

## INGOs' Talking Points on Sustainable Poverty Reduction in Rural Areas

*based on contributions from the INGO Community in Vietnam and the findings of the 2007-2011 Rural Poverty Monitoring Report by Oxfam and ActionAid*

### Highlights of successes of the current poverty alleviation measures

- Vietnam remains a success story and its overall poverty rates continue to decline;
- Social assistance programmes reach many vulnerable people, getting them out of poverty;
- Agricultural extension services are expanding, reaching more people in more communes;
- Rural households benefit from migration of young people to urban areas, which brings job opportunities, learning and remittance income to their families;
- More schools are accessible to more students, including piloting of mother tongue education for ethnic minorities.

### Challenges for the next phase of poverty alleviation measures

- There is still a significant number of people that remain in chronic poverty and many more are vulnerable to falling back into poverty;
- Economic transformation is complex and often contested, with strong and economically powerful interests at play. It is essential to guarantee land-use rights for poor, vulnerable and marginalized people and communities – in order to promote development and social justice, and ultimately maintain social and political cohesion;
- Social assistance programmes do not cover all areas and they are not always well targeted; These programmes have relatively low levels of funding compared to the cost of living
- Agricultural extension services do not always meet the expectations of farmers in terms of quality and they do not always fit into local contexts
- Migrants to urban areas face obstacles in accessing basic social services and risks of unstable employment
- Out-of-pocket payments and informal costs for education in households are increasing and constraining access, putting at risk the gains in expansion of education provision

**Despite great progress, poverty reduction remains an urgent priority.** Headcount poverty in rural areas continues to reduce although progress has been uneven. Remaining chronic poverty is increasingly concentrated, especially amongst ethnic minorities. While the nation has advanced so much, many people still face food shortages for up to five months of every year. Those living in near poverty remain vulnerable to falling back into poverty through high inflation, the global financial crisis, economic recession, natural disasters and epidemics.

**A broader understanding of poverty is needed** in order to tackle ongoing and emerging forms of poverty and injustices. Poverty is multi-dimensional, while the causes and drivers of poverty are diverse and complex. Chronic, vulnerable, temporary and near poor groups all need different approaches; targeting is critical to make public policies and investments effective. Important contributing factors are exclusion from the opportunities of wealth creation together with a lack of voice to make better choices and claim rights. In addition, the aspirations and needs of diverse communities, such as different ethnic minorities, need to be better understood and appreciated.

**Households need more options and choices to make their way out of poverty** such as livelihood and crop diversification; access to quality and affordable agricultural services; education;

labour mobility and migration. These are all critical pathways out of poverty, which also promote the economic transformation and modernization of Vietnam. The government and society need to make new informed choices and people's voices need to be heard in order for policy makers to design a growth strategy based on sustainability, equity and quality of growth. Those migrating for livelihoods face discrimination in accessing basic services; and actions need to be taken to overcome those obstacles to rural and urban poverty reduction.

**Small-scale farmers and the rural economy are critical forces for Vietnam's development**, despite consolidation of land-holdings and shifts towards other economic sectors as part of the agriculture modernization process. Farmers in Vietnam have always been at the forefront in the country's pursuit of better well-being. At this stage of development in Vietnam, control over land is a crucial issue in determining the future role of farmers.

**A dramatic decline in well-being of small-scale farmers and local communities** occurs when changes of land-use for agribusiness expansion in rural areas are not properly managed. This inappropriate management will cause loss of livelihoods; lack of alternative opportunities; negative environmental impact; inadequate compensation; and a delayed or no resettlement and other mitigation policies.

**The current land-use regulations on change, transfer & compensation are not applied** in all cases. In a few instances, there were failures in compliance with the regulations – intentionally or because local government did not have the capacity to manage the process required by large-scale agribusiness expansion. Similar issues appear in the context of land-use change for urbanization, as well as industrialization in urban and peri-urban areas.

### **Recommendations for the next phase of poverty alleviation measures**

1. Farmers need stable land-use rights that will enable them to make effective use of land as an essential asset to expand their choices, on and off farm, which will secure better and more sustainable livelihoods. Stronger mechanisms for community participation in the process of preparation, verification, appraisal, and implementation of land-use plans are needed. The performance of state farms needs to be evaluated. Unproductive land should be re-allocated, with consideration given to equity and development. Those farmers who are currently leasing state-owned land should be given full land-use rights.
2. Vigorous support policies in favour of the chronic poor are needed, including core changes to the approach, strategy and delivery of social assistance programmes. New innovations, such as direct cash transfers, should be piloted, with a particular focus on food-insecure households and ethnic minority communities.
3. Social assistance programmes need to be expanded to cover different groups of poor people. Payment levels need to keep pace with the overall increases of living costs and graduation mechanisms should be in place to continue supporting people as they rise out of poverty.
4. Agricultural extension services should be reformed, particularly in mountainous ethnic minority areas. Training initiatives should be participatory and based in field schools; different needs of women and men farmers should be recognised; and their projects for improving and changing livelihood models of the poor should be emphasized, paying special attention to low-cost investment models, suitable for conditions and livelihoods of poor ethnic minorities.
5. Government policies should facilitate and support migration, rather than constrain it. This should include provision of employment information; free legal aid for migrants; and development of community-based social networks for migrants in places of departure and arrival. Access to basic social services must be guaranteed to all migrant workers, especially ethnic minorities. Improved migration policies should address urban poverty.
6. Education plans require review of the social assistance that would support education costs,

while tackling corruption at the same time. Education programmes for ethnic minority communities should expand use of mother tongue.

### **Malnutrition – one of the key development goals**

- There are 7 million children under the age of five in Vietnam. Approximately 27% of them are stunted (short height for their age) according to the *National Institute of Nutrition Annual Surveillance 2011*. This means that almost 2 million stunted children (under the age of 5) live in Vietnam, which ranks it the 13<sup>th</sup> country in the world in terms of number of stunted children.
- Stunting can be prevented simply by investing in the first 1,000 days of a person's life through appropriate maternal nutrition and infant/young children feeding practices. By investing in these first 1,000 days we are investing in the future human resource of the country, as malnourished children are likely to do poorly at school and drop out more often than well-nourished children.
- Malnourishment and its consequences are not acceptable in a food-secure and lower middle-income country like Vietnam and policy makers should address this issue.

### **Poverty and war legacy issues**

- Quang Tri is a province on the North Central Coast of Vietnam. More than one-third of the land in six central Vietnamese provinces remains contaminated with land mines and unexploded bombs from the war according to a study prepared by the Vietnam Veterans of America Foundation. The study looked at the provinces of Quang Tri, Quang Binh, Thua Thien Hue, Quang Nga, Nge Anh and Ha Tinh.
- It is estimated that more than 42,000 people have been killed in accidents caused by leftover mines and other explosives. Twenty seven per cent of them were killed while farming or herding livestock. When discussing sustainable poverty reduction in rural areas it is important to have a vulnerability framework for analysis, one that will include war legacies such as unexploded ordinances, as well as Agent Orange. That way we will have better understanding of specific individual, household, and community risks.
- The World Bank in Vietnam has pointed to unexploded ordnance contamination as a key part of the Poverty Environment Nexus in the poorest districts of three countries in South-East Asia, including Vietnam. The government and the World Bank should draw on this research when designing and implementing sustainable poverty reduction in the country.