

# SOCIAL POLICES FOR INCLUSIVE DEVELOPMENT IN VIETNAM

*Background, challenges and lessons  
(Case studies from program 135)*

**Dao Thanh Truong, PhD**  
**Deputy Director, Institute of Policy and Management (IPAM)**  
**Vice Dean, Faculty of Management Science**  
**VNU-University of Social Sciences and Humanities Hanoi, Vietnam**



ATENEO

# *Situational backgrounder (I)*

- The economy is experiencing double transition
  - Moving from centrally planned economy to market economy
  - Moving from agricultural economy to industrial economy
- Multiple challenges of globalization
- Trying to achieve MDG (Millennium Development Goals)
- Access to the WTO in 2007
- Favourable development conditions: stable growth (6-7% GDP growth on average (from 2000-2007); 5.4% in 2013
- 3 year average from 2011 to 2013 has increased by 5.6%/year, but still lower than the 7.2% in the 2006-2010 period;
- It is expected that GDP increased by 5.8% in 2014 and 2015 increased by 6%



ATENEO

# *Situational backgrounder (3)*

- A developing country, Young and crowded population
- Inequal development between regions
- Need for shortcut industrialisation and modernisation
- High poverty rate, big rich – poor gap
- Low – level of literacy in rural and mountainous areas
- Differences in culture, traditions regions and localities.
- The level of awareness of the population
- The disadvantaged group meets the challenges in accessing to social resources, especially educational opportunities
- Challenge in policy proposal and implementation process for sustainable development..ect.



ATENEO

# *Country's framework for IID*

- To tackle above challenges, Government highly focus on issues related to innovation, sustainable poverty reduction, improve the quality of workers, mobilize social resources for program on the socio- economic development.



ATENEO

# *Five Social policies*

- In the framework of the research, we have selected **five typical and outstanding policies** of the government in the past **10 years** which focus on solving inclusive development in Vietnam. They are:
  1. *National program 135 " Socio-economic Development of the Most Vulnerable Communes in Ethnic Minority and Mountainous Areas in Vietnam" has been implemented since 1998.*
  2. *Policy to encourage enterprises invest in agriculture and rural areas.*
  3. *Training policy to enhance the capacity of workers and create more jobs in rural areas and contribute to the development of this ones.*
  4. *The policy of transferring cutting-edge and advanced Science and Technology into agriculture.*
  5. *Regional innovation policy*



ATENEIO

# Five Social Policies

Policy	Main Objective
1. P135	The Programme 135's objective was to <b>help people in ethnic minority and mountainous areas overcome poverty (decrease the poverty rate), narrow the income gap with other communes in other districts and provinces and eliminate risks for social instability</b> which based on the different causes contributing to poverty among ethnic groups to to achieve the national target program on poverty reduction
2. <b>Encouraging enterprises invest in agriculture and rural areas</b>	-The core point of this one is the government <b>attract enterprise's investment through incentives</b> such as land incentives, Investment assistance, training for human resource, find the market for goods, science and technology applied support..)
3. <b>Training policies for rural labor</b>	- Policies aimed at <b>development of qualified human resources</b> , especially for rural labor



# Five Social Policies

## 4. Transferring cutting-edge and advanced Science and Technologies into agriculture

- The outstanding activities in this policy may selecting the suitable technology, finding new farming methods have high adaptability in accordance with the natural conditions , the level of cultivation of local people that can create products with highly competitive , ensure food safety and environmental protection.

## 5. Regional Innovation policy

- To promulgate a number of mechanisms and policies to support the socio-economic development in Northern Midland and mountainous provinces till 2010 and focus on the key issues in the Northern 's development



ATENEO

# Policy case study

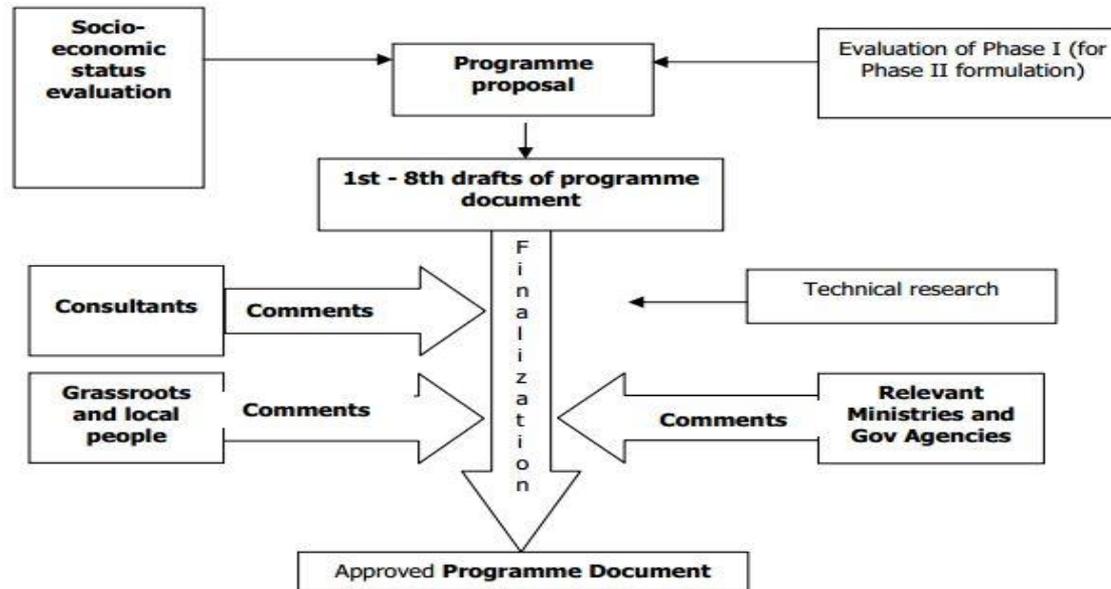
- ***National program 135 "Socio-economic Development of the Most Vulnerable Communes in Ethnic Minority and Mountainous Areas in Vietnam"***



ATENEO

# Policy Analysis (I)

- Formulation



- Implementation: Government had to make lots of relevant policies: land, investment and credit, human resources development, tax..ect



# Policy Analysis (2)

*In the context of country's development:*

- Serve the goal of economic development and social justice. Especially for disadvantaged/vulnerable groups in the national sustainable development program
- Go on the right way with Government's proper awareness: social policies as a tool for economic – social sustainable development
- Suitable with the actual situation of Vietnam



ATENEUM

**National program 135 " Socio-economic Development of the Most Vulnerable Communes in Ethnic Minority and Mountainous Areas in Vietnam" (Decision No. 135/1998/QĐ-TTg dated July 31, 1998)**

<p><b>Objectives</b></p>	<p>(1) to improve the socio-cultural life of ethnic groups in the most impoverished communes and villages</p> <p>(2) to narrow the gap in living standards among Vietnam's ethnic groups and regions;</p> <p>(3) to promote market-oriented agricultural development;</p> <p>(4) eradicate hunger in the targeted areas and reduce the poverty rate</p>
<p>Implement scenarios: In order to achieve its designed targets, five components were funded, include</p>	<p><b>-Infrastructure improvement</b> (roads, irrigation system, schools, water system, electricity, markets, health centers, cultural houses, post office) at the commune and village level.</p> <p><b>-Infrastructure construction:</b> include projects of roads, primary and lower secondary schools, boarding schools, clinics, water system, extension service centre, markets and commercial stores, improved and market-oriented agriculture production.</p> <p><b>-Resettlement projects</b> (sometimes called residential planning) were mainly aimed at residential planning in border areas and mountainous areas, where there was usually a lack of water and agricultural cultivatable land.</p> <p><b>Improvement of socio-cultural living standards:</b> to ensure access to basic social services including clean water and latrines, health services, primary and secondary enrolment, and universal and free access to legal assistance to those in need.</p> <p><b>-Training of commune level cadres</b> (especially for management and monitoring of works). More than 1,000 training classes were opened for local cadres (CEM, 2006b)</p>
<p>Output to reduce poverty rate</p>	<p>-Made great changes to economic restructuring and poverty reduction, markedly contributing to the acceleration of socio-economic development in the mountainous areas, particularly in areas inhabited by ethnic minority groups.</p> <p>- Living conditions in these areas have been improved considerably, with a significant reduction in the number of poor households and marked progress in education and healthcare.</p>

# ***Positive impacts and achievements: Some figures***

- According to **General Statistics Office (GSO)**, the poverty rate has declined continuously from 58% in 1993 to 37.4% in 1998, 28.9% in 2002, 16% in 2006, 14.5% in 2008 and 7.8% in 2013.
- These results also help Vietnam become one of the most successful countries in the world in terms of Poverty Economic reduction and achievement over the past twenty years.



ATENEO

# Challenges, barriers (1)

## Policy making

- Challenges
  - Find out how to sustainable poverty reduction
  - The gap between rich and poor people in society has increased, poor group expanded to include: urban poor groups, making further complicating to resolved difficulties which are inherent.
- Barriers
  - Restricted budgets
  - Attracting social investment is very limited
  - Poverty prevalent in ethnic minority groups are particularly concerned by Vietnam



ATENEO

# Challenges, barriers (2)

## Policy-implementing

- Challenges

- There is still limited application at the commune and village levels of decentralized investment which aim to encourage community-based initiatives and pro-poor empowerment in decision-making.
- The role of government in collaboration with different stakeholders in the program

- Barriers

- Different background in local economic conditions, social customs, practices and qualifications of local people.
- Weak infrastructure, restricted human resources.
- The overlap between the national target program on poverty reduction



ATENEO

# *Challenges and Barriers:* *Some facts and Figures*

- The results of poverty reduction is rapid but unsustainable.
- There's some communes where the poverty rate was over 50%.
- Every 3 households have 1 falling again in to poverty
- Poverty prevalent in ethnic minority groups are particularly concerned by Vietnam.
- Although the 53 ethnic minorities make up less than 15% of the national population, but account for nearly 50% of the poor in 2010.
- The majority of ethnic minorities in Vietnam continued to live in the remote, mountainous areas where labor productivity is low and harsh natural conditions



ATENEO

# The problems is....

- **Lack of strategic vision in resolving these issues at National level.**
- These policies are designed and implemented not in a comprehensive strategy to address the root of the problem. Many policy are enacted to solve the same problems
- => The overlap in policy and investment resources are stretched, inefficient..
- **Innovation for Inclusive Development has not been widely known as a factor in policy making.**
- The objectives of poverty reduction, increase income and improve people's quality of life has been made and improved, but **not by way through "innovation"**



ATENEO

- **Not attracted enough attention of the government and the whole society => not have variety of resources and stakeholder.**
  - Government still plays a key role.
  - The participation of others: enterprises, community...is limited.
- **Factors hinder effective implementation of policies** such as: cumbersome bureaucracy, more procedures, documentation, consistency management from the central to local levels



# *Recommendations and lessons (I)*

- **Need to put IID into the National strategies for sustainable development with long-term investment.**  
=> can mobilize investment capital intensively, adequately addressed social issues, reducing the overlap in policy
- **Determine the right goals and choose the suitable policies.**
- **It should be evaluated before and after the policy implementation to timely capture social reaction toward policy, and let them to participate in Decision-making.**



# *Recommendations and lessons*

- **Initial recommendations:**

*The necessary:* investigating the research comprehensively and specifically, from which we:

- + can identify weak points in the IID Vietnam,
- + propose convincing solutions to policy makers in making development policies.



ATENEO

# Recommendations and lessons (3)

## Formulation

- Transition from Top – down to Bottom – up approach
- Use IID approach

## Adoption

- Assist the Government in developing institutional capacity of management
- strengthen the capacity of training institutions and supervising authorities
- establish an comprehensive information system for rural area

## Formalization

- Action program consists of:(i) policy and program areas; (ii) specific actions to be taken; (iii) selected ongoing, recent and planned scenarios and (iv) scope for further action

## Implementation

- Designing a policy evaluation tool
- Develop a strategic vision
- Financial allocation



**THANK YOU FOR YOUR ATTENTION**



ATENEO