

Productive Strategies for Poor Rural Households to Participate Successfully in  
Global Economic Processes  
**Country Report for Vietnam**

## **Research Themes**

### **Emerging themes:**

According to the Director of the Institute of Policies and Strategy at the Ministry of Agriculture and Rural Development when we talk about regional issues we should talk about change in water regimes and impact caused by highway construction. China has built its hydropower plant upstream of the Mekong River. The closing of the dam and irregular releases of large amounts of water have changed the hydrological regime and the water quality of the Mekong River downstream, thus resulting in loss of fish and other aquatic species. This has resulted in adverse impacts on downstream villages. Unusual and dramatic fluctuations in the Mekong River levels have changed the environment and affected the life of the indigenous people who live along the river. The local people, especially women and girls, might be fearful of floods. This has affected local people's livelihoods downstream. Therefore, study into impact of China's hydropower plants is needed to understand how the impact affects people, especially the poor living along the river.

The second area he suggested to look into is impact by highway construction. There will be North-South and East-West highways and Trans-Asia highways linking Vietnam, Laos, Cambodia and China. This will create opportunities as well as challenges. There will be plenty of goods floating into the country. Migrations will occur. Natural resources will be redistributed and the environment will be adversely affected. All of this will have adverse impact on the poor.

## **Tourism**

Vietnam is said to possess a strong comparative advantage in tourism and therefore, it has used this as one of the ways for poverty reduction. Vietnam, the "hidden charm" attracts visitors to the "new millennium destination" and as for 2005-2006, some 3.5 million of international tourists and 16 million of domestic travelers have come to and traveled in Vietnam (Doan, 2006). INGOs in Vietnam have been working or carrying out studies in tourism, especially community-based and pro-poor tourism. SNV has been involved in sustainable pro-poor tourism to help with planning and policy development, tourism product development, market access, poverty reduction, business development and training and education (SNV in Vietnam) in Lao cai, Dien Bien, Son La, Hanoi, Hue, An

giang and Tien Giang; IUCN has supported a number of initiatives on sustainable tourism through projects in Sapa (Sapa District People's Committee et al, 2000), research projects (Institute for tourism development research, 1998), collected a great number of articles in the Vietnamese press on Vietnamese tourism (Nguyen and Nguyen, 1998) and has jointly carried out capacity building project (Gurung & Le, 1999); Japan International Cooperation Agency (JICA) conducted a comprehensive study on Tourism development in the Central of Vietnam (JICA, 2000). The World Bank also has a Mekong Tourism Development project (2002-2007) to support community-based tourism projects in the rural areas of Vietnam.

Governmental tourism organizations and offices have bursted up tourism industry in the country, especially in big cities (in the North, Central and South) and resorts. As a complementary part of it, tourism in protected natural areas and remote areas is also made crucial in the overall tourism development. In the Law of Tourism, paragraph G of Article 6 points out that the State will implement incentives and preferential policies in such fields as land, finance, credit, etc to contribute to poverty alleviation. Article 17 also defines three categories of tourism development plans of (1) tourism development plan, (2) master plan for tourism development and (3) specific plans for tourism development (Socialist Republic of Vietnam, 2005). The government recently has promoted the socialisation of tourism or developed community-based tourism which deals with benefit sharing and income retention in host communities (Villemain et al, 2003). Doan (2006) listed out three core tourism projects of National Action Program, which are (a) tourism propaganda, advertisement and promotion (b) product diversification and quality improvement and (c) institutional strengthening and human resource development.

UNDP (2001) estimated that by 2005, the percentage contributing to GDP of tourism values is 10.9 percent, of which international tourism accounts for 8.7 percent and domestic tourism accounts for 2.2 percent and 14.4 percent in 2010, of which international tourism account for 11.6 percent and domestic 2.8 percent. However, community-based or pro-poor tourism was not pointed out as one of the ways to enhance economic benefits (which are extending the length of stay; increasing expenditures; increasing linkages to other economic sectors; reforming state-owned tourism enterprises and encouraging more private or joint venture tourism enterprises). This encourages cross-sectoral tourism development while the World Bank Mekong tourism Development project aimed at cross-country development.

According to a Senior Advisor, Pro-poor Sustainable Tourism at SNV-The Netherlands Development Organisation 99 percent of the poor are excluded from being hired as tourist guides. This is due to the fact that previous to the new Law on Tourism (effective as for January 2006) to be a licence tour guide in Vietnam a person needed a college degree (as regulated under the previous Tourism Ordinance 1995). This effectively excluded/prevented ethnic minority people from formally working as tour guides - although many did/do work unofficially without a license they are therefore in an illegal and unsecured position (although some are treated well by local authorities and tourism businesses - they are still without legal protection). The new Law on Tourism included a new Article 78 that permits local people with extensive knowledge of local tourism

features (cultures included) to be granted Narrator licensee to work as local guides and they do not need a college education to do this. This article should provide many ethnic minority people to formally acquire licenses to work as tour guides/narrators.

Up to now, in Vietnam only a small group of 50 ethnic minorities are tour guides. SNV has been supporting sustainable tourism development since early 2001 in Sa Pa District, Lao Cai Province and in 2003 in Thua Thien Hue. A feasibility study conducted by SNV in November 2002 indicated a high potential to support Community-based Tourism (CBT) and Ecotourism (ET) development. Both CBT and ET are rapidly growing segments of the travel market that provide opportunities for diversifying the tourism products and increasing tourism earnings through creating longer visitor stays. CBT and ET can be effective tools for rural development that can contribute to poverty alleviation, sustainable resource use, rural infrastructure development cultural conservation and community-building objectives. The Department of Tourism of Thua Thien Hue (HTD) was interested in both extending tourism stays in Hue, diversifying tourism products available, and contributing to local socio-economic development. SNV has established a community development fund in 10 villages in Sapa, Dien Bien, Hue, An Giang and Tien Giang provinces. In these villages, they help the local people develop the village regulations, according to which a certain percentage (up to 26-28 percent) of the locally generated tourism revenues go directly to a community development fund established to support the wider spread of community benefits from tourism to reach as much as the poor in the community as possible. The fund will be spent on training, management fees, reinvestment in tourism and also to support poor students who do well in school.

By and large it could be said that almost all tourism project in Vietnam just focus on awareness. There should be qualitative research on tourism in order to understand who benefits from tourism; who does not and why; and what kinds of barriers the poor face to participate in these projects. Case-study research is also needed to understand what kind of tourist institution (like a cooperative or an unit) would be good for ethnic minority people to run so that the ethnic minority groups, especially the poor could participate in and benefit from, thus contributing to poverty alleviation.

### **Community Forest Management**

In Vietnam, there has been much written about poverty alleviation and much has been written about the forestry sector. Nevertheless, there have been very few studies on the relationships between the two bodies of knowledge. Among them are Blockhus et al. (2001), Sunderlin and Huynh (2005) and Dinh Duc Thuan et al. (2005). These will be discussed in turn. Blockhus, et al. (2001) examine the role of forestry in poverty alleviation in Vietnam. The authors investigate the level of poverty in Vietnam and its forest resources. In the study, major programs in the policy/regulatory framework on reforestation are also explored. The authors then conclude that forestry can alleviate poverty in Vietnam. However, the study only stops at describing the approaches to poverty alleviation. No empirical evidence on the poverty alleviation performance of ICF is presented. Sunderlin and Huynh (2005) attempt to answer questions about the extent to

which forest resources have served and will serve the goal of poverty alleviation in Vietnam. Nevertheless, the authors base on the secondary literature that touches upon these questions and no primary, empirical research is carried out. The answers the authors provide to those questions are broad and lack precision. However, they serve as a crucial point of departure for addressing the linked issues of poverty alleviation and improved forest management. Further, the review also proposes additional research to fill the information void, encourages comparative method in this follow-up research and urges greater collaboration among government agencies responsible for poverty alleviation and forest management.

Dinh Duc Thuan et al. (2005) explore the relationship between forestry, poverty alleviation and rural livelihoods in Vietnam. In this study, the authors combine the secondary literature and primary, empirical research in order to provide precise answers to questions that there is any link at all between poverty alleviation and forestry. The study pinpoints that forestry policies and projects only focus on the environmental protection, biodiversity conservation and developing methodologies of land use planning, land allocation, and agricultural extension. The authors then conclude that poverty alleviation and livelihood improvements are rarely paid attention to in all forestry plans. Policies on forests and forestry in Vietnam are changeable and dynamic. In fact, they usually deprive local people, especially the poor of their productive resources and do not provide them any alternatives. However, the methodology the authors employed is not clear and the sample of households for each research site is so small that it is not representative enough to draw conclusions about phenomena at the village level.

There has been no study on the poverty alleviation performance of ICF in Vietnam. Therefore, there is a large knowledge gap on the subject.

In view of the lack of research to date on the poverty alleviation potential of introduced community forestry in Vietnam the purpose of this study is to fill the knowledge gap so that there is nationally representative information on the poverty alleviation performance and potential of ICF.

In Vietnam, the revised Forest Protection and Development Law passed by the National Assembly in the late 2004 acknowledges residential communities are legal entities to which forests are allocated. Although the law has just recently passed, many residential communities throughout the country have been allocated forested land in the last 10 years through internationally funded pilot projects. It is reported that this form of community forest management is a more socio-economically viable and ecologically sustainable forest management system while reducing ineffective state expenditure. Forests that are managed by communities can provide timber for public infrastructure and non timber forest products, which help sustain the livelihoods of those who live and near forests.

Although community forestry projects are frequently introduced to improve the livelihoods of participants, it is never specified whether the project intends to: permanently lift participants out of poverty (poverty elimination); enable participants to avoid falling into poverty if they are just above the poverty line (poverty avoidance); or

merely make the participants' poverty less bad than it is (poverty mitigation). One might take one step further and ask "What has been the achievement of community forestry in alleviating poverty in Vietnam". No one knows, because there has never been any systematic, empirical field research on this topic. That is one key problem being investigated in this research activity.

Second, community forestry projects often tend to have not just the goal of poverty alleviation, but also other goals such as improved forest management or resolution of land claims. Do these other goals tend to assist fulfillment of the poverty alleviation goal, or do they compete with this goal? No one knows, because there has been no empirical research on this issue.

An on-going project funded by ADB entitled Poverty Alleviation through Improved Community Forestry in Vietnam is to investigate to what extent introduced community forestry has been successful in poverty alleviation and what kind of policy interventions are necessary to enable community forestry to improve rural livelihoods better in Vietnam. Nevertheless, the project did not explore the benefits and the costs of forestland use and community forestry at the household level. In other words, it did not examine how much project beneficiaries earn from community forestry lands and how many percent the income earned from community forestry account for in the household's total income. Therefore, research on this is needed to investigate how community forestry could reduce rural household poverty better, faster and with better distributional outcomes.

## **Credit**

Credit and savings schemes in Vietnam are generally aim at the poor and is seen as a means to promote income generation. The vast majority of financial services in Vietnam, particularly in the rural areas where most of the poor live and where the outreach of the formal banking sector remains limited, are still provided by the informal sector (UNDP, 1996). In 2001, some 2.5 million low income households approached the vietnam bank for agriculture and rural development – VBARD for loans (SCF/ Japan, 2003). Loans from informal sector can be in cash or kind, and "donors" are relatives, moneylenders, traders or rotating savings and credit associations (*hui or ho*). For both informal and formal sector, the commonly applied interest rates range from zero percent (0%) to about 10% (UNDP, 1996; Nguyen et al, 2003).

In 1997-98 Vietnam Livings Standards Survey, about 80% of rural sector loans are used for productive purposes but the poorest households were more likely to take out loans for consumption purposes. Objectives of credit and savings schemes can be: project broadening, democracy at grass-root level or independency from donors, etc (Sapin & Nachuk, 1997). According to UNDP (1996), by the time of its collaborative study and given the stated objectives of many credit and savings schemes, for various reasons there are no clear conclusions on the impact of the credit and savings schemes on poverty. Moreover, though aiming at the poor, differences in how the poor are identified are existing. Different programs/ donors apply different conditions/criteria for loans (e.g

households in the bottom half of the wealth rankings; number of children under five; obliged member of credit funds, etc). Some NGOs seems to want to promote and expand its prestige and influences in the provinces and they implement activities in a large scale of communes (they do not focus on the poorest). This can make it very negative in terms of management fee and financial sustainability, i.e transportation fee, staff rate/ farmer client. Each household is given a small loan of VND 150,000 (Sapin & Nachuk, 1997) to VND 300,000 (UNDP, 1996) which does not bring back many options/ possibilities for household income generation. Whoever the poor are, no matter how they wish to get access to desired loans, they are seen as being “frustrated” of loan risks. They at the same time have to meet various conditions (sometimes confusing) and obligation of lenders and they utterly feel reluctant to apply for loans.

Governmental banks usually set out financially viable objectives or loans must bring back profits. The interest rates applied for the poor, normally low, do not bring much profit and therefore funds for the poor remain accessibly limited. INGOs with different approaches and objectives though do not lend much credit to governmental banks but they still need to lessen obstacles/ barriers to poor clients by encouraging women to actively involve in income generation activities at larger scale and by diversifying types of loans (Ghate et. al, 1996). Most women wish to participate in savings schemes but in reality it is difficult to find a simple, convenient and yet trustworthy source to borrow. Sapin & Nachuk (1997) suggested that both informal and formal organizations need to have streamlined, clear system with specific, prudential regulatory frameworks and regulations for loans. In addition, for better and more feasible service for the poor, loans from all organizations (e.g Vietnam bank for Agriculture and Rural Development – VBARD; Vietnam Bank for the Poor – VBP; People’s Credit Fund; INGOs; Women’s Union; etc) are “supplementary” and as farmers generally do not want to apply for big loans but diversified ones. MFRC (2002) in the Rural finance project arrived at the conclusions that lending services have not yet met the demand of borrowers and to satisfy this, banks should expand medium and long term portfolio, simplify procedures and increase loan size through interest rates policy and trainings in medium and long term loan appraisal and monitoring techniques. This affirms that obstacles for the poor’s engagement in the market are not only interest rate or loan size or procedure or inconvenience but information and skills/ technical assistance for end clients. High opportunity cost is also cited as one of the main barriers for client to access to banks’ loans.

Another obstacle for the poor in their engagement in the credit and savings schemes is service quality, i.e money availability, simple procedure, and fast process. Some programs tend to provide loans to “the poor” but money is actually allocated to non-poor households as they have better networks and better performance (Nguyen et al, 2003). None of credit and savings programs would claim to serve the poor exclusively (UNDP, 1996). Weaknesses of credit and savings programs can be: uniform financial services provided for heterogeneous needs (GRET, 1996), do not reach remote ethnic groups that are less integrated with others (Actionaid, 1996), do not reach the poorest or most marginalized, focusing on financial rather than social indicators of well-being (SCF/UK, 1996), credit activities do not promote the farmers’ sense of responsibility (SIDA, 1995).

None of the organizations say why and how the above mentioned weaknesses can be overcome to get actual and active involvement of the heterogeneous poor in the market and if these weaknesses are real obstacles for poor clients.

Many projects and programs take “opportunities to get access to loans” as means for improving livelihoods but in fact, poor households livelihoods can be much better if they have better skills and information. In some cases, already got access to loans does not mean households can use them effectively or in a way they want. In other cases, loans become “burden” for moneyreceivers as they become haunted at pay-pack time and amount. Many poor households return cash or refuse to accept the loans since they believe they are too poor and too vulnerable to return the loans (Ha, 2002). It is suggested that savings facilities need to enable the very poor to reach the stage where money lenders will lend to them (UNDP, 1996). McCarty (2001) believed that a detailed understanding of Vietnam’s segmented and inefficient rural financial markets, particularly the role of the government banks should be needed to guide schemes designs and enable targeting of the poor.

In interviews with poor borrowers, such author as Pairaudeau (1999) mapped out obstacles for the poor to engage in the market, such as credit linked to loan use may pressure them to invest in areas which they are likely to be less successful; repayment is clearly made more difficult for the poor when loans must be repaid in a lump sum and soft/ loose conditions and lack of clarity on loan procedures make the poor take schemes less seriously.

Although women face a number of barriers to effectively participate in economic development activities and in improving their social status and prestige, such as in land regulations, men solely sign important household documents/ land use certificate and women can not meet collateral requirements (physical collateral in the form of land or house) for much bigger loans or for setting up their own enterprises (Beresford, 1994). Other author as McCarty (2001) indicates that the vast majority of rural loans are made to men. He also believes that a more comprehensive understanding of the credit needs and choices of poor households is required. When different ways that women participate are considered, female participation is actually higher than male participation in credit and savings programs (Pham, 1998).

Credit and savings schemes for the poor have been always being very popular in development programs of both governmental and non-governmental organizations. Its strengths and weaknesses can always be listed out, requirements and demands of the poor for better involvement in the whole market, barriers and preventions can also be identified and mapped out but it is becoming more prominent if credit and savings schemes for the poor should be replaced by more “shocking” and less “old, popular” poverty alleviation incentives and programs.

According to the director of the Institute of Policies and Strategy, Ministry of Agriculture and Rural Development (MARD), program officers at the World Bank and CIDA office in Hanoi, credit has played a very important role in poor rural household’s livelihood

diversification since the country started its economic reforms (*doi moi*) in 1986. Experience has showed that NGOS and INGOS which have been involved in credit have set up a system that is not integrated into the state administrative system. Therefore, it does not work in a sustainable manner. It happens very often that when the project is finished the credit system is also gone. It should be noticed that credit is now taken care of by the Bank for Social Policy (the then Bank for the Poor), which is planned to become a commercial bank in 2015. However, the bank is not presently facing several problems, such as it is not working on the commercial terms; it does not have sufficient staff members who could travel to poor rural households who normally live in remote areas; their mandate is not clear either. Since it is not a commercial bank at the moment, its staff members are not keen on working for the poor. So the question arising then is how to help the staff members of the bank strengthen their capacity in such a way that the poor could get access to the loan in a much more simplified way. There is a need to understand the current capacity of staff members of the bank in each province and where interventions should be made.



The Hanoi Core Statement on Aid Effectiveness Ownership, Harmonisation, Alignment, Results stipulates commitments of both the Government of Vietnam and donors from different nations and international organizations to make aid more effective in order to achieve Vietnam's Development Goals (VDGs) by 2010, and the Millennium Development Goals (MDGs) by 2015. According to the statement, donors align with Vietnam's strategies and commit to use strengthened country systems; Donors avoid creating parallel structures (PMUs) for day-to-day management and implementation of aid-financed projects and programs; Vietnam strengthens institutional capacity with support from donors; donors increasingly use government systems; and donors implement common arrangements and simplify procedures. In light of this, donors, such as CIDA, Canada has decided to work in line with the systems of Vietnam. They will focus on the provincial level. In this case, they will support the provincial administrative system so that annual budget and planning will be designed in a realistic, transparent and pro-poor way. In this way, agricultural extension and public services will be delivered better and therefore the poor could get access to and benefit from these services. Therefore, research on the strengths and weaknesses of the provincial government is needed to understand how it works and what would be the value-added that donors could bring to the system.

### **Gender Women's Access to and Control over Resources**

The literature on gender and women's access to and control over resources is not rich in Vietnam. A number of scholars have researched gender women's access to and control over resources in rural Vietnam. The analysis of gender and women and natural resource use and management in most of these studies takes into consideration rural economic reforms at the macro level and the structure of relationships within rural society at the micro level. The most significant papers will be discussed in turn. Ieron (1996) examines the roles of women and men in forest resource use in the Tay community in Hoa Binh. Rita Gebert and Nguyen (1997) pinpoints that land allocation policy created opportunities for women so that they could participate actively and apply new technology to the household's farming systems. Le (2002) concludes that women and men have equal access to forest resources, but women do not have the same right in making important decisions in the family as men. Vu and Le (2004) explores the impacts of national park land use policies and commercialization of herbal medicine on gendered access to and use and knowledge of medicinal plants, and to explore how the Dzao women and men in a relocated village use their local knowledge to negotiate among community members and with outsiders and with outsiders to promote sustainable resource use and management. They indicate that medicinal plants tenure is gendered and inter-woven. Participation in the medicinal plant conservation project and the formation of a medicinal plant association have led to the restructuring of gendered landscapes and livelihoods. They also pinpoint that the policies and regulations of the park have excluded local people living in the area adjacent to the forest from using the forest resources.

Dang (2005) looks at gender and forest resource use and land tenure in Thai, H'mong, Dao and Muong communities in Son La, Hoa Binh, Quang Ninh and Phu Tho Provinces. The contents included in the paper are indigenous knowledge from a gender point of views in forest resource use, and the role of gender in non-timber forest products and land

tenure. She then concludes that both male and female of these ethnic minority groups have rights in using natural resources, but they have different positions in making decisions about the use of land, natural resources, production tools and credit. The H'mong people have not yet got used to credit generally; and men are directly involved in community activities and play a determinant role in the decision making process.

Nevertheless, almost all of these studies are qualitative, descriptive studies. No evidence is presented in those studies to analyze income differences between males and females from forest resources and how much this source of income accounts for in the household's total income, based on which to explain how some get access to these incomes and others not; And how women's empowerment in the family has changed since the economic reforms started.

Le (2005) examines the different practices of women and men in resource use and management, changes in access to and control over mangrove resources, and the conflicts between those who have been able to capture nearly exclusive access and those who lost access as a result of the privatization of coastal aquaculture resources in Giao Lac village of northern Vietnam. The findings demonstrate that the Vietnamese government's economic reforms, have opened up economic opportunities for many, but have not benefited women and men equally. Rapid changes in the allocation of private leaseholds in the coastal area and the legalization of private businesses have deprived many poor households of livelihoods dependent on access to mangrove resources. Women-led households, women and girls have been the most adversely-affected. Changes in the macro-structure of the state and the economy have not resulted in improvements in all aspects of life in the village. Consequently, there have emerged different processes of differentiation between different classes, groups of women and men and groups of people of different age in the same village.

As the case of Giao Lac in this study illustrates, gender, age, wealth and class all influenced the ways in which villagers used and managed natural resources, with gender pervasively shaping the extent to which people benefited from their use of these resources. There were significant differences between women's and men's opportunities in resource use and management in Giao Lac. This is due to the persistence of patriarchal values within the community, which result in differential access to power bases and support networks, especially among shrimp traders. Constraints on women date back to the pre-colonial and colonial eras. Their roles and status were radically changed during the Vietnam-U.S. war due to the exigency of sending men to the battlefields. The relative absence of men from the village during the war overturned traditional social relationships, although this did not completely alter the nature of unequal gender relations in the site under study. Evidence for this lies in the constraints women continue to face in coastal trade activities.

Following *doi moi*, women and men have had unequal access to the most productive coastal aquaculture resources, limiting their opportunities in the market economy. Women's access to resources and lucrative jobs is limited by traditional patriarchal systems that limit their lives to the domestic sphere and constrain their participation in

public decision making processes. For example, the “red books”, which give rural families access to forest land in Vietnam, are normally signed by the head of the household who is usually male. Women do not have individual rights to land and there is a lack of strictly legalized policies regarding the ownership of resources, such as land. Consequently, access to resource was largely mediated by their relations with men, especially as husbands. Property rights were vested in the man head of household. In short, women usually did not gain legal rights to the land they farmed, and therefore they did not have the rights to sell or transfer use rights to others. The range of specific social and economic opportunities open to women and men has changed due to recent changes in resource management. These have in turn shaped the array of gender-specific resource interests, benefits and opportunities.

Further research on larger scale is needed to understand better in what context women have better access to and to what extent better access to resources would contribute to women’s empowerment in the domestic sphere and in poverty alleviation.

### **Indigenous Knowledge and Non-timber Forest Products**

Many of the rural poor in Vietnam live in remote forested areas and depend on forest resources for a portion of their livelihood. This is especially true of the country’s ethnic minorities, many of whom are viewed as being the “poorest of the poor.” They heavily depend on non-timber forest products (NTFPs), such as bamboo, rattan, bamboo shoots, medicinal plants and animals to meet their basic needs despite the fact that there is a high rate of forest conversion and biodiversity loss in most of the country (Sunderlin, 2004).

In Vietnam, a few scholars have paid attention to indigenous knowledge in relation to natural resource management. Many invaluable indigenous knowledge systems of many communities have not been fully discovered (Han, 2004). Hoang and Le (1998) examine the roles of the ethnic minority groups’ indigenous knowledge related to agriculture and natural resource management in the uplands of Vietnam. This is one of the first studies that looks at indigenous knowledge related to swidden farming, animal husbandry, forest resource use and health care in the community in Vietnam.

Han (2004) examines indigenous knowledge related to use and management of NTFPs in the Van Kieu community located in the buffer zone area of the Nature Reserve Dakrong in Dakrong district, Quang Tri province. Han concludes that the Van Kieu community has a rich system of indigenous knowledge related to use and management of NTFPs. Han pinpoints that with the loss of forest resources, the Van Kieu ethnic group’s indigenous knowledge will be gradually lost if their values will not be discovered.

Hoang et al (2005) examines the role of NTFPs in the livelihoods of the Dao community in Bang Anh village, Tan Dan commune, Hoanh Bo district, Quang Ninh province. It is the first study that looks into the relation and the linkage of the Dao community and forest protection and utility, especially NTFPs. The findings show that the local people’s income is generated mainly from NTFPs. The Dao people have a pool of a variety of indigenous knowledge in using NTFPs, especially using medicinal plants for community

needs and trade purposes. The results also demonstrate that although the Dao people have their own knowledge in harvest, use and conservation of valued trees and this knowledge may be lost in oblivion together with the exhaustion of non-timber forest resources.

Therefore, further research is needed to systematize indigenous knowledge in NTFPs use and management so that development projects could integrate it into their activities that aim to improve local people's livelihoods without depleting the resource base; and to develop an agro-forestry model that aims to develop and rehabilitate NTFPs based on indigenous knowledge and scientific knowledge. The problem arising then is that when indigenous knowledge becomes a common property it will be lost to the local community that used to possess it will lose it to outsiders who will make huge profits out of it. So there should be policy that protects the local community from losing it and in case where they want to share their knowledge what would have get.

According to an expert at the Ministry of Agriculture and Rural Development (MARD) a Strategy on NTFPs has been under consideration at MARD. It will reportedly be passed soon. Nevertheless, poor farmers who are involved in NTFPs are facing a lack of market information. Therefore, they do not know where to sell their products and most of time they are paid at lower price compared with the market price. Therefore, research is needed to develop a model in the community like a cooperative or a group that would give them bargaining power and help them negotiate with intermediaries and retailers for their benefits. It is also suggested that a NTFP network should be established. A web site will be created as the common platform. A web site is an obvious communication medium to use for a large number of people to participate in to exchange and access essential information on NTFP. Although at present the number of those living in the mountain region, with access to the internet is limited, in order to overcome this temporary limitation, the Network Newsletter, based primarily on the content of the network website, will be posted monthly to each network member.

## **Fisheries**

The Ministry of Fisheries designed a Strategy on Aquaculture and Poverty Alleviation (SAPA). The strategy aims to alleviate poverty through aquaculture development and sustainable management of aquatic resources. According to a senior expert at the ministry, the strategy has not been implemented as planned, since there is not sufficient funding from the government and there is a lack of staff who could take on the job. In addition to the strategy, the Ministry of Fisheries have developed a number of projects that aim at poverty alleviation. However, there is a lack of information and a mechanism of coordination is not clear. One of the challenges that the ministry is facing at the moment is there is no clear definition of what the poor are, although every one knows that the poor vary from one region to another. Therefore, the target groups are not identified. As a result, almost all projects and programs that aim at the poor do not focus on the poor. The criteria for the poor that the ministry is using at the moment are as follows: the poor are those who have small ships and the rich have large ships. In fact, this does not always hold true. What has happened Vietnam's fisheries so far is always initiated from below rather than directed from central government. The government does

not play any role. The ministry is always one step behind what has already been implemented at the local people by local population.

There is a need for more research to define what poor households are and what assets they have, based on which to work out appropriate policy that aims to help the poor alleviate poverty.

### **Shrimp farming**

Since shrimp exports are highly profitable during the *doi moi* period, both central and local governments have provided incentives to shrimp farmers, despite the knowledge that shrimp farm productivity usually declines dramatically within three or four years of pond construction. Decree 773-TTg, issued by the Prime Minister on December 21, 1994, stipulates that open coastal areas and waterfronts may be used for shrimp and crab farming. In addition, government policy has explicitly encouraged aqua-culture and export of aquatic products up to 2005 (Government of Vietnam, 1998). Currently, production of shrimp culture in Vietnam is considered to be one of the most attractive livelihoods in coastal areas. Figures from the Department of Fisheries (2001) show a rapid increase in shrimp production. In 1991, just 70,000 tons were produced, by 1995 this reached 89,820 tons and in 2000 this grew to 105,000 tons. By 2001, 155,000 tons were available to the market, an increase of 50% in just one year (Siam Canadian Foods Co., 2004). Many semi-intensive and intensive shrimp ponds have been constructed. Such practices require a large amount of feeds to be applied to ponds to increase shrimp production. Large portions of this feed enters the water as metabolic wastes, thus resulting in water pollution, which in turn leads to shrimp disease (Le, et al. 2003). Due to the poor management and often improper construction that does not allow the pond to be completely drained and the permanent impoundment of water that does not allow the mangrove trees to survive, many ponds which were highly productive have presently become “white” or empty ponds (Le, 1996). Pond abandonment is now starting to be significant and the life of the local people have become more difficult than ever. Further, shrimp farming has created social and economic problems for coastal communities. Shrimp aquaculture usually uses common pool resources, such as mangroves and water, which had traditionally served as the economic safety net for resource-poor households. As a result, shrimp aquaculture has brought about social displacement and marginalisation of shrimp farmers and agriculturalists (Ronnback, 2001). Loss of mangroves has affected local food insecurity, mangrove forest goods, and resulted in lower fisheries catch. All of this has resulted in profound poverty.

Studies by Le (2004; 2005) show how shrimp farming for export had adversely impacted on local livelihoods and degraded the environment. A study in 2004 in the Central Vietnam reveal that the rich had earned more from the mangrove resources because of their greater control of capital, management skills, and political power. The poor had benefited the least, yet have traditionally depended more on the mangrove forests to compensate for their lesser access to other resources. Nevertheless, in the last three years shrimp diseases, pollution problems and typhoons have changed the whole picture in Phuoc Son commune. The poor earn more and the upper middle earn least from mangroves and mangrove-related resources. The average poor household earned nearly

10 times more than the average rich household from mangroves and mangrove-related resources. Meanwhile the middle and especially the upper middle income households lost a huge amount of money due to the failure in shrimp culture. The poor earned the most from the mangroves and the inter-tidal mudflats, because they were not engaged in commercial shrimp farming, an unreliable industry that has driven the majority of shrimp farmers in Phuoc Son to bankruptcy – stemming from losses in crop. Lack of capital sources, labor, and management and entrepreneurial skills forced the poor to sell their ponds, which in turn helped them avoid the risk of farming shrimp and therefore secure their livelihoods. The upper middle and the rich households have become worse off, since they had lost their entire last shrimp crops to disease, pollution problems, and big typhoons in May 2004. According to key informants, if there had been mangrove forests as in the past they would not have lost their shrimp crops. Nevertheless, the rich, the upper middle and the middle have more assets. One might wonder how long this picture would last. Although the commune is stratified and members have responded individually and differently to market demands, they acted collectively to exclude outsiders—who threatened to abolish their rights over their local resources.

The finding also show that female-headed households, women and girls more generally have been the most adversely affected and they have become victims of both environmental degradation and the process of privatization, since they have less opportunity to engage in shrimp farming than men, and instead are confined to selling their labor to pond owners. Girls enjoy less education, food and healthcare than boys. There is a need for more research to make shrimp farming more sustainable.

### **Rural Enterprise Development**

According to an expert in this area at the Women's Union, the Union has helped many rural women to get out of poverty through development of small businesses. The fact showed that the poor are not homogeneous. So far the Union applied one type of management training to all target groups. This has resulted in confusions. Experience showed that 20 percent out of a group that received training in business management become successful entrepreneurs. The rest (80 percent) failed. Those who become successful entrepreneurs work longer hours with heavier workload. One may wonder if this is actually good for women. Nevertheless, these women are happy, since they earn more income.

At the moment, the Women's School, which is under the Women's Union is carrying out a research on Micro-enterprises Owned by Poor Women and their Empowerment in the Family. The project is funded by the Dutch Government. The project aims to investigate how rural poor women access to different levels of 5 main capitals (physical, natural social, financial, and human capitals) and how they can use those capitals to sustain their livelihoods. In other words, how various levels of household capitals are associated with levels of family empowerment of women entrepreneurs. The research will then proposes policy remedies to enable women to access to five capitals to develop their enterprises and at the same time improve their status in the family, thus reducing rural household poverty.

There is a need for more research to understand how micro and small producers link up with each other like a network; how institutions impact innovations and how micro and small producers react to incentives. Innovation is the key to link up poor households to global economic chains.

### **Migration and Labour Market**

According to a migration expert, there is a need for more research that looks at the social and moral dimensions to the economic side of migration. Many have migrated not because of economic reasons. In reality, many people, especially girls and women have to leave their native villages for elsewhere in the country or even outside of the country because they have had a bad experience with either their family members or their relatives. Therefore, it would be a shame for them to stay. Further research is needed to understand what services would be provided for migrants so that migrants would get prepared before leaving home.

According to a senior economist at the Central Institute for Economic Development at the Ministry of Planning and Investment, most of studies on migration so far in Vietnam are econometric and the majority of migration studies focus on urban areas, such as the quality of life of migrants, their working environment, migrant registration status and length of time at the destination. Thus, there is a need for more research to look at urban-rural and the linkages between urban and rural areas to find out who migrants are at the both sending and receiving ends; why they leave their native villages; Is it because of poverty? And how they have adapted to the new life and new environment in the resettled areas?

More research is also needed to understand the life of people who live in the suburb of large cities and lost their land due to urbanization, and because of this many people have either changed their professions or moved elsewhere in a hope to look for a better life. There is also a need for research to look at the Northwest region of the country where people have migrated to provide insights into the pull and push factors of migration. Case-studies are needed and migration should be looked at from social, political, cultural, and even religious not only economic dimensions.

There should be policy discussions on south-south migration as well. These days many people have gone to work in factories in Malaysia, Hong Kong, Taiwan, South Korea and United States. Many rural women have gone to work as maids in local families in Taiwan. Research is needed to understand how these migrants work in the new country, how they adapt to the new environment and how they make an adjustment upon their return and how their community receive them.

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