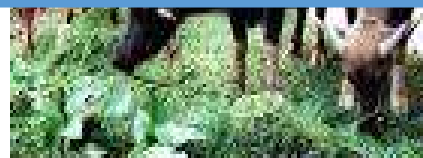




Multidimensional poverty in Vietnam

April 2019



Content

1. Overview

- History of development
- Current policy system

2. Implementation and results

- Achievements
- Shortcomings

3. Orientation for the next period

History of development

Current: a relatively comprehensive policy system

Infrastructure investment

Direct support for the beneficiaries

- Livelihood support
- Living support
- Accessing to basic social services
- Legal support

...

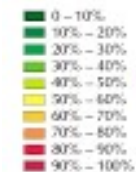
1998: NTP on hunger eradication and poverty reduction in the period 1998-2000

2015: The poverty line based on multi-dimensional approach

2001: Poverty line based on minimum income

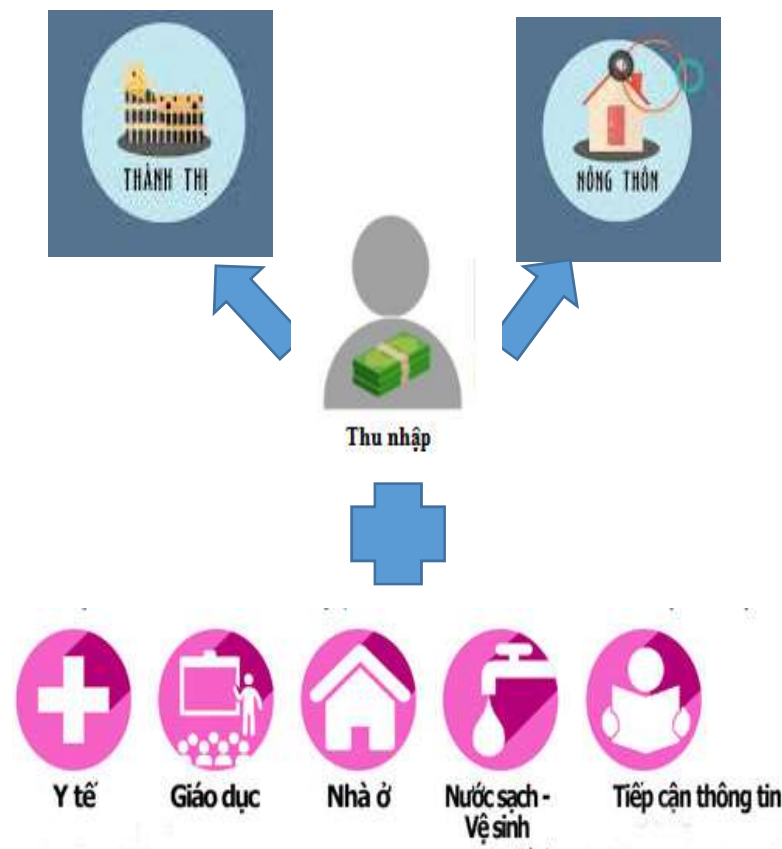
1993: Hunger and Poverty line based on food demand

Poverty map 2009

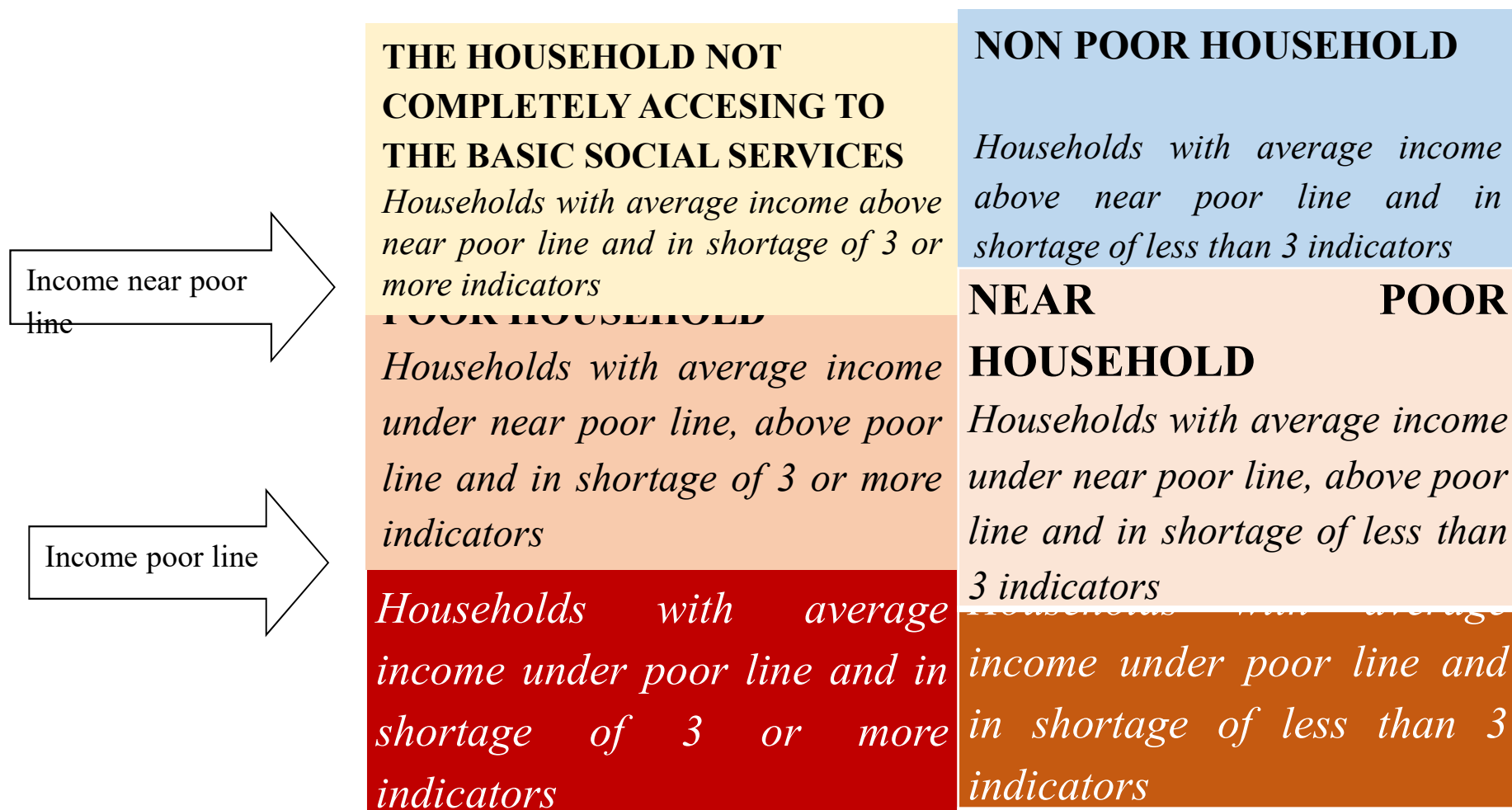


Vietnam multi-dimensional poverty line

- Combination of **income** (urban and rural) and **accessing to basic social services** (5 dimensions with 10 indicators):
 - Health: (1) accessing to healthcare services and (2) health insurance
 - Education: (3) school attendance for children and (4) education level of adults
 - Housing: (5) housing square and (6) housing quality
 - Clean water - Sanitation: (7) water sources and (8) hygienic toilet
 - Accessing to information: (9) use of services and (10) properties for accessing



Targeting poor households in Vietnam



Single-dimensional to multi-dimensional: poverty measurement method is increasingly improved

Some main policies/programs for poverty reduction

[illegible]

Policy category

Area	Beneficiary	Field	Beneficiary
<ul style="list-style-type: none">• District• Commune• Village	<ul style="list-style-type: none">• Poor households, near poor households, households have just escaped poverty• People and communities in poor districts and poor communes	<ul style="list-style-type: none">• Infrastructure• Income and livelihood• Basic social services	<ul style="list-style-type: none">• Preference credit• In cash• In kind• Services

Implementation and results

Achievement (2012-2017)

- National Targeted Program on Sustainable Poverty Reduction:
 - Infrastructure investment: 4,459 works from Program 30A; 2,000 works in extremely difficult communes, coastal areas and islands; 14,000 works from Program 135
 - Poverty reduction model in 200 communes of 111 districts in 35 provinces: poverty reduction in specific regions; poverty reduction links between the poor and businesses; reducing poverty associated with strengthening national security and defense
- Preferential credit: 12 million turns of poor households, near poor households and policy beneficiaries
- Regular social assistance: 2.8 million beneficiaries; 328 thousand tons of rice saved hunger for 17.3 million people and 3,700 billion VND for disaster recovery



Achievement (2012-2017)

- Education:

- Free of school fees for primary level (2015) and secondary level (2018) (13.4 million students)
- Free tuition and support the cost of studying for poor students from kinder garden to university
- Consolidate and develop the system of ethnic minority education schools: 308 boarding schools in 50 provinces, nearly 90 thousand students

- Vocational Training

- Exemption from tuition fees for vocational secondary education with junior high school graduates
- Rural vocational training: support over 3 million people (0.3 million workers of poor households; 0.56 million EM workers)

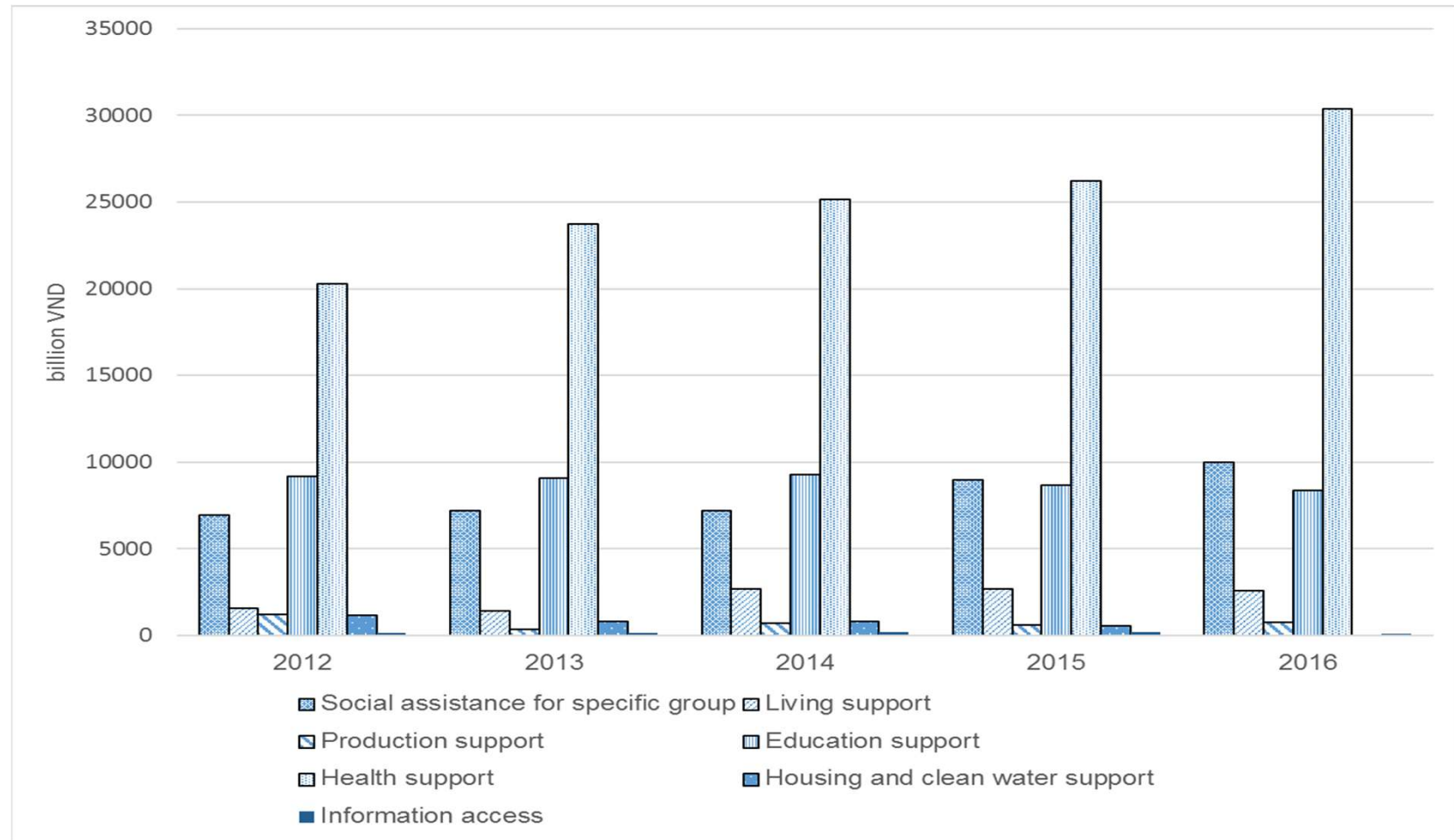


Achievement (2012-2017)

- Complete the grassroots healthcare system, focusing on poor districts and particularly difficult communes:
 - 98.4% of communes having health stations;
 - 96.0% of villages having health workers,
 - 80% of communes having doctors;
 - 95% of communes having pediatric obstetricians or midwives
- Granting health insurance cards: 13 million beneficiaries (poor people, ethnic minorities and people living in extremely difficult areas and islands)
- Housing support:
 - Phase 1: 531 thousand poor households are supported
 - Phase 2: 74 thousand poor households get loans (2016-2018)
- Clean water and environmental sanitation (end of 2015):
 - Construction of 3,329 clean water works
 - Supporting 2,304,965 households to build clean water works
 - Supporting 2,299,115 households to build toilets



Spending from the central budget for poverty reduction and social assistance programs



Source: MoF

Poverty reduction over the year

	2004	2006	2008	2010	2012	2014	2015	2016	2017
Income poverty line (1000 VND)									
Urban	150	260	260	500	500	500	900	900	900
Rural	100	200	200	400	400	400	700	700	700
Poor HH rate (%)	8.3	17.01	11.3	14.2	9.6	5.8	9.88	8.23	6.70

Note: From 2015, multi-dimensional poverty line

Source: MOLISA

Issues:

- The poverty line is low and phase-adjusted
- Poverty reduction is not sustainable: high poverty
- Poverty focuses on a number of key groups: poor core
- Inequality is increasing

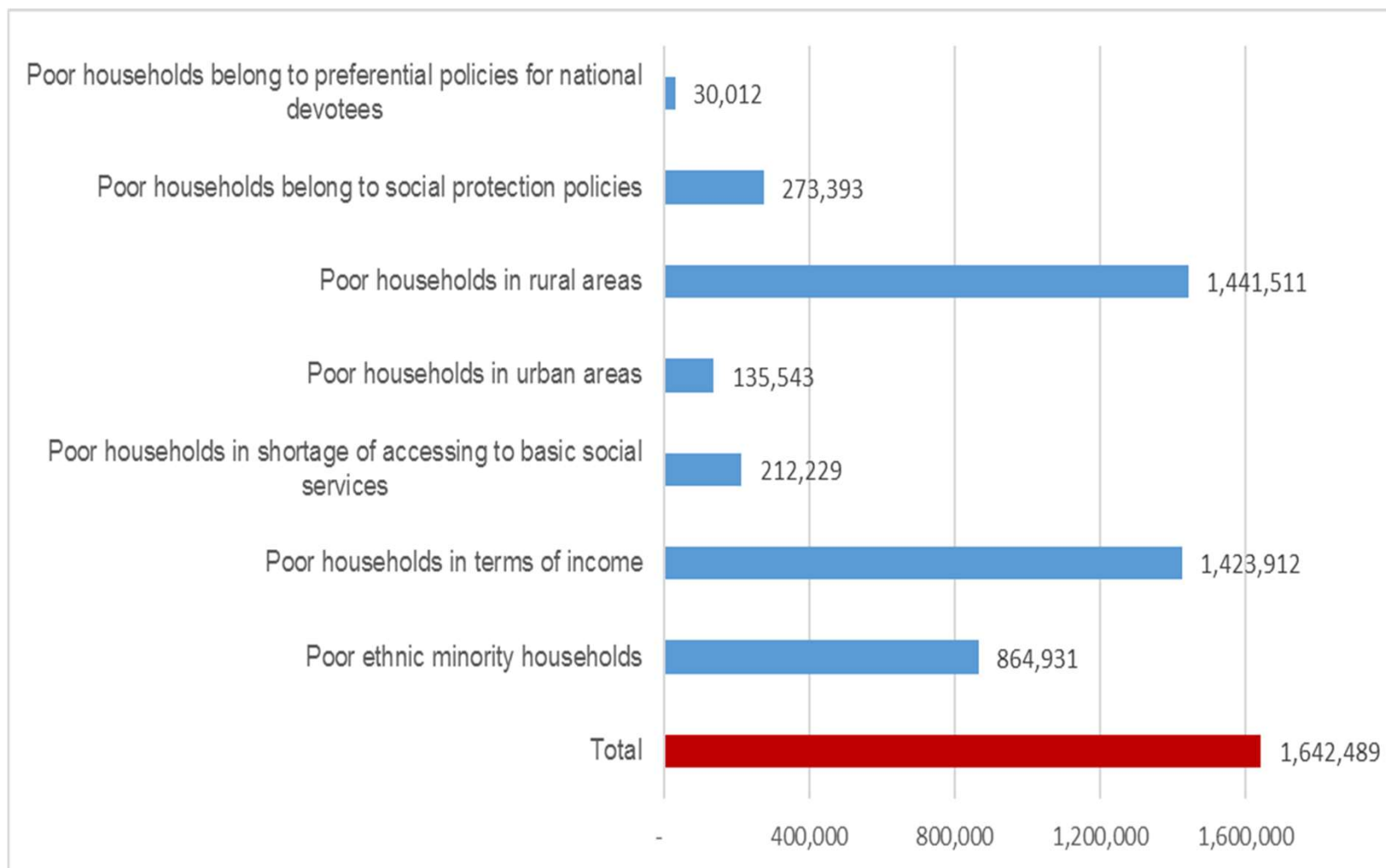
Poverty gap among regions

Threshold: 1.9 USD/day

Region	Whole country		Ethnic minority	
	Poverty rate (%)	The ratio of poverty gap	Poverty rate (%)	The ratio of poverty gap
Red river delta	9.64	0.29	24.20	0.36
Northern midlands and mountains	40.57	0.39	60.62	0.41
Central Coast	29.67	0.34	80.14	0.43
Highland	30.54	0.35	64.53	0.39
South East	2.51	0.24	12.27	0.41
Mekong Delta	19.89	0.29	34.14	0.25
Whole country	20.36	0.34	60.05	0.40

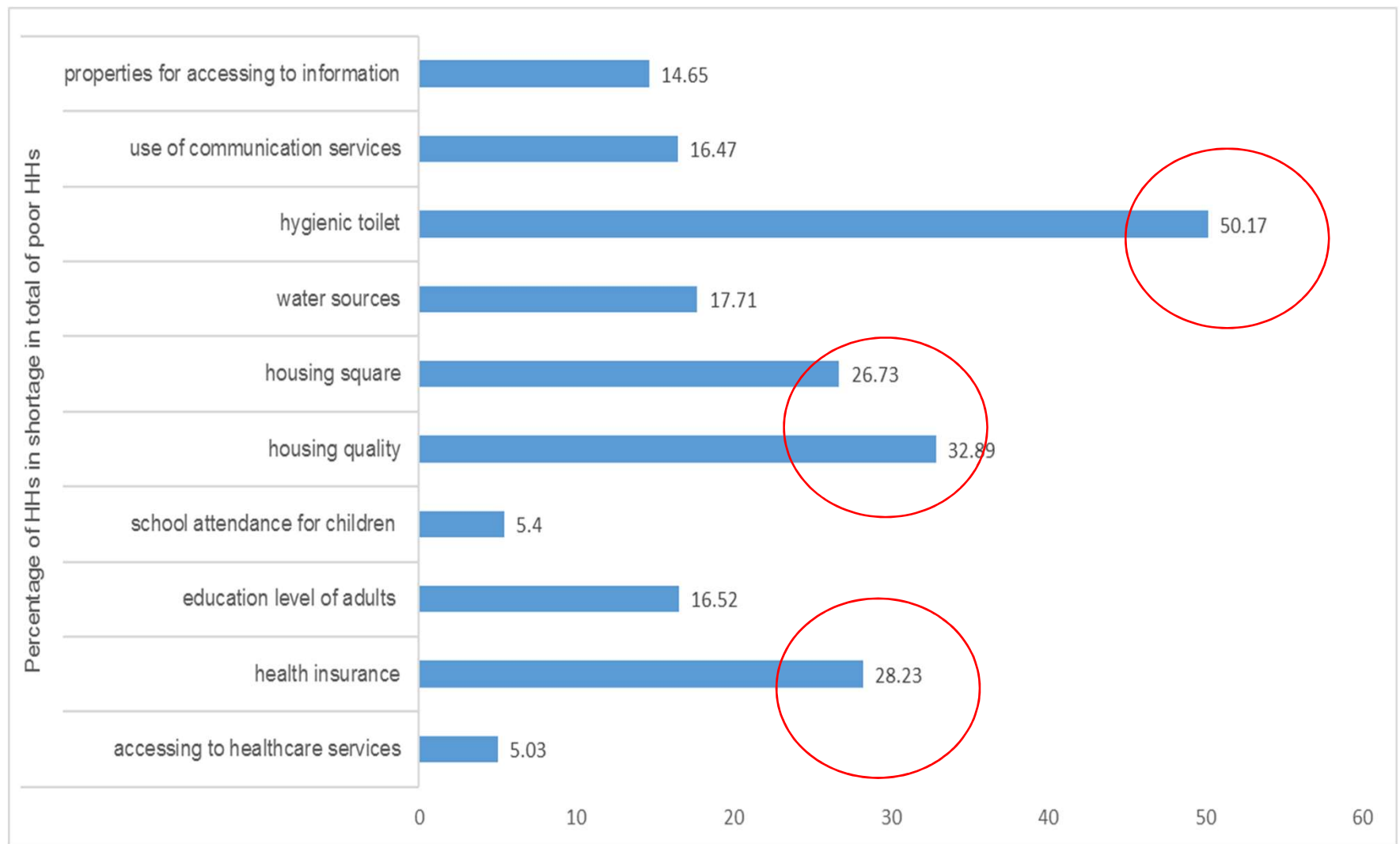
Source: From VHLSS 2016

Characteristics of poor households



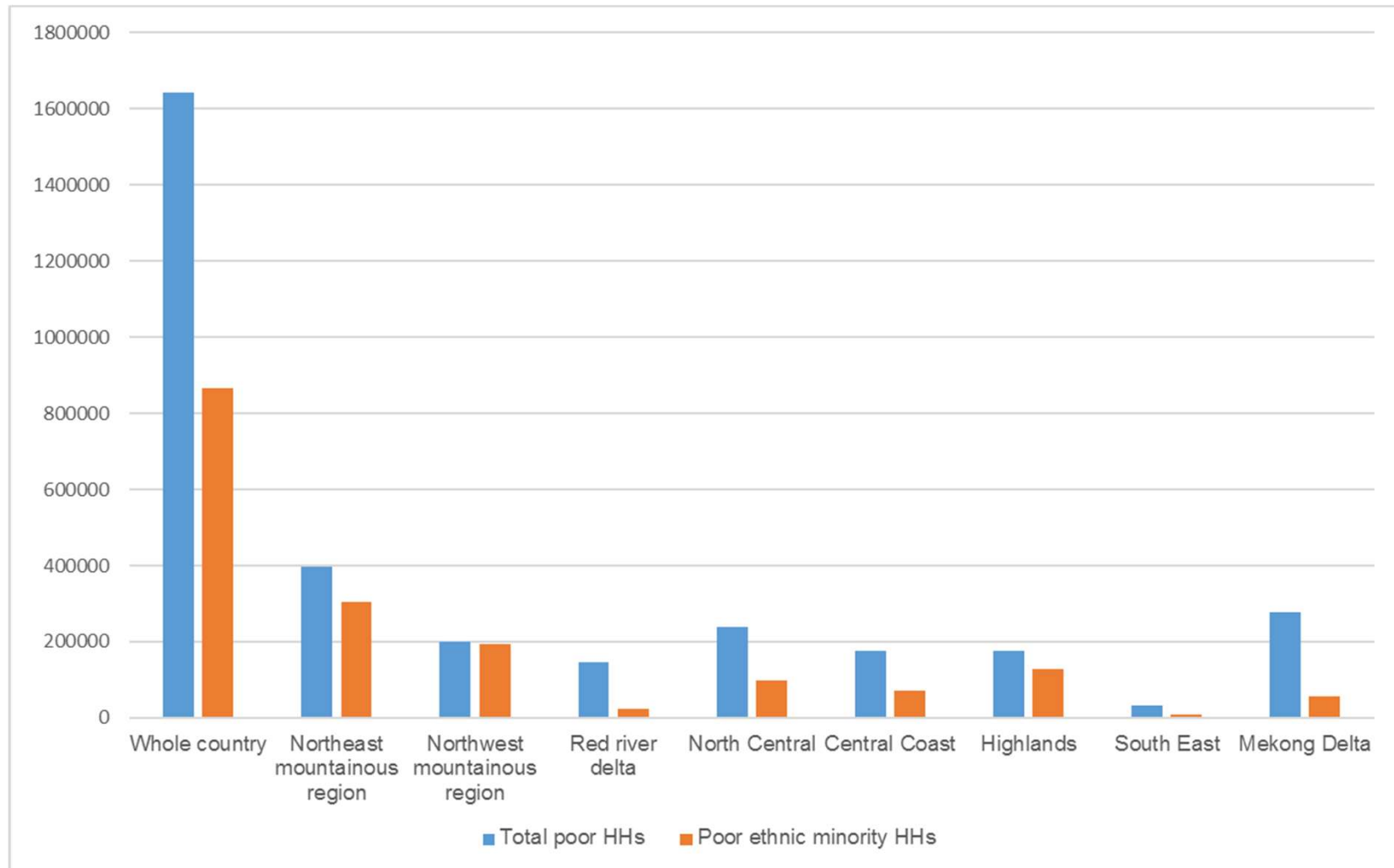
Source: MOLISA, 2018

Poverty by multi-dimensional indicators



Source: MOLISA, 2018

Poverty in ethnic minority



Source: MOLISA, 2018

Limitations: Policy design



Limitations

- Cumbersome, overlapping in beneficiary, benefit and geographic areas
- In short-term, resolving the current situation
- Not paying attention to develop and exploit the strengths of ethnic minority and mountainous areas
- Not showing differences between ethnic minority groups, making policies are not appropriate with the characteristics of ethnic minorities
- Not suitable for practice, low support level and no clear resources for implementation

Limitations: policy delivery



Limitations



Delayed issuance of guidelines, regular supplement and revision



Overlapping management, lack of coordination among agencies



Manual, paper-based management system



Limited capacity and awareness of officials; expectations, psychology of people and beneficiaries



Slow and inconsistent data for reporting, lack of specialized data (for example, separate for EM groups)

Challenges



Awareness and knowledge of people



Natural conditions



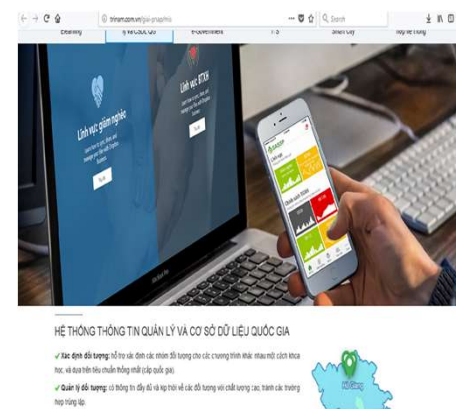
Financial resource



Capacity of officials at all levels



Social and economic conditions



Tools and facilities

Drivers of Poverty/inequality

Drivers of poverty:

- Insecure jobs and low wages
- Limited livelihoods and opportunities (accessing to roads, market, information, etc.) result in poverty and the inability to escape poverty
- Climate change, natural disaster: storms, floods, landslides, droughts and diseases
- Low capabilities, including in relation to health and nutritional status, human capital (education and skills), and physical and social assets (shelter, land, access to a social networks etc.)
- Poor governance

Drivers of inequality:

- Exclusion from markets (land, housing, labour, credit),
- Limited access to services (social protection, information, electricity, transport, education, health, water)
- Low participation and voice (political, physical, cultural, social) result in inequalities

Orientation for poverty reduction in the next period

- Move from short-term to medium-term with investment-oriented
- Support to promote production development, diversify livelihoods and replicate effective poverty reduction models
- Switch from direct support to credit and conditional, reciprocal, time-limited for revocation and rotation
- Assign community to propose, plan and organize the implementation
- Encourage the beneficiaries to be self-escaped from poverty
- Mobilize social resources: the movement "The whole country hands for the poor - Let no one left behind"

Thankyou!