CHALLENGES IN IDENTIFYING THE BENEFICIARIES OF THE POVERTY REDUCTION STRATEGY IN NORTHERN MOUNTAINS OF VIETNAM: THE CASE OF XUAN PHONG AND TU LY COMMUNES, HOA BINH PROVINCE

MAI Lan Phuong, Philippe LEBAILLY

Hanoi University of Agriculture
Philippe LEBAILLY, Université de Liège_ GxABT

ABSTRACT

In many developing countries, poverty alleviation programs have been implemented since the 1980’s and 1990’s, and will be continued into the next decades. The emerging question is why “poverty issues” still exist for such a long time and do challenge not only the Vietnamese government but also many countries all over the world. One may ask if poverty reduction strategies, applied in Vietnam and other countries, are suited to the real poverty situation, and if they are sustainable. This paper is based on a research to investigate the nature of government’s interventions as a “poverty reduction strategy”, at Tu Ly and Xuan Phong communes in Hoa Binh province. Vietnam’s official poverty identification method and participatory poverty assessment of people are applied. This study does claim that the currently “inappropriate definition of poverty” is one of keys problems at the roots of the lack of obvious success of the ongoing strategy.

Key words: Poverty, Poverty reduction strategies, Development strategy

1. INTRODUCTION

After the 1995 Copenhagen Summit the emphasis swung from social development to poverty eradication. During the same period economists in the international financial institutions and political leaders promoted the neoliberal approach in the economies of developing countries. The neoliberal approach advocated minimal state involvement and the privatization of public goods. The emphasis was on economic growth with the stated expectation that poverty would be reduced as a result of growth (Correll D. 2008). National poverty strategies commonly focus on enhanced public expenditure programs, institutional reforms to improve governance, and structural reforms to build assets and increase access to markets and institutions. The efficacy of reforms often depends on their acceptance by stakeholders, and increasing evidence shows that stakeholder input can improve reform design and build up their participation (Paternostro et al., 2006).

Since the 1990s, to combat poverty, Viet Nam developed many strategies which have changed over the years with the needs and the results in areas of concern. Governmental provisions were to promote so-called integrated strategies both for increasing food production, crop diversification and access to various basic services. In particular, since 2001, with the assistance of the World Bank and the IMF, Viet Nam has developed what is called the “The Comprehensive Poverty Reduction and Growth Strategy” (GPRGS). The CPRGS is an action program that translates the Government’s Ten-Year Socio-economic Development Strategy, Five-Year Socio-economic Development Plan as well as other sectoral development plans into concrete measures with well-defined road maps for implementation.

Viet Nam has made an impressive advance towards the achievement of many of the Millennium Development Goals (MDGs). Using a “basic needs” poverty line initially agreed in the early 1990s, the poverty headcount fell from 58 percent in the early 1990s to 14.5 percent by 2008, and by these standards was estimated to be well below 10 percent by 2010. Similar progress
in the face of steadily rising incomes is evident when assessed by international standards of $1.25 and $2.00 person/day (2005 PPP). Progress has also been substantial in other dimensions of well-being, ranging from high primary and secondary enrolments to improvements in health status and reduced morbidity and mortality. Vietnam has achieved and in some cases surpassed many of the MDGs (WB, 2012).

However, although the national rate of poverty decreased, and despite all the efforts of many institutions and authorities, the poverty in Viet Nam is still very "stable". The task of poverty reduction is not complete, and in some respects it has become more difficult. Although tens of millions of Vietnamese households have risen out of poverty, many have incomes very near the poverty line and remain vulnerable to falling back into poverty as a result of unexpected shocks, (such as job loss, accidents, or death or illness of a household member), or related economy-wide shocks, (such as the effects of climate change on rainfall and temperatures, human and animal influenza pandemics, and impacts of the 2008–09 global financial crisis) (WB, 2012). Poor people have more problems or vulnerabilities in their daily lives than the others in the same social economic environment. The weight of poverty is especially present in remote areas, especially mountainous areas, populated by ethnic minorities. This population lacks infrastructure and access to resources that could cover their basic needs.

The Ministry of Labour, Invalids and Social Affairs (MOLISA) in its report "Mid-term evaluation of control strategies against poverty " also found that GPRGS outcomes are not sustainable because households that come out of poverty have incomes close to the national poverty line, and are remaining vulnerable to falling back into poverty (MOLISA, 2009). On the other hand, poverty is increasingly concentrated among Vietnam's ethnic minority populations. In 1993, poverty was widespread and minorities comprised only 20 percent of all poor households. By 1998 the share of minorities among the poor had increased to 29 percent, and by 2010, minorities accounted for 47 percent of the total poor group in Vietnam, and a resounding 66 percent of individuals in the poorest 10 percent of the population. According to the update GSO-WB poverty line, 66.3 percent of minorities were poor in 2010 compared with to only 12.9 percent of the Kinh (WB, 2012).

In recent years, growth has favored the better-off, resulting in rising income inequality and increasing social and economic disparities. The Gini index of income inequality has risen modestly from 0.40 to 0.43, adjusted for variations in prices across region. The evidence suggests that regional variation in growth patterns contributes to the explanation of the rise in inequality, but appears to play a more limited role than differences across households within regions. There is substantial evidence of variation in growth across region, with some poorer regions such as the North East, North Central Coast, and North West growing substantially more slowly than the Red River Delta and the Central Highland.

In brief, the gap between the rich and the poor grows more and more. The standard of living of poor households is still low especially in mountainous areas. It appears that an identical implementation of the strategies of poverty alleviation for all regions of the country is not adapted and does not produce the desired effects. The administrative system cannot handle specific poverty situations on a daily basis and it is why households cannot receive the aid when they need. The report of MOLISA also notes that 10% of the beneficiaries of assistance from these programs are not poor and that, at the same time, 52.1 per cent of poor households are not included in the list of poor households of the communes. This entails the current problem of the revision of the poor population census in Viet Nam.

A close look at the reality of poverty in Viet Nam shows that a dichotomous vision (poor against non-poor) is irrelevant: some households are not truly poor (their monetary income rose above the national poverty line) but the real ability of these households to overcome shocks remains very low and therefore the need of social protection is required. However, this category of households receives nothing because the local government and social associations are not interested in them. This form of exclusion is derived from the definition of the MOLISA that determines who will get the status of "poor household" and to benefit from subsidies. The calculation technique used to determine the status of household appears not to reflect always the true nature of poverty.
The following questions are proposed:

- How did the Government determine the beneficiaries of poverty reduction programs in general and in the two studied communes in particular?
- What is the problem of this determination?

The objective of this study is to demonstrate the methodological weakness of the link between the poverty line in monetary terms and the determination of the poverty reduction programs beneficiaries.

2. LITERATURE REVIEW

Since the late 1990s, the discourse on poverty has invaded largely the literature on rural development. A lot of research has focused on the link between extreme poverty, lack of infrastructure and access to resources to cover the basic needs. The United Nations Organisation (UN) has set a goal to halve world poverty by 2015. The World Bank (WB) and other major donors to developing countries assess almost every proposed policy in relation to its impact on poverty (Laderchi et al. 2003).

Appropriate identification of the poor is crucial if poverty reduction is to be achieved. Yet the definitions and measurements invoked in poverty assessments remain contentious. The various approaches currently used to categorize the poor and the policies that are subsequently formulated are often contradictory. Despite widespread recognition of the multidimensional nature of poverty among social scientists and policymakers, many of whom acknowledge the importance of incorporating the perspective of the poor in poverty studies, a single method – the monetary approach – continues to dominate poverty assessment (Caizen, 2010).

There are two dominant approaches to define poverty: the monetary income approach (WB) and the capacity approach (Sen & HDR)

According to WB, the most commonly used way to measure poverty is based on incomes or consumption levels. A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the "poverty line". The poverty gap is the amount of resources that is needed to get those in poverty out of poverty. Note that it is distinctly possible that a country ‘A’ may have fewer people under the poverty line than another country ‘B’, while at the same time ‘A’ may have a larger poverty gap than ‘B’.

A closely related measure is the Poverty gap ratio (%), defined as "The mean distance below the $1 (1993 PPP US$) a day poverty line, expressed as a percentage of the poverty line. The mean is taken over the entire population, counting the non-poor as having zero poverty gap. The measure reflects the depth of poverty as well as its incidence (WB, 2012).

But according to Peter, 1$-a-day is a flawed concept. If we define poverty as a lack of well-being, then poverty is clearly a multidimensional phenomenon. The $1-a-day poverty line can therefore rightly be criticized for being an insufficient and mono-dimensional (iepurely income-based) measure of the phenomenon that is poverty. This author also found that the Bank’s method is seriously limited not only because of its mono-dimensional assumptions but also because , even if we accept those limiting assumptions, the method still embodies an unrealistically low poverty line (the $1-a-day line). This low poverty line seriously misleads policy makers, politicians and the public on both the extent of global poverty and the scale of socioeconomic change needed to remove absolute poverty (Edward, 2006)

According to Sen's capability approach, the poverty is the failure of some basic capability to function. In others words, the capability approach focuses on the information about individual well-being. Capability represents the various combinations of functionings (beings and doings) that the person can achieve. The actual achievement of functionings is a result of personal choice to select from the capabilities available, a choice subject to personal preferences and other factors of decision-making mechanisms (Yingqin Zheng, 2007). However, in accordance with many social scientists or philosophers the capability approach is too individualistic and pays insufficient attention to groups and social structures (e.g. Corbridge, 2002; Devereux, 2001; Navarro, 2000). In addition, the increase of physical and financial capital, when it takes place, can be a very uneven phenomenon, with negative effects, particularly on the social capital of those who do not benefit from the growth of this first capital. Social cohesion of the village is affected, weakening the
collective assets of the community, and therefore the ability to improve the lives of all its members.

Poverty is a multidimensional phenomenon that may result from lack of assets, limited economic opportunities, poor education and capabilities, and a variety of disadvantages rooted in social and political relations. The problem is to know how and why these factors are attributed. We can summarize saying that poverty is not a fact of nature. To understand poverty, we must know the type of existing social relations and mechanisms of social reproduction, because poverty is socially constructed (Houtart, 2005).

3. METHODOLOGY

Vietnam consists of eight regions: the Red River Delta, North East, North West, North Centre Coast, South Centre Coast, Central Highlands, Southeast and Mekong Delta. The study area is located in a mountainous region in the North West of the country where the poverty rate is the highest among the eight regions. This rate was 39.4%. Poor minorities are heavily concentrated in the mountainous region of North-West, and represent 72% of the population. In the mountainous region of North-West, the province of Hoa Binh was chosen. The poverty rate in Hoa Binh is high and is 31.51%. The average income per person per month in 2010 was 829,800 VND (= $ 43.67). Ethnic minorities are important. Seven ethnic groups live in this province: Muong, Kinh, the Thai, Tay, Dao, H’mong and Hoa. Muong represent 63% of the population in Hoa Binh, the Kinh 28% and 9% for the other groups.

Among the 10 districts of the province of Hoa Binh, two districts (Cao Phong district and Da Bac district) were selected to perform this analysis. They bring together the various features of the province. They are both located in the high mountain area, on either side of the center of Hoa Binh. In each district, I chose a representative commune: the Tu Ly commune and Xuan Phong commune. The poverty rate of the two communes is high: in Tu Ly (50.43%) and in Xuan Phong (55.28%). Ethnic groups are diverse: in Tu Ly (the Muong represent 50%, the Kinh 17%, the Tay 12%, Dao and Thai 21%). In the commune of Xuan Phong, the majority comes from the Muong group (98.5%) and 1.5% includes the Kinh minorities.

Thanks to the established mutual trust, data were collected by direct observation of the village framework. The final questionnaire could be established following discussions with the village authorities and communal officials, who provided the information on the characteristics and problems of the villages. It is through them that we were able to make contact with the various categories of stakeholders in the villages.

In addition, we did a survey of 90 households to know what are the differences between the households included in the list of poor households of the commune and the household that are not in the list but vulnerable. We asked the heads of communes to randomly select the households in each group below, a total of 45 households per commune:

- The first group (A) includes the category "persistently poor", i.e. households who are poor for all dates where data are available. According to Government Regulation 170 CP promulgated on July 8, 2005, in period of 2006-2010, the official poverty line for urban areas was 260,000 VND/person/month and the official line for rural areas was 200,000 VND/person/month;
- The second group (B) includes "the transient poor", which have average incomes above the poverty threshold, but are found among poor households at certain dates;
- The third category does not have currently an income level below the level of poverty, but were poor in the past. That (C) group has just come out of poverty.

4. RESEARCH RESULTS

4.1. The Beneficiaries Of The Poverty Reduction Strategy

Since the 2000s, like all mountainous regions in the North, the province of Hoa Binh has implemented many programs of the Government to combat poverty. During the
period 2001-2005, the objectives of these programs were to:

- Decrease the rate of poverty and to achieve a rate of less than 10%. Each year poverty had to decrease by a rate of about 3% to 4% (i.e. annually a reduction of about 4,500 to 6000 poor households at the level of the province);

- Improve the infrastructure of all communes such as roads, schools, centers of health care, drinking water, irrigation, local markets etc.

In the period 2006-2010, the poverty rate has fallen from 31.31% in 2005 to 8.86% in 2010, with the improvement of living conditions of poor households, and according to some official data at least, the decrease in the income gap between poor and rich, between rural and urban areas.

To achieve these results, two types of projects were implemented, as follows:

- The first was to directly target poor households with low rates credits and extension projects.

- The second has worked at the level of municipalities with basic infrastructure projects, the creation of other money earning activities to strengthen the capacity of the villagers to obtain extra farm income, and training communal cadres especially in the poorest communes, etc.

The recipients of these strategies were the poorest in general, poor households as well as poor communes.

Who are the poor households in Viet Nam?

All households who have incomes below the national poverty level are classified as poor. The poverty line is calculated on a base of daily needs: food base, clothing and household supplies etc. Since 2000 until today, the national poverty line has changed three times. In the period 2001 - 2005, the poverty line was 150,000 VND / month / person for urban and 80,000VND for rural areas. From 2005 to 2010, poverty line has been raised to 200,000 VND / month / person for rural areas and 260,000 VND / person / month for urban areas. From 2010 to 2015, the poverty line is again amended. In rural areas: 400,000 VND / person / month, and in urban areas: 500,000 VND / person / month. All households that have their lower level of national income poverty are considered poor.

If we convert these 2005 and 2010 figures in dollars, we have to take count of the depreciation of the VND-US $ rate between the two dates. In 2005 it was 15.700 VND/1 $; whereas in 2010 it was 19.500 VND/1 $ . It means that the 200000 VND of 2005 where equivalent respectively at 13 $ in 2005 and 10 $ in 2010. It entails that the poverty line converted in dollar / day was 0.43 $ in 2005 and 0.33 $ per day in 2010.

It means also that the poverty line as defined in Vietnam was always well below the international standard of 1$ a day, which has been itself strongly criticized by many authors as too low. And it has even shown a chronic tendency to diminish between two dates of reevaluation of the poverty line.

These facts lead of course to many questions about the way the poverty line has been defined in Vietnam, but they are beyond the limited scope of this article.

All the communes of the province of Hoa Binh, like other communes in the mountainous region of the North must apply this threshold to calculate their rate of poverty. This means that the price used to calculate the threshold of the poverty of Hoa Binh is not the local price. Based on this threshold, one can establish the number of poor households, and a list that includes all these households by village as well as in the different communes. These data have to allow checking the proper functioning of poverty alleviation strategies and other relevant policies.
If one look at the graph showing the rate of poverty in Hoa Binh since 2001, we can see that the jumped to a new height at the beginning of the following period. For example, in the period of 2005–2010 the rate has fallen from 31.31% to 13.87%, but as soon as early 2011 the poverty rate has jumped again to 31.51% (according to the new poverty line for the period 2011–2015).

In the two communes studied, the rate of poverty in the year 2011 is very much higher than in the year 2010 due to the change about the threshold of poverty. The poverty threshold changes every five years due to inflation during the intermediary period. Every five years one has to reset the counters to zero at the level of the new poverty rate figures. In other words, the poverty situation does not change much for people with very low income, because the fixed monetary threshold is continuously eroded by inflation. And after the five year period there is simply the official recognition of the stagnation. Which looks apparently like the return of poverty? At the end of the previous period poor households seemed less poor in monetary terms, compared to their previous life. But their current real situation of poverty has almost not changed. This shows that poor households are always lagging behind, and that strategies that combat poverty meet the needs of poor households only in a short moment at the beginning of a new period.

4.2. Determination Of Poor Households By The MOLISA Method In The Two Studied Communes

The MOLISA and Departments of Labor Invalids and Social Affairs (DOLISA) poverty data collection is based on a ‘perception’ index carried out under a MOLISA circular No. 04/2007/TT-BLDTBXH, dated 28 February, 2007. Data are collected once a year at the end of the year in November. The survey is processed and the record is published in the first quarter of the following year thereby giving the list of household and household members to receive benefits during the one year period following the publishing of the list.

The poverty data collection starts at the Commune level where a Commune survey board is established to review household wellbeing. This board includes the heads of villages and representatives from associations and unions. The survey board reviews the poverty situation in a fully participatory manner and submits the results to a District Survey Board for approval.
and subsequently to the Commune People’s Committee to include a new list of those who have not escaped poverty. The assessment is based on those households judged to be below the poverty line which are then listed.

At the commune level, we can see that the chiefs of villages and the communal officials play a very important role in determining precise figures for the rate of poverty of the people.

There are two groups of households which are analyzed. The first includes the poor households of the previous year, but that are perhaps no more poor in the revised year. The second group is composed of households which were not poor last year but have become poor during the revised year.

First of all, village leaders write in priority two lists of the two groups of households to be analyzed, and based on revised data from the previous year and their observations throughout the year: one list for those likely to exit poverty and one for those having an income below the poverty line. Then, they take in consideration the revised criteria of MOLISA like: the changes which have occurred in the status of workers active in the household; situation of income, welfare, cropland; the basic living conditions - like electricity, water, accommodation in the house and also the risks in the production activity. Henceforth they are able to calculate the points acquired by each household on the list. It should also be noted that all these changes are in relation to the change of income and expenditure of households. Therefore, if households in the first list have more than 10 points, they are no longer in the criteria of poverty, and if households in the second list have 10 or more, are at risk of being poor during the period calculated.

Figure 1-Level of Administrative authority to manage poor household
Table 1: Quick assessment of households likely to get out of poverty (For Poor household in original year list (e.g 2008), newly split / merged household excluding moved household)

<table>
<thead>
<tr>
<th>Changes in labor status, employment and household living standard (in 08-09)</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Additional household member(s) generating regular income of more than 500,000 VND per month in rural areas, or working as export worker(s) for more than 18 months</td>
<td>8</td>
</tr>
<tr>
<td>2 Rapidly increased income from current/ new or additional job for more than 6 months</td>
<td>6</td>
</tr>
<tr>
<td>3 Purchase of equipment/ working tools worth more than 5 million dong or of livestock/ cattle worth more than 10 million dong (from the household income)</td>
<td>6</td>
</tr>
<tr>
<td>4 House clearly improved (from household income) or newly built better than former house</td>
<td>5</td>
</tr>
<tr>
<td>6 Purchase of durable assets worth more than 1 million (from household income)</td>
<td>4</td>
</tr>
<tr>
<td>7 Increased farming land [gaining 1 point for each 360m² increased]</td>
<td>3</td>
</tr>
<tr>
<td>8 Living conditions like electricity, clean water, toilets,... clearly improved with household income</td>
<td>3</td>
</tr>
<tr>
<td>9 Windfall (land compensation, winning lottery of more than 10 million dong, bumper crops for 2 consecutive years, ...)</td>
<td>3</td>
</tr>
<tr>
<td>10 Misfortune of the family has passed for at least 12 months (ill recovery, seriously ill member died, overcoming business/ production hazards)</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total Score**

Source: MOLISA 2009

Table 2: Quick assessment of household likely to fall into poverty (Non-poor household in original year (e.g 2008), including migrated household, non-poor split/ merged household in the year.)

<table>
<thead>
<tr>
<th>Bad events in 2008 - 2009</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Main source of income lost due to poor harvest, natural disaster, disease, unfortunate in business/ production... and recovery is impossible and lack of support from relatives</td>
<td>8</td>
</tr>
<tr>
<td>2 Breadwinner losing work ability for long term seriously affects household income</td>
<td>8</td>
</tr>
<tr>
<td>3 Land sold to cover household member suffering from serious illness for months.</td>
<td>6</td>
</tr>
<tr>
<td>4 School-age child/ children dropping out due to the lack of money</td>
<td>4</td>
</tr>
<tr>
<td>6 household member involving in drug use, gambling, alcoholism, ... social vices</td>
<td>4</td>
</tr>
<tr>
<td>7 Newly split household or newly born child without additional income.</td>
<td>3</td>
</tr>
<tr>
<td>8 Bad luck forces the household to sell existing furniture, produccion tools to buy daily food</td>
<td>3</td>
</tr>
<tr>
<td>9 Other hazards (like losing fortunity...)</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total Score**

Source: MOLISA 2009

For households in the second list, who have reached the number 10 and more, the village chief will once again review their revenue and their expenditures to determine the annual income of the household. All activities of production in agriculture and non agricultural activities (including the proceeds of sale and consumption), wages and other revenues are revised. The household income is calculated as the balance between revenue and expenditure. Finally the total household income is divided by the number of people in the family and then divided into 12 months. If the household income is 200,000 VND/person/month, one can say that it is poor.

There may be recommendations soon from the Institute of Labor Science and Social Affairs (ILSSA) that household which are classified as being ‘permanently poor’ due to health or age reasons need not be reassessed annually but included on the poverty list permanently. Once the lists are generated there is a poll conducted by the Village Heads at the...
village level by way of a show of hands to check that the survey board lists are correct. The poverty lists are then submitted to the Commune People’s Committee (CPC) for checking and consolidation prior to forwarding it to the District People’s Committee (DPC), District sub-DOLISA and Provincial (DOLISA) levels.

Once the CPC has stamped and signed the poverty lists these are final and are not altered by either DPC or Provincial authorities. These lists are important as they are the means of monitoring those HH that may continue to improve as well as those that for various reasons slide back into poverty.

The reliability of the income figures of peasants

The question is if the two communes poverty rate reflects the reality of poverty in these communes? In reality, the calculation of families income - particularly rural families - is not at all easy. How can you ask a rural family to remind all its revenues and all its expenses for one year, and especially if the source of its revenue is diverse and very unstable?

For example, there are farmers who have no regular work. Some months they have more or less 15 working days, but there are also months they have any work or sometimes the payment is done in meals. It is then impossible to have a precise figure for the level of income. The people involved in this task should have to be extremely competent – and very rigorous, they should have a representative core questionnaire of the situation of the villagers, more availability, and a strict methodology to ask questions. Such a lot of requirements is clearly above the ordinary capacities of local enquirers who moreover are often charged with many other administrative tasks.

Moreover, the calculations are based on the price level existing in the two communes whereas the poverty level of 200.000VND/mois/personne was based on the average price level of all rural areas in Viet Nam. Therefore one can have doubts about the meaning of establishing the poverty situation in the two communes in relation with such an average national threshold of reference.

On the other hand, there are always differences between the calculated figures and the figures presented in the official report of the communes. This change seems linked with contradictory pressures which influence the poverty policy of the communal authorities. There are two main reasons. The first one is the so-called "results disease" which point to the tendency of the commune head to decreases the rate of poverty in order to show that its social economic development plan is reached. The other reason is the desire to attract investments and non-governmental organizations with the discourse: "we are still very poor, we need help". And that leads to a tendency to increase the poverty rate higher than the reality.

It is probably better to let the municipality officials in charge of the revision of the rate of poverty, because these people know and understand all the details of the daily reality of their commune. However, in the two studied communes, all villages heads do not master the required capabilities to review the situation of poor households. But they have the right to decide who are poor and who are not, who are the beneficiaries of the poverty alleviation strategy, and also who will receive grants from the Government.

4.3. Challenge In Identifying The Beneficiaries: Who Needs Help?

The purpose of poor households identification is to define which people have to be the beneficiaries of the subsidies from the Government. Each commune studied includes more or less 12 villages, each village has its village chief, who is appointed by the vote of the villagers. The village chief has the responsibility to determine who are the poor households, in order to distribute the subsidies from the Government.

Households included in the list of poor households of the village enjoy diverse types of aid including a reduction in the cost of study for the children of the household, free health care, and money and rice in the occasion of new year. Households that are not in the list receive nothing. This fact has actually created many problems. Because of the lack of an appropriate framework to tackle the real conditions of poverty, there are many households who are not poor according to the monetary threshold of poverty, but they have very precarious living conditions. These households could get out of their vulnerability in a sustainable way only if the Government and other organizations give them an appropriate aid. It would be better to take in
consideration all households which are in a precarious situation. But the latest cannot be reduced only to being under a certain monetary threshold which is very elusive, due to the high rate of inflation. If one does continue with the present system, many people look at it as a sort of lottery in which one has to try, by all means, to win ‘the gifts of God’, and stick after to the “status of poor” which has been won. That is shown by the attitude of households which have already been once subsidized, and who do not want to abandon their “privileged” status.

In the following section we try to give some indications of the discrepancy between a poverty line based upon a monetary threshold, and the more general features of precarious conditions of living.

In this part, we have taken 3 groups of households to consider their respective ability to meet their needs in their daily lives. They are comparisons between poor households and other groups of households who are not poor - according to the poverty threshold - but who are still very vulnerable. The message from this analysis is that all the three groups A-B-C are different according to the level of monetary income but they have the same problems of food security and deficient access to basic services.

Table 3: Level of cereal security per household in 2009

<table>
<thead>
<tr>
<th>Source of the survey in 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of households having to purchase additional rice for consumption</td>
</tr>
<tr>
<td>Including</td>
</tr>
<tr>
<td>% of household having to buy rice for a period longer than 6 months</td>
</tr>
<tr>
<td>% of household having to buy rice throughout the year</td>
</tr>
</tbody>
</table>

Table 3 shows the ability of different groups of households to reach cereal self-sufficiency. It represents the percentage of households who must purchase rice to meet their consumption needs. This table presents no major differences between the poor groups with other groups. Households which have to buy rice over all the year are households which have very little cultivated land or have no culture of rice field. Looking at the overall table 3, we see that the rate of household cereal self-sufficiency in the town of Xuan Phong is less than the one of the commune of Tu Ly. The reason is that the amount of land cultivated by households in the municipality of Tu Ly is higher than in the commune of Xuan Phong.

According to the households view, especially households of groups A and B, there is a lack of rice during the months of March, April, September and October, since during this period the previous harvest products are almost finished. This is why these households face many difficulties to achieve annual food security.
There are two main reasons why households in the two communes must buy rice in supplement. The first reason is that their average land area of rice per household is small. The second reason is a low efficiency of rice production, due to the lack of capital, technology, active workers and soil quality. The categories of food that households can produce are not varied but very simple. Each person eat every day rice, vegetables, and often drink alcohol and tea, but it is not the green tea, but teas from the forest. The frequency of consumption of meat depends on the types of families. Poor families have no money to buy often it, and the Group B and C know also the same problem.

Here is the confidence of Mrs. B., (group C), "I go often in the forest to glean vegetables, shoots of bamboo for food." We eat pork meat and fish about 5 times per month. Vegetables are the only food I have not to buy in the market. Sometimes, there are weeks where we have no meat to eat. When we have no more rice, I borrow approximately 5 kgs, which is enough for 2 days. And then I have to go in the forest to gather wood, medicinal plants or bamboo to sell for getting some money. But we are no more considered as poor people. There are many poor families who have their meals richer than ours, why are we no more in the category of "poor"? "Personally I don't know"

Such an opinion does show that food self-sufficiency is very important for poor households, even more important than the monetary threshold, to define their situation of poverty. Instead of spending his money to buy food, a household want to save its very limited cash to invest in another production (corn or sugar cane).

Table 4: Choice of households when their regular income is not sufficient to purchase food

<table>
<thead>
<tr>
<th></th>
<th>Tu Ly (%)</th>
<th>Xuan Phong (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group A</td>
<td>Group B</td>
</tr>
<tr>
<td>Credit purchase</td>
<td>53,33</td>
<td>53,33</td>
</tr>
<tr>
<td>Loan</td>
<td>20,00</td>
<td>20,00</td>
</tr>
<tr>
<td>Sale of forest products</td>
<td>0,00</td>
<td>-</td>
</tr>
<tr>
<td>Sale of other products</td>
<td>0,00</td>
<td>-</td>
</tr>
<tr>
<td>Daily employment</td>
<td>53,33</td>
<td>-</td>
</tr>
</tbody>
</table>

Source of the survey in 2009

In the case households have no more money or food, what can they do in order to survive? Table 4 shows the different choices of the households in the two municipalities.

Most people choose to buy their food on credit because the trust still exists between the seller (the store) and the buyer can feed himself and pay off only a few weeks later – a period of one to four weeks. In fact in these two communes, there is no communal market. There is an only small private store. All the people know each other. Small merchants say "most people here are such, that if you are not selling on credit, nobody comes to purchase".

Few families in the three groups A-B-C have the opportunity to produce more than what they eat and therefore are not able to sell a surplus. A low rate of households, concentrated in the commune of Xuan Phong, go into the forest to gather non-wood products. A high percentage of households prefer to search daily employment in the municipality. This rate is higher in Xuan Phong commune than in Tu Ly.

In the commune of Tu Ly, they are no household in the first three groups, which have agricultural products to sell. However, in the commune of Xuan Phong, as people go more often to the forest and gather non-wood products, they can exchange their products and thus buy food and pay off their credit.

In summary, through the comparison between the poor and non-poor households (according to the threshold of poverty), we see that all the three groups of households A-B-C have the same problem of food security and low living level, and therefore they are all vulnerable. Consequently to choose only the group of beneficiaries on basis of the poverty threshold, to give aid, is not appropriate. However, when the threshold of poverty changes in 2011, all the three groups in the studies (A, B, C) are again recognized as poor household who deserve aid. From 2011 on, households in Group B and C...
may become also the beneficiaries of the program to combat poverty. That means that the lot of vulnerable people depends too much of the vagaries of macro-statistics which define an abstract level of monetary poverty. Often the latest is far from the realities of the vulnerability they endure. That means also that the roots of vulnerability are not taken in an efficient way.

**What is the point of view of the villagers?**

When asking the peasants to give their opinion to describe the differences between today poor families and those of before, ;"one can get some interesting hints at the way the evolution poverty is perceived by peasants.

Mr Xa, Chau village, commune Tu Ly; "previously, poverty was synonymous with famine, and the poor family was a family which had nothing, neither money nor goods." The poor family could not borrow to anybody since everyone was in the same situation. Now, a family is poor but is not hungry, she still has means of production and may borrow to somebody else in case of necessity. Moreover a poor family can rely upon what the Government or other organizations can give. "In summary, the poor family of before had more difficulty than the poor family of today.

According to him, there are many reasons why a family is poor. In first instance one has the lack of land to cultivate or / and the lack of active workers. Another reason is that the family has many children or members who are frequently sick, or many disabled and elderly people, so the revenues are minimal whereas the spending is high. An other reason is that the active workers are lazy. According to him, families who are in the second case, still have the opportunity to get out of poverty when their children grow up or disease is cured. The last example is a more difficult situation because the families do not have the courage to leave poverty by themselves.

According to Ms. Bui Thi, head of the association of the Union of women of the commune of Xuan Phong; "previously, when the Government had not yet set the poverty line, we analyzed ourselves the situation of each household via the opinion of the villagers. For example, there were 30 households in the village, and each family named on the list which households met the criteria of poverty based on their personal observation and their daily lives with each other. If a family had 80-100% of votes, it meant that it was a poor family."

According to her, today, poor households are taken in consideration in the directives of the Government and organizations. That is why they have received a lot of help. On the contrary before poor families had nothing. She thinks that instead of helping only these families that are named "poor" according to the criteria of the “poverty threshold”, one should focus also on families that are not poor but who need to get out of their precarious situation.

Today, the poverty assessment of the villagers is based upon their observation of the way of life of everyone in comparing the families within their environment. This assessment can be not just as one plus one equals two, but it reflects the current reality. The villagers know the families who need cakes and those who need materials to make cakes. For those who need cakes, there is no easy solution to get out of poverty, but in the other case, there are opportunities if they get help. This can be a base to decide the type of assistance for each case. It could therefore be suggested to promote a type of representative ad hoc association which could offer grassroots information support to the existing local assemblies, represent the villagers to monitor their current problems in daily life and in production, and which could also inform properly the local government.

**4.4 Conclusion**

The study shows that despite many successful efforts to reduce poverty, policies followed in Vietnam are still confronted with many limits and challenges.

Limits are partly due to the initial and persistent choice of determining a very low level of monetary poverty threshold, moreover always eroded by inflation. One could assert that these limits could be removed if the poverty threshold was raised to the internationally accepted standards. At that time, a number of people who are at the edge of the present threshold and are suffering of the monetary vagaries associated with its low level, would have a much higher monetary income, and thus would escape from the traps of the present situation.

But that would not eliminate the main deficiencies derived from the choice of a mono
dimensional approach of poverty, fixed around the monetary income level.

One has show that MOLISA has tried to escape that limit, by developing a complex set of criteria to evaluate the real situation of different types of households. That strategy has also developed a sort of dynamic assessment of the evolution of poverty, which is certainly an appropriate approach. But the MOLISA approach has been confined to the fixed official amount of the threshold, restricting evidently the scope of its attempts at a more realistic approach of poverty.

This study demonstrates that the method used by the MOLISA to determine poor households has created problems, because the system uses only the level of household income to classify the categories of villagers. Due to insufficient elements to calculate the national poverty line, a part of village groups are not included in the list of beneficiaries but are actually very vulnerable and need help. These are households that are not poor, according to the criteria set, but which would be listed as poor households in the situation of recession economic, crop failures, or after a period of floods.

The limits of the MOLISA approach could be perhaps overcome by enhancing the participation of the villagers in the assessment of the real poverty situation, according to the informal practices which were followed in previous periods. The field research has showed that villagers are very aware of the need to help people of the community who are really in need. They do not search a statistic approach of the “poor” in general, but want to help neighbors who need help, because that can at the same time enhance the quality of life in the community. Such a more participatory approach of poverty alleviation could also be more cost-effective. It could allow the local cadres to be redirected at supporting projects based on voluntary association (some sort of mutual aid team) between people and families with insufficient resources to develop a more secure base of food production, which is obviously the most important point to improve.

To devise policies to reduce poverty effectively, it is important to know at what we are aiming. Definitions do matter. Clearer and more transparent definitions of poverty are an essential prerequisite of any development policy that puts poverty reduction at its centre (Stewart F. et al, 2003).

Reference


