

Some Methodological Issues in Studying Rural Poverty in Vietnam Today

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BACKGROUND

It has been noted that the early period of economic growth involved social stratification, poverty and social inequality. However, development theories and experiences of poor countries show that social equality and opportunities for poverty alleviation will increase with economic growth. Although there are different arguments about development models, modern theories of socioeconomic change are identical claiming that economic growth plays an important role in solving development problems, especially famine. The issue is how to identify and deal with the causes and determinants of poverty where slow agricultural economic development occurs and people are seeking ways for economic growth. Poverty and low growth should be looked at in a scientific manner and at different levels of the economy. Interdisciplinary and intersectoral approaches require the consideration and solving of problems at the individual, household, community and policymaking levels, as well as, from the point of view of production of farmers, the organization of socioeconomic activities of a community, and the use and protection of resources, including land and water.

ECONOMIC GROWTH AND POVERTY ALLEVIATION—ISSUES IN APPROACHES

The classic study of Arthur Lewis (1955) worked out a theory that economic growth is linked to profit maximization, commercialization, specialization, economic freedom, savings, capital accumulation, and investment promotion. Based on this theory, several development models were developed to determine the key to development. However, efforts did not bring about the expected outcomes as they ignored many non-economic factors.

Development theories from the late 1960s emphasized the role of the State/Government and the importance of different types of economic capital (finance, land, production means) and non-economic capital (including man, social capital, cultural capital) as causes of poverty. International scientists have argued this point and important ideas of defining appropriate approaches to poverty have been suggested for the economic restructuring of developing countries.

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An important idea is that economic growth is not seen as an objective itself, but the result of a development process to create more choices, opportunities for individuals, families and regions in the country. Sustainable development may then be assured by providing more opportunities for the people. Amartya Sen suggested that poverty occurs to only those who lack employment opportunities, production conditions, possible choices, and cannot participate in the decision-making process for the community level socioeconomic institutions. At the macro level, Amartya Sen has commented that policy makers, politicians, and managers in less developed countries are not concerned with “poverty alleviation” as they lack proper information and, unless they are pressed by the public opinion for being responsible for famine, radical poverty alleviation remain only utopian ideal. Therefore, a conclusion was made that effective rural poverty alleviation requires precise information, data, and knowledge that may be available only through objective, scientific and systematical methods. Scientific intersectoral and multi-level studies should be done on poverty incidence to analyze the circumstances and reasons to determine appropriate mechanisms for affecting them through general economic growth and rural and agricultural development.

DEFINING POVERTY IN VIETNAM

The socioeconomic reforms launched by the Communist party and Government of Vietnam during the last decade have achieved significant results that revealed indicators of increased economic growth rates and decreased poverty incidence. Despite different methods of defining poverty among the different agencies, the data analyzed by all of the internal and external agencies show a decreasing trend in the incidence of poverty in Vietnam over the last decade (tables 1, 2 and 3).

Table 1. Poverty rates in Vietnam by several agencies¹ (in percentage).

Agency	Poverty standard	1992-93	1997-98
MOLISA	Starving (< 15kg/person)	5.0	2.0
	Poor (< 25kg/person)	30.0	15.7
The World Bank			15.0
General statistical office	Food poverty (50-70,000 VND/month/person)	-	
		24.9	-
-			
The World Bank	Poor (US\$100/person/year)	58.1	37.4
UNDP	Human poor	-	28.7

¹UNDP Report of Vietnam Situation: *Looking toward future*. Hanoi - 12/1999. Tr. 28.

Table 2. Poverty incidence by region in Vietnam (1993-1998).

Regions	% of poor of the total population		% of the poor of the total population		Population of 1998	
	1993	1998	1993	1998	Million	%
1. Northern mountain	21	28	79	59	13.5	18
2. Red River Delta	23	15	63	29	14.9	20
3. North of central part	16	18	75	48	10.5	14
4. Central sea coastal	10	10	50	35	8.1	11
5. The Highland	4	5	70	52	2.8	4
6. East of the South	7	3	33	8	9.7	13
7. Mekong Delta	18	21	47	37	16.3	21
National	100.0	100.0	58	37	75.8	100

Note: Poverty level = Expenditure per capita; in 1993 is 1.2 million Dong (83 USD)/person/year; in 1998 is 1.8 million dong (128 USD)/person/year

Source: Vietnam Development Report 2001 – Attacking poverty. p. 4, 16, 18

Table 3. Per capita income by source and region, at current price, 1998 (000 VND).

	All		Seven regions					
		1	2	3	4	5	6	7
All	3,389	2,155	3,264	2,325	2,723	2,796	7,423	3,040
Farming	1,051	1,246	804	885	933	2,051	567	1,437
Off-farm	893	367	970	493	722	317	2,437	711
Wages/salaries	754	203	666	386	685	249	2,479	549
Pension, support	114	106	201	181	52	31	93	42
Other sources	577	233	624	380	332	148	1,47	301

Source: GSO. Vietnam Living Standard Survey 1997-1998. Statistical Publishing House. Hanoi 2000. p. 306.

The definition used for poverty is important for determining the objectives of the socioeconomic development policies. One example involves when a new poverty standard is applied, then the poverty rate and incidence will change. Thus, the urgency of the poverty situation depends on the definition used for poverty. Therefore, studies on poverty in Vietnam should not be limited to only using income levels as a poverty threshold to define the rate of the poor and the number of poor households, but should also use qualitative methods and indicators to determine the reasons for poverty and measures to deal with them.

RICH-POOR POLARIZATION: PERCEPTION AND RESEARCH METHODS

Some of the most recent studies of poverty incidence in Vietnam used greater ranges of information collection and processing methods, using both quantitative and qualitative indicators. The development report in 2001 for Vietnam: “attack on poverty” is an example. The effectiveness and success of any poverty alleviation strategy is dependent on the quality of information of human, social, physical factors, management policies, development policies and the governance of a country.² This again confirms the significance of scientific research concerning poverty in our country.

Along with economic indicators, poverty studies often use sociological surveys, including interviews with individuals, questionnaires, participatory observations, PRA, and RRA. Collected quantitative and qualitative information is processed by modern methods. Consequently, the poverty profile contains more details, is clearer, and more comprehensive.

However, studies of rural poverty have not taken into account the perception of people concerning their poor situation, especially their ways of work and life. Thus, future studies should seek and record information concerning these often-neglected areas, in addition to the typical collection of technically quantitative data.

Income and expenditure of a family in the Northern Delta indicators

Income structure:	
From rice: 1.6 sao x 4 persons x 390kg (2crops x 1500VND/kg	3,744,000 VND
Pigs: 200 kg x 800.000 VND /t ¹	1,600,000 VND
Vegetables, poultry (estimated)	1,500,000 VND
Total income	6,844,000 VND
Expenditure structure:	
Tax	180,000 VND
Seeds	200,000 VND
Fertilizer, pesticide	480,000 VND
Piglets, chicken, feed	1,200,000 VND
Buying production means, tools	200,000 VND
Rice for consumption: 200kg x 4 persons x 1500 VND /kg	1,200,000 VND
Food: 1500 VND /person x 6 persons x 365 days	219,000 VND
Cloth, electricity, etc.	400,000 VND
Children's education: 20.000 VND x 2children 10 months	200,000 VND
Donations, wedding, etc.	200,000 VND
Other fees (Road toll, irrigation fees)	200,000 VND
Total	7,150,000 VND

²Vietnam Development Report 2001 – Attacking poverty. Page 129-131.

An average couple has two children and they live in a tiled-roof, brick-wall house. They have a garden, a fishpond and 6.4 sao (.23 ha) of rice land and 240 square meters of residential land. In 2000, they faced a shortfall of income for spending 300,000 VND. Still, the general trend is an improvement in lives. This example shows a potential factor affecting rural poverty. That is, the low agricultural productivity of labor and decreasing prices become a danger for the socioeconomic stability and the development in rural sector.

Perceptions about poverty and well-being are different. This can be seen from the perspective of the poor themselves. For example, when asked how many billion VND make a person rich in the mountainous areas of Vietnam, a 41-year-old E De man had an unusual answer. This man, who holds 3 billion VND and had the honor to be present at the conference of Excellent Farmers of 2000, said “having 50 to 70 million VND or even a dozen million, one can see himself a rich if his children study well at school, behave well at home and outside door, they can go to university. Children are valuable assets. I have billions but I am not rich because I have four children, two of them finished secondary school but were not admitted to university. What to do to have all four go to university? They must have knowledge, be good, and know how to work so that, at least, they know how to keep what their parents created for them. I see children’s education as the objective of the family, as the foundation for a family’s economic development... I came from a poor family, stopped at grade 8. I understand the situation of less-educated people. They look like one-eye blind ones, one ear-deaf.. A moneyed rich man without education is only half rich”.³

An important aspect of the methodology used for rural poverty studies that are closely linked with the use and protection of resources is in the clear identification of the independent, dependent, and intermediary variables in the questionnaire (figure 1). These variables should encompass all features from individual to household to community levels, from household economy to water resource use and protection to policy decision making. Another issue is to organize and conduct the survey according to established scientific procedure that needs to involve consultants and policy makers at the central level and leaders and officers at the local level (figure 2).

³Dang Ba Tien. “Will billions Vietnam Dong is not rich...” Labor Newspaper. No. 205/2000. Friday, 13/10/2000. Tr. 3.

Figure 1. Types of questions by variables in the agro-economic survey.

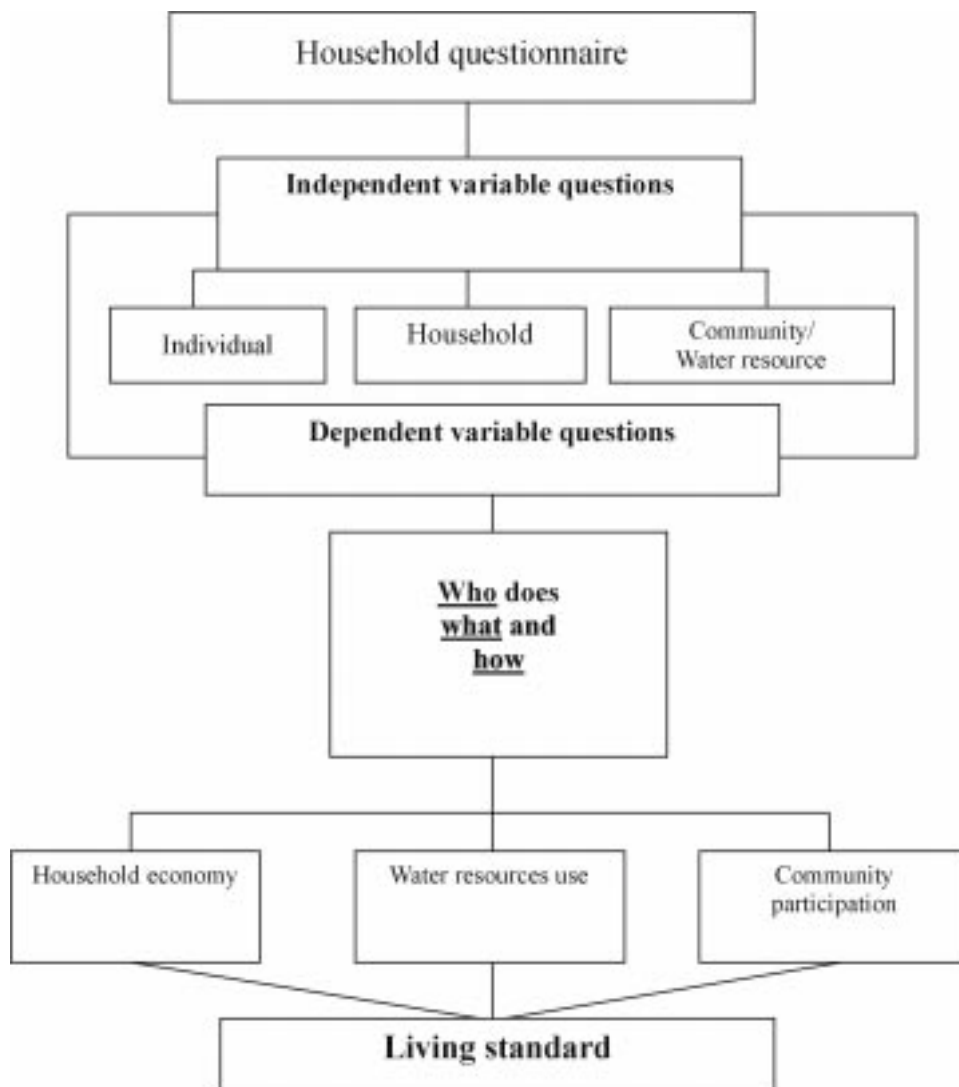
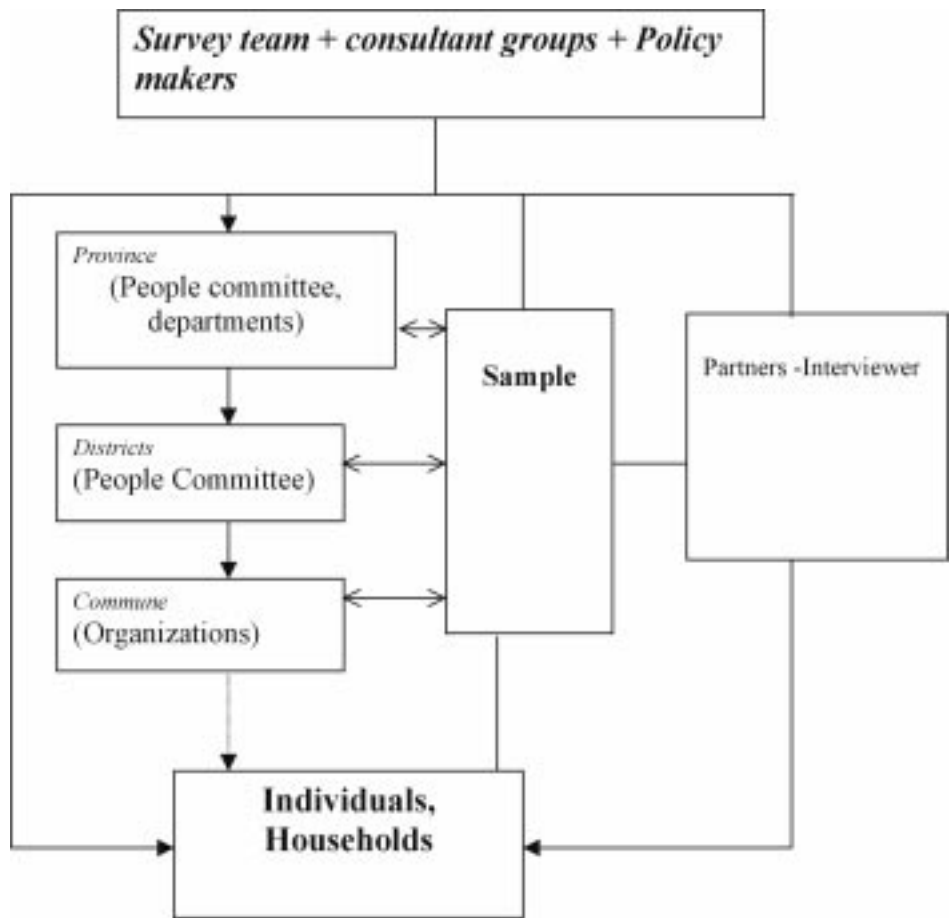


Figure 2. Procedure of Surveying rural poverty in Vietnam.



REPORT AND WORKSHOP DISCUSSIONS

INAUGURAL AND TECHNICAL SESSION

The Vietnamese national workshop for the proposed “Pro-Poor Intervention Strategies in Irrigated Agriculture in Asia: Vietnam” was held on 14 June 2001 in Hanoi, Vietnam. The workshop was organized by the Vietnam Institute for Water Resources Research (VIWRR) in collaboration with the International Water Management Institute (IWMI). The workshop was conducted in the Conference Hall at the Vietnam Institute for Water Resources Research. Attendance included a wide range of experts from government, academic, and nongovernmental organizations. Co-chairs for the workshop were Dr. Prof. Tran Dinh Hoi from VIWRR and Dr. Intizar Hussain from IWMI.

The opening speech was made by the Hon. Vice-Minister, Dr. Prof. P. H. Giang from the Ministry of Agricultural and Rural Development (MARD). Dr. Giang placed emphasis on the importance of successful formulation of intervention strategies in irrigated agriculture as a means to combat poverty. He then expressed the supportive attitude of MARD and the Center for Irrigation and Water Supply Research within the VIWRR toward the project. Assurances were given for cooperation with IWMI and other participating institutions.

Dr. Intizar Hussain made the first presentation giving the broad background of the proposed project. His presentation was entitled “Study on Pro-Poor Intervention Strategies in Irrigated Agriculture in Asia.” The presentation began with a brief introduction of IWMI and a review of the specific research themes within IWMI. Dr. Hussain then introduced the project. He mentioned that motivations for the project are based upon the history of agricultural and rural development in the Asian region. While great progress has been made, benefits from irrigation remain highly skewed in their distribution and performance remains generally poor. These conditions have led to persistent poverty within irrigated areas. Therefore, the project will initially conduct research in order to identify the linkages between irrigation performance and poverty. Then from these findings potential intervention strategies in irrigation will be identified that have a positive impact on poverty alleviation.

The goal of the project was given as, “Overall goal of this project is to promote and catalyze equitable economic growth in rural areas through pro-poor irrigation interventions in participating developing countries.” The objective of the project was stated as, “To determine what can realistically be done to improve the returns to poor farmers in low productivity irrigated areas in the context of improving the overall performance and sustainability of established irrigation systems.”

The project will involve the participation of six countries. The basic approach of the project will involve field research, literature review, and data analysis to examine the linkages, opportunities and constraints. Research will be conducted at the macro, meso, system, and farm levels. System and farms will be studied belonging to low productivity agricultural areas with persistent poverty. Finally, the study will confine itself to medium and large and medium scale irrigation systems.

The next presentation was given by Dr. Nguyen Hai Huu from the National Program for Poverty Alleviation Office in the Ministry of Labor, Invalids, and Social Affairs (MoLISA). Dr. Huu's presentation focused on lessons that can be learned from experiences in Vietnam to create effective intervention strategies. Dr. Huu pointed out that poverty in Vietnam could be attributed to three broad reasons: harsh natural conditions, limited education and skills, and the slow pace of policy reforms. Dr. Huu recommended that, based on Vietnam's experience, intervention strategies for poverty alleviation would need to focus on several issues at all levels of society. The specific issues included the identification of development needs from a participatory approach, identification of proper investment mechanisms, identification of appropriate management reforms for irrigation systems, guiding irrigation system management to benefit agricultural production, encouraging private participation in irrigation development, and protection of natural resources. A major point was that disagreements between authorities and local people can present a major constraint to the implementation of reforms.

The next presentation was made by Mr. Tran Huu Toan from the Ministry of Planning and Investment (MPI). Mr. Toan reiterated the difficult natural conditions of Vietnam as a barrier to poverty alleviation. He also raised the issue of limited financial resources with which to invest in irrigation. Achievements made by Vietnam in regard to irrigation include a large increase in the area receiving irrigation and drainage services, agricultural productivity gains (and associated income gains), and the experience gained. Drawbacks from the current state of irrigation development in Vietnam include low capacity utilization, degraded reservoirs, inconsistent services, and irrigation provided primarily to rice fields. Reasons for poor irrigation performance were listed as primarily investment based, where investments had been incomplete, poorly focused, and insufficient in quantity. Mr. Toan's recommendations for the study included an examination of investments focused on management services, a focus on small and medium hydraulic works, analysis on multiple uses of irrigation water, and creation of an incentive system tied to labor/fee contributions.

Mr. Nguyen The Ba gave the next presentation entitled "Some Problems on Sustainable Irrigation Development in Contribution to Hunger Eradication and Poverty Reduction During 2001–2005." Mr. Ba detailed the current state of agriculture and irrigation in Vietnam. Problems identified by Mr. Ba in regard to poverty alleviation concerned a failure to make use of the full capacity of existing irrigation systems, failure to complete construction of lower level channels. Vietnam's difficult natural conditions (and the associated need for adequate drainage services) were cited again as a source of problems for the population. Recommended areas of concentration for solutions related to market access issues, cropping intensity, and crop diversification. He also encouraged the utilization of a participatory approach regarding management of the irrigation schemes.

Following a short tea break, Mr. Nguyen Xuan Tiep, Deputy Director for the Department of Irrigation in MARD presented his paper. Mr. Tiep's presentation addressed irrigation's contribution to poverty alleviation. He detailed the vulnerabilities of farmers in Vietnam to water-related problems. These included flooding, droughts, and pests. Mr. Tiep identified the development of irrigation and development as an effective method for combating these problems. In turn, irrigation would boost not only farmer incomes, but other sectors of the economy as well. While irrigation in Vietnam is used for multiple purposes, agricultural uses are dominant accounting for 80–90 percent of water use. Mr. Tiep pointed out the importance of sufficient investments in management activities. He provided a poignant graph

showing irrigation infrastructure being supported by a management leg. He feels too much emphasis has been put on the infrastructure in Vietnam overwhelming the management “leg.” The result is poor performance of irrigation limiting their impact on poverty alleviation. Therefore, it is of utmost importance to make sure that financial investments are made in management. Currently, the collection of fees is below the required level creating a vicious circle where poor irrigation performance results in poor productivity and poverty.

Mr. Tiep’s suggestions for addressing the problem centered on policies for management, adequate investment levels, and coordination of policies to address management-related issues. In this light, he also stressed the importance of forest management in relation to irrigation. Upland irrigation can protect forest by stabilizing farming practice, which protects the forests. The forests, in turn, protect and help regulate the water supply. He also stressed the value of using models and pilot projects so that lessons could be learnt and widely dispersed. A final crucial point was to gain the cooperation of both the farmers and the authorities at the local level. If one refuses to cooperate then new reforms will meet with failure.

Longer than expected presentations resulted in a shortened presentation for the remaining speakers to insure ample time to discuss the work plan and carry out the brainstorming sessions.

The next presentation was given by Mrs. Nguyen Thi Hien and entitled “Sustainable Irrigation Development for Fostering Agricultural Development and Rural Community Life Quality Improvement.” Mrs. Hien is from the Central Institute for Economic Management. Mrs. Hien briefly highlighted problems for Vietnam with regard to economic growth and development and poverty alleviation. These included high population growth rates and their impact on employment. Reasons given as causes of poverty in Vietnam included the difficult natural conditions, a lack of technical knowledge and skills, land scarcity, and low savings. Mrs. Hien recommended that poverty alleviation efforts should focus on specific causes for specific groups. Technical and credit assistance were given as two examples that could help poverty alleviation. Overall, poverty alleviation in Vietnam depended on economic development in general and agriculture specifically. Therefore, irrigation must be ensured in order to alleviate poverty.

The next presentation was given by Dr. Le Ngoc Hung from the National Political Institute. Dr. Hung’s presentation dealt with methodological issues for studying rural poverty in Vietnam. One aspect pointed out is the wide range of definitions for poverty used in Vietnam. Regardless of the definition of poverty used, Vietnam has experienced tremendous success in alleviating poverty. However, each definition embodies the use of different indicators, which can be used to guide data collection efforts. Finally, poverty alleviation efforts in Vietnam form a triangle of social equality, poverty alleviation, and environmental protection with economic growth in the middle.

Mr. Dao Van Khiem presented a technical paper on the implementation of various modeling techniques to solve economic and managerial problems. The case study for Mr. Khiem’s paper is Dinh Hoa district. A reservoir was built in Dinh Hoa, but people still held claims to land within the reservoir area. Since, inheritance is a strongly held concept in Dinh Hoa, people began to reclaim their old land. This led to farmers moving into the reservoir area, which has seriously diminished the effective operations of the reservoir. Mr. Khiem utilized both a supply and demand model and a game theoretic approach to examine the issue.

His conclusions showed that the capacity and understanding of both the farmers and officials had to be improved so they could cooperate and thus realize a more beneficial situation.

The draft work plan for Vietnam was presented by Dr. Doan Doan Tuan of the VIWRR. He presented a brief background of issues specifically related to Vietnam. He then presented the broad framework for the study. Research would entail field level research and analysis, identification and evaluation of potential interventions, and then formulation of an appropriate set of interventions for Vietnam. The evaluation of possible interventions was suggested through the use of indicators. Specific indicators, however, were not identified. Candidate sites for the field research included the Gia Thuan Irrigation Scheme in the Red River Delta and the Nam Thach Han Irrigation System in Quang Tri in central Vietnam.

BRAINSTORMING SESSIONS

The brainstorming sessions were initiated after a review of guidelines formulated by IWMI. The purpose of the session was to identify research issues important to the study in Vietnam. Identified issues were to be incorporated in the work plan. The key issues could be generally placed in one of four categories: Management and Financial, System Performance, Institutional Setting, and Farming. The following section summarizes the key issues from the two brainstorming sessions.

The fundamental issue to be addressed is an examination of the potential for irrigation to alleviate poverty in Vietnam. It is important to establish this potential at the outset of the project. This can be accomplished through the establishment of a thorough poverty and irrigation profile. This profile should be made at the outset of the study.

Under the management/financial category, one issue mentioned repeatedly is the issue of local authority cooperation. It was stated that if the local authorities do not understand or cooperate with proposed reforms there is very little chance of them meeting with success. There are cases where the local management board has some fears regarding Irrigation Management Transfer, as they have not been told what will happen to their jobs. The topic of educating and getting the local authorities cooperation was repeatedly mentioned as important to the success of any irrigation- related reforms. Special emphasis was given during the workshop to the issue of capacity building activities for the managers of the irrigation scheme.

Irrigation management transfer was also highlighted as an important issue. A focus of analysis that was brought up concerned the capacity and willingness of farmers to manage themselves. It was mentioned that farmers are generally willing and able to carry out management duties; however, the local authorities often present constraints to carrying out this reform.

Many of the issues related to the financial topics involved with the management of water resources. Another important management issue focuses on the importance of adequate funding and supporting whatever irrigation management is put into place. A persistent problem in Vietnam is that management is not adequately supported and this leads to problems that are manifested as poor and inequitable system performance.

It was generally felt that fees collected from agriculture were too low to cover the costs of operations, management, and construction. Further, appropriate cost-sharing plans will need to be determined. This is especially true if it is determined that the government subsidies are necessary and/or help for poverty alleviation. A review of previous investments could illuminate this topic as it applies in Vietnam.

Another issue involved subsidies necessary for irrigation. The question was raised whether subsidies will help the poor. If so, then the issue was raised concerning the design of the cost-sharing burden. It was stated that irrigation investment costs between 30 and 50 million VND/ha in the low delta and 80 to 100 million VND/ha in the mountainous areas. A regional issue was raised pointing out that collecting water use fees is more successful in the north than in the central region.

The closely related topic was raised about examining the potential of the irrigation scheme's current management to initiate and implement changes independently. It was pointed out that one problem is that the irrigation management jobs are usually inherited from parents. Therefore, problems tend to get engrained and making changes becomes more difficult.

Under the System Performance category, aspects of irrigation performance should be studied including performance, equitable distribution patterns, and condition of physical infrastructure. Other related topics discussed during the workshop include water allocation and distribution issues (e.g., head-tail inequities), water use efficiency, operations and maintenance issues, and crop diversification. Other performance indicators concern quality, timeliness, information and data adequacy.

Technical aspects concerned the lack of water measurement methods in Vietnam. This has implications on how use can be monitored and charges applied (if deemed appropriate). It is important that the water charges present a variable cost in order for the proper incentives to be given. The proper structure of water fees must be determined if implemented. It was suggested to study the potential degree of water savings possible under a water fee plan.

With regard to the institutional category, it was seen as important to establish the current state of the legal and institutional framework. In this manner, it can be established whether appropriate policies are in place or if the problem is one of implementation. It was pointed out that policy formulation is easy compared to successful implementation. Mr. Tiep mentioned the Vietnam's Law on Water Resources that calls for sectoral and financial approaches to the management of water resources. Another policy related issue dealt with the coordination of policies and institutions to ensure maximum effectiveness. Finally, the rights and duties of all relevant stakeholders should be firmly established. Establishing a connection of rights with responsibilities was mentioned as an important issue in practice.

Topics raised under the farm category dealt with how farmers would respond to changes in irrigation services. A prominent topic concerned credit availability. Specifically, efforts should be made to examine the degree of access the poor have to credit.

The issue of how irrigation will affect agricultural practices, such as crop diversification was discussed. For any changes in output, quality, or choice, it will be important to examine impacts on the market. Specific mention was made to examine the possible impact of market saturation and any price effects. Other changes that will be important include cropping intensity, technology utilization, and farm size.