River Delta. In one of the interviewed communes in Dong Thap, there were around 300 people registered for leave pass (of which 153 were women) to go to work in Ho Chi Minh city and Binh Duong.

The majority of them are young people (from 18 to 25 years old). Usually they are engaged in simple low-skill jobs as construction workers, shoe/slipper makers, coffee-shops assistants and house keepers. Only few of them are able to find jobs in companies, factories or in industrial parks. Their monthly income is quite good compared to their family living standards. Each of them sends home around VND 400 to 600 thousand every month, which becomes a major source of income for many families.

The number of people who have received permanent jobs in Ho Chi Minh City through government arrangement has been very few. These often are people with higher levels of skills and qualification.

#### **Overcoming poverty thanks having children working in Ho Chi Minh city**

Before 2003, the family of Ms. L.T.M in Xuong Thanh A hamlet was classified as a poor household. Renting 2,000 m<sup>2</sup> of land, she cultivated two paddy crops per year, each of which yielded 30 bushels of rice. After covering all expenses, her family usually had only 16 bushels of rice left which is equivalent to VND 500 thousand. With such an income level, her family led a very hard life and was in debt. She had not been able to send her two young children to school previously. In early 2003, her two children found a tailoring job in Ho Chi Minh City and each of them sent back home VND 500 thousand every month. Ms. M paid off the debts and has led an easier life since then.

### **7.2.2. Long-Term Overseas Migration Through Labor Export Programs**

Authorities of the two provinces that the PPA team has conducted the survey have issued many guidelines to assist poor people to participate in labour export programs. The People's Committees of all districts subsequently have established steering committees and developed plans for labour export up to the year 2010. Applicants will be provided with relevant training on a free-of-charge basis and offered loans to cover all application-related expenses after signing a labour contract. In addition, they will also be granted VND 400 thousand from the provincial authorities and VND 300 from the district authorities. However, there has been huge challenges in implementation of this plan due to the following reasons:

- Lack of information: The labour export program is only communicated among cadres working at commune and village levels, and not widely spread in the community.
- Lack of education levels and skills: Most rural applicants have low education and no vocational skills, therefore do not meet requirements by foreign partners.
- Complicated procedures to apply for an overseas job.
- Lack of money: The loan amount is insufficient to cover all expenses required during training and the application processing period.

So far, the number of workers who have been sent overseas is negligible.

### **7.3 Positive Impacts and Potential Problems with Migration**

#### **7.3.1. Positive impacts**

It is very clear that these migrants, both seasonal and long-term ones from Dong Thap and Ben Tre earn considerable income to support their poor or low-income families. Migration may help reduce pressure on unemployment, underemployment and agricultural land in their home village. Seasonal migration is not quite migration. Rather, it is labour mobility to areas and sectors with higher returns. In this respect, seasonal migration should be encouraged.

Furthermore, a high share of female migration is attributable to reduced gender differences in occupational status by increasing women's participation in traditionally male occupations. The movement of labour to large cities and urban centres contributes significantly to social upward mobility, particularly in terms of income and jobs for the migrants (Dang et al 2003).

#### **7.3.2. Potential problems**

On the other hand, migrants might also contribute to social problems in the destination areas, and it is not clear if they enjoy decent living conditions there. The PPA team was not able to collect information on this from discussion with local villagers. However, some previous studies revealed that migrants to the largest cities, where infrastructure and services are under considerable pressure, face restrictions on the issuance of permanent residence permits. This limits access to social services, formal sector employment and secure housing tenure, and can exacerbate the difficulties that low-income migrants face (Dang et al 2003).

Seasonal migrants in the delta have to cope with numerous risks. Application of machines and equipments on farms results in a reduced demand for hired labour. Local residents and migrants have to compete to get a job, and as usual, migrants are forced to accept under-paid work.

Another negative impact has been seen in distorted age structure of home communities toward a higher proportion of uneducated workers, children and elderly. An income gap between the poor and better-off households may be on the rise.

In the interviewed site in Dong Thap, some migrants have not returned back to their village, but stayed there. They were welcome to join the local community and were treated in the same way as local residents. If migrants lived there for more than six months, they were allowed to be registered as residents. Long-term poor migrants were eligible to receive all benefits and subsidies given to the poor. It is notable that migration is not very common in the communes that the PPA has visited, so all problems associated with it may not be prominent. The AusAID study (2003) points to some problems of migrants in Ca Mau such as no permanent registration in the province which affect their access to local safety nets, a lack of housing, landlessness and unstable incomes for more than half the year.



## 8. Environment

### 8.1 Perception of environmental protection by local people

Both officials and local people in research villages take environment as concept narrowly related to status of water sources, aquaculture resources and sanitation conditions. Thus, environmental degradation is understood as polluted and exhausted environment; environmental protection means keeping the environment clean and *“not to use electric shock, electric rake net for catching fish”*. Some others reckon the environment concept as the clean water problem. So their greatest concern is fish-pond toilets and pig-raising activity, which contributes to water pollution.

### 8.2 Current Situation and Problems

The environment problems in the Mekong Delta region are created by both nature and human beings. Major problems identified by local officials and people in the research communes are as follows.

**Firstly**, cultivated land and water sources are infected by alum that adversely affects agricultural productivity. Spring paddy crops usually have much higher productivity compared to summer crops because the soil is free of alum in spring times. Farmers who grow summer paddy crops in Thanh Loi have made profits only for the last three years and cannot raise fish since *“with such a level of alum even fish cannot survive”*. In the alum water season, people have to use boat to go to other canals, which have *“better-quality water”* to fetch water, blend with ash and store in water jars for use.

**Secondly**, pollution of water resources is severe. Local residents prefer to settle down along canal banks, which are dry and convenient for water-way transportation. Up to now human wastes are discharged directly to the canals, as there is not any type of toilets suitable for three months of flooding every year in the Plain of Reeds. This is alarming as more than 70% people use this source of water for drinking, cooking, and washing. The hygiene conditions and environment sanitation in the newly established residential cluster of Phu Tho commune (one of the research sites) have been very poor. Rain water overflows into houses. Toilets for each household are incompleted and furnished with additional cement plates intended for building the toilets. Families often use them to tile the floor and they continue discharge human wastes to the fields or canals. Furthermore, in large two-crop paddy fields with a system of numerous crossed canals pesticides easily drift along water flows. Therefore, pollution problems have become more and more serious. There is not yet a formal research to verify level of pollution and environmental damages in the area.

**Thirdly**, natural aquaculture resources have been exhausted due to uncontrolled exploitation, the most destroying of which must be fish-raking boat<sup>8</sup>. Village and commune officers said that they did not have sufficient means to chase up these boats, and if they had some facilities, they would not be able to catch those boats anyway, as they were very powerful.

**Fourthly**, melaleuca forest and its associated bio-ecological system has been reduced and deprevated. The primary ecological system of Dong Thap Muoi is one of melaleuca forest on alum swamp. Melaleuca forest is a housing place for different types of bird and fish, boas, snake, turtle, etc. which are very diversified. Fishes and shrimps from Tonle Sap follow flooding flows down to the Plain of Reeds and provinces in the region. Due to the needs of land clearance for production, a system of numerous canals were established, vertically and horizontally splitting the Plain of Reeds, both to wash out alum and to develop waterway transport systems. The area of natural melaleuca forest therefore has reduced steadily, even completely disappeared in some parts, to give place for paddy fields and residential areas. For the past 20 years, the Plain of Reeds' ecological system and biodiversity has changed so much. Many types of animals become rare; natural aquaculture resources have gradually reduced, similarly to melaleuca forests.

### **8.3 Incentives for Improved Environmental Protection and more Sustainable Natural Resource Use**

Even with a vague concept of environment in mind, local people are increasingly aware of the needs for improved environmental protection. They are conscious that environmental pollution causes dangers for people's life and health, and reduce long-term benefits they can reap from the environment. However, local people, especially the poor sometimes do not have good behaviour when protecting environment goes into direct conflict with their livelihood, culture or customs. A large number of regulations and measures on environmental protection has not been in place, or if exist, they have not yet created good incentives for environment protection or not reinforced.

A typical example is the attitude of local residents toward a national park, named Tram Chim in Tam Nong district (Dong Thap). This is an area of 7,500 ha where the very rare red crest cranes usually reside from February to July every year. Tram Chim is also the largest area in the Plain of Reeds having around 200 types of birds, 40 kinds of fish and surviving reptiles. Officials said that this was the precious asset of the area as the forest helps to reserve ecology, block wind and reduce flood damages. Local households, however, do not consider the forest as their assets that they should protect because the forest is not under protection

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<sup>8</sup> This is a powerful motored boat which has a power-conductive rectangular frame of around 3 meter by 5 meter. Attached with the frame is a large net for storing fish. Any fish that is within a 5-metre distance from the boat would be killed.

contract arrangements. Discussing possibilities for forest allocation to local households, both local people and officials said that this would be a good idea because they had jobs to do and were able to earn extra income. However, all said that this would be very difficult to realise since “the company already has security guards” and “people do not know boundaries of the national park”.

Another example is the regulation to abolish river and fish-pond toilets in the Mekong Delta. In early years of implementation, the regulation seemed to be effective, but few years later, situation seems not to be improved. The problem is anticipated to be persistent since an effective sanitation program requires not only changes in people’s behaviour, but also cultural changes.

As there are no severe fines for industrial garbage disposal, there are 1 - 2 tones of coconut fibre dust dropped down to the river every day from coconut fibre manufacturing establishments in Thanh Thoi B commune.

Salinity is also an increasing problem due to expanded spontaneous shrimp raising activities. Extensive tiger prawn raising activity has been developing in My Hung commune since 2000. There were dykes to prevent salinity for rice production, but local people have gradually turned rice fields into tiger prawn farms, which requires brackish water. People therefore tried to get saline water in. After some time, the whole large area became infected by salinity. Rice growers around the prawn raising areas had to convert their fields to shrimp ponds, otherwise they would fail their rice crops. In fact, some people become wealthy as they succeeded in shrimp harvesting, but there are many people in debt and they are unable to pay back. Now, if people want to convert their fields back to rice cultivation, it is not possible because the soil is already severely affected.

## 9. Progress in Achieving the Viet Nam Development Goals (VDGs) in the Mekong Delta

Monitoring progress towards meeting VDGs at a disaggregated level is very important for Government agencies to develop strategies and improve targeting of different activities to further reduce poverty and foster socio-economic development. There are clear quantifiable indicators developed to monitor many of the VDGs, and recent data sources that allow the indicators to be compared across regions and in some cases even across provinces. Indicators at the provincial level tends to have a wider margin of error than indicators at the regional or national level because they are based on a small sample. What this means is that comparison of the level of indicators at the provincial level must be made with care as it may look like one province has a higher or lower level than another province, when in fact the two provinces could be at the same level. For this reason, whenever possible, results from survey data are presented with 95% confidence intervals.<sup>9</sup> This section will review the progress the Mekong Delta provinces have made towards achieving a select number of the VDGs.

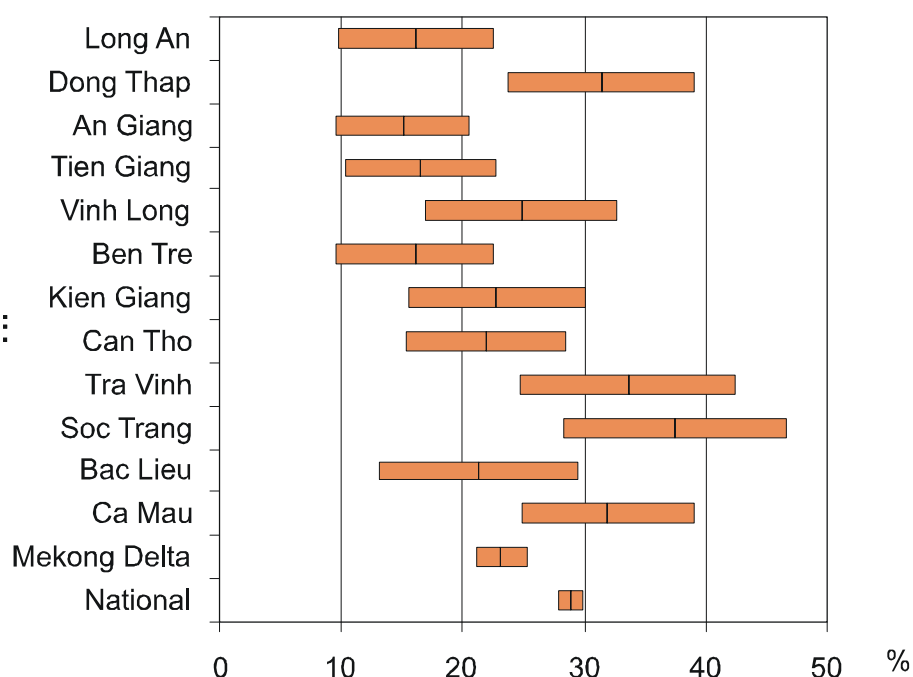
### *9.1 Reducing the percentage of poor and hungry households*

Targets for reductions in poverty include a reduction by 40% in the proportion of people living below the international poverty line and by 75% in the number of people living under the international food poverty line by 2010. With these rates of decline, poverty should be reduced to 20% by 2010 and hunger to 3%.

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<sup>9</sup> A 95% confidence interval can be explained as follows: If all possible samples were selected, each were surveyed under the same conditions and an indicator and its estimated standard error were calculated from each sample, then approximately 95-percent of the intervals from two standard errors below to two standard errors above the indicator would include the average value of all possible samples – the so-called 95-percent confidence interval. Thus, for the particular sample that was used one can say with 95-percent confidence that the average of all possible samples is included in the constructed interval around the point estimate.

**Figure 9.2** Ninety five percent confidence intervals around 2002 poverty estimates according to the International poverty line for the Mekong Delta and national figures



Source: VHLSS 2002 (Revised November 2003)

Provincial level poverty rates have been calculated from the VHLSS 2002 data and the confidence intervals around these estimates are presented in Figure 9.1. Provincial level estimates have large standard errors and wide confidence intervals and presentation of point estimates could be misleading. The provincial level poverty estimates suggest that 4 provinces have reached or almost reached the target of 20%. An additional 4 provinces have reached or are within 10 percentage points of reaching the target. The remaining 4 provinces (Dong Thap, Tra Vinh, Soc Trang and Ca Mau) appear to be quite far from reaching the overall poverty reduction targets by 2010.

Currently in the Mekong Delta, the share of total consumption consumed by the poorest 20% of the population is 5.3% compared to a national average of 7.2%. This suggests that the poor in the Mekong Delta are poorer than the average poor people nationally.

### **9.2 Ensure pro-poor infrastructure development**

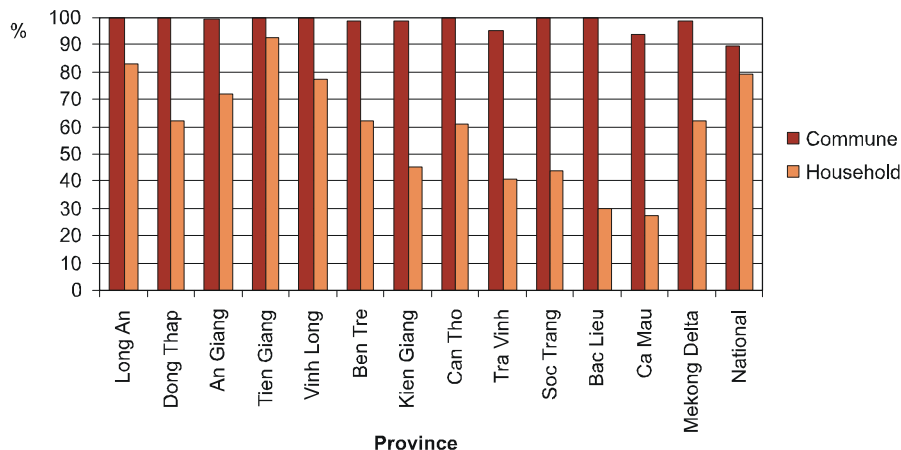
In this section we will examine access to roads and electricity in the Mekong Delta. In regard to these infrastructure the Mekong Delta is still somewhat behind other regions.

### 9.2.1 Electricity

The Viet Nam Development goals call for an expansion of the national transmission power grid to 900 poor commune centres by 2005. In the Mekong Delta, the proportion of communes with access to electricity from the national power grid has increased from 67.3 to 99.0% between 1994 and 2001. (Rural, agriculture and aquaculture census 1994, 2001) thus achieving almost universal electricity access for rural communes in the region. The only region that exceeds this high share is the Red River Delta with 99.9% of communes having electricity from the power grid.

However, this does not guarantee that poor households have access to electricity. The proportion of households with access to electricity from the power grid is still quite low at around 61% for the region although this is a vast improvement compared to 1994 when only 25% of rural residents of the Mekong Delta had electricity. The proportion of households having access to electricity from the power grid tends to decline the further south one goes. (See Figure 9.3). VHLSS results overall for the nation indicate that the poor are less likely to have electricity in general compared to the better off (72% compared to 95.5%) and this is likely to be true for the Mekong Delta as well.

**Figure 9.3 Proportion of rural communes and households with access to the electric power grid by province in the Mekong Delta**



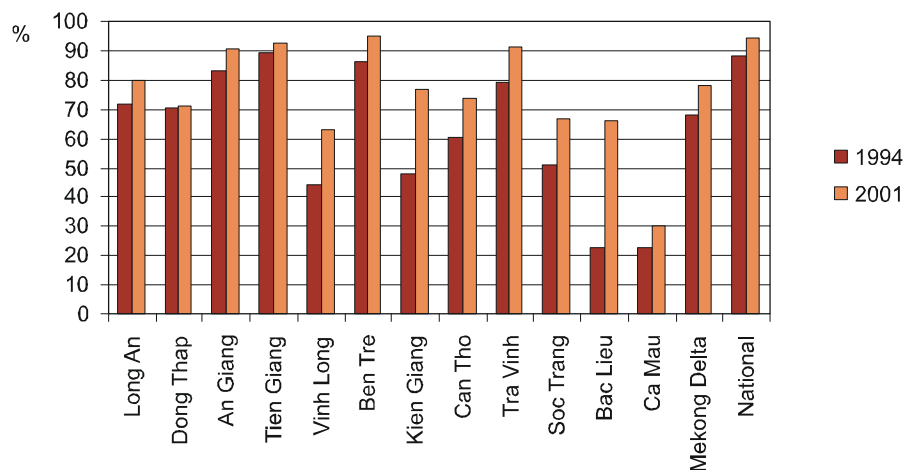
Source: Rural, agriculture and aquaculture census 2001

### 9.2.2 Road access

Research as part of an AusAID project in the Mekong Delta found a high correlation between having road access and low poverty rates. (AusAID 2003) Roads give greater access to inputs for production, but also greater access to markets for output. The CPRGS calls for 80% of poor communes to have road access. The Mekong Delta has the lowest proportion of communes with road access of all regions in the country at around 78% of rural communes compared to the next lowest in the Northwest which has 87%. The proportion of poor communes with road access is probably lower. Nevertheless, rivers and canals do

provide important forms of transportation for the Mekong Delta, but roads seem to be more important for poverty reduction as was shown in the AusAID project.

**Figure 9.4 Proportion of rural communes with road access for cars by province in the Mekong Delta**



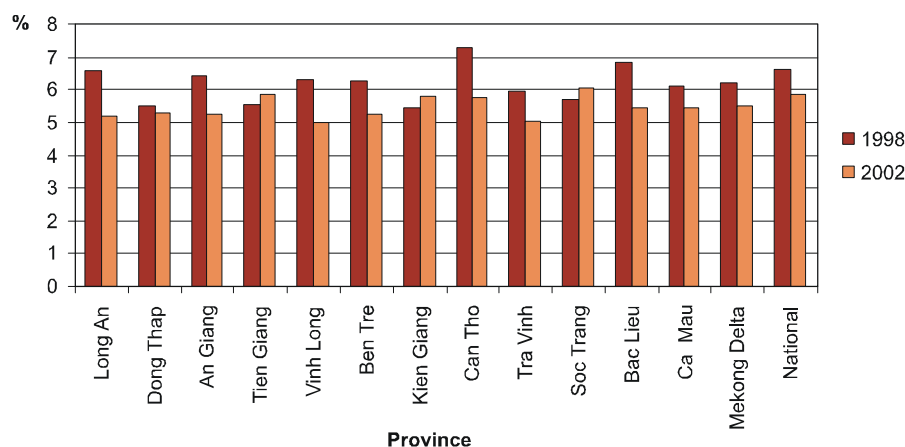
Note: In 1994 Bac Lieu and Ca Mau belonged to Minh Hai province so the same figure is presented for both provinces in 1994.

Source: Rural and agricultural census 1994, Rural, agriculture and aquaculture census 2001

Figure 9.4 shows the proportion of rural communes with road access by province comparing figures for 1994 with 2001. Strong improvements have been seen especially in Bac Lieu, Kien Giang, Vinh Long and Soc Trang provinces between 1994 and 2001. Nevertheless, there remain provinces with quite low access to roads for rural communes. Although these communes have access to markets through waterways, economic development is still hindered for these areas.

### 9.4 Job creation

**Figure 9.5 a. Urban unemployment rates by province for the Mekong Delta, 2002.**

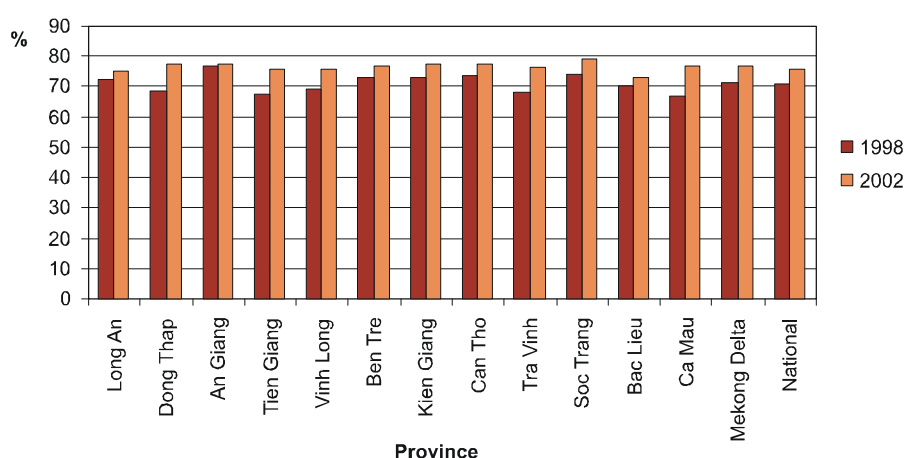


Source: Labour and Employment Survey 1998, 2002, Ministry of Labour.

The CPRGS has set goals for job creation including increasing the ratio of rural working time utilization to 80% by 2005 and 85% by 2010 and reducing urban unemployment to 5.4% by 2004 and less than 5% by 2010.

The urban unemployment rate for the Mekong Delta (5.49%) ranks 5th of the 8 regions, and is only slightly lower than the national urban unemployment rate of 5.84% in 2002 (Survey of Labour and Employment, 2002). According to figure from the Labour and Employment surveys, urban unemployment rates have declined in all but three provinces of the Mekong Delta between 1998 and 2002 and half the provinces have already met the CPRGS goal.

**Figure 9.5 b. Rural labour utilization rate for the Mekong Delta**



Source: Ministry of Labour, Labour and Employment Surveys 1998 and 2002

Labour utilization rate is actual working days divided by time available for working (i.e. the sum of working days and days not working where the individual desired to work more) for the economically active population aged 15 and older. The national rural labour utilization rate in 2002 was 75.5% compared to 76.6% for the Mekong Delta. In fact the Mekong Delta ranked second in terms of rural labour utilization rate. The rural labour utilization rate in the Mekong Delta has increased in all 12 provinces since 1998 and ranges from 73.2% to 77.5%. None of the provinces have yet met the CPRGS goal for 2005, although most of the provinces are quite close.

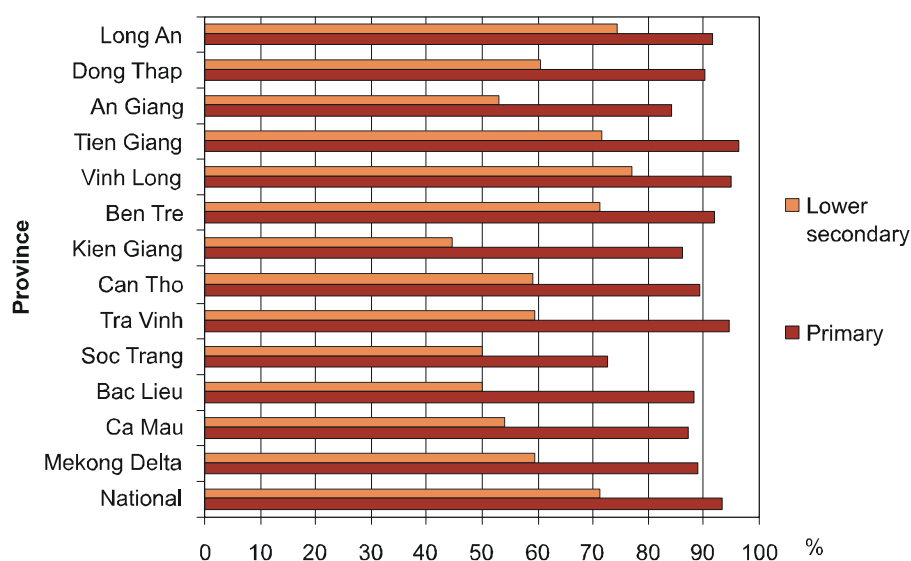
## **9.5 Universalize education and improved education quality**

### **9.5.1 Primary and lower secondary enrolments**

Education is clearly an important means to improve the ability to earn a living and thus improve living standards. The CPRGS calls for 97% primary enrollment and 80% lower secondary enrolments by 2005. Currently net enrollment rates in the Mekong Delta are still somewhat lower than other regions as mentioned in the chapter on access to basic services although they have been increasing and now stand at around 89% for primary and 59% for lower secondary.



**Figure 9.6 Net enrollment rates in primary and lower secondary by province**



Note: The information necessary to calculate net enrollment rates beyond primary is missing from the 2002 VHLSS survey so figures were obtained from the VNHS 2001-02.

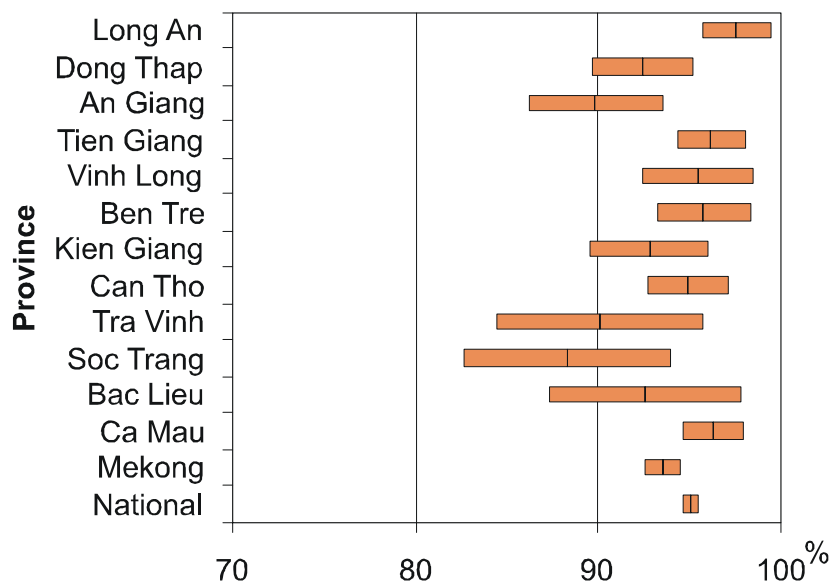
Source: Primary VHLSS 2002 data (based on sample of 30,000 households); Lower secondary from VNHS 2001-02.

There are important differences in enrollment rates between provinces in the region. Note these figures like the other province level figures obtained from sample surveys presented in this section have large standard errors and therefore wide confidence intervals, but figures presented here only include the point estimates for conciseness of presentation.

Net enrolments in primary school for eight Mekong Delta provinces at or above 90%, with the remaining provinces between 80 and 90% with the exception of Soc Trang which is lagging furthest behind at between 70 and 80% primary school enrolments.

Net lower secondary school enrolments exceed 70% for only 5 provinces. Among the remaining provinces, the rate is between 50 and 60 with only one case slightly above 60%. Kien Giang ranks furthest behind for lower-secondary enrolments with only about 45% of children aged 11 to 14 attending lower secondary school. It is clear that all provinces need to work much harder to increase lower secondary enrolments and most of the provinces are within reach of the goals for universal primary education with the exception of Soc Trang.

**Figure 9.7** Ninety five percent confidence intervals for literacy rates of women under 40 by province in the Mekong Delta



Note: Ages include 15 to 39  
 Source: VHLSS 2002

Ninety five percent literacy for women under age 40 has been achieved for about half of the provinces of the Mekong Delta and 3 other provinces have nearly reached this goal. Nevertheless, for the three provinces of An Giang, Tra Vinh and Soc Trang female literacy is somewhat lower and these provinces will need to make greater efforts in order to achieve the CPRGS goal of 95% literacy by 2005. To achieve the goal of 100% literacy among under 40 year old women by 2010 may prove to be difficult, although with the high primary enrolments of children in the past few years and the aging of older illiterate women, with some additional emphasis from the education authorities in these provinces the goal is within reach...

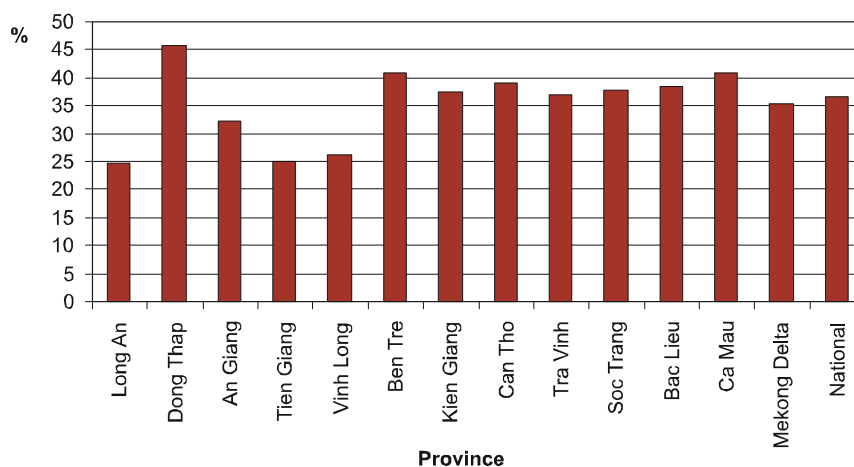
## 9.6 Reduce infant mortality, child malnutrition and birth rates

### 9.6.1 Infant mortality

The Viet Nam Development goals call for a decline in infant mortality to 30 per 1000 live births by 2005 and 25 per 1000 births by 2010. The 1989 population census gave estimates of IMR at 44.6 per thousand for boys and 43.9 per thousand for girls. The overall IMR by the 1999 Census was estimated at 36.7 per thousand, a substantial decline in the 10 year period. For the Mekong Delta, the decline in IMR has mirrored that of the nation as a whole with the 1989 estimate at 43.0 per thousand which had declined to 35.5 per thousand by the 1999 Census.

Differences in estimates of IMR can be compared across provinces using results from the Population Census 1999. Figure 9.8 presents the provincial level estimates of IMR from the 1999 Census. Long An, Tien Giang and Vinh Long have achieved IMRs of below 30% and An Giang has almost achieved this rate. The other provinces in the region, especially Dong Thap are quite far from reaching the CPRGS goals.

Figure 9.8 Infant mortality rates by province in the Mekong Delta

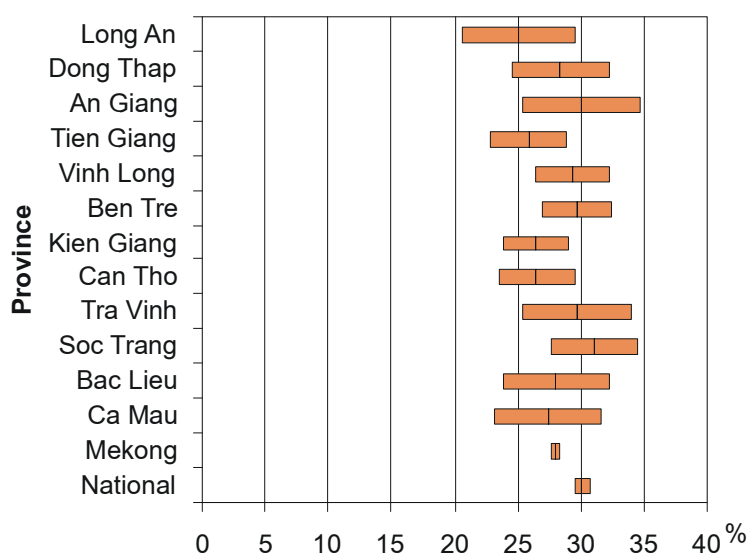


Source: 1999 Population and Housing Census: Sample Results

### 9.6.2 Child Malnutrition

Malnutrition among children under age 5 is one of the few areas in the health sector where Viet Nam has not excelled. The VDGs call for a reduction in under five malnutrition to 25% by 2005 and 20% by 2010. Malnutrition rates (low weight for age) in Viet Nam are still relatively high at 30.1% in 2002. The Mekong Delta fares slightly better than the national average with 28% of children with low weight for age. Each year the National Institute of Nutrition implements a nutrition monitoring survey which weighs and measures over 93,000 children under 5 years of age. A comparison of results between 1999 and 2002 show that the average decline for the nation as a whole was 6.6 percentage points (6.4% per year), and somewhat lower for the Mekong Delta at 4.3 percentage points (4.7% per year).

Figure 9.9 Ninety five percent confidence intervals around under 5 malnutrition by province for the Mekong Delta



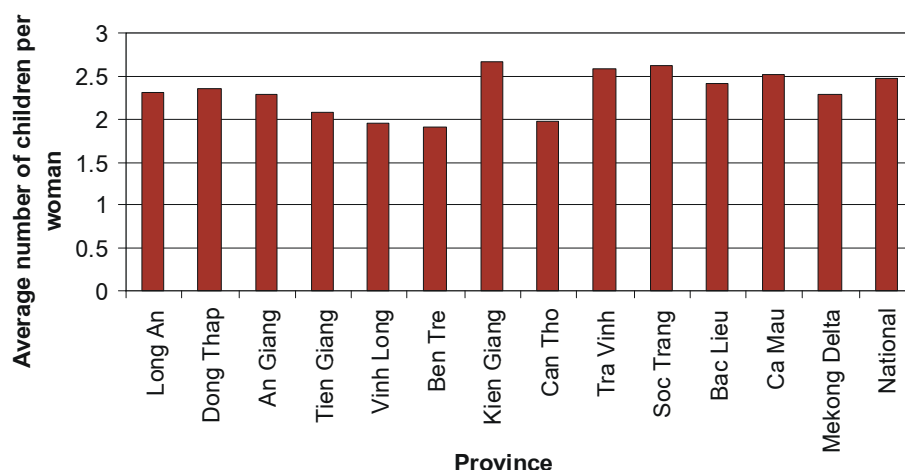
Source: National Institute of Nutrition, Annual Nutrition Monitoring survey 2002

Provincial level estimates of malnutrition are also subject to significant sampling error like poverty rates so instead of presenting point estimates, confidence intervals around provincial level estimates of malnutrition are presented in Figure 9.9. Point estimates of malnutrition rates in the Mekong Delta do not vary significantly by province. Long An has the lowest malnutrition rate at 25.1% and the highest rate is 31.1% in Soc Trang. If one is optimistic and considers the low end of the confidence interval, then only Long An has reached the 2005 VDG for malnutrition although 6 provinces have the low end of the confidence interval below 25%.

### 9.6.3 Reducing birth rates

The CPRGS calls for a decline in birth rates to replacement level (2.1 children per women) for the whole country by 2005 and for remote areas by 2010. Lower fertility allows families to invest more in production and reduces the health care cost burden allowing families to improve their living standards. Total fertility rates of the provinces of the Mekong Delta provides a good estimate of the ability to meet these goals. Replacement level fertility is when the TFR reaches 2.1 children per woman. Results from the 1999 Population Census indicate that several of the Mekong Delta provinces have reached replacement fertility. Nevertheless, fertility in the provinces further south still have somewhat higher fertility than the rest of the region.

Figure 9.10 Total fertility rates by province for the Mekong Delta 1999

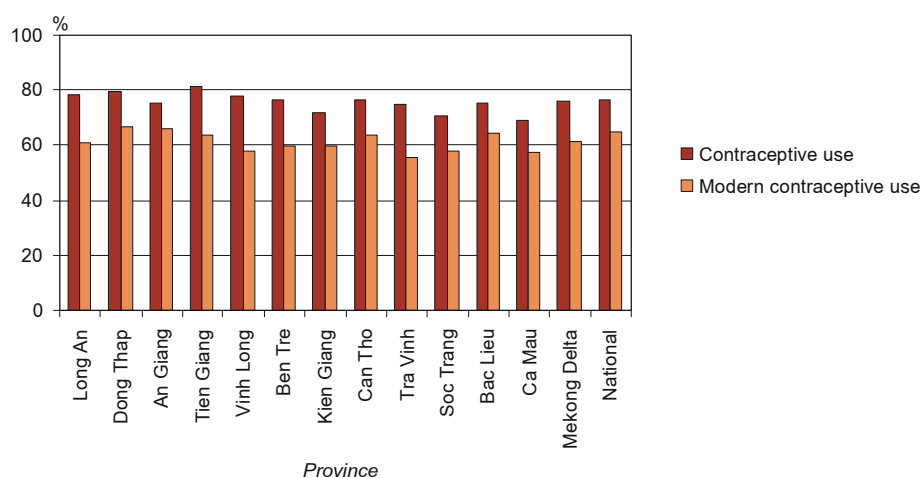


Source: 1999 Population and Housing Census: Sample results

### 9.6.4 Contraceptive prevalence rates

The contraceptive prevalence rate is another important indicator of the ability to limit birth rates although quantitative goals for this indicator were not set in the CPRGS. In particular, use of modern contraception tends to be more effective in limiting fertility and/or the need for abortions which can negatively affect woman's reproductive health. Figure 9.11 presents estimates of the overall contraceptive and modern contraceptive prevalence rates.

**Figure 9.11 Proportion of married women aged 15-49 currently using contraception and modern contraception**



Source: Population Dynamics Survey 2002

The overall contraceptive prevalence rate in the Mekong Delta is about the same as the national average, but the use of modern contraceptives is somewhat lower. Modern contraception includes IUD, the pill, condoms, sterilization, contraceptive injections, diaphragm, implants and spermicides. The three southern regions have a high proportion of women using the somewhat less effective "traditional" methods of withdrawal and periodic abstinence.

Use of modern contraception appears to be lowest for Tra Vinh, Vinh Long, Soc Trang and Ca Mau and highest in Dong Thap, An Giang, Can Tho and Bac Lieu.

### **9.7 Improve reproductive health**

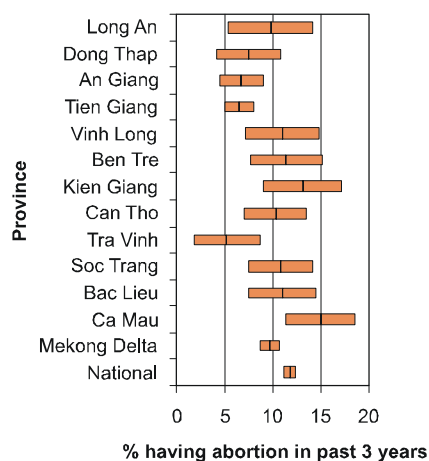
The CPRGS calls for declines in the maternal mortality rate to 80 per 100,000 live births in 2005 and 70 per 100,000 live births by 2010. Because maternal deaths are so rare, without an effective vital statistics system operating throughout the country, but especially in more remote, disadvantaged areas where maternal mortality tends to be higher, it is nearly impossible to calculate accurate maternal mortality rates, much less monitor maternal mortality over time. An alternative set of indicators that could be examined to assess the risks of maternal mortality includes the contraceptive use, abortion, prenatal care and assistance at delivery.

#### **9.7.1 Termination of pregnancy**

Complications of abortion are an important cause of maternal death which can be avoided through greater use of effective contraception. Abortion rates in Viet Nam are known to be quite high, although accurate estimates are difficult to obtain because of the large number of abortions among unwed mothers. Abortion rates among married women are highest in Ca Mau and Kien Giang and lowest in Tra Vinh, Tien Giang, An Giang and Dong Thap. They vary from 5 to 15%.

Abortion is the negative consequence of lack of access or information to use contraceptive methods effectively. Abortion or menstrual regulation carry with them the risk of infection, haemorrhage, sterility or even death which is why it is selected to replace maternal mortality rate to assess maternal health.

**Figure 9.12** Ninety five percent confidence intervals around the proportion of married women aged 15-49 having an abortion in the 3 years prior to the interview

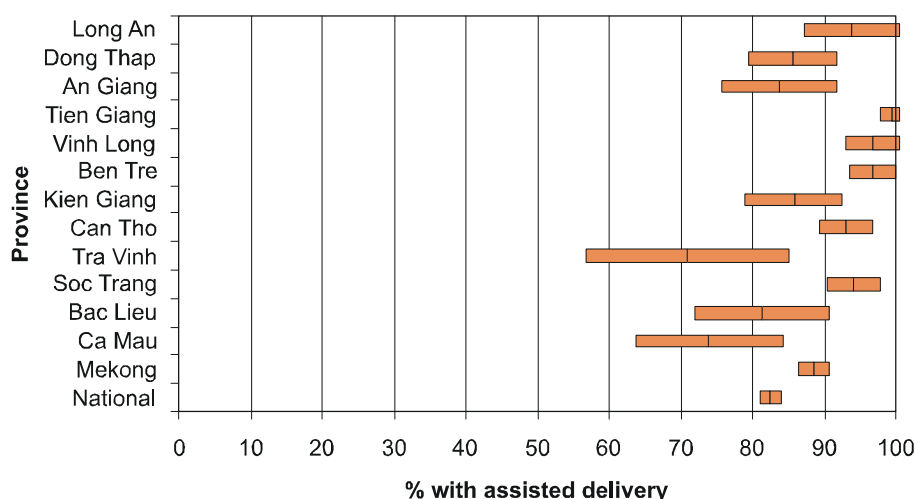


Source: VNHS 2001-02

Note: The VNHS data do not include information on abortion from currently unmarried women so the results only represent married women.

### 9.7.2 Assisted delivery

**Figure 9.13** Proportion of women giving birth in the past 5 years who were assisted by a health worker by province in the Mekong Delta



Note: The estimate for Tra Vinh exhibits a high level of clustering which leads to high standard errors and a wider confidence interval

Source: VNHS 2001-02

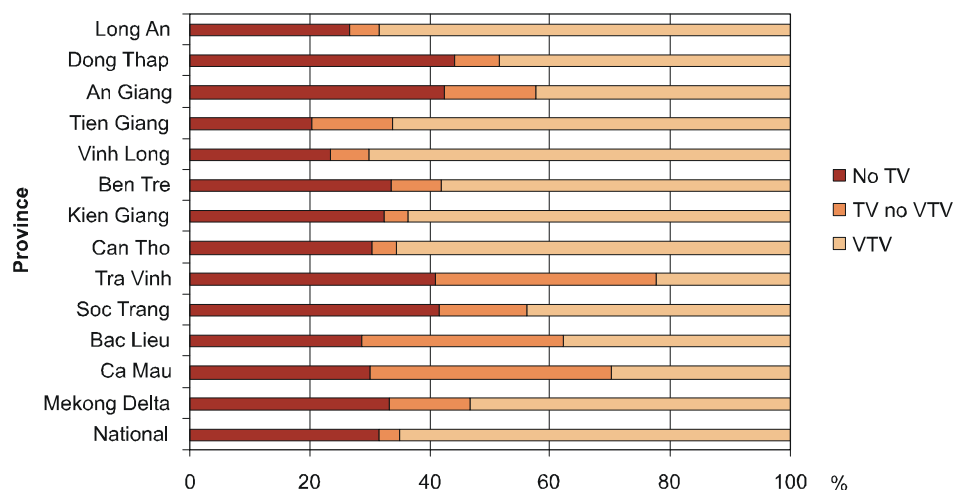
The proportion of women having a trained assistant at delivery is an important indicator of access to reproductive health services and therefore lower risk of maternal mortality. However, no concrete goal for this indicator was proposed in the CPRGS. Figures from the VNHS indicate that in the Mekong Delta, half the provinces have achieved a result of over 90% of women having a trained assistance at delivery. Another 4 provinces have reached from 80 to 90% and two provinces have low rates of assisted deliveries namely Tra Vinh and Ca Mau. Thus, in general the Mekong Delta is doing quite well with regard to this indicator compared to the nation as a whole and only a few provinces need to focus more efforts in this area.

### 9.8 Develop culture and information, improve the spiritual life of people

The CPRGS lays out several goals for culture and information. One of the goals is to ensure that more than 90% of households can see Viet Nam Television (VTV) programs and that more than 95% can hear the Voice of Viet Nam (VOV) radio by 2005.

Overall, the Mekong Delta ranks 7th of all regions for access to VTV but ranks first for access to VOV, yet overall access to VOV is quite low compared to access to VTV.

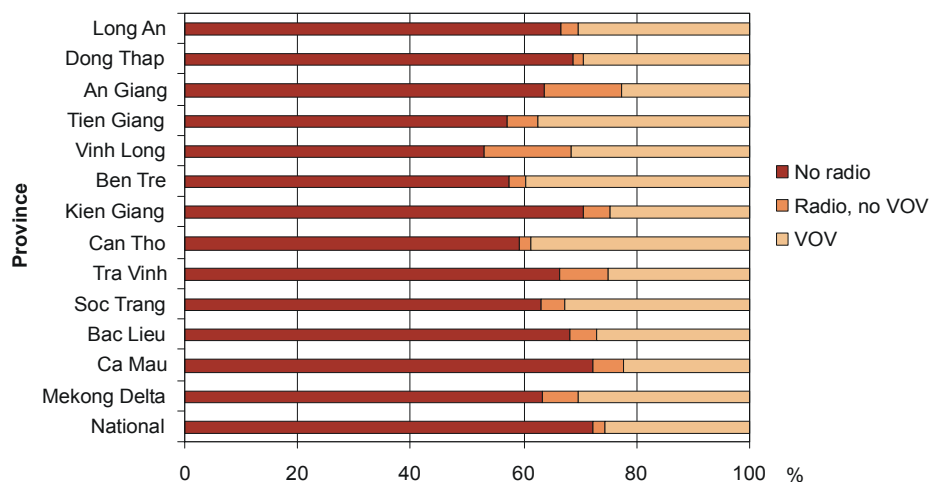
**Figure 9.14 Proportion of households with and without access to VTV broadcasts**



Source: VHLSS 2002 (Based on 30,000 sample)

Lack of access to VTV can result from inability to catch the broadcasting waves in more remote areas. But it can also be a result of the household not having a television. Figure 9.14 shows the proportion having access to VTV by province in the Mekong Delta. Lowest access is for Tra Vinh province with less than 25% of households having access. Lack of television is a problem for some provinces such as Dong Thap, An Giang, Tra Vinh and Soc Trang, but inability to catch broadcasting waves is still a major problem for Tra Vinh, Bac Lieu and Ca Mau and somewhat of a problem for An Giang, Tien Giang, Soc Trang.

**Figure 9.15 Proportion of households with and without access to Voice of Viet Nam radio broadcasts**

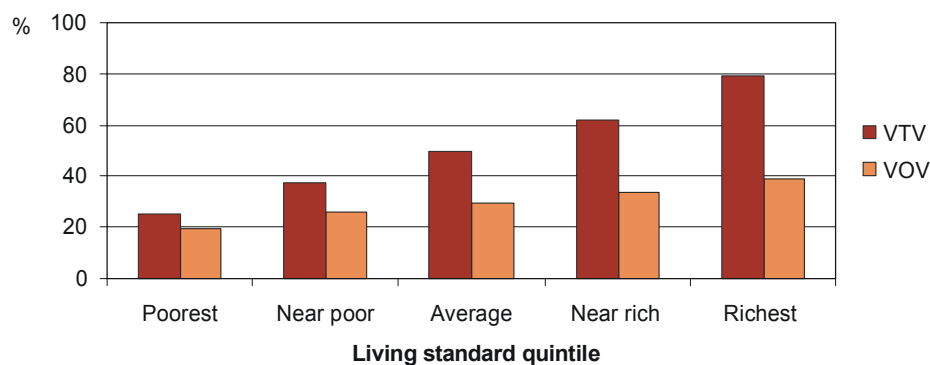


Source: VHLSS 2002 (based on 30,000 sample)

Access to radio broadcasts from VOV are even lower than VTV suggesting that radio would not be an important means of communication in most regions. A majority of people don't have radios to catch the broadcasts and only a few provinces have problems of lack of coverage of broadcasting waves.

A comparison of access to VTV or VOV by quintile indicates that for both television and radio, the poor have lower access compared to other groups and access to the radio program is lower than access to television.

**Figure 9.16 Proportion of households with access to VTV or VOV by living standard quintile in the Mekong Delta**



Source: VHLSS 2002 (Based on 30,000 sample)

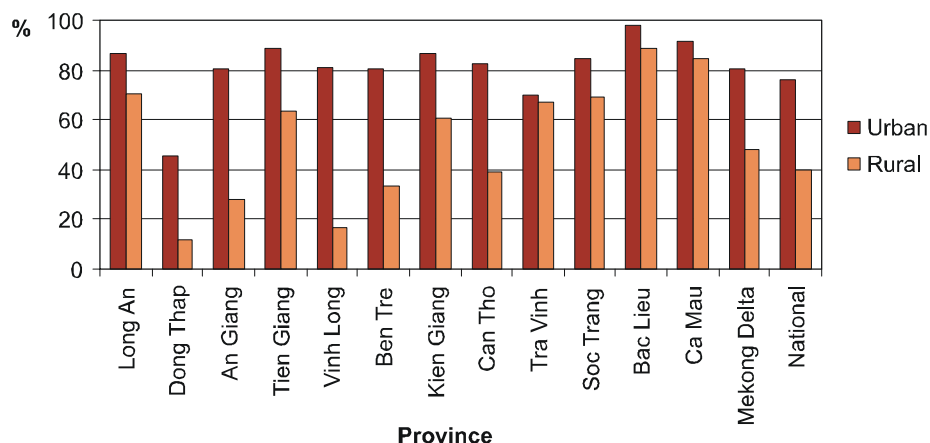
### 9.9 Ensure environmental sustainability

The CPRGS calls for 80% of urban and 60% of the rural population to have access to clean and safe water by 2005 and 85% of the rural population to have access to safe water by 2010. As was discussed above, the Mekong Delta in general has approximately 48.5% of households with access to clean water from piped city water, drilled wells or rainwater. The proportion with access to safe water varies



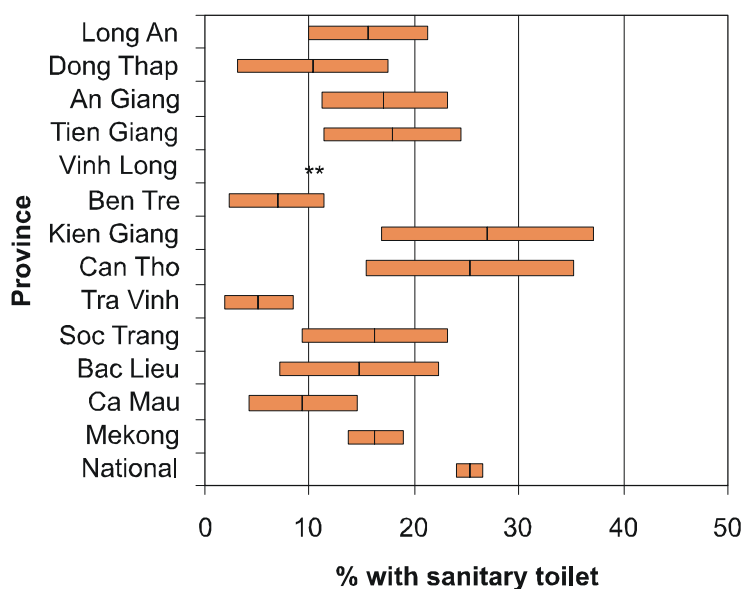
considerably between urban and rural areas and between provinces. The rural areas of provinces in the Plain of Reeds have lower access to clean water than other provinces in the region, but Can Tho also has quite low access to clean water in rural areas. At present only 2 provinces have not yet reached the goal of 80% of households having clean water in urban areas, and 5 provinces have not met the goal for rural areas. Only 2 provinces have met the 2010 goal for clean water access.

**Figure 9.17 Proportion households with access to clean drinking water by urban/rural residence and province in the Mekong Delta**



Source: VHLSS 2002 (30,000 sample)

**Figure 9.18 Ninety five percent confidence intervals around estimates of proportion of households with access to sanitary toilet by province in the Mekong Delta**

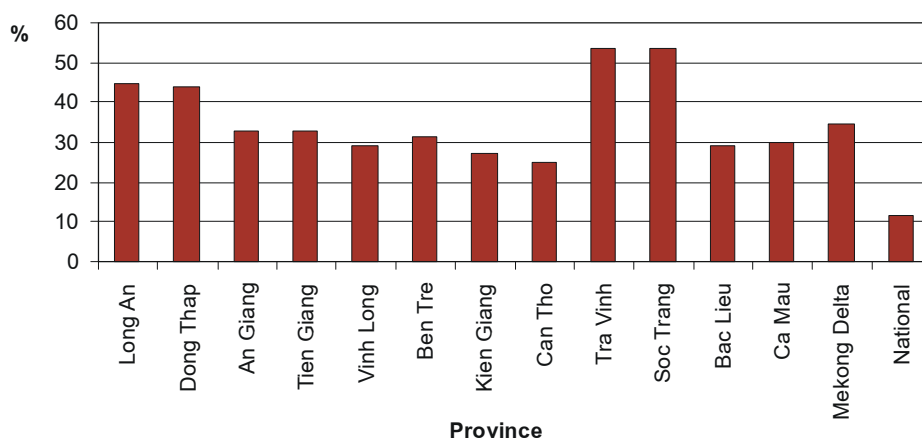


Note: There is a large clustering effect in Vinh Long province which leads to the large standard errors and wide confidence interval suggesting results are not reliable.

Source: VHLSS 2002 (30,000 sample)

The CPRGS does not set out concrete goals for sanitation. The proportion of households with proper sanitation is quite low in the Mekong Delta. Almost all the provinces are still below 30% for this indicator. As was seen above, only the better off households seem to have access to proper sanitation. Further work needs to be done to determine why the share of households with sanitary toilets is so low in the region, and in the country as a whole and to find ways to improve this indicator. Concrete goals should be set.

**Figure 9.19 Proportion of urban households with temporary housing by province in the Mekong Delta**



Source: 1999 Population and Housing Census: Sample results

The CPRGS calls for the elimination of slums and temporary housing in urban areas by 2010. Overall for the nation, about 11% of households live in temporary or no dwelling in urban areas compared to 35% for the Mekong Delta. In rural areas, the share with temporary housing is also quite high. Note that wood frame houses are not included in this category, but homeless households are included. Clearly Tra Vinh and Soc Trang have the largest share of urban households with only temporary structures for dwellings compared to the lowest rate for Can Tho at only about 25%. The mild climate in the south doesn't create the same motivation for building solid structures like the harsher climate in the north.

### **9.10 Reduce vulnerability**

The CPRGS calls for greater access to basic production and social services to reduce vulnerability which have been discussed above. Expansion of the social safety net is another major policy that can help to reduce vulnerability of certain population groups. The social safety net includes, for example, health insurance and welfare payments to needy groups.

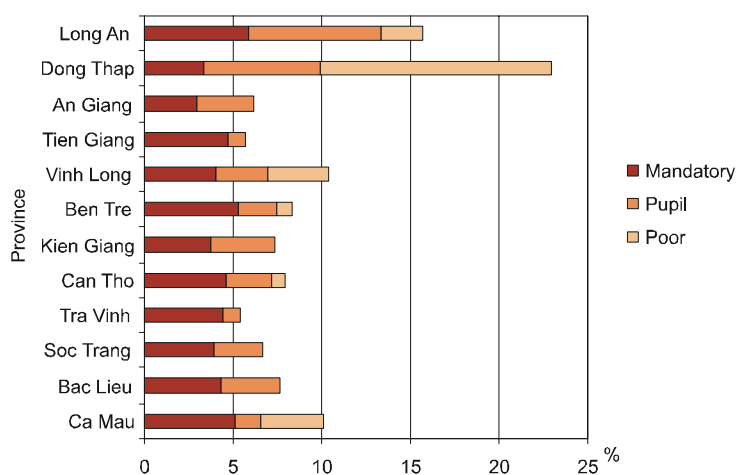
Coverage by health insurance for the entire population is another important way to reduce vulnerability to the heavy costs of health care if a household has someone severely ill and can prevent a non-poor household from falling into poverty. There are various forms of health insurance including mandatory insurance for those working in the formal sector, health insurance for the poor

and various forms of voluntary insurance, primarily serving the insurance needs of pupils.

Health insurance coverage is strongly correlated with the proportion of the population working in the formal sector, primarily in government employment, but also foreign companies or larger domestic private companies. Purchase of pupil insurance is on a voluntary basis and will tend to be higher for areas with higher living standards. Health insurance for the poor has been implemented since 1998, but each province has implemented it in different ways, some issuing health insurance cards whereas others pay on a reimbursement basis to health facilities serving the poor.

Health insurance coverage varies significantly by region. While about one fifth of the population is covered by insurance in the Red River Delta and Southeast, only 9.6% are covered in the Mekong Delta. This is the lowest coverage of all regions in the country except for the Central Highlands.

**Figure 9.20 Proportion of resident population covered by health insurance coverage by province and type of insurance**



Source: Health Insurance Statistical Yearbook 1992-2002

A provincial comparison within the Mekong Delta reveals that Dong Thap has the highest coverage at around 23% followed by Long An with close to 16%. Whereas other provinces in the region have coverage rates of about 10% or below. A closer look at type of insurance reveals that these two provinces have a higher share of insurance coverage among pupils compared to other provinces in the region. Dong Thap has a relatively high share of the population with health insurance for the poor.

In 2002, health insurance for the poor was implemented in 7 provinces of the Mekong Delta with the remaining provinces implementing health care for the poor with a reimbursement scheme for services provided to the poor by public facilities. Information on other aspects of the social safety net are not available by province.

### **9.11 Ensure gender equality and women empowerment**

So far only 2.2% of households in the Mekong Delta that own land have both the husband's and wife's names on the land use certificate. This share is about the same as the national figure of 2.3%. Among ethnic minority households the share is only 1.1%. While recent reforms in the land law require any new registration of land use to have both spouse's names on the certificate, most households had registered their land prior to the implementation of this requirement and no effort has been made to re-register the land of these households. Figures are not available at the provincial level.

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## Appendix A

Table 1. Poverty Gap Index by Urban/Rural, Ethnicity, and Gender (%)

	1993		1998		2002		%change 1998-2002	
	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta	Viet Nam	Mekong Delta
<b>Total</b>	18.5	13.8	9.5	8.1	6.9	4.7	-27%	-43%
<b>Residence</b>								
Urban	6.4	6.8	1.7	3.2	1.3	1.1	-25%	-65%
Rural	21.5	15.4	11.8	9.3	8.7	5.4	-27%	-42%
<b>Ethnicity</b>								
Kinh & Chinese	16.0	12.5	7.1	7.5	4.7	4.0	-34%	-46%
Other ethnicities	34.7	26.9	24.2	14.9	22.8	13.1	-6%	-12%
<b>Gender</b>								
Male	19.4	14.1	10.3	8.7	7.6	4.9	-26%	-44%
Female	15.3	12.9	6.9	5.9	4.4	3.9	-36%	-34%

Source: VHLSS 2002

Table 2. Educational Attainment (%)

	Poverty Incidence		Share of total poverty		Share of population		Mekong River Delta			
	VN	MK	VN	MK	VN	MK	Urban	Rural	Kinh/Chinese	Other
<b>Maximum Education completed</b>										
<b>2002 - Total</b>	29	23	100	100	100	100	100	100	100	100
Not completed any	40	30	55	67	39	52	39.3	54.5	50.6	69.3
Primary	28	21	26	28	27	31	29.7	31.6	31.8	24.0
Lower secondary	22	8	16	4	21	10	14.4	9.2	10.5	5.1
Upper secondary	9	5	3	1	8	4	9.6	3.2	4.6	1.0
Vocational	4	1	0	0	3	1	3.0	0.9	1.3	0.6
College/University	1	1	0	0	2	1	3.9	0.6	1.2	0.1
Master and higher	0	0	-	-	0.1	0.0	0.1	0.0	0.0	0.0

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