A REVIEW OF NATIONAL SOCIAL POLICIES
Viet Nam

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**Abbreviations**

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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>CEMMA</td>
<td>Committee on Ethnic Minorities and Mountainous Areas</td>
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<tr>
<td>CRES</td>
<td>Centre for Natural Resources and Environmental Studies, University of Hanoi</td>
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<td>FDI</td>
<td>Foreign direct investment</td>
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<td>GMS</td>
<td>Greater Mekong Sub-Region, refers to the six Mekong riparian countries: Cambodia, China, Lao PDR, Myanmar, Thailand, and Viet Nam</td>
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<tr>
<td>GOV</td>
<td>Government of the Socialist Republic of Viet Nam</td>
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<td>MARD</td>
<td>Ministry of Agriculture and Rural Development</td>
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<td>MOSTE</td>
<td>Ministry of Science, Technology, and Environment</td>
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<tr>
<td>MRDP</td>
<td>Mountain Rural Development Program</td>
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<td>n.d.</td>
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<tr>
<td>NGO</td>
<td>non-governmental organisation</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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**Viet Nam: National Policy Framework as it Affects Poverty and Environment in the Uplands**
1. Introduction

This paper provides a review of rural poverty and poverty reduction policy in the Socialist Republic of Viet Nam, with a focus on remote watershed areas. As a sub-theme it more briefly mentions some interfaces between social policy and environmental impacts. The transition experience as planned economies evolve into economies that are more investment and market-driven has often been that vulnerable social groups become more exposed to poverty as structural reforms reduce the role and size of large central governments. It is precisely during these transition times that well-designed and implemented government policies are needed to ensure that vulnerable groups and remote communities either participate in the development process or are protected by robust and efficient social safety nets. At the same time, development processes must be managed and monitored to guard against and minimise any adverse environmental impacts. In Viet Nam as in many other countries, periods of rapid economic growth are associated with an increase in adverse environmental impacts.

This review is focused on the period of economic reform or doi moi that was launched in 1986 and has continued until the present, though it more generally considers the policy framework since 1975. The focus is on poverty reduction, education, health, and ethnic minorities. As it has been written as part of an ADB-Government of Finland project that is studying environmental management and poverty reduction in the Greater Mekong Subregion (GMS), a few comparisons to the other five countries making up the GMS are presented. Section 10 presents some recommendations for consideration by the GOV and the ADB. A brief overview of the present-day Vietnamese economy is presented first, followed by sections on poverty identification, social transfers and safety nets, ethnic minorities, education, and health.

1.1. Background

The decade of the 1990s marks Viet Nam's transition to sustained and rapid growth following the economic reforms initiated in 1989. Broad-based growth will generate new and diverse income-earning opportunities for the poor in Viet Nam. However, much of the upland poor, especially those living in remote watersheds, will be unable to take full advantage of these opportunities because of insufficient or degraded natural resources, poor access to education and information, lack of skills, ill-health, and malnutrition. Ensuring access for the poor to good quality basic social services, especially primary education, basic health care, agricultural extension services and family planning, is doubly essential.

Large investments in human capital will ensure that the poor gain from and contribute to growth. Capacity building is needed at all levels and departments of government and local leadership in order to ensure that the government programs reap the intended benefits. However, even with effective targeting and delivery of benefits, some of the poor will remain especially vulnerable to economic pressures and natural calamities. These groups need to be included within a fully-functional system of well-targeted transfers and safety nets.

The existing system of social transfers and safety nets in Viet Nam already absorbs about one-third of the government's discretionary current expenditure (Prescott, 1997). Despite this strong government commitment to social development, in the late 1980s and early 1990s, the quantity and quality of social service showed signs of deterioration. Secondary school enrolment dropped and utilisation of public sector health services also fell, apparently in part due to the introduction of user fees that were introduced to public schools and public health services as a part of the structural reform process.

Compared with its ASEAN neighbours, Viet Nam appears to have weathered the Asian crisis relatively well so far. Gross Domestic Product was valued at $20.4 billion in 1995. Average annual GDP growth was 8.3 percent for the period 1990-95 (World Bank, 1998) and annual GDP growth rate for the first half of 1998 has been estimated to be 6.6 percent. Despite the regional economic crisis, annual export growth remains positive and is thought to be slightly greater than 5 percent. By late 1998, the dong had depreciated by only 20 percent against the U.S. dollar. In the first half of 1998, compared to the first half of 1997, the amount of realised FDI fell by 50 percent, from US$1,550 million to US$790 million (Kokko, 1998). Layoffs by State-Owned Enterprises were estimated in August 1998 to be on the order of 20-25 percent. An estimated 10 percent of the country's work force lost their jobs in 1997 alone (Marshall, 1998, p.1) With an estimated 600,000 new entrants to the job market each year, further reductions in economic growth and a tighter labour market may cause very severe problems in the near term.

According to analyst Ari Kokko, the not so bleak picture through 1998 had more to do with controls than with sound economic fundamentals. In the absence of comprehensive reforms, the Vietnamese economy, he predicts, will gradually slide into a deeper recession. Influential interest groups, such as SOEs and their
employees, he writes, want to return to central planning. He supports the view of many government officials and recommends a doi moi II, including measures to liberalise trade, strengthen the financial system, and promote transparency throughout the economy (Kokko, Dec 1998). Similarly, Adam Fforde (1998,p.10) has argued that recent investment in Viet Nam has been focused on real estate, heavy industry, and tourism rather than playing to the country's comparative advantages in cheap labour and primary production, mainly agricultural. He, too, fears that new development bank assistance will be used to prop up a failing system of State-Owned Enterprises, rather than be focused on job creation and sorely needed investment in rural areas.

Problems identified by Kokko include the fact that the state-owned enterprises (SOEs) that dominate the manufacturing sector are inefficient and heavily indebted. The financial system is weak and suffers from a substantial amount of bad debt. The lack of transparency precludes detailed assessments of exactly how serious these problems are. Many of the largest SOEs operate in import-substitution industries, and are not likely to become internationally competitive in the foreseeable future. The country's foreign debt stood at US$30.1 billion in 1998 and is the equivalent of 123 percent of GNP (World Bank, 1998). The current account has recorded large deficits in recent years, and the dong is overvalued at the prevailing exchange rate.

1.2. Macro scenarios

GOV policy responses to the Asian Crisis thus far - the gradual depreciation of the dong, a cautious privatisation of some small- and medium-sized SOEs, microeconomic measures to promote inward FDI and exports, and a programme to encourage restructuring of joint stock banks - will probably not be sufficient to halt a further slide into recession (Kokko, Dec 1998). The increasingly severe real effects, in terms of lower growth rates and higher unemployment, will eventually force a stronger response.

The Asian currency crisis has sharpened the focus of already-existing tensions between stricter government control over the economy on the one hand; or a new round of economic reforms - a doi moi II- on the other. It is important to note that a return to the situation before 1997, with ambitious development objectives and import substitution, is probably not possible even after the Asian crisis has blown over a few years from now. The tougher competition for FDI and export shares from Viet Nam's ASEAN neighbours - who will have devalued their currencies and restructured their economies by that time - will simply make it more difficult to finance import substitution.

The GOV's current development priorities are listed below. In order for upland communities to become the beneficiaries of these objectives, priority consideration should be given to the last three.

1. Improving economic management and competitiveness
2. Strengthening the financial system
3. Reforming state owned enterprises
4. Raising productivity through infrastructure
5. Accelerating rural development and increasing environmental protection
6. Investing in people and promoting social equity
7. Improving public administration, transparency and participation.


2. GOV Poverty Eradication Policy

During this period of doi moi I, the Government of Viet Nam's (GOV) main instruments for reducing poverty were structural adjustment and rapid economic growth. Initial structural reforms included decollectivisation of agriculture, establishment of private land usufruct, price liberalisation, unification and devaluation of the exchange rate, and hardening of the budget constraint for state enterprises. At the same time, the fiscal deficit that was the root cause of inflation was reduced through a combination of tax reform, elimination of subsidies and expenditure restraint.
The success of these reforms was particularly evident in the agriculture sector where the country was transformed very quickly from a rice importer to the world's second largest rice exporter, thanks largely to the decollectivisation of agriculture. As prices were liberalised, not only did farmers receive higher prices for their products domestically, but the devaluation of the currency led to increased demand for their produce on international markets. As the role of public enterprises in the economy diminished, the proportion of bank credit available to the private sector increased.

Like most other transition economies, Viet Nam's rapid economic growth was not spread evenly throughout the country. The gains of the economic reforms were reserved for the lowland delta and urban areas, whereas the situation in the mountainous areas and remote watersheds was largely unchanged. The gap between rich and poor began to increase at a time when the need for fiscal restraint resulted in problems financing social services such as health, education, and assistance to the most vulnerable. Foreign investment in Viet Nam remained limited largely to the Hanoi and Ho Chi Minh City metropolitan areas.

By the early 1990s, it was clear that enhanced government capacity to identify the distribution of poverty, to analyse its causes, and to launch remediation of this poverty was sorely needed. The GOV concern over the widening gap between the rich and the poor led to the establishment of a nationwide program for poverty reduction. The Hunger Eradication and Poverty Alleviation Program (HEPA) targets the rural poor (the poorest of which are often ethnic minorities). Poverty alleviation policies include development projects targeted to the poor, and special exemptions and subsidies for the poor.

This program is widely known and cited throughout the country, perhaps because it operates through many relevant ministries and government departments, including the mass organisations, and their programs.

In recognition of the fact that no environmental or socio-economic development program could be successful unless integrated with poverty alleviation, through HEPA, programs of various ministries take on a poverty alleviation component, which is budgeted as such. For example, 70 percent of the 5 Million Ha Reforestation program budget is dedicated to poverty alleviation activities, as is 80 percent of the Child Care and Protection program budget (Government of Viet Nam, 1999).

To the credit of the GOV, comparative data for the GMS countries, shown in Table 2.2 in the GMS Overview paper, indicate that the gaps between rich and poor in the early 90s were not as great in Viet Nam as in some other GMS countries. In the early 90s, Viet Nam's Gini coefficient was 36 compared to 26 in Finland, 30 in Lao PDR, 42 in China, and 46 in Thailand. However, due to the structural adjustments necessary for the market transition, Viet Nam's extensive system of health, education, and social safety net services declined in quality and accessibility for poorer quintiles of the society during the post-1975 period - at a time when many other countries in the region were making rapid progress in delivery of social services.

2.1. Capacity to identify and reduce poverty

Comparative data showing Viet Nam’s economic development in regional perspective is presented in the GMS overview paper. Viet Nam’s GDP per capita, adjusted to PPP dollars was in 1995 US$1,236 or less than half that of the Lao PDR figure of US$2,571 despite its stronger economic growth. Surprisingly, Viet Nam’s HDI is only slightly higher than that of Myanmar and Cambodia. The explanation seems to lie in Viet Nam’s very high population density compared to Lao PDR. Viet Nam has far less arable land per capita and the benefits from each million dollars of foreign investment or foreign exchange earnings would need to be spread to 15 times as many people. High population density in countries with agriculturally-based economies poses a formidable challenge to economic development when expressed in per capita terms.

In 1992-3, the UNDP and SIDA assisted the GOV in launching a 4,800 household survey called the Viet Nam Living Standards Survey (VLSS). Data were collected for about 23,000 people in each of Viet Nam’s seven geographic regions. The survey represents the first attempt to define and identify poverty levels within the national population. Although a more comprehensive survey would be needed to accurately target interventions designed to reduce poverty, some very important first steps have been taken.

For example, as of January 1995, a poverty line of 1,090 thousand dong per person per year was defined and then adjusted for different regions. The poverty was defined as 1,040 thousand dong in rural areas. According to this poverty line, about 51 per cent of the Vietnamese population was defined as poor at that time. 25 percent of the population was found to be food-poor in the sense that they could not meet their basic caloric requirement of 2,100 calories per day (World Bank, 1995). More recently, food poor has been defined as <15 kg of milled rice per person per month and extremely poor as <13 kg of milled rice per person per month.

Regional differences in per capita consumption in 1992-93 are shown in Table 2.1. The poorest regions of the
country in 1993 were North Central, Central Coast, and Central highlands, when judged by caloric consumption, and Northern Uplands and North Central when judged by per capita consumption measured in dong.

The GOV’s selection of three watersheds for study in Phase Two of RETA 5771 falls within the Central Highlands (Se San watershed) and the Northern Uplands (Lo Gam and Song Thao watersheds).

Table 2.1. Regional differences in per capita consumption

<table>
<thead>
<tr>
<th>Region</th>
<th>Nominal per capita consumption in 1000s of dong</th>
<th>Food Share percent</th>
<th>Calorie consumption Per capita per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern uplands</td>
<td>994</td>
<td>68</td>
<td>2,054</td>
</tr>
<tr>
<td>Red river delta</td>
<td>1,257</td>
<td>62</td>
<td>2,062</td>
</tr>
<tr>
<td>North central</td>
<td>951</td>
<td>64</td>
<td>1,991</td>
</tr>
<tr>
<td>Central coast</td>
<td>1,439</td>
<td>55</td>
<td>1,867</td>
</tr>
<tr>
<td>Central highland</td>
<td>1,228</td>
<td>59</td>
<td>1,982</td>
</tr>
<tr>
<td>Southeast</td>
<td>2,290</td>
<td>53</td>
<td>2,154</td>
</tr>
<tr>
<td>Mekong delta</td>
<td>1,605</td>
<td>54</td>
<td>2,226</td>
</tr>
<tr>
<td>National</td>
<td>1,407</td>
<td>59</td>
<td>2,075</td>
</tr>
</tbody>
</table>

When the surveyed households were stratified into poorest to richest quintiles, it was found that the poorest quintile had nominal per capita consumption expenditure of only 541,000 VND per year, or about one sixth of the richest quintile, which had an average nominal per capita consumption of 3,134,000 VND per year. Calorie consumption was 1,591 and 2,751 per capita per day, respectively.

A Poverty Severity Index was also calculated. This showed that the North Central region is the poorest, the Southeast has the lowest incidence of poverty, and the other five regions are all clustered around the national average (World Bank, 1995, p.11). More than three quarters of the poor were found to reside within households whose head was employed in agriculture.

The literacy gap was relatively small with 79 per cent of the poorest 20 per cent of the population reported as being literate compared to 94 percent among the richest quintile. The gender gap in literacy was also not too great with 84 percent of women reported as literate compared to 93 percent of men. Men had an average of 7.2 years of schooling compared to 5.7 years for women.

Infant mortality was roughly halved from 156 per thousand live births in 1960, to 83 in 1979, and halved again to 45 in 1989. Fertility has fallen from 5.1 children per woman in 1979 to 3.8 in 1989. In the VLSS, women in the poorest quintile had 4.9 children compared to 1.8 in the richest quintile.

While the VLSS represents an impressive achievement and an increase in national capacity to identify poverty and poverty trends and causes within the country, the GOV continues to lack the ability to fine tune its investment programs and its delivery of social safety nets in a way that efficiently identifies and targets the poor. Clearly the degraded watershed in the Northern Uplands are the poorest region, but the best strategies for alleviating that poverty remain difficult to ascertain.

3. GOV Policy Regarding Minority Groups

3.1. Socio-economic indicators of ethnic minority groups

In Viet Nam, 18 percent of the population belongs to the 54 ethnic groups collectively known as the ethnic minorities; the remaining 82 percent of the population is of the majority Kinh ethnic group. The 10 largest groups - the Tay, Thai, Hoa (or ethnic Chinese), Khmer, Muong, Nung, Hmong, Dao, Jarai and Ede - each number from 100,000 to 1 million people. The six smallest groups have less than 1,000 people each. Many of these smaller communities are highly vulnerable to language loss.
The ethnic minorities, with a diverse array of distinct languages, farming systems and cultural traditions, are the primary inhabitants of the uplands- the northern mountain and central highland regions. Although ethnic minorities are targeted for special development assistance and participation in government, they often remain marginalised in many ways, often living on unproductive and eroding lands in especially difficult economic and social conditions. Under these difficult conditions, year-round food security is an increasing challenge for upland farmers. A recent government report states that 20 percent of households in Vietnam cannot meet the minimum food needs of 2,100 cal/day/person (Ministry of Planning and Investment, 1996).

A clear indicator of the marginalisation of the ethnic minorities is that they typically suffer from the lowest economic, health and education standards of Vietnam. Infant mortality rates are high in the uplands, as are childbirth rates. Fertility indicators in remote areas of the northern uplands are among the highest in Vietnam, with over 5 children per woman; up to 7-9 in some areas. Population growth rates among Hmong communities were reportedly as high as a staggering 5 percent per year in the early 90s, and despite the great success of family planning campaigns elsewhere, the GOV has found it difficult to provide informed access to family planning services to especially remote upland communities. Literacy among the Hmong, an ethnic group which has one of the lowest literacy rates, is 17.6 percent for males but only 2.6 percent for females; compared to 87 percent nationally (Witter, 1993).

As the gender differential in the literacy rate illustrates, as well as the high fertility rates, women in the mountainous areas are particularly at risk. Heavy workloads, lack of access to education and information, and a lack of power to make decisions cause women to be especially vulnerable to conditions of poverty (Witter, 1993). Women in remote minority communities are at high risk for health problems, as poor nutrition, many pregnancies and a swift return to field labour after a birth lead to a condition of "maternal depletion". Moreover, these factors combined make women's involvement in training and development opportunities proportionally more difficult than for men (Witter, 1993).

### 3.2. Political institutions concerned with ethnic minorities

The Nationalities Council, mandated by Article 94 of the Constitution, studies and makes proposals to the National Assembly on issues concerning ethnic minorities. It also supervises and controls the implementation of policies on ethnic minorities as well as the execution of programs and plans for economic development of the highlands and regions inhabited by ethnic minorities.

The Committee for Ethnic Minorities and Mountainous Areas (CEMMA) was formed in 1992 to co-ordinate the activities of government agencies in mountainous areas, and upgraded to ministerial status in 1993. The committee is inter-agency in the sense that it includes representation from most other ministries. It is represented by subcommittees in relevant provinces and some districts, and has a close relationship for implementation with the Department of Fixed Cultivation and Settlement, (the latter formerly reported to the Ministry of Forestry, but now reports to CEMMA) (FAO, 1993). Its purpose was to monitor and supervise the implementation of all government programmes directed toward and affecting ethnic minorities.

In 1994, CEMMA was assigned as Co-ordinator of Instruction 525, intended to accelerate development of the uplands and ethnic minorities. The main points of Instruction 525 are (Jonsson, 1996):

- Promotion of a commodity-based economy in favour of a self-sufficient economy
- Infrastructure development, especially concerning road access and drinking water supplies
- To strengthen existing educational system, adjust education and training programs to local conditions, and facilitate non-formal education efforts
- Each locality is to review causes of insufficient food-supply, and to identify ways of overcoming this problem

Beginning in 1954, minorities have been granted full rights of citizenship. Article 5 of the Constitution guarantees each ethnic group the right to use its own language and system of writing, to preserve its ethnic identity, and to promote its own positive customs, habits, traditions and culture. The Constitution also mandates preferential treatment for ethnic minorities in terms of education (Article 36) and health care (Article 39). All upland provinces, and most districts, have special boarding schools to provide education to ethnic minority children from isolated areas.

According to the Vietnamese Constitution of 1960, "Each ethnic group has the right to …use its own speech and script" [Quoted in Salemink, 1995, p. 19]. In 1989, a Decree of the Communist Party(GOV, 1989) directed
Attention should be paid to teach the written languages of some tribal groups in parallel with the teaching of Vietnamese. For tribal groups having the needs of learning their own language, conditions should be created for them to do so in the most convenient and effective way [GOV, 1989, p. 19].

The languages to be used in [mass media communication in the Mountain Areas] should be the local languages (and written languages if any) [GOV, 1989, p. 19].

However, Salemink [1995, p. 19] reports that in the Central Highlands in 1991, education in the vernacular was more the exception than the rule. He writes that some education officials viewed vernacular primers simply as a vehicle to better learn Vietnamese while others maintained it was necessary to learn Vietnamese first before students could learn a vernacular script. He writes that it was policy that the rate of minority teachers should never be more than 50 percent and that the Ministry of Education considered that "only language communities of over 500,000 had a chance of survival, and were entitled to education in the vernacular script" [Salemink, 1995, p. 20]. One western linguist was recently shown at the Ministry of Education in Hanoi educational materials in six indigenous languages for use at the primary school level [e-mail communication with linguist Nick Enfield, 27 August 98].

This, of course, raises the question as to whether the other 80 living languages reported for Vietnam are eligible to be supported with written scripts and educational materials written in the vernacular?

Despite its policy of promoting the use of local languages in some contexts, the same government policy document reveals an eclectic approach to "culture" that is probably at odds with the very practical matters of how individual cultures can be supported and enabled to persist within a multi-ethnic society:

it also necessary to respect and encourage the application of good habits, customs and traditions of the hill tribes. The civilisation the Mountain Area should be built up with a mix of 'locally coloured' cultures prevailing therein with an intelligent acceptance of the cream of other civilisations coming from various communities, thus contributing to the formation of a national civilisation that is characterised by its richness, diversity stemming from various communities living in Vietnam [GOV, 1989, p. 7].

3.3. Policies affecting ethnic minorities and the upland areas

Since the Council of Ministers Decision 72 in 1990, the government is concentrating its efforts on the uplands in a campaign to "give priority to the mountainous areas" (uu tien mien nui). Important programs currently targeting the uplands include: the 327 program, alternatively called the "national program for uplands development" or the "regreening the bare hills" program; the ambitious "Five Million Hectare Reforestation Program", begun in 1998; the sedentarisation campaign, begun in 1968 to "settle" shifting cultivators for economic development; the 06, or opium crop substitution effort; and many others.

In addition, several important nation-wide laws have had a special impact on the mountainous areas, notably the Land Law, which guaranteed land tenure and transfer rights to individual households; Decree No. 02 which allowed the long-term (20-50 years) allocation of forest land to households; and Decree No. 13, which mandated the establishment of a national extension system for agriculture, forestry and fisheries (Houghton, 1996). In addition, the Price Policy and Biodiversity Action Plan have affected livelihood strategies in the uplands.

Since the upland ethnic minority populations are largely agricultural, most of the policies affecting their economic development are directly related to natural resource management. The most important of these policies will be detailed further in Section 4 below.

3.4. Social attitudes toward ethnic minorities

Despite the government’s best efforts to integrate minorities, ethnic minorities are to an extent socially marginalised as well. As described by Witter (1993) a "mixture of respect and paternalism" characterises the prevailing attitude towards the ethnic minorities. She cites a telling passage from a report of the Farmers Association, which through description of a program goal, illustrates the tension between the benevolent yet patronising attitudes towards the minorities (p. 12):

* to respect and take full advantage of the essences of the customs and habits of each minority
to gradually overcome the backward habits and set up the new culture and progressive civilisation.

4. Natural resource Management Issues in Upland Areas and GOV Environmental Policy

4.1. Characteristics of the uplands

The uplands of Viet Nam cover three-fourths of the national territory, and one-third of the nation's people (24 out of 70 million) live in the uplands (Quy, 1994). The uplands, including remote watersheds, are characterised by sloping lands prone to erosion with low natural soil fertility. Forest cover overall is rapidly declining, from 45 percent in 1945 to about 26 percent in 1994 (Quy, 1994); deforestation is most serious in the northern uplands (location of the Song Thao and Lo Gam REPA project areas) where forest cover is only 13 percent, and less serious (but rapidly worsening) in the central highlands at 61 percent (Sam, 1994).

Reasons for the rapid degradation of the land and forest include war damage, indiscriminate logging, shifting cultivation, mismanagement by state enterprises, in-migration of lowland Kinh (the majority ethnic group) and other groups, and high indigenous population growth. The degradation of forest land affects not only the ability of upland farmers to provide food for their families, but can also affect the downstream environment, as reflected in incidences of flood, siltation of rivers and climatic fluctuation, and negative impacts on biodiversity.

The uplands are currently undergoing far-reaching and fundamental changes in response to the rapid development of the surrounding regions, and accelerated integration into national modernisation schemes. Long perceived as impoverished and "backward", the uplands are increasingly viewed by central government as a storehouse of natural resources necessary for national economic development, and hence the last decade has seen a proliferation of policies and programs related to natural resource management, especially regarding forest, watershed and soil (Nguyen, 1998). Nguyen cautions that although these programs intend to contribute to national wealth and the well-being of those living in the uplands, in fact at times they may contribute to the downward spiral of natural resource degradation, declining agricultural productivity in the uplands, and therefore an increased income gap between the highlanders and lowlanders.

Nguyen further cautions that the emergence of market forces in the uplands is changing the structure of social institutions, leaving upland farming communities even more vulnerable as traditional community institutions and relations begin to erode. This trend is reinforced by rapid changes in policy, such as land tenure. Land reform and the introduction of a collective production system was introduced in the 1950s; then land use rights and production responsibilities were returned to the household in the late 1980s. This radical transformation of tenure systems, and its concomitant emphasis on rice cultivation, destroyed the customary law and traditional institutions in place for resource management, especially for forest (Thang, 1994). Although the government introduced policy directives and development programs to promote sustainable resource use and forest protection and rehabilitation, including returning land use and management rights to households, they are constrained by inefficient implementation.

Environmental conditions and livelihood strategies vary widely across the uplands, and methods of corn and rice cultivation range from shifting cultivation in a pioneer or rotating fallow system, to permanent cultivation on rainfed hillside terraces, to irrigated paddy cultivation in the valleys and on terraced slopes with sufficient water for irrigation.

Upland shifting cultivation plots are estimated to supply all or part of the grain needs of nearly 3 million farmers in Viet Nam, and the area under shifting cultivation is about 3.5 million ha. (Sam, 1994). However, as population pressure increases land is becoming less available, fallow periods are necessarily shortened, and little or no space is left in the agricultural cycle for the regeneration of natural vegetation and restoration of soil fertility. The result is erosion, degradation of land, and rapid declines in soil fertility and agricultural productivity.

4.2. Institutions responsible for natural resource management issues in the uplands

In the 1990s the GOV developed explicit capacity to manage the national environment. The Ministry of Science, Technology, and Environment (MOSTE) was created in October 1992. In December 1993, the National Assembly passed the National Law on Environmental Protection. MOSTE's National Environment Agency (NEA) was created in 1994 to administer environmental protection.

Since upland ethnic minority groups rely on agriculture for their livelihoods, the Ministry of Agriculture and Rural
Development (which merged the Ministries of Forestry and Agriculture in the mid-1990s) is a key agency in the policy formulation and implementation for management and protection of the uplands (Nguyen, 1998). MARD co-ordinates Agricultural and Forestry Extension; the Land Administration Bureau which implements the land allocation program; and houses the Department of Forest Protection. With local stations sometimes reaching to the village level, and in conjunction with district and commune-level party leadership and "mass organisations", these agencies implement most of the government programs to alleviate poverty and restore and sustainably manage remote watershed environments.

4.3. Degradation of land and reforestation efforts

Prior to the 1990s, the New Economic Zones policy in 1975 appears to be in part responsible for ushering in a period of rapid and state-endorsed deforestation. State-owned forest enterprises were allowed to log large areas of forest under the rationale that they were clearing new land for agricultural production and settlement.

Much of the forest land and barren land targeted under the NEZ campaign was actually unsuited to agricultural production. Terzani (1981, p.29; cited in Desbarats, 1987) cites the case of 10,000 acres in the Plain of Reeds near the Cambodian border being ploughed up in a futile effort to grow rice. The soil was too acidic. The wartime use of defoliants such as agent orange had destroyed large expanses of natural forest.

Unfortunately, at the end of the war, there was insufficient budget and expertise to launch the sorts of programmes needed to enable the recovery of natural forest and the many types of watershed function which natural forest cover enables. Large-scale resettlements of lowland communities into the uplands served to only increase the rate of deforestation and soil destruction.

By the early 1990s, the Ministry of Forestry, in conjunction with internationally-supported programs such as the Sweden-supported Farm Level Forestry Program and the World Food Program Hill Area Reforestation Projects, had developed a successful reafforestation technology based on the use of the exotic tree species such as Eucalyptus spp., Acacia mangium, and Melia. Ministry of Forestry researchers found that, unlike more sensitive indigenous forest species, these exotic tree species could be successfully established in the harsh microclimate of barren lands. However, the areas of land actually reforested remained limited to less than 100,000 hectares (World Bank, 1995b, p.83).

Until food self-sufficiency was reached in the 1990s, forest protection policy was over-ridden by a food production policy that allowed the destruction of forest if it seemed to expand the land area devoted to food production. Development policy continued to be implemented with a lowland bias. Hydropower projects, for example, were designed to produce electricity for use largely in lowland urban areas, and built in remote watersheds where minority communities were displaced and often became seriously impoverished as a result of these displacements. Compensation, for example, to the 58,000 people--mainly of the Muong and Thai minorities--dispaced from the Da river valley by the 200 kilometre long Hoa Binh reservoir was grossly inadequate and most or of the relocated communities suffered a serious drop in their standard of living (Hirsch, 1996). In a number of upland areas, minority communities complained of being displaced from their ancestral lands by settlers from the lowlands.

Table 4.1. Policy Milestones affecting Viet Nam’s Uplands.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>Constitution grants minorities full citizenship rights</td>
</tr>
<tr>
<td>1960</td>
<td>Some lowland to upland resettlement begins</td>
</tr>
<tr>
<td>1968</td>
<td>Resolution 38 establishes Fixed Cultivation and Settlement Program</td>
</tr>
<tr>
<td>1975</td>
<td>The war with the United States ends; lowland to upland resettlement resumes</td>
</tr>
<tr>
<td>1986</td>
<td>Communist Party Congress launches policy of renovation (doi moi)</td>
</tr>
<tr>
<td>1989</td>
<td>National food self-sufficiency is achieved; pressure on forest land for food production decreases</td>
</tr>
<tr>
<td>1990</td>
<td>Committee for Ethnic Minorities and Mountainous Areas established</td>
</tr>
<tr>
<td>1992</td>
<td>Decree 327 sets forth a set of policies to regreen the uplands, involving settlements</td>
</tr>
<tr>
<td>1992</td>
<td>Instruction 525 sets forth an overall strategy for accelerated development of upland areas and ethnic minorities</td>
</tr>
<tr>
<td>1993</td>
<td>CEMMA (Committee for Ethnic Minorities and Mountainous Areas) upgraded to ministry status.</td>
</tr>
<tr>
<td>1993</td>
<td>New land law passed</td>
</tr>
</tbody>
</table>
4.4. The 1993 Land Law

The 1993 Land Law provided for the long-term allocation of land usage rights to individuals, households and organisations. Such rights could now be transferred, exchanged, mortgaged, and inherited. The law authorises households to be given 20-year tenure rights to land growing annual crops and 50-year tenure rights on land planted to long-term crops.

The law has three main aims: a) to encourage stability and security of land tenure, b) to establish a legitimate market in land usage rights, and c) to increase state control of land usage. The drafters of the law hoped to increase investment in land, improve agricultural yields, and promote more appropriate land usage. In the uplands, the land allocation process is often combined with the 327 program to meet the goals of: a) increase the area of cash crops, b) reduce the land area dedicated to staple food crops, and c) increase reafforestation (Smith & Binh 1994).

There are several concerns about whether the law can fully function as intended. For one thing, land tenure has not been that insecure or unstable, with much upland land in effect already privately owned. In some ways, the very announcement of a new land law causes fears that local officials may seek to take advantage of the new law in ways that would disrupt existing usage patterns. Capacity to implement laws is often limited in remote upland areas. Similarly, a legitimate market in land use rights will only develop in the uplands once the local economy is sufficiently commercialised and communications with the market are good.

At a sociological level, the drafters of the 1993 Land Law were vesting confidence in the land management skills and motivations of individual households and commercial entities rather than in traditional resource tenure mechanisms that operated at the community level. In more fragile, sloping environments that are prone to rapid degradation when forest cover is reduced or removed, it may be very risky to displace community-level resource management structures that have evolved over many centuries. It is somewhat ironic that in Thailand, where a largely market-driven economy has been in place since the 1950s, lawmakers are in the process of devolving more authority over resource use to the Tambol or subdistrict level, but are very reluctant to vest in individual households any ownership rights in sloping forested areas. As one watershed researcher expressed it, "We need to keep that fear that the sloping land can be taken away from them if they abuse it."

At a more practical level, the 1993 Land Law is an ambitious incentive programme that to date is beyond the GOV’s capacity to implement well. To raise expectations and then not carry through with the promised incentives due to lack of budget and manpower may unfortunately trigger a backlash effect that erodes the quality of resource stewardship at the community level.

Lastly, there is the concern that in upland areas where literacy and experience with the market economy may often be limited, the introduction of a market for land use rights may lead to many minority communities selling off their lands to better-educated and wealthier migrants from the lowlands. In provinces such as Dak Lac and Kontum, such sell-offs of minority community landholdings have resulted in the minority communities then pushing further into more remote forested watersheds where a new cycle of deforestation is then launched. To the extent that lowland to upland immigration has been facilitated and legitimated by Decree 327 and the 1993 Land Law, they may have been detrimental to prospects for sustainable development in the uplands. To the extent to which security of tenure has improved and land-users are better-motivated to protect their land resources, then these policies may be considered to have succeeded.

It should be noted that all land sloping at a gradient of over 25 degrees is categorised as land designated for forestry purposes. Cultivation for annual crops is banned on such areas. Thus, minority communities, which push further into remaining forested areas, may find that they have no legal basis for occupying these lands. In some provinces, protected forest can be allocated to individual households in amounts up to 30 hectares, and some cultivation of crops under the forest canopy may be permitted. Annual payments of 50-75,000 dong per hectare may be pledged to each household. Presumably such payments are contingent on a) proper protection of the forest by the households and b) budget being available at the district level. In Son La Province, the introduction of the land law in 1993-94 was found to have "introduced a degree of instability in land tenure that was generally not felt before."

4.5. Programme 327: a strategy to re-green barren uplands
By 1992, the GOV recognised that sustainable development in the highlands required the reestablishment of meaningful forest cover in much of the uplands. By this time “barren land” covered 60-65 percent of the hills in the Northern Mountains. In the Central Highlands, barren lands covered 25-33 percent of the landscape. In total, barren lands covered 12-13 million hectares or more than all forest and agricultural land combined. In 1993, the GOV allocated to this program US$68 million, which was a large share of central government transfers to the provinces. About 40 percent of these funds were earmarked for interest-free loans to households. The remaining 60 percent was for government investment in infrastructure, scientific and technical facilities, public services, reforestation, and initial support to settlers. By the end of 1998, the GOV had invested about US$270 million (VND 2,980 billion) into this programme (GOV, 1999). Of this, about 14 percent was interest-free credit and the remainder was “government direct investment.” Achievements by the end of 1998, reportedly include:

### Table 4.2. Achievements

<table>
<thead>
<tr>
<th>Item</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection forest planting</td>
<td>640,000 ha</td>
</tr>
<tr>
<td>Natural regeneration</td>
<td>700,000 ha</td>
</tr>
<tr>
<td>Contract-based forest protection</td>
<td>1,600,000 ha</td>
</tr>
<tr>
<td>agroforestry:</td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>6,500 ha</td>
</tr>
<tr>
<td>Tea</td>
<td>7,500 ha</td>
</tr>
<tr>
<td>Rubber</td>
<td>20,000 ha</td>
</tr>
<tr>
<td>Fruit Trees</td>
<td>26,000 ha</td>
</tr>
<tr>
<td>Household Garden</td>
<td>31,000 ha</td>
</tr>
</tbody>
</table>

The three groups initially targeted by this programme were: 1) lowland farmers wishing to settle in the highlands, 2) itinerant upland communities, and 3) sedentary upland communities. Early emphasis seemed to be more on the first two groups. Under the programme, the GOV planned to grant use rights to parcels of barren land and to protect certain tracts of remaining forest land. Parcels of forest land, usual forest under the control of state-owned forestry enterprises, were to be transferred to households. Forest allocation was to be about 1 hectare per family member and the GOV planned to pay VND 50,000 (USD) annually to households for each hectare of forest they were protecting.

However, due to lack of resources, the implementation of the program has been incomplete. In November, 1998, for example, a survey team from the Centre for Natural Resources and Environmental Studies, Viet Nam National University found that Decree 327 had been implemented in only 2 villages out of 16 in Dakto Kan Commune, Dakto District, Kontum Province. The forest protection payments had initially been made in 1996, but subsequently had not been made in 1997 or 1998. It was not clear whether in the absence of expected payments, the new "owners" of the forest land would feel at liberty to begin mining the resource. In the Dakto Kan Commune example, the households interviewed only admitted to harvesting non-timber forest products.

Some weaknesses of the 327 program to date include (World Bank, 1995c, p. 23):

a. A lack of planning and prioritisation on the basis of land use and economic returns

b. Virtually all projects were on-going, selected for their readiness for implementation rather than from in-depth assessment of priority needs, constraints and institutional capacity

c. Funds were spread over too many projects, and in many cases were not sufficient to achieve their objectives

d. About 23 percent of total allocation was spent on administrative and operating costs, which appears hard to justify even on a start-up basis

e. State-directed approaches in project development and implementation were used with virtually no participation of affected units or households in resource planning
4.6. The five million hectare reforestation program

The Five Million Hectare Reforestation Program was begun in 1998, for the period 1998-2010, with an ultimate goal of bringing Viet Nam's forest cover from current rates of about 28 percent to the 43 percent existing at the time of national independence. This program intends to mobilise many sectors of society, from the household level to the forestry departments, state forest enterprises, private enterprises and social organisations (ISG, 1998). The draft objectives are to (MARD, 1998):

1. Speed up afforestation activities
2. Establish areas for production of raw material for domestic consumption of fuelwood, forest product processing, and export of value-added forest products
3. Contribute to job creation and increased incomes and standard of living for people living in mountainous areas

The Five Million Ha program is more ambitious than the 327 program, and with a general mandate for more kinds of forest areas. The focus of the 327 program had been revised repeatedly since 1992, most recently becoming a mandate for watershed protection and special-use forests in 1995. Since the scope of the 5 Million Ha program covers forest development at a nation-wide scale, the 327 program is being subsumed into and becoming an integral part of the 5 Million Ha program (ISG, 1998). According to a document prepared by MARD in March 1998 for discussion by the International Support Group, a consortium of donor agencies, implementation difficulties facing the program include (ISG, 1998, p. 5-6):

1. Land use planning: The actual area of land to be forested has not yet been defined, and it is unclear whether the land is available. Some of the land is already being farmed, and even that land under management of enterprises of state forestry organisations is in fact already being put to use.
2. Selection of tree species: The results of plantation efforts in Viet Nam are unclear and in some cases not efficient, partly because timber grown in plantation forests has not yet found a market. The establishment of 5 million ha versus the market for material and capacities of processing industries seem not to be balanced.
3. Cost of forest protection: An appropriate incentive policy and functioning mechanisms to achieve reforestation without over-stressing the government budget. The lesson from the 327 program is that uncertainties still exist on how to effectively provide equitable and effective forest protection incentives to local populations.

Some draft recommendations for effective implementation of the program include (ISG, 1998, p.7) that land use planning and allocation to different economic sectors should be done quickly; that present forest contracting system should be clearly defined so people can enjoy benefits from protecting forest; and that land for reforestation should be determined based on the requirements of agricultural production; and allow for agroforestry activities and diversified forest products

It can be anticipated that this very ambitious program will affect the inhabitants of remote watersheds much as the 327 program did, but perhaps with a larger scope. As is insinuated in the above paragraph, this program will most likely have similar difficulties as the 327 program did in terms of institutional, technical, social and economic issues. Particular factors to be avoided include top-down planning, lack of participation, and the program funds acting as a lifeline for failing SFEs (Gilmour, 1998, p.26).

4.7. The fixed cultivation and settlement programme

The establishment of the Fixed Cultivation and Settlement Programme in 1968 is an important program represented in 200 mountainous districts in 34 provinces all over Viet Nam; totalling approximately 4 people per district. The program staff are attached to the Agriculture and Forestry Departments at the district level, but the organisation as a whole implements CEMMA programs (Gilmour, 1993.). The goal of the program is to increase the participation of ethnic minorities in afforestation; assist in the transition from shifting cultivation to stable production strategies; and promote the development and modernisation of mountainous areas (Hung, 1995). According to Hung (1995) since the inception of the program as many as 660,000 people in 378 communes have ceased practising shifting cultivation and taken up fixed cultivation. However, he states progress in remote localities has been limited, and project successes and failures encountered.

This program was based on the lowland perception of upland communities as nomadic and likely to benefit
from "sedentarisation." Some upland communities are traditionally "pioneer shifting cultivators" who tend to relocate their villages every 10 to 20 years, but most upland minority communities in Viet Nam occupy fixed village sites within or close to forested areas and move swidden fields every two or three years. Fields move over the landscape, but the people are not nomadic and often have developed considerable location-specific indigenous knowledge on how to manage swiddens and forest resources in a sustainable manner, such as allowing certain beneficial forest plants to remain in their swiddens.

Sedentarisation strategies that tried to restrict swiddening to smaller areas of forest tended to shorten the swidden cycle. This, in turn, led to soil impoverishment and consequently impoverishment of village communities. Upland communities better able to take advantage of agricultural extension services were those such as the Tay in northwestern Viet Nam who already practised a composite swiddening agroecosystem. Such a system was a mix of swidden fields, paddy fields, home gardens, fish ponds, livestock, and tree gardens (Rambo, 1996). These composite systems tended to diversify and reduce risk. If, for example, a flood destroyed paddy fields and fish ponds, yields from the other components located higher up on the landscape would likely still be available.

4.8. Watershed management policy

As in other GMS countries, management of watersheds from a watershed perspective is hampered whenever a watershed lies in more than one province. The GOV has designated four main watershed regions: Hoa Binh Lake, Dau Trieng, Tri An, and Thach Nham. The areas of protected forest within these watershed regions are state-owned and managed by Protective Forest Management Boards (PFMB) or by State Forest Enterprises (SFE), which may be at either the national or provincial levels. Responsibility for management of the four watershed regions at a whole is under the Department of Forestry within the Ministry of Agriculture and Rural Development.

For planning purposes three categories of watershed have been designated (GOV, 1999).

1. **Very Critical Watersheds.** Very critical watersheds border lakes and rivers, are steeply sloping and at high risk of soil erosion and degradation. These areas should be at least 70 percent forested. They are managed by PFMBs.

2. **Critical Watersheds.** Critical watersheds are those watersheds with less steep terrain, but which are still susceptible to erosion and degradation. Forest cover must be maintained at least 50 percent within these watersheds. They can be managed by either PFMBs or SFEs.

3. **Less Critical Watersheds.** These watersheds are considered to have relatively low risks of soil erosion and to be high priority areas for agricultural and forestry development. Forest cover must be at least 30 percent. These watersheds are mostly managed by SFEs.

More recently, the government has established Watershed Forest Management Boards (WFMB) at the provincial level. Thus a large watershed may be managed by two or more WFMBs if two or more provinces fall within the watershed. The WFMB is the forest owner with allocated forest land and land use rights certificates. It is responsible for planting, protection, and management.

The status of communities living within all three categories of critical watersheds remains unclear. It would appear from the description of the WFMBs prerogatives that neither communities nor households will be vested with formal use rights. But as little available land exists outside of the critical watersheds, it is likely that many of them will have to remain where they are.

A key hurdle in the management of critical watersheds will thus be how the communities within these watersheds are included or excluded from watershed management structures.

Whereas the *Doi Moi* reforms launched in 1986 sought to reduce the role of SFEs in the national economy, critical watersheds may be an exception to this general trend. Like the case of Thailand, the GOV may be unwilling to vest communities within critical watersheds (known as Class I watersheds in Thailand) with rights to resource tenure. The question remains as to whether communities living within insecure tenure systems will take better or worse care of these critical forest resources.

5. Transfers and Social Safety Nets
Viet Nam has a very extensive program of social protection funded directly through the government budget and administered jointly by the Ministry of Labour, Invalids, and Social Affairs (MOLISA) and the Viet Nam Confederation of Labour (VCL). In 1992 outlays on social protection, including pensions to government employees, amounted to 2,370 billion dong or 15 percent of discretionary GOV expenditures. This was almost as much as education (10 percent) and health (7 percent) combined.

In 1994, social protection payments had more than doubled to 5,074 billion dong as shown in Table 5.1 below.

Table 5.1. Expenditure on pensions and social relief, 1994

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget Billions dong</th>
<th>Percent of total expenditure</th>
<th>Recipients (millions)</th>
<th>Expenditure per recipient (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions</td>
<td>2,634</td>
<td>51.9 percent</td>
<td>1.115</td>
<td>2,281</td>
</tr>
<tr>
<td>Disability</td>
<td>1,536</td>
<td>30.3 percent</td>
<td>0.500</td>
<td>3,072</td>
</tr>
<tr>
<td>War invalids and martyrs</td>
<td>371</td>
<td>7.3 percent</td>
<td>1.400</td>
<td>265</td>
</tr>
<tr>
<td>Natural calamities</td>
<td>400</td>
<td>7.9 percent</td>
<td>2.000</td>
<td>200</td>
</tr>
<tr>
<td>Regular relief</td>
<td>63</td>
<td>1.2 percent</td>
<td>0.140</td>
<td>450</td>
</tr>
<tr>
<td>Social evils</td>
<td>70</td>
<td>1.4 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,074</strong></td>
<td></td>
<td><strong>5.195</strong></td>
<td></td>
</tr>
</tbody>
</table>


As shown in the above table, in 1994, 82 percent of GOV social protection payments was paid out as social security and disability benefits for the 14 percent of the population who are civil servants and employees of state-owned enterprises. About 7 percent of social protection payments went to military veterans and their families, leaving just 11 percent of the budget for social relief available to the remainder of the population (Prescott, 1997).

The social relief program is designed to protect those who are not insured by the formal social security programme. It consists of three main elements which are funded largely by local governments. Regular relief (1.2 percent of the budget) targets the lonely elderly, orphans, and the handicapped. The number of qualifying individuals is subject to the amount of local budget available. In 1994, up to 140,000 people, or about 0.2 percent of the population, was eligible for a monthly subsidy of 24,000 dong. (USD)

The second element of the social relief programme is payments to victims of natural calamities, which may result from typhoons in the central area, flooding due to heavy rains, and severe droughts. In 1993, some 2 million persons or about 3 percent of the population received funds from the emergency relief fund. Beginning in 1994, every province budgets in the range of 2-10 billion dong for emergency relief. A third element of the programme is famine relief, which is targeted at the 3-5 million very poor who suffer periodic “between crops” food deficits each year. A new element addressing “social evils” has been added to the programme, focusing on AIDS-related prostitution and drug abuse, with funding of some 20 billion dong and 50 billion dong, respectively, in 1994 (Prescott, 1997).

Table 5.2 below gives detail on the distribution of Government transfer payments in 1993 and is based on data gathered during the Viet Nam Living Standards Survey carried out with support from the World Bank in 1992-3. It is reasonable to assume that GOV payments increased during the period 1994-97, but may have frozen or declined in the past two years due to the economic recession in the region.

The VLSS survey found that transfer payments benefited about 15 million people or about 21 percent of the population. Prescott’s analysis (1997) indicates that the profile of social transfers in 1993 was not pro-poor. For example, the poorest 20 percent of the population benefited from only 7 percent of national expenditures on pension and disability payments. By contrast, 38 percent of social transfers went to the richest 20 percent of the population.

Figure 5.1. Per capita consumption in thousands of dong with and without social transfers
When viewed as a whole, the system of government transfer payments as measured by the VLSS in 1993 was a highly regressive system. Average payments made to members of the richest quintile were five times greater than the average payments made to members of the poorest quintile.

In Southeast Asia generally, governments have relied on social benefits paid to government employees as the
“clincher” that buys employee loyalty and prevents defection to higher-paying employment that is often available in the private sector. Reforms aimed at scaling back benefit payments to government employees in order to increase social benefits to poorer segments of the national population risk under-mining the basis for morale and loyalty of the civil service.

While the GOV can undoubtedly do much more to make its social benefits programme more progressive and pro-poor, the GOV may also want to explore creating incentives that would encourage the private sector to also become involved in creating and managing social safety nets. For example, agro-industries can be encouraged to make credit available to rural producers in the poorer quintiles. Loan guarantee funds in which the private sectors provides the capital, but the government guarantees any losses incurred by the creditor are one example of government-private sector co-operation that is designed to minimise increases in government budgets.

Safety net programmes may also assist citizens through in-kind transfers and public works. In the early 1990s, the World Food Programme implemented a series of reforestation projects in Viet Nam using “food for work” payments to project participants. Sometimes a low-status foodstuff like cassava is used to discourage the non-poor from participating. Another variant using in food-deficit situations is to simply provide food aid to small rural merchants in an attempt to remonetise a depressed rural economy. It is not clear whether in-kind transfers were measured in the VLSS. Uncollateralised rural credit, including women-based rural lending, is one means of making transfer programmes more progressive that has already met with considerable success elsewhere in Asia. To date, the majority of lending in Viet Nam has remained focussed on State-Owned Enterprises.

The Viet Nam Living Standards Survey (VLSS) has given the GOL more capability to target assistance on the poor, but the survey sample was too small to enable precise targeting. In principle it is better to design a safety net with sufficient breadth so that the risk of including some non-poor is greater than the risk of excluding the poorest.

Cash transfers are an effective means of providing poverty relief where programs are relatively small and the poorest easily identifiable. Large family size is an example of an easily observable characteristic used for targeting, compared with say income, which is more difficult and more expensive to calculate. One also wants to chose a targeting approach that does not a) reduce incentives to seek employment or b) encourage people to have larger family sizes.

Targeting according to a simple mechanism such as family size does increase the risk of leakage to the non-poor and of not reaching all the poor. Planners therefore try to balance the cost of more refined targeting with the cost of these inefficiencies.

In-Kind Transfers include price subsidies for food, housing, and energy. In general, programs that impose a time or labour obligation on the recipient are best in screening the needy. The World Food Program has run various food for work programs in Viet Nam which required participants to plant fast-growing trees. Untargeted food and energy subsidies are bound to be fiscally unsustainable and should be avoided. In food distribution programs, use of a food that is consumed disproportionately by the poor tends to lower costs and promote self-targeting.

Credit Programmes have various desirable features. First, they make credit available to groups traditionally excluded from borrowing opportunities. Second, they complement economic growth by promoting income-generating activities. Last, they generate savings, reduce risks to lenders and borrowers, and minimise transaction costs to the poor. Viet Nam has excellent programs of rural credit for women, implemented through the Women’s Union with the support of government or international organisations. These programs are more difficult to implement in remote areas, where some of the poor are excluded due to low levels of literacy or are averse to taking the risk of credit. Credit programs in remote areas must be carefully tailored to meet local needs, and often need to be mid-to long term loans for low-risk activities.

6. Education Policy

Viet Nam has made impressive progress in expanding access to education during the last three decades. It has established a comprehensive network of education institutions throughout the country and laid the foundation for universal primary education by placing a primary school in every commune.

Viet Nam has achieved high levels of literacy and school enrolment relative to its per capita income level, but
not relative to other East Asian countries. However, despite increased expenditures (between 1991 and 1993, GOV nearly quadrupled spending on highland education) educational advances have been slower in the uplands (Quy, 1995).

6.1. Education for ethnic minority students and in remote watersheds

Since national independence, many thousands of teachers were sent from the lowlands to remote communes to establish schools, organise cadres, and train local leaders (Tran, 1995). More recently boarding schools have become a key feature of education for remote areas, where students come from the commune to district or provincial level schools which prepare them for university, college and vocational institutes. In 1994, 140 district schools; 38 provincial and 5 central boarding schools were teaching a total of 35,000 ethnic minority students (Ministry of Education and Training, in: Tran, 1995).

Education policy indicates that ethnic minority students are entitled to either full or partial exemptions from school fees at the secondary and tertiary levels. As of at least 1993, the GOV has had a number of school fee exemptions or discounts available to ethnic minorities, orphans, and other disadvantaged students. Ethnic minority students; those boarding in minority areas; living in high mountainous or remote areas; and children of families who are poor or face difficult circumstances (as certified by local authorities) are exempt from fees in grades 6-12 (Prescott, 1997, p. 47). Ethnic minority students; ethnic minority students with parents living in mountainous areas or remote islands; Kinh students with parents in high mountainous areas; and children of families who are poor or face difficult circumstances are exempt from fees in tertiary schools (college, vocational training) (Prescott, 1997, p. 47).

Despite the progress shown, literacy rates are still extremely low in the uplands. While the illiteracy rate among lowland Vietnamese is currently between 5 and 10 percent, among midland Tay and Nung minorities it ranges between 18 and 24 percent, and among high mountain Hmong people it reaches between 90 and 95 percent (Tran, 1995). Illiteracy, including first-language illiteracy, is targeted for eradication in the upland areas by the year 2000 (Quy, 1995). Despite best intentions, it is unlikely that the nation will be able to meet this ambitious goal.

Many educators see literacy in one’s mother tongue as an important stepping stone to literacy in a national language (Australasian Legal Information Institute, 1997). Of the countries 54 languages, only 9, besides Chinese, Khmer, and Vietnamese, have their own scripts. Yet despite being one of the minorities with its own script, illiteracy among the Hmong is among the highest in the nation. In the early 90s the Ministry of Education began to experiment to introduce teaching in minority languages in the fourth grade.

School attendance rates are low in remote watersheds, and drop out rates high. For example, in Cao Bang Province only 5.7 percent of upland Hmong children between the ages of six and fourteen were enrolled in school in 1992 (Tran, 1995). And in Son La Province, primary school drop-out rates were 22 percent in 1992 (an improvement from the 1972 rate of 28 percent) (Tran, 1995).

The primary school curriculum, developed for ethnic Vietnamese, is somewhat irrelevant to the lives of some minority children. Minority children are particularly disadvantaged by the fact that Kinh (the language spoken by the ethnic majority group, or Vietnamese) is the medium of education, and many children in remote watersheds do not speak Kinh until they are taught it in school.

6.2. Access to education

In 1993, the gross enrolment ratio in primary school was 111 percent compared to 109 percent in 1980. The GER in secondary school was 35 percent in 1993, compared with 42 percent in 1980. GER at the tertiary level was 2 percent for both periods. Viet Nam has an admirably broad system of primary education which narrows rapidly at the secondary and tertiary levels.

<table>
<thead>
<tr>
<th>Level of schooling</th>
<th>1980</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>109 percent</td>
<td>111 percent</td>
</tr>
<tr>
<td>Secondary</td>
<td>42 percent</td>
<td>35 percent</td>
</tr>
<tr>
<td>Tertiary</td>
<td>2 percent</td>
<td>2 percent</td>
</tr>
</tbody>
</table>

Table 6.1 Change in Gross Enrolment Ratios in Viet Nam
World Bank analysts see the drop in GER at the secondary level between 1980 and 1993 at clear-cut evidence of the costs of an economy in transition (Prescott, 1997). In September 1989 a nationwide system of official tuition fees for public schools was introduced. These increases in the private costs of schooling appear to have resulted in a nationwide decline in enrolment. According to an analysis by Nicholas Prescott in a World Bank study,

"a major deterioration in both schooling quantity and quality indicators has taken place in the last decade. This is evident in the marked decline in school enrolments which has occurred, most dramatically in secondary schools, since the late 1980s. Enrolments in lower secondary school have dropped sharply by around 20 percent from a peak of 3.29 million in 1987 to 2.71 million in 1990. At a senior secondary level, enrolments fell even more sharply by almost 50 percent from 0.93 million in 1987 to only 0.52 million in 1991. There is also evidence of lower female enrolment at all levels of schooling, especially at the secondary and tertiary levels (Prescott, 1997, p. 2)."

These declines almost certainly affected poor families far more than non-poor households. There is also a gender impact. If a poor family has several children but only can afford to send one child to school, a son is usually selected. This explains why there is lower female enrolment at all level of schooling.

Figure 6.1 shows net enrolment rates by income quartile as measured in 1992-93, and more emphasis needs to now be placed on the ability of the poor to complete primary school and to have equitable access to secondary school.

As can be seen in the above figure, at the primary level net enrolment in 1993 was 68 percent among the poorest quintile, or about 10 percent lower than the rate in the top quintile. But at the lower secondary level, the gap widens considerably with a threefold difference between the poorest and richest quintiles; only 19 percent of the poorest children were enrolled in lower secondary schools in 1993. At the upper secondary school the level, the gap widens even further to a 15-fold difference; less than 2 percent of the poorest 15-17 year olds were in upper secondary school. At the post secondary level, no youths aged 18-24 in the poorest 20 percent were enrolled in any kind of tertiary education, compared to 7 percent of the richest quintile.

The VLSS gives a strong indication that poverty and distance from urban areas and commune centres are strongly correlated.

The extent of the GOV’s education system is considered remarkable for the per capita income level of development. By 1996, 91 percent of children between the ages of 5 and 10 were enrolled in school and 88 percent of the working-age population was reported to be literate (World Bank, 1997, p. xv). GOV objectives for raising enrolments continue to be ambitious. The World Bank produced an in-depth study of Viet Nam’s system of education and training in 1997. The GOV was found to be using a mix of three policy instruments to promote better education in Viet Nam.

**Figure 6.1. Travel time to secondary school**
6.3. Financing education

6.3.1. Subsidies

Like many governments, the GOV has tended to invest public monies directly into publicly-owned educational facilities (supply-side financing). Less frequently, the GOV has made funds available to individual students who
can then choose to attend institutions of their own choosing, whether public or private. This latter approach is known as demand-side financing and is thought by some economists to promote efficiency in the provision of education and training and to be a more effective way to target subsidies. Scholarships and below-market interest rate student loans are two forms of demand-side subsidies.

6.3.2. Cost recovery

To help finance direct costs, the GOV now permits public educational institutions to charge fees at all but the primary level. Private financing is estimated to be above 40 percent of the total educational direct costs. This reform, unless amended by financial aid to poor households, will make it more difficult for children from poor households to access schooling at the secondary and higher levels. Even at the primary level, a recent comparative study of the share of the total cost of public primary education, including direct and indirect costs (such as uniforms, school supplies, transportation, and food) in nine countries in eastern Asia, indicates that the household's share was second highest in Viet Nam (Bray, 1996).

Figure 6.3 shows how far Viet Nam’s pricing of education policy is from a more pro-poor approach typified in the table by the Republic of Korea. Many countries ensure that a “pro-poor” approach is ensured at the primary school level by making primary education free or almost free of charge. Families may pay only for uniforms or lunches, when required, and little else. The norm in most countries is for the levels of fees to increase in public school as the grade level increases and for the provision of private schooling to increase at the secondary and tertiary levels. In some countries the pro-rich bias of increasing private costs at the secondary and tertiary levels is counter-balanced to some extent by making scholarships available to students from poorer families. While the GOV has made legislative provisions for such scholarships and fee reductions for students from poor families, the VLSS of 1993 reveals that such scholarship program had, as of 1993, done little to improve the access of poor students to schooling at the secondary and tertiary levels.

Figure 6.3. Public and Private Financing of Education

![Figure 6.3. Public and Private Financing of Education](image)

The World Bank survey data suggest that the GOV would improve the access of students from poor families to all levels of education by:

- lowering the private costs associated with primary school across the board;
- greatly increasing the availability of scholarships available to poor students for study at the secondary and tertiary levels; and
- increasing the availability and quality of primary and secondary education in remote areas.

6.3.3. Private sector development

The third policy instrument are government incentives to encourage non-governmental providers to play a larger role in the education and training sector.
Development bank analysts (Prescott, 1997; World Bank, 1997) suggest on the one hand that shifts from public sector to private sector responsibilities in the service sector are appropriate and necessary for transition economies to become secure robust economies, but at the same time they maintain that more must be done to protect the poor from adverse consequences of structural reform. One recommendation is that the GOV reduce cost recovery at the primary school level while increasing it at the tertiary level.

7. Health Policy

Viet Nam has historically shown a strong commitment to its population's health and has achieved remarkable results. In 1990, life expectancy in Viet Nam was similar to life expectancy in counties with incomes 5-10 times higher (such as Malaysia, Philippines, and Thailand) and about 10 years longer than in countries with comparable incomes such as Bangladesh and India. Similarly, Viet Nam’s child and infant mortality rates were about half those in countries with similar incomes and close to those in much richer countries. Viet Nam has more doctors per 1000 people than almost every other country in the region.

Before doi moi Viet Nam financed and delivered medical care publicly. An extensive network of public health care facilities delivered curative health services free of charge, and health workers and community outreach organisations provided comprehensive preventative health care. Pharmaceutical supplies were subsidised by the Soviet Union. Relative to the national income level, Viet Nam had achieved remarkably good access to health care even of the poor.

The public health sector began to deteriorate following reunification in 1975 and the decline accelerated during the 1980s. There were some years of negative growth in the 1980s and the collapse of the co-operatives in the late 1980s resulted in greatly reduced local financing for communal health centres, which in turn limited their ability to deliver important primary health care. The collapse of the Soviet Union in 1991 resulted in the loss of Viet Nam’s drug supply system.

The doi moi reforms in the late 1980s introduced private financing and delivery of health care. In addition, public hospitals and to a much smaller degree health centres began charging patients for consultations and drugs to initiate some cost recovery. Doctors and nurses opened up private practices, often in parallel with their public practice. Private pharmacies sprang up throughout the country and there was inadequate technical supervision of this new drug delivery system. Salaries of medical staff at public facilities fell in real terms during this period. Facilities were unable to recruit and keep qualified medical staff. As the quality of public health facilities fell, out-patient consultations and inpatient admissions fell substantially in the late 1980s. One of the most significant outcomes of the development of this two-track health delivery system was that poor people began to have significantly less access to health care services than did their wealthier neighbours.

As Viet Nam experienced rapid economic growth over the five years after the survey, the survey findings may not be a very good window for accessing the state of health care services in 1999.

However, health care in remote provinces is still largely subsidised. Investment in health care for the uplands has included the establishment of polyclinics in 88 percent of upland districts by 1993 (Quy, 1995). Most communes have a minimum of two health-care workers in a health centre, and the government plans to raise this to four workers by the year 2000. Immunisation campaigns have reached most of the country.

Nevertheless, the health situation in the uplands remains difficult to address. Food security is a major contributing factor to ill health, and contributes to childhood diseases such as dysentery and acute respiratory infection. Goitre is still common, and malaria is present in some parts of the uplands. Mother and child welfare is poor, and women’s health is stressed by high fertility rates.

In Quang Ninh Province, Bang Ca Commune, in an interview with the commune health service personnel it was found that: “The major health problems in the commune were malaria and diarrhoea diseases (in summer) and respiratory infections (in winter). While there had been a breastfeeding program and mothers now fed their infants immediately after birth, mothers followed traditional weaning practices and fed their infants only rice porridge with salt or sauce. Of 20 births in the commune, 5 were in the health centre and the others in the house, assisted by the midwife...It was estimated that some 30 percent of families suffered a food shortage during the year and the mothers and children in those families were underweight.” (FAO, 1993). This is a typical situation for remote upland watersheds.
8. Migration and Resettlement

Involuntary and policy-induced relocations from the densely-populated lowlands to the sparsely-populated uplands have probably been one of the greatest cause of environmental destruction in Viet Nam in the past 25 years. Population distribution within Viet Nam has for many generations been much more dense in the long coastal zone and within the Mekong and Red river valleys than in the uplands. In view of the adverse impacts of lowland people moving into upland agroecosystems with which they have had no prior experience, the ADB may want to encourage the GOV to formulate and implement a national strategy of rural investment that is designed to encourage lowlanders to remain in the lowlands and uplanders to remain in the uplands, coupled with universal access to family planning and a new proactive system of incentives to limit family size to only one or two children per family. Such a policy would support the twin objectives of poverty reduction and better environmental management.

History of post-war resettlement. The first Five Year Plan of the Democratic Republic of Viet Nam (1961-65) initiated a plan to resettle people from the densely-populated provinces of the Red River Delta to the less-populated mountainous provinces on the rim of the delta. Between 1961-75, about one million people were relocated. During roughly the same time period, South Viet Nam went from being 20 percent urban in 1960 to being 43 percent urban in 1975.

Following the end of the war, a series of Five-Year Plans proposed moving a total of 6.6 million people, of whom about 3.9 million were actually moved (see Table 9.1 below). For example, the Second Five-year Plan (1976-80) called for a transfer of four million people overall (Desbarats, 1987,p.50):

- 1.5 million residents of large southern urban centres to be settled in the rural areas
- 2.5 million northerners to be settled in the south
- 700,000 members of the minority communities in the Central Highlands to be relocated.

<table>
<thead>
<tr>
<th>Year</th>
<th>Planned (millions)</th>
<th>Actual (millions)</th>
<th>Area Settled (1,000 ha)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976-1990</td>
<td>6.6</td>
<td>3.9</td>
<td>752</td>
<td>100 percent</td>
</tr>
<tr>
<td>1976-1980</td>
<td>4.0</td>
<td>1.5</td>
<td>709</td>
<td>94 percent</td>
</tr>
<tr>
<td>1981-1985</td>
<td>1.0</td>
<td>1.3</td>
<td>6</td>
<td>1 percent</td>
</tr>
<tr>
<td>1986-1990</td>
<td>1.6</td>
<td>1.1</td>
<td>38</td>
<td>5 percent</td>
</tr>
</tbody>
</table>


It remains unclear whether the minority resettlements were to be "sedentarisation" of "nomadic" upland communities in the localities where they currently lived or spatial moves within the highlands to, for example, make room for lowland settlements, or to involve actual upland to lowland moves. Desbarat (1987, p.68)) cites a 1978 report that 260,000 Montagnards had been settled in the lowlands in the first few years of the second five year plan. In 1981, Hanoi radio reported that 810 families of Dao tribesman from Vinh Phu province had been resettled in the lowlands. At the same time, lowlanders were moving to the Central Highlands to embark on composite farming activities involving paddy and upland production.

In 1976-1980, the GOV planned to move entire northern villages to the Central Highlands, in some cases to build new economic zones (NEZ) or kinh te moi. Although by early 1978, the transfer of southern populations had virtually stopped, movements of northern people to the Central Highlands continued. The 1980-85 Five Year Plan called for the "mobilisation of one million people" and the 1986-1990 Five Year Plan called for the resettlement of 3 million people. Although there was very little lasting reduction of population within urban areas, Desbarat (1987,p.73) writes, "Through a perverse effect, the population redistribution program has emptied not just the cities, but the country itself of a good part of its entrepreneurial middle class. In 1978, about 200,000 ethnic Chinese residents, largely from the urban business community, emigrated to China (Amer,1994). " About one million people left the country as refugees during the period 1975-1982.

The North-South migrations involved some ethnic minority communities. For example, from 1986-1992, about
13,000 primarily ethnic minority families (65,000 people) comprising mainly Tay, Nung, and Yao from the North, illegally settled onto about 13,000 ha in Dac Lac province. According to provincial authorities, about 6,000 ha of forest was destroyed in 1992 alone.

Government regulation on migration was liberalised in 1988 and most of this migration was "spontaneous" in the sense that it did not have official support.

The GOV’s Fixed Cultivation and Sedentarisation Program, set up in 1968, largely targeted minority communities practising slash and burn agriculture and totalling 2.9 million people. Of this target group, 1.9 million people (66 percent) “adopted permanent settlement.”

<table>
<thead>
<tr>
<th>Percent of people settled</th>
<th>Number of people settled</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 percent</td>
<td>0.6 million</td>
<td>Successfully sedentarised, permanent cash crops, little need for GOV support</td>
</tr>
<tr>
<td>40 percent</td>
<td>0.8 million</td>
<td>Marginally-successful; GOV support still needed</td>
</tr>
<tr>
<td>30 percent</td>
<td>0.6 million</td>
<td>Settlement unsustainable even with GOV support; slash and burn agriculture still practised.</td>
</tr>
</tbody>
</table>

Various concerns exist that lowland to upland migration has displaced ethnic minority communities and triggered new waves of deforestation as some of these communities have been displaced and driven further into forested areas. Officials in Kontum Province asked for assistance in limiting lowland to upland migration into the province. The province has already instituted a passbook system which requires Kinh traders to register with district authorities and risk expulsion if their presence is deemed to be unhelpful.

9. Constraints on Policy Implementation

The GOV has a strong commitment to poverty alleviation in the uplands, which has been a driving force in policy-making and implementation over the last decades. The recognition that the great strides which have been made in the lowlands since the opening to the market economy have not been felt in remote watersheds and resulted in used policies regarding education, health and resource management to be promulgated with the goal of promoting development in the upland areas. However, some constraints in both the implicit assumption behind policy formulation, and in its implementation, limit the effectiveness of these policies.

**Technology-based:** According to Nguyen (1998), an overriding problem in the policy and program formulation process for the uplands is that it is "technique-based," (or technology-based). Nguyen refers specifically to natural resource policy, but this critique could be extended to other sectors as well. He cites an example of the extension system, which is “driven by the notion that more advanced farming systems should be used and means found to transfer them to farmers” (p. 7) in a situation where the technologies may not be appropriate to diverse local conditions. Another example is that when the government issued a decree to curb illegal logging in the mid-1990s, the response was to strengthen the provincial Forest Protection Departments with increased guard personnel as well as better equipment, mostly motorised vehicles. A final example provided of technology-based solutions to uplands development was the construction of the Hoa Binh dam, which had adverse social and environmental implications (Hirsch, 1992).

Nguyen argues that policies formulated on the basis of technology only are often ineffective because they may not correspond to local social and environmental conditions, and fail to incorporate the relationship of local livelihood strategies and institutions with ecological resources. He postulates that a technique-based approach is easily promoted by GOV because it uses a simple, straightforward solution which doesn’t require the analysis of complex, dynamic social and ecological systems. Finally, Nguyen notes that due to Viet Nam’s ingrained bureaucratic habits, information is not widely shared between departments, bureaux or often individuals - which makes a multi-disciplinary or complex approach all the more difficult.

**Centrally-planned:** GOV exhibits a strongly-developed system of central planning, which features a centralised and top-down decision-making process. This has direct negative impact on the ability of local
government and informal leaders to participate in planning and to shape centrally-formulated objectives to match local conditions and needs. Although progressive development approaches are being developed, their implementation can still be constrained by this tradition of central planning. Houghton (1995, p.38) speaks to this dilemma in the forestry sector: "Increasingly some forestry professionals view forestry as a component of rural development in which technical concerns take second place to issues of food security, sustainable farming systems and environmental protection.

This change of focus has already created space for the development of more participatory methods of resource management and land use planning in Viet Nam - but development priorities and centralised decision-making present obstacles to the translation of progressive forest policies into local practice."

Moreover, policies and programs fail to provide tools, mechanisms and platforms which would promote the participation of local populations (Nguyen, 1998). This results in less effective programs, and in the promotion of solutions which may not be suitable for or acceptable to the populations intended to benefit from the development project. Ultimately the lack of participation increases the costs of development, but decreases the results.

**Lack of capacity and training:** The Ministry of Planning and Investment cited a lack of "education and training and technology transfer" as a constraint to the first few years of the government poverty alleviation program, and emphasised the need for training and technology transfer for the poor (MPI, 1996). In fact, training is needed at the local community level as well as through all levels of government administration.

10. **Opportunities for Improvement of Policy and Programs Related to Poverty Alleviation and Natural Resource Management in Remote Watersheds**

10.1. **GOV development priorities**

Of the seven GOV development priorities noted in section 1, the following three are particularly relevant for the uplands:

1. Accelerating rural development and increasing environmental protection
2. Investing in people and promoting social equity
3. Improving public administration, transparency, and participation

The emphasis of the last two priorities as applied to the uplands can be restated simply as building the capacity of the government cadres as well as local communities to participate in locally relevant planning.

In the mid-1990s, CEMMA in conjunction with UNDP created a Framework for External Assistance to Ethnic Minority Development. This document affirms that poverty alleviation policy for the uplands in Viet Nam has had great success, but problems still remain in the design and implementation of those policies, which reduces their effectiveness, especially as related to ethnic minorities. This framework was written partly on the basis of lessons learned in earlier development efforts, which included poor targeting and a general failure to secure the participation of ethnic minorities (Jonsson, 1996). This framework is useful as a broad check of policy factors to consider for any programs related to ethnic minorities, and key points are:

- Targeting poverty
- Securing the active participation of ethnic minority peoples in their own development
- Capacity-building within ethnic minority communities and within government
- Sustainable development of natural and human resources
- Mutual respect and responsibility between the parties involved

Jonsson (1996) draws out the operational implications of this strategy as "a need for an integrated policy and planning framework which is participatory; a concern to strengthen the management capacities of CEMMA and
extension agents; a recognition of cultural, linguistic, and social differences; an emphasis on balancing investments in human resources and physical infrastructure; a participatory approach which employs consultation with ethnic minority peoples; a need to improve the flow of resources to identified ‘poverty groups’.

10.2. Implications for upland development policy

In distilling the policy priorities as listed above, it becomes clear that several overarching themes in the development approach recommended for the uplands are capacity-building; participation; and support for minority cultures.

10.2.1. Capacity-building

Opportunities exist to promote more effective implementation of GOV policies and any development program through building the capacity of communities and local government officials to adapt policy within its intended framework and make management decisions on the basis of local environmental and socio-economic conditions. An emphasis on capacity-building helps shift the focus of development policy and planning away from technology-based solutions towards people-based solutions.

To promote sound local planning, community leaders and government cadres in development-related departments need to be supported with skills training and technical information. To promote increased flexibility and adaptability of policy at the local level, people must be provided with the tools, mechanisms and knowledge necessary to make informed, participatory decisions.

Participants in the capacity-building component should be drawn from and serve to integrate existing departments and organisations, including:

- Provincial, district and commune government as well as community leaders: e.g. commune-level People’s Committee members; members of the mass organisations such as Women’s Union and Farmer’s Union; informal leaders such as especially skilled farmers and informal health practitioners.
- Technical departmental staff at various levels: e.g. Agriculture and forestry extension staff; Land Administration Bureau, health station staff, schoolteachers, local or relevant research institutes, state agriculture and forestry enterprise staff.

Training and technical information dissemination topics could include:

- Participatory problem identification and analysis
- Conflict resolution and creative problem-solving
- Technical skills in natural resource management, health and education; e.g. land use planning, agroforestry and homegarden technologies, language teaching, enhancing nutrition using locally available products, identification of local health practices

An explicit goal of all the training should be to help discover, analyse and validate local knowledge as well as local traditions and institutions.

10.2.2. Participation and transparency

Participation of local communities and all stakeholders in decision-making is crucial for the success of any endeavour, and is a special challenge when working in the uplands with many different language, cultural and resource use groups. It is also a special challenge in a dominant culture which has a strong tradition of central planning and decision-making. However, the need for participatory approaches in the field is increasingly recognised, and much groundwork in participatory methods has already been laid. One particularly strong example of local participatory planning is MARD’s Mountain Rural Development Program (MRDP)(supported by Sweden), which has been successfully promoting social forestry and agricultural development in the northern uplands.

Besides promoting participatory methods in the field, convening a representative group of stakeholders would be helpful to plan program policy and monitor its effectiveness. Viet Nam already has a tradition of “Management Boards” which bring together personnel from relevant departments to manage large government
or foreign-funded projects.

These Boards could be expanded to include representative informal community leaders and commune-level government officials, members of relevant research institutes, state enterprises, etc.; and convene on a regular basis to plan, monitor, and adjust policy and program design. (See "Board of Directors" concept in China paper).

Full participation of less articulate and relatively less powerful stakeholders would have to be promoted through mechanisms and meeting guidelines, and perhaps with the assistance of a skilled meeting moderator. If the meetings are held in Kinh (which is usually the language held most in common) translation may be necessary for some stakeholders from remote watersheds. Examples of effective convening and use of representative stakeholder groups in development management can be found through the Cornell Program on Environmental Conflict Management, based at Cornell University in Ithaca, NY, USA.

10.2.3. Support for minority cultures

An explicit and built-in goal of program activities, including the capacity-building component, should be validation of and support for local cultural traditions and technologies. This is necessary on one level to promote "mutual respect ...between the parties involved"; and also to effectively draw on local knowledge for sound development planning. Local knowledge is being discounted in the rush to modernisation, and this is to the detriment of development planning, as often the simplest, most effective solutions will be those using local resources as they are appropriate to local conditions. This is the case for agriculture and health components, where indigenous farming practices, resource management, and knowledge of medicinal herbs can be taken advantage of.

An additional component of support for minority culture is to draw the link between cultural integrity and agricultural and livelihood strategies. Jonsson (1996) states that "cultural systems are strongly tied to livelihood, and the cultures of various ethnic minorities have been dependent on shifting cultivation. Various aspects of local cultures are patterned around the agricultural cycle, so unilaterally eliminating shifting cultivation removes the fundamental axis of ethnic minorities. ...the need to support minority cultures is tied to strategies for livelihood that will be worked out in the <program> implementation process." He cites an example of the cultural importance of glutinous rice (which is grown in swidden fields) to certain minority groups, and therefore access to this natural resource should be protected as a cultural practice. Although many upland farmers are already turning away from shifting agriculture by necessity of available resource and market, the culture-agriculture link should be kept in mind as agricultural development components are planned.

10.3. Specific technical issues

Besides the above overarching themes, there are opportunities for some pressing technical policy issues to be addressed, including stabilisation of land tenure; promote locally appropriate resource management technologies; make formal education more accessible to minority children; promote food security; promote maternal and child welfare.

10.3.1. Stabilise land tenure, and adapt to local conditions and institutions

An issue which surfaces repeatedly in literature reviews of uplands development in Viet Nam is that of land tenure. For effective land use in uplands and to slow environmental degradation, the farming population requires land use guarantees and access to natural resources. The household land allocation effort begun in 1986 has been focused on lowland areas rich in agricultural productivity, while upland swidden and forest land has been slow to be allocated. This is partly due to the relatively lower value of the upland land base, but also because local government agencies lack the capacity to implement the land allocation program in such a complex social and ecological environment. In a report prepared for RETA 5771, the Department of Forestry Development (GOV, 1999) recommends that the land allocation process should be accelerated in the mountainous areas to promote effective resource use.

As part of this recommendation, the Department of Forestry Development states that state enterprises should allocate their lands to the local population, and conduct technical support and extension programs to support the new land owners in productive use of the land. Although this is already happening in compliance with government policy, allocation by state agriculture and forestry enterprises has been slow in places, and enterprise staff are not properly trained as extensionists. A World Bank (1995c) report agrees that the allocation of state enterprise forest land provides a positive incentive for cost-effective forest protection, but "formal land rights issuance is still limited and needs to be expanded." (p.71)
Once allocated, management restrictions may be imposed which add to the confusion over land tenure and unintentionally hamper effective resource use. In one example from a northern uplands district, a state plantation pine forest was allocated to local Dao households, with the stipulation that the trees not be trimmed or cut, as the trees were intended for resin production. Yet the plantation had been poorly managed by the forest enterprise and so the trees are not producing resin. In this case, although the land has been allocated, the management goals and decision-making power are still in question, and farmers are not benefiting from the resource (Eberhardt, 1997).

Legal tenure systems should take advantage of existing informal institutions. Although allocation to households may be appropriate in some cases, experience in the uplands shows that some communities may prefer that a communal resource be communally managed. A compelling example of traditional communal resource management is found in the project area in Dak Lak Province, where a hamlet resident was heard to say "the forest is 'owned' by the hamlet that is made up of seven clans."

"All the Mnong people in the hamlet can use the forest for cutting trees for house building and after cutting a tree must inform the hamlet headman. People from other hamlets are not allowed to use this forest, and that exclusion is respected" (Gilmour, 1998, p.11). Jonsson (1996) cites an example of swidden land tenure, also in the central highlands, in which the community perceives the village as the land-using unit; and that the community did not have a tradition of permanent land claims on the household level.

Specific tenure arrangements in which local institutions are supported by the official allocation process will have to be negotiated with local forest protection and land allocation officials, and mutually satisfactory tenure and management systems guaranteed. Training in approaches to facilitating community-based natural resource management which include all the stakeholders in decision-making will be helpful for communities and government staff to implement this process.

10.3.2. Promote locally appropriate resource management technologies and extension systems

Due to the very diverse environmental conditions and farming systems of the uplands, agricultural improvements which promote sustainable land use should be based on diverse, locally appropriate technologies. This entails applied research on natural resource management systems, and small-scale experimentation at the farm level. In addition, because of the diverse ethnic groups and languages, the most effective extension system may be one which is led by farmers who have shown success with the technology. For sustainable farming on sloping, degrading lands, the World Bank (1995c, p. 85-86) provides some examples of what locally appropriate technologies could include:

- soil conservation technology that emphasises biological conservation measures would be preferred to construction works (e.g. most terraces for annual crops) which require large excavations

- conservation-based forage production is a low-cost tool ...for conservation...(and) provides income generation opportunities through forage seed production, livestock feed, and fuelwood production

- technology development should be matched to an extensive on-farm-technology-testing and demonstration program based on a "best bet" approach using transferred technology. Farming community participation in goal setting and technology development would be an essential component as would the reorientation of extension support and the training of extension staff. Most importantly, for quickest impact, advantage should be taken of local successes in technology transfer. In selected areas, relevant technology transfer groups should be established comprising local farmers and knowledgeable extension workers, village elders, researchers and non-governmental representatives working in the area "

The above approach, which emphasises small-scale experimentation, indigenous knowledge, and farmer as extension worker, is quite different from the standard centrally-planned, locally-implemented agricultural extension approach currently practised most widely in Viet Nam. However, many successful examples of locally-planned and farmer-implemented agricultural extension have already been developed in Viet Nam, which could be studied by program participants. The best known examples in the north are the provincial agricultural extension program in Bac Thai Province, and those supported by the MRDP in five northern upland provinces; as well as many NGO-supported projects.

10.3.3. Making formal education more accessible to ethnic minorities in remote watersheds

Although primary schools are now found in most communes in remote watersheds, school attendance is relatively low, especially among female children. Among the most extreme statistics of school attendance are those from Lao Cai Province in the northern uplands in 1992, which showed only a 12.6 percent enrolment rate
for Hmong children, and 1 to 2 percent for females (Ministry of Education and Training; in Tran, 1995). Reasons for this low attendance rate include limited local demand for non-traditional skills (Tran, 1995). Additional reasons may be unfamiliarity with the language of instruction (usually Kinh), and low value assigned to formal education. Openings for making education systems more accessible to ethnic minority children include:

- First few years of instruction given in local language where possible: As minority students are graduating with high school and even university degrees, they are being asked by GOV to become teachers, and could be encouraged to teach in local languages.
- Use of culturally and socio-economically relevant subject matter and materials: This would require locally-adapted curriculum, and teachers would need training and resources to develop appropriate course plans and materials.
- Education as physically local as possible: Primary schools have been widely established even in remote watersheds at the commune and village level, but in remote areas they may only teach to the fourth standard. Students who would like to continue to study must attend district boarding schools in the district. This presents a hardship for the family in terms of upkeep of the student and an opportunity cost in terms of labour lost; and also has the negative effect of separating the child from its community. Wherever possible, children should be able to attend school locally; if schools are not available, then additional incentives may be needed for those families who send their children to boarding school.

10.3.4. Promote food security and nutrition training

Although Viet Nam has achieved food security on a national level, much of the population in remote watersheds is unable to meet minimum nutritional needs. Food security is one of the most serious problems facing ethnic minority communities in remote watersheds (FAO, 1993); where a field visit found that some families had reduced the daily number of meals from 3 to 2 in the food shortage period before the harvest. A survey conducted in Thai Ha Commune of Tuyen Quang Province in the northern uplands found that 70 percent of households have a deficit of food, broken down further as 50 percent total households lack food less than three months; 35 percent have deficit more than three months; and 15 percent have shortage of more than six months (Le, 1993). Malnutrition exacerbates childhood disease, and increases the tendency toward other health problems faced by upland populations.

Recommendations of the FAO report on Watershed Management and Ethnic Minorities (FAO, 1993, p.13) include:

- Priority should be given to improving food security in community development programs for ethnic minorities
- Strategies to increase food production especially for poor families should include increased planting of nutritious foods in the home garden as well as allocated plots away from home
- A watershed management plan should be established that takes into consideration and expands the foods and other nutritionally valuable products that communities use
- Availability and distribution of forestry products should be focused on poor and nutritionally vulnerable groups within the community.

Solutions to this problem will necessitate co-operation between the health stations and agricultural extension workers

10.3.5. Promote maternal and child welfare

One of the most pressing problems facing minority women in specific and the uplands in general is the high population growth in the uplands. The widespread government-sponsored family planning programs, implemented through the Women’s Union and Ministry of Health, have for various reasons had limited success in remote watersheds. The constraints to family planning in the uplands should be identified, and on the basis of those findings, provide locally appropriate education, resources, and incentives for maternal and child welfare and family planning.

11. References Cited


Salemink, Oscar. January 1995. The King of Fire and Vietnamese Ethnic Policy in the Central Highlands. 34 page manuscript.


**Annex A. Regions and Provinces of Viet Nam**

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