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Country Social Analysis

Ethnicity and Development in Vietnam

THE WORLD BANK

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Country Social Analysis

Ethnicity and Development in Vietnam

THE WORLD BANK

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Acronyms and Abbreviations

5MHRP	National Five Million Hectare Reforestation Program
ADB	Asian Development Bank
CEM	Committee on Ethnic Minorities
CIEM	Central Institute of Economic Management (Vietnam)
CLE	Concentrated Language Encounter
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CPS	Country Partnership Study
CRES	Center for National Resources and Environmental Studies
CSA	Country Social Analysis
CUN	Central University for Nationalities
DARD	Department of Agriculture and Rural Development
DOSTE	Department of Science Technology and Environment
DRV	Democratic Republic of Vietnam
FCSP	Fixed Cultivation and Sedentarization program
FLA	Forest Land Allocation
FLURO	United Front for the Struggle of the Oppressed Races
GDP	Gross Domestic Product
GIS	Geographic Information System
GoV	Government of Vietnam
GSO	General Statistical Office
GTZ	German Agency for Technical Cooperation
HEPR	Hunger Eradication and Poverty Reduction
HH	Households
ICARD	Information Center for Agriculture and Rural Development, Ministry of Agriculture and Rural Development (MARD) Vietnam
ICP	Indochinese Communist Party
IEMA	Institute of Ethnic Minority Affairs
IFPRI	International Food Policy Research Institute
IOE	Institute of Ethnology
IUCN	International Union for the Conservation of Nature and Natural Resources
JICA	Japan International Cooperation Agency
LTC	Land Tenure Certificate
LUC	Land Use Certificates
MARD	Ministry of Agriculture and Rural Development (Vietnam)
MDGs	Millennium Development Goals

MoET	Ministry of Education and Training
MOLISA	Ministry of Labour, Invalids and Social Affairs (Vietnam)
MPI	Ministry of Planning and Investment (Vietnam)
NCCR	National Centers of Competence in Research
NEZ	New Economic Zones
NGO	Non-governmental organization
NLF	National Liberation Front
NTFP	Non-timber forest product
NVA	Northern Vietnamese Army
P134	Program 134 (Government of Vietnam development program)
P135	Program 135 (Government of Vietnam development program)
PCF	People's Credit Fund
PMSI	*Pays Montagnard du Sud Indochina*
PRA	Participatory Rural Assessment
RVN	Republic of Vietnam
SD	Social Development
SEDP	Socioeconomic Development Program
SFE	State Forestry Enterprise
SIDA	Swedish International Development Cooperation Agency
SOE	State of Expense
SRV	Socialist Republic of Vietnam
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
VBARD	Vietnam Bank for Agriculture and Rural Development
VBSP	Vietnam Bank for Social Policy
VHLSS	Vietnam Household Living Standards Survey
VND	Vietnamese Dong (currency)
WTO	World Trade Organization

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PART I

AN OVERVIEW

CHAPTER 1

The CSA Study Context

Vietnam is a recent success story for poverty reduction and development. The country has made great strides in reducing the overall poverty rate from nearly 60 percent of the population in 1993 to 16 percent in 2006 (based on Vietnam Household Living Standards Survey (VHLSS) data). However, despite the impressive overall gains, ethnic minorities have experienced lower rates of poverty reduction than the general population. In 2006, ethnic minorities accounted for only 14.5 percent of the total population, but they made up 44.7 percent of the poor and 59 percent of the hungry. In that year, ethnic Vietnamese and Chinese households had a poverty rate of only 10 percent, while all other minority groups averaged a 52 percent poverty rate (VHLSS 2006). Even more worryingly, these figures, based on national survey data, may not show the real depth and severity of poverty among some especially vulnerable minority groups. More localized qualitative studies indicate an enormous income gap between ethnic groups, with entrenched and serious poverty among some populations (ADB 2002).

While in the past higher overall rates of poverty have been found in specific regions of the country with high ethnic minority populations–namely in mountainous areas in Vietnam's north and center–geography alone does not explain why ethnic minorities are poorer than others in Vietnam. In fact, non-minorities that live in impoverished regions are no poorer than they are elsewhere and have experienced high rates of poverty reduction when compared to their ethnic minority neighbors (Swinkels and Turk 2006). Baulch, Pham, and Reilly (2008b), in a regression analysis of VHLSS data from 1993 to 2004, report that less than one-half of the ethnic minority poverty gap can be attributed to poorer endowments and living in remote areas. The rest of the gap was unexplained in the survey data, and confirms the finding in the existing literature that most of the ethnic differential in household living standards in rural Vietnam is attributable to other reasons, such as culture, language, treatment and discrimination, among other factors. Clearly, poverty and economic progress have a specific *ethnic* component that needs to be explained.

The limited success of development assistance to ethnic minorities has been a source of great concern for the government of Vietnam (GoV) and donors. Numerous state policies intended to reduce poverty among ethnic minorities have been implemented in recent years, most notably the large and well-funded Program 135 (P-135) and Hunger Eradication and Poverty Reduction (HEPR) programs. Without more rapid improvement in poverty policies directed toward minority populations, government officials and donors are concerned they will continue to lag behind compared to the majority on all major social indicators, and will continue to compose a disproportionate share of Vietnam's poor. Given that minorities have not been ignored in policy and practice in Vietnam, why do they remain

disadvantaged over Kinh in economic and social spheres? What explains this discrepancy?
To answer these questions, in June 2006 the World Bank began a Country Social Analysis (CSA) focused on "Ethnicity and Development in Vietnam." The CSA was designed to analyze the situation of ethnic minorities–particularly in such sectors as access to services, issues related to livelihood opportunities, and impacts of targeted policies and programs–to understand their continued economic and social marginality. The study is intended to provide information for the Bank and its partners to support increased social inclusion–with concomitant increased economic progress–for ethnic minorities in Vietnam. The CSA research team carried out fieldwork in Vietnam throughout the summer and fall of 2006, combined with comprehensive literature and policy reviews. The detailed findings are presented in this report, which accompanies a shorter summary version of the CSA.

OBJECTIVES OF THE CSA

A Country Social Analysis (CSA) is designed to understand the macro social and political processes of a country and how social, political, and cultural factors influence the opportunities and constraints to more equitable, inclusive development. The Bank's recent *Social Development Strategy* reflects this mission in its three guiding principles–to promote (1) inclusive institutions, (2) cohesive societies, and (3) accountable institutions. Ideally, a CSA will improve our understanding of a country's social context (World Bank 2005).

This report–the first CSA undertaken for Vietnam–focuses on ethnic minorities, particularly on the social or cultural dimensions of their development. In particular, it seeks to provide research findings to support both the Bank's and the government of Vietnam (GoV)'s goals of social inclusion for ethnic minorities and poverty reduction. Previous studies, including the Bank's Country Partnership Study for Vietnam (CPS) and the government's Socioeconomic Development Plan (SEDP), both use four broad objectives as organizing principles: (1) improving the business environment; (2) strengthening social inclusion; (3) strengthening natural resource and environmental management; and (4) improving governance. *This study focuses particularly on the issue of strengthening social inclusion*.

The specific study objective was to understand why ethnic minorities continue to lag behind the majority Kinh population in Vietnam, and why poverty reduction efforts have not had as much success among minorities as among Kinh. While policy recommendations have developed from the CSA work, it was not designed as a policy analysis exercise, and readers with a specific interest in policies toward ethnic minorities are urged to consult several other recent reports on this topic (McElwee 2004; MOLISA/UNDP 2004; MPI 2005; Pennarz et al 2006; Nguyen Thi Thu Phuong and Baulch 2007).

THE CSA APPROACH

The premise of a CSA is that poverty cannot be understood solely as an economic problem, but rather as one with broad social and cultural dimensions. These social factors need to be understood in relationship to development opportunities, constraints, and risks. Understanding macro social and political processes is essential to influencing and supporting changes leading to poverty alleviation,

equitable growth, and good governance. The CSA has followed other World Bank CSAs by focusing attention on two primary dimensions of social analysis: (1) *social diversity, assets, and livelihoods; and (2) power, institutions, and governance*.

"Social diversity" refers to the existing social and cultural differences across social groups (such as gender, race, ethnicity, occupation, and wealth), and analyzes whether these differences result in systemic inequalities in access to assets, services, and public goods, as well as people's ability to pursue sustainable livelihoods. We focused on ethnicity as the main socio-cultural difference that may be affecting access to increased assets or improved livelihoods.

"Assets" comprise the natural, physical, human, financial, and social capital upon which households are able to undertake production, engage in markets, and participate in social and economic activities. "Livelihood strategies" refer to the combination of different activities in which existing assets–such as land, labor, and education–are used by the household and their individual members to make their living and improve their well-being. Ultimately, social analysis is concerned with the distribution of assets across these social groups and the identification of barriers to access to improved well-being. Typical questions to be asked about social diversity, assets, and livelihoods in a CSA include the following:

- What is the distribution of assets, public goods, and services across social groups?
- Are there social, economic, institutional or other barriers that result in unequal access to assets, public goods, markets, and services between social groups?
- Does the existing distribution result in different livelihoods strategies, welfare outcomes, and opportunities for socioeconomic mobility?
- How does the existing distribution of assets–and existing cleavages–contribute to shaping inter-ethnic relationships?
- What are the main drivers of socioeconomic change–such as migration, education, industrialization, and ecological change–and what are the opportunities and constraints to social mobility among different social groups? (World Bank 2005)

The second dimension of the CSA approach concerns power, institutions, and governance. This dimension examines whether there are institutional or other less formal barriers that prevent different social groups from having equal opportunities to access assets and services, or in the ability to participate actively in governance decisions that affect them in a fair manner across social groups. The analysis focuses on the institutions that mediate access to or allocate resources in society and the impact that power relationships between different social groups have on decision making and governance. In particular, the analysis examines different groups' capacity to influence the policy process that determines their access to goods and services and their varying levels of participation in these processes. Typical questions to be asked about power, institutions, and governance in a CSA include:

- What are the specific (formal/informal) institutions (or lack of institutions) that mediate the access of different groups to assets, public goods, markets, and services?
- Do institutional or procedural barriers prevent social groups from equal opportunities to access

assets and services?

- How do various social groups promote their interest in the political system, and how do power relationships and institutional structures affect their ability to exercise voice, participation, and agency on their own behalf? Do groups voice interests and engage in public life on equal terms?
- Are there adequate systems and institutional capacity to manage participation in a way that improves equality of opportunity and safeguards the interests of the poor?
- How are differences and conflicts managed in a fair manner? Are there institutional mechanisms for redress and appeal? (World Bank 2005)

Combining these two thematic areas, the CSA research team focused on the underlying factors that help explain why ethnic minorities continue to lag behind Kinh in Vietnam. We focused particularly on the following: (a) ethnic minority access to services and opportunities; (b) issues related to minorities' assets and livelihood strategies; (c) the impacts of targeted policies and programs; and (d) the participation of minorities in formal and informal institutions. Rather than look just at economic measures of poverty, we looked at social and cultural factors that may be leading to a lack of opportunities or increased risk and vulnerability in minority areas. We also focused on identifying positive tools to assist in ethnic minority development by the Bank and the government of Vietnam, such as the creation of opportunities (increasing access to assets, markets, and services), empowerment (making institutions more responsive), and increased security (reducing risks to livelihoods). The overall goal was to strengthen the social inclusion of ethnic minorities in all sectors in Vietnam.

Internationally, there is now greater understanding that social exclusion is a structural problem that often is not easily amenable to quick policy change. In Vietnam, social inclusion has usually referred to increasing access to policies, services, and investment. However, we aimed our analysis not just at the idea of "increasing access," but at the structural difficulties and social assumptions that underpin the place of ethnic minorities in society in Vietnam. Attaining the goal of social inclusion in Vietnam may require some fundamental reassessments and changes in the structure of governance and economic opportunity–and, perhaps even more difficult, in the underlying norms, values, and actions of Vietnamese society at large.

CSA METHODOLOGY

The study involved a diverse team of both Vietnamese and international researchers. The primary partners were the World Bank's East Asia Social Development (SD) team and the Institute of Ethnic Minority Affairs, a government research agency under the Committee for Ethnic Minorities (the ministerial-level agency charged with minority policies). Representatives from other government research institutions in Vietnam (including the Institute for Ethnology and the Sustainable Development Institute for North Vietnam under the Vietnam Academy of Social Sciences) and universities (Hue Agriculture and Forestry University and the Center for Natural Resources and Environmental Studies (CRES) of Vietnam National University) also participated, as did anthropology faculty from the United States. This core team was supplemented with additional members at each field site

representing various sectors and agencies of government, in particular the Committee for Ethnic Minorities at various levels.

The study was developed in a concept note within the Bank in May 2006, and a task team was formed to oversee the implementation, including Washington-based and Hanoi-based members in SD and other sectors. In June 2006, the CSA research team organized a "brainstorming" activity in Hanoi in which representatives of government, donors, NGOs, and academics came together in two discussion sessions to provide feedback on the proposed approach. More than 50 people participated in this initial feedback exercise.

Following this session, the CSA research team built a comprehensive research plan for the CSA that included a mix of literature reviews, policy analyses, and fieldwork in ethnic minority communities. The team selected three representative provinces for field studies in the main regions where ethnic minority poverty has been highest: the Northern Mountains (Ha Giang Province), the Central Highlands (Dak Lak Province), and the North Central Coast (Quang Tri Province). The team completed a 12-day mission to Dak Lak (July 11–22), a 12-day mission to Ha Giang (August 1–12, 2006), and a 12-day mission to Quang Tri (August 20–31, 2006). Within the three provinces, we identified six districts for intensive fieldwork. In a total of 24 villages in 12 communes, we carried out household and focus group interviews, survey questionnaires, and meetings with local authorities.

The CSA methodology involved a mix of research methods:

- **Policy-level research with provincial, district, and commune leaders in the field sites.** Prior to each field trip, the CSA team wrote a series of questions and requests for information that were sent to each research province through the Committee for Ethnic Minorities to facilitate advance preparation and collection of statistics and policies. During each field trip, the CSA team interviewed policy makers from relevant government departments at the provincial level who have been involved in ethnic minority policy. In addition to interviewing these policy makers in day-long open fora in each province, the team collected secondary data and statistical data from each of these departments that relate to ethnic minorities.

- **Qualitative local research**. The CSA team carried out qualitative research in the field sites through the preparation of interview topics and questions that were systematically used in each village field site. Our approach included village meetings; focus group discussions with groups of farmers, women, youth, and the poor; in-depth key informant interviews with people such as village headmen, village elders, shamans, and other people with deep cultural information about ethnic minority communities; and open household discussions with households with special characteristics, such as the poorest and richest households within ethnic communities, female-headed households, or households that had been allocated forest land or that used forest products. We conducted over one hundred and fifty focus groups, with participation from more than fifteen hundred people.

- **Quantitative household survey.** The CSA researchers carried out a quantitative survey in each study province with a random sample of households (fifteen per village) in the study districts. The questionnaire was a twenty-page standardized survey that asked questions about

social development among ethnic minorities; histories of migration and mobility; gender divisions of labor and responsibility within the household; self-perception and cultural perceptions of minorities; land and forest management and use; health care access; market access; and roles and responsibilities of youth within the household. The survey included nearly two hundred questions yielding more than five hundred separate variables. Three-hundred-sixty-four surveys were completed and entered into an SPSS database for statistical analysis. Respondents included both Kinh and ethnic minorities from ten primary ethnic groups: Ede, Mnong, Tay, Thai, Nung, Hmong, Dao, Bo Y, Pa Co, and Van Kieu.

- **Gender survey.** The CSA team also administered a separate gender questionnaire in Ha Giang and Quang Tri provinces. The gender questionnaire was a twenty-question standardized survey that was administered to women only. It asked about their hopes and aspirations; decision making within the household; and roles and responsibilities of women in family and with relatives/in-laws, etc. One-hundred-eighty gender questionnaires were carried out with a non-random purposive sample of Kinh and ethnic minority women in Ha Giang and Quang Tri.

- **Literature review.** The CSA team carried out a number of literature reviews for sectoral reports, including on education, gender, land issues, migration, economic development and markets, and on government policies for ethnic minorities. We consulted with other government partners to provide much "grey literature" for this search, as well as the secondary data that ministries keep on ethnic minorities. We collected documents at both central and provincial levels on some of the main policies directed at ethnic minorities in the past ten years, including Program 135 ("Socioeconomic development of especially difficult communes in mountainous and remote areas"); Program 133 on Hunger Eradication and Poverty Reduction (HEPR); and others. Other provincial and local policies were also considered in each field site.

A final important component of the CSA methodology has been the inclusion and participation of ethnic minorities themselves in the research. Three members of the core Hanoi-based research team who visited each province were ethnic minorities themselves (two Tay members and one Lo Lo member). Additionally, in each province, we included in the expanded local research teams a number of local ethnic minority people (including Ede, Mnong, Thai, Hmong, Dao, Van Kieu, and Pa Co people) who assisted in the development of interview questions, running of focus groups, interviewing of households, translation to and from minority languages, and in evaluations of policies and programs.

OUTLINE OF THE CSA REPORT

The CSA is divided into three main parts, each of which contains a number of chapters. Part One provides an overview of ethnic minorities in Vietnam, including who the ethnic minorities are, where they are located, their role in history, and the general trends in poverty among minorities and policies towards them. Chapter 2 explains the classification and identification of ethnic minorities in Vietnam, and their geographic and demographic distribution across the country. We highlight how academic studies on ethnicity in the West and in Vietnam have differed, with implications for

understanding of ethnic minorities, and look at some potential policy implications of problems in the classification and census of minorities. Chapter 3 discusses the implication of historical factors in understanding minorities, particularly with regard to the relatively recent incorporation of some minority areas into state governance structures. Chapter 4 looks at previous analysis of poverty in Vietnam in ethnic minority areas to identify the major trends, and reviews the literature on why ethnic minorities often lag behind ethnic majorities.

Part Two presents the results of our field-based research and provides in-depth analysis of six fundamental factors that explain how differences between ethnic groups contribute to remarkably different livelihood strategies and economic outcomes. The introduction to Part II provides a general overview of the six sectors where we see how differences between minorities and Kinh turn into disadvantage.

Chapter 5 looks at the education sector, including why minorities appear to attend school less and have lower educational outcomes. Chapter 6 looks at how patterns of migration–both among majority and minority groups–have impacted minority areas. We also assess the impact of the problems associated with more limited mobility among minorities and the resulting impact on livelihoods. Chapter 7 looks at how minorities are accessing the formal and informal credit sectors and the impact of this access on economic outcomes. Chapter 8 asks why minorities tend to have lower economic returns from agriculture and forestry, when their land assets are usually higher. We look at issues such as the quality of land allocated to minority households, productive use of lands, community and group management and ownership of lands, and the role of government management of land (particularly State Forest Enterprises and State Farms) in minority areas. Chapter 9 looks at markets, business, and off-farm employment among ethnic minorities and notes that minorities tend to get lower returns from the market, and are less involved in trading and off-farm employment. Chapter 10 looks at misconceptions, stereotyping, and ethnocentrism. It asks if inadvertent discrimination and prejudice may be arising from misunderstandings and stereotypes about minorities and what the impacts are of policies built on these faulty assumptions. Chapter 11 addresses the specific needs of two vulnerable populations among ethnic minorities, women and youth.

Finally, Part 3 summarizes the policy implications of our research findings, suggesting areas for further consideration. Chapter 12 provides a summary and overview of the major findings and suggests potential policy alternatives and approaches to address the interlocking factors of disadvantage facing ethnic minority groups in Vietnam.

CHAPTER 2

Ethnic Minorities in Vietnam: Classification, Population, and Demography

The cultural communities of Vietnam are diverse, officially comprising 54 ethnic groups and encompassing seven major language families found from western Asia to the Pacific. Many ethnic groups are long standing and pre-date Vietnamese settlement; others are more recent migrants. The largest minority group, the Tay, has nearly 1.5 million members, while the smallest, the O Du, has barely 300. Many minority groups share languages and histories with groups in other countries (the Tay, for example, are known as the Zhuang in China, where they are the country's largest minority group), while some are found only within Vietnam's borders.

Based on the last country-wide census in 1999, Vietnam's population was around 82 million people. Ethnic minorities accounted for an estimated 12.6 percent–more than 10 million people. The other 87 percent were ethnic Vietnamese, the majority population (known as *Kinh*). The government officially recognizes 53 ethnic minority groups in Vietnam, plus the *Kinh*.

CLASSIFICATION OF ETHNIC MINORITIES IN VIETNAM

There are a number of terms used to refer to the non-Vietnamese ethnic groups living within the boundaries of Vietnam. The most common name in today's use is the term *dan toc thieu so* (minority ethnic groups) or simply *dan toc* plus the name of the ethnic group (*dan toc Kinh*, *dan toc Van Kieu*, etc). *Dan toc* has multiple meanings in Vietnamese; it can variably mean nation, people, ethnicity, or ethnic group depending on context. The colonial French term for the ethnic minorities, *Montagnards*, is no longer usually used within Vietnam. In common conversation with those involved in ethnic minority work, ethnic minorities are often referred to as *dong bao* (compatriots).

The "54 groups" classification system has been used since 1979, when a major ethnological classification project was carried out by the government. This was not a surprising project, given the examples of racial classification undertaken in other Soviet-bloc countries and China (Keyes 2002). After the 1945 August Revolution that proclaimed the Democratic Republic of Vietnam (DRV)

and its independence from France, there was a great need to identify who the citizens of this new republic were. President Ho Chi Minh himself reportedly pointed out the necessity of having an ethnographic institute to identify and classify minority populations (Dang Nghiem Van 1998).

Prior to this, the minorities living in the territories around ethnic Vietnamese were known, but not known well, and were not classified into specific, formally named groups. Under the French, there first began a process of ethnographic research on minority groups, primarily written by military officers and missionaries serving in minority and border zones. Such texts did not represent an overall or systematic attempt to understand the population of Indochina. French authorities relied on the broadest of categories to classify peoples, primarily for tax purposes, as different ethnic groups were taxed at different rates. At the time of the first Indochinese census in 1921, colonial administrators divided the population into only 10 main "racial" categories (Gouvernement Général de l'Indochine, Direction des Affaires Économiques 1927; 25).

Thus when the DRV was founded, there was little systematic knowledge of the different minority groups within the new territory. Ethnographic research in North Vietnam began during the 1950s and 1960s, culminating in the official founding of the Institute of Ethnology (IoE) in 1968, which was charged with putting together the precise classification and nomenclature of minorities in Vietnam (Khong Dien 2002). The classification mandate was similar to the ethnic classification projects being undertaken at approximately the same time in China (Tapp 2002). In 1979, the government issued a final decision (No 121-TCTK/PPCD) on the "Nomenclature of Vietnamese Ethnic Groups," outlining which groups were to be officially recognized, particularly in census and research work (Dang Nghiem Van 1998).

This number of "54 ethnic groups" has been used ever since the 1979 proclamation, and the system has not been revised since then. However, the process of classification was not without problems and this number is a necessarily arbitrary one that does not represent some sort of "natural" ethnic order. It is clear that the classification project was constructed in a particular political and social framework that affected the way the research was approached and in the standards used to define an ethnic group. Anthropologists and historians have recently been interested in studying the parameters and assumptions of these types of classification projects in other countries as a way to understand the creation of subjects in a modern nation-state (Cohn and Dirks 1988). The Chinese project of ethnic classification has received a great deal of scholarly analysis (Kaup 2000; Tapp 2002; Mullaney 2004); the Vietnamese experience has received less attention (Keyes 2002). A few key points have relevance for development practice.

Assumptions about "ethnic groups." The decision to classify ethnic groups in Vietnam was undertaken largely on the basis of what Stalin had promoted in the Soviet Union (and which was later also adopted in China) on what constituted an ethnic group. In Stalin's view, a "nationality" could be defined by similar criteria: a stable community of people, a language, a territory, an economic life, and a psychological make-up or "national character" (Connor 1984). In the Vietnamese interpretation of Stalin's ideas, ethnic groups were to be based on three of these criteria: language, material life and culture, and "ethnic consciousness" (Evans 1985; Khong Dien 2002). It was the job of state ethnographers to go out to minority areas and to take ethnological notes on their languages and

material culture (often defined primarily as dress and costumes), and to assess the state of communities' "ethnic consciousness." However, as Keyes has pointed out in his comparative study of ethnic classification projects in Vietnam, Thailand, and China:

> *Although ethnic self-consciousness appears to be the ultimate criterion for determining ethnic divisions between local groups, those who undertook the classification of dan toc found 'self-identity' too subjective to be adequate for a 'scientific classification.' When there were disagreements between local groups and the researchers regarding the identity of a people, an identity was 'imposed' on the group (Keyes 2004; 33).*

In addition to often imposing an outsiders' assessment on the depth of ethnic solidarity in this process of identification, there were other examples of top-down decision making. For example, some locally used ethnic names were discarded or changed by government ethnologists in the process of classification (Dang Nghiem Van 1998). Other disparate ethnic groups previously considered separate were subsumed into a larger group with whom they shared no clear language or associative ties (for example, the Cao Lan, Sre and the Rengao, which ethnologists prior to 1979 had written about as distinct groups, were subsumed into other ethnic groups: San Chay, Koho, and Ba Na, respectively). It is not entirely clear why some groups were included in the official classification, although others that would seem to merit distinct classification according to these standards were not. The general belief among academics is that the Chinese and Vietnamese projects have tended to lump groups together into one ethnicity that might have been considered multiple groups in other countries or by the people themselves.

In response to these criticisms, the head of the Institute of Ethnology has said that lumping groups came about as a response to French and American divide-and-conquer strategies to alienate ties between ethnic groups (Dang Nghiem Van 1998). Ethnologists involved in the 1979 classification project have also made the argument that the "assistance" of anthropologists in renaming local tribes allowed ethnic groups, like the Dao– who had formed a number of smaller, linguistically varied local groups–to realize they belonged to a common parentage, and thus contributed to increased ethnic pride and solidarity (Dang Nghiem Van 1998).

Larger Linguistic Groupings. The final classification has not only identified 53 ethnic groups, but has put them into larger "language families" as well. The ethnic minorities of Vietnam encompass most of the major Asian language groups: Austronesian, Thai-Kadai, Hmong-Dao, Sino-Tibetan, Viet-Muong, and Mon-Khmer (Box 2.1).

Problems with Classification. Although the "54 groups" system is used in all official documents and is referenced constantly when speaking of ethnic minorities in Vietnam, it is important to realize there are problems with this system. Many local groups do not agree with the official government classification and continue to use their self-identified local names (such is the case with a group studied for this CSA, the Pa Co, who are not officially recognized and are instead called Ta Oi in the state classification. These communities expressly have requested the government to recognize their individual ethnic terminology and do not accept that they are Ta Oi. We have used their self-identified name, Pa Co, throughout this report). Furthermore, unlike statistics at the national level, which almost always use the "54 groups" scheme, it is common to find provincial and lower level

Box 2.1

Major Language Families and Ethnic Groups of Vietnam

Thai-Kadai language family: **Thai, Tay, Nung, Phu La, Lao, Giay, Lu, Bo Y, La Chi, Co Lao, La Ha, Pu Peo, and the San Chay. The population of the Tay-Thai group lives mainly in the provinces of the northern uplands and along the north-central coast. There has been some recent migration to the Central Highlands.**

Hmong-Dao language family: **Hmong, Dao, and the Pa Then. The Hmong-Dao group intermingles with the people of the Thai-Kadai groups in the provinces of the northern uplands and the north-central coast. There has been some recent migration to the Central Highlands.**

Tibeto-Burman language family: **La Hu, Ha Nhi, Phu La, Cong, Si La, and Lo Lo. These groups have fairly small populations and are mainly found in the north along the Chinese border.**

Han (Chinese) language family: **Hoa, Ngai, and San Diu. The Han group, including Hoa and San Diu, live mainly in small areas of HCMC, Dong Nai, Quang Ninh, and Vinh Phuc provinces.**

Mon-Khmer language family: **Khu Mu, Khang, Mang, Ba Na, Bru-Van Kieu, Cho Ro, Brau, Ro Mam, Gie Trieng, Mo Nong, O Du, Xinh Mun, Ta Oi, Ka Tu, Co, Hre, Ma, Co Ho, Xo Dang, and X Tieng, plus Khmer. People belonging to the Mon-Khmer group reside mainly in the western parts of the provinces of the north-central coast from Thanh Hoa southward, in the Central Highlands, and sprinkled in the northwest mountains. The Khmer live in primarily in the Mekong Delta (Soc Trang, Bac Lieu, Dong Thap, An Giang, and Kien Giang provinces).**

Viet-Muong language family: **Kinh, Muong, Tho, and Chut. Kinh is considered to be related to the languages of the Muong people (primarily in Hoa Binh and Thanh Hoa provinces) and the Chut (in Quang Binh).**

Austronesian language family: **Gia Rai, Ede, Rag Lai, Churu, and Cham. Austronesian languages are related to languages such as Malay and Indonesian, and are spoken mainly in the Central Highlands, as well as in certain small areas in the western part of Phu Yen, Ninh Thuan, and Binh Thuan provinces.**

Source: Dang Nghiem Van, Chu Thai Son et al. 2000.

government reports on ethnic minorities that use ethnic group names not found in the official list. While this provides some unofficial recognition for self-identification of groups, it also leads to difficulties in compiling accurate data on ethnicity. This has implications for national census and survey work, as many people do not know or accept the group they have been put into by authorities.

In recognition of possible errors in the 1979 project, the government in 2004 asked the Institute of Ethnology to reassess the number and classification of ethnic minorities. IoE generated reports on various ethnic groups in 2004–5 that are now under consideration by the government (they do not appear to have been released publicly). One factor that has no doubt complicated the earlier classification project and the more recent reassessment is the admission by government ethnologists that the process of visiting ethnic groups to "identify" them is often extremely short (as little as four days) and involves urban-based government ethnologists who do not necessarily have any linguistic

specialization in the groups under study. One government ethnologist has also asserted that political factors have come into play as well in recent years (Phan Ngoc Chien 2006); some ethnic groups that have asked to be reclassified have had stronger and more politically connected defenders than other groups. Overall, the general sense among ethnologists in Vietnam is that a better classification system is needed with more groups and subgroups, as "sometimes the cultural difference between groups of the same ethnicity is even greater than between two separate ethnic groups" (ADB 2002; 5). Further, even groups with ethnic ties in the past have often diverged so much it is unclear what they have in common now.

Despite these issues, it is unclear how many additional ethnic groups might be recognized in the future in Vietnam. *Ethnologue,* an online directory of ethnic groups and languages run by the Summer Institute of Linguistics, recognizes 102 distinct language groups in Vietnam. Although the IoE has apparently recommended some changes to the classification, it is likely to be difficult to recalculate upwards from the number of 54 groups. One consideration is that 54 is just short of the official ethnic classification for China of 55 ethnic groups, and Vietnam may not want to exceed this number for political reasons. The National Assembly has also apparently communicated to the IoE that they are not inclined to accept an increase in the number of ethnic groups recognized beyond 54.

Regardless of whether a new number is adopted, it is important to remember that such numbers by their very nature do not necessarily capture the full range of ethnic diversity of a country. Furthermore, future classification projects need to be aware of the fact that local ethnic minority people in many areas want a larger say and voice in the process of recognition and naming, rather than it being decided by a handful of academics in Hanoi on unclear or inconsistent criteria.

Implications of Vietnam's Ethnological Work

There are important implications of the Vietnamese ethnic classification project that need to be understood in the context of social development. While classification assists in our ability to make generalizations about ethnic groups, any classification system imposes a certain amount of "fixed ethnicity" that did not naturally exist in-situ. People are given names they may not use themselves; they are listed as being the same ethnic group as people they may know nothing about and are unable to communicate with; and the previous fluidity between ethnic groups that is often common in overlapping territories is rendered concrete in ID cards and censuses. What might be the implications of fixed ethnic classification for social development projects? We highlight a few key issues for discussion below:

Minorities within Vietnam are often found in neighboring countries as well. The 54 groups system makes no particular reference to the fact that many ethnic groups have populations outside of Vietnam. In China, for example, there are around 100 million people who are ethnic minorities (around 9 percent of the population), classified into 55 different ethnic groups, many of whom are also found in Vietnam. The same is true for minorities spread throughout the mainland Southeast Asian region, including Laos, Cambodia, Thailand, and Burma. For example, the Tay people of Vietnam are related to the Zhuang, China's largest minority group (although in China, the Zhuang are composed of what are separately called Tay and Nung in Vietnam).

There is a tendency in Vietnam to see Vietnam's minorities as isolated groups. Particularly in development literature, there is little reference to development projects in neighboring countries that might be successfully studied or replicated with related ethnic groups in Vietnam. One goal for social development analytic work might be reaching out to neighboring countries with the same ethnic groups to bring "lessons learned" and "good practice" examples to the attention of policy makers and project managers in Vietnam.

Minorities vary tremendously among groups in terms of assimilation and levels of economic success. It is common to see in analysis of census data and the Vietnam Household Living Standards Surveys a coding of groups into Kinh and non-Kinh (all ethnic minorities). It is clear, however, that some ethnic minorities are very much like Kinh in terms of levels of social development, while others much less so. Thus the amount of variation with the group "non-Kinh" is tremendous, and can be obscured by this simplistic division. For example, the Tay are the most numerous ethnic group at nearly 1.5 million people. They are also clearly doing the best in terms of poverty reduction of nearly all ethnic minorities, aside from the Chinese (Baulch, Truong Thi Kim Chuyen et al. 2002). Their relatively high levels of success mean that when they are averaged out with other minority groups, it can lead to false impressions of general trends among minorities, when in fact some less numerous ethnic minority groups are doing far worse than we may be aware of. In fact, the Tay have done so well and have long been considered quite assimilated with Kinh, so much so that it may be that Tay should not be considered in need of special targeting for development assistance, given scarce resources. Tay are well-represented in the civil service, for example, often accounting for the largest portion of ethnic minority cadres in district and provincial positions. The dominance of Tay in the civil service, for example, may lead to false impressions that many ethnic minorities are cadres when in fact the proportion of cadres representing non–Tay local ethnic groups may be very low or nonexistent. In terms of development assistance, it is worth discussing whether or not certain groups have made sufficient progress that they no longer need special targeting or privileges, particularly for quota programs in education and the civil service.

Indigenousness is a difficult concept in the Vietnamese context. The "54 groups" classification system in use makes no attempt to distinguish between the relative longevities of minorities in Vietnamese national territory, nor does it attempt to establish any sort of claims regarding indigenous populations. That is, some ethnic groups that pre-date Vietnamese settlement do not have any distinction from minorities that are believed to have arrived from China in the 18th and 19th centuries (Hmong, some Dao, Nung). A discourse on "indigenous peoples" (*thuoc ban, ban dia,* or *ban xu* in Vietnamese), which is very prominent in other areas of Southeast Asia, does not figure in Vietnam to any significant degree (for an example in Indonesia, see Li 2000). The general consensus, particularly among policy makers, is that Vietnam should be called a "multiethnic country" (*mot nuoc da dan toc*) where everyone is equal under the law; no one gets special rights for being more indigenous than others. This has implications for the way social inclusion and rights-based approaches to social development can be piloted within Vietnam.

There may be some flexibility here in the future, however, as the Central Highlands provinces in particular have recently taken to distinguishing between what they call "residential minorities" (*dan toc tai cho*) and all others. Residential minorities are considered to be those groups that have always

been resident in the Central Highlands (Ede, Mnong, Gia Rai). Some provinces (Dak Lak in particular) have implied they have targeted more resources to "residential minority" communities than to other migrant minority communities. Thus the time may be ripe to have a dialogue in Vietnam on whether or not certain groups need special targeting within an "indigenous" or "residential" approach to social development.

Official ethnic classification and identity is quite rigid in Vietnam. It is a basic assumption of most modern-era Western anthropologists that ethnic identity is fluid and is positioned relative to other groups (Leach 1954; Moerman 1965; Barth 1969). Classification systems eliminate this fluidity and replace it with a relationship between a particularly defined "ethnic group" and the state. For example, in the past, the people that we now know as "Tay" as a specific ethnic group might have been described as Vietnamese in some situations and Tai/Thai in others, as there was a long history of intermarriage between these populations (Evans 1999). Under the current system, however, one cannot voluntarily change one's ethnicity once it is assigned (it is officially listed on one's ID card and birth certificate). In the case of children of parents of different ethnicities, the child gets to choose one or the other (but not both) after they turn 15. Other countries do not have such rigid systems, allowing people to petition to change their ethnic classification, allowing ethnic classification in accordance with the descent/heritage traditions of individual ethnic groups, or giving people the right to choose identification with more than one ethnic group (in the case of descent from multiethnic families). We can imagine situations where people classed as an ethnic minority may want to identify as Kinh when they have long lived in Hanoi and speak no minority languages; we can imagine other situations in which Kinh people with a minority parent or grandparent want to learn more about their ethnic heritage and would want to include both Kinh and a minority identity. Such options are not available today in Vietnam.

Academic anthropology in Vietnam is different from that taught and practiced in Western countries. As social development work among ethnic minorities increases in Vietnam, there is a great need for a core of local anthropologists to assist in understanding ethnic minority cultures. However, building a core of cultural anthropologists to participate in development work has been a major challenge in Vietnam. Most anthropologists now working in Vietnam have been trained very differently than those elsewhere. A major influence on the teaching of anthropology in the Soviet bloc (where most senior anthropologists now working in Vietnam were trained) were the writings of Fredrick Engels, which were in turn heavily derived from American anthropologist Henry Louis Morgan, who believed in the evolution of societies from primitive to advanced (Schein 1999). As Lao historian Vattana Pholsena notes, "Ethnographic works produced by Marxist–Leninist regimes have always been strongly identified with a civilizing project *vis-a -vis* ethnic minorities….In effect, criteria for distinction or grouping are thought of as 'criteria of backwardness'" (Pholsena 2002; 184).

This evolutionary conception of "backwardness" comes across very clearly in academic anthropological work in Vietnam. Reading ethnographies produced about minorities, one often comes across what Westerners feel is pejorative language; minorities are often said to be "backwards," "primitive," "unstable," and "ignorant," among others (Salemink 2000). Encountering this kind of language in the mass media is very common as well, but what is surprising to Western-trained anthropologists is how often it is used in what are anthropological and ethnological works. This is

in great contrast to Western anthropology, which has in the modern era taken a much more culturally relativist approach, in which negative judgments on cultural practices can be taken as forms of prejudice or ethnocentrism.

These constraints on ethnological training in Vietnam have real development practice implications. For example, most anthropological works produced in Vietnam are of varying quality, and often the topics of study are not useful for development projects or practice. Many ethnographies are not interested in explaining contemporary social and cultural change, and instead focus on "generalized static and often idealized descriptions of a particular ethnic group's traditional economy, society, religious, or material culture. Then often a brief section is added at the end that suddenly shifts to the present, making claims that the best features of the culture in question are being preserved under socialism now that feudal and imperialist shackles have been cast aside" (Evans 1999; 167). In short, we simply do not have much work on what it is like in daily life for minorities in specific locales. It is not standard for Vietnamese anthropologists working on minority communities to either speak the local minority language or for the anthropologist to spend extensive time conducting fieldwork, as is the practice in other countries' anthropological traditions. Additionally, Western language scholarship on Vietnamese minorities that is based on anthropological fieldwork and language study is virtually nonexistent for the contemporary era; foreigners have simply not been allowed access. Other countries, like Thailand and increasingly China, have a much more robust anthropological tradition that has expanded in recent years, and which is based on very finely grained analysis of minorities conducted with lengthy fieldwork involving much language study (c.f Schein 1999; Litzinger 2000; Mueggler 2001; Gladney 2004). Such studies are not yet widely available in Vietnam, although a recent issue in 2008 of the academic *Journal of Vietnamese Studies* (Vol 3:3) was devoted to new ethnographic studies of ethnic minorities in Vietnam, and marks a new approach to these issues.

The Vietnamese public knows very little about ethnic minorities. Perhaps because anthropology has been relatively underdeveloped in Vietnam, there has been very little popular interest in understanding more about who the ethnic minorities are. As a result, a certain "standard narrative" about minorities as "different" and "backwards" has developed in the popular imagination, which is rarely challenged.

Changing these popular perceptions about minorities among the average Vietnamese citizen will require that attention be paid to the representation of minorities–in anthropological works, in the mass media, in school curricula, in the speeches of political leaders–and the ways in which stereotypes or ethnocentrism may be shaping the development agenda for minorities (discussed further in chapter 10).

DEMOGRAPHY AND GEOGRAPHY OF ETHNIC MINORITY GROUPS

The ethnic minority population of Vietnam is estimated at over 10 million people. The Population and Housing Census, taken in Vietnam every 10 years, provides the most up-to-date and accurate figures regarding ethnic minority composition and population size. The most recent figures are from the 1999 Census, when the total population of Vietnam was 76,323,173 (Table 2.1).

TABLE 2.1 Population of the 54 Officially Recognized Ethnic Minorities in Vietnam

	Name	Alternative Names/ Subgroups	Pop in 1979	Pop in 1989	Pop in 1999	Annual Pop Growth Rate (%)
1	Ba-na	Ro Ngao, Ro Long (Y Lang), To Lo, Go Lar, Krem	109,063	136,859	174,456	2.3
2	Bo Y	Bo Y, Tu Di	1,342	1,420	1,864	1.6
3	Brau		95	231	313	5.8
4	Bru-Van Van Kieu	Tri, Khua, Ma Coong	33,090	40,132	55,559	2.5
5	Cham	Cham Hroi, Cham Pong, Cha Va Ku, Cham Chau Doc	77,012	98,971	132,873	2.6
6	Cho-ro		7,090	15,022	22,567	5.7
7	Chu-ru		7,738	10,746	14,978	3.2
8	Chut	May, Ruc, Sach, Arem, Ma Lieng	29,84	2,427	3,829	1.2
9	Co		16,828	22,649	27,766	2.4
10	Cong		843	1,261	1,676	3.3
11	Co-ho	Xre, Nop (Tu Nop), Co Don, Chil, Lat (Lach), To Ring	70,740	92,190	128,723	2.9
12	Co Lao	Co Lao Xanh, Co Lao Trang, Co Lao Do	1,185	1,473	1,865	2.2
13	Co-tu (Katu)		26,993	36,967	50,458	3.0
14	Dao	Dao Do, Dao Quan Chet, Dao Lo Gang, Dao Tien, Dao Quan Trang, Dao Thanh Y, Dao Lan Ten	346,785	473,945	620,538	2.8
15	E-de	Kpa, Adham, Krung, Mdhu, Ktul, Dlie, Hrue, Bih, Blo, Kah, Kdrao, Dong Kay, Dong Mak, Ening, Arul, Hwing, Ktle, Epan, Rhade	140,884	194,710	270,348	3.2
16	Giay		27,913	37,964	49,098	2.7
17	Gia rai	Chor, Hdrung (Hbau, Chor), Arap, Mthur, Tobuan	184,507	242,291	317,557	2.6
18	Gie-Trieng	Gie, Trieng, Ve, Bnoong (Mnoong)	16,824	26,924	30,243	2.8
19	Ha Nhi	Akha, Ha Nhi Co Cho, Ha Nhi Lam, Ha Nhi Den	9,444	12,489	17,535	3.0
20	Hmong	Hmong Trang, Hmong Hoa, Hmong Do, Hmong Den, Hmong Xanh, Na Mieu	411,074	558,053	787,604	3.1
21	Hoa (Chinese)	Quang Dong, Quang Tay, Hai Nam, He Trieu Chau, Phuc Kien, Sang Phang, Xia Phong, Thang Nham, Minh Huong	935,074	900,185	862,371	-0.4
22	Hre		66,884	94,259	113,111	2.5
23	Khang	Khang Dang, Khang Hoac, Khang Don, Khang Sua, Ma Hang, Bu Hang, Ma Hang Ben, Bu Hang Coi	2,327	3,921	10,272	7.3
24	Khome	Khmer	717,291	895,299	1,055,174	1.9
25	Kho-mu	Khu mu	32,136	42,853	56,542	2.7
26	La Chi		5,855	7,863	10,765	2.9
27	La Ha	La Ha can (Khla Phlao), La Ha nuoc (La Ha ung)	3,174	1,396	5,686	2.8
28	La Hu	La hu na (den), La-hu su (vang), La-hu phung (trang)	4,270	5,319	6,874	2.3
29	Lao	Lao Boc (Lao Can), Lao Noi (Lao Nho)	6,781	9,614	11,611	2.6
30	Lo Lo	Lo Lo hoa, Lo Lo den	2,371	3,134	3,307	1.6
31	Lu	Lu Den (Lu Dam), Lu Trang	2,952	3,684	4,964	2.5
32	Ma	Ma Ngan, Ma Xop, Ma To, Ma Krung	20,264	25,436	33,338	2.4
33	Mang	Mang Gung, Mang Le	2,434	2,247	2,663	0.4

TABLE 2.1 Continued

	Name	Alternative Names/ Subgroups	Pop in 1979	Pop in 1989	Pop in 1999	Annual Pop Growth Rate (%)
34	Mnong	Mnong Gar, Mnong Nong, Mnong Chil, Mnong Kuenh, Mnong Rlam, Mnong Bu Nor, Mnong Preh, Mnong Prang, Mnong Bu Nor, Mnong Bu Dang,Mnong Bu Deh	45,954	67,340	92,451	3.4
35	Muong	Ao Ta (Au Ta), Moi Bi	686,082	914,596	1,150,000	2.5
36	Ngai		1,318	1,154	4,841	6.4
37	Nung	Nung Giang, Nung Xuong, Nung An, Nung Inh, Nung Loi, Nung Quy Rin, Nung Phan Slinh, Nung Chao, Nung Din	559,702	705,709	856,412	2.0
38	O-du		137	32	301	3.8
39	Pa Then		2,181	3,680	5,569	4.6
40	Phu La	Phu La Lao-Bo Kho Pa, Phu La Den, Phu La Han	6,872	6,424	9,046	1.3
41	Pu Peo		264	382	705	4.8
42	Ra-glai	Rai, Hoang, La Oang	57,984	71,696	96,931	2.5
43	Ro-mam		143	227	352	4.4
44	San Chay	Cao Lan, San Chi	77,104	114,012	147,315	3.1
45	San Diu		65,808	94,630	126,237	3.2
46	Si La		404	594	840	3.5
47	Tay	Tho, Ngan, Phen, Thu Lao, Pa Di	901,802	1,190,342	1,477,514	2.4
48	Ta-oi	Ta Oi, Pa Co, Pa Hi	20,517	26,044	34,960	2.6
49	Thai	Nganh Den (Tay Dam) Nganh Trang (Tay Don or Khao)	766,720	1,040,549	1,328,725	2.7
50	Tho	Keo, Mon, Cuoi, Ho, Dan Lai, Li Ha, Tay Poong	24,839	51,274	68,394	4.9
51	Xinh-mun	Xinh Mun Da, Xinh Mun Nghet	8,986	10,890	18,018	3.4
52	Xo-dang	Xo Trng, To Dra, Mnam, Ca Dong, Ha Lang, Ta Tri, Chau	73,092	96,766	127,148	2.7
53	Xtieng	Bu Lo, Bu Dek (Bu Deh), Bu Biek	40,763	50,194	66,788	2.4
54	Kinh		46,065,384	55,900,224	65,795,718	2.4

Source: Committee for Ethnic Minorities and Mountainous Areas/Central Ideology–Culture Department (2001); Population and Housing Census for 1979, 1989, and 1999.

As Table 2.1 indicates, four ethnic groups have over a million people (Tay, Thai, Muong, and Khmer), while five groups have less than 1,000 members (Brau, Ro Mam, O Du, Si La and Pu Peo). To date, there has been very little research on the relative differences in development among minorities in relation to population size. The government recently began research into populations that are "endangered" by low numbers, particularly the Brau, Ro Mam, and O Du (Le Hai Duong 2005). Reports indicate that not only do very small minority groups face the same development problems as others (lower access to infrastructure and services; lack of fluency in Kinh; etc), but also face pressures to assimilate, as well as the potential loss of language and cultural transmission with such low numbers.

Population Growth among Ethnic Minorities. In addition to the overall population sizes of ethnic minority groups that may impact their development trajectories, it is also important to take note of demographic pressures, which vary considerably among regions and groups. Many reports on ethnic minorities in Vietnam place great emphasis on the fact that population pressure may be contributing to poverty in these areas as more people compete for fewer and lower quality lands (Donovan, Rambo et al. 1997; Jamieson, Le Trong Cuc et al. 1998; Rambo and Jamieson 2003). If we look at regional changes in population size and resulting changes in rates of population density, we can see some of these potential pressures (Table 2.2).

TABLE 2.2 Demographic Trends in Minority Areas

Year	Nationwide	Northeast Mountains	Northwest Mountains	Central Highlands
Population in 1990	66,017,000	7,709,000	1,885,000	2,682,000
Population in 2000	77,686,000	8,952,000	2,288,000	4,248,000
Population Growth from 1990-2000 (%)	17.7	16.1	21.4	58.4
Average Population Density 1990 (in persons per km^2)	200	118	52	49
Average Population Density 2000 (in persons per km^2)	236	137	64	78

Source: General Statistical Office (2000).

Table 2.2 indicates several trends. First, areas that are home to many ethnic minorities like the northwestern mountains and Central Highlands have experienced population growth rates higher than the average for all of Vietnam. This is primarily due to two reasons: (1) higher fertility among some minority groups, and (2) high rates of in-migration (mostly Kinh in-migration) into these areas. The resulting population growth has had a serious impact on the population density. In the Central Highlands, for example, population density rose from 49 people per square kilometer to 78 in just 10 years. Rapid changes in population density can place undue pressure on land resources and has the potential to lead to soil and natural resource degradation (Le Trong Cuc, Gillogly et al. 1990; Le Trong Cuc and Rambo 1993; Le Trong Cuc and Rambo 2001).

With regard to natural population increases, the government has been concerned for some time about slowing population growth in Vietnam. In 1988, the Council of Ministers issued Decision 162, which said that Vietnamese families should have only "one-or-two" children in an attempt to slow growth (Anon. 1988). The only exceptions to this policy were to be minorities "in the mountain provinces of the North, the Central Highlands, and Northwest," who were allowed to have three children. This policy was to be reinforced through punitive measures on families that exceeded the accepted number, although it appears to be enforced only sporadically. It has been enforced most on cadres and state civil service workers who can potentially lose benefits and jobs for exceeding the number of two children. In most minority areas, however, the punitive measures were nonexistent (Khong Dien 1998). One additional measure adopted to complement the one-or-two-child policy was the adoption of the legal age of marriage of 18 for women and 21 for men. It was hoped this measure would lead to lower fertility rates if women began having children at a later age. The re-

sults seem mixed; many minorities report still marrying earlier than Kinh and before the legal age of marriage.

However, these measures do appear to have had some impact in slowing the population growth rate of the country overall. By the 1999 census, Kinh were averaging 2.1 children per woman, around the replacement rate needed for population stability, while non-Kinh had an average fertility rate of 3.4 children (Goodkind 2002). Table 2.1 indicates a wide range of population growth rates from 1979 to 1999. (Some change is likely due to misclassifications in ethnic identification, not actual increases in number of people born). Minorities that are more economically prosperous and education, like the Tay and Muong, have fertility rates closer to those of the Kinh (Baulch et al. 2002).

GEOGRAPHY OF ETHNIC MINORITIES

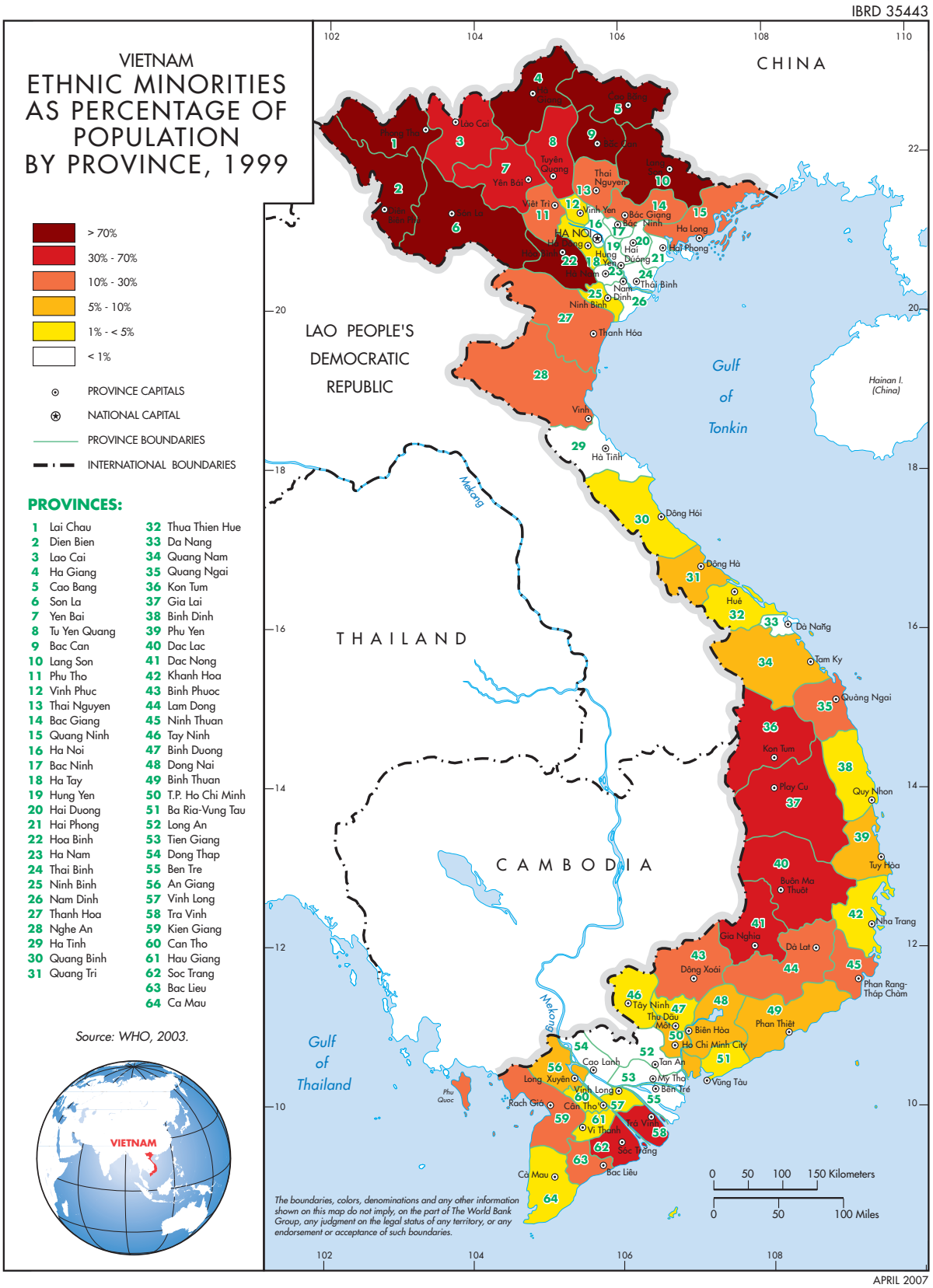
Seventy-five percent of Vietnam's minority populations live in two regions, the Northern Mountains, which border China, and the Central Highlands, which border Laos and Cambodia. Most of these minorities remain rural residents. Other regions also have minority populations. For example, the Khmer, Chinese, and Cham are found in the Mekong Delta. Chinese are found in many urban areas, especially in Ho Chi Minh City. This geographical distribution of ethnic groups can be seen visually in Figure 2.1, based on 1999 census data. Below we note the ethnic minority distribution in the main regions of Vietnam.

- **Northern Mountains.** The region known as the Northern Mountains encompasses the provinces of Tuyen Quang, Ha Giang, Cao Bang, Lang Son, Lai Chau, Lao Cai, Dien Bien, Yen Bai, Hoa Binh, Bac Thai, Son La, Quang Ninh, Phu Tho, and Bac Giang (sometimes the provinces of Lai Chau, Dien Binh, Son La and Hoa Binh are divided off into the category of "Northwest Mountains.") The most heavily minority provinces in Vietnam are located in this region; Cao Bang, for example, is more than 95 percent minority. The population of Kinh in this region increases dramatically as one moves from the Chinese border south into the provinces ringing the Red River Delta and Hanoi.

- **Red River Delta.** There are virtually no minorities in this region, with the exception of some Dao groups on the western edge of Ha Tay province near Ba Vi National Park, and Chinese and minority civil servants who live in the capital city of Hanoi.

- **North Central Coast.** This region includes the provinces of Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri, and Thua Thien Hue. Here minorities tend to be found in low population numbers along the Annamite Mountains, which run along the western edge of Vietnam bordering Laos. Many minorities found in this region are also found in Laos in significant numbers as well. There is a fairly clear dividing line between the groups found north of Ha Tinh province (in Nghe An and Thanh Hoa), who are similar to groups found in the Northern Mountains (Hmong, Dao, Thai), and the provinces south of Ha Tinh, in which mostly Mon-Khmer speaking minorities, unrelated to those in the North, live.

FIGURE 2.1 Map of the Distribution of Ethnic Minorities in Vietnam



- **Central Highlands.** This region is a group of provinces that form a high plateau bordering Cambodia and Laos. The area is called Tay Nguyen (the Western Plateau) in Vietnamese, and consists of four provinces: Dak Lak, Dak Nong, Gia Lai, and Kon Tum. (In the past, the province of Lam Dong was often considered to be in the Central Highlands, but was recently transferred to the Southeast region by the government. Additionally, Dak Lak used to be one province, but several districts were carved off for a new province of Dak Nong in 2003.) Before the twentieth century, the Central Highlands were almost entirely populated by minorities like the Ede, Gia Rai, Mnong, Xe Dang, and Ba Na, with little Kinh in-migration. That changed after the reunification of Vietnam in 1975, however, and immigration to the region was significant. Currently only about 33 per cent of the total population in the Central Highlands are ethnic minorities. Kon Tum is the only province in the region that still retains a majority population of ethnic minorities. However, even within Kon Tum, Kinh remain the single largest ethnic group overall.

- **South Central Coast.** A number of smaller ethnic groups, of both the Austronesian language family and Mon-Khmer, live in western edges of the provinces of Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, and Khanh Hoa, where these provinces abut the Central Highlands. Poverty rates among these groups are some of the highest in the country (Turk 2006). This is the region in which we probably know the least about the ethnic minority populations due to a lack of research.

- **Southeast.** This region has the second lowest numbers of minorities in the country after the Red River Delta, but with the recent transfer of the province of Lam Dong from the Central Highlands region to this one, there are some minorities of note here. Dong Nai, Binh Phuoc, Ninh Thuan, and Binh Thuan also have small numbers of minority groups such as Raglai, Coho, and Xtieng. Cham are prominent in several areas of Ninh Thuan and Binh Thuan. There are also large numbers of ethnic Chinese (nearly half a million) living in Ho Chi Minh City, especially in Cho Lon quarter.

- **Mekong Delta.** The main ethnic minorities found in the Mekong are Chinese, Khmer, and Cham. Khmer are the largest group, at more than 1 million people, accounting for 10 percent of the Delta's population. Khmer communities are found primarily in the provinces of Soc Trang, Tra Vinh, and Kien Giang, with considerably smaller populations in An Giang, Bac Lieu, Ca Mau, Can Tho, Hau Giang, and Vinh Long. There are also roughly 13,000 Cham people, mostly in An Giang province, although they are also found elsewhere (particularly the south-central coastal area). There are also around 210,000 Chinese, living in all 13 provinces in the Mekong Delta, primarily in towns and cities.

In addition to looking at ethnic minority populations as distributed through regions, we also need to pay attention to where minorities are located within provinces, as this is where much Vietnamese policy making and budget allocation occurs. Only 11 provinces out of a total of 61 (in 1999) contain populations in which non-Kinh are in the majority, and most of these are located in the northern mountainous provinces and the Central Highlands (Table 2.3).

TABLE 2.3 Provinces Ranked by Percentage Ethnic Minority Population

Province	% Minority	Total minority population (in 1999)
Cao Bang	95	467,379
Ha Giang	88	529,551
Bac Kan	87	238,578
Lang Son	84	587,718
Lai Chau	83	488,488
Son La	83	728,431
Hoa Binh	72	546,861
Lao Cai	67	397,475
Kon Tum	54	397,475
Tuyen Quang	52	350,141
Yen Bai	50	341,993
Gia Lai	44	421,902
Soc Trang	35	407,007
Tra Vinh	31	301,802
Dac Lac	30	530,241
Thai Nguyen	25	259,003
Lam Dong	22	228,629
Ninh Thuan	22	110,979
Binh Phuoc	19	125,958
Thanh Hoa	16	568,996
Phu Tho	15	183,700
Kien Giang	13	216,047
Nghe An	13	381,416
Bac Giang	12	177,801
Quang Ngai	12	137,960
Quang Ninh	11	111,609
Bac Lieu	11	80,879
Ho Chi Minh City	9	460,189
Quang Tri	9	51,893
Dong Nai	9	171,075
Binh Thuan	7	72,457
Quang Nam	7	93,100
Phu Yen	5	40,271
An Giang	5	103,380
Khanh Hoa	5	47,805
Thua Thien Hue	3.7	38,704
Vinh Phuc	3	36,650
Can Tho	3	58,901
Ba Ria-Vung Tau	3	23,880
Binh Duong	3	20,951
Ca Mau	3	31,802

Continues

TABLE 2.3 Continued

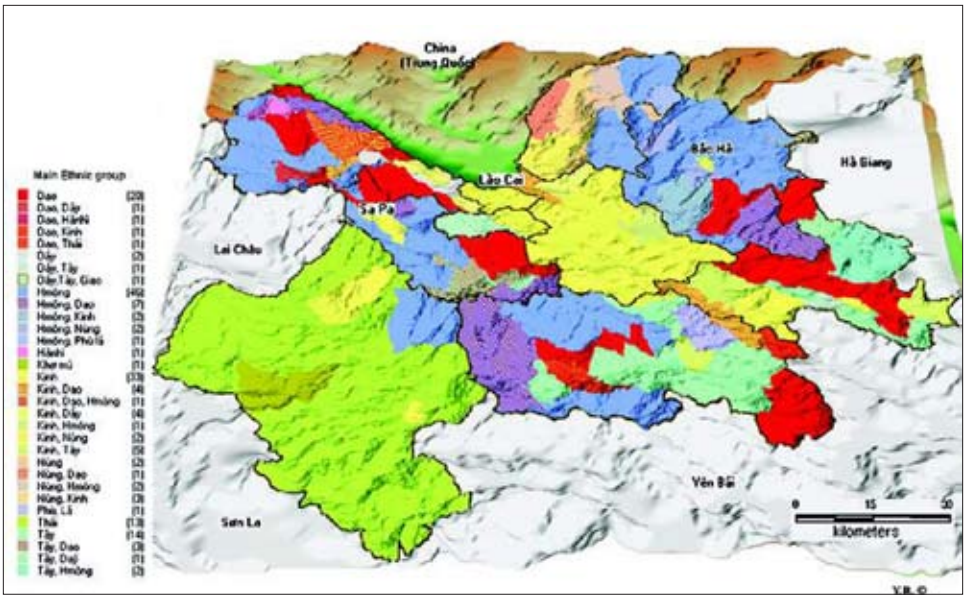
Province	% Minority	Total minority population (in 1999)
Vinh Long	3	27,190
Ninh Binh	2	18,831
Binh Dinh	2	28,985
Quang Binh	2	14,761
Tay Ninh	2	16,316
Ha Tay	1	29,369
Hanoi	1	16,623
Ben Tre	0	5,761
Tien Giang	0	5,733
Long An	0	3,868
Danang	0	3,927
Hai Duong	0	4,198
Dong Thap	0	4,198
Hai Phong	0	2,294
Bac Ninh	0	1,182
Ha Nam	0	973
Thai Binh	0	1,197
Ha Tinh	0	847
Hung Yen	0	679
Nam Dinh	0	794

Source: 1999 Population and Housing Census
Note: This list of provinces was at the time of the 1999 census. Since then, a new province of Dien Bien has been split off from Lai Chau province, Dak Nong has been split off from Dak Lak, and Hau Giang has been split off from Can Tho, for a current total of 64 provinces.

It may look as if ethnic minorities are confined to a small number of provinces if we only look at that administrative level. In fact, if we look at the district level, we discover that 28 provinces had at least one district in which non-Kinh were in the majority (Goodkind 2002). At the district level and below, ethnic boundaries can be very sharp, with some districts in a province containing solid majorities of non-Kinh side by side with districts overwhelmingly composed of Kinh. A recent article on Lao Cai province highlights this diversity by use of GIS mapping of ethnicity by district and communes based on the 1989 Population and Housing Census (Figure 2.2). The wide range of ethnic populations is indicated by various colors; there is one bright yellow district (Bao Thang) in the middle of Lao Cai located in the lowlands on the Red River in which Kinh are a clear majority. However, this district is surrounding by other districts in which other ethnic minorities (Hmong, Dao) are a majority. Mapping exercises in other provinces would indicate similar trends of sharp differences in ethnic composition, primarily between lowland or coastal districts (dominated by Kinh) and upland or mountainous districts (usually dominated by non-Kinh) (Michaud, Turner et al. 2002).

Maps such as Figure 2.2 vividly show one of the most striking features about minorities in Vietnam, which is that that many do not live in geographically exclusive spaces. More than half the districts in the Northern Mountains have 10 ethnic groups or more represented (Michaud, Turner et al. 2002).

FIGURE 2.2 3-D Image of Ethnic Diversity in Lao Cai by Commune, 1989



Source: Michaud, Turner et al. 2002

Even at the commune level (the lowest level of administration in Vietnam), diversity is the norm; in 1979, only 3 percent of the communes in the northern uplands were composed of only one minority, and there has been considerable migration since then (Khong Dien 2002). The majority of communes in the Northern Mountains have long consisted of at least two to four ethnic groups, and some have as many as seven. Each individual ethnic group may be spread over hundreds and even thousands of communes, rather than being concentrated; according to the 1989 census, the Tay, for example, were found in 1,385 communes, the Nung in 988, the Dao in 938, and the Hmong in 745 (Khong Dien 2002; 31).

This extreme ethnic diversity in Vietnam is longstanding in some areas (the Northern Mountains), while very recent in others (the Central Highlands). In the Northern Mountains, population movements were common prior to the 20th century and the solidification of nation-state borders. Large waves of minority peoples moved in the 19th century to what is now northern Vietnam to flee unrest in southern China, particularly the Taiping Rebellion, which killed millions in the 1850s–60s (Michaud, Turner, et al 2002). In other areas, ethnic diversity is very recent; for example, Dak Lak province currently has over 40 different ethnic minorities now resident there, as a result of high rates of in-migration, whereas 30 years ago there were only three or four ethnic groups (Mnong and Ede being the indigenous inhabitants of the province) (Hickey 1982).

Maps such as those in Figures 2.1 and 2.2 additionally show that minorities are rarely found in lowland and coastal areas (with the exception of three groups: Khmer, Chinese, and Cham). The trend is still that one finds minorities concentrated in midland and highland areas, although much Kinh migration to these areas has also occurred in large numbers in recent years. The highlands of Vietnam, where the ethnic minorities mostly live, cover about 3.5 million hectares and constitute about three-quarters of the total land area of Vietnam.

There is great diversity in living conditions within these midland and highland areas, however, leading to great differences in agricultural production and living standards. It is often said that certain minorities (Tay, Muong, Thai, and Nung in particular) are more commonly found living in the valleys within the mountainous areas, which have greater access to flat land and reliable water supplies, and they have developed a dependence on wet rice farming that is seen as closer to the Kinh way of life. Other groups (Hmong and Dao in particular) are often associated with higher attitudes and more mountainous slopes. Some historians have argued that when minorities like the Hmong and Dao came from China, the best lower elevation land was already taken by longer standing groups (Thai and Tay), so Hmong and Dao had no other choice but to settle at higher altitudes (Michaud, Turner et al. 2002; 306). We note throughout this report, however, that a great deal of migration has changed traditional settlement patterns for many groups, both from voluntary and government-sponsored long-distance migration to new areas, as well as displacement during the first, second, and third Indochina wars in the second half of the 20th century.

Another generalization that can be made about the geography of ethnic minorities is that most minorities overwhelmingly remain rural residents. Within the highlands, there is very little urbanization of minorities, with a few exceptions such as the Tay in some northern district market towns, fairly large numbers of minorities in some central highlands towns, and any minorities that work as cadres in urban centers (Hoang Huu Binh 1993). This means that provincial capitals and district market towns in the highlands, even when located in 90 percent or more minority districts, are usually overwhelmingly Kinh.

However, there is much internal diversity amongst minorities: they vary tremendously in terms of assimilation and levels of economic success. Some, like the Tay and the Muong, have levels of household income and education that rival those of most Kinh, while in some ethnic groups, not a single person has ever been admitted to tertiary education. This cultural and geographic diversity makes it extremely difficult to tailor government and other programs to individual linguistic and cultural needs, and points out the need for good anthropological studies in the future on ethnic similarities and differences.

Implications of Geographic And Demographic Diversity

The patterns of migration and settlement among minorities, no matter if they are longstanding or more recent, makes it extremely difficult to tailor government and other programs to individual linguistic and cultural needs, and points out the need for good anthropological studies in the future on ethnic similarities and differences among groups living interspersed with one another. We highlight in particular two needed areas of research and analytic work that might be of use in the future to help make sense of Vietnam's ethnic diversity and enable better targeting to take place.

First, there appears to be no easy-to-access database indicating populations of ethnic minorities down to the commune level throughout the provinces of Vietnam. The 1999 Population and Housing Census and upcoming 2009 census could be used for this, as could the individual provinces, districts, and communes' own population counts (which are often less accurate as they are not systematic). Currently, anyone wanting to know exactly which communes minority groups are found in has no one-stop-shop to go to to get this data. A web-based database with populations of ethnic minorities down to the commune level could be of

great use to the government, researchers, and donors/NGOs. For example, if an NGO with a successful project among the Bo Y of Quan Ba district of Ha Giang wanted to find out where other Bo Y groups were in order to target new projects to them, they would have trouble finding this data with the tools currently available. A modest database with the most up-to-date data that could be searched by ethnic group could be of great use in the future for better targeting of specific ethnic groups.

Second, without detailed statistical data and better mapping techniques, it is extremely difficult to create maps that accurately represent the true dimensions of ethnic diversity in Vietnam. The best maps would be able to include factors such as the presence of multiple groups and their proportions of the overall population, the relative sizes of the populations of these groups, and where they live. Many maps used in Vietnam cannot represent all these dimensions and may leave misleading impressions "since the reader is given the feeling that a specific patch of color corresponds to a distinct and exclusive territory of a corresponding group, as identified in the legend" (Michaud, Turner et al. 2002). An example of how better maps might be accomplished is shown in Figure 2.3, developed by Michaud, Turner et al., who also developed Figure 2.2 previously. Figure 2.2 represented diversity in altitudinal gradients by including a 3-D dimension. However, Figure 2.2 does not show the relative sizes of the populations of each district and the proportion of each minority group, which Figure 2.3 does. Michaud et al.'s work points out a need for better research and mapping that could produce substantial benefits in our understanding of where minorities are, just as the recent mapping of the 1999 Population and Housing Census Data and the 1998 VHLSS data have improved our understanding of the location of the poor (Minot, Baulch et al. 2003; GSO, NCCR et al. 2004; Minot and Baulch 2005).

For example, maps are often used in Vietnam to show provinces with a large percentage of the population being minority (Figure 2.1 previously). However, simply targeting provinces with high overall percentages of minorities as a proportion of the population is not sufficient to reach minorities, as it may miss large pockets of minorities who comprise a smaller percentage of the population of their province. While Bac Kan is more than 80 percent minority, there are actually fewer minorities overall (230,000) than in Thanh Hoa province, which has nearly twice as many minority people (more than 550,000), although they compose only 16 percent of Thanh Hoa's population. Careful mapping and better data collection on ethnic diversity can greatly assist efforts to properly identify the spatial and demographic characteristics of minority communities, leading to better targeting of needed services.

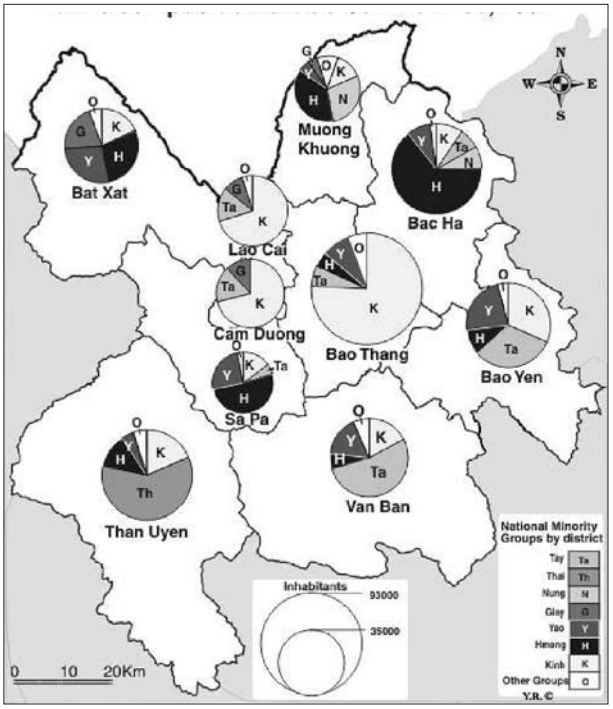


FIGURE 2.3 Ethnic Diversity in Lao Cai, 1994, Showing Relative Population Sizes and Proportions of Minorities by District

Source: Michaud, Turner et al. 2002

CONCLUSION

This chapter has explored the classification, population dynamics, and geographical distribution of ethnic minorities in Vietnam. We have tried to highlight in particular those areas in which future steps might be needed to refine and update classification systems, improve data collection on ethnic population–particu-

larly for geographic mapping–and what factors may need to be taken into account when discussing targeting of ethnic minorities for special projects, policies, and services.

We have pointed out that classification of minorities in Vietnam has been a rather arbitrary process, filled with disputes and still not accepted by many minorities themselves. Bank projects and programs need to pay particular attention to which minorities are being affected in project areas and sector-wide.

The use of the GoV classification system, while simplifying maters, is not entirely helpful in every situation. When groups dispute their classification, when disparate groups with very different livelihood systems are grouped together under one heading, and when the fluidity of ethnicity is not recognized by laws and practices, there may be serious implications for how groups are identified, understood, and targeted.

Future work on better ethnic classification could very well be supported by the donor community, as it is key to understanding development outcomes. Better and more extensive fieldwork with minorities, more transparent and open processes in ethnic classification (particularly allowing communities themselves a say in how they are represented/classified), and better training of anthropologists who work with minorities are all possible steps.

At a minimum, donor projects need to be cautious when accepting the "54 groups" classification of minorities within project sites, as it may not represent the true ethnic diversity and ethnic identification of local peoples in an accurate manner. Additional discussion regarding such topics as allowing communities to make their own regulations regarding self-identification and more flexible ethnic ID policies might be fruitfully broached in coming years as well.

Donors can potentially make a real impact in the area of collection and use of better data on minorities through better classification, as we note above, and in the aggregation and public availability of such data. Better ethnic maps, similar to projects on poverty mapping that donors funded previously, could be undertaken as well. Encouraging sharing on lessons learned about ethnic development with neighboring countries with the same ethnic groups as Vietnam could also be an important way for Vietnam to incorporate best practices of ethnic minority development from a wider world.

CHAPTER 3

A Brief History of State-Ethnic Minority Relations in Vietnam

Minority communities in Vietnam have seen significant changes in the past centuries, with considerable transformation and conflict as a result of the Indochinese wars and successive political regimes in Vietnam. While one hundred years ago there was physical distance between the ethnic Vietnamese who primarily occupied lowland and coastal lands, and minority communities who primarily occupied the uplands, such distance has vanished in the tumult of the 20th century. War, migration, resettlement and government policies have all had tremendous impacts on minority communities this century.

This chapter provides a brief look at the history of state-ethnic minority relations in Vietnam. It offers some historical context by particularly looking at the relationships between ethnic minorities and various governing states that have ruled Vietnam, including the independent Vietnamese imperial reign (939 AD to 1868); the French colonial regime (1868 to 1954); the Democratic Republic of Vietnam (DRV, or North Vietnam) from 1945–1975, and the Republic of Vietnam (RVN, or South Vietnam) from 1954–1975; and finally, the reunified Socialist Republic of Vietnam (1976–present).

This discussion focuses on issues of governance and policy. Our primary aim is to show that successive regimes in Vietnam have had to deal with non-Vietnamese ethnic minorities, and have used different tactics–with varying success–to govern these populations. The other important aim is to show that despite a common current-day view that minorities are "remote," "underdeveloped," and on the "periphery" of Vietnam, minorities have long occupied important areas and have been involved in interactions and trade with other groups for a significant time. Further, the degree of integration and involvement in trade and governance between different ethnic minority groups and the state have been significant. Some groups, like the Tay, have long been closely integrated into the Vietnamese governance system, while others, like many groups in the Central Highlands, were less well-integrated and have only had significant relations with the state in the past 50 years or so.

ETHNIC MINORITIES UNDER THE VIETNAMESE EMPERORS

The common origin story in Vietnam is that the first Vietnamese state was founded under the Hung Kings in 2000 BC in Phu Tho province, in the midlands northwest of present day Hanoi. Despite originating as an independent kingdom, the Viet people came under the influence of Chinese colo-

nialism from 179 BC to 938 AD. During this time, the Vietnamese people were primarily confined to the Red River Delta and they were required to make tributary donations to the Chinese empire. However, these delta-dwelling people must have had contact and trade relations with other ethnic groups in the mountains that ringed the deltas, as there are records of much of Vietnam's tribute to China coming from mountainous areas, such as rhinoceros horns, elephant tusks, and peacocks (Anon. 1986; 75). Historian Keith Taylor has argued that relations between Viet peoples in the delta and peoples in the highland went beyond simple trade relationships, and that ethnic divisions between groups were not as clear-cut as they are today. He writes that "Aristocratic families living in more upland areas between the Red and Ca rivers, which we now call Muong, were not distinguished as such in earlier history. Indeed, there is evidence that the "nationalist" heroes of the Hung kings, Trung sisters, Phung Hung, Ngo Quyen, and Le Loi came from these people we now call Muong" (Taylor 2001).

Who were these highland peoples, then, and what were their origins? French explorer Henri Maitre and anthropologist Gerald Hickey have argued that many peoples now considered to be "highland minorities" were in fact formerly coastal dwellers who were driven to the mountains at various time and under various regimes (Hickey 1982b; 55). Other theories hold that some of the upland minorities in the Central Highlands came by boat from the Indonesian archipelago millennia ago (explaining the similarity in languages between these Austronesian groups), while other non-Viet speaking peoples originated in the mountains of southern China and gradually moved southward into what is now Vietnam. There is strong evidence that Thai-speaking groups were present in these northern fringes of the Viet empires as early as 2,000 years ago, while other groups came into what is now Viet territory much later, in the 19th and 20th centuries, mostly fleeing violence and turmoil in China (Michaud and Turner 2000).

The southern edge of Viet influence during the period of Chinese imperialism was at the Hoang Son Mountains (in current day Ha Tinh), where a large wall was constructed to keep out the Champa Kingdom, an Indianized society that ruled central Vietnam for centuries, and who were at their strongest from 192–758 AD. South and west of the Cham Kingdom, the Khmer Empire was ascendant. The Cham and Khmer both had fairly close contact with many highland groups during this era; the Cham sent military convoys up the river valleys of the Annamite Mountains into the highlands, where many local chiefs submitted and sent tribute back to the Cham (Hickey 1982b).

The current Vietnamese state was shaped in the era following independence from Chinese domination, which began in 939. Independent Vietnamese emperors who were no longer at war with China in the north began the process of territorial expansion southward that has created the boundaries of the country we know today (Taylor 1998; 955). Starting with the 11th through the 15th centuries, when the Cham finally fell into decline, the Vietnamese empire fought a number of battles with Cham-controlled territories. Gradually, through both military defeats and through diplomatic initiatives such as cross-marriages, the Viet were able to move into the former Cham territories under the Ly (1009–1225 AD) and Tran (1225–1400 AD) dynasties. A policy of agricultural settlement was implemented to encourage farmers to move southward, and there were also a number of military colonies, known as *don dien*. The workers in these military colonies were primarily prisoners, criminals, soldiers, and poor people (Anon. 1986; 85).

The Vietnamese had to fight in the north again in order to repel the Chinese Ming dynasty who attempted an invasion of northern Viet Nam during the 15th century. This led to the founding of the Le dynasty, which ruled the land they called the Dai Viet (or Great Viet), encompassing 13 separate regions (*xu*), including several populated by non-Vietnamese speaking peoples. The Le kings governed minority groups that had once been tributaries of the Cham. Under the Le Dynasty, some tribal groups were organized into autonomous districts with minority administrators (Tai Van Ta 1988). However, by no means were all minority groups in interaction with the Vietnamese state. Highland groups in what is now the Central Highlands were primarily loyal to the Khmer kingdoms to the west, not to the Vietnamese to their east (Hickey 1982b).

Throughout the 16–18th centuries, petty warfare between factions seeking to rule the Vietnamese empire dominated political history, culminating in a military success by the Nguyen family (who had long been dominant in the south) over more northern armies of the Trinh family. The establishment of Nguyen dynasty rule under the new Emperor Gia Long in 1802, who moved the Imperial Palace to Hue in central Vietnam, started a new chapter in relations between minorities and the state. The Nguyen rulers were especially interested in expanding their control over the rice-growing swampy areas of the southern deltas. A similar migration process would later be repeated in migration by the Kinh to the agriculturally richer areas of the highland areas, instigated by the state after 1945 (discussed in chapter 6).

During the centuries that the Nguyen and Trinh ruling families were engaged in internecine warfare, the highlands had largely remained outside state control. This began to change under the Nguyen consolidation, as highland groups were brought under stricter administrative control. Those that were close enough to the Vietnamese court at Hue were considered to be "subject peoples." The emperor governed these minority areas through a special series of districts, known as *chau*, ruled by a provincial mandarin known as a "*Quan Dao*" (Bonhomme 1931). Under the Nguyen in the early 1800s, there were 44 chau. However, even under these minority districts, state control was minimal: "Ultimately, at its maximum extension its only remaining purpose was to locate existing villages, install a representative, administer the census, and try to tax the population accordingly. Consequently, the more stable groups closer to the delta, like the Tai–particularly the Tho and the Nung–and the Muong, were quite heavily burdened. All the more remote and more mobile groups in the mountains largely escaped direct control" (Michaud 2000; 337).

Under Nguyen imperial law (which was modeled on Chinese codes), ethnic minorities were allowed to be governed by their own customary laws. The Nguyen code also specifically stated that "whoever frequents the barbarian tribes, does business with them, lends money to or borrow it from them, cheats them of their properties and causes hatred, acts of reprisal, or crimes among those people on the frontiers and therefore brings calamity on the nation, shall be condemned to military servitude in a distant border area, to death if their offense is more serious" (Ta Van Tai 1988). This law had as its main purpose the prohibition of exploitation of minorities and to preserve peace.

However, though minority groups had some legal rights in the Nguyen code, they were not considered to be of "equal standing" with the Vietnamese. We know that Hue's rulers did not hold the highlanders in the highest esteem, retaining a pejorative attitude toward "primitives" in the moun-

tains. The Muong and the Tay, because they had with time become culturally closer to the Kinh, were considered superior to the other highland groups. Charles Keyes says that these attitudes were in large part due to the Confucian influence of Chinese domination; under Confucianism, those who were "civilized" were those who were "trained to read and interpret Confucian texts in Chinese (Han) and ancillary literature in a system of writing derived from Chinese for writing Vietnamese … It is noteworthy that almost all the peoples of the upland frontier areas of the premodern empires had myths about being deficient in not having access to knowledge through writing" (Keyes 2005). This distinction between minority groups that had literacy skills as "civilized" and those who did not as "primitives" has echoes in the representation of literacy ability among ethnic minority groups to this day (discussed in chapter 5).

Military troubles with some "uncivilized" minority areas under the Nguyen required new military posts to be established farther afield (mostly in Quang Ngai and Binh Dinh provinces in the southern Annamite Mountains that separated the coast from the Central Highlands). Starting in 1863 under Emperor Tu Duc, a new series of military and trading posts, known as the *Son Phong*, were set up in minority areas, and "combined the establishment of a strong military presence in strategic locations with the political incorporation of local chiefs in the Vietnamese administration, with establishing trade monopolies and with tax collection. … Trade was supervised, monopolized and taxed by the state, including items that Highland populations needed (salt) as well as highly lucrative highland forest products, like cinnamon" (Salemink 2003; 36).

The minority groups considered most civilized, and which were not subject to the *Son Phong* administrative system, were Tay and Muong groups in the north, as Vietnamese emperors had particularly strong relationships with these peoples.

Nguyen control in the northern mountains was strongest along the Lo River, which had long been the primary homeland of the Tay (who were known then as Tho). The Vietnamese court and mandarins even used to exchange daughters in marriage with the Tay elite (Evans 1999). Anthropologist Jean Michaud writes that these Tay "elite (called Tho-ti) were half-Vietnamized. The Tho were in regular trading contact with the lowland Kinh in the delta. The White Tai and Black Tai, west of the Red River (Song Hong), were more loosely connected to the central administration, less acculturated, and had fewer contacts with the Kinh. The Hmong, the Yao, the Khmu, and the Lolo–to name but a few of the principle upland dwellers on either side of the Red River–were largely ignored or left to themselves higher in the mountains" (Michaud 2000; 338).

The Thai in what is now northwest Vietnam were less acculturated to the Viet than Tay/Muong, but were strong politically. The Thai speaking groups of this area had long been organized into a more extensive political system than was found among any of the other groups now called "ethnic minorities." Thai society was organized into small communities, linked upwards into what were called "muang," or principalities. The muang functioned much like a district or fiefdom, with its own administrative system, focused particularly on the coordinated management of water for the lowland wet-rice irrigated agriculture on which the Thai depended (Jimreivat 2002). These muang centers included the town of Muong Theng, which is now known as the provincial capital Dien Bien Phu, and the town of Muong Lai, now known as Lai Chau town. These muang polities were spread

throughout northwestern Vietnam into a loose federation known as the *Sip Song Chau Tai* (the twelve Tai Cantons). This federation paid tribute to the Hue court of Vietnamese emperors throughout the 1800s. These Thai rulers were economically relatively prosperous, as they benefited from extensive caravans of trade that were organized from China through the Tai principalities en route to coastal cities like Bangkok, as well as to India and beyond. Opium was a major driver of these transcontinental trade caravans.

These Thai polities, which were usually based in valleys where water systems could be managed, played a big role in organizing social and economic interactions with the neighboring groups located in highlands surrounding the valleys. To this day, it is often more common to see smaller highland groups in Vietnam more influenced by Thai culture than by that of the Kinh. The relations between Thai and highlanders included trade relationships, particularly in cotton and opium, which the uplanders grew, but also requirements by Thai political leaders that upland people perform corvée labor requirements that were used to develop and cultivate Thai wet-rice fields (Coward 2006; 287).

In sum, the relations between what are now minority groups and the Vietnamese state were complicated in the pre-colonial era, as different groups were organized politically in different ways, and treated differently by the Vietnamese court. Tay and Muong were quite well-integrated, while other smaller groups were not. Relations between the Thai, Khmer, and Cham with the Viet state were influenced by their roles as politically important empires. However, while there were important governance relationships between the Vietnamese emperors and minority subjects, there was very little Viet penetration into the highlands by the time of French colonialism. Viet migration had primarily focused on coastal and delta areas, not the mountains. Prior to French colonialism, most Vietnamese-highland contacts were limited to economic transactions carried out by Kinh traders (known as *cac lai* or *lai buon*) and the operators of the *Son Phong* posts and other civil servants, while a larger Vietnamese presence in the highlands remained limited.

ETHNIC MINORITIES UNDER FRENCH COLONIALISM

French colonialists began their annexation of the territories of Indochina in the 1860s, culminating in the establishment of the concession of Cochinchina and the protectorates of Annam and Tonkin in 1884; the latter two were ruled with imperial laws still nominally in effect, and with Vietnamese emperors remaining at Hue. This colonization met with active resistance from many Vietnamese. One Vietnamese emperor, Ham Long, fled to the highlands rather than serve the French in the 1880s. Two minority tribes, the Muong and the Thai, had members who were said to have helped shelter Ham Long in what was know as the *Can Vuong* (Save the King movement) that was strongly opposed to French colonialism (Dang Huy Van and Dinh Xuan Lam 1961). Such efforts were not successful, however, and both highland and lowland lands came under French control.

At least part of the desire for French colonization of Vietnam was to find trade routes to penetrate into China, making the northern area known as Tonkin particularly valuable. French expeditions, led by explorers such as François Garnier and Auguste Pavie, attempted to find water routes to China via the Red and Mekong rivers. China's importance as the driver of the economic growth of

Vietnam's hinterlands had grown significantly in the 19th century; Cantonese and Yunnanese traders had established a trading post at the location of present-day Lao Cai in order to regulate trade in important highland products like pomou wood, opium, wildlife, and cardamom (Michaud and Turner 2000; 88). Caravans from China, often run by Haw minority traders, would travel between Yunnan through Kunming, Dali, Jinghong, and Chengdu to Lao Cai and the Tai principalities of the Sip Song Chau Tai, from where they would travel on to Moulmein, Ayuttha, and Bangkok, as well as Hanoi and Vinh in Indochina. Opium had exploded in importance in China following the Opium Wars of the 1830s to 1850, and much of the trade went through Indochinese territories. Such trade was eventually taken over by the French, due to its lucrative nature; between 1898 and 1922, it was said that opium accounted for about 25 to 42 percent of the gross income of the colony (Descours-Gatin 1992). A railroad was built from Hai Phong to Lao Cai in the 1890s in order to facilitate continued trade in opium (a rail line that runs to this day), and the market at the French hill station of Sapa became an important opium trading site (Michaud and Turner 2000). Opium was to remain by far the most important highland cash crop until the introduction of rubber and coffee trees to the southern Central Highlands in the early 1900s.

At the same time, increasing unrest was also occurring in minority highland zones. In the Northern Mountains, the French had faced considerable resistance to colonialism among local populations, who were aided by Chinese rebels fleeing southern China from the turmoil of the Taiping Rebellion (1850s–70s). These Chinese rebel groups went under the names of Black Flags, Yellow Flags, Red Flags, White Flags, and so on, and they consisted of various non-Han ethnic groups from China. Along with the migration of these military groups, other minorities from China, such as the Hmong, who had previously not been located in Vietnamese territory in significant numbers, "are said to have migrated en masse into these highlands while accompanying Black Flag parties around 1860"(Michaud 2000; 341). These rebel groups formed alliances with already existing minorities in the Northern Mountains of Vietnam. For example, Deo Van Tri, the White Tai leader of the *Sip Song Chau Tai* at this time, decided to associate with Black Flags to attack his rival Tai polities located in Luong Prabang in 1887. In fact, he was strong enough and independent enough of the Vietnamese empire that the French signed a separate protectorate treaty with the Tai principality.

The French relied on what they explicitly termed a "divide and conquer" policy to pacify minority areas, which was "aimed at protecting metropolitan economic interests and keeping the highlands and their populations under loose but steady control" (Michaud 2002). Following the previous Cham and Vietnamese imperial governance examples, once minority areas were "pacified," the French primarily relied on local chiefs as intermediaries between the administration and the indigenous population along with the strategic placement of French military posts. For example, France divided the minority-dominated area of upper Tonkin into four "mountain military territories" plus recognition of a "white Tai principality," setting up military garrisons in the highland towns of Son Tay, Yen Bai, Tuyen Quang, Lao Cai and Ha Giang, which are the provincial capitals to this day (Michaud 2004).

French officers stationed in these territories began compiling ethnographic data on the local populations, as did Catholic missionaries (for example, see Bonifacy 1904; Lajonquiere 1904; Diguet 1908). However, state services to these remote areas were usually nonexistent, with the exception of some investment in the Tai principalities (Michaud 2000; 349). In areas outside of the militarily important

area of Tonkin or the economically important area of the Central Highlands, most minorities were largely left alone.

In the south, minority-colonial state relations changed dramatically when it was discovered around 1900 that the Central Highlands and parts of eastern Cochinchina were dominated by basaltic soils, which were ideal for growing rubber and other cash crops (Salemink 2002; 87). In order to ensure adequate labor for these new plantations, French colonial officials began trying to enforce a policy to stop swidden agriculture in the highlands as part of their overall policy of pacification and administration. These would be the first policies against swidden to be enforced in Vietnam.

However, despite these harsh measures, the French largely believed they were benevolent toward the highlanders. For example, Governor Pasquier in 1923 published "Guiding principles for the administration of the Moi territories." This document was based on the idea that mountain peoples, now pacified, were apt to be exploited by increasing capitalist exploration in the area (particularly the rubber plantations). Therefore, some mountainous zones were strictly shut off to any but government contacts; other provinces were allowed to codify customary laws of the tribes for the establishment of their legal status; and still other tribes were resettled for their own "protection" (Salemink 2003).

Although coffee as a cash crop was fairly slow to take off, the world price of rubber after WWI rose, setting off a serious "land rush" into the minority occupied highlands. Many argued that in-migration of colonials and Vietnamese would be beneficial to local minorities, as "the Montagnards could learn from the Vietnamese community in the fields of agriculture (abandoning shifting cultivation), commerce (introduction of money), industry (introduction of a work ethic), hygiene, education, and religion (elimination of superstition)" (Salemink 2003; 89). Such sentiments were also expressed to the CSA team on several occasions in 2006 during our research, demonstrating their persistence.

Beliefs that minorities and Kinh should be kept physically separate, and that minorities in the Central Highlands in particular should be governed separately, were widespread in the French colonial government. The French began arguing in the 1930s for the creation of an autonomous territory in the Central Highlands to be governed directly by the French governor general of Indochina (Salemink 2003;134). Such a territory was to be called the *Pays Montagnard du Sud Indochine* (PMSI). The creation of the PMSI was to offer "some cultural autonomy in terms of customary law (recognition of customary law tribunals), education (bilingual education in French and the vernacular), ancestral land rights according to customary practice, and population policy (by limiting the settlement of lowlander Vietnamese in the highlands)" (Salemink 2006; 36).

However, French colonial control was interrupted by World War II and the Japanese occupation of Indochina, and by the declaration of an independent state of Vietnam by Ho Chi Minh in 1945 at the war's end. During several conferences held during the tumult of the post-WWII period, the French attempted to negotiate a solution whereby the emperor of Annam, Bao Dai, would head an independent new Vietnamese state (to counter that of Ho Chi Minh), but one which excluded Cochinchina, the Tai Federation, and the PMSI (which would stay under French administration). Michaud characterizes this move as "an attempt to cling onto the highlands" by the French (Michaud 2000). Bao Dai refused to lead such a group, and Ho Chi Minh also protested the separation

of the PMSI from the entire state of Vietnam. The French pressed ahead and in 1948 recognized a "Tai federation" that would have control over its territory. The PMSI would be governed by a *Statut particulier* (special status), even though it would be in the Crown Domain of Emperor Bao Dai under the independent state that tenuously existed between 1945 and 1954.

The creation of the "Tai Federation" had been primarily a reward for the military support of the White Tai to the French, but other groups that were now subsumed under the Tai policy were unhappy (Hmong, Yao, Khmu, and Lolo in particular). The Hmong, in fact, outnumbered the Tai in the Tai federation, but the Thai were allowed to take "advantage of the French support to exploit those sub-minorities landlocked in the upper reaches of the territory even more, particularly in taking control over the highly profitable opium trade" (Michaud 2000). During the Franco-Vietnam war of 1945–54, minorities in the upper Tonkin area often had to choose between the French and Ho Chi Minh's military force, known as the Viet Minh. The Tay of the Clear River Valley strongly sided with the Viet Minh, while White Tai and some Black Tai mostly aligned with the French. The Black Tai later defected to the Viet Minh in large numbers, due to French favoritism of the White Tai regarding control of the Dien Bien Phu area. Although the French had hoped the Tai Federation would allow them to regain control of the Tonkin highlands, "When the battle of Dien Bien Phu finally took place in spring 1954, many Black Tai from Son La and many White Tai, Hmong, Yao, and Khmu from the Sip Song Chau Tai, not counting the Thos and other Montagnards from east of the Red River who had enrolled in the Viet Minh's forces, had made themselves available to the Communists" (Michaud 2000; 353). The defeat of French colonial forces at the highland garrison of Dien Bien Phu in 1954 was talked about in later years by Ho Chi Minh's forces to have been the result of cooperation between lowlanders and highlanders to beat out colonialism (Nguyen Khac Vien 1968).

This success at Dien Bien Phu was due in no small part to the important role of ethnic minorities within the successive administrations of the Communist Party, led by Ho Chi Minh and others. The Indochinese Communist Party (ICP), from the founding of the ICP in 1930 up through the declaration of the independent Democratic Republic of Vietnam in 1945, always included reference to minorities and had an explicit "nationalities policy" (*chinh sach dan toc*) (McLeod 1999). The ICP strategy was two-fold: promote the idea of the territorial integrity of the entire Vietnamese territory, and to pay attention to the needs and wishes of minorities in order to ensure their support for the revolutionary cause. Many of the successes of ICP's minority strategy were a direct result of guidance from Ho Chi Minh. He recognized the minorities' strategic importance after setting up an anti-colonial base at Pac Bo cave in Cao Bang province–an area heavily populated by Hmong and Tay–in 1941. He is reported to have learned several minority languages at this time, as did other important revolutionaries such as Vo Nguyen Giap and Pham Van Dong (Evans 1985). They also "took pains to bring cadres of different ethnic backgrounds into sustained working relationships and to make sure that minority villagers saw that Kinh activists were not necessarily in command positions" (Marr 1981). As an example, one of the most well-known North Vietnamese Army (NVA) officers was a Nung, Chu Van Tan, who was to later become a long-serving and high-ranking member of the DRV.

Ho Chi Minh's strategies to use minority-held areas to military advantage proved foresightful. When the Viet Minh began operations against the French in the mid-1940s, they were headquartered in the Northern Mountains of Vietnam to escape detection. "Within a short while they established two com-

mittees to mediate and smooth relations between ethnic Vietnamese and minority groups: the *Phong Quoc dan mien nui* (National Bureau for Highland Peoples) and the *Ban Mien nui* (Committee for the Highlands)" (Pelley 2002; 238). These minority institutions were designed to make minorities see the problems with colonialism under the French, and to downplay any historical tensions between ethnic groups or between minorities and Kinh. The ICP stressed the idea of a "united front" to oppose the French, as a direct challenge to the French policies of divide and conquer (Mai Quang 1973:144).

Once the Viet Minh defeated the French in 1954 and founded the new DRV, the state minority policy was modeled on that of the People's Republic of China. Two autonomous zones (*khu vuc tu tri*) were declared in the north: the Thai-Meo (later called Tay-Bac) Autonomous Zone was founded on the first anniversary of the battle of Dien Bien Phu (Jackson 1969), and included about 190,000 Thai, 60,000 Hmong, and many others, totaling half a million people and 20 percent of the land territory of the DRV (Kahin 1972). The Viet-Bac Autonomous Zone organized in August of 1956 had 800,000 inhabitants of 14 different ethnic groups, of which the Tay and Nung were most numerous; Chu Van Tan served as the first president of the region (Mai Quang 1973). These areas were given their own zonal assemblies, administrative committees, and militia forces (but these were also all incorporated into larger state entities like the National Assembly and the People's Army of Viet Nam). Further steps were also taken by the DRV to cater to minorities, such as the establishment in 1955 of the Central Normal School for Ethnic Minorities in Hanoi.

ETHNIC MINORITIES IN SOUTH VIETNAM

The Viet Minh's success at Dien Bien Phu laid the groundwork for the Geneva Accords of 1954, in which France officially renounced claims to Indochina. A temporary dividing line between North and South Vietnam at the 17th parallel was established. Such a division was to be followed by elections in 1956 to determine who would govern all of Vietnam, but the elections were never held. Eventually, the temporary dividing line became permanent, and North and South Vietnam became two separate entities, one under the leadership of Ho Chi Minh, and the South– known as the Republic of Vietnam (RVN)–under the leadership of Ngo Dinh Diem, a Catholic nationalist from Hue.

At the same time that the DRV was establishing autonomous zones and developing socialism among the minorities, the RVN was faced with the dilemma of how to deal with its considerable minority populations as well. One of the first acts of the Diem government, taken in March 1955, was to abolish the special status the French had given to the PMSI, which was now considered to be South Vietnamese territory (Salemink 2003; 187). The keystone of the RVN policy was to be assimilation, rather than the autonomy that was being promoted in the DRV. The RVN set up a "Social and Economic Council for the Southern Highlander Country," which quickly decided that the main goals for the PMSI were to be the settling of shifting cultivators in the highlands and moving people from the overpopulated coastal areas into the supposedly spacious highlands (Hickey 1982). The plans that were developed by the council were primarily based on the notion that the highlanders were ignorant and poor, and needed to be "developed."
Meanwhile, conflict between North and South increased with the founding of the National Libera-

tion Front (NLF; also known colloquially as the Viet Cong). The NLF began setting up organizational committees to guide its affairs. An Ede man was made the chairman of the NLF committee dealing with minority affairs, as well as being a member of the NLF central committee and vice-president of the NLF. Other more direct links between highlanders in the south and the DRV were also established. For example, a number of Ede had gone north to the DRV after the partition of Vietnam in 1954, and many of these people received training at the Central Minorities School in Hanoi, after which they traveled back to the Central Highlands to spread the NLF and DRV messages (Jackson 1969). The North Vietnamese also broadcast to the Central Highlands in languages such as Gia rai and Ede. In addition, in 1963 they formed communist mountain regiments.

The support of minorities in the RVN was particularly important as the NVA began the process of building the Ho Chi Minh trail through the Annamite Mountains in 1959; although most of the largest paths for heavy equipment ran on the Lao side of the mountains, smaller paths winding through the western mountains of the RVN were also used by Northern soldiers. It was estimated by the CIA in 1961 that half of the highland population of the RVN were "NLF sympathizers, if not outright supporters" (McLeod 1999; 377).

The United States, which was stepping up its involvement in the conflict, responded in kind, starting in 1961 to form "volunteer groups" of highlanders and South Vietnamese into teams for the infiltration of NLF-controlled areas (Sheehan 1971). The South Vietnamese government objected as they were afraid of demands of autonomy by the tribes. Fearing that the tribes might try to enforce these demands if they were armed, the governments of the RVN refused to allow extensive incorporation of minorities into the Army. At the same time, however, successive RVN governments insisted on minority assimilation to Vietnamese norms. Assimilation included not just resettling highlanders, which Diem had pushed from the beginning of his rule, but was extended to forcing the Montagnards to conduct their education in Vietnamese, which was highly unpopular. The overall political tone taken by the South Vietnamese government toward the highlanders was not the conciliatory, unifying tone taken by the North, and the RVN regime made no overtures toward allowing the highlanders to practice their customs, speak their languages, or govern their own lands (Wickert 1959).

Furthermore, minority areas in the Central Highlands were the target of the RVN's developmentalist plans, which took little account of minority desires. According to Hickey, the main RVN plan for the Central Highlands area described the 500,000 highlanders as suffering famine and ill health because they clung to "agricultural methods dating from the early history of man." It also noted that there were 30,000 Vietnamese from the overcrowded coastal areas who needed to be installed in the highlands, many of whom were Catholic, and described them as pioneers in opening the gates for economic development of the upland areas (Hickey 1982; 411-12).

Such policies resulted in much protest among minorities in the RVN, and the founding of opposition minority groups, the most significant of which was FULRO *(Front Unifié de Lutte des Races Oprimées* -- the United Front for the Struggle of the Oppressed Races), which was an ethnic minority guerilla force in the Central Highlands. Eventually, FULRO completed negotiations with the RVN regime and in December of 1968, the RVN announced a truce. The truce allowed the minorities to fly their

own flags and banners, to establish political parties, and to organize militia units. It also allowed for the appointment of minorities to district and provincial government posts (Ayres 1969).

To combat the minority defections to the NLF, seats had also been set aside for candidates from minorities in the National Assembly of South Vietnam in 1966. Five seats were set aside for Montagnards, six for the Cambodian ethnic minority, and one for the Cham minority (Apple 1966). In 1967, a Bureau for Development of Minorities (*Bo Phat Trien Sac Toc*) was finally established in the Saigon government. However, this governing body did not instigate much in the way of changes to Saigon's minority policy.

The Second Indochina War took a particularly brutal toll on minorities. Many minorities were forcibly resettled by the RVN in "fortified strategic villages" near U.S. military posts or cities to attempt to stop infiltration of minority villages by NLF/NVA forces (Mole 1970; 46). In some cases, minorities were moved by cargo planes. When the war was finally over, it was estimated that nearly a third of the highland population of South Vietnam had been killed or had died from illness and starvation during the war (Hickey 1993). Dislocation and long distance migration out of conflict areas also impacted minority peoples. Many of those who did survive had no homes or productive lands to return to after the war, due to herbicides like Agent Orange and unexploded ordnance. Poverty, disease, and malnutrition were widespread in the years after 1975.

ETHNIC MINORITIES UNDER UNIFIED SOCIALIST VIETNAM, 1975-86

After the reunification of North and South was completed in 1976, quick consolidation of a war-torn state was needed. Furthermore, the new Socialist Republic of Vietnam (SRV) placed the highest priority on moving quickly to implement socialism in the former South Vietnam. In the words of the first Communist Party secretary of the new reunified state, Le Duan, minorities were to be an important part of postwar development plans in the transition to socialism (Le Duan 1978). In August 1969, a central committee for minorities had been set up that was the precursor to the current-day Committee on Ethnic Minorities. Additionally, in 1981 the two autonomous political zones for highlanders that had been established in the North were dissolved.

It is often mentioned in Vietnam today that some of the policies adopted toward minorities in the immediate aftermath of the Vietnam War may not have been either effective or positive toward minorities. These policies were implemented under the rubric of official policies to build a socialist state and eliminating harmful "pre-capitalist" and "feudal" thoughts among minorities through cultural change. The biggest postwar problem was that minorities needed to "catch up" to develop to the level of the Kinh, according to many observers. Development of the highlands mainly meant establishing agricultural cooperatives (*hop tac xa*), as well as state farms (*nong truong*) producing tea, coffee, rubber and other crops. Additionally, more than 420 State Forest Enterprises (para-statal logging companies, also known as *lam truong*) were set up throughout Vietnam post-1975. These forest logging enterprises were seen as a panacea to several ills: the poor employment prospects in highlands, the dangers of swidden agriculture, and the need for wood to reconstruct Vietnam after the wars. Additionally, large number of Kinh migrated to formerly minority areas from 1954 onward, due

largely to agricultural cooperatives and other policies to encourage resettlement of Kinh in mountainous and "empty" areas (Hardy 2003). The penetration of the state and of the Kinh into formerly marginal and autonomous areas was extraordinarily rapid, and the central government and Communist Party established cadres, political systems, and party organs that replaced traditional leadership in highland areas.

NEW DIRECTIONS FOR ETHNIC MINORITY POLICY, 1986-PRESENT

By the late 1980s, at the same time that the government was opening up to outside influences and moving to a market-oriented economy, voices of caution were beginning to question the policies towards minority communities. They argued that policies to change minorities' cultures were unfortunate and ill-advised, and that more respect and sensitivity should be paid.

Just as the Sixth Party Congress in 1986 laid out new directions for the economy of Vietnam –steps that are known as *Doi Moi*, or renovation–new blueprints began to be developed around this time for ethnic minority policies as well. There was a new emphasis on "people's right of self-determination" for agricultural production; rather than cooperatives and state farms, the new push for development in the highlands was to be located at the level of the household. This new direction has had major impacts, from increased production in family-managed agricultural plots, the distribution of formerly state-owned and cooperative-owned land to the original owners and communities, and the essential privatization of long-term leaseholds to lands, all of which have had significant impacts on ethnic minorities. We discuss many of these impacts, such as the allocation of land rights that began in the 1990s, throughout this study.

The liberalization of the economy since 1986 had a number of other important impacts. Internal migration in Vietnam increased as household registration requirements were lifted, and a major target of much in-migration has been the Central Highlands. From 1991 to 1996, more than 1.6 million people (both Kinh and ethnic minority groups from the north) moved spontaneously [was it spontaneous or was it planned?] to the four Central Highlands provinces (Hoang Dong 1998). That number of new settlers almost equaled the area's entire indigenous minority population. The lure of "get-rich-quick" schemes in the exploding coffee industry beckoned many settlers. The area under coffee cultivation in Dak Lak province alone ballooned from 10,000 ha in 1976 to nearly 300,000 ha in the late 1990s (Huynh Thi Xuan 1998). Such massive changes in land tenure and population density may have been contributing factors to episodes of unrest and protest by minorities in the Central Highlands in 2001 and again in 2004.

CONCLUSION

In reconstructing a history of state-minority relations, this chapter has tried to highlight a few important themes. First, state-minority relations have been undergoing tremendous changes in the past 150 years, with considerable tumult and conflict as a result of the Indochinese wars and successive political regimes in Vietnam. Multiple authority structures, from centralized powers under the

Nguyen dynasties at Hue, French colonial authority in Hanoi, and the DRV and RVN's successive operations, all contributed to an atmosphere of rapid changes within highland areas in the past two centuries.

Second, minority relations with the state have varied considerably according to which ethnic groups are being discussed. The Tay, for example, have long been closely identified with the Vietnamese state, while minorities in the Annamite Mountains and in the Central Highlands were incorporated into a Vietnamese state only in the past 30 to 40 years. Other trends can also be seen through this look at history. Such histories can help us understand patterns of similarities and differences between minorities. For example, the Hmong are often commented upon as the least assimilated and poorest ethnic minority in the Northern Mountains. Given that the Hmong were the last minority community to migrate to Vietnam before the border with China began to close with French colonial boundary demarcation in the 1890s, we can see the Hmong are the most recent community and one that is least incorporated into the Vietnamese state as a result. The Hmong migrations occurred after significant other settlement of the Northern Mountains, leading Hmong to have to choose less fertile, more elevated upland lands, thereby having a lingering poverty impact to this day.

This chapter has also emphasized that there are often conflicting views on the relations between the state and minorities or between Kinh and minorities, but that some familiar themes have emerged over the past hundred plus years. We can see how the history of state-minority relations has colored certain development approaches that are adopted in current-day Vietnam. For example, it is often common to see ethnic minorities referred to as "backwards" and underdeveloped. This has a long history, and is tied to longstanding perceptions that in comparison to Kinh people, most ethnic minorities have a late or disadvantaged development history. It is common to hear Vietnamese officials and ethnologists refer to the fact that many ethnic minority groups were not developed enough to form a government and state as the Kinh people had done under the Vietnamese emperors, and hence, these groups were politically, economically and socially inferior. Yet, such an evolutionist representation of minority history ignores how important the Tai muangs were in organizing social life in much of Vietnam, and how important trade relationships (if not political relationships) were between minorities and Kinh and among minorities themselves.

In the successive state regimes, from the Nguyen dynasty to French colonial and the policies of the DRV and RVN, we can see the process by which governments attempted to incorporate minorities into the state in remarkably similar ways (establishment of governance structures through Kinh civil servants in minority areas; the attempts to abolish swidden agriculture in the highlands; the encouragement of Kinh migration to minority areas to help them develop). These attempts at incorporation have been called by anthropologist Steven Harrell in the context of minority rule in China as a "civilizing project" (Harrell 1995:4). Such policies and approaches can be clearly seen throughout history, and continue to form some of the assumptions and approaches used to this day, which we look at in depth in later sections of this CSA.

CHAPTER 4

Factors of Poverty: Descriptions of Trends in Ethnic Minority Communities

Vietnam has recorded impressive economic achievements in recent years since adopting the *Doi Moi* program. However, these achievements have been tempered by concerns about widening inequality across various population segments. The income gap is growing between urban and rural areas, lowlands and highlands, and between the Kinh majority and ethnic minorities. Such wealth disparities between regions and ethnic groups have persisted despite the government's commitment to reduce them, as reflected in the number of programs and initiatives launched in recent years. For example, since 1998, hunger elimination and poverty reduction have been key priorities in the socioeconomic development of Vietnam.

This chapter looks at general trends in poverty in Vietnam, and specifically at trends in ethnic minority communities and ethnic minority regions. We outline some previous explanations for minority poverty, and give indications of where we think this study will build on previous work to offer an up-to-date picture of poverty in Vietnam.

OVERALL POVERTY PICTURE IN VIETNAM

Poverty reduction has been a key strategic concern of the Government of Vietnam (GoV). For example, in the Comprehensive Poverty Reduction and Growth Strategy (CPRGS), the aims are to:

> *Narrow the social development gap between different regions and groups of population, reduce the vulnerabilities of the poor and disadvantaged people; realize gender equity and the advancement of women; stabilize and raise the living standards of ethnic minorities; expand social protection and safety net, and develop an effective system of emergency relief; expand the participation and enhance the role of domestic social organizations and nongovernmental organizations in the process of building and implementing the social safety net" (CPRGS; 9).*

In the recent SEDP for 2006–10, the government further committed to:

> *Eliminate hunger, reduce poor household rates (according to new standards) to 10-11 percent in 2010… Create motivation to get rich among people, encourage households which have already escaped poverty... Create opportunities for poor households to overcome poverty on their own through assistance policies on infrastructure for production, land, credit, vocational training, job creation, agricultural encouragement, product consumption, etc. …Improve access to basic social services of the poor through policies on medical care, education, clean water, housing, residential land, infrastructure for people's lives… Improve people's participation in the decision-making process of programs and projects, mechanisms and policies on hunger elimination, poverty reduction and reduction of repeated poverty rate... Diversify the mobilization of resources for poverty reduction…Give priority of investment to communes and districts with high poverty rates in order to make significant changes (SEDP; 89).*

Vietnam's commitment to poverty reduction can also be seen in its Millennium Development Goals. Vietnam prepared a separate MDGs strategy for ethnic minorities called "Localizing MDGs for Poverty Reduction in Vietnam: Promoting Ethnic Minority Development" (2002). According to the Minority Rights Group, Vietnam's is the only such example of a minority-specific strategy developed by any country (MRGI 2005). These localized MDGs for Vietnam include minority-specific targets, such as universal primary education for ethnic minorities by 2010 and increasing the share of ethnic minorities' representatives in provincial people's councils relative to the ethnic composition of the population.

Although Vietnam has rightly been recognized as having made serious progress against poverty in recent years, significant challenges remain. From 1993 to 1998, poverty was reduced by 4.1 percent per year (Turk 2006), and during 1999–2004 it was reduced by 3.5 percent annually (using VLSS 1997/98 and VHLSS 2006). Despite these overall reductions in poverty, economic inequality persists, posing the question of how economic growth can be better distributed across the population. For example, the gap between the highest income bracket and the lowest income bracket has increased in recent years, according to GSO (Table 4.1). Although such rises in inequality have been slow and rather modest, they may signal an emerging trend that needs to be carefully examined.

TABLE 4.1 Inequality Index for Vietnam, 1993–2006

	Gini	Top-to-bottom quintile ratio
1993	0.34	7.1
1998	0.35	7.6
2002	0.37	8.1
2004	0.37	8.3
2006	0.36	8.37

Source: World Bank 2007, Tables 4.1 and calculations using VHLSS 2006.

Comparison of poverty rates in rural vs. urban areas, among different regions, and among ethnic groups in Vietnam illustrates some of the dynamics of these overall levels of inequality. First, there is a clear difference in poverty rates between urban and rural areas (Figure 4.1). 2006 VHLSS data shows that only 4% of urban residents are poor, while 20% of rural residents are. Poverty is now primarily concentrated in rural areas. This is significant for ethnic minorities, as ethnic minorities show low rates of urbanization; less than 11 percent of minorities live in urban areas, versus 29 percent of

Kinh. While urban poverty reduction rates have been slowing and even stagnating in recent years, the overall picture for urban residents is generally better economically than in rural areas.

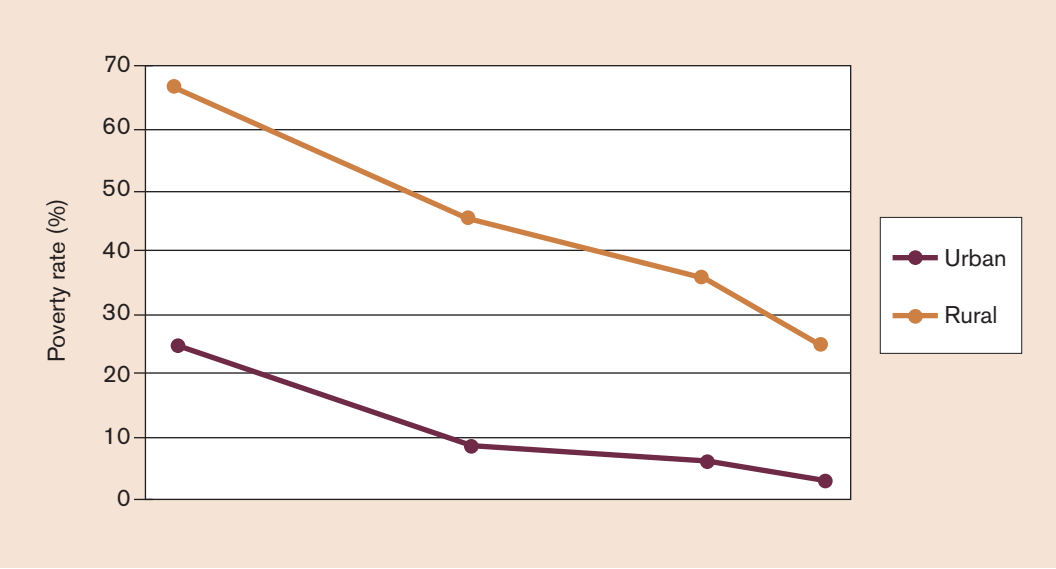


FIGURE 4.1 Rural and Urban Poverty, 1993–2006

Source: VHLSS data.

Secondly, we also see regional disparities (Table 4.2). It is clear that although the overall number of poor households has been reduced dramatically in recent years, the rate of poverty reduction between different geographical areas has not been equal. The number of poor households in the Northwest, North Central Coast, and Central Highlands regions are significantly higher compared with the general poverty rate of the whole country.

TABLE 4.2 Incidence of Poverty by Region (% Poor HH)

Region	1993	1998	2002	2004	2006
All of Vietnam	58	37	29	20	16
Northern Mountains	82	X	X	X	X
North East	X	62	38	29	25
North West	X	73	68	59	49
Red River Delta	63	29	22	12	9
North Central Coast	75	48	44	32	29
South Central Coast	47	35	25	19	13
Central Highlands	70	52	52	31	29
South East	37	12	11	5	6
Mekong Delta	47	37	23	16	10

Source: World Bank (2007) based on VHLSS data

Mapping these poverty rates against ethnicity reveals that high poverty rates and ethnic minorities co-occur and that ethnic minority groups are concentrated in the regions that are doing the worst economically (Table 4.3), suggesting that minority regions are lagging behind, even as the rest of Vietnam prospers economically.

TABLE 4.3 Provincial Poverty Rates in the Northern Mountains (NM) and Central Highlands (CH)

Province	EM, 1999 (%)	Poverty rate, 2004 (%)
Lai Chau (NM)	83	74
Dien Bien (NM)	*	66
Ha Giang (NM)	88	59
Son La (NM)	83	56
Lao Cai (NM)	67	54
Hoa Binh (NM)	72	54
Bac Can (NM)	87	50
Gia Lai (CH)	44	46
Kon Tum (CH)	54	42

* Lai Chau and Dien Bien were previously one province, Lai Chau, at the time of the 1999 Population and Housing Census. More up-to-date figures are not yet available until the next decennial census.

Source: Turk 2006 presentation using VHLSS 2004; 1999 Population and Housing Census.

However, analysis of regional data can obscure the situation of ethnic minorities more than it illuminates it. Variations in levels of poverty in different regions cannot account for the difference between Kinh and ethnic minority groups within the regions. Within these poorer regions, Kinh have experienced greater rates of poverty reduction. That is to say, Kinh who live in these poorer regions are doing much better than their ethnic minority neighbors (Figure 4.2).

Analysis of the VHLSS data indicates that the Kinh majority has been the primary beneficiaries of the *Doi Moi* reform process, while slower poverty reduction and persistent gaps in household welfare have been the lot of most minority groups (Baulch, Pham, and Reilly 2008a). The living standards of Kinh-headed households have risen relative to the average over the period 1993 to 2004. However, sizeable and persistent gaps in household welfare were found to remain for the Northern Uplands and Central Highlands minorities in particular. This data suggests that there is be a significant ethnic dimension to poverty that cannot be explained by geography alone**.** As Bank researchers have noted, the

> *examination of the poverty data from within these poor regions suggests that ethnic minorities are not poor simply because they live in poor places; that is, parts of the country that are disadvantaged in terms of agricultural or other assets. Ethnic minorities in the northern uplands region of the country have seen limited improvement in their living standards over the last decade—much in line, in fact, with the overall trend in poverty for all ethnic minorities. The Kinh people living in the same region, however, have experienced rapid improvements in welfare (Swinkels and Turk 2004; 7).*

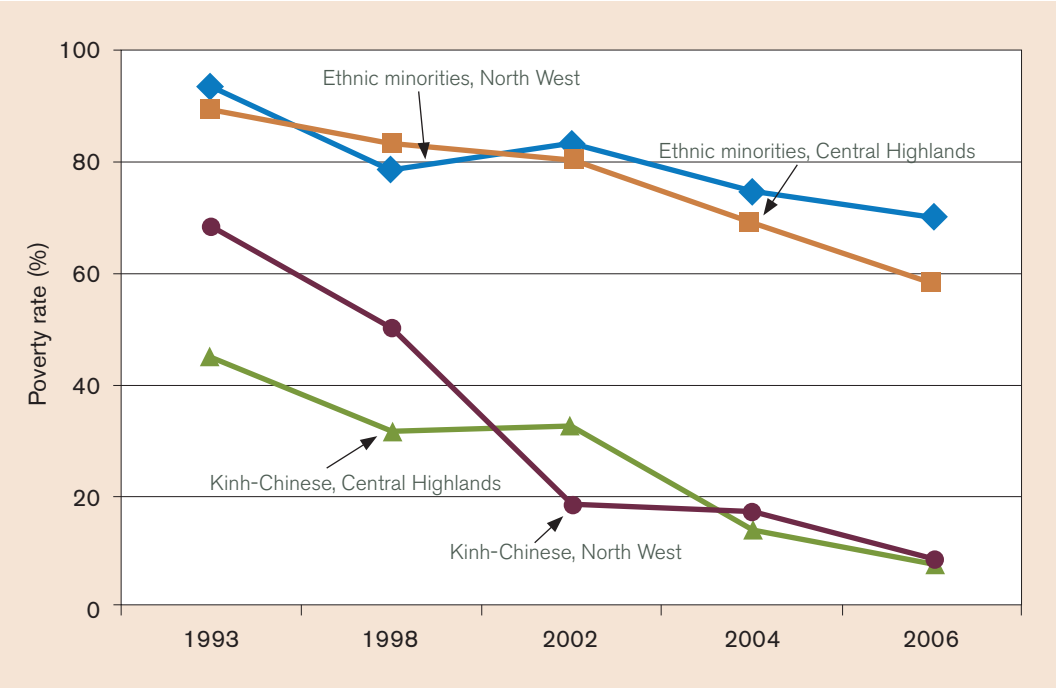


FIGURE 4.2
The Poverty Gap between Ethnic Minorities and Kinh-Chinese in Poor Regions

Source: Swinkels and Turk 2006, and own calculations (for 2006), using VHLSS data

This ethnic dimension to poverty is clear. While poverty rates have dropped dramatically in the rest of rural Vietnam, minority communities still experience higher than average rates of poverty, leading many to worry that poverty may be deepening and becoming entrenched there (Table 4.4). During 1993–2006, among ethnic minority groups poverty declined by 34 percent, while the rate of Kinh poverty fell by 44 percent. In 2006, the poverty rate for ethnic minorities was more than five times higher than for the Kinh and Chinese, up from 1.6 times higher than Kinh and Chinese in 1993 (Figure 4.3). Although ethnic minorities comprise only 14.5 per cent of the population, they constitute 44.7 per cent of Vietnam's poor and 59 percent of the hungry (VHLSS 2006).

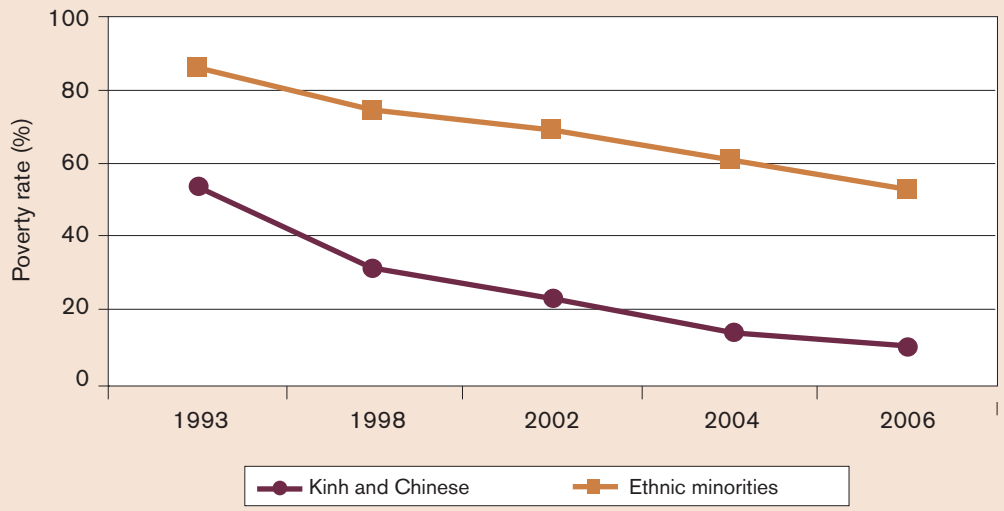
TABLE 4.4 Percentage of People Living in Poverty in Vietnam, 1993-2006

	1993	1998	2002	2004	2006
All of Vietnam	58	37	29	24	16
Urban	25	9	7	4	4
Rural	66	46	36	25	20
Kinh and Chinese	54	31	23	14	10
Ethnic minorities	86	75	69	61	52

Source: Le Thuc Duc et al. 2006 and own calculations (for 2006), based on VHLSS data.

FIGURE 4.3 Poverty Between Ethnic Minorities and Kinh/ Chinese, 1993–2006

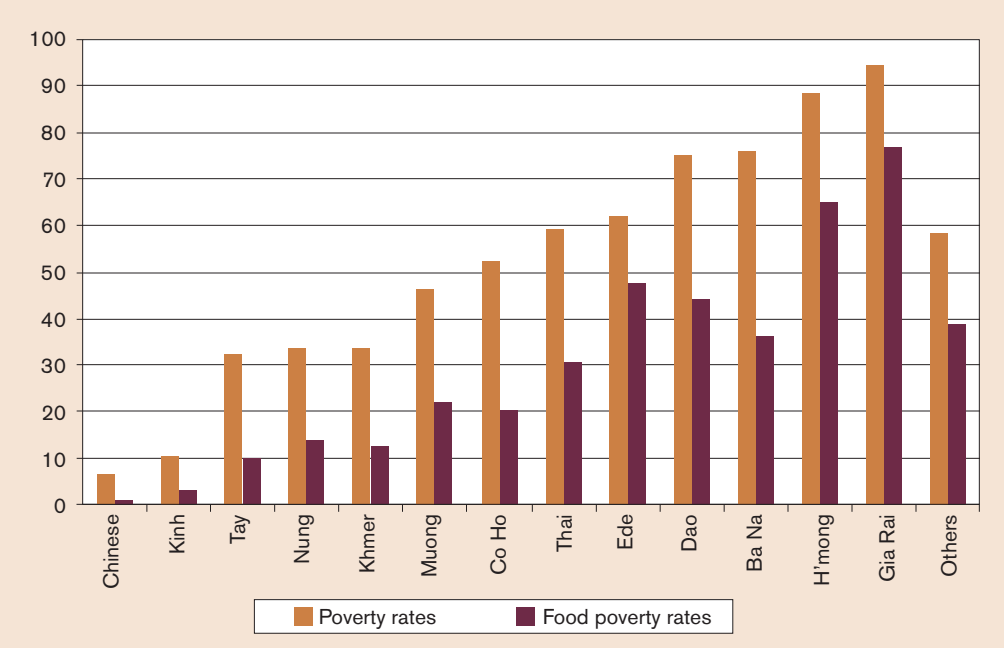
Source: VHLSS data



Overall, ethnic minorities experience higher rates of poverty, but it is also worth noting that there is significant variation among different groups, pointing to the need for better explanations of uneven poverty reduction outcomes. Although in the aggregate ethnic minorities are doing economically worse than Kinh, we also need to look at specific ethnic minority groups to get the true picture of poverty. Statistics for one of our study provinces, Ha Giang, shows clearly that poverty does not affect all ethnic groups equally. In Ha Giang, the poverty rate is particularly high among the Hmong (42 percent), as compared with 19 percent among the Tay. Disaggregated data from the Vietnam Household Living Standards survey (shown in Figure 4.4) reveals significantly higher poverty rates among the Central Highlands minorities (Ede, Gia Rai, and Ba Na) and some specific Northern minorities (Hmong and Dao) than among other groups, like the Tay or Muong (Baulch, Pham, and Reilly 2008b).

FIGURE 4.4 Rates of Poverty Among Ethnic Minority Groups 2006

Source: VHLSS data



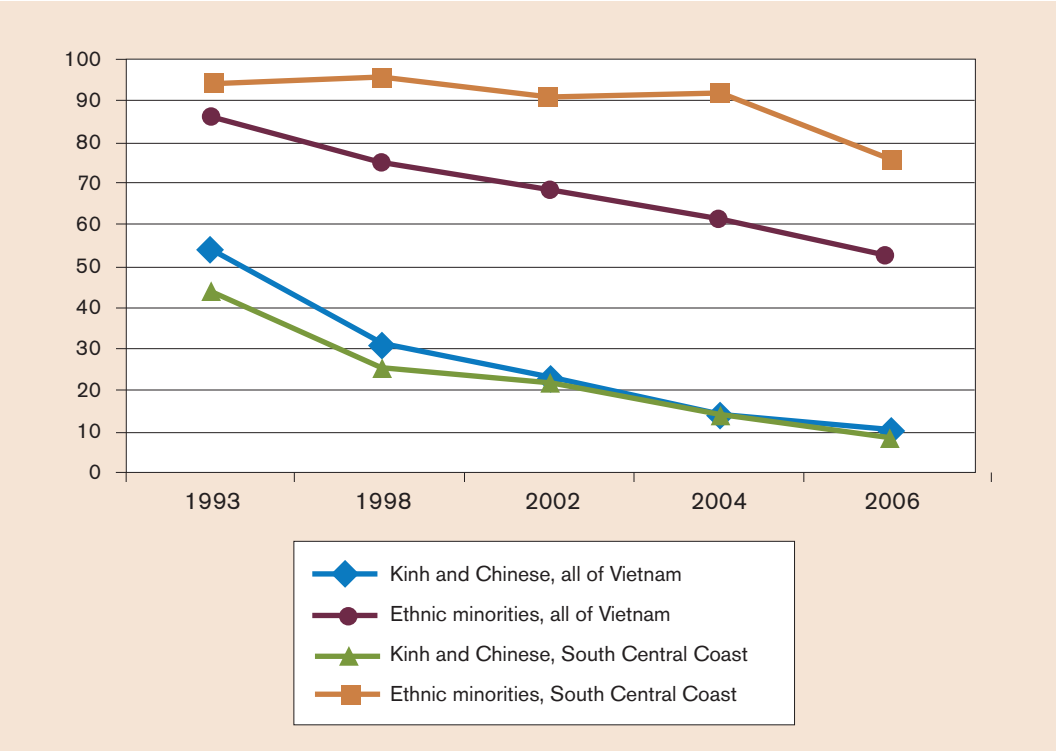


FIGURE 4.5
Poverty Rates in the South-Central Coast

Source: VHLSS data

Recent research has also noted that in some areas–like the South-Central Coast–poverty rates among ethnic minorities have barely budged in recent years (Figure 4.5 and Table 4.5). There, groups such as the Co, Xo-dang, and Hre have made essentially no poverty reduction gains since 1993, while Kinh-dominated districts have done much better.

Finally, among other non-income measurements of poverty, minorities continue to lag behind Kinh. Twenty-eight percent of ethnic minority adults (aged 18 and older) have not completed any education, compared to 11 percent of Kinh (VHLSS 2006). Ethnic minority children in the Central Highlands are more malnourished than children elsewhere in the country; indigenous minority households in that region suffer an average of 5.5 months food deficit compared to 3.3 months for Kinh groups (ADB 2002; 28). Some of the non-food characteristics of poverty discussed here–such as illness and education, and communication–are critical to an understanding of the differences between the poor and other better-off groups.

TABLE 4.5 Poverty Rates In Quang Ngai Province

Upland districts:	Poor HH %	Main ethnic groups (%)	Lowland districts:	Poor HH%	Main ethnic groups (%)
Tra Bong	79	Co: 54 Kinh: 41 Xo-dang 3	Quang Ngai City	10	Kinh 99
Tay Tra	96	Co: 54; Kinh: 41 Xo-dang 3	Ly Son	37	Kinh 100

TABLE 4.5 Continued

Upland districts:	Poor HH %	Main ethnic groups (%)	Lowland districts:	Poor HH%	Main ethnic groups (%)
Ba To	63	Hre: 83 Kinh: 17	Binh Son	32	Kinh 100
Minh Long	73	Hre: 72 Kinh: 28	Son Tinh	30	Kinh 100
Son Tay	86	Xo-dang: 74 Hre: 20 Kinh: 6	Tu Nghia	25	Kinh 100
Son Ha	76	Hre: 82 Kinh: 18	Nghia Hanh	33	Kinh 99
			Mo Duc	24	Kinh 100
			Duc Pho	22	Kinh 100

Source: Turk 2006

EXPLANATIONS FOR MINORITY POVERTY

There are multiple ways that ethnic minority poverty has been explained by different stakeholders in Vietnam. This study is not the only research project that has sought to explain the factors that have contributed to higher rates of ethnic minority poverty. There have been a number of recent analyses that provide explanations for the prevalence of ethnic minority poverty in Vietnam (for examples, see VandeWalle and Gunewardena 2001; ADB 2002; Bui Minh Dao 2003; Swinkels and Turk 2004; Vu Tuan Anh 2005; Le Thuc Duc, Nguyen Thang et al. 2006; Swinkels and Turk 2006). These previous studies have focused on a number of factors, based on both quantitative data (primarily from VHLSS surveys) and qualitative work (such as in the Participatory Poverty Analyses that have been carried out in many regions of the country in recent years). Some of the main underlying factors noted in previous research include:

1. ***Ethnic minorities have fewer physical assets–land, capital, credit–than Kinh.*** Studies based on the VLSS and VHLSS datasets from 1993 to 2006 have pointed out the differences between minorities and Kinh in assets, both physical and social. For example, while overall land holdings of minorities tend to be higher than Kinh, they tend to have less annual cropland and less wet rice or highly productive lands. They also tend to have larger households (5.7 vs. 4.7 members in 2006), which are more likely to have young children (43 percent of ethnic minority households had a child below 6 years old, compared to 27 percent of Kinh), worse health, and lower levels of education (23 percent of the household heads of ethnic minority households had no education, compared to 6 percent of the Kinh head of households) (VHLSS 2006). The fertility rate for minority women is about 28 percent higher than for Kinh and Chinese women as well.

2. ***Ethnic minorities have fewer social assets–education, health, access to social services–than Kinh.*** It is well-known that the education standards in minority areas are consistently lower than in Kinh areas. For instance, in 2006 only 40 percent of ethnic minorities enrolled at an upper secondary level compared to 70 percent enrollment among Kinh and Chinese (VHLSS 2006). Yet the contribution of education to escaping poverty is clear through

analysis of VHLSS data: "The average formal education of the head was 5.2 years for households who remained poor and 5.0 years for households who fell into poverty, while the comparable figure for the population who escaped poverty was 6.1 years, a difference that is significant at the 1 percent level. This pattern is also reflected in the equivalent figures for vocational and spouses' education" (Baulch and Masset 2003; 444). These studies note that living in a household with an illiterate head almost doubles an individual's chances of living in chronic food poverty (Baulch et al. 2002; 3).

3. ***Ethnic minorities often are found in geographically remote areas, limiting their mobility and access to services and markets.*** It is often noted that most of the government-designated "communes with special difficulties" are situated in mountainous areas, from the Northern Mountains that border China to the Central Highlands, along the Truong Son Mountains, and down to the South-Central Coast. The terrain of communes with special difficulties is often geographically challenging: high mountains, deep valleys, and steep slopes predominate. Furthermore, not only are many ethnic minorities located in poorer, more remote regions of the country such as the Northern Mountains and Central Highlands, but within these regions, minorities tend to be the people inhabiting the most remote, inaccessible, steep, and isolated areas (Castella, Manh et al. 2005).

   The expansion of road systems, electricity and schooling as a result of P135 and HEPR investment in recent years has dramatically increased the number of ethnic households with access to these services, yet areas remain where roads, electricity, and schooling do not yet reach all villages and communes. While nationally 99 percent of all communes have access to electricity, only 88 percent of the communes in the North-West region have access to a national electricity grid. While 81 percent of all communes have access to a radio relay station, in the ethnic-dominated North-East and North-West regions, the numbers are 52 percent and 25 percent, respectively. In the Central Highlands, a little more than two-thirds have access to a radio. In Vietnam as a whole, 98.4 percent of communes have communal health stations and 53 percent have private doctors, but in the Central Highlands only around 38 percent do, while in the North-East Region only one-forth of communes have health services, and in the North-West region only 12 percent of communes have a private doctor (VHLSS 2006).

   This lack of infrastructure in ethnic minority regions has an impact on poverty. Analysis shows that "households living in communities with a paved road, where most households have electricity, where a lower secondary school exists, where an upper secondary school exists, or with a market are more likely to escape poverty than households who live in communes where these facilities do not exist." (Glewwe, Gragnolati et al. 2002; 784). Additionally, the lack of physical mobility also limits minorities' social mobility as well, keeping people from social exchanges, educational access, access to policy and market information, and access to remittances, among other things (Tran Thi Thu Trang 2004).

4. ***Ethnic minorities are overwhelmingly rural residents, and are dependent on low-return subsistence agriculture.*** In general, most minority areas have experienced slower rates of private sector or industrial development and remain very much dependent on agricul-

ture and forestry. Yet natural resources in many highland regions are in a degraded condition. Although forest cover has been increasing in some areas, the quality is generally poor; much of this is attributable to excessive logging under state forest enterprises and a long history of lack of clear property rights to forests. Much agricultural land is affected by drought and infertility as well. Many communes do not have enough forest, land, and water resources to secure their minimum requirements for food, firewood, pasture, and building materials.

Because many minorities remain so dependent on agriculture, this leaves many people vulnerable to weather and natural disasters. For example, droughts have hit the Central Highlands in the spring dry season every year since 2002. In the 2002 drought, it was estimated that 10,000 to 20,000 people were without adequate food. According to Vietnamese researcher Ha Que Lam, natural disasters are "the most important reason of poverty" among minorities (Ha Que Lam 2002; 67). Ethnic minority people are much more likely to face a shortage of food when faced with crop failure, diseases, bad weather, or degraded environments.

Some analysts have also argued that elevated rates of population growth in the uplands puts pressure on the natural carrying capacity there, which leads to environmental degradation and poverty (Jamieson, Le Trong Cuc et al. 1998). Still others have blamed in-migration, particularly of Kinh, in the past 40 years. Overall, all of these trends have an impact on poverty, as production and access to good quality land is directly correlated with poverty. Analysis shows that "households in rural areas who possessed larger amounts of irrigated land and whose productivity of rice was high had a better chance of escaping poverty" (Glewwe 2002; 784).

5. ***Ethnic minorities are not benefiting as much from government poverty reduction programs as Kinh.*** There are many challenges to ensuring that government poverty reduction programs reach and benefit poor ethnic minority people. It could be that policies do not have their intended effect due to discrimination, poor targeting, lack of knowledge of the policies on the part of minorities, lack of poverty reduction cadres fluent in minority languages, or a host of other reasons. While a 2004 review of HEPR and 135 found that coverage of health and education policies was generally ranked high by ethnic minority respondents, access to credit and participation in the targeting of these programs was lower among minorities than among Kinh respondents (MOLISA/UNDP 2004). According to Ha Que Lam, limitations and weakness in poverty reduction programs included a variety of factors, from diverted financial sources to top-down project design with insufficient participation from the community. Among commune and district cadres, there is also a lack of capacity in planning, projection, and implementation, while too much attention is paid to credit and markets at the expense of agricultural extension services, health, and education (Ha Que Lam 2002; 86).

Others have noticed in general that ethnic minorities tend to participate less in civic life than Kinh, including in the administration of poverty policies, which may lead to diminished outcomes (Tran Thi Thu Trang 2004). Cultural barriers often remain an issue in policy and services; for example, minority women often report hesitancy to use government health services, even though they possessed health care coverage cards, because of embarrassment, lack of fluency in Vietnamese, and gender barriers within their own communities.

Other reasons for poor response by minorities to poverty reduction policies could be due to policies that are inappropriate to minority areas or incompatible with minority cultures. For example, a review of government sedentarization programs found that many minorities did not use the free seedlings the government provided, as they were poor quality or had lower productivity than local varieties, or were crops that ethnic minorities were uninterested in planting (IEMA and McElwee 2005). Furthermore, in addition to problems with the state sector, there is also very little foreign investment in many minority-dominated areas that could lead to strong private sector development. For example, the Central Highlands had FDI levels of only $3.11 per capita in 2003, compared with $23.65 in Vietnam overall (ADB 2005).

6. ***Ethnic minorities may possess other sociocultural factors that are keeping them out of mainstream economic development and resulting in lower rates of poverty reduction.*** Sociocultural issues may be affecting economic development of some minority populations in ways that have gone unidentified by previous survey-based research such as the VHLSS. These may include such factors as community leveling mechanisms that create social pressure against excess economic accumulation and cultural perceptions of social obligations and "shared poverty"; religious obligations that require economic expenditures; gender expectations grounded in different cultural models; or community ownership of land and assets. Language barriers may also play a role; ethnic minority households in rural areas that do not speak Vietnamese have per capita expenditures (2.041 million dong) that are three-fifths as high as those of their Vietnamese-speaking counterparts (3.314 million dong), according to the VHLSS 2006.

If we summarize these previously encountered explanations for minority poverty, we have two largely distinct possibilities:

- People may be poor if they lack endowments and assets, such as land, physical capital, and human capital (education).
- People may be poor because they have lower returns on their assets. This can occur "because their knowledge, customs, or culture mean that they do not use the available factors of production as efficiently as possible; or because they face discrimination, and so would have more difficulty getting a good job than another equivalently qualified individual. Either of these would lead to the same result, which is low 'returns on characteristics'"(Baulch et al 2002; 11).

Vietnamese researchers often refer to these two types of explanations for poverty as "objective" (explanation 1) and "subjective" (explanation 2) reasons.

Baulch, Pham, and Reilly (2008b) report that about one-third of the increase in the poverty gap between Kinh and minorities, based on 1993 to 2006 VHLSS data, was found to be attributable to ethnic differentials in observable characteristics (explanation 1). However, over one-half was found to be linked to unobservable factors. Broadly similar findings were detected using quantile regression analysis. The empirical data thus confirms the finding that most of the ethnic differential in household living standards in rural Vietnam is attributable to what they call "treatment differences" (explanation 2). These differences in returns to assets and characteristics, and the resulting slower

poverty reduction among minorities, need then to be explored, to see what might be underlying this "treatment difference". This is often called "culture," but it has never been adequately explained. Some also call this missing factor "discrimination" (Baulch 2002; 13).

The point is that previous explanations have not helped us to identify the key factors that make up this "treatment difference," much less to understand how these factors impact possibilities for ethnic minority participation, power, and voice in governance. For this reason, the present CSA analysis set out to explain why "culture" matters in explaining and addressing ethnic minority poverty. The use of a holistic approach in the CSA, which focused on sociocultural as well as economic factors, has allowed us to approach the issue in what we hope is a fresh and comprehensive way. In the following sections of the CSA report, laid out in Part Two, we focus in on sectoral issues where disadvantage for ethnic minorities may help explain why they remain poorer than Kinh. The CSA conclusions are that there are three clear trends that account for differential economic outcomes in minority communities versus Kinh: *differences in assets, differences in capacity*, and *differences in voice*. Within each broad trend, there are numerous causal factors for continued ethnic minority poverty.

CONCLUSIONS: MINORITY POVERTY SITUATION AND FUTURE TRENDS

Most ethnic minorities have higher rates of poverty than other poor groups throughout the world, even in countries very different from Vietnam. Across the board, the disparities are clear: in Peru, the national poverty rate is 43 percent and for indigenous peoples, it is 65 percent; in Bulgaria, the national poverty rate is 15 percent and for the Roma, it is 85 percent (MRGI 2005). The situation of poorer ethnic minorities in Vietnam is therefore not unusual.

However, ethnic minorities in Vietnam do face a number of particular challenges in their attempts to reduce poverty and raise living standards. We can summarize and note some major trends relating to ethnic minorities and poverty below:

- **Poverty remains high in nearly all provinces with majority ethnic minority population**. Certain provinces, particularly those in remote areas and with large minority populations, continue to have the highest rates of overall poverty.

- **Poverty is higher among ethnic minorities than Kinh, even in same upland areas**. These trends show that there are not only geographic reasons (landscape, access to roads, type of agriculture) for differences between Kinh and minorities, but also cultural ones.

- **Poverty rates in ethnic minority communities have risen with new poverty standards (2006–10)**. When a new "poor criteria" was applied in the 2006–10 period, most communes with special difficulties (those in the P135) saw their poverty rates rise to higher than 50 percent or more. These higher rates will continue to be a factor to be addressed into the future.

Previous research on minority poverty has pointed to the important intersections between assets and characteristics and the returns on these assets. When minorities are not able to make their physical

assets of land, labor, and capital work for them–and when they suffer from lower levels of social capital, such as access to education and health services–poverty is likely to result. The continued concentration of poverty in rural, remote, and mountainous areas, despite the government's commitment to supporting hunger eradication and poverty reduction, indicates that these factors are deep-rooted and will be difficult to address effectively. Throughout the rest of the CSA, we show how the most important factors work together to prevent minorities from increasing their physical and social assets, and from realizing increasing returns on these assets. The following sections will provide detail on how these aspects of disadvantage have come about, what their affects have been, and how they might be overcome.

PART II

RESULTS AND ANALYSIS

Main Findings of the CSA

In Part 1, we highlighted a number of background factors that are needed to frame ethnic minority issues in Vietnam. We have set the stage for this second section by describing the way minorities have been identified and classified, the historical differences between minority regions, and the ways in which minorities have lagged behind in poverty reduction efforts. In Part 2, we focus on the specific findings of the CSA that aimed to determine why the differences in poverty outcomes between Kinh and ethnic minorities have persisted. This second part of the CSA focuses in on the data collected during fieldwork with ethnic minority communities and our analysis of major sectoral issues affecting minorities.

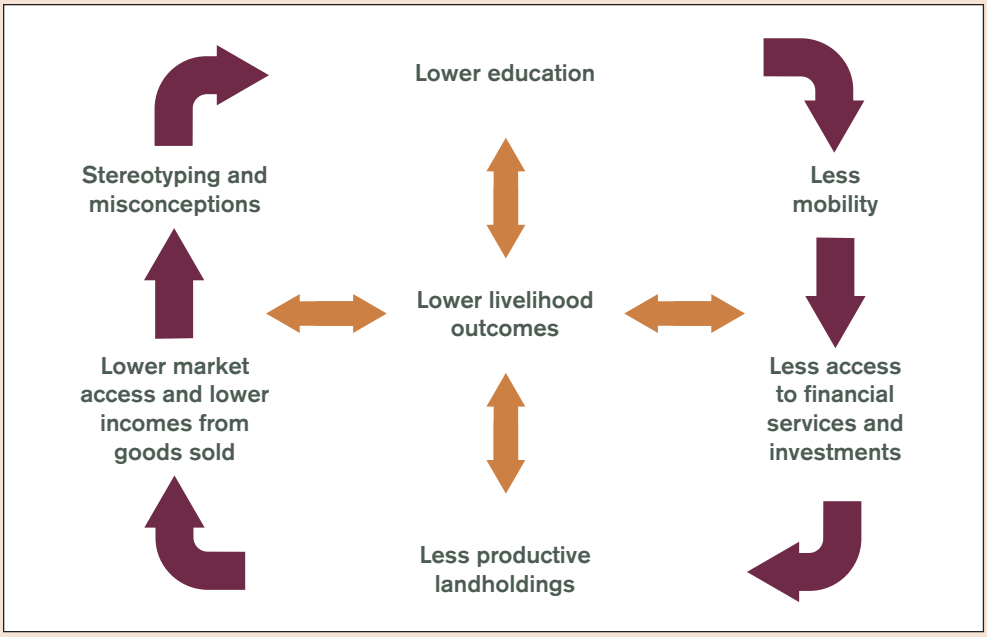
Our main findings are that there are three clear trends that account for differential economic outcomes in minority communities versus Kinh: differences in assets, differences in capacity, and differences in voice.

Within each broad trend, there are numerous specific causal factors for continued ethnic minority poverty. The CSA concludes that there are six specific sectoral "pillars" of disadvantage that go a long way towards explaining why minorities remain poorer (Figure II.1). These six primary factors include:

- lower levels of education
- less mobility
- less access to financial services
- less productive lands
- lower market access
- stereotyping and other cultural barriers

These factors strongly influence livelihood outcomes, preventing ethnic minorities from achieving greater economic progress.

FIGURE II.1
How Differences Between Kinh and Minorities Become Disadvantages



ORGANIZATION OF PART II

The second part of this CSA report discusses each of these six sectoral issues, and is organized into "vertical", self-standing chapters dealing with each. These six chapters are devoted to explaining each of factor of disadvantage in considerable depth, highlighting why differences appear to arise between Kinh and minorities, and exploring the impacts of these differences, particularly in terms of poverty outcomes. Each sectoral chapter makes extensive use of the quantitative and qualitative data collected by our CSA survey, VHLSS household level data (where available), and references other policy studies in these sectoral fields.

In chapter 5, we look at education, showing that minorities' have less access to quality education, with consequently lower educational outcomes. These outcomes result in illiteracy and lack of language fluency in Vietnamese in many minority communities, which hinders minorities' ability to interact with the larger world, to take advantage of new technologies or income opportunities, or to understand government services or programs designed to help them.

In Chapter 6, we look at migration and mobility. Kinh migration to minority regions in the past 50 years has set into motion a tremendous series of changes in highland areas, including negative outcomes like declining land areas and conflicts between Kinh and minorities. Ethnic minorities have also been involved in migration in recent years, but they have not received nearly as much support as Kinh have. We explain why migrants in the study areas appear to be doing better than local residents. We also show how migration is related to social mobility. Many minorities report very low levels of mobility, with many fewer minorities than Kinh reporting travel outside their village. We show how this lack of mobility keeps minorities from expanding networks, which can impact access to credit, loans, and remittances, as well as limiting their access to new ideas and technologies.

In Chapter 7, we look at access to credit and financial services. We note that Kinh on average get more loans and larger loans than minorities. Many minorities report the lack of access to the formal financial sector pushes them into the informal sector, where they are vulnerable to moneylenders and cycles of indebtedness (particularly in the Central Highlands). Without access to credit to improve production and engage in new businesses, many minorities remain mired in poverty.

In Chapter 8, we look at the role of land, agriculture, and forestry in livelihoods. While overall landholdings of minorities are often larger than Kinh, the quality of this land is lower. Minorities also plant lower value crops, and have almost no income benefits from the forests that often surround the areas where they live. Much of this is attributed to the poor quality of forests, lack of investment in forestry, and the continued state management of many forest lands–particularly in the Central Highlands. Differences in agro-forestry production between Kinh and minorities are not acknowledged by the agricultural extension service, which often brings inappropriate and unworkable models and techniques for agriculture to minority villages, resulting in little to no impact on incomes.

In Chapter 9, we show that minorities' access to markets, and therefore to income from selling goods, is much lower than that of Kinh. While this is no doubt a result of the different models of agricultural production described in Chapter 8, it also illustrates that minorities relate to markets in

very different ways than Kinh. Very few minorities have gotten into the business of trading or service provision, which is dominated by Kinh in minority areas. We note the cultural reasons for this and point out the consequences, such as vulnerability to unscrupulous outsider traders.

In Chapter 10 we examine problems of cultural stereotyping and ethnocentrism. Many Kinh hold stereotypical views of minorities as "backwards." These attitudes have to some degree been internalized by minorities themselves. Stereotyping and ethnocentrism can have negative consequences, as inappropriate policies may be derived from these false assumptions. At the same time, real cultural differences are often ignored or not acknowledged by top-down policy planning, which inhibits the participation of minorities in their own local development. Finally, in Chapter 11 we look at two particularly vulnerable populations among minorities, namely women and youth.

The CSA findings show that there is no one magic bullet or single variable that explains the difference in outcomes among ethnic minorities and Kinh, even those who live in the same areas. What we do find, however, is a set of interlocking factors where clear and significant differences between Kinh and ethnic minorities are contributing to disadvantages in assets, capacity and voice, leading both directly and indirectly to persistent ethnic minority poverty. We believe that these factors work together in a vicious cycle, preventing ethnic minorities from achieving greater economic progress. Through this more complex analysis of interlocking factors, we seek to show that poverty reduction efforts in minority areas cannot expect to make much progress unless new comprehensive approaches are taken to address all of the factors of difference outlined here, effectively eliminating the many disadvantages that minorities face.

CROSS CUTTING FINDINGS

Before we move to the sectoral studies, we wish to focus on three cross-cutting trends that are woven throughout the six sectoral chapters. There are clear differences between Kinh and minorities in three main areas: assets, capacity and voice. In the sectoral chapters we show how these differences turn into disadvantages for minorities.

Differences in Assets: As we noted in Chapter 4, VHLSS analysis shows that most of the 'gap' differential in household living cannot simply be explained by poorer endowments or residence in remote mountainous areas. Kinh living in remote areas are doing relatively well, for example, while neighboring minorities are doing poorly.

Yet while assets alone cannot explain minority poverty, there are important differentials between Kinh and minorities that our CSA noted. For most minorities, their major household asset is land. Recently land rights and use have changed for most minority groups from a system in which community-managed land was not commoditized to one where land is now owned by individuals and can be bought and sold. This has had implications for both community and private land management, and land differentiation and landlessness have been increasing in minority areas. Some of these changes have been a result of high rates of Kinh migration to minority regions in the past 50 years that have set into motion declining land availability and conflicts among ethnic groups.

Another difference is that Kinh tend to have higher value lands, such as perennial croplands, and have been more successful in translating their assets into higher productivity in Vietnam's new market economy. They are more diversified within the agricultural sector, relying more on industrial crops and less on low-value staple crops, and often supplementing farm income with trading or services. On the other hand, minorities continue to be more dependent on staple goods and traditional agriculture, and they report much lower rates of agricultural investment, with resulting lower productivity. Furthermore, most minority regions are dominated by forests and forestry land, yet many minority households receive no livelihood benefits from forestry, as they no long have free access to forest land, much of which has been claimed by the state. This has been a major disruption to minority economies.

Other assets in minority communities tend to be limited. Programs targeted at poverty eradication in minority areas, such as Program 135, have resulted in a dramatic expansion of credit services, health services, schools, roads and markets and have improved access to new means by which minorities can profit from their assets. Yet too often minorities remain unable to take advantage of the local investment in the same ways as Kinh. Capital is noticeably short for many households, as access to financial services is uneven in minority areas, and unequal between minorities and Kinh. Kinh get more loans and larger bank loans than minorities on average, while ethnic minorities report a higher need for credit. The lack of access to affordable credit has serious implications for minorities' ability to expand agricultural production and diversify livelihoods with the assets they do have.

Differences in Capacity: Minorities face many barriers in reaching their potential and taking advantage of government programs aimed at minority development. Much of this has to do with barriers to capacity and self-support. The major factor in this area is education. Minorities have less access to quality education, with consequently lower educational outcomes.

Dropout rates remain higher for minorities, they are more likely to enroll late for primary school, and preschool access is lacking in minority communities. Minorities also report higher financial burdens to send children to school. These outcomes result in higher rates of illiteracy and lack of language fluency in Vietnamese, which hinders minorities' ability to interact. Many ethnic minorities, especially the poor and women, cannot read, write or even speak the Vietnamese language, which limits their access to, and sharing of, information. This can have serious economic and social consequences; for example, large numbers of minority women reported being hesitant to go to markets for fear they will not understand prices or will be taken advantage of.

Another barrier to expanded capacity is a lack of mobility and less experience of a wider world. Minorities have considerably less mobility than Kinh, which affects their capacity to observe and adopt new ideas and technologies. Kinh reported traveling often outside their local village, with most Kinh having made a visit to another province or beyond. Yet only 18 percent of ethnic minorities had ever ventured outside of their home province. This higher mobility may give Kinh social advantages such as wider exposure to information and new ideas and more extensive social networks.

Capacity to act can also be constrained by cultural factors. Many minorities reported that there are cultural differences between minorities and Kinh that play out in market interactions, schooling,

and other activities. For example, minorities report being less willing than Kinh to divide families up for economic gain, such as leaving one's family behind to engage in migrant labor. Minorities also reported cultural barriers to economic transactions, such as norms against charging interest on loans from kin and neighbors. These norms were often contrasted with Kinh, whose ability to make money is looked upon as a socially favorable trait. Gender plays a role here as well; there are often cultural or economic barriers to women's capacity and decision-making ability in minority communities, as cultural norms may place ethnic minority women in a subordinate position.

A final problem in capacity is that rather than understanding how cultural norms affect policy outcomes, too often minorities are blamed for 'lacking capacity' and being the source of their own problems. Many government interventions are premised on the view that minorities should be more like Kinh, and when such policies fail, the 'ignorance' of the minorities is often the identified culprit, rather than an examination of the inappropriateness of policies. For instance, agricultural extension models developed for rice fields in the lowlands may be unhelpful for farmers practicing swidden cultivation on upland land, yet when these agricultural policies fail, it is minorities' own recalcitrance to change that is blamed, not the policies themselves. Prejudice, misunderstanding of cultural norms, and inappropriate interpretation of actions and behaviors of minorities can collectively lead to capacity challenges and poorer outcomes for development.

Differences in Voice: When minority groups across the country were asked in focus group, "why are Kinh doing better?," they often stated that minorities were "not confident" and "hesitant" to go to the market, to ask for higher prices for their goods, or to request government services they are entitled to. This hesitancy was linked back to factors mentioned earlier: a lack of education for many minorities leaves them feeling limited in language ability, and less mobility leaves them with less experience and willingness to interact with the larger world.

Another barrier to increasing minorities' voice and self-determination are widespread cultural stereotypes of the deficiencies of minorities among many Kinh. This stereotyping has serious negative consequences, particularly on minorities' self-esteem and self-confidence to use their own voice and power.

A lack of political power at higher levels also characterizes minority communities. Related to voice is the role of government agencies that are supposed to serve and represent minorities. Currently, the Committee on Ethnic Minorities (CEM) remains a rather weak ministry-level office, with often unclear or contradictory messages on minority affairs. Too often, CEM only sees minority communities as presenting obstacles and barriers that need to be changed, rather than as a constituency it needs to serve. This limits the institutional voice that minorities need at a national level.

In the following six chapters of Part II, we outline the disadvantages that minorities face in sectoral areas of education, migration, financial services, land and agriculture, markets and trading, and in stereotyping and discrimination, and show how these differences in assets, capacity and voice can have dramatic effects on poverty rates in different communities.

CHAPTER 5

Education

Vietnam's strides in educational achievement over the past 50 years are remarkable. In 1945, more than 95 percent of the adult population was illiterate. By the year 2006, that had been reversed and nearly 93 percent of adults were literate, according to 2006 VHLSS data. Vietnam continues to target the expansion of education to improve these literacy rates even further. Vietnam's Millennium Development Goals include achieving universal primary education, universalizing lower secondary education, and gradually expanding upper secondary education (MoET 2002). Overall, access, equity, and participation in education have improved markedly over the past decade, with increasing enrollment among females and ethnic minorities in particular.

Yet behind these achievements there are causes for concern. Education is not reaching all segments of society; around 4 percent of all children are not attending primary school, but around 10 percent of ethnic minority children are not enrolled in primary school (VHLSS 2006). In 2006, the net enrollment at primary education level of ethnic minorities was 89 percent, while that of Kinh and Chinese was nearly 98 percent. A World Bank study (2003b) estimates that over half of all children not in school came from the poorest fifth of the population, where half were ethnic minorities.

Further, these figures reflect enrollment rates, not the quality of education students are receiving; we heard stories in the CSA about minority children being passed from grade to grade to inflate high enrollment rates, even though the pupils were still struggling with basic literacy and poor spoken Vietnamese. Many minority children only attend a few years of primary school before dropping out, due to language or other barriers, and minority access to education dramatically declines as the educational level rises. Ethnic minority enrollment in primary and secondary education continues to be far below their representation in the population. In 2006, out of all Kinh and Chinese children, 97 percent were enrolled in primary school, 93 percent in lower secondary school, and 70 percent in high school. By comparison, ethnic minorities had 90 percent in primary school, 81 percent in secondary school, and only 44 percent in high school (VHLSS 2006).

Gaps in educational achievement in Vietnam are often geographically and ethnically identified with minority areas. Nine of 61 provinces in Vietnam have a primary school net enrollment rate below 80 percent; these provinces are the ones with many ethnic minorities and high poverty rates. We also see much variation among ethnic minorities themselves. Several groups have primary school net enrollment rates below 70 percent: among the Hmong, only 41.5 percent of primary school age children enroll in school (51.5 percent of boys and 31.5 percent of girls) (UNICEF 2002).

There are many causes for these lower rates of achievement, which we outline in this chapter. They include physical inaccessibility and distance to schools and poor quality educational infrastructure. High rates of poverty mean that many communes have few funds for education and cannot raise much more locally; households cannot afford additional fees or contributions to raise the level of their children's education. There are shortages of books and learning materials in many minority areas. Drop out rates are high as children are needed to work at home, or else are held back repeatedly at school until they are too embarrassed to continue. Teachers in minority areas are less qualified, and many cannot speak local languages. Those minorities that are hired to be teachers often are considered to be lower quality and are put in low-level administrative jobs, and cannot teach local students in their local language. There are also very few examples of successful bilingual education for minorities. As a recent review for a World Bank education project notes, "poorer highland areas are in danger of being locked into a vicious circle with the effects of poor quality educational services, poorly educated parents, and poverty compounding each other to produce a weak supply and demand for education" (World Bank 2003b).

The educational barrier for minorities may result in many long-term problems. Low rates of literacy and fluency in Kinh may prevent minorities from taking advantage of business and income opportunities, and consign them to the lower return sectors of subsistence agriculture. Most information and policies relating to technologies, trading, market rates, culture, and education are communicated in the Kinh language, so for ethnic minority people national language literacy is a key to accessing policy and economic information. There is a direct poverty impact on households that have not completed education and cannot function in the Kinh language.

While national level data show that minorities' school-going rates are on the increase, and that poor Kinh also have relatively higher dropout rates that are of concern, the simple fact is that barriers in education will have far greater impacts in the long run on minorities than on Kinh. Kinh who drop out of school can still function in the national language, while minorities who leave school may have no other possibility of learning spoken Vietnamese, let alone being literate, and this will have serious constraints on their capacity for their lifetime.

The GoV is aware of these problems and has in recent years supported and invested in education and services for the poor and vulnerable. The Ministry of Education and Training (MoET) has identified three primary areas for their attention in the 2001–10 period: (1) improving the quality and efficiency of education; (2) increasing access to education in poor and rural provinces, and participation of poor and ethnic minority students; and (3) making education management efficient through decentralization (MoET 2002).

Such steps are necessary, as educational outcomes in minority areas are still lagging despite increased attention. Throughout this chapter, we highlight successes, as well as areas where more efforts are needed. It is clear that education and training projects, and increasing the ability of ethnic minorities to function well in a Vietnamese-literate society, are in fact poverty reduction projects, and that better coordination between the education and development sectors is likely to have positive outcomes. Further, cultural issues play as large a role in educational outcomes as economic issues do. In recent years, more attention has been paid to the need to include poor households in educational improve-

ments. We argue for equal attention to be paid to ethnic differences that can be incorporated into education policy and practice as well.

Our assessment relies on mixed methods of semi-structured interviews, a CSA quantitative survey carried out in three provinces, and secondary quantitative information. The qualitative evidence consists of (a) semi-structured interviews with respective MoET departments and agencies at the provincial level, related institutions and offices at the district level, and key cadres of visited communes and villages; (b) semi-structured interviews with leaders of some primary, secondary, and high schools and teachers at visited sites; and (c) semi-structured interviews with groups of households, including farmers, poor families, youth and children, and women.

The secondary information consists of reports, statistical data, as well as studies from educational institutions and organizations from the three case study provinces of Ha Giang, Quang Tri, and Dak Lak.

EDUCATION POLICIES AND INVESTMENT IN VIETNAM

Education has always been placed at a high level on the Vietnamese political agenda. Shortly after declaring independence in 1945, the Viet Minh and later Democratic Republic of Vietnam placed high priority on the twin goals of reducing famine and illiteracy in the countryside. Ho Chi Minh himself launched the literacy campaign in 1945: he wrote then,

> *Brothers and sisters! To consolidate national independence, to strengthen and enrich the nation, it is necessary that each one of us knows exactly what his rights and obligations are, that he possesses new knowledge so as to be able to participate in building up the nation. Above all, it is necessary that everyone knows how to read and write the national script.... I hope that our youth, boys and girls, will give themselves unstintingly to this work (Ho Chi Minh 1971).*

Mass education was a high priority, and thousands of teachers and soldiers spread out to highland areas to teach literacy classes. Illiteracy began to drop rapidly, and by the cooperative era in the 1970s and 1980s, Vietnam's socialized education system had reached levels of literacy far higher than most other countries in Vietnam's income class.

However, with the introduction of *Doi Moi*, universal socialized education was no longer viable in a new market-oriented Vietnam. Illiteracy rates had begun to rise rapidly as cooperative-run schools began to collapse and as central funding dried up. In an attempt to stem the rise in illiteracy, the Council of Ministers established a National Committee for Illiteracy Prevention in 1989 with the obligation to eradicate illiteracy within the following decade. School fees were also first introduced in 1989 after approval by the National Assembly, and private household contributions to education now account for about half of all education expenditures (London 2006). In 1991, a primary education law was adopted that dictated compulsory education from first to fifth grade for all children aged 6-14, regardless of ethnicity.

The resulting educational achievements have been remarkably successful. With 93 percent of the adult population now literate, illiteracy is close to being eradicated. And with compulsory primary education increasingly showing results, the government has now turned its attention toward driving up student enrollment in lower secondary education to 90 percent by 2010. MoET has developed an "Education for All" plan–supported by donors and loans from the World Bank and others–that includes education of ethnic minorities as an important component.

The government's continued commitment to education is reflected in the state's expenditures and investments. In 2000, 11.6 percent of state expenditures went into education and training, rising to 12.6 percent by 2003. The Vietnamese government increased the budget for education and training to 18 percent in 2005 and intends to further raise it to 20 percent in 2010. Yet, as a share of GDP, the relative importance of education and training in the economy is actually eroding. As a percentage of GDP, the economic activities connected with education and training have been relatively static at 3.2 to 3.4 percent of GDP throughout 2000–05, despite the government's intention to increase the share to more than 6 percent. This does not discount the huge expenditures that have been undertaken in education and training, but rather it shows that Vietnam's economy and investments appear to be expanding at an even higher rate than those directed at educational activities and investments.

Donors have recently been involved in the education sector: the ADB, JICA (with a $20 million project for primary school development and construction), UNICEF (with $20 million for primary education, including a flexible education and ethnic minority education project), and several NGOs have all been developing work in education. The World Bank has also had several large projects in recent years, including support for the "National Education for All" plan and a project supporting primary education for disadvantaged children that began in 2003. In this latter project, there will be special training for Vietnamese teachers in minority areas, and a focus on community-based pre-primary school readiness language development programs (World Bank 2003b).

EDUCATION POLICIES FOR ETHNIC MINORITIES

There are several levels of education policy in Vietnam that relate specifically to ethnic minorities. For example, the 1960 Constitution of the Democratic Republic of Vietnam first stated that "All the peoples have right to maintain or read just their customs and habits and use their spoken languages and scripts to develop their own cultures," and this has been confirmed in all subsequent constitutions. In addition, the Education Law as amended in 1999 states that "Primary education is carried out in Vietnamese. The minority peoples have the right to use their own spoken languages and scripts together with Vietnamese to achieve primary education". (In reality, as we discuss here, bilingual education is very rare, and laws granting a "right" to use local language have not actually resulted in the ability of schools to do so.)

Acknowledging the widespread existence of disadvantaged ethnic minorities, the government also has implemented specific educational policies to improve their educational standards. In 1985, the Ministry of Education stipulated regulations for the organization and operation of boarding schools for ethnic minority children. This was followed in 1997 by policies and additional funds to further

expand ethnic minority educational interventions. Some of these policies included (a) tuition exemptions and deductions; (b) scholarship programs; (c) textbook and other learning material subsidies; and (d) extra allowances and other benefits for teachers in ethnic minority priority areas. Many of these are now funded under the National Target Programs on HEPR and P135.

The 1999 Education Law also has a number of articles that shape the provision of educational services to minority nationalities. For example, the Education Law says that the state shall establish boarding schools or semi-boarding schools (where students board during the week but return home on weekends) for ethnic minority children. These boarding schools also have the objective of training ethnic minorities to assume key personnel and leadership positions, including local management posts, teachers, and health care workers. The boarding schools are given a high priority when allocating teachers, infrastructure, equipment, textbooks, teaching aids, and budget, but they are very limited in number.

Since 2003, MoET has also had a research center–the Research Center for Ethnic Minority Education–that is responsible for gathering information about the education of ethnic minority groups, developing curriculum and teaching methods, and contributing to policy studies. According to its charter, "The Center has the function of studying all the problems concerning ethnic minorities education, supplying sources of documents and scientific findings so that the Ministry of Education and Training can work out decisions, policies and measures for the development of ethnic minorities education with a view to meeting the requirements of the schooling and training of human resources for the mountain areas and areas far away from cultural centers."

TABLE 5.1 Preferential Policies for Education of Ethnic Minorities

Policies	Applied to pupils in local community schools	Applied to pupils in boarding schools for ethnic minorities
School fees exemption or reduction	All school fees exempted or reduced	School fee exempted, scholarship for living expense
Textbooks and notebooks provision	Applied to P135 communes and border communes	Scholarships, being entitled to borrow textbooks
Direct appointment/ affirmative action ('cu tuyen')	Minority quotas for upper secondary graduates to go on for further education and training (30-50 people/year/province)	
Boarding school pupils (health insurance VND 35,000($2.25)/ year is paid; mosquito net provided; traveling fees granted, etc.)	Pupils learning in local districts' boarding schools (at lower secondary level)	Pupils learning in the provincial boarding school (at upper secondary level)
Teacher allowance	Teachers get salary and allowance for the stipulated hours teaching in the class, allowance for geographical region and other benefits	Teachers get salary and allowance specified for special schools.
Vocational training centers	School fees exempted or reduced	School fees exempted or reduced; each pupil is granted VND 20,000 ($1.29) for examination fees.

Source: MoET policies and documents, 2006

Provinces are adding to these national policies on minority education. Some provinces, like Quang Tri, have introduced incentive policies to attract talented teachers to work in remote and isolated areas. Teachers are entitled to fringe allowances and get preferential transfer policies (Kinh teachers who teach for a certain period of time in remote areas are seconded to other more central areas later). Some provinces have also mobilized their Youth Unions to call volunteers to teach illiterate people in ethnic minority areas.

STRUCTURE OF EDUCATION FOR MINORITIES IN VIETNAM

Minorities use the same national public educational system as ethnic Vietnamese. The education system in Vietnam consists of 5 years of primary school (*cap 1*), 4 years of lower secondary (*cap 2*), and 3 years of upper secondary education (*cap 3*). Educational administration is in theory shared among central, provincial, and district governments, but in reality most decision making, curriculum development, and teacher standards and training are centralized at MoET in Hanoi, and passed to decentralized levels responsible for implementation. MoET is responsible for all policy formulation, guidance, and supervision and exerts considerable influence on the direction of policies.

MoET sets out the standards for all levels of schooling. For example, for the primary level, MoET under the 1999 Education Law recognizes four modes of providing primary education: (1) a 165-week program curriculum used in most areas; (2) a 120-week curriculum that is provided mostly to ethnic minority children; (3) a 100-week program that provides literacy training for children in very poor circumstances; and (4) an experimental "Technology Curriculum" offered by the Centre of Education Technology. However, currently the government is moving toward a 165-week standardized curriculum for the whole country. This is a source of concern in minority areas, which may lack the facilities, materials, and qualified teachers to implement the extended curriculum. Yet under this centralized system localities cannot set curriculum or learning levels.

In addition to the standardized school format and curriculum, minority areas have two special target projects for teaching minorities that are not found in Kinh majority areas. These are boarding schools for ethnic minority students and bilingual educational programs in schools. Both will be examined in some detail below.

Bilingual Education

Many minority children start their first day of primary school unprepared for instruction in Vietnamese. The large majority of minorities speak their own ethnic language at home (90 percent according to our survey), and many young children may have little to no exposure to Vietnamese before they arrive at primary school. Unfortunately, most teachers in minority areas are Kinh, and few of them have the ability to communicate in local languages, let alone offer systematic bilingual instruction. Minority children are thus forced to learn in a foreign language immediately from their first day in school. On top of other learning impediments faced by ethnic minority students, this language barrier is one of the most serious issues hampering their prospects for development.

As noted above, the constitution and 1999 Education Law guarantee that minorities' language can be used, but this declaration does not lead to bilingual practice. In all schools in Vietnam, Vietnamese is the language of instruction; there are no schools using a completely bilingual educational system. (This is different from neighboring China, for example, where in minority areas such as Tibet and Xinjiang, students can complete the standard educational curriculum up to tertiary education entirely in their own local languages (Postiglone 1999)). In some areas of Vietnam, minority languages are taught as an additional subject, but nowhere are minority languages used as the main medium of instruction.

There are many reasons for this. Vietnam is very ethnically diverse and there are challenges in meeting the demands for bilingual education in multilingual areas, where seven or eight different local languages may be spoken. There are very few materials being produced in minority languages, outside of some donor-supported projects. Some local languages also do not have a standardized written script. In addition, there is no systematic teacher training for bilingual education (Vasavakul 2003; World Bank 2003a).

As daunting as these challenges are, the fact remains that bilingual education is one of the best ways to deliver quality basic education. Without it, students often have trouble grasping what is being taught, not for lack of learning ability, but simply because of the language barrier. This mode of teaching in a language that students do not yet speak well has been called submersion "because it is analogous to holding learners under water without teaching them how to swim" (Benson 2005). Bilingual models and practices vary throughout the world, but the most successful and common model is one in which students use their mother tongue in the early years so that students can acquire and develop literacy skills in addition to understanding and participating in the classroom. The advantage of bilingual education is that the students are able to communicate in their mother tongue at first, and only gradually are they exposed to the national language. Since basic content instruction is provided right away in the mother tongue (such as mathematics or writing), the learning of new concepts is not postponed until children become competent in the national language (Benson 2005).

Yet, despite the many studies showing the advantage of bilingual education, Vietnam has been slow to develop a comprehensive approach to the issue. Baulch et al. (2002) estimate that only 10 of the 334 primary schools surveyed in the VLSS98 taught any lessons in ethnic minority languages (and most of these were in Chinese and Khmer). Under national law, only 15 percent of the total curriculum taught can be locally added; bilingual courses would fall in this area and cannot exceed this 15 percent level. Thus, in the few schools where local languages are taught, they are usually an additional course, not as a medium of instruction from the beginning of school enrollment. As a review of a UNICEF bilingual education project noted,

> *The way bilingual education is presently implemented in Vietnam goes against the bulk of research in education. Research around the world has shown that literacy skills are best acquired in the mother tongue and then transferred to the second language resulting in increased proficiency in both languages (UNICEF 1998).*

This submersion approach is not working in many minority areas. Our study, among others, found that many ethnic minority students have to spend two or three years to finish grade one because they

did not understand Vietnamese. Educational studies in other countries explain that submersion–rather than facilitating the quick learning of Vietnamese–may in fact impede student's abilities: "In submersion schooling teachers are often forced to translate or code-switch to convey meaning, making concept learning inefficient and even impeding language learning, while bilingual programs allow for systematic teaching" (Benson 2005).

Students in Vietnam are additionally faced with the challenge of strong regional accents in standard Vietnamese. Because so many teachers in minority areas are migrant Kinh, students often encountered a teacher with an accent that they have never heard before, which makes it even harder for them to learn. For example, we were told in Dak Lak that many teachers are from Quang Ngai, and their accent is difficult to understand even for Kinh speakers themselves, let alone minorities.

In a review of one small pilot in bilingual teaching funded by the World Bank that promoted the use of the mother tongue as a medium of instruction, the preliminary findings from this experience are promising:

> *A solid foundation has been laid down for the use of vernacular languages for initial literacy acquisition. An independent review deemed that children in experimental classrooms presented greater 'enthusiasm for learning' and 'confidence.' Teachers and parents held this program in high regard and mobilized classroom resources and labor for school construction in its support. The provincial and district education authorities expressed strong interest in continuing this program (World Bank 2003a).*

Such programs clearly need to be expanded to more areas. Offering bilingual teaching and learning where the curriculum is presented (orally and in writing) in both the ethnic language and the national language can help minorities to achieve their full potential as students. Furthermore, explicit teaching of a national language that begins with the development of oral skills through teaching in the local language allows students to learn the new language through communication rather than memorization. Instead, in current Vietnamese practice, first graders are thrown into learning written Vietnamese grammar as laid out in the standard nationwide curriculum.

Experts on bilingual education also point out another advantage: the better assessment of student progress. As one expert notes,

> *When students can express themselves, teachers can diagnose what has been learned, what remains to be taught and which students need further assistance. In submersion schooling cognitive learning and language learning are confounded, making it difficult for teachers to determine whether students have difficulty understanding the concept itself, the language of instruction, or the language of the test…Bilingual programs encourage learners to understand, speak, read and write in more than one language. In contrast, submersion programs attempt to promote skills in a new language by eliminating them from a known language, which may actually limit learner competence in both (Benson 2005; 2-3).*

Some donor-funded projects, like a UNICEF/World Bank primary education project, have already developed bilingual materials in Khmer, Bahnar, Cham, and Hmong. Currently in Vietnam, there is some bilingual teaching available in 12 minority languages: Tay, Nung, Hmong, Muong, Ede, Gia

rai, Ba Na, Koho, Xo dang, Mnong, Cham, and Khmer (Bui Khanh The n.d.). (However, it should be noted that at least some of the ethnic groups who are receiving bilingual education are not the ones who are facing the highest challenges in educational achievement, such as the Tay and Muong). Future curriculum development could be achieved fairly quickly by using materials that are available in neighboring countries such as Thailand, China, or Laos. For example, there are numerous Hmong publications in Thailand now thanks to a large Hmong community in the west that has developed sophisticated use of romanized Hmong writing systems. The old South Vietnam government also developed training materials for bilingual education and there are many textbooks (though somewhat outdated now) in Ba na, Nung, Churu, Chrau, Raglai, Hre, Mnong, Xo dang, Ede, Bru, Coho, Cham, and Gia rai published in Saigon in the 1960s that could easily be updated.

One argument that has been used against bilingual education in Vietnam is that it would be too expensive to implement in terms of development of materials and recruitment and training of teachers. However, cost-benefit studies of other bilingual programs have found that while there may be initially higher costs to start up such programs, they are quickly outweighed by the savings due to more efficient schooling (less dropouts and less repeats) (Patrinos and Velez 1996).

Further attention to developing better materials for teaching Vietnamese as a second language would be helpful if bilingual materials prove too expensive. For many teachers, they simply teach Vietnamese in the same way they would teach it to children who speak the language at home. The emphasis is usually on grammar and written rules, which are inappropriate to second-language learners. A different approach is needed for these students. For example, in Laos, minority children are increasingly being taught Lao as a second language, using an approach called the "Concentrated Language Encounter." Previously, the same curriculum and materials were used nationwide irrespective of linguistic and cultural differences of the learners, but CLE curriculum are developed to help specific ethnolinguistic groups gradually learn Lao in active ways (Kosonen 2005).

One province the CSA team visited where some preliminary bilingual teaching has been implemented is in the Dak Lak province. Because it is estimated that 95 percent of minority children in Dak Lak province cannot speak the national language (compared to Ha Giang, where it is considerably lower at only 50 percent), prioritizing bilingual education in that province seems justifiable. Having acknowledged the demand for bilingual teaching among minorities, the Department of Education and Training in Dak Lak province has endorsed the rationale, as one MoET official put it, "bilingual teaching and learning would help ethnic minority students better understand lessons in classes. While their national language is still weak, the usage of local language in explaining difficult terms would be of great help to them. Besides, bilingual teaching and learning would also help preserve the local language, writing scripts, and culture of ethnic minority people, and it helps indigenous students in being more confident in studying." However, as the previous linguistic classification of ethnic minorities revealed, there exists a myriad of different language families being spoken in Dak Lak, due to the large-scale migration of different ethnic groups in the 1990s (discussed in the next chapter). Thus, bilingual education has so far primarily focused on areas where Mnong and Ede pupils predominate.

Bilingual teaching and learning have not yet been implemented in Ha Giang and Quang Tri provinces or in many other parts of the country. This is partly because of problems with attracting

enough quality teachers (both in terms of linguistic and educational qualifications) and partly because of inconsistent regulations from the educational sector. There is, for instance, no teacher training program to assist teachers in learning minority languages for instructional purposes.

Furthermore, other areas are not as accepting of bilingual education as Dak Lak. There is a strong feeling among some educators we spoke with that bilingualism is not warranted, because all people in Vietnam must learn Kinh, as it is the dominant language in market transactions and in interaction with the state. Even village meetings are reportedly held in the national language in more than half the cases of villages we surveyed. While this is true, it is a myth that teaching in local languages prevents learning of Kinh. This is a misconception that bilingual teaching somehow means minority languages should be prioritized over Kinh, or that instruction in a mother tongue would impede learning of Kinh. Evidence from around the world shows the opposite to be true: "the more highly developed the first language skills, the better the results in the second language, because language and cognition in the second build on the first" (Benson 2005; 2-3).

As shown from other countries, another positive outcome of bilingual programs is increased parent participation in school affairs. This is likely due to the fact that parents (who may not speak the national language well) are able to communicate with their child's teacher in their mother tongue. Strong parent participation is a widely cited factor in successful bilingual programs.

In some areas of Vietnam, NGOs and local communities have together formed bilingual education in the absence of state-approved classes. Khmer students are often taught written and spoken Khmer, and sometimes even Pali, in Khmer temples by monks in Soc Trang province. Similarly, the Cham community in An Giang has organized community classes to keep literacy in the Arabic-based script alive, as have Chinese communities in Ho Chi Minh City organized to teach literacy in Chinese characters. Yet the top-down nature of curriculum development in Vietnam means these innovative programs take place outside of schools and school hours, rather than being incorporated into them.

Boarding Schools

Another specific aspect of minority education has been the promotion of fully or partially subsidized boarding schools at provincial and district levels, and "semi-boarding" schools at the commune level. For the provincial and most district boarding schools, students receive free tuition, accommodation, and textbooks and live full time at the school during the school year. The target pupils are often 'handpicked' (too often primarily from children of local authorities and cadres), and the students are generally expected to become cadres themselves once they graduate.

The second type of boarding school is a more popular semi-boarding school, which attracts a wider range of students at the commune level. However, these schools often do not have adequate infrastructure, and pupils usually have to live either with local neighboring households who agree to take in students, or in poorly built and crowded dorms during the week.

During the 1990s, the government earmarked considerable sums to support education for mountainous and minority areas, which led to the construction of around 400 boarding schools. By 2001,

there were 43 provincial boarding schools, 10 central boarding schools, 190 district-level boarding schools, and 104 boarding schools at the commune level (as of 2006 there were than 500). The development from 2001 onwards is illustrated in Table 5.2 below.

The impressive educational progress has gathered momentum in the last few years, as both the number of boarding schools in the minority regions (as well as the number of students enrolled) has increased substantially from 2001 to 2005. In the five-year period, the number of students enrolled increased by 160 percent–from 59,000 in 2001 to 153,000 in 2005. The actual number of boarding schools also rose– from 347 in 2001 to 595 in 2005. This means that students in minority areas have easier access to school today compared to five years ago.

TABLE 5.2 Development of the Boarding School System in Ethnic Minority Regions

Types of schools/year	2001		2003		2005	
	# of Schools	# of Students	# of Schools	# of Students	# of Schools	# of Students
Commune center and semi-boarding commune	104	3,500	519	52,000	n/a	n/a
District secondary boarding school for ethnic minority students	190	38,000	218	47,000	268	63,000
Provincial secondary boarding school for ethnic minority students	43	14,000	45	18,300	48	22,000
Central secondary boarding school for ethnic minority students	10	3,500	11	4,200	11	5,000

Source: Center for Research on Ethnic Minority Education, Ministry of Education and Training 2005

However, there have been few comprehensive assessments of the boarding schools to see if they are achieving their goals of improving education access and quality for ethnic minorities. They have been criticized in some quarters as an inefficient solution when local educational infrastructure still lags behind. As a recent project noted,

> *Assessments of teaching and learning conditions in these schools have been critical, but they are nevertheless appealing to local education officials as a means of achieving the universal primary education goals of the government. More consideration needs to be given to alternative means of organizing schools that would allow children to remain in their homes, for example, or multi-grade schools or alternate year intakes in small schools (World Bank 2003a).*

OUTCOMES OF EDUCATION IN ETHNIC MINORITY AREAS

With the recent favorable policies for education, the government has achieved impressive progress. The student enrollment rate for primary education in 2006, for instance, was as high as 97 percent for Kinh and 89 percent for minorities. The two figures 5.1 and 5.2 illustrate the development in two key educational indicators from 1993 to 2006 for Kinh and minorities. While there is good news

on some fronts, there are also points to be concerned about. First, there was substantial progress for both minorities and Kinh in the period 1993 to 2006 with respect to the proportion of adults who have not completed any education (Figure 5.1), and with respect to the proportion of people who have completed lower secondary education or higher (Figure 5.2).

However, the figures also reveal that minorities continue to be more disadvantaged, and that progress appears to have been slower for them compared to Kinh. The proportion of Kinh adults that have not completed an education has more than halved in the period, from 51 percent in 1993 to 19 percent in 2006. The proportion of minority adults that have not completed an education went from 73 percent in 1993 to 29 percent in 2006–a drop of a little more than half. The percentage gap in the proportion of adults that have completed a lower secondary education or higher between Kinh and minorities has decreased from 13 percentage points in 1993 to eight percentage points in 2006.

FIGURE 5.1 Proportion of Adults who have not Completed any Education

Source: Swinkels and Turk (2006) and calculations from VHLSS 2006.

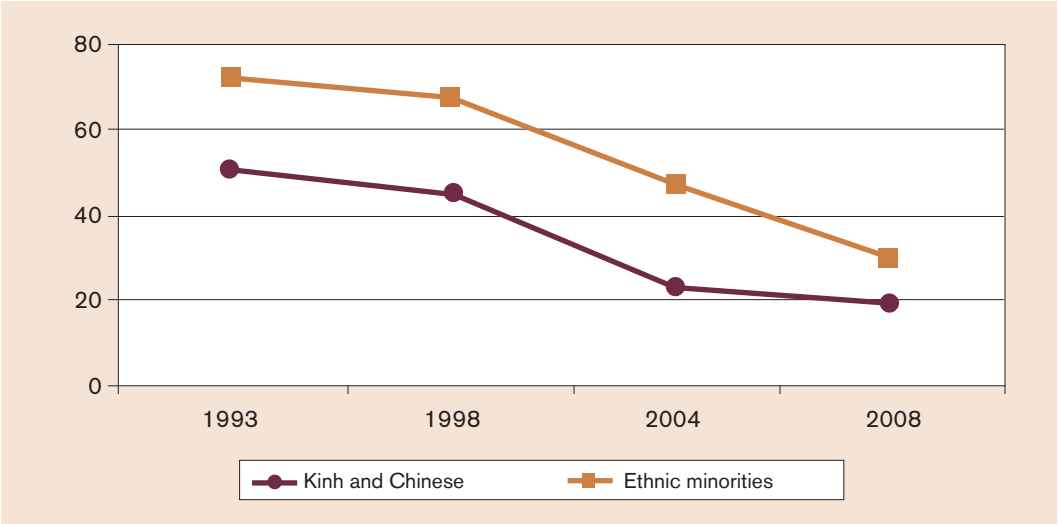
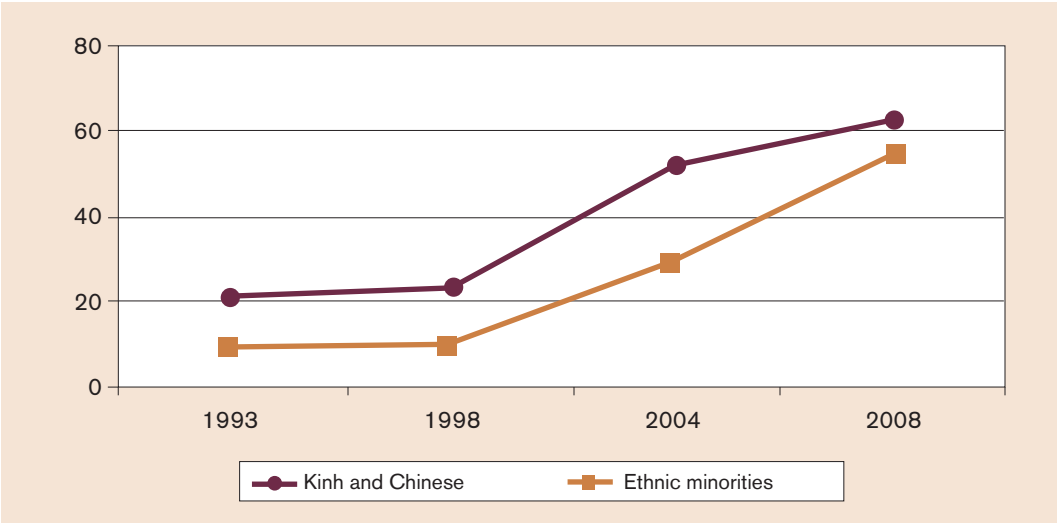


FIGURE 5.2 Proportion of Adults who have Completed Lower Secondary or Higher

Source: Swinkels and Turk (2006) and calculations from VHLSS 2006.



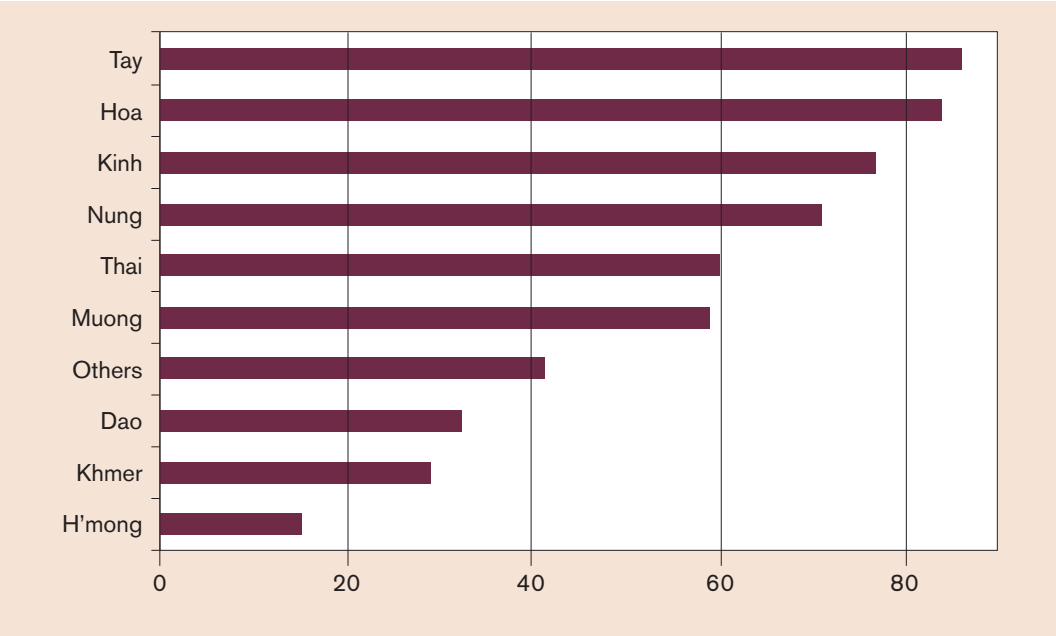


FIGURE 5.3 Upper Secondary School Net Enrollment Rates Among Minority Groups, 200

Source: VHLSS 2006 data

There is not only an ethnic gap in achievement in education between Kinh and minorities, but also an income gap in terms of the net enrollment rates (NER) among different income groups. According to the 2006 VHLSS, the NER was 48 percent for upper secondary students from the lowest income quintile, while it was 82 percent for the highest. There was also a clear poverty-related gender gap. In 1999, the female NER was 42.6 percent in the 15 provinces with the best enrollment (top quartile), but only 20.0 percent in the 15 provinces with the poorest enrollment (bottom quartile).

The composite figures also fail to note that some ethnic groups are doing far worse than others with regard to school enrollments (Figure 5.3). Analysis of 2006 VHLSS data showed very divergent enrollment rates among the minorities included in the survey. Among minorities, Tay, Muong, and Chinese do even better than ethnic Vietnamese, with higher secondary school enrollment rates. However, other groups, such as the Hmong and Dao in the north and Bana, Gia Rai, and Xo Dang in the Central Highlands, were lagging behind in enrollment.

The above comparative statistics should not cloud the fact that the number of enrolled minority students has been increasing yearly, and progress has been made in the past 10 years. In the 2003/04 school year, the total number of ethnic minority students countrywide was 2,568,605; by 2004/05, this number had increased almost 8 percent to 2,765,879. Table 5.3 breaks down the latest development in minority enrollment at the different educational levels. It quickly becomes clear that the 8 percent increase masks a modest increase in primary education and a substantial increase in minority enrollment in both lower secondary education and high school. This is also in accordance with the government's policy, which is to focus on increasing enrollment in secondary education after having accomplished close to universal enrollment in primary education.

TABLE 5.3 Number of Minority Students Enrolled In Different Education Levels, 2004-2005

	2003/2004	2004/2005	Percentage change
Primary	1,410,910	1,441,867	2
Secondary	898,763	993,947	11
High-school	258,932	330,065	27

Source: MoET figures, 2006.

In 2005, the General Statistical Yearbook released statistics on the number of ethnic minority pupils according to province. In itself, the gathering of ethnic minority disaggregated data is a signal of government attention to the education problems of the ethnic minority. But without a time-series to examine trends in the number of minority pupils across the various provinces, the data has only limited use. However, by relating the share of ethnic minority pupils enrolled in education (primary, secondary, and high school) with the share of minorities in the province, we can get an indication of whether specific provinces seem to be overperforming or underperforming with respect to minority enrollment in education. If the ratio of ethnic minority pupils in relation to the total number of pupils is higher than the ratio of ethnic minority people in relation to the total number of people, then this could be an indication of successful educational policies in the province.

For overview purposes, Table 5.4 includes only the five best performers and the five worst performers as well as the three provinces in which the CSA did research. In general, the ethnic minority pupil ratio follows the population ratio, with major deviations still within the 5 percentage point limit. Yet, some interesting differences can easily be pinpointed. The Dong Nai pupil ratio, for instance, is less than half what it should ideally be according to the ethnic minority population ratio. A policy recommendation from this table would be to focus additional resources in the outlier provinces (the top ones in the table), where the pupil ratio deviates substantially from the population ratio. Among our three provinces of interest, the Dak Lak province appears to have more success in enrolling ethnic minorities in education compared to Quang Tri province, although all three are still enrolling a higher ratio of ethnic pupils than the ethnic minority share of the total population.

TABLE 5.4 Comparison of Minority Pupil and Population Ratio in Selected Provinces

	EM pupils as % of all enrolled pupils	EM population (% of total population)	Difference
Dong Nai	3.9	9.0	-5.1
Ho Chi Minh city	4.0	9.0	-5.0
Soc Trang	30.1	35.0	-4.9
Gia Lai	39.5	44.0	-4.5
Bac Lieu	7.9	11.0	-3.1
Ha Giang	85.8	88.0	+2.2
Quang Tri	9.1	9.0	+0.1
Dak Lak	32.3	30.0	+2.3
Lai Chau	86.5	83.0	+3.5
Hoa Binh	75.9	72.0	+3.9
Tuyen Quang	56.8	52.0	+4.8

	EM pupils as % of all enrolled pupils	EM population (% of total population)	Difference
Thai Nguyen	29.8	25.0	+4.8
Yen Bai	56.2	50.0	+6.2

Source: General Statistical Yearbook, 2005

TABLE 5.5 Ethnic Minority and Kinh Educational Attainment by Region (%)

HH head level of education	Dak Lak		Ha Giang		Quang Tri	
	Kinh	Ethnic minorities	Kinh	ethnic minorities	Kinh	Ethnic minorities
None	4	25	10	26	0	39
Primary	8	48	24	40	25	46
Lower secondary	48	24	62	29	25	14
Secondary	40	3	5	4	50	2

Source: CSA Survey, World Bank

Although education statistics from provinces where minorities are strongly present is surely important, more information could be gained by examining the differences within the districts between Kinh and minorities. The reason is that educational progress in a district could be caused by improvements in Kinh enrollment at the expense of the conditions of other ethnic groups. Through our CSA survey conducted in Dak Lak, Ha Giang, and Quang Tri, ethnic differences in educational levels between Kinh and minorities can be uncovered. Table 5.5 compares the educational attainment of ethnic minorities to that of Kinh in different educational levels in the three provinces.

The gap in educational attainment between Kinh and minorities is noticeable, as shown in Table 5.6. On average, 31 percent of minorities have never attained any education, compared to just 6 percent of the Kinh population. Very few minorities reach the level of secondary education; only 3 percent of minorities had reached high school, while 26 percent of Kinh had. (It should be stressed that these numbers say little about the success of the government's current educational policies due to the fact that the numbers reflect the population as a whole, not just the school-age population.)

TABLE 5.6 Overall Kinh and Minority Educational Attainment in CSA Survey (%)

EDUCATION	Kinh majority household heads	Ethnic minorities' household heads
None	6 %	30.6 %
Primary	16 %	44.6 %
Lower secondar	52 %	22 %
Secondary	26 %	2.9 %

Source: CSA Survey, World Bank

Ethnic discrepancies become clearly evident when we divide up the ethnic populations (Table 5.7). Among certain groups–like the Hmong, Dao, Ede, Bo Y, Pa Co, and Van Kieu–very few people have reached high school, while Tay and Thai do better.

TABLE 5.7 Educational Attainment By Ethnic Group in CSA Survey (%)

Level of education	Tay	Dao	Hmong	Thai	Mnong	Ede	Bo Y	Pa Co	VanKieu	Nung	Kinh
None	0	44	46	0	30	29	0	38	40	13	6
Primary	32	56	34	38	48	50	39	41	53	56	16
Lower	59	0	15	50	17	21	62	20	4	31	52
Secondary (high school)	9	0	5	13	4	0	0	1	2	0	26

Source: CSA Survey, World Bank. Small cell counts make further comparison difficult.

The CSA study also found that the eradication of illiteracy needs some qualification. Notwithstanding that major progress has indeed been made in the literacy area, the team found a number of illiterate adults under the age of 35 in the visited minority villages. In Ja village in Dak Lak province, the team found 102 illiterate people out of 1,172 people; in Group 3 of Viet Lam town, Ha Giang province, there were 50 illiterate people out of a total population of 519; in Ang Cong village, Quang Tri province, there were 12 illiterate people out of total of 168 people. In general, we found that even many children who had completed primary education still could not read or write fluently. Teachers told us about students that were not qualified to pass but still passed "as per instruction from higher levels." According to one student, he had attended illiteracy classes to finish fifth grade but still he was unable to read basic scripts or even write simple numbers for that matter.

Thus, despite visible progress in educational attainment for minorities, they continue to lag behind on key educational parameters compared to ethnic Vietnamese. This merits a closer inspection of the educational obstacles faced by ethnic minorities in order to derive policies that might address these obstacles. The following section addresses each potential impediment for greater equality in education between ethnic minorities and majority Kinh.

Dropout Rates

The Ministry of Education and Training collects yearly statistics on dropout rates of children in different levels of school. According to these numbers, dropout rates on a national level have declined significantly, by 4–6 percent annually. However, according to MoET, a child is classified as a dropout if he or she did not continue his or her schooling despite having been enrolled at least part of the last school year. This definition is somewhat misleading, since it does not count those children who do not continue to enroll in the school the next year after having finished a given grade. This leads to an underestimation of the school dropout situation in Vietnam (Vo Tri Thanh and Trinh Quang Long 2004).

Furthermore, despite the overall positive trends, some groups of people are being left behind with continuing high dropout rates. In the lowest income quartile, repetition and dropout rates actually increased from 1996/97 to 1999/2000 (World Bank 2003b). High dropout rates are also associated with certain regions and provinces (Figure 5.4). In 1993, the South-Central Coast had the lowest dropout rate, while the Mekong River Delta and Northern Mountain regions had the highest. The dropout rates declined in all regions from 1993 to 2002, but they slightly increased in some regions during 1998–2002.

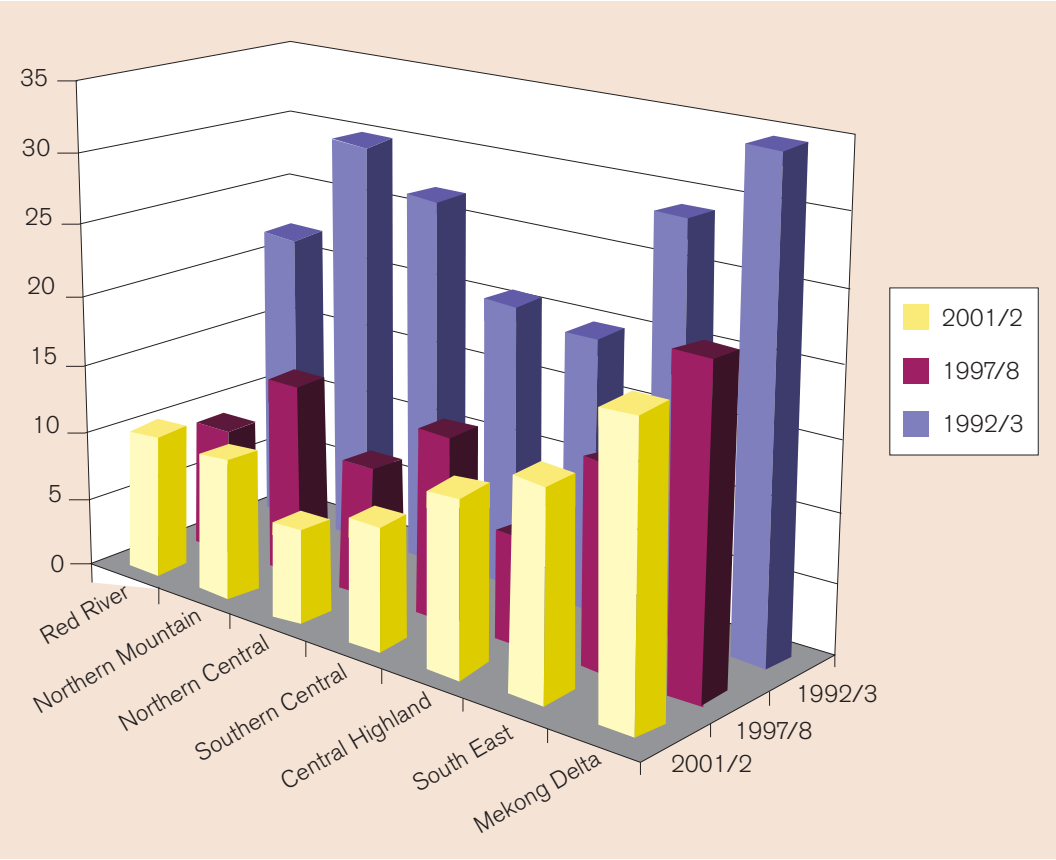


FIGURE 5.4 Dropout Rates by Region, 1992–2000

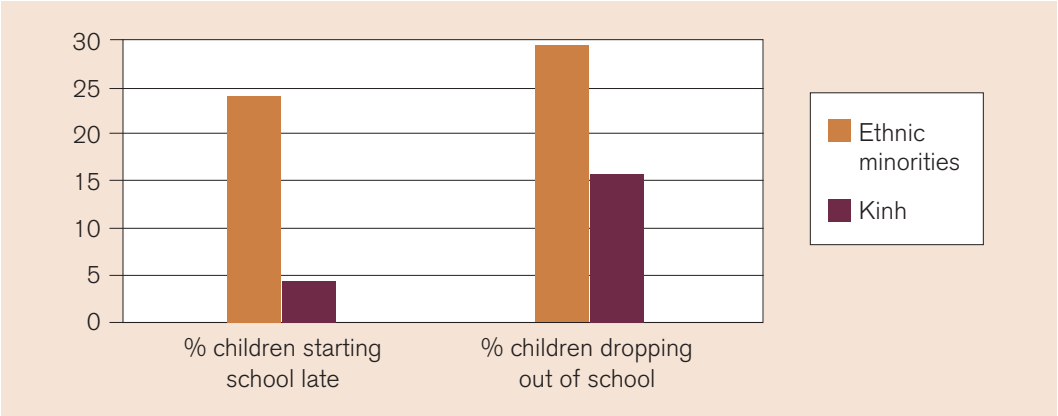
Source: Vo Tri Thanh and Trinh Quang Long 2004

Surprisingly, the region that recorded the highest achievement in reducing the dropout rate over the last 10 years has been the Northern Mountains, which started in 1992 with high dropout rates. However, it is likely that dropouts are underreported for the Northern Mountains and Central Highlands; we noted considerable pressure in these areas for students to be "passed" at the end of their grade. Even if it was clear the students were not doing well and would not return to school the next year, they would be "passed" in order for the statistics to not show the pupil as a dropout.

Although dropout rates have declined overall nationally, they remain comparatively high in minority areas the CSA visited. In our survey, we found substantial differences between Kinh and minorities, with the latter having a dropout rate that is almost double that of Kinh (Figure 5.5). Around 30 percent of minority households reported at least one child had dropped out of school before the completion of a grade, as compared to 16 percent of Kinh.

FIGURE 5.5 Dropout and Late Enrollment Rates Among Kinh and Minorities

Source: CSA Survey, World Bank.



The results by ethnic group are presented in Table 5.8.

TABLE 5.8 Dropout Rates in CSA Sites

Ethnicity	% of HHs reporting at least one child had dropped out of a grade
Tay	10
Dao	22
Hmong	34
Thai	25
Mnong	31
Ede	43
Bo Y	36
Pa Co	29
Van Kieu	45
Nung	0
Kinh	16

Source: CSA Survey, World Bank

Ethnic minority students are dropping out of school for many, mutually reinforcing reasons: poverty, long distance to school, lack of self-esteem, language barriers, poor nutritional status, and high opportunity costs where the costs are borne now, but potential benefits can only be reaped in the long term. We asked households to identify the main reasons why their children had dropped out (Table 5.9). The high cost of school fees was the number one reason, and the number two reason was because the child's labor was needed at home. The opportunity costs of sending a child to school are often high, as the child is not available to work at home or help in fields; thus, there is a tendency not to enroll, or enroll late, to be absent for school, and to drop out. Some students drop out seasonally, often around harvest time, to help with agricultural production, and then return to school at a later stage. This is particularly the case for minorities who are dependent on labor-intensive forms of agriculture like swidden cultivation. All family members are often needed to assist at key periods like planting and harvesting; during these times, many children drop out of school. Returning to school again after a while is often difficult, as the class has moved on and the student's knowledge has

not been maintained while away. Others drop out of school at the final stage of primary education (fourth or fifth grade) or just as they are beginning secondary education (sixth grade). Other reasons, as noted in Table 5.9, include distance to school and "boredom" of the pupils.

TABLE 5.9 Reasons for Dropping out of School

Reason for Dropping Out	% of HH choosing this response (more than one could be chosen)
School fees	47
Children's labor is needed at home	43
Children were bored	33
School is too far away	26
Girls don't need to go to school	3
Not enough school books/supplies	5
Content not appropriate	3
Children did not like teachers	5
Other reasons	11

Source: CSA Survey, World Bank

According to analysis of VHLSS data from 1992 to 2002, certain households are more likely to let their kids drop out than others. The major determinants of the schooling dropout choice by households were found to be variables such as age of the child, their working time, level of primary education, number of siblings, and the household economic situation (including parental education, household per capita expenditure, and cost of schooling). In particular, a recent study found that schooling dropout probability is strongly correlated to changes in the households' per capita expenditure and the direct costs of schooling (Vo Tri Thanh and Trinh Quang Long 2004).

Overall, the dropout rates for primary school appear to be lower than in secondary school. Because of rules on compulsory primary education, teachers become concerned if their primary enrollments reveal high dropout rates, so they reported often going to the family of the dropout to convince them to let him or her return to school. Additionally, programs for subsidized textbooks, transportation to and from school, and the relatively low opportunity costs due to the primary students' young age all contribute to the lower dropout rate in primary education. In secondary education, on the contrary, distance to school is often longer (in some places, the study found that the distance to school was 20 km), educational expenses are higher without subsidies, and the opportunity costs for an older secondary student are also higher.

In addition to these problems, there are some cultural factors that contribute to relatively high dropout levels in secondary schools. One is the custom of early marriage. Some girls reported marriages at ages as young as 14 (the official legal age limit is 18, although this is often ignored in minority communities.) There are also many important local cultural holidays that drive up dropout rates in minority communities. The Dao people, for instance, have a ceremony when the boy turns 12 years old that entails him being away from school for about 3–4 days. Some teachers have reported that sometimes these kinds of ceremonies coincide with examinations or even worse they present the boy

with an opportunity to drop out for good. The Hmong have a tradition of staying home for 2–3 days whenever there is a funeral in their village, which could easily add up to quite a few days during an academic year. More flexibility in teaching days and opportunities for students to make up missed days, rather than being punished, would keep these absences from turning into permanent dropouts.

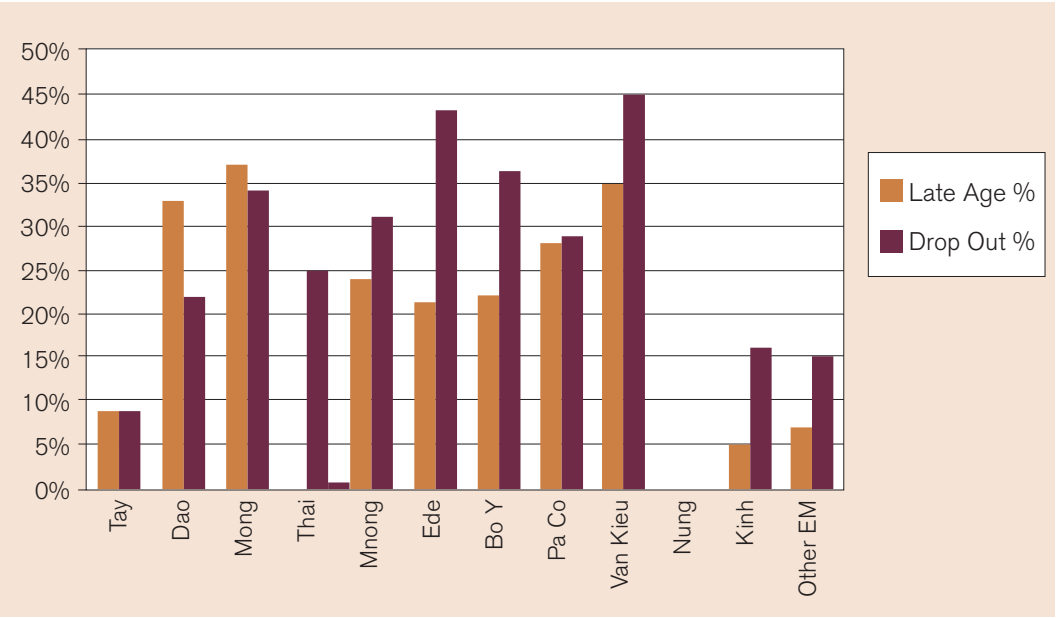
The dropout rate also differs from region to region and from ethnic group to ethnic group. The study suggests that the key reason for students to drop out in the Dak Lak province is a lack of parental interest and an expectation that the children should help around the house. In the Quang Tri province, the key reason seems more related to the long distance to and from school. Ethnic groups in Ha Giang such as the Hmong and Dao have fairly high dropout rates. This could be explained geographically, as they reside in remote and mountainous areas where it is difficult to reach the schools and where the familiarity with the national language, especially among parents, is very low.

Late Enrollment Rates

On average, we found ethnic minority students usually enrolled in the first grade from one to three years later than Kinh students. The CSA survey reported that in the three regions, *24 percent of ethnic minority students started school late, whereas only 5 percent of Kinh started school late.* Hmong, Van Kieu, and Pa Co had the highest rates of late-school enrollments (Figure 5.6).

FIGURE 5.6 Rate of Wrong-Age Enrollment and Dropouts

Source: CSA Survey, World Bank.



The most common reason for letting their children start school late was that "the child was not ready for school" (27 percent of the surveyed parents gave this answer). The qualitative study dug a little deeper, and it appears that the perception of children not being ready for school is caused by the lack of Vietnamese language skills and a lack of pre-school preparation. Both these aspects are

examined in separate sections. For other children, distance to school could also bias against small children who have more difficulties handling even short distances. There are opportunity costs to schooling even for young children, as they could have otherwise helped at home taking care of their younger siblings. The nutritional status of minority children could also hinder their participation in the educational system at a very young age. The answers varied somewhat about ethnic groups, with Mnong, Van Kieu, and Hmong reporting that children "were not ready," while Ede reported that children were "too small" and Dao reported ill-health among children (Table 5.10).

Another problem the CSA team discovered was that some families do not know the exact age of their children, and they only request a birth certificate by the time their child reaches school age. Irrespective of whether the families do not remember the right birth year of the child or whether they just want to keep their child at home a few additional years, it has become customary to always put down the child's age as six in the birth certificate in order to comply with the national standard age of school enrollment. In interviews, cadres of Cu Pong commune in Dak Lak province admitted that the problem of incorrect ages in birth certificates is widespread, but that they let it pass to allow children to go to school. A teacher in the commune told the team that teachers would often know–because of the child's physical appearance–that a child was much older than what had been recorded in their birth certificates, but that they nevertheless relied on the birth certificate when handling the school application. As an indication of the child's real age, 1–3 years could often be added to the birth certificate ages of minority children going to school.

TABLE 5.10 Percentage of Families Reporting Reason for Late Enrollment by Ethnicity (%)

Ethnicity	Child not ready for school	School too far away	No $ for school fee	Child too small	Ill health	Child needed at home	Other reason
Tay	0	5	0	0	5	0	0
Dao	11	0	11	11	22	0	0
Hmong	13	8	8	8	8	0	8
Thai	0	0	0	0	0	0	0
Mnong	22	0	2	5	7	0	5
Ede	4	0	0	10	0	0	0
Bo Y	9	0	9	0	0	9	9
Pa Co	7	13	9	5	8	2	16
Van Kieu	18	18	8	3	0	0	10
Nung	0	0	0	0	0	0	0
Other minorities	0	0	0	0	0	7	0
Kinh	0	0	2	2	5	0	0

Source: CSA Survey, World Bank.

Late-age enrollment has some potentially serious consequences. Older students may feel very embarrassed sitting in a classroom with much younger children. If children start late, and are held back for a few years, they may find themselves as teenagers sitting in a primary school classroom. We encountered youth in focus groups who said they were 13, 14, and 15 years old and still in second or

third grade. In these circumstances, the pupils prefer to simply drop out and not bother with school any more, due to embarrassment or frustration. It was common to hear in our survey that many children dropped out because they were "bored" as well; we believe much of this "boredom" is likely a result of being too old and not progressing fast enough in school advancement. Another problem with late-age enrollment affects girl pupils. For many girls, they will be expected to start thinking of husbands and families of their own as young as 16. Some minority traditions hold that once a girl reaches puberty it is more important for her to stay at home and prepare for marriage rather than be registered in school. Therefore, late enrollments could cut into the time available for schooling before girls are considered "too old" for school and of marriageable age.

Nationwide, how serious is the problem of late enrollment? In terms of trends, there was a large increase in right-age school attendance from 1993 to 1998 in both primary and secondary education for minorities. From 1998 to 2002, progress has been much more modest and the right-age school attendance ratio for primary school has been relatively stable (and even showed a slight decline) at around 80 percent. However, it must be remembered that many late enrollees are given a pass through falsified birth certificates–if our field research is any guide–in which case the figures in Table 5.11 are likely to be underestimates.

TABLE 5.11 School Attendance at the Right Age In Vietnam (%)

	Primary			Secondary			High School		
	1993	1998	2002	1993	1998	2002	1993	1998	2002
Nationwide	86.7	91.0	90.1	30.1	61.7	72.1	7.2	28.6	41.8
Poorest HHs	72.0	81.9	84.5	12.1	33.6	53.8	1.1	4.5	17.1
Average HHs	90.8	94.6	91.9	28.8	65.5	77.6	2.6	20.7	42.6
Richest HHs	95.9	96.4	95.3	55.0	91.0	85.8	20.9	64.3	67.2
Kinh & Hoa	90.6	93.3	92.1	33.6	66.2	75.9	7.9	31.9	45.2
Ethnic minorities	63.8	82.2	80.0	6.0	36.5	48.0	2.1	8.1	19.3
Urban	96.6	95.5	94.1	48.5	80.3	80.8	17.3	54.5	59.2
Rural	84.8	90.6	98.2	26.3	57.9	69.9	4.7	22.6	37.7

Source: Vietnam Development Report (2004: 62) based on VHLSS 1993-2002.

Gender Differences in Enrollment

Previous studies have pointed to the fact that not only do children from more remote and poor minority areas have lower rates of educational participation and achievements, but minority girls have less access to education than boys. Based on 1998 data, UNESCO reported that the rate of girls in the poorest quintile that had never attended primary school was 16 percent, while it was only 11 percent for boys.

For secondary school, the rate of girls was 32 percent, while the rate of boys was 20 percent. In addition, girls accounted for 70 percent of dropouts across all segments of the population (UNESCO 1999). Previous studies noted that there appeared to be a perception among minority parents that educating boys offers greater future reward in terms of career opportunities, and that girls were more valued at home where they can contribute to household chores and take responsibility for car-

ing for younger siblings. Others posited that lower female enrollment may be a function of physical access to schools, as well as parent's reluctance to send girls long distances because of fears for their safety and well-being (Sokhom 2004)

Progress has been made in the past few years to improve this situation. The newest data from 2005 shows that educational gender discrimination and inequality in the three provinces we visited appears minimal (Table 5.12). Surprisingly, the relative equality holds true not only at the lower educational levels (as a direct consequence of universal education suffrage), but also at the high-school level.

TABLE 5.12 Girl Students at Different Education Levels, 2005

Province	Primary		Secondary		High-school	
	Number of pupils	% of pupils that are female	Number of pupils	% of pupils that are female	Number of pupils	% of pupils that are female
Ha Giang	41,075	47.14	22,815	48.47	7,877	49.14
Quang Tri	31,890	47.88	29,715	48.11	13,247	48.93
Dak Lak	106,124	47.78	81,726	49.36	38,688	51.61

Source: General Statistical Year Book 2005, Statistical Publishing House, Hanoi

Although the enrollment numbers indicate that educational gender bias is on the decline, three caveats need to be kept in mind.

- The aggregate figures mask gender differences across various ethnic groups. Data from 1999 indicate different enrollment rates for girls across ethnic groups. In Table 5.13, the enrollment rate of girls has been compared to the total student enrollment rate for primary and secondary education in 1999. The general picture is once again that gender bias in education enrollment appears to be extremely limited. However, the Xo-dang and the Hmong groups in particular do display enrollment rates that indicate a gender bias. For every ten Hmong students enrolled in primary school, less than four would be girls, and in secondary school it would be less than two out of ten. Overall, it is clear that some ethnic minorities have lower female enrollment rates than others. For those groups that continue to have persistent differences in boy and girl pupil enrollment rates, additional targeting is needed.

TABLE 5.13 Share of Female Students in Different Ethnic Groups, 1999

Ethnic group	Girl student/total student-ratio (%), primary school	Girl student/total student-ratio (%), secondary school
Bahnar	52.34	49.72
Kinh	49.97	49.42
Tay	49.87	53.96
Nung	49.78	52.93
Muong	49.76	51.48
Hoa	49.57	51.30
Khmer	49.34	47.11

TABLE 5.13 Continued

Ethnic group	Girl student/total student-ratio (%), primary school	Girl student/total student-ratio (%), secondary school
Gia-rai	49.06	48.82
Dao	48.28	49.79
Thai	48.00	47.58
Xo-dang	47.82	35.86
Hmong	37.95	17.58

Source: General Statistical Year Book 2005, Statistical Publishing House, Hanoi

- The data on gender relies on enrollment numbers and as such they do not take into account the dropout rates–both the temporary rate where the student goes in and out of the educational system, and the permanent one where the student drops out for good. Although the enrollment rate of girls might be equal to that of boys, their dropout rate might be higher as indicated. Unfortunately, data is not available to analyze the gender bias in dropout rates in detail at this point.

- Differences in enrollment rates are important indicators of gender bias but other sources of gender bias do exist. A less obvious educational gender bias, for instance, relates to the school's curriculum. Dr. Do Thi Bich Loan from the National Institute for Educational Development analyzed typical Vietnamese school textbooks for UNESCO. The researcher found that the images and ideas presented in the textbooks showed girls and women in traditional roles and occupations (taking care of children in the home or as nurse), while boys and men were shown in less traditional and restricted roles and occupations (as leaders, scholars, explorers, and technically trained workers). Such gender stereotyping in school textbooks is likely to have a large impact on minority students (World Bank 2006).

Another aspect of gender in education is the proportion of women teachers that girl students encounter. Figure 5.7 reports on the number of female teachers as a percentage of total teachers for three educational levels. More than 70 percent of all teachers are female, but the share declines with the progression from primary education (78 percent) to high-school education (56 percent). There is also a very low representation of women in higher administrative positions, such as principals of schools or heads of MoET departments.

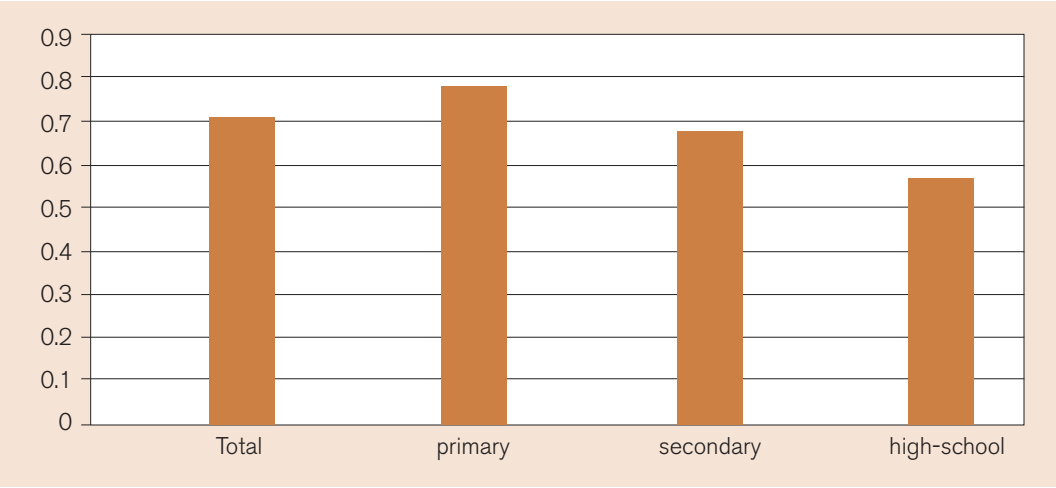


FIGURE 5.7 Share of Female Teachers, 2005

Source: General Statistical Year Book 2005, Statistical Publishing House, Hanoi

Role of School Fees

In an effort to reduce financial burdens to the state and expand private sector support of education, in 1989 the government introduced tuition fees. Generally, households have to pay two types of charges for their children's schooling: an official tuition fee and a series of informal charges. The official charges are calculated on a per child basis across the board, and thus are regressive and create a greater burden per child for poor families than rich ones. After the introduction of school fees, the annual household expenditure on education rose 14 percent between 1998 and 2002 (GSO, 2003). Household expenditures now account for over 50 percent of all spending on education (London 2006).

In most poor highland areas, the "official" charge for primary enrollment for minority children has been waived as part of HEPR and P135 poverty reduction policies. However, while official tuition fees are low or waived for minorities, the informal charges, which can be set at the local level of school or commune, can be fairly high (Vo Tri Thanh and Trinh Quang Long 2004). Indeed, in our survey we found that the most common reason (mentioned by 39.8 percent of the respondents) for dropping out of school was because the household lacked money for school fees.

Why does this problem persist, given the new policies of tuition fee waivers? There are multiple reasons. First, although some free tuition waivers are not available, not all families that are eligible for poor cards may get the waivers. The HEPR system of poor classification is usually based on set quotas per village, regardless of how many total households in the area fall below the poverty line. Additionally, we must remember that while "fee exemptions eliminate one component of the costs of education services, poor households almost invariably lack the means to pay for other costs (e.g., food, transport, informal payments), let alone that required to participate in the informal economies that so often dictate access to quality education" (London 2006). The ability of localities to tack on "contributions" to school fees–in the form of additional payments for "school construction," "school safety," "school upkeep," and "book rental," among other fees we encountered–means that families' incomes are stretched even further. Reducing the amount of additional contributions that

are required for school enrollment would no doubt help the poorest families, although local schools argue that this would take away one of the main sources of income to keep schools running, given central budget cutbacks.

School fees may have an impact on gender enrollment rates as well. In a recent analysis of VHLSS data, researchers report that school enrollment rates for children were very sensitive to the household income of the family and the amount of school fees. When there was an increase in the direct costs of schooling in the form of fee increases, girls' enrollment rates went down. When family incomes rose, however, girls benefited more from enrollment increases than did boys (Vo Tri Thanh and Trinh Quang Long 2004).

The government aims to achieve universal access to lower secondary education by 2010 and to eliminate all fees for this level of schooling (London 2006). However, given the problems outlined here with the fees for primary level education, that appears to be a difficult goal to reach.

Preschool Access

The CSA survey reveals that one of the reasons for lower educational attainment and higher drop-outs for minority students vis-à-vis Kinh students can be traced all the way back to pre-kindergarten: minorities simply do not get adequate preschool education. The inaccessibility of preschool education hampers the children's ability to communicate in the national language and to conduct basic learning exercises. When starting school, the child is expected to be able to engage in spelling and writing lessons right away, which is difficult with limited previous exposure to the language and logic of problem solving.

Compared with other regions, minority regions are doing worse on preschool education enrollment, as shown in Table 5.14. The reasons that minorities are less able to enroll children in pre-school education include a combination of inaccessibility, lack of funds, and dubious educational quality. In many cases, there are not enough kindergartens in remote minority villages. Those that do exist, the study visits showed, were characterized by a lack of classrooms, playing rooms, kitchens, and toilets. Kindergarten teacher salaries are also quite low, which makes it difficult to attract enough quality teachers to remote areas. Another constraint is the fact that preschool education is not eligible for the government subsidy that renders free textbooks and tuition fee exemptions. This places an extra financial burden on poor families—a burden that in some cases prevents parents from sending their children to kindergarten. Study results from the Dak Lak and Ha Giang provinces indicate that parents keep their children home until they are old enough to go to primary school to a large extent because they don't have the money to buy kindergarten learning materials. This sets their children back as compared with other kids who have had preschool exposure.

Currently, there are some policies that seek to address this preschool gap in learning. Previously, pre-school education was virtually nonexistent in many mountainous communes; today this form of education is more widespread. In Ha Giang and Quang Tri provinces, new preschool programs are in place to heighten the knowledge level of minority students that have not been exposed to preschool learning. The program, however, only stretches over 36 days just prior to the first grade, despite the

fact that the government recommends a regulated program of 26 weeks. Thus, the study found that the limited period available is not enough for the students to fully catch up. Preschool education for ethnic minorities is an important area for further emphasis in the education sector, as it can have a long-term impact on school retention rates and ability of children to excel in school.

TABLE 5.14 Six-Year-Old Children Entering Primary School After Early Childhood Education, 1990–99 (%)

Year	Red River Delta	North - East	North West	North Central	South Central	Central Highlands	South East	Mekong River Delta
1990–91	73.3	63.5	18.7	67.6	67.3	49.7	61.7	31.2
1994–95	77.1	63.1	22.1	71.0	69.6	52.2	66.2	37.2
1997–98	79.6	66.8	25.6	73.5	74.6	54.4	61.1	40.0
1998–99	89.4	75.3	30.3	81.3	77.9	63.9	70.8	53.3

Source: UNESCO 2000.

TABLE 5.15 Schools in Northern Mountains, North-Central, and Central Highlands Regions

Region/Province	# of primary schools		# of lower secondary schools		# of high schools	
	2002	2005	2002	2005	2002	2005
Northern Mountains	2415	2735	1634	2168	281	368
North Central	2358	2277	1620	1625	264	298
Central Highlands	922	995	437	543	57	120

Source: General Statistical Year Book 2002, 2005, Statistical Publishing House, Hanoi

School Infrastructure

Much of the government expenditure to education in recent years has gone to improving school infrastructure. The government has invested in building boarding schools and providing equipment and facilities for pedagogical schools and schools for upgrading the quality of teachers in mountainous areas. In addition, the state has invested to build 60,000 new classrooms and to upgrade 80,000 classrooms, thanks to funding through poverty reduction programs like P135. The results of the investments can be directly seen in school construction. Table 5.15 lists the number of schools in the three EM regions, from 2002 to 2005, for the three education levels. In total, the number of schools increased by 11 percent in the period. Most new schools were built in the Northern Mountains region, which accounted for a 22 percent increase, while the number of schools in the North-Central region stayed at the status quo. The expansion of schools mostly took place at the secondary (17 percent) and high-school (31 percent) levels, whereas the number of primary schools merely nudged up by 5 percent.

While the number of schools in minority areas has increased substantially, interviews with teachers from the three visited provinces suggest that the interior has not been able to keep up with the exterior. The general sentiment was that not enough attention had been paid to learning materials and facilities that are critical to learning. There were complaints about a shortage of toys, pens,

drawing paper, textbooks, laboratories, musical instruments, communication systems, and functional classrooms. A teacher told the team about a three-floor school building that was erected in 2004, but where basic teaching facilities were simply lacking. The teachers had to wait until April 2006 before they were able to use a computer in the courses, and they had to share it–because they only received one–with the rest of the school. According to another teacher, a two-floor school building had been constructed in May 2006; however, no one really knew who was responsible and where the budget came from, and they were unaware if it was supposed to open by the start of the school year in August. The teacher informed us that the problem was that there were still no tables or chairs in the classrooms. In some cases, the school received new teaching materials but had no room for storage, which meant that the individual teachers had to be responsible for private storage of their classroom materials.

Additionally, while infrastructure has improved in recent years, we still heard complaints in some areas about children having to study in shifts, as there were not enough classrooms, and students from multiple grades learning together in one room for the same reason.

Ethnic Minority Teacher Training

Based on reports from local authorities, most local teachers with ethnic minority backgrounds in Dak Lak, Ha Giang, and Quang Tri province meet only the minimum official standard set out by the education sector. Most ethnic minority teachers in the study provinces had only finished ninth grade, and then received extra training to meet the national standards for teachers at primary and secondary level. In Dak Lak province, minority teachers typically had one of these three backgrounds: (1) some had only finished fifth grade, and they then had to attend three years of teacher training to reach the needed intermediate level; (2) others had finished ninth grade, which meant that another nine months of teacher training would suffice; and (3) still others had finished ninth grade and then attended another three years of training to reach a professional intermediate level. This diversity in the educational background of teachers can lead to differences in the teachers' qualifications and a degree of unpredictability with regard to the quality of the schooling. Nevertheless, this educational flexibility seems to be a necessary tool in increasing the number of minority teachers, which remains low. Table 5.16 lists the number of minority teachers in the three provinces of interest divided into three different educational levels.

Based on the table, the following conclusions can be drawn:

- Ethnic minority teachers account for 17 percent of all teachers at the schools in three provinces we visited. Since the national average is 8 percent, this means that these provinces have an above-average number of minority teachers. Whether the amount of minority teachers is sufficient is an open question, although the table does indicates that the amount of minority teachers does not match the share of minorities in the provinces. For instance, there are roughly 30 percent minorities in Dak Lak province, but less than 10 percent of teachers are minorities. In Ha Giang, almost 90 percent of the population are minorities, while less than half the teachers are from minority groups.

- Minority teachers as a share of all teachers are more strongly represented in primary school (23 percent) followed by secondary school (11 percent) and then high school (7 percent). There are very few minority teachers at the tertiary level.

- There are marked interprovincial differences. In Ha Giang, more than half of the primary school teachers are minorities, while in Quang Tri it is less than 4 percent.

TABLE 5.16 Ethnic Minority Teachers, 2005

Province	Primary school		Lower secondary school		High school	
	Number	Percentage	Number	Percentage	Number	Percentage
Ha Giang	3,246	55	1,129	40	210	29
Quang Tri	134	4	49	1	4	0.3
Dak Lak	1,019	11	288	4	88	4
All provinces	39,343	11	18,731	6	4,483	4

Source: General Statistical Year Book 2005, Statistical Publishing House

These aggregate numbers are supported by information gathered from the study visits. In Dak Lak province, for example, a primary school of Cu Pong commune, where most students were Ede, had 17 teachers but only one of them belonged to a minority group. A secondary school in Bang Krang commune, Lak district, had a total of 46 teachers, of which only one was from an minority group. Similarly in Quang Tri province, a secondary school in A Tac commune had 14 teachers, who were all Kinh; another secondary school in Ta Rut commune, had 24 teachers, with only four ethnic minorities. A secondary school in Quyet Tien commune of Ha Giang province had 30 teachers, of which 7 teachers were ethnic minorities.

The reason for the inadequate number of qualified minority teachers is a combination of a limited supply of minority students with enough qualifications to become a teacher, as well as limited demand. Because of national rules directing that teachers receive less salary if they stay in their local area as opposed to moving to a new district, there is no incentive for minority teachers to stay and help their own ethnic group and locality. Other teachers with higher qualifications are simply not willing to work in minority areas, since they cannot make use of their ability there.

However, we noted that not only are there limited numbers of minority teachers, but that they were not being used to teach what they presumably would be strongest at–bilingual primary education. Even when minority teachers had been hired, we were told they were perceived by their principals to be "less qualified" and worse teachers, so they were given subordinate jobs or administrative work.

In addition, minority students did not usually express a preference for minority teachers, because these teachers were usually forced to teach entirely in Vietnamese, and their skills in Vietnamese were often poorer compared to that of Kinh teachers. Given a choice between poor Vietnamese language and better Vietnamese language skills, the students preferred the Kinh teachers. Some pupils of a primary school in Lung Tam commune, Quan Ba district of the Ha Giang province, described it as follows: "we would prefer Kinh teachers since they are better at lecturing and their messages are

easier to understand than ethnic minority teachers." Given their understanding of local culture and psychology, it should be easier for ethnic minority teachers to interact with ethnic minority students. The reason that this is not necessarily the case, as the quote above indicates, is that the qualifications of ethnic minority teachers are still limited compared to Kinh teachers. Whether due to a lack of qualifications or discrimination (or a combination), the study found that minority teachers were not being used effectively.

Given the fact that there are shortages of ethnic minority teachers, is there anything that can be done to help Kinh teachers in ethnic minority areas improve their ability to connect with minority students? Kinh teachers are disadvantaged in two ways with respect to successfully teaching minority students. Firstly, their knowledge of different local languages is for the most part only basic and without sufficient nuances to be used for more complex communication forms that will often take place in the classroom. Secondly, and often more importantly, Kinh teachers only have limited knowledge of local ethnic minority cultures, habits, and customs. Modern pedagogical research points to the importance of these aspects in the learning process. Communication goes beyond language to include cultural and social patterns. When Kinh teachers are sent to minority areas, they do not usually receive any training in local language, and have to pick some up (if they have the interest) from daily interaction. Some Kinh teachers in Khmer areas get 10 days of instruction in Khmer before being sent to teach in these areas, but that is hardly a sufficient amount of time to learn a language–especially since written Khmer uses a script-based writing system that is entirely different from Vietnamese.

Teaching Quality and Methods

Few direct indicators are available to assess education quality in minority areas. Enrollment expansion does not mean students are learning more or learning better. Because Vietnam has no tradition of periodic assessments of learning achievement, how much of the curriculum is mastered by which students is unknown. Anecdotal evidence indicates that much learning in Vietnamese schools is of the rote repetition variety, focusing on memorization of teachers' lectures. Our CSA work encountered a common saying among students: "teacher talks, teacher listens; and pupil talks, pupil listens." Given that it is hard for many students to even understand the Kinh teachers, passive learning systems of listening to lectures, which are then written down and memorized, does not seem like a positive approach to learning.

The government has initiated reforms aimed at improving the educational standards in the Vietnamese schools in which teaching methods are being revised toward a greater degree of student participation and autonomy. Notwithstanding the fact that such a reform could surely have many positive impacts overall, the new principles do implicitly bias against minority regions. Such a huge change in pedagogical practices (from passive to active learning) is even harder to undertake with deprived school facilities unable to provide the physical settings needed and with teachers lacking some key qualifications. Add to that the lack of self-confidence, which is further exacerbated by the inability to master the national language, and the revision of educational practices toward greater participation and independence might be counterproductive for minorities if not backed up with additional resources. When talking about the new educational model, most interviewed teachers

expressed the same insecurity and despair: the school is implementing this program, but only at an early stage, since even teachers are not familiar with this new model and they are not quite clear on how to implement it properly. With that in mind, the renovation of teaching methodologies in ethnic minority areas should be implemented in different phases in parallel with enhancement of teacher quality and more investment in materials and teaching facilities.

Much quality education time, particularly in well-off or urban areas, happens as a result of private lessons with teachers in off-school hours. This is both a way for teachers to supplement their incomes and for students to continue their studies. It is well-known that most urban schools enjoy advantages in this practice of "*hoc them*" (London 2006). Given that many minorities said they barely had enough money for regular tuition fees, combined with the need for rural schoolchildren to help out on their families' farm after school hours, means that these additional lessons are simply not available to many minority pupils, putting them at a disadvantage compared to their urban peers.

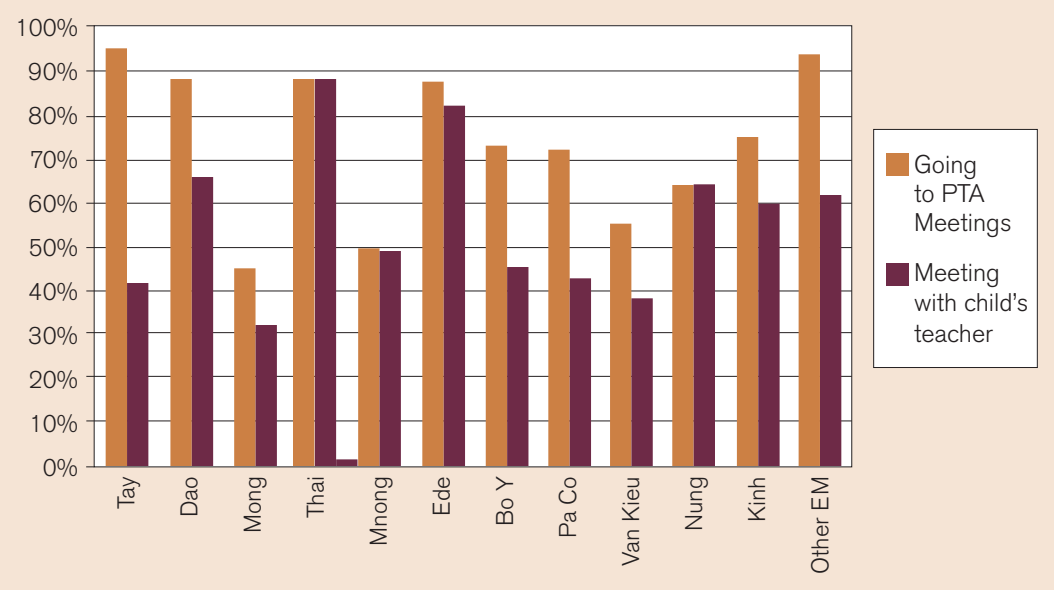
The Role of Parents

As in Vietnam generally, the importance placed on education also appears to have reached widespread recognition in minority areas. The survey revealed that nearly all households reported that pulling children out of school is their very last option when faced with food and cash scarcity.

As a proxy for family awareness of and attention to children's education, our survey also asked about the extent to which parents attend school meetings across different ethnic groups. The result was that Tay, Nung, Dao, and Thai people appear to pay a great deal of attention to their children's education (Figure 5.8). The attendance rate at parent-teacher conferences or PTA meetings (*phu huynh*) for Tay is 95.5 percent, for Dao is 89 percent, and for Thai is 88 percent. However, other ethnic groups report significantly lower attendance rates; for Hmong it is 44.7 percent, for Mnong 48.8 percent, and for Van Kieu 55 percent. A village head of the Tung Nun village in Ha Giang expressed the difference between ethnicities as follows: "Dao and Nung people are really concerned about their children's education; even when short on money and food, they still don't want their children to drop out. It's different for Hmong people; their children normally have to go to the fields and work with their parents, so their dropout rate is quite high." A major part of this problem is that many minority parents are not fluent in Kinh themselves; therefore, they would be unable to speak with their children's teachers even if they were deeply interested in their child's progress. The minorities with the least amount of parental involvement (Hmong, Mnong, and Van Kieu) also have some of the highest rates of adult illiteracy of the regions surveyed.

FIGURE 5.8 Parents' Attention to Children's Education (%)

Source: CSA Survey, World Bank.



We asked local cadres and teachers why they thought that low rates of parent awareness persisted within certain ethnic segments. The responses included:

- ***Isolation and lack of interaction.*** Because minorities reside in remote areas with limited information, the benefits of education are not always clear to them.

- ***Poverty.*** Many minority households are in a continuous struggle to sustain their livelihood; they simply don't have financial or mental resources to take an interest in their children's education.

- ***Agricultural production.*** Most minority families engage in agriculture with traditional cultivation methods that do not require any basic educational skills. The relevance of education in terms of increased productivity is not as clear-cut for many people as the immediate impact on agricultural output as additional labor. One Pa Co parent from the A Tuc commune had a son that did not want to continue school after the fourth grade; the parent seemed satisfied with that decision because the son could then help with field work, and as the parent noted: "we have seen many examples in the village where children finished secondary school but there were no changes in their lives."

- ***Limited government support.*** The government was accused of limited advocacy efforts to get parents involved, and it was expressed that the issues of unemployment and vocational training among students have not been addressed very well. Therefore, people see no need to invest in further education for their children if no additional opportunities will be available for them.

Adult Education and Non-Formal Education

The average level of educational attainment of the adult population among many ethnic minorities is much lower than the general level of the Kinh population. Comparatively few older minority

people have gone beyond primary school and illiteracy rates are high. The intergenerational effects of low levels of parental education are well-documented. They include susceptibility to cycles of poverty, which keep children out of school; a weak perception by parents and community leaders of the need for education and its relevance; a shortage of role models for children, and a less supportive home environment for learning (such as a lack of books, or a shortage of adults able to help with homework).

Thus the educational attainment of parents has an impact on their ability to be involved in their children's education, with potential effects on the success of their children in school. Parental education has been noted by many studies to be an important factor in predicting which children will stay in school, as better-educated parents are more able to keep their children from dropping out. This is likely due to the fact that educated parents are "more aware of the possible returns to their children's education and they are more likely to have access to information and social networks necessary for their children to engage in relatively human-capital-intensive activities yielding high returns to education. In addition, educated parents are more able to support their children throughout the learning process, and living in a household where other persons are educated is bound to enhance a child's motivation and ability to cope with schooling" (Vo Tri Thanh and Trinh Quang Long 2004). This may indicate the need to target school and education efforts on those ethnic minorities who are less likely to use Vietnamese at home and who have higher rates of adult illiteracy, in order to keep dropout rates at bay.

Potential solutions to the low levels of educational attainment in the adult population also should include the provision of adult education programs. Such programs should be very accessible: provided for very low fees or for free, in a convenient location, and with subject matter that is immediately useful and interesting to learners. Many illiterate adults expressed strong desires to learn literacy, but many felt they were "too old" to return to school in any formal fashion. There was, however, an urgent need for basic skills that would enable them to communicate with authorities and to learn about new opportunities and technologies. Non-formal education programs that taught literacy skills applicable to their daily lives were most requested.

There were a few examples of adult non-formal education in visited field sites, though all of them were being provided outside of the state sector since there is little government investment in such programs. In one case, army soldiers stationed in Dakrong district of Quang Tri had taken it upon themselves to design literacy classes for a nearby Van Kieu community. The classes focused on basic writing and numeracy, and Van Kieu informants immediately saw an impact. For example, they said they were less likely to be cheated by traders at the market after having the basic course. Another adult literacy program we encountered was being run for Hmong in a village in Quan Ba district of Ha Giang with funding from Caritas. The teacher was a local Hmong youth who had excelled in school and had gone on to receive a bachelor's degree in forestry from the Xuan Mai forestry college outside Hanoi. Unfortunately, he had not found a job after graduation and had returned home to care for his younger siblings as his parents were unwell. The Caritas project was able to provide him with a small amount of additional income for teaching in the evenings, and as he was a "local", he was well-liked and his classes well-attended. In another example, a Hmong woman who had started a weaving cooperative in Ha Giang had expanded the cooperative's services to literacy classes for

the women who wove hemp for her. These sorts of locally generated adult education solutions need to be supported and expanded through both private and state sources.

Tertiary Education and Affirmative Action

Vietnam has a system in place to expand minority access to tertiary education. These programs–similar to affirmative action and quotas in other countries–give priority admission to minority students. Minorities who score lower on college entrance exams are able to be admitted to universities under this priority admission. Additionally, quotas are set for each province to enable a certain number of minorities to be guaranteed places in colleges around the country each year, a system known as "*cu tuyen*." The province selects the *cu tuyen* student through selection committees made up of representatives of provincial People's Committee, ministries and Fatherland front organizations. Places are given based on availability and the quality of applications. However, only a small number of minorities in many provinces have completed grade 12 and can apply. Children of officials not living in remote areas sometimes are selected, including some cases of Kinh claming to be minorities to take advantage of the program.

The number of *cu tuyen*-selected students to colleges and university has tripled from 689 in 2000 to 1,709 in 2005. Many of the *cu tuyen* students are asked to return to their home provinces as civil servants after completing their college degrees under a direct appointment policy. In this manner, thousands of ethnic minorities have been educated and trained to be employees in local and central government agencies.

However, the number of ethnic minorities receiving tertiary education is not large relative to their population numbers. Moreover, certain ethnic groups are overrepresented in higher education (Tay and Muong), while other groups have only a handful of members who have ever been to college. Less than 1 percent of Khmer people have a post-secondary educational experience, according to VHLSS data (AusAid 2004; 99). (For example, one of the core CSA team members is the only Lo Lo person with a Ph.D. degree in the entire history of Vietnam). Furthermore, the *cu tuyen* system has not always resulted in positive outcomes for minority students, as a UNICEF review noted:

> *The push to send students from disadvantaged areas to higher education through the use of selection quotas meant those who entered university were not as well-prepared as students from more affluent areas. A number dropped out or were forced to repeat courses. Some officials recommended ethnic minority students should not be allowed to study 'important subjects' like medicine and pharmacy, and should be trained instead to teach at kindergartens and primary schools (UNICEF/ CEMMA 2002; 24).*

China's strong support for minority tertiary education might provide useful lessons for Vietnam. It is estimated that 7.1 percent of tertiary students in China are minorities, just slightly less than their 8.5 percent representation in the population (Wang and Zhou 2003). China not only has affirmative action and quotas, but also entire universities for minority students. China has established 12 national minority institutes and one national minority university–the prestigious Central University for Nationalities (CUN) in Beijing–that are specifically dedicated to the higher education of minority students, and which serve 16 to 18 percent of the total minority college students (Clothey 2005).

CUN in particular was designed to train cadres from all minority nationalities in order to promote the political, economic, and cultural development of minority areas. Students can major specifically in minority issues (such as minority languages and literatures, minority arts, history of China's minority nationalities, and Marxist theories and policies on nationalities), as well as traditional liberal arts majors in economics, law, philosophy, physics, music, history, art, etc.

China's policies also go beyond university admissions quotas and acceptance of minorities with lower entrance scores. Some minority students seeking admission to one of the nationality institutes or CUN can take the entrance exam in their native language (including Tibetan, Uyghur, Mongolian, Korean, Kazakh, and Kirghiz.) At lower levels, minority education included components such as minority boarding schools that teach bilingually, but which are located in urban Han areas in order to expose students to the wider world (Wang and Zhou 2003).

A final point to be made about tertiary education for minorities is that most development institutions, largely located in Hanoi, have few or no minorities working for them. In this sense, the government recruitment programs are doing better than international agencies and NGOs, despite the long-standing concern for minority development issues among the latter. This lack of recruitment of minorities is likely due to the small pool of college-educated minorities; they are also likely to be less fluent in foreign languages than urban-educated Kinh. Yet a commitment to increased minority participation in development might well start with more aggressive recruiting efforts to bring minorities into the institutions of development operating in Vietnam. The CSA team certainly encountered several bright, college-educated minorities in our field sites who said they had had trouble finding jobs after college, and had returned to low-paying and in some cases even farming jobs in their home province. A relatively small initiative to set up a clearinghouse for resumes of minorities graduating from college may be warranted to increase the visibility of these students, as well as affirmative action policies in development organizations that prioritize speaking minority languages as much as ability to speak English or French. A recent program of the Ford Foundation in particular has targeted minority students to pursue masters and Ph.D programs abroad; these students should be in high demand by development institutions when they return.

CONCLUSION: IMPACT OF LESS MINORITY ACCESS AND POORER OUTCOMES IN EDUCATION

Despite educational progress for minorities in recent years, our CSA data reveals that minorities continue to lag behind the ethnic Vietnamese, and the government's educational policies have not been able to close the gap. The CSA study highlights the fact that "official data" can also hide important educational issues. Behind the impressive official figures of low levels of late-age enrollments, the study revealed a reality where birth certificates were fabricated to fit the national age for school enrollment. Behind the campaigns for the eradication of illiteracy and universal primary education, the study revealed widespread reading and writing problems for many minorities. The study also points to the fact that differences between minorities and Kinh are indeed substantial on key development indicators, but so is the difference among different ethnic groups and provinces. Policy implementation needs to take all these differences into account.

The chapter has pointed to several obstacles to the pursuit of equitable education for all groups in Vietnam. Kinh do far better than the rest of the ethnic groups in terms of time spent in school and in graduation rates. Without better and more concerted efforts, future generations of minorities may face long-term negative consequences due to their inability to read or speak well, or to attain educational advancement. In order to correct this situation, authorities and communities need to look carefully at the roadblocks preventing increased minority educational attainment.

In conclusion, the following policy suggestions aim to provide positive alternatives to overcome the main impediments identified in the CSA:

- ***Dropout rates.*** Minorities still suffer from higher dropout rates, almost twice as high compared to Kinh. Minority students are dropping out of school for many, mutually reinforcing reasons: poverty, long distance to school, lack of self-esteem, language barriers, poor nutritional status, and high opportunity costs when children's labor is needed at home. There is widespread belief in Vietnam among policy makers that when minorities drop out of school it is because they do not 'value' education or because there are cultural factors (such as early marriage or a patriarchal cultural that devalues female education). To the contrary, our study found the top four reasons for dropping out among those surveyed were: excessive school fees; high opportunity costs (child's labor needed at home); poor instruction leaving children uninterested in school; and schools being too far away. These are all factors that imply better education policies and financial support are needed, not a change in attitude or culture among minorities. Part of the solution may be to enhance and expand bilingual teaching, especially at the primary level, as has been begun in Dak Lak province. However, this effort will be hampered by a shortage of qualified teachers and training material, as well as by resistance to full bilingual education among many policy makers who do not see the need. More aggressive efforts need to be made in this domain

- ***Late enrollment rates.*** Minority children are generally enrolled much later than Kinh. This practice seems acceptable to parents, teachers, and the state. Some policy alternatives that may reduce late-age enrollments would be (a) extending the school infrastructure (thus reducing the distance to school); (b) implementing a more active kindergarten policy; (c) improving bilingual education; and (d) increasing the number of minority teachers. In addition, it would be important to replace the ad hoc school admission practice with an improved institutionalization of birth certificates to ensure that children are enrolled at the proper age of six.

- ***Bilingual education.*** Most minorities speak their own ethnic language at home, and many young children may have little to no exposure to Vietnamese before they arrive at primary school. Unfortunately, most teachers in minority areas are Kinh, and few of them have the ability to communicate in local languages, let alone offer systematic bilingual instruction. On top of other learning impediments faced by ethnic minority students, this language barrier is one of the most serious issues hampering their prospects for development. While in some areas minority languages are taught as an additional subject, minority languages are not used as the main medium of instruction in any area. There are significant challenges in meeting the demands for bilingual education in multilingual areas, where seven or eight different local languages may be

spoken, and very few materials being produced in minority languages, outside of some donor-supported projects. Without systematic teacher training for bilingual education and supportive decentralized education policies that let locales adjust the curriculum to include bilingual education, this problem will continue to plague minority educational outcomes.

- ***Gender differences.*** Except in certain minority groups, there does not appear to be systematic gender bias in the Vietnamese educational system. Nevertheless, gender bias does need to be addressed in the relevant minority groups, with specific targeted efforts to encourage parity in enrollment rates.

- ***The role of school fees.*** School fees do seem to hinder minority access, especially for secondary education, which can become quite expensive. The study revealed that the most common reason that children dropped out of school was because the household lacked money for school fees, particularly for informal charges and fees for supplies, which are not usually covered under government educational subsidies.. Increasing subsidies to secondary education in ethnic minority boarding schools and to preschool kindergartens appear to be fruitful policy alternatives.

- ***Preschool access.*** Not enough attention is paid to preschool education in ethnic minority areas. The survey results indicate that preschool education is particularly relevant for minority students, as it would help alleviate the language barrier and the problem of late enrollment.

- ***School infrastructure.*** Despite impressive increases in schools, attention should also be placed on providing sufficient school equipment. Many teachers complained about a lack of teaching materials and stated that infrastructure had been prioritized above the actual books and lessons needed to teach.

- ***Ethnic minority teacher training.*** The skills acquired through current programs do not seem to be adequate for minority teachers to assume leadership roles in schools. The study found that the gap in qualification between ethnic minority and Kinh teachers in terms of professionalism and lecturing skills was noticeable. Even as it is, however, there is a lack of minority teachers. The minority enrollment increase in secondary education that is already under way will produce more potential teachers, but the incentives to teach in remote areas also need to be addressed through greater fringe benefits and priority positions for minority teachers.

- ***Teaching quality and methods.*** The government should increase its focus on investment and improvement of pedagogy in schools in the ethnic and mountainous areas in order to meet the demand for minority teachers. The government could also improve information about the new teaching methodologies, as well as devise ways to address the minority student bias inherent in the new education plans.

- ***Role of Parents.*** Although the survey revealed that ethnic minority parents do have a high awareness of general benefits with education, they need continued concrete guidance on different aspects of education from kindergarten to secondary education. The study also revealed

substantial differences between different ethnic groups with regard to educational awareness. Better access to non-formal adult education may also help this situation.

- ***Tertiary education.*** There seem to be positive developments in minority tertiary education, albeit from a low initial base. Yet more needs to be done to get more ethnic minorities into higher education and to make use of their training once they are done with school.

The educational barrier for minorities may result in many long-term problems, and presents one of the most serious challenges to higher economic development. It is clear that education has a significant impact on a household's economic status. Less education means higher rates of illiteracy among ethnic minorities, resulting in less opportunity, less likelihood of off-farm employment, and less access to a multitude of government and other services. The income differences that result from higher levels of education are extremely significant: having a vocational training certificate accounts for over 1 million VND additional income, and a higher education degree accounts for over two and half million VND (VASS 2006; 26).

For all these reasons, education needs to be seen as a sector that should be incorporated into development planning, as education and literacy strongly impact how well ethnic minority people can communicate and take advantage of economic and other opportunities. As long as disparities in educational access remain, the differences in poverty outcomes between Kinh and minorities are also likely to persist.

CHAPTER 6

Migration and Mobility

This chapter analyzes trends in migration and mobility in the uplands of Vietnam, both among Kinh and among minorities. The uplands have been significantly transformed in the past 50 years by large waves of Kinh in-migration, both government-sponsored and spontaneous. In recent years, ethnic minorities in the north have migrated in significant numbers to the Central Highlands as well. At the same time as this large-scale migration has occurred, ethnic minorities have been subject to sedentarization policies to prevent their use of swidden lands for agriculture. Some of these projects have involved short-range migration for communities to settle in new (usually lowland or more accessible) sites. According to the government, migration policies in place–whether they are for Kinh migration to the uplands or the sedentarization of swiddens–aim to improve socioeconomic conditions, strengthen national defense and security, and decrease the economic gap between regions and ethnic groups through the redistribution of population. In reality, migration has had a number of unintended consequences as well.

We discuss a series of important issues for understanding the poverty impacts of migration and mobility. We first present a history of migration of Kinh to uplands as a result of government development policies for the uplands, and look at migration among minority groups as well. We explore the differences in these types of migration, particularly if they were government-sponsored, and also look at trends in urban and overseas migration. Then we explore the impact of this migration history. We look at how Kinh have adapted to the uplands, including their dominance in trade and governance sectors of the highlands, and their interactions with ethnic minority peoples. We explore the cultural and social factors that help explain the relatively high rates of Kinh success in the uplands as compared to indigenous ethnic groups. Some minority groups have experienced very little social or physical mobility in recent years and consider themselves disadvantaged as compared to Kinh, who have migrated long distances to the highlands and can draw on more extensive networks of contacts and more diverse experiences. We then explore what the impact of limited mobility has been for minorities in terms of preventing access to networks, new technologies, and more flexible options for livelihoods. We also assess if investment in roads and infrastructure has had an impact on minority mobility in recent years.

HISTORY OF MIGRATION TO UPLAND AND ETHNIC MINORITY AREAS IN VIETNAM

At the beginning of the 20th century, the French colonies–then known as Cochinchina, Annam, and Tonkin–were largely divided between lowland coastal and delta-dwelling ethnic Vietnamese, while the upland mountains were occupied by a variety of non-Vietnamese speaking ethnic groups. There

was very little interaction beyond trade between Kinh and minorities, with few Kinh residing permanently in the uplands. Most Kinh in upland areas were either traders drawn to upland depots like Lao Cai and Sapa for the opium trade, or else were government functionaries assigned to minority areas on behalf of the emperor or French colonial administration.

Yet by the close of the 20th century, ethnic minorities in the highlands were often outnumbered by ethnic Vietnamese who were now resident there (Khong Dien 2002). The main reason for this dramatic change has been migration, which has been one of the most significant social trends in the last century in Vietnam. Colonialism, war, and socialist planning all encouraged mass migrations at different periods of time. It is estimated that in the latter half of the 20th century, up to 6 million people resettled or migrated (UNDP 1998). This migration has completely changed the ethnic composition of upland areas, with resultant poverty impacts.

Kinh migration to the Uplands

To understand the transformations of the uplands of Vietnam in the past decades, it is helpful to first look back to the history of migration in previous eras. Migration has long been considered an important state tool to remake and "develop" remote areas.

Migration in Pre-Colonial and Colonial Times. Vietnam has a long history of governmental concern about the dense population clustered in the Red River Delta and other coastal areas. As we noted in chapter 3, Vietnam began to move southward into the Cham Empire after they achieved independence from China in 939 AD, and migration was a state-promoted goal. Such migration was strongly encouraged by the state as a way to put the former Cham lands into production and to reduce population pressures in the delta. However, the number of people sent to highland and mountainous areas to the west (particularly the area now known as the Central Highlands) was low. This was explained by a Vietnamese historian:

> *The work of clearing these lands is very difficult, because not only must they carry out very heavy work like cutting forests, bulldozing mountains, constructing new road systems, protecting fresh water supplies, etc, but the nature of land there is very difficult (gravel mixed in, tree roots, etc). Not only that, but the climate there, generally speaking, is also terrible. This is the place for how many centuries people have come down with aggressive malaria, the place where the spirits dwell and the water is poisonous (ma thieng nuoc doc), and no one wants to go work there. (Nguyen Khac Dam 1962; 6)*

However, the early 20th century saw the expansion of colonial plantations, particularly rubber and coffee, into more upland areas of Cochinchina, and there was a clear need to populate these highland areas of French concessions with willing workers, particularly at planting and harvesting time. The French colonial state implemented recruitment projects to deliver Kinh workers and cheap labor to new plantations, mines and other enterprises. Plantation recruitment tended to focus on male labor, and these migrations were often seasonal or cyclical, with the migrant often returning to his home village. Other forms of spontaneous migration, including rural-to-urban migration, migration of the increasing number of the landless, and those looking for seasonal wage labor migration, increased dramatically during French rule (Nguyen Anh Dang, Goldstein et al. 1997; 315).

Another serious concern of the French, beyond providing plantation labor, was the problem of what they called "overpopulation" in the Red River Delta. Statistics of the era often included attention to the fact that the population density in the mountain region of the north was only 12 people per km^2 in 1936, while the population density of the Tonkin Delta in 1931 was 430 people per km^2 (Lotzer and Wormser 1941). It was thought the situation could be rectified by encouraging more migration to highland areas to relieve the pressures in the delta, particularly through more government support to move whole villages of Kinh. By the waning days of French colonial rule, cash crop development and state-sponsored migration to midland areas ringing the Red River–such as in Thai Nguyen, Bac Kan, Lang Son, Ha Giang, Lao Cai, and Dien Bien–had put into place a process of Kinh colonization of the uplands, though not as much as the French had hoped for (Hardy 2003).

What was the ultimate impact of all the migration, particularly for the highlands and the highlanders who had been living there? According to census figures in 1921, Vietnamese penetration in the Northern Mountain region remained under 1,000 people each in the provinces of Cao Bang, Bac Giang, Lai Chau, Lao Cai, and Son La. Vietnamese populations were higher in areas with French military garrisons (for example, Lang Son had 3,000 Kinh and Yen Bai had 8,700 Kinh). For the Central Highlands, according to a 1943 census, there were approximately half a million "highlanders," and 42,000 Vietnamese; in 1921, Vietnamese numbers in these highlands had been less than 10,000 (Hickey 1982b; 370).

In addition to movement among Kinh under pre-colonial and colonial eras, we also must mention the migration that some ethnic minority groups were undertaking at this time. Many Sino-Tibetan and Mon-Khmer speaking populations in the north of Vietnam were minority groups that originated in China and were pushed out due to war or migration of Han into South China in the 16th to 19th centuries. The Taiping Rebellion of the mid-1800s in southern China killed millions and displaced millions more; many minorities left their homes at this time to travel to what is now the Northern Mountain region of Vietnam. There was also a great deal of migration of Thai people in the north of Vietnam, as Thai polities expanded southward from China and eastward into Laos and Vietnam, which continued throughout the 19th century as well.

Migration under the DRV. After the defeat of the French colonial military at Dien Bien Phu in 1954, and the establishment of the independent DRV, new policies were developed for Kinh migration. The First Five-Year plan (1961–65) for the new state set ambitious targets for the clearing of 200,000 ha of virgin land to be managed by state farms, and to have 350,000 ha cleared by people in cooperatives, as well as to resettle "each year a number of people corresponding to the estimated natural increase of the population" (Desbarats 1987; 44). According to the plan, 55,000 ha of new lands were to be claimed by migrant Kinh pioneers, or an increase of fully 25 percent of the cultivated land area in North Vietnam. These programs went under the name "Clear the Wilderness" (*Khai Hoang)*.

An early explicit goal of the DRV plans was to succeed where the French and imperial courts had failed: that is, in mobilizing people to go not only to the unclaimed lands of deltas and plains, but to the mountainous regions. Areas in the highlands were explicitly targeted, and were the primary receiving areas during the first wave of migration in the late 1950s and early 1960s. The upland provinces of Bac Thai, Son La, and Lai Chau were the first destination sites. People in the crowded

delta provinces of Thai Binh and Nam Dinh in particular were targeted to move to the uplands. The goal was to reduce the population of the Red River Delta by 70,000 people a year (Le Hong Tam 1972; 49).

The state invested in the organization of these state and collective farms in the highlands to receive the migrants; however, such material assistance was often limited to providing some collective residential and agricultural land and tools of production. Places where the largest numbers of new Kinh migrants were sent–such as the Dien Bien valley in Lai Chau province–were also supported with irrigation systems for cultivation to reduce population pressure in the resettlement areas, but such large-scale investment was the exception, not the rule. Furthermore, problems with the migration programs were becoming clear by the 1970s. Many Kinh were reluctant to move and leave family and relatives behind. To calm people into going, cadres were encouraged to explain the wealth of opportunities and to minimize the potential dangers (Hardy 2003). Such persuasion could not hide the fact, though, that there was a lack of investment in most migrant receiving areas. Many Kinh who were moved to the Northern Mountains chose to simply return to their home provinces and face the consequences there, rather than live in an unfamiliar environment.

Migration in the RVN. At the same time as the DRV was trying to regulate the structure of the new socialist economy, the RVN was also trying to put into place resettlement policies of its own. One of the main resettlement programs was adopted by President Ngo Dinh Diem to resettle thousands of North Vietnamese Catholics who had fled south after the partition of Vietnam in 1954. Ngo Dinh Diem's Land Development Program was based on the assumption that shifting cultivation in particular was a waste of land and energy, and that highlanders needed to be taught more productive agricultural techniques to help them develop out of poverty (Tan 2006). By 1960, Diem had resettled 50,000 Vietnamese into highland minority areas, and the number of Kinh resettled reached almost 200,000 by 1963 (Hickey 1982).

Migration in the SRV. The end of the Vietnam War brought ambitious new plans for countrywide reunification and resettlement. The problems were massive and urgent, including the need to prevent mass starvation by jumpstarting agriculture on abandoned and war-torn lands, to resettle people displaced by war, and to address the traditional imbalance in food production between North and South (Desbarats 1987; 48). Migration policies were to play an important role in the plans for agricultural expansion and development of land clearing in the south and in mountainous areas.

The largest and most well-known plan for resettlement in the reunified era was the designation of many areas of the former South Vietnam as New Economic Zones (*vung kinh te moi*) . Lowlanders from the north and from crowded urban areas in the south were encouraged to move to these sites with preferential policies and pressure (Jones and Fraser 1984). It was according to these plans that the state intended to relocate 10 million people by the end of the 20th century (Desbarats 1987). The plan also included the sedentarization of about 700,000 minorities in the Central Highlands (Desbarats 1987; 50).

In addition to the NEZs, migration was also encouraged to the upland state forestry enterprises and state agricultural enterprises in the form of "recruitment migration." The state farms were areas of

considerable size, ranging up to 10,000 ha for cash crops (tea, rubber, coffee, etc) in some highland areas. One CSA research village was made up of Kinh who had traveled from the north to work at a large state forestry enterprise that had been set up by the government in 1986 on land previously used by local minority Ede. There also was considerable redistribution of civil servants in the post-war period, as the government labor force was moved from one region to another; many Kinh school teachers and bureaucrats poured into minority areas at this time. It has been estimated that more than 80 percent of civil servants and authorities in the Central Highlands in the years after 1976 were Kinh migrants. This civil service corps also included quasi-government workers like army veterans and voluntary youth groups (Youth Vanguard – *Thanh Nien Xung Phong*) that had served in highland areas during the war. After reunification, they transferred their efforts to economic sectors in the highlands, such as in infrastructure construction, reclamation, forestation, mining, irrigation etc. For example, one village visited by the CSA team in Dak Lak was a forestry farm set up by a Kinh Youth Vanguard group that did not return to the North after the war.

Several of the villages studied by the CSA were also former NEZ migrant receiving areas. These migrants received support in various ways. The land granted to NEZ migrants in Vinh Tien village in Ha Giang was old cultivable land of local minorities that had been deserted due to its poor quality. In other areas, the resettlement land for NEZ migrants were fields that had been abandoned in war, such as land given to Kinh migrants in the Dien Bien Phu area after 1954 (Ta Long and Ngo Thi Chinh 2000). However, low investment in the resettlement areas, with insufficient development and hard to access social services, or other economic, social, and environmental inefficiencies, resulted in considerable unhappiness in NEZ areas. During the period from 1976 to 1996, it was estimated that the retention rates in new economic zones were only around 60–85 percent.

With the adoption of Doi Moi reforms in 1986, the purpose for migration projects began to change; no longer were people moved into collective farms, but rather, individual household economies were emphasized. To this day, government sponsorship of Kinh to move to build "New Economic Zones" in the uplands and remote areas is still ongoing. Migration has been included as an important driver of socioeconomic development plans for mountainous areas in policies like Directive 525/TTg in 1993 on "the continuation of socioeconomic development of mountain areas"; Decision 960/TTg in 1996 on "socioeconomic development of the Northern Mountain area"; and Decision 656/TTg in 1996 on the "socioeconomic development of the Central Highlands." Currently, the NEZ program is spending a lot of money for resettlement of villages away from landslide-prone and flash flood areas, indicating a new focus on "high-risk" households of minorities who are considered to be susceptible to out-migration (discussed further below) (Vietnam News Agency 1999). The funding for most NEZs now comes at least partially out of central disbursements under the P135 program.

However, in some areas, sponsored migration has been slowing down in the past five years due to conflicts. Following protests in 2001, the government began to re-evaluate future plans to encourage migration to the Central Highlands. Provincial governments, particularly Dak Lak province, had called on the central government to halt migration, saying there were already too many people. Yet authorities in other regions still strongly support Kinh migration programs. From 2003, for example, Quang Tri province has encouraged Kinh migrants from the coast and cities to come up to the border areas, reasoning that the migration will help minorities "progress faster as they will be near

Kinh," in the words of a district official. This program promised the Kinh who moved upland many preferable polices to increase production. In the first year of the program, each Kinh household that moved was promised 3 ha of land, cash, construction materials for a house, food, and travel expenses. The Kinh migrants also received preferential credit policies. Such high levels of investment–when similar grants were not given to the local minorities already in the area–pose problems of unequal treatment with regard to the benefit of migration. Such differentiation between Kinh and minorities with regard to migration policies was a commonly encountered problem in CSA research, as we outline in sections below.

Spontaneous Migration

In addition to ongoing government-supported migration, spontaneous migration has increased rapidly in the years since Doi Moi. The main types of spontaneous migration are rural-rural (both minorities and Kinh seeking better agricultural lands), rural to urban (mostly Kinh seeking employment in trade, industry or business), and urban to urban. It is estimated that while "free" or unsponsored migrants comprised only 32 percent of the migrant population between 1961 and 1998, it is now the dominant form of migration (General Department for Sedentarization and New Economic Zones 1999).

This "free migration" situation began with the relaxation of rules on residency in the 1980s, which had previously been strictly governed by a household registration system (known as *Ho Khau*, similar to the Chinese hukuo system) (Hardy 2001). The easing of restrictions on private sector involvement in transportation, communication, and trade also resulted in increased integration between areas, more access to information, and more freedom of movement. Many households took advantage of these changes and chose to migrate in the 1990s and 2000s (Dang Nguyen Anh 1997).

The free migration patterns, particularly to the Central Highlands, dramatically increased in the early 1990s due to high world coffee prices (Tan 2000). Free migrants represented 53 percent of the migrant population in the Central Highlands between 1976 and 2003, with the largest numbers coming between 1996 and 2003, when free migrants were 86 percent of all migrants (Ta Long and Chinh 2005). Such free migration was overwhelming when compared to the previous populations; for example, between 1976 and 1996, Dak Lak province received an estimated 311,000 planned NEZ migrants. This number was actually surpassed by 350,000 spontaneous migrants during the same period. Combined, these migrant numbers exceeded the area's entire indigenous population (Do Minh Cuong 1998).

In addition, about 30 per cent of the spontaneous migrants in recent years have not been Kinh, but rather ethnic minorities from the Northern Mountains, particularly Tay, Nung, Thai, Dao, San Chay, and Hmong. Such groups left the Northern Mountains in search of larger and more productive agricultural lands. The northern mountainous province of Cao Bang reported the largest exodus of people migrating to the Central Highlands. From 1986 to 1995, over 60,000 migrants from Cao Bang province arrived in the Central Highlands province of Dac Lac.

In 1996, the government decided to prohibit "free migration" into the Central Highlands without permission and said that any new settlers should be located in groups in either existing communities

or new development projects (Viet Nam News Agency 1997). The ban was codified in Directive No. 660/ TTg of the Prime Minister on "settlement of spontaneous migration to Central Highlands and some other provinces." According to this policy, free migrants are not supposed to be granted living and production land for resettlement. They are only supposed to receive a Red Book or land tenure certificate once they have been approved for a transfer of their residential permit (*ho khau*) and have proof that they accessed land through self-exploitation, purchase, or being granted it by the government. Yet these rules do not appear to have been enforced, as migration has continued long after the 1996 declaration, and continues to this day.

We found that spontaneous migrants were often able to access land in their new homes despite these laws against free migration. In the four surveyed communes in Dak Lak that the CSA visited, there were up to 10,500 free migrants of Kinh and northern ethnic minorities (primarily Tay, Nung, Thai, Hmong, and Dao), representing about 40 percent of the total population, according to the People's Committees of the local communes. Villages in Dak Lak visited by the CSA included several migrant villages of Kinh, Nung, and Thai. In Cu Pong commune, Krong Buk district, Dak Lak, for example, free migrants were mostly Kinh. Some Kinh migrants brought money with them, and they either bought land outright or else they hired the Ede to do work to clear unclaimed lands for them to use. They also bought lands from Kinh people who were working for the state forestry enterprise in the area and who had been allocated (or who had claimed) areas of the SFE and then sold the rights to those areas. In Bong Krang commune of Lak district in Dak Lak, 81 percent of free migrants were Kinh, along with some Thai and Muong from the northern province of Thanh Hoa. The migrants tended to form mono-ethnic villages; the Kinh lived in a village named San Bay ("Airport"), and had mostly immigrated since 1995. Another village with 12 households, named simply "Thai Village," consisted of Thai and Muong who had migrated in 1992. In Lak District, we were told that the Kinh free migrants had been allocated land for coffee and cashew by local authorities (apparently in contravention of Directive 660 mentioned above), and they additionally bought and rented fields from some Mnong people for wheat (39 ha) and rice (5 ha) cultivation. The money that the Kinh people used to rent and buy land of the Mnong people came from two sources: many brought some money from their home, while other free migrants earned money from their services for and exchange of goods with Mnong people.

We were told that Kinh migrants and ethnic minority migrants claimed land in different ways. Kinh migrants tended to buy land previously used by indigenous people, as they usually brought a fairly large sum of money with them when they migrated, or else relied on allocation from authorities. The ethnic minority migrants from the North said that they had to rely on their own labor to reclaim fields and swiddens in their village areas and that they did not "intrude on other villages like the Kinh people," in one Thai woman's words. According to interviews with both Kinh and Thai migrants living in the same area of Dak Lak, the Thai had to reclaim land on their own, as they did not earn enough money from trading activities like the Kinh people in order to buy land, and they did not bring nearly as much money with them when they migrated as Kinh had.

In Ha Giang province, land was claimed by Kinh migrants who traveled to the area with the Khai Hoang program in the 1960s in areas where the local minorities were not using the land, such as areas with stony soil or sites along streams with thorny bamboos. They also used deserted land they

claimed minorities had once used, as the minority owners had been unable to invest in intensive cultivation on all their lands. According to state law, "non-owned virgin land" can be put into production by anyone (Decision No. 773 – TTg, dated 21/12/1994). Previously owned land must be borrowed, rented, or bought. The prices paid for land between Kinh and minorities were often very modest; for example, one Kinh person in Vinh Tien village in Ha Giang had borrowed 8,000 m^2 from ethnic minorities, and gave them 100,000 to 200,000 VND (Vietnamese dong) every year for its use. Even local minority residents without sufficient land were found to rent what little they had in order to have some income; in Viet Tien, one Tay family who had only 1,100 m^2 had lent 1,080 m^2 to Kinh. We were told that one benefit of lending land is that it is the borrowers' responsibility to invest in fertilizer and plowing to make the land fertile, which is one incentive for minorities to lend in this manner in the hopes their land will be improved by the Kinh and then returned to them in a better state.

In other cases, Kinh migrants were able to use knowledge and connections to expand their land holdings. Mrs. C., secretary of the Vinh Tien village Communist Party cell, officially had 5,000 m^2 of land, but had borrowed some additional land from the nearby state farm that grew flowers in order to cultivate peanuts between the flower rows. Meanwhile, a Nung household in the same village said they did not have land to use, and were employed as wage labor at the flower farm, but did not have the ability to borrow land for cultivation like Ms. C. had.

Such connections appeared widespread in CSA areas, and it is an only loosely hidden fact that many Kinh migrants have accumulated land much in excess of the limits imposed by state law. According to the regulations of the 2003 Land Law, the maximum size of land holdings in mountainous areas is 30 ha. The land allocation process is under the authority of provincial or district people's committees, depending on the location of allocated land, which are supposed to enforce these limits. In practice, some households and private businesses–in Dac Lak province in particular–have land in excess of the Land Laws. In Cu Pong commune, a Mr. K, a Kinh migrant who does not have registration papers for permanent residence there, has a total area of 56 ha under coffee and cashew in two separate communes. All this land has been bought from the Ede people or reclaimed by his Kinh and Ede employees. In another village in Cu Pong commune, two private companies run by individual families had rented 113 ha of land from 42 households to plant production forests and coffee.

The CSA team concluded that there appears to be much inconsistency in the current legal framework for the rights of spontaneous migrants. Many Kinh, as the examples above note, have been able to purchase and accumulate land without residential permits, which is not officially legal. We believe these laws on land allocation for spontaneous migrants may disadvantage minority migrants and poorer Kinh who cannot use connections and money to get around the residency requirements.

Ethnic Minority Migration Patterns

While Kinh migrants have been supported by numerous government sponsorship programs, such as Khai Hoang and NEZs, there has been less program support for ethnic minority migrants. This has not stopped minority migration, however. Census data indicate that ethnic minorities comprised around 4 percent of total recorded migration from 1994–99, much lower than their share of the

population, but a not insignificant figure (GSO 2001). The census data indicates that Hoa and Khmer groups accounted for a large share of the movement, but were primarily engaged in local, intraprovincial migration. The only longer distance interprovincial movement involved minorities leaving the Northern Mountains for the Central Highlands (Dang Nguyen Anh 2005; 6).

Such patterns were confirmed and expanded upon by the CSA. There were several major patterns of ethnic minority movement that were identified by CSA research. These patterns were very different than the primarily government-sponsored migration for Kinh we outlined above. These types of migration included dislocation during war, migration as part of sedentarization programs, and spontaneous migration of some minorities from the North to the Central Highlands.

The first type of migration noted in the CSA field areas was dislocation during wartime. Many minorities in Dak Lak and Quang Tri in particular had to temporarily migrate from their birth village due to the disruptions of the Vietnam War (1961–75). The problems of refugees and resettlement throughout the South during the Vietnam War were widespread and affected both Kinh villages and minorities.

Many minorities in Ha Giang also had to temporarily migrate during the Vietnam-China border war of 1979. Most minority migration between provinces in the North among those interviewed by the CSA was attributed to the need to flee approaching Chinese forces. Informants in Dao, Tay, Thai, and Hmong communities throughout northern Ha Giang said they had fled with as much as they could carry on their back and on their animals, and many had settled hundreds of kilometers south of their own lands. Some informants noted that mixed villages of multiple ethnicities, and communes made up of numerous ethnic groups, became common after 1979 due to this extensive migration along the border.

The second major type of movement we see among minority populations is through sedentarization programs. Vietnam has had such programs since 1968, aimed at encouraging ethnic minorities to establish "fixed cultivation, fixed residence" (or *Dinh Canh Dinh Cu*) by moving them into state-built villages or investing in agricultural production for permanent fields. Sedentarization projects among minorities were similar to migration projects among Kinh in that they usually relied on voluntary movement. Statistics from MARD indicate that from 1990 to 2002, more than 11,265 minority households were physically relocated under this policy (IEMA and McElwee 2005). One CSA field village was a sedentarized Hmong village in Ha Giang that had been encouraged to resettle in lowlands nearer a road 10 years ago, funded by a provincial sedentarization program known as "*Ha Son*" ("come down from the mountains").

Households who agreed to be "sedentarized" were usually supplied with investment in a new locale chosen by the government, or else paid a lump sum to every household that moved to the new locale (usually capped at around $80 USD per HH) (IEMA and McElwee 2005). In a 2005 review of these sedentarization projects for minorities, researchers concluded that the program has been top-down, with little participation of minority households, and was often modeled on Kinh modes of development (Kinh-style houses, investment in wet rice agriculture). The project also had no discernible impact on the practice of swidden agriculture (IEMA and McElwee 2005). Despite this and other

criticisms, plans still exist for future sedentarization programs. Future targets include 15,000 households that are said to still use shifting cultivation; 4,000 households living in areas prone to disaster; and 20,000 households that have "spontaneously migrated" (*di cu tu do)*, often into protected forests and watershed areas (MARD 2004).

The third type of movement among ethnic minorities was spontaneous long-distance migration. This primarily involved long-distance migration among some minority groups (such as Thai, Dao, Hmong, Tay, and Nung) in the Northern Mountains, who began migrating in the 1990s to rural areas of the Central Highlands to seek larger plots of land. In the last five years, for example, 2,010 households in Ha Giang have migrated to other provinces; ethnic minority households accounted for 90 percent of the migrants. This movement from the north coincided with, and in many places was precipitated by, a dramatic increase in the rate of Kinh migrants moving into these northern mountainous areas as part of the Khai Hoang and NEZ programs. As noted earlier, many Kinh were encouraged to move because it was believed they would provide good examples to ethnic minorities and show them how to practice settled agriculture. However, this migration seems to have had the opposite effect. Even some of the minority households who previously did not shift fields or residences were forced to move away from the overcrowded uplands to seek out adequate land for production after Kinh migration programs were put in place. This contributed to rising rates of spontaneous migration of minorities, particularly from the north, to other areas of the country.

Such migration was usually accomplished in small groups. We interviewed several villages in Dak Lak made up of northern minority migrants. They all stressed that because they did not have government support they had to rely on kin and family support, as well as moving in groups. One group of Thai and Muong who came to Dak Lak from Thanh Hoa in 1988 said they didn't know anything about the environment in this area, but had heard about Dak Lak from other people who had been in the army. Five initial households decided to travel together to this new place by bus; they eventually picked a place between two already settled Mnong villages that appeared to have adequate access to water. They got permission from the local commune to settle soon thereafter. In the first year, they had very little to support themselves, and in fact had to borrow seeds from the local Mnong for the first few years. After the first two years in Dak Lak, the households had enough to eat and started to raise cattle. They later experimented with coffee and cashew in 1993–94, but didn't have any success. In 1995, the villagers set up fish ponds like those in their homeland of Thanh Hoa. In 1998, a Kinh person moved into their village, and the Thai learned about goat and duck rearing from this family. In 2006, a few more households from Thanh Hoa came to settle as well. The new households buy land from previous migrants who might have had extra to spare (for example, if their kids went to live elsewhere). The story of this village indicates that much migration success was largely a result of circumstance and trial and error, rather than government support that assisted the Kinh NEZ migrants. The most important things for the migrant Thai when they got to Dak Lak was "to have land, a house, and relations with each person in the community," said our informants. Thai migrants noted that social relationships among the migrant households were very tight, and that they kept many customs from their previous land, such as ceremonies to worship new rice and conduct family funerals. Other social practices had to be changed; for example, they rarely planted cotton here and so did not weave clothes anymore, and simply bought Kinh ones.

In those places where ethnic minority migration has occurred from the northern provinces to the Central Highlands, these migrants tend to be doing better economically in most cases than the local minorities. Why is this? The CSA team believes there are several main reasons. First, the most progressive and active people in these northern minority communities would likely be the ones to migrate, as migration is an arduous and often frightening task. This progressivism, combined with fairly young ages (as most migrants reported movement in their 20s to 40s) likely gave them an advantage in their new homes. Secondly, these migrants settled in Dak Lak at an ideal time (early- to mid-1990s) before the government had completed land titling and land allocation for much of the province. Therefore they were able to claim, buy, or occupy land at a historical juncture in time when land was still available, and hence got some very favorable plots of lowland wet rice land and land along highways. Third, the minorities from the north came primarily in groups and set up systems of social networks between Dak Lak and the north to facilitate transfers of people and credit, and formed strong social bonds among migrants to help one another. Finally, migrants reported seeing new cultivation techniques from others as they journeyed from north to south and were able to apply some of that knowledge to improved cultivation in their new locales. In other words, the minorities from the north took advantage of social networks and social mobility to successfully transition to new livelihoods in a new area, which other local minorities have not been able to do.

However, recent steps taken by the government have served to discourage ethnic minorities from participating in spontaneous migration. As noted earlier, government regulations restrict land allocation to those who have official household registration booklets; such laws are aimed at both Kinh and minority migrants, though in reality many Kinh seem to be able to work around them. Additionally, there are other policies aimed only at minorities to discourage them from migrating. These policies are developed–usually at the provincial level–in areas that have seen much out-migration. For example, during research in Ha Giang province, authorities said that 60 households that had recently spontaneously migrated to another province were "encouraged" to go back to Ha Giang; authorities actually traveled to the Central Highlands to escort the migrants back and promised them money in their old villages if they returned. The province has taken money allocated to them under the NEZ program of P135 in a bid to create conditions for these repatriated migrant households to settle and carry out production and not move again. Investments were made in infrastructure such as irrigation, water supply for domestic consumption, roads, schools, bridges, land reclamation, roofing materials, and food in order to resettle the former migrants and to discourage others from leaving.

Although the CSA team did not include Khmer communities in our field research, there is significant migration among the Khmer and we included discussion of this phenomenon here. Agricultural wage labor migration is increasingly common among the Khmer of the Mekong Delta, and this phenomenon of migration for wage labor is on a scale that far surpasses all other ethnic minority communities. Most Khmer households surveyed by IEMA in 2005 had at least one member performing wage labor, and some households had all family members working as migrant wage laborers. The wage labor was not limited to males, but also included females and even children. Khmer households would travel together from their village and form a roving band of migrant agricultural labor. By starting off in provinces of the northeast Delta at the start of the agricultural harvest season, as rice ripens across the delta, the groups can move west and south to other provinces to work (IEMA 2007).

A fairly strong wage labor market has enabled these Khmer to use migration to raise incomes, which has been particularly important in recent years as Khmer landlessness has increased. Even those who have land often themselves go to do migrant work for others if the wages are high enough. Some provinces that are aware of the benefits of migration for livelihoods have supported Khmer by issuing permits for temporary residence so that they can work in other areas and in Ho Chi Minh City. However, there are also serious implications for poverty reduction activities of this migrant labor trend among Khmer. The movement required to find jobs in the Delta takes Khmer away from their home villages, often for months at a time. This reduces their ability to access government services, such as education for their children, or health care and extension training.

Resettlement from Development Projects

In one site of the CSA, we encountered some households that had been resettled from development projects. Such movements increasingly affect ethnic minorities in Vietnam.

Vietnam is increasingly relying on hydropower for electricity generation. In recent years, a series of dams has been proposed that will be located in highland areas and will necessitate the movement of large numbers of ethnic minorities. The largest project currently under way is the Son La hydroelectric plant on Da River in northern Son La province. It is estimated that around 91,000 people from 15 ethnic groups in Son La, Dien Bien, and Lai Chau will be displaced for the dam and the reservoir site (Watkin 2000). Preparation for the rehabilitation of displaced people has been under way since 2001. In 2005, a resettlement scheme was proposed by the government, but faced harsh criticism from NGOs and minority groups. As the Ethnic Minority Working Group in Hanoi reported on the resettlement plan:

> *The model only focuses on economic aspects and neglects the social, cultural, and environmental aspects: the living area is small, around 200-400m^2 for each family; houses are built with cement, concrete, and iron, which are very different from the old traditional houses and the living style that ethnic people are familiar with. Moreover, the relocation scheme faced difficulties in transporting people to resettlement areas, failing to come to an agreement about an appropriate level of compensation, creating conflicts of interest and favorable conditions between old and new residents. (EMWG 2005)*

In one CSA field site, we met a Muong family that had migrated to Dak Lak in the 1990s, and then been relocated in 2005 by a hydro project, the Buon Tua Say dam in Krong No District of Dak Lak. Each household that had to move was given a 35 million VND ($2300 US) lump sum payment. The family we interviewed took their payment and with four other displaced households (3 Muong and 1 Kinh) banded together to travel to Lak district, where they decided to settle and join a Thai village. The cost of moving itself was not very expensive, but each family had to buy land in their new sites, which used up most of their payment. Twenty million VND (US$1300) bought a family 2 sao of one-crop rice, 800 m^2 for a house, and 3–4 sao of swidden land, which they estimated would be barely enough to subsist. The families had decided to settle in the Thai village because of better access to roads, and because one person in the group was distantly related to someone in the new village, and so they were sold land at a better price than if they had bought elsewhere.

While these families had been able to move into an area that was willing to accept them, thanks to social and kin relations, larger relocation projects have not been successful. The Hoa Binh dam provides a good lesson. This massive dam on the Da River was built with assistance from the Soviet Union, flooding an area of about 200 km^2 between 1982 and 1991. About 58,000 people had to be resettled, many of them Thai who had been farming rice in the river valley bottom. Many were settled farther away, in Kon Tum, but found the area so unsatisfactory that they returned to their old homes in Hoa Binh. Many have in fact reverted to swiddening on the upper slopes above the reservoir, leading to increased soil erosion and shortening the life of the of the dam (Hirsch n.d.).

Future dam building will primarily be in highland areas where minorities predominate, and at least 20 new hydropower projects are in the works. Further plans for development projects– hydropower or otherwise–that affect such a significant number of minority people need to be carefully planned and take into account international principles on displacement and compensation for affected populations, something that has not been a standardized practice in Vietnam. Lessons learned from the Hoa Binh dam clearly need to be revisited, as relocation from the Son La dam appears to be heading toward the same mistakes. Moving minorities to the Central Highlands has angered local people there, and at the same time, there is little land elsewhere for people to be settled. The worst scenario would be for poor planning to not take into account cultural preferences and styles of living and push people into migrating into unfavorable or already crowded areas, thereby furthering poverty.

Urban and Overseas Migration

It is estimated that the urban population of Vietnam is growing at 1 million people a year, and most of this growth is fueled by migration. Such migration is primarily driven by "pull" factors, as incomes in urban areas are on average five to seven times higher than those in rural areas (UNDP 1998): "This gap has placed rural residents at a disadvantage and encouraged out-migration to urban areas" (Dang Nguyen Anh 2005). A recent census for Ho Chi Minh City showed that recent immigrants accounted for nearly one-third of the population.

Despite being a significantly poorer part of the population, minorities do not make up an underclass of urban migrant work forces, as one might expect given their much higher rates of poverty. There are in fact very few minorities in urban areas, and relatively little out-migration in most minority villages of migrant workers (with the exception of Khmer as noted above). This is in contrast to Kinh areas, where is it common to find much out-migration of adult members to seek employment elsewhere. This is rarely seen in minority households; they rarely split up and send workers farther afield, rarely reside in large urban cities, and even occupy provincial towns and district towns at much lower rates than Kinh. For those minorities that do live in towns or travel outside their natal village, there appears to be a strong relationship between those minorities who have served as government officials or in the army. Simple "pull" factors in urban migration are not drawing minorities to Hanoi or Ho Chi Minh City.

Such low rates of minority labor migration are unusual in the Asia-Pacific region. For example, in southern China, "In some mountain areas, male out-migration is so widespread that women are now de facto heads of households, managing forests and farms in degraded ecosystems often far

removed from social services such as healthcare and education" (Jianchu, Fox et al. 2006). In Laos, a recent government study highlighted the problems of young women and men from ethnic minorities migrating from remote areas to towns and cities for work, despite having limited knowledge of Lao, especially among women (Deshingkar 2005; 9). In eastern India, researchers have observed that over 500,000 tribals, Muslims, and lower caste people migrate seasonally to the rice-growing areas of the state for work, and in the state of Madhya Pradesh, more than 65 per cent of minority tribal households had at least one person working as a migrant laborer (Mosse, Gupta et al. 2002).

There are three main reasons for lower rates of urban migration and wage labor out-migration from minority villages in Vietnam. First, restrictive out-migration policies directed at minorities have kept them in rural areas (such as the NEZ funds mentioned earlier that provinces use to lure back people who move). Second, minorities themselves reported lacking the social networks to facilitate moves to urban or other areas. They reported being shy to speak Vietnamese (many focus group informants mentioned that this is reinforced by hearing Kinh making fun of their accents), being shy and unfamiliar with new places and strangers, and much more likely to see their only future as one staying put in their birth village among those in their fellow ethnic group. Third, Kinh labor mobility is such that minorities with less education would be at a disadvantage in seeking urban wage labor jobs. In the 2004 nationwide migration survey, migrants to urban areas had a fairly good educational background, as most of them could read and write, and 80 percent had finished secondary school or high school (Cu Chi Loi 2005). Given the low rates of minority secondary school attendance reported in Chapter 5, it is easy to see why minorities feel they are at a disadvantage in mobile labor markets. A final reason for low minority urban migration is that it would be very hard for minorities traveling to urban areas to be able to transfer their household registration: despite liberalization under Doi Moi, a household registration system remains in place in most urban areas of Vietnam, and regulates who gets access to government programs (World Bank 2007; 7). Given the slowness with which migrant registration problems for Kinh have been addressed, it seems unlikely that changes in minority migration rules will be loosened anytime soon.

To what degree would increased access to migration opportunities in urban areas assist or endanger minorities? On the one hand, Vietnam clearly wants to avoid a large urban underclass of minority people living in slums and working low-wage jobs. On the other hand, other studies of minority migration elsewhere in the region indicate that this is not the only outcome. For example, studies in China show that minority out-migration has helped decrease poverty rates in some minority autonomous areas through the sending of considerable remittances (Jijiao 2003). Similar results can be seen in India, where remittances accounted for one-third of the average annual income of scheduled castes and scheduled tribes households who sent migrants (Deshingkar 2005).

What accounts for the success of minority migrants in other countries, while we see little in Vietnam? Studies in China suggest government support of migration is directly needed, such as through labor export programs. There are few examples of this in Vietnam. Minorities who had been recruited for wage labor work in the study sites had usually been recruited by private companies. However, the disadvantage of this is that it means minorities are dependent on the companies making good on their promises. Several Nung women who had been recruited for work near Danang in sewing factories said they had had problems with management in terms of wages and hours, and had eventually

returned to their homes in Dak Lak as they missed their Nung relatives and felt isolated with so few other Nung in the Danang area.

These women's comments highlight another aspect of the success of minority migration: studies in China suggest that minorities themselves who migrate together form strong networks to assist one another; without this, it can be hard for minorities to handle the isolation involved in migration. As a report from China noted, "The question is whether ethnic minority networks in China are stronger than networks among Han Chinese. This is some indication that they may be, as minority migrants are moving to predominately Han Chinese cities and areas on the east coast. Here their cultural capital is not highly valued, and they need their ethnic network support to locate jobs and housing and to survive in an environment that may be hostile toward them" (Jijiao 2003; 149).

One component of migration that has recently been promoted in some provinces is international migration. Surprisingly, though minorities are only rarely able to migrate to urban areas for employment, some minorities in the CSA sites reported that they have been contacted about joining the global labor market through provincial recruitment programs. Although the numbers involved are quite small, we saw in several provinces recruitment of ethnic minorities for labor export overseas, both women as maids to Malaysia and Taiwan, and men as unskilled factory labor to Malaysia. This is primarily happening from some northern provinces like Ha Giang and some Mekong delta provinces where Khmer reside. These are usually provincial recruitment policies in which Departments of Labor (MoLISA) are contacted by overseas companies and the MoLISA runs an intermediary program of language training and skills training for people who want to participate. There are mixed feelings about labor export in minority communities, however. In Dak Lak, minorities reported no interest in labor work overseas because of fear of lack of skills and unwillingness to leave their communities/family network. Yet in Ha Giang, many minorities such as Hmong were very open to the idea of overseas migration, especially to Chinese-speaking countries, as many Hmong are better at Chinese as their second language than they are with Vietnamese.

SUMMARY OF MIGRATION PATTERNS IN CSA SITES

Migration has now completely changed the ethnic composition of highland areas. Kinh are found in nearly every corner of the country, and large numbers of ethnic minorities are found outside their traditional homelands. Such change can be seen clearly in Dak Lak. For example, there are now 27 ethnic groups represented in one district, Krong Buk, whereas 30 years ago there would have been only three or four ethnic groups. In a single commune of Ea Sian, the ethnic composition had changed in the past 20 years from being entirely populated by Ede, to having 870 Nung households, 263 Kinh, 39 Xe dang, 63 Tay, 6 Gia Rai, 27 Dao, and 399 Ede.

The regional patterns of the migration patterns discussed in the previous sections can be seen in Table 6.1 below.

TABLE 6.1 Patterns of Regional Migration, 1976–95

Region	Intra-regional Migration	Inter-regional out-migration	Inter-regional in-migration
Northern Uplands	375,000	26,000	222,000
Red River Delta	158,000	689,000	0
North Central Coast	512,000	247,000	0
Central Coast	422,000	200,000	33,500
Central Highlands	319,000	0	685,000
Southeast	656,000	198,000	175,000
Mekong Delta	868,000	0	244,500

Source: (Do Van Hoa 1998, p 232)

In the uplands of North Vietnam, the Kinh population increased by about 400 percent in less than 30 years (1960-1989), jumping from 639,679 to 2,556,530 (or 41 percent of the population). In the Central Highlands, the Kinh population increased by nearly 1,500 percent between 1953 and 1970, soaring from little more than 30,000 in 1953 to almost 450,000 in 1970. Then, between 1970 and 1989 another 1.2 million Kinh were added to the population. There are now almost 2 million Kinh in the Central Highlands, where they constitute a clear majority, about two-thirds of the population (Table 6.2).

The contrast in Kinh populations in the Northern Mountains and the Central Highlands is noteworthy, particularly because both groups were targets of migration projects. Despite the fact that the Northern Mountains program (the Khai Hoang program) began nearly 20 years before the Central Highlands migration plans, Kinh are a small minority in many Northern Mountain areas, while they are a majority ethnic group in all provinces of the Central Highlands. For example, in Hoa Binh province, which is next to Hanoi, Kinh people are only 28 percent of the population. In Central Highland provinces, which are more remote from migrant sending sites in the Red River Delta, Kinh populations are as high as 77 percent in Lam Dong province. The Central Highlands have thus been transformed by Kinh migration in more serious ways than the provinces of the Northern Mountains.

TABLE 6.2 Increase in Kinh Populations in Some Highland Provinces, 1938–99

Province	Kinh Population in 1938/1943	Kinh Population in 1999
Ha Giang	1,200	72,965
Lao Cai	5,143	196,924
Bac Kan	2,815	36,598
Lang Son	7,000	116,136
Lai Chau	46	99,061
Dak Lak	4,000	1,250,286
Kon Tum	7000	145,661
Gia Lai	4,000	545,097

Source: 1938 figures from (Hardy 2003); current figures from 1999 Population and Housing Census.

Findings from the CSA field research confirm the general patterns seen in Tables 6.1 and 6.2. We report similar disparities between Kinh and minorities in regard to migration status. In our survey of three provinces, only 20 percent of Kinh report being born in the present village of residence, while 62.7 percent of ethnic minority household heads were born in the village (Table 6.3).

TABLE 6.3 Where Household Heads were Born

	Kinh majority (%)	Ethnic minorities (%)
Percentage of household heads who were born in village of current residence	20	62.7
Percentage of household heads who were not born in village of current residence	80	37.3

Source: CSA Survey, World Bank. ($x^2 = .000$; R = .000)

There were clear regional trends in these migration patterns (Table 6.4). For example, in Dak Lak, more than half of the sample reported being from somewhere outside their current home village. Of this number, the large majority had come long distances from out of the province. In Ha Giang, there was mostly internal movement, as about half the households self-identifying as "migrant" said they had only moved within the province; this is likely due to war displacement and sedentarization programs. Only Hmong and Kinh in Ha Giang reported significant numbers of people as being from outside the province. A different pattern was revealed in Quang Tri, where a large number of Pa Co (35 percent) reported they were born in another province. This is a function of the fact that the Thua Thien Hue–Quang Tri provincial border runs through Pa Co territory, and that village exogamy among the Pa Co encourages them to marry someone from the opposite site of the border. However, this does not fit a pattern of "migration" to new areas as outlined for other ethnic groups.

TABLE 6.4 Migration Patterns by Province

	Dak Lak (n=124)	Ha Giang (n=120)	Quang Tri (n=120)
HH head born in village	61	68	78
HH head born elsewhere but in province	10	25	11
HH head born in another province	53	27	31

Source: CSA Survey, World Bank.

We were also able to assess the distance of migration for households by ethnicity. We found that 92.5 percent of Kinh respondents who said they were a migrant also reported that they had been born in another province, showing that Kinh in our sample also tend to migrate farther than most minorities. Kinh in the uplands have come from a number of areas, including as far away as the Red River Delta and the South Central Coast. However, many minorities reported relatively low rates of migration, and no long distance migration (such as Dao, Bo Y, Nung, and Mnong) (Table 6.5).

TABLE 6.5 Distance of Migration Among Ethnic Groups by Province

	# Respondents Born outside of province
Dak Lak	
Ede	4 of 28
Mnong	0 of 46
Thai	8 of 8
Nung	10 of 10
Kinh	24 of 25
Others	7 of 7
Ha Giang	
Tay	2 of 22
Dao	0 of 9
Hmong	13 of 41
Bo Y	0 of 12
Kinh	11 of 22
Nung	0 of 6
Other	1 of 8
Quang Tri	
Pa Co	25 of 71
Van Kieu	4 of 45
Kinh	2 of 4

Source: CSA Survey, World Bank

We also see clear trends in the length of time people had migrated in recent years. Only in Dak Lak was there much significant movement in the past 5–10 years. In Quang Tri and Ha Giang, the majority of migrants had moved more than 10 years ago. Yet the opposite was true in Dak Lak; only four migrants in Dak Lak (out of 63) reported having been there for more than 20 years (Table 6.6).

TABLE 6.6 Length of Time Migrants have been in Current Village of Residence

Years of living in village	Dak Lak (n=63)	Ha Giang (n=30)	Quang Tri (n=42)	Total
Less than 5 years	18	3	4	25
5-10 years	15	4	2	21
More than 10 years	30	23	36	109

Source: CSA Survey, World Bank

IMPACTS OF MIGRATION HISTORY AND POLICY

In this section we look at what the impacts have been on households involved in migration, both on the migrating households and on the receiving communities.

Impact of Kinh Migration

Kinh migrants in the CSA field research primarily came from more coastal environments and had to adapt to new modes of living after they migrated to the highlands. Some Kinh migration involved fairly short distances, such as migrants from Dong Ha provincial capital in Quang Tri, who moved around 50 km westward into the mountains of Quang Tri, but who could easily return to visit there old home and relatives within an hour or two. There were also people from the Red River Delta who had migrated to Dak Lak and who could only return to their home province perhaps once every few years, primarily for the Tet holidays.

There are only a few academic studies of Kinh migrants in mountainous areas. There are two studies by Liljestrom et al. on the living standards of workers in collective farms in the Northern Mountains (Liljestrom, Fforde et al. 1987; Liljestrom, Lindskog et al. 1998); a Ph.D. thesis on Kinh in Ha Giang based on interviews in two villages (Lundberg 2004) and a Ph.D. thesis on Kinh coffee migrants in Lam Dong (Winkels 2004); and a historical study of Kinh migration based on oral histories of migrants (Hardy 2003). Ta Long and Ngo Thi Chinh also have a series of studies on Thai Binh migrants living in an NEZ in Lai Chau province. Beyond that, there is a shortage of thematic studies on immigrant resettlement in mountain areas. We know very little about the role of institutions in new migration areas; for example, there are no studies we are aware of that deal with the role of governance and social or mass organizations in dealing with people's risks in new migrant settings. Additional research topics that are needed include thematic studies on the differences between government investments in collective farms, new economic zones, free migration, and sedentarization, and comparative studies on the development of Kinh settlers in different ecological conditions.

Given this lack of long-term studies of Kinh migrants, our CSA relied on interviews with Kinh migrants and nearby communities in receiving areas. From our CSA fieldwork, we can distinguish between the different types of Kinh migrants in the field sites. The main categories were:

- Sponsored migrants to New Economic Zones who came to farm (Dak Lak, Ha Giang, Quang Tri)
- Spontaneous migrants who came to farm (primarily Dak Lak)
- Spontaneous migrants who came to engage in trade or business (Dak Lak, Ha Giang and Quang Tri)
- Labor migrants who came to work for the government through the army or civil service (all three areas)

Depending on the type of migration, people received different amounts of support in the migration process. Those who came as sponsored migrants told us they received varying degrees of investment from the state under the migration programs. In no site of our research did the government actually construct a village and houses and fields for the Kinh migrants. These activities usually fell to the migrants themselves; they might be provided with a small amount of money to buy wood for houses, or a few months rice supply for planting from the government migration planners, but otherwise, they were entirely self-sufficient. Some areas, such as Ha Giang, had some prepared fields as part of cooperatives that the migrants integrated into quickly. In the most ideal situations, the government

provided new varieties of plants/rice, irrigation development (or even large-scale irrigation systems for agriculture), and fertilizers. These well-stocked NEZs were the exception, however. Other families remembered that the land that had been promised to them, they were shocked to find, had not been cleared by the time they arrived in NEZ zones. Some were not even provided with transport. Migrants in Quang Tri who were moved further west into the uplands merely strapped a bag of their possessions on their back or on a buffalo and simply walked to their new homes over several days.

Yet, compared with ethnic minority spontaneous migrants, the support received under NEZ migration was greater. Most minority migrants did not receive any assistance at all in their move. We can clearly see the differences in our survey data (Table 6.7). For example, it was clear that access to land after migration is more favorable to Kinh. Most ethnic minorities that migrated had to clear their own land after migration, while the majority of Kinh had money to buy their land (which as a result is often better quality land). Kinh were also more likely to receive government land allocations after migrating (more than 20 percent).

TABLE 6.7 How Migrant Households Obtained Land after Migrating

Method for obtaining land	Ethnic minorities (%)	Kinh majority (%)
Bought	14.4	**62.2**
Rented	1.7	2.7
Cleared the land themselves	**66.9**	10.8
Government allocation	5.1	**21.6**
Other	11.9	2.7

Source: CSA Survey, World Bank

Once land was obtained, migrants often cultivated very different crops, depending on the local environment and the type of collective farm. Kinh migrants under NEZ programs were normally settled in flat areas like valleys, where they could live together and cultivate wet rice fields, or in sloping areas where they could plant specialized crops like coffee, peppers, cashew nuts, or fruit trees. In the earliest years of NEZ migration (mostly in Ha Giang), Kinh households recalled they focused on self-sufficiency first; they worked collectively for work points in a cooperative and then supplemented this with additional rice and crops on sloping fields and small-scale animal husbandry. In Dak Lak, farmers also initially focused on self-sufficiency under spontaneous migration conditions. The Kinh migrants used subsistence crops in the first years before establishing more lucrative farms like coffee or rubber; this was called "*lay ngan nuoi dai*," or "taking the short-term to nourish the long-term" (Tan 2000).

Although it might have seemed like a huge change to transfer skills learned in lowland areas to highland agriculture, Kinh migrants told us their background with a "tradition of specialized cultivation and intensive farming" gave them an advantage in the highlands. Many Kinh have moved into specialty crops to much higher degrees than nearby minorities, and this was attributed to Kinh people's "long experience" with intensive garden cultivation in the lowlands, where landholdings are often minute. Such intensive cultivation (focused on high-value garden crops on small plots, often combined with pigsties and even ponds in a system known as *Vuon-Ao-Chuong*, or VAC) was contrasted

with minority cultivation techniques, who used more extensive cultivation that required more land to plant less intensive crops (less fruits, for example, but more vegetables and subsistence crops). The Kinh migrants interviewed often pointed out that their experience in intensive cultivation enabled them to prosper in the highlands.

In more recent years, as collective farms were phased out and disbanded, land was allocated to individual households for individual production. Because the cooperative lands had often been fairly central to roads and services, Kinh then benefited individually when they disbanded; indeed, many co-op headquarters simply became commune centers under the reorganized system, and Kinh were in prime locations to be working and trading in these centers. Many Kinh people chose at the time of co-op disbanding to supplement household farming with additional service or trading occupations. There was also a move toward more specialized crops after the Doi Moi period loosened regulations on trade, and away from staples like rice or corn. For example, one village of Kinh (Dray Hue in Dak Lak) had entirely been forestry workers who were hired and brought to the area from the north (around 1,000 workers) in the mid-1980s. When the SFE disbanded in the 1990s, the workers got to keep lands from the SFE and started planting coffee.

In Dak Lak, a cash crop economy developed the earliest of all three field sites. In this area, the migrants included both sponsored and spontaneous farmers, while the other provinces did not have many Kinh who had spontaneously migrated to farm. Dak Lak's rich soil for coffee growing made this an important site for Kinh in-migration in the past 15 years. Some of the first spontaneous migrants to Dak Lak were either those who had relatives who had gone to work on state-sponsored plantations and who reported on the success of coffee, or else were army veterans who had seen coffee farms in the area when they were on military service. One prominent trend in the coffee migration among Kinh was the dependence on networks of information to link relatives and people from the same lowland districts together. People from the same district often shared information, traveled together to Dak Lak, and even settled in areas together. These networks were crucial to developing prosperous coffee fields, as newcomers had never planted coffee before and relied on others to help them understand what coffee cultivation entailed (Tan 2000).

We can see by looking at Kinh migrants and nearby ethnic minorities that these groups often have different economic strategies. In the Central Highlands, Kinh people in one basalt area we visited (Dray Hue village) only focused on coffee planting; nearby Tay and Nung living in the same village planted cassava and maize in addition to coffee in order to guarantee food crops for subsistence. In a valley area of Lak district, Kinh farmers in San Bay village chose a strategy of coffee and pepper planting on sloping land and hired land from Mnong people to plant cassava to supply to a fodder processing factory. However, nearby Mnong people were almost entirely dependent on rice cultivation. In a valley area of Ngoc Linh commune in Ha Giang, given limited areas of rice fields, Kinh people chose a strategy of cultivating rice for family usage, planting peanuts in the dry season and growing fruit trees (oranges, litchi, and longan) in a garden for selling. In other parts of Ha Giang province (Vinh Tien village), Kinh people combined growing vegetables for the market in combination with raising animals for fertilizer and meat. It is clear that there was no one path for Kinh migrants to take, but that overall, they tended to be more diversified than local minorities.

Why were Kinh more diversified, and why did they take more risks and were less focused on low-value subsistence crops? One answer comes from a study of the changes of agricultural structure from migrants from the Thai Binh delta who settled in Lai Chau province (Ta Long and Ngo Thi Chinh 2000). This study analyzed the adjustment of Kinh settlers to wet rice agriculture in Muong Thanh valley. The migrants had been successful through the combination of (a) intensive cultivation techniques they brought with them from the delta region; (b) learning irrigation skills from nearby Thai people; and (c) government investment in a modern dam system. Another study looked at the adaptation to the mountain environment by Kinh who had been part of the NEZ program and had moved to Ha Giang. The study concluded that Kinh were able to diversify their livelihoods earlier than minorities due to supplemental skills like carpentry, which the migrants had brought with them from their previous homes in Ha Tay (Lundberg 2004). In other words, diversification was possible because the migrants' previous background gave them a wide range of experiences to draw on, combined with "local knowledge" they picked up in their new receiving areas.

The backgrounds of many Kinh migrants encountered in the CSA were very diverse; some were teachers, doctors, and cadres, while others were carpenters, fishermen, or salt collectors. Not everyone who migrated had much prior experience with agriculture, but many migrants floated around to many areas before settling into permanent homes, which gave them the chance to see how agriculture was practiced in different areas. For example, Mr. P and his wife Mrs. T, a Kinh family in San Bay village of Dak Lak, left their home outside Hue City in 1981 as they had insufficient land for production. They went to Phu Quoc Island for a few months first to find wage work, and then left for Rach Gia province for a few months where they saw swampy rice cultivations. Then they ended up in Ho Chi Minh City for a few years doing odd jobs, and then in 1983 they went to Dalat where they were hired on a forest planting enterprise. In 1990 they migrated to a different district in Dak Lak. They finally settled in their current village in 1997 because other Hue people had settled there. (All the Kinh in this village were from Hue, because the schoolteacher assigned to teach the minorities in the area after 1976 was a woman from Hue who brought her family up, then other relatives and neighbors from Hue also started migrating.)

Another key to the Kinh success, besides their exposure to many new places, was the use of their migrant "networks." As Winkels notes,

> *A migrant network describes the relationships formed with people who have and have not migrated and that are maintained prior to, during, and/or after migrating. Within this network, support may be provided by people irrespective of whether it is targeted at the migration process or not. A focus on migrant networks allows a more specific analysis of the structure of relationships and the function of these relationships in the migration process. Family ties, for example, may involve obligations and mechanisms that support behavior reducing the risk associated with migration. For example, in some cultures family ties oblige relatives in the destination to provide food and shelter to new arrivals until further arrangements have been made. This acts as an initial buffer for the migrant who can rely on the provision of basic necessities in the settlement process… For people living in places and have livelihoods that are characterized by marginality, networks can also function as mechanisms for survival, representing a kind of spontaneous social security system through reciprocity and exchange. (Winkels 2007)*

Migrants in nearly all CSA sites spoke of the need to have a network of support in order to survive.

One young Kinh couple that had migrated into an Ede village to live by trading spoke of the importance of family in loaning them money to move and start a shop, and the importance of relatives in the trading business that could introduce them to companies to supply their small shop with goods. The networks migrants used could be either relationships with people in the arrival sites, such as relatives or people from the same province; or it could be the extended network of those that were left behind in the sending area. It was extremely common to find villages of migrants who had all come from the same sending village in a completely different province, such as Thai from Thanh Hoa living together in Dak Lak, or Kinh from a certain district of Hue city forming a village. These ties such as homeland location, kin, and marriage can serve to facilitate "access to other resources such as housing, money and information, thus acting in the short term as a buffer for the costs and disruptions caused by migration. In the long term the social network may facilitate the integration of migrants in the destination through cultural links to other migrants in the destination and keeping links to origin society" (Winkels 2007). It was common to find migrants that still sent their children to live with grandparents in their home sending village, or for people in migrant zones to "call for help from their old village" as one Kinh migrant in Quang Tri put it.

Impact of Migration on Minorities

While the process of migration undoubtedly has had an effect on migrants themselves, a neglected side of the equation has been the impact of migrants on minority communities. One of the primary findings from CSA research in this area highlights the conflicts over land and resources that have accompanied the migration. This was strongly correlated with region. According to local authorities in Quang Tri, there were "no disagreements " between migrants and local people. In Dak Lak, authorities were more circumspect, acknowledging that migrant-local conflicts simmered in many areas. As might be expected in a situation where the population tripled in the course of only 30 years, conflicts–particularly over land–have been rife in Dak Lak and throughout the Central Highlands. Unrest in 2001 and 2004 in this area has been linked to unhappiness over land losses to migrants.

The land issue, particularly in Dak Lak, had a variety of dimensions. In the past, minorities often managed land according to customary laws, practicing a variety of rotational agricultural techniques, and minorities often protected forest areas for both subsistence and spiritual purposes. Traditionally, villages collectively controlled land in their territory under community management; the community had "the ultimate rights, such as in defining areas of use and punishing violations of community regulations. Individuals traditionally would have had the right to use land and inherit land but no right to transfer or sell land to outsiders" (Vuong Xuan Tinh 2001). The influx of Kinh migrants, with ready cash, combined with minorities' unfamiliarity with the concept of private property and land tenure certificates, enticed many minorities to sell their lands. In other cases, minorities unwittingly sold their land use rights to speculators. In other cases, migrants did not buy land but rather took what appeared to be unused land, which may have been fallowing land or protected forests of minority villages (Huynh Thu Ba 1998).

In many places, conflicts from this migrant land grabbing are still simmering today. One Mnong village (Jie Yuk) in Dak Lak visited by the CSA had a sacred forest near a stream on the boundary of their village, which had traditionally been the communities' cemetery. It was forbidden for Mnong

to go there or to cut trees, but three Tay migrant families moved into this land, started clearing trees, and asked for land certificates from the authorities (and were granted them). The Mnong said they protested but that it fell on deaf ears at the commune and district.

The provincial authorities in Dak Lak agreed that conflicts over land have been the most serious problems between migrants and local people. They also assessed that different migrants had different ways to avoid land conflicts. Dak Lak officials said that in general ethnic minority migrants from the north had moved farther afield into more remote areas, settled in villages together to clear unused land, and avoided conflicts with locals. But the Kinh had settled closer to the local indigenous people, to be near roads or infrastructure, and often moved in as individuals to many minority areas, rather than as whole villages who kept to themselves. All of these factors had "caused many conflicts between one another, losing solidarity" in the words of a provincial official.

There have been changes in the traditional use of swidden fields by minorities as a result of the migration and increasing restrictions in use or losses of land. Because of population growth and the Kinh migration, combined with restrictions on land use imposed by the government, many swidden fields have been lost, and many households can no longer clear new lands because they have been claimed by migrants or the state. For example, some Ede households in Cu Pong commune said they did not have enough cultivable land due to immigration, so they had to move to a more remote area of Cu Mgar, a different district with more forest land, in order to be able to practice swidden. At the same time, 233 newly settled Kinh households in Cu Pong commune had claimed fallowing Ede lands, although none of the Kinh had permanent residence papers there.

These land shortages have been one of the most serious consequences of poorly planned and spontaneous migration. In the CSA field sites, those who have insufficient land include not only locals who lost land, but also free-migrant households and newly separated households of young couples who have been allocated insufficient amounts. Many households sought their own measures for increasing their land area, including encroaching on public lands, state farms, forest enterprises, the land of other households, or virgin land not yet allocated. In response to concerns over shortages of land among minorities, Prime Minister Pham Van Khai announced in 2002 that the government would set up a land fund to reallocate land to minorities who had lost their lands or had inadequate land (now known as Program 132/ 134; see chapter 8).

A final consequence of the waves of migration, particularly in the Central Highlands, has been environmental degradation. Too many migrants clearing too much land resulted in very high rates of deforestation for many years. Dak Lak alone is estimated to have lost half its forest cover in just the years from 1990–98 (Do Minh Cuong 1998). In a nationwide report on deforestation in Vietnam, a Canadian research team highlighted Kinh migration and agricultural expansion, particularly to the Central Highlands, as the number one cause of deforestation in the whole country. The report was unequivocal:

> *We were able to isolate several processes in time and space and to represent them cartographically, allowing us to point to Kinh agricultural expansion as the one major instrumental cause of deforestation… Even if some evidence suggests that a few members of ethnic minorities are involved in forms of agriculture that may lead to deforestation,*

the consequences are in no way comparable to those of the agricultural practices of the Kinh colonists. In broad terms, it can be estimated that for each hectare of forest destroyed by the agricultural practices of minorities, at least 20 hectares are destroyed by those of the Kinh pioneers. (DeKoninck 1999).

Our general assessment of the environmental impact of migration is that in places where a high density of Kinh settlers had moved (either spontaneously or sponsored), the government either (a) invested in infrastructure construction, particularly irrigation systems, to meet with the new demand for intensive farming; or (b) turned a blind eye to Kinh deforestation for agricultural expansion. In either case, the net result was the same: loss of forests. Yet in places where Kinh were the minority, and where they settled in individual households or in mixed villages with local minorities, their adaptation to local ecological conditions as well as their relationship with local people seemed to be much better.

Relations between Migrants and Non-Migrants

There are four primary types of villages and settlements with regard to ethnicity that can be encountered in upland areas: (1) mono-ethnic villages of either Kinh or ethnic minorities; (2) villages of Kinh with local (indigenous) ethnic minority people; (3) villages of Kinh with ethnic minority migrants; and (4) mixed villages of all the above. In general, most villages fell under pattern one, which is generally mono-ethnic villages or else with only a few handfuls of households not of the main ethnic group (Table 6.8).

TABLE 6.8 Ethnic Composition of some CSA-Researched Villages (%)

	Dray Hue, Kong Buk, DL	San Bay, Lak, DL	Vinh Tien, Ha Giang	Ngoc Thuong, Ha Giang	Tan Phong, Ha Giang
Kinh	95	100	90	29	98
Ethnic minorities	5	0	10	71	2

Overall, most studies have shown (and the CSA field research confirmed) that Kinh migrant communities usually live separately from indigenous people. Many Kinh do not speak local languages, and have little contact with the local communities. In one in-depth case study in Lai Chau of Kinh NEZ migrants from Thai Binh, there were no relation exchanges, no mixed ethnic marriages, and no participation in indigenous social events by Kinh (Ta Long and Ngo Thi Chinh 2000). Other studies have shown more interactions between Kinh and minorities, but were likely due to the fact that both groups were employed together in state farms and thus had more means for contact (Liljestrom, Lindskog et al. 1998). One reason for this separation is that sponsored NEZ migration often resulted in deliberate physical separation of Kinh and local village and communities in the hopes of avoiding ethnic conflict over lands, and as a result, there was often little contact between them.

In other villages in the Northern Mountains, we noted increasing trade or business interactions among ethnic groups–such as Kinh borrowing land from ethnic minorities in neighbor villages–but less social or marriage relationships. We were told that Kinh normally prefer getting married to people living in the same village, from their old hometown, or to Kinh people from other places who moved in. In Ngoc Thuong village of Ha Giang, where Kinh lived together with Tay and Nung

people, some men returned to their lowland hometown to find a wife and bring her back to Ngoc Thuong village rather than marry a local ethnic minority.

When we encountered mixed villages, the general reason was that the village had been consolidated by government order and different ethnicities were put together, or in a few cases in Dak Lak multi-ethnic villages were established by the desire of spontaneous migrants to live together with Ede and Mnong people, working for them to get paid and learning experiences in suitable cultivation from them. In mixed villages, the relationship between neighbor villagers often involves ties of trading and business. We observed some cases where people could borrow land from each other among Kinh, Dao, and Nung in Quyet Tien commune of Quan Ba district. Relationships were also reflected through general friendship and sharing of cultural norms. For example, in Ngoc Thuong village in Ha Giang, Kinh, Tay, and Nung people have an unwritten agreement that for housewarming parties, invited guests should bring along rice and wine; for a funeral, each household would contribute 2kg of rice and one bunch of firewood; and for a wedding, gifts would be in cash, depending on how close the relation was. Such social relations were described as a way to reduce social conflict.

Explaining Different Migration Outcomes

Why do Kinh in uplands regions tend to have higher levels of economic development than minorities, even within the same area? This was a question the CSA closely looked at in the context of migration. Kinh are uniformly doing better than ethnic minorities in upland areas, even though minorities have often been there for generations and the Kinh only 10–20 years.

One partial explanation is that Kinh in general received enough support during migration (especially sponsored migration in the NEZ program) to enable them to meet very basic needs quickly, and then to invest and diversify into new fields. Kinh are more likely to have received government support in their migration, according to our survey. This is consistent with the policies outlined earlier, which focused on Kinh as the overwhelming proportion of NEZ migration, while minorities who migrated have tended to do so spontaneously. Those minorities who have migrated (particularly groups from the Northern Mountains to the Central Highlands) in our sample tended not to have received much support. According to PRA findings, minorities that have migrated outside their home region have done so primarily in groups and relied on internal support and solidarity, as opposed to Kinh migrants who relied on individual assets (capital and remittances) and government support (official sponsorship).

The Kinh migration also generally moved people into sites that were physically accessible and benefited more from investment in roads, commune centers, electric grids, schools, health centers, and markets that were eventually built for the cooperatives, which constituted the heart of the NEZ approach. Other Kinh resettled in state farms and forests also benefited from the infrastructure there; for example, Kinh hired by the Cu Pong State Forestry Enterprise are still benefiting from five dams constructed by the SFE, which they now use in combination with electric pumps to water their private coffee fields.

However, though government support was higher for Kinh migrants, other factors also were at work. In cases where Kinh were spontaneous migrants, even then, they did better than most local

minority groups. For example, in one mixed village in Dak Lak's Krong Buk district, we found 39 Ede households, 13 Nung households from Lang Son province who had migrated in the early 1990s, and 12 Kinh households from the north who had migrated at about the same time. When we asked about landholdings of each ethnic group, we found that each Ede household had about 0.53ha of cultivated land, while each Nung household had about 1.15ha. According to the Ede people who attended our group discussions, the total asset value of the 13 Nung households was estimated to be three times bigger than total assets of the 39 Ede households. When asked for their explanations of this difference, some knowledgeable Ede people said Nung people were "very good at management and family production"; they are "organized, well planned, decisive," having benefited from seeing agriculture in other areas before they came to Dak Lak. The Nung had gradually accumulated land through clearing and through successful investment in coffee and other commercial crops, while the Ede gradually lost land due to encroachment and poor investments and debt.

The Kinh household landholdings in this village were about 1.08ha of land per HH, which is just a little bit smaller than the area that Nung had. However, in this village, the total asset value of the Kinh people was estimated to be double the amount of the Nung people, because the Kinh households specialized in trading agricultural products and providing loans with high interest. The amount of money they have is something that Nung people "could never have dreamt of." The Kinh in many cases had brought more money with them when they migrated (having sold a house or land in the lowlands or having raised money from relatives before coming), which was then productively invested in businesses, rather than exclusively in agriculture as the Nung had done.

In the minds of the local Ede, Kinh people had a "wider social network" connection than any other ethnic minority group, leading the Kinh to be more proactive in interacting with local authorities and local and regional traders, as well as having contacts with Kinh in other regions to learn from. Ede believed that was why they were richer than both the Nung and Ede. This conception of a "wide connection network" that Ede spoke of was understood as the social knowledge of Kinh. According to Ede people, Kinh people were very proactive in networking with local authorities, traders, and local people in borrowing capital, conducting business, exchanging products, marketing, and updating information. The Ede said without the migration experiences of the Nung and the Kinh, they felt disadvantaged in assessing information in the same way, and in understanding the wider world of markets and trading networks.

Research on migration has shown that these migrant social networks are extremely important. In some areas, migrant networks "take mainly the form of channels of information, resources, and normative structures. The information channeled through the network allows the migrant to be informed about the conditions, opportunities and difficulties expected as part of migration" (Winkels 2004). In China, a study of migration among ethnic minorities noted that minorities have been able to tap into migrant work successfully only when they started imitating Han social networks by setting up their own to assist fellow ethnic minorities:

> *Successful migrant workers often played a role as brokers and guarantors for other family members when they needed to purchase new agricultural techniques or invest in agricultural production. Migrant workers have also introduced new ideas. For example, the widely used plastic vegetable greenhouse technique was introduced to this region by*

> *migrant workers. Migrant workers have thus provided cash for new technologies, as well as encouraged the transfer of new ideas to their families (Fijiao 2003; 147).*

Distinctions in knowledge and experience were readily acknowledged by both Kinh people and ethnic minorities who live near them, and these were attributed to the benefits from the "migration experience." For example, according to the Pa Co in Quang Tri, the Kinh NEZ migrants who have resettled nearby for only a few years have fared much better than them. The Kinh people practice specialized cassava cultivation in a wider area, and their techniques regarding earth work, hole digging, and root caring are better than the Pa Co. The Kinh, having seen cassava cultivation in other areas and on TV, dig the earth more carefully, soak roots before cultivation, dig big holes for the cassava, and fill them in. Thus, the "earth will be good" and the Kinh produce big manioc roots. Meanwhile, the Pa Co only dig small holes, producing smaller manioc roots with lower productivity. In another example, an Ede man in Cu Pong commune of Dak Lak said that he could get only 3 kilos of coffee per tree but the Kinh people could get up to 5 kilos. According to his opinion, Kinh people worked in an "organized way." He stated that Kinh grow coffee only, not wasting their time practicing multiple cultivation or subsistence crops. They knew how to do business and save money, and hence had money saved for investments in coffee at the times it was most needed. Meanwhile, the Ede people had more limited funds and preferred to diversify and grow many crops at once, including rice and corn with their coffee fields, resulting in lower overall coffee productivity. According to Mr. L, a Kinh farm owner who has 56 ha under coffee and cashew in two districts of Dak Lak, the Kinh people were better than the Ede in use of fertilizer and in knowledge of coffee branch and bud trimming, which they had learned at extension and on TV.

There is a further component of the network angle, and that is that migrants can often draw on relatives in their home village to send them money and other types of assistance when it is needed. This was crucial in times of drought and crises. For example, when times are bad in Dak Lak, all Ede suffer as they all live in that same area. They cannot help one another. Yet Kinh migrants' relatives in another part of the country may not be suffering at all economically while Dak Lak is in a drought, and some of these relatives can put up loans or send money that can enable migrants to weather out risks in ways that local minorities said they could not. A 2004 migration survey found that only around one-third of migrants in the Central Highlands are permanent residents; the rest retain ties to their old homes by hanging on to their old residency permits and not switching them permanently to Dak Lak. Research among these coffee migrants in particular revealed that many migrants deliberately *chose* to not change their registration so that they can remain connected to the sending area: "Migrant networks, especially the ties between the migrant and his or her family, are crucial for migrants to be able to 'stretch' their livelihoods. … Coffee plantations require high financial and labor investments for prolonged periods and without the support of other family members, migrants would often not be able to engage in upland farming at all" (Winkels 2007).

Winkels' research among coffee migrants in Lam Dong also indicates that these migrants have more flexible options for spreading risk. For example, migrants with connections to urban areas can go to work in service and construction sectors located in the southeast and Ho Chi Minh City if their coffee farms start to become less economically valuable. Still other migrants may simply return to the home province to seek additional economic opportunities when their coffee farm encounters

difficulties. For example, in Dray Hue, a Kinh village in Dak Lak, when the coffee price dropped in 2000, around 25 percent of the village (20 HH) simply migrated elsewhere. Indigenous minorities simply did not have the same type of options to spread risk as these migrants did.

The local indigenous peoples' belief that Kinh use these social networks to access information, finances, and power, leading to high economic outcomes, is borne out by our survey data. Migrants in our sample were more likely to have been classified as average, well-off, or rich in the last government assessment. All categories of migrants were more likely to have motorbikes, televisions, sewing machines, refrigerators, fans, and water pumps, indicating that migration appears to increase asset ownership. There appear to be no significant differences in agricultural practices or land access, except that non-migrants used more swidden lands.

The Role of Remittances

Remittances are a key part of migrants' repertory for flexible livelihoods. Studies on remittances in other parts of the world show the importance of migrant remittances on poverty outcomes. For example, in a study in Bangladesh, "remittances help to expand business in agricultural products and construction materials. Remittances also helped to generate savings, the major source of capital in the absence of institutional credit on easy terms" (Deshingkar 2005). In one study in the Red River Delta, it was discovered that one-third of households had at least one migrant, and remittances accounted for 17 per cent of household income (Hoang Xuan Thanh et al. 2004).

The migrants who send remittances home can have a major impact in their home villages: "The networks of friends and relatives working in destination areas can serve as a channel for the transfer of remittances. The impact of migration on the wider village communities is more difficult to measure than on household welfare. Migrant remittances can serve as a direct cash injection into the rural economy that increases demand for goods and services, creates employment, and indirectly supports a wide range of activities" (Dang Nguyen Anh 2005; 8). In China, remittances from minority migrants have accounted for a very large jump in income in poor minority zones. For example, in Guizhou, about 10 percent of households in minority autonomous areas left for wage migration, and were earning income equivalent to 57 percent of the provinces' total financial revenue. At the individual level, "the remittances sent by their migrant workers' children have partially filled the vacuum of elderly support in poor rural areas" (Jijiao 2003; 147) and overall contributed to poverty reduction efforts.

Remittances can be examined in Vietnam through recent VHLSS data. Overall, ethnic minority regions (Central Highlands and Northern Mountains) have the lowest rates of remittances and the lowest ratios of remittances to overall income (Table 6.9). As the table shows, areas in which minorities are more dominant get the least amount of remittances, less than half the total contribution to incomes that are received by the other regions. The size of remittances to these areas is also significantly smaller than in other areas; remittances to the North-West are less than a fifth the size of those in the South-East. These relatively low remittances may be one factor explaining higher levels of poverty in these regions (Le Duc Thuc 2006).

TABLE 6.9 Remittances by Region

Region	Average HH Remittances (in 000 VND) (1)	Average HH Income (in 000 VND) (2)	Ratio of (1) to (2)
North-East	1645.99	26375.12	0.06
North-West	955.72	18365.96	0.05
Red River Delta	3108.30	37352.90	0.08
North Central	2363.99	23729.71	0.10
South- Central	2491.68	31103.98	0.08
Central Highlands	1533.52	29973.93	0.05
South-East	5053.93	50027.29	0.10
Mekong Delta	3420.37	34754.79	0.10

Source: VHLSS 2004 in (Le Duc Thuc 2006).

One Kinh man interviewed in Dak Lak also pointed out another link that migration can have to poverty in the context of household economies beyond remittances. He noted that the lack of mobility among local Mnong in Dak Lak kept all children of a household in the area. This means that if a family had four children, the parents' land would usually be divided up for them into four fairly equal pieces to inherit, leading to smaller and smaller plots. The Kinh families would be more likely to send two or three of their children away from the home for migrant labor elsewhere, rather than subdivide the family land into increasingly inadequate plots. Without outlets of migration open to them, minorities' landholdings may continue to shrink as they are divided among large numbers of children.

THE LINKS BETWEEN MIGRATION AND MOBILITY

In addition to being less likely to migrate long distances, minorities as a whole are also less mobile even within their local areas. Minorities visit areas outside their home village less often than Kinh and travel shorter distances. Minorities are much less likely than Kinh to travel to their local district town, let alone to the provincial capital, to other regions, and to Vietnam's large cities (Table 6.10). For example, 98 percent of Kinh report that members of the household have been to the commune center, compared to only 84.7 percent of minorities. Kinh also travel more to provincial cities and towns and to other provinces in the region–66 percent of Kinh vs. 17.6 percent of minorities.

TABLE 6.10 Mobility of Kinh and Minorities

Members of HH have been to:	Ethnic minorities (%)	Kinh majority (%)
Commune center	84.7	98
Province city/town	54.1	94
Other provinces in region	17.6	66

Source: CSA Survey, World Bank. (All figures are significant with $x^2 = .000$; R = .000)

As we noted when discussing long-distance migrants, the act of moving from one place to another can bring greater exposure to new ideas and technologies. Even just better localized mobility (go-

ing to the district town more often, for example) can lead to better networks and more connections, particularly in agriculture and trading, as mobility increases exposure to other ideas. There were many examples of migrants learning new techniques that they saw when they went to new areas. For example, migrant Thai people in Dak Lak used to transplant the rice seedlings in the rice field when they were in Thanh Hoa. However, when they migrated to Lak district, Buon Thai village in 1988, they only practiced this cultivating pattern for 2 years and then changed into spreading (broadcasting) rice seeds directly over the rice field. They said they learned this type of cultivation from the local Kinh people there and it had been more successful for the environment of Dak Lak.

The CSA team believes there is a strong relation between mobility of communities and their ability to cope. The Kinh are much more mobile than other ethnic groups due to their broad social network, enabling them to have greater access to information from various sources. Traveling also provides them with the opportunity to learn from others on farming methods, as well as agricultural and non-agricultural livelihood options. It increases their market access, while further strengthening their social network. The same can be said for migration of minorities. This is demonstrated in the example of Nung, who migrated from the northern province of Lao Cai to Dak Lak. Coming from an area where land was scarce and natural conditions were unfavorable, these groups recognized the potential of the rich soil in the Central Highlands. The Kinh head of a commune People's Committee in Dak Lak asserted that migrants from the north "knew hardship already, so when they came here they worked very quickly" and prospered.

How do ethnic minorities view their own lack of mobility? In an interview with a Mnong leader who used to be a head of the commune under the RVN period, Mr. K. explained that Mnong people were unable to compete with Kinh people given their lack of national language fluency, meaning they were not as good at communication as Kinh people and they were not as quick as Kinh people in updating information. They also, in his opinion, "don't have as broad of a network as Kinh people" and "they are not good at management as Kinh people are." Furthermore, "their families and relatives cannot support them as those of Kinh people do."

Links between Mobility and Roads

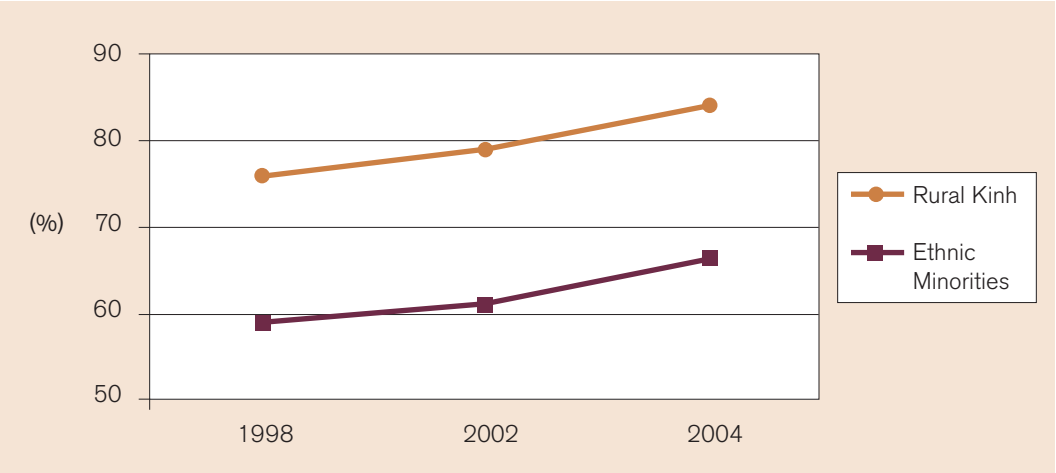
Much poverty investment has focused on infrastructure (roads) to increase access and mobility for remote areas. However, the CSA research suggests that mobility is more than access to roads. Roads are important, but to take the most advantage of new roads, ethnic minorities need to have places to go (markets, schools, training centers), people to talk to (contacts), and relationships and networks. Without Vietnamese language skills, without contacts outside the village, and without wider networks of people to work with/help them outside their commune, minorities cannot take advantage of roads and infrastructure to increase mobility and subsequently improve livelihoods in the same way that Kinh can.

Kinh people often live alongside transport roads, in commune centers or townships that are more convenient than other areas where ethnic minority people usually live. The figure below shows that although road access is improving, minorities still have less access than Kinh and Chinese overall (Figure 6.1). Minorities as a whole have not had as much benefit from roads as Kinh appear to

have had. This finding is borne out from decomposition analysis of the VHLSS for recent years after P135 and other projects increased road building into rural minority areas. The authors of this study report that, "The availability of automobile roads to the commune centers in 2002 proved to be statistically significant at the 10 percent level as a determinant of 2004 expenditure. The ethnic minority group, however, has not benefited by the development of rural roads as much as the Kinh and Chinese have. The difference is statistically significantly at the 5 percent level" (Le Thuc Duc, Nguyen Thang, et al. 2006; 27-28).

FIGURE 6.1 Rural Access to Roads among Ethnic Groups

Source: Turk 2006



We note here that future attention to mobility needs to involve not just infrastructure, but better awareness of how roads impact different groups in different ways. We heard from villages in Dak Lak, for example, who said that with new roads to villages funded by poverty reduction projects, traders had more chances to "exploit" ethnic minority people to make money, without concomitant improvements in the minorities' lives. One CSA consultant who has also been researching for the Northern Mountains Poverty Reduction Project noted that local Thai people of Chieng Chan commune in Son La province stated that since the availability of new transport roads to the village, mobile traders coming by car to the village had increased, and these strangers "played more tricks on them" than the previous local traders had. The Thai people also said that together with the availability of new roads to the village, social evils like drug use and trafficking were also increasing, along with HIV infections. Thus the relationship between roads and better mobility leading to positive poverty outcomes is not an inevitable path. As Neil Jamieson notes,

> *Throughout the world, dependence rather than partnership is a common result of opening marginal areas to interaction with outsiders who are better off, better educated, better informed, and better connected. When road building outpaces the development of educational systems and of the ability of local people to obtain and interpret information, the outcome may be negative. This is not to argue against building roads, but merely to remind everyone that the value of a road to poor people in remote areas depends very much upon the institutions and cultural context. The answer, or course, is not to have fewer roads but to provide people with much better educations and much more information as early as possible in the development process (Jamieson 2000).*

CONCLUSION: LESS MIGRATION SUPPORT AND LESS MOBILITY FOR MINORITIES

From the government's point of view, migration policy has had both positive and negative impacts. The positive impacts have been the redistribution of inhabitants for natural resource exploitation and for national security purposes; infrastructure development; poverty reduction; and "improving" the intellectual standards and socioeconomic development of people living in remote and mountainous areas. The negative impacts have been increasing population pressures in the highlands; high rates of spontaneous migration; imbalances and shortages of land, particularly in the Central Highlands; rapid exhaustion of natural resources and environmental degradation; conflicts and unhappiness among indigenous people; land disputes; and an increasing gap between households of Kinh and ethnic minority people.

While such problems have readily been acknowledged by the government, authorities still continue to implement policies encouraging Kinh migration in particular. The government still believes large-scale development through migration will "trickle down" to benefit minorities, and that relieving population pressures in delta areas outweighs the problems that migrants bring to their receiving areas. However, this chapter in particular has highlighted the social development challenges associated with migration, as outlined in a few key conclusions here.

Migration programs invest more in Kinh migrants. We have noted throughout this chapter that official migration programs largely favor Kinh; they have been the main beneficiaries of the NEZ program that provided investment in return for migration. Kinh also were the main beneficiaries of the labor employment migrations, as thousand of Kinh were recruited to the highlands to work as teachers, civil servants, doctors, extension agents, loggers, and agricultural workers on plantations. These Kinh who initially moved with government support were able to use social networks to bring even more Kinh relatives and neighbors from their originating areas into the highlands. Most investment programs for the highlands, particularly in the Central Highlands, initially focused much more on bringing Kinh to set up services and work opportunities with the state, rather than directly hiring or promoting the local ethnic minorities.

We also noted that even where Kinh were spontaneous migrants, they seemed to get favorable legal treatment–as evidenced by high numbers of Kinh without residency permits in Dak Lak that were allowed to access land tenure certificates–while many minorities (both migrant and local) did not have LTCs for their land yet. Their ability to understand the systems and to work with (or bribe) officials to ignore rules on residency has been one factor in Kinh success.

Pejorative assumptions underlie much migration policy motivations. Among officials from the beginning of migration programs in the 1960s to now, there remains a strong sense that minorities, especially of the Central Highlands, were "wasting land" under their control by practicing swidden. They strongly believed that Kinh had the right and the obligation to use land for more productive purposes, such as conversion to large-scale logging operations (rather than burning forest to enrich agricultural soil) and planning large-scale cash crop operations (such as rubber and coffee rather than local subsistence crops). These activities were seen as more economically productive than traditional uses of land by minorities, and such policies often hid more nefarious motives such as

minority assimilation. Such attitudes remain prominent among many authorities. For example, the Kinh head of a commune People's Committee in Dak Lak asserted that "The indigenous ethnic minorities here were hungry even though their land area was large. The reason is that they don't know how to manage land for the long term, they had a lot of children, and they are lazy."

Such attitudes are a challenge to change, as they imply that nothing can be done for minorities, and that any problems they face are of their own making. Rather, attention needs to be paid to the fact that the large amounts of in-migration into minority areas may in fact have caused additional poverty among minorities, rather than poverty being seen as their inherent lot in life. There seems to be little recognition among some migration planners that highland environments simply cannot hold high densities of people, as the lowlands can, as the soils and environmental conditions are completely different. Further, the lack of land or very small plots of land held by indigenous minorities in the Central Highlands in particular, while much of their previous landholdings are claimed by SFEs, state farms and migrants, needs to be understood as a major factor in poverty. The out-migration of minorities from the north to the Central Highlands was in many cases precipitated by very small landholdings in the north, a consequence of the Kinh migration programs in the 1960s.

Kinh migration has had negative consequences for local minorities that have not been adequately addressed. There have been a number of conflicts over land and resources that have accompanied large-scale migration. Conflicts over land have been rife in Dak Lak, linked to anger over land losses to migrants. Because of population growth and the Kinh migration, combined with restrictions on land use imposed by the government, many swidden fields have been lost, and many households can no longer clear new lands because they have been claimed by migrants or the state. These land shortages have been one of the most serious consequences of poorly planned and spontaneous migration. Such conflicts may be expected to increase in the future, as many minority regions have been designated special economic development zones (such as "border economic zones") and thus competition for land and resources are likely to remain problematic.

The trickle-down effect of migration is often inadequate for development. Migration investment continues to be targeted at Kinh in some areas, rather than focusing on direct investment in minority communities. Some investment programs for the highlands, particularly in the Central Highlands, initially focused on bringing Kinh migrants to set up services and work opportunities with the state, rather than directly hiring or promoting the local ethnic minorities. This is clear in the example of Kinh households receiving millions of VND to move to upland areas of Quang Tri at the same time minority households were complaining about a lack of investment in agriculture in their villages. In our survey data, we can clearly see the differences between Kinh and minority migrants in terms of the support they received after migrating. Kinh are more likely to have received government support in their migration. Sixty-seven percent of ethnic minorities that migrated had to clear their own land after migration, while 62 percent of Kinh had money to buy their land. Kinh were also more likely to receive government land allocations after migrating (22 percent, compared to 5 percent for ethnic minorities).

We also question the adequacy of the "trickle-down" model. Given that investment in Kinh migrant communities is higher than in minority communities (in terms of how much they received for migra-

tion and how they were able to receive land after moving), it is not surprising that Kinh do better. But it is often not so clear how minorities are supposed to see this success and emulate it. Minorities interviewed said they could clearly see Kinh success in nearby villages, but that it was not a simple task to start "being like Kinh" and assuming prosperity would follow. Much of their inability to do this was due to a lack of credit and investment; lack of extension or technical skills for improving agriculture; or ability to take advantage of markets and trading and business opportunities. These issues are discussed separately in later chapters.

Kinh migrants have benefited from their mobility and social networks. One key to the Kinh migrant success has been the use of migrant networks. Local indigenous people often said that Kinh used their social networks to access information, finances, and power, which led to high economic outcomes. This is borne out by our survey data. Migrants in our sample were more likely to have been classified as average, well-off, or rich in the last government assessment. All categories of migrants were more likely to have motorbikes, televisions, sewing machines, refrigerators, fans, and water pumps, indicating that migration appears to increase asset ownership.

Minorities have less mobility overall than Kinh, which affects their ability to see and learn new ideas and technologies. Minorities visit areas outside their home village less often than Kinh and travel shorter distances. Minorities as a whole are much less likely than Kinh to travel to their local district town, let alone to the provincial capital, to other regions, and to Vietnam's large cities. The CSA team believes there is a strong relation between mobility of communities and their ability to cope. The act of moving from one place to another can bring greater exposure to new ideas and technologies. Even just more localized mobility (going to the district town more often, for example) can lead to better networks and more connections, particularly in agriculture and trading, as mobility increases exposure to other ideas.

Unequal application of migration laws. Minorities have also been encouraged in recent years not to migrate for better opportunities, and some funding under the sedentarization program has gone to moving minorities back to their home provinces if they migrate elsewhere (particularly from the Northern Mountains to the Central Highlands). Such discouragement of migration is primarily targeted at minority groups like Hmong. If minorities are restricted in migration by policies that are not also applied to Kinh, they may be reaping fewer benefits from migration.

Researchers in Vietnam have identified migration as a driver of growth and an "important route out of poverty with significant positive impacts on people's livelihoods and wellbeing." These researchers conclude that attempts to control mobility will be counterproductive (Dang Nguyen Anh 2003). By restricting minorities to rural areas (which is largely what has happened because of a lack of support for minorities to move elsewhere), new avenues of income from migrant labor and remittances have not been available.

Remittances to households are lower for minority areas. Remittances are another key part of migrants' repertories for flexible livelihoods. Overall, ethnic minority regions have the lowest rates of remittances and the lowest ratios of remittances to overall income, according to VHLSS data. The size of remittances to these areas is also significantly smaller than in other areas; remittances to

the Northwest are less than a fifth the size of those in the Southeast. These relatively low remittances may be one factor explaining higher levels of poverty in these regions (Le Thuc Duc et al. 2006). While there have been significant government transfers of finances through policy programs like the P135 to poorer regions, which have predominately benefited minorities, when looking at remittances from private citizens it is clear Kinh have had more access to this particular source of aid.

Yet minority regions, being the poorest of the country, are precisely the places that would benefit most from remittances. Migrant remittances could be used for agricultural investment, or migrants themselves might bring back new technologies and ideas to their homes. Restrictions on minority migration, and a lack of attention to promoting or helping minorities in labor export programs, will continue to result in less availability of diverse income from remittances. A study of minorities in China reached conclusions that are applicable here:

> *The perception of many minority regions and minority people as 'backward' by the majority Han needs to be abandoned. Poverty and illiteracy in remote minority regions are due to the nature of the landscape, the lack of adequate education provision, the absence of infrastructure, and isolation from ideas and technologies. It is not a case of 'cultural backwardness' as is so often portrayed. Out-migration, however, is providing a means for "opening up" of these regions, and the migrants who return or circulate are purveyors of new activities, ideas, and attitudes that filter through much of the village (Fijiao 2003; 152).*

In sum, while problems with migration programs have readily been acknowledged by the government, authorities still continue to implement policies encouraging Kinh migration in particular. The government still believes large-scale development through migration will "trickle down" to benefit minorities, and that relieving population pressures in delta and coastal areas outweighs the problems that migrants bring to their receiving areas. Such optimism needs to take better account of the shortages of land, as well as conflicts that have occurred in many minority receiving areas, as a result of Kinh migration. Additionally, policies have not taken into account the limited mobility of minorities themselves as one factor in their higher rates of poverty; rather, national policy has been to restrict minority migration while encouraging it among Kinh. Such differential impacts from mobility and migration policy likely play a significant role in explaining different poverty outcomes among the two categories.

CHAPTER 7

Credit and Financial Services

Access to credit and other financial services has long been acknowledged as an important part of poverty reduction efforts. Without access to affordable credit, households may be unable to expand agricultural production, diversify livelihoods, and invest in new activities like trade or services. This chapter looks at which financial services–both formal and informal–ethnic minorities use now and what they need in the future. We also examine the cultural factors that influence their access to and ability to use credit, and the differences in access to and use of credit between Kinh and minorities.

Our results show that ethnic minorities, at much higher rates than Kinh, report a lack of credit as their biggest production constraint. Based on both qualitative and quantitative data, minorities appear to have access to smaller loans from fewer loan sources than Kinh. Minorities are more vulnerable to private money lending and buying on credit with much higher interest rates than were reported by Kinh.

We draw on our research in the three CSA study sites, as well as a research report on ethnic minorities and credit produced in 2006 by a joint World Bank and IEMA research effort (see Hoang Cong Dung, Tran Van Doai et al. 2006). The IEMA study was carried out in Yen Bai and Dien Bien Phu provinces with Hmong, Dao, Thai, and Tay communities to assess their levels of access to the financial sector. The study did not compare minorities' access to credit with Kinh as the CSA did, but the IEMA study looked in more depth at specific types of financial services (credit, savings, insurance) to determine which services minorities used. We draw on results of both studies here.

POLICES AND INSTRUMENTS FOR CREDIT AND FINANCIAL SERVICES IN MINORITY AREAS

Access to credit and other financial services in rural Vietnam has increased in recent years as part of larger efforts at poverty reduction. This trend is partly in response to evidence from other countries that improved access to micro-financial services is an important measure contributing to increasing incomes for poor people. In Vietnam, many government agencies have considered provision of financial services to be an important measure and a useful tool in poverty reduction (UNDP 1996; MARD and SIDA 1998). Since the early 1990s, together with banking system reform, the government has started developing a system of formal financial institutions, such as the Bank for Agriculture and Rural Development (VBARD), the Bank for the Poor (later renamed the Bank for Social Policy, or VBSP), and People's Credit Funds (PCFs), among others. These institutions provide

financial credit for the poor, who lack sources of production investment and who have little access to commercial credit sources.

Incentive credit policies have been issued by the government in recent years, targeted especially to the poor, to "social policy" households, and in disadvantaged areas. These policies were based on two fundamental assumptions: (1) that rural people have low incomes and cannot afford to access normal commercial credit schemes; and (2) a lack of investment is one of the main difficulties in agricultural production development, so increasing credit can increase food security and development (Dufhues, Heidhues et al. 2004).

The primary state policy on concessionary credit is Government Decree No.78/2002/ND-CP, dated October 4, 2002, on credit for the poor and other policy-privileged people in the society. This group includes poor households, disadvantaged students, people seeking credit to get jobs, people who are going to work abroad, economic organizations, business and production households in remote areas, and others. Decree 78 was followed by the founding of VBSP in 2003. VBSP has now established transaction offices in every district. In concert with mass organizations like the Women's Union, VBSP also provides credit to poor households through group lending schemes to increase their network of borrowers. Thanks to VBSP, poor households who live in communes with extreme difficulties (P135 areas) can obtain loans with interest rates of as little as 0.45 percent per month, with no collateral and simple procedures. The establishment of VBSP has been an important step in the extension of formal credit services to remote and poorer areas.

These general policies have all created more favorable conditions for low-income ethnic minorities to access credit sources for their production purposes, but ethnic minorities have not been a specific policy target of concessionary credit. That is, simply being an ethnic minority does not guarantee one preferred credit access and interest rates. Poor ethnic minority households would qualify under the provision for poor households. To date, however, ethnic minorities in general are not one of the targeted categories of individuals to receive preference in credit under Decree 78. One exception is a limited policy for credit targeted to specific minority groups initiated in 2007 (Decision 32/2007/QD-TTg) – a policy that has yet to reach many people and which was not in place at the time of the CSA fieldwork.

Currently, the financial services sector in Vietnam includes credit provision, savings mobilization, insurance, and payment and money transfer systems for different groups of people in and outside rural areas. There are formal, semi-formal and informal sectors, as noted below:

- ***Formal financial sector.*** The formal sector is comprised of mostly state-owned financial institutions under the supervision of the State Bank of Vietnam (SBV). This sector includes state-owned commercial banks (such as Vietcombank, the Bank for Investment and Development, the Bank for Commerce and Industry, the Bank for Housing Development in the Mekong Delta, the Bank for Agriculture and Rural Development (VBARD) and the Bank for Social Policy (VBSP)); stock banks and joint-venture or international banks; other state financial companies; and credit cooperatives (known as local People's Credits Funds, or PCFs). However, in the rural financial market in which most ethnic minorities operate, only the VBARD, VBSP, a few rural commercial stock banks, and PCFs have any presence.

- *Semi-formal sector*. The semi-formal sector includes those groups or institutions that have credit and saving programs but are not under the supervision of the State Bank. This group includes credit and savings schemes of mass organizations like the Women's Union, credit groups sponsored by INGOs and NGOs, and credit and saving schemes under the framework of development projects.

- *Informal financial sector*. The informal sector includes lending between friends, relatives, private money-lending, pawn broking and other voluntary, self-organized, rotating credit and saving schemes (in Vietnamese, these groups are often called *hui* or *ho*).

Within the formal sector, the state has developed a number of policies to provide increased access to credit, through VBSP, VBARD, and other state banks. Table 7.1 outlines the main credit programs and policies that are available to ethnic minority people residing primarily in rural areas.

TABLE 7.1 Favored Government Credit Programs Available to Ethnic People as of 2005.

Policy	Loan Purpose	Loan Term	Interest Rate	Maximum Loan Amount	Loan Payment	Targeted Borrowers
Commercial credits (Mainly VBARD and PCF)	Production and consumption purposes	Negotiable (short term, medium term, and long term)	Adjusted for each period following ceiling level of State Bank (Currently 1.2% for short term)	- Up to VND 10 million ($643) without collateral; - More than VND 10 million ($643) with collateral required	One-time payment for the principal; periodic payment for interest; outstanding interest required when loan period exceeded	Households
Loans for the poor (mainly VBSP)	Mainly for production development purposes and for necessary needs of housing, lighting, clean water, and education	- Short term (under 12 months); - Medium term (12 to 60 months) - Long term (above 60 months)	- Regulated by the government. Currently 0.6%/month in 135 communes; and 0.65% for other communes	Maximum VND 10 million ($643) for cattle raising and aquaculture, VND 7 million ($450) for other purposes (in practice, VND 5 million ($321) often used as ceiling in minority areas)	One-time payment for the principal; periodic payment for interest; considered loan period extension, loan fixed, loan exemption for the risk cases	Poor households who lack production capital
Employment creation loan (120 Fund)	Production development, employment creation	- Short term (Under 12 months); - Medium term (12 to 60 months)	Regulated by the government, currently 0.65%/ month	Maximum VND 15 million ($964) /household without collateral but guaranteed by the Commune People's Committee; maximum VND 200 million ($12,861) with collateral for households, individuals investing in farm production	One-time payment for the principal; periodic payment for interest; considered loan term extension, loan fixed, loan exemption for the risk cases	Households and family farms

TABLE 7.1 Continued

Policy	Loan Purpose	Loan Term	Interest Rate	Maximum Loan Amount	Loan Payment	Targeted Borrowers
Labor exporting loan	Payments of service costs, deposit, training costs, etc. of labor exporting		0.5%/month	Maximum VND 20 million ($1,286) without collateral		Poor households and policy–targeted groups
Housing loan	Purchase for housing land cost, and for house construction	10 years maximum, 5 years extension	Purchase for housing land cost: 0% Purchase for buying house: 3%/ year	Maximum VND 10 million ($643) for buying housing land in Mekong Delta; Maximum VND 7 million ($450) for purchase house in the Central Highlands	On-time payment of loan period	Poor households and policy–targeted groups in Mekong Delta and the Central Highlands
Loans with incentive interest rates of commercial banks	Production and consumption purposes	Negotiable (short term, medium term and long term)	30% of interest rate reduction for households in zone III communes and 15% of interest rate reduction for households in zone II communes	- Up to 10 million VND ($643) without collateral; - Above 10 million VND ($643) with collateral	One-time payment for the principal; periodical payment for interest; outstanding dept interest required when loan period exceeded	Households

Source: (Hoang Cong Dung, Tran Van Doai et al. 2006)

Despite the potential range of credit sources from the formal sector listed in Table 7.1., in reality, the dominant sources of credit for rural minorities are small production loans from VBARD and VBSP, which account for 90 percent of the total number of loans in rural areas. Loans from the "120 fund" are usually disbursed in town and suburban areas where few minorities live. Credit schemes of local PCFs only serve their members, which are usually Kinh people living in towns and suburban areas of rural districts. Therefore, the main source of credit that poor minorities can access are from VBARD and VBSP.

VBARD lends to about 5.5 million households each year (accounting for 56 percent of the total number of rural households who get loans). VBSP lends to about 3.3 million households a year (accounting for 34 percent of the total number of rural households who get loans). Loans from People's Credit Funds and stock-shared commercial banks account for the rest of the formal rural financial sector, along with micro-finance programs of INGOs (about 4 percent of the total capital for lending in the rural financial market) (Hoang Cong Dung, Tran Van Doai et al. 2006).

VBARD and VSBP differ in the types of lending schemes available to ethnic minorities. According to the official regulations of VBARD, with a loan of less than VND 10 million ($643), collateral is not required if borrowers follow a group lending scheme, whereby the borrower applies for a loan

with the certification of commune authorities. Normally, these groups are organized by the mass organizations (Women's Union, Farmer's Union, and Veteran's Union). With loans of more than 10 VND million, collateral is required, and individual households must apply for the loan at VBARD's branches. In addition to running groups for VBARD and VBSP, mass organizations also often manage their own small loan funds built from the savings of the members, or grants from NGOs, individuals, or other organizations. The Women's Union, for example, runs about 90,000 credit-savings groups in 8,900 communes.

The procedures to obtain loans from formal sources above usually follows four main steps, which are described in Table 7.2

TABLE 7.2 Procedures to Obtain Loans

Steps	VBARD (loans under 10 million VND ($643) *	VBSP	
		Credit for the Poor	"120 funds"
Eligible borrowers	All households with the ability to repay the loan and with collateral (depending on size of loan)	Poor households (including those under the credit scheme for laborer export)	Groups of households, small-scale enterprises, and family farms identified as regulations specify
Step 1: Announcement about credit schemes	Credit officers are sent to communities to work with village headmen and leaders of mass organizations to announce the credit scheme of VBARD: loan size, interest rate, repayment conditions, eligible borrowers.	Credit officers are sent to communities to work with village headmen and leaders of mass organizations to announce the credit scheme: loan size, interest rate, repayment conditions, eligible borrowers, how many households can take loan.	Mass organizations and commune authorities are informed about the schemes: How much money can be provided, loan terms, etc.
Step 2: Selection of eligible borrowers	- A list of villagers who need credit is prepared. - Village meetings are held to select who can apply for the loan. After the meetings, a short list is made; this is the "joint liability group." A group leader, who is the contact person between the group and the bank, is delegated to do some work in some cases. - After that, the group is certified by commune authorities and the list is sent to the bank for appraisal.	- A list of poor households needing credit is prepared. - Village meetings are held to select who can apply for the loan. A "joint viability group" is set up.	- Mass organization and commune authorities set up groups for application. - Project proposals are formulated and submitted for appraisal and approval. This proposal is certified by mass organizations and commune authorities before submission.
Step 3: Appraisal	- Eligible borrowers complete the application form. - Credit officers check the creditworthiness of applicants.	- Commune authorities approve the list and certify the formation of the group. - Households complete application form and send to the bank.	- DOLISA and VBSP check the feasibility of project proposals and submit to authorized level to approve.
Step 4: Loan disbursement	- The bank sets up a disbursement team to deliver the loan to commune's office.	- The bank sets up a disbursement team to deliver the loan to commune's office.	- Loans are disbursed at the bank.

* With a loan of more than VND 10 million, individual villagers must apply for the loan at VBARD's branches in step 3.
Source: Hoang Cong Dung, Tran Van Doai, et al 2006.

THE NEED FOR CREDIT IN MINORITY AREAS

Ethnic minorities in all regions reported a pressing need for credit. CSA survey respondents were asked to rate the following factors in terms of how much of a constraint they posed for agricultural development: lack of capital, lack of wet rice land, lack of swidden land, poor soil quality, lack of labor, remoteness, lack of irrigation, lack of veterinary services, lack of experience in production, and lack of extension services. Credit was the main constraint chosen by households, and is far more important for ethnic minority groups (Table 7.3).

TABLE 7.3 Credit as Major Constraint to Agriculture (%)

See capital as main constraint	Ethnic minorities	Kinh Majority
Yes	81	52
No	19	48

Source: CSA Survey, World Bank

Credit was considered to be important for a number of reasons. First, many households said that transformations in agricultural production in recent years demand that households have access to credit at appropriate times of the year into order to maximize their agricultural production. This was particularly true in areas that had seen a transition to cash crop agriculture, such as in Dak Lak. There, coffee farming required annual infusions of considerable amounts of cash, from a minimum of 10 million VND per ha per year up to 20 million or more. Such funds were used for fertilizer, for water pumps, for hiring labor at peak harvesting seasons, and replanting old trees or trimming buds. One successful Ede farmer in Krong Buk district noted "Without credit to invest, without money to pay wage labor, without money to buy fertilizer, Ede can't water fields on time, can't cut branches, don't fertilize at the right time in the cycle, and don't have enough money at the right times to hire extra workers. Kinh know how to do calculations better, so they plant less but invest in that small amount well. Ede plant a larger area, but don't invest in it and then get low production."

There were examples of Ede who did obtain access to credit and had used it to invest in coffee. Mr. N., a successful Ede coffee farmer in Krong Buk, explained his recent credit cycle. He borrowed 15 million from VBARD in 2000, another 15 million in 2002, and in 2003 he borrowed 20 million. In 2004, he started getting a good crop of coffee, which he sold for 38 million. He paid back most of the previous loans, and then got another 20 million loan in 2004. In 2005, he sold 30 million worth of coffee, paid back part of the outstanding loans, and then took a 25 million VND loan. In 2006, he had just taken another 20 million loan from VBARD with 1.5 percent interest per month for 2 years. He was expecting another good coffee crop, perhaps as much as 40 million or more, and expected to be able to pay off the oldest loans with it, assuming the prices stayed relatively high. His borrowing proved the adage that "you need money to make money." Mr. N. was not making much profit in the initial years of coffee growing. If he had been denied a loan in any of those years, he would have been unable to produce a crop big enough to pay previous loans, potentially throwing him into a cycle of inability to repay and indebtedness.

TABLE 7.4 General Investment Needed in a 1-Hectare Coffee Plantation in Dak Lak (VND and $)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-25
Establishment	15,748,000 ($1,012.70)	0	0	0	0	0
Urea	0	250kg= 800,000 ($51)	300kg =960,000 ($62)	360kg= 1,152,000 ($74)	420 kg = 1,134,000 ($73)	420kg = 1,134,000 ($73)
Phosphate	0	250kg =500,000 ($32)	300kg= 600,000 ($39)	360kg = 720,000 ($46)	420kg= 840,000 ($54)	420kg = 840,000 ($54)
Potassium	0	200kg =700,000 ($45)	240kg= 840,000 ($54)	290kg= 1,015,000 ($65)	375kg = 1,200,000 ($77)	375kg = 1,200,00 ($77)
Manure	0	0	1,350,000 ($87)	1,350,000 ($87)	1,350,000 ($87)	1,350,000 ($87)
Pesticides	0	40,000 ($3)	200,000 ($13)	200,000 ($13)	200,000 ($13)	200,000 ($13)
Sacks	0	0	37,500 ($2)	78,000 ($5)	117,000 ($8)	150,000 ($10)
Water pump	0	67 hours= 938,000 ($60)	139 hours =1,946,000 ($125)	184 hours = 2,576,000 ($166)	184 hours = 2,576,000 ($166)	184 hours = 2,576,000 ($166)
Processing	0	0	0	150,000 ($10)	150,000 ($10)	300,000 ($19)
Family labor	0	3,200,000 ($206)	3,480,000 ($224)	4,400,000 ($283)	5,600,000 ($360)	5,500,000 ($354)
Hired	0	1,560,000 ($100)	2,860,000 ($184)	2,000,000 ($129)	2,060,000 ($132)	2,400,000 ($154)
Land taxes	0	0	0	0	0	740,000 ($48)
TOTAL INVESTMENT PER YEAR VND (USD)	15,748,000 ($1,013)	7,738,000 ($498)	12,273,500 ($789)	13,641,000 ($877)	15,227,000 ($979)	16,390,000 ($1,053)

Source: Dang Thanh Ha and Shively 2005.

We can see the very high needs for credit in Dak Lak by looking at average requirements for coffee plantation investment (Table 7.4). It takes at least 15 million initially to plant the trees. By year 3, coffee trees start producing beans, and one hectare can generate on average 500 kg of beans. Year 4 can produce 1,000 kg, and year 5 will generate up to 2,000 kg. In years 6 to 25, one hectare will produce 2,500 kg on average.

When coffee prices were 40,000 VND per kg, at their peak in the mid-1990s, by year 3, a household could sell 20 million VND worth of coffee, rising to 40 million in year 4, 80 million in year 5, and 100 million thereafter on an average investment per year of 16 million VND. Given these profits, it

is no wonder households planted coffee in such great numbers in the 1990s. However, when coffee dropped to only 4,000VND a kilo in December of 1999 (a tenth of its price at its high point), coffee was no longer profitable, and in fact many households were taking a loss on the money they had borrowed and invested.

Indeed, there are indications that when coffee prices dropped, Kinh and minorities reacted differently, and much of this reaction had to do with the availability of credit. In a survey study done with Kinh and Ede coffee growers in Dak Lak in 2003, researchers found that the Kinh were less likely to stop using fertilizer and water after the price drop, and more likely to wait out the rough period by "seeking enhanced liquidity" through migration, getting remittances from others, or borrowing from formal institutions. The authors write that this

> *pattern likely indicates preferential access to borrowing and greater off-farm employment opportunities among Kinh respondents. Kinh households appear to have been more likely than their ethnic minority counterparts to have enhanced liquidity through borrowing or off-farm work, providing some evidence of better access to credit and labor markets among this group (Dang Thanh Ha and Shively 2008).*

Coffee prices were back up to 12,000 to 15,000 VND per kg at the time of the CSA in 2006, meaning that a household in the fifth year of growing coffee should be able to double their minimum investment of 16 million a year, but this requires farmers to have access to at least that amount of money every year for every hectare of coffee they are growing. However, in our CSA survey, less than half of Ede farmers got loans of more than 5 million a year, an inadequate amount to run a coffee plantation of any size.

Even in areas that were still primarily farmed in subsistence crops like rice and corn, credit and investment was still needed into order to maximize yields. For example, in a PRA in a Mnong village in Lak district, we asked two farming households–one rich, one poor–to compare their investments in 1 *sao* (365 m^2) of rice fields (Table 7.5). As the Table shows, lower investment in inputs into subsistence crops leads to much lower returns and production.

TABLE 7.5 Comparison of Investment Ability of Rich and Poor Households in Rice Farming in a Mnong Village

Wealthy Household	Poor Household
- Fertilizer: VND 300,000 ($19) - Pesticide: VND 27,000 ($2) - Herbicide: VND 22,000 ($1) - Hiring tractor: VND 100,000 ($6) - Varieties: VND 52,000 ($3) - Rice harvesting: VND 75,000 ($5) - Labor: VND 596,000 ($38) -Interest on loans: about VND 200,000 ($13) Output: 400kg = VND 800,000 ($51)	- Fertilizer: 100,000 VND ($6) - Pesticide: VND 10,000 ($1) - Herbicide: 0 - Hiring tractor: 0 - Varieties: local or given for free from relatives - Rice harvesting: 0 -Labor: VND 110,000 ($7) -Interest on loans: VND 100,000 ($6) Output: 100-150 kg = 200 - 300,000 ($13–$19)

Source: Group meeting, Dak Lak, 2006

ACCESS TO CREDIT IN MINORITY AREAS

As 80 percent of minority respondents reported that credit was their biggest constraint to improving production, to the CSA assessed levels of coverage of credit in minority areas to determine if there were disparities in comparison with Kinh areas in terms of access to credit.

Overall, access to credit in rural areas has been increasing in recent years (Figure 7.1). In 1998, it was estimated that nearly half of all rural households had no access to credit. In 2002, that number had been reduced to only 10 percent of rural households. The rapid expansion of formal sector loans from VBARD and VBSP has clearly increased access to rural areas, with only 10 percent of households not taking loans by 2002.

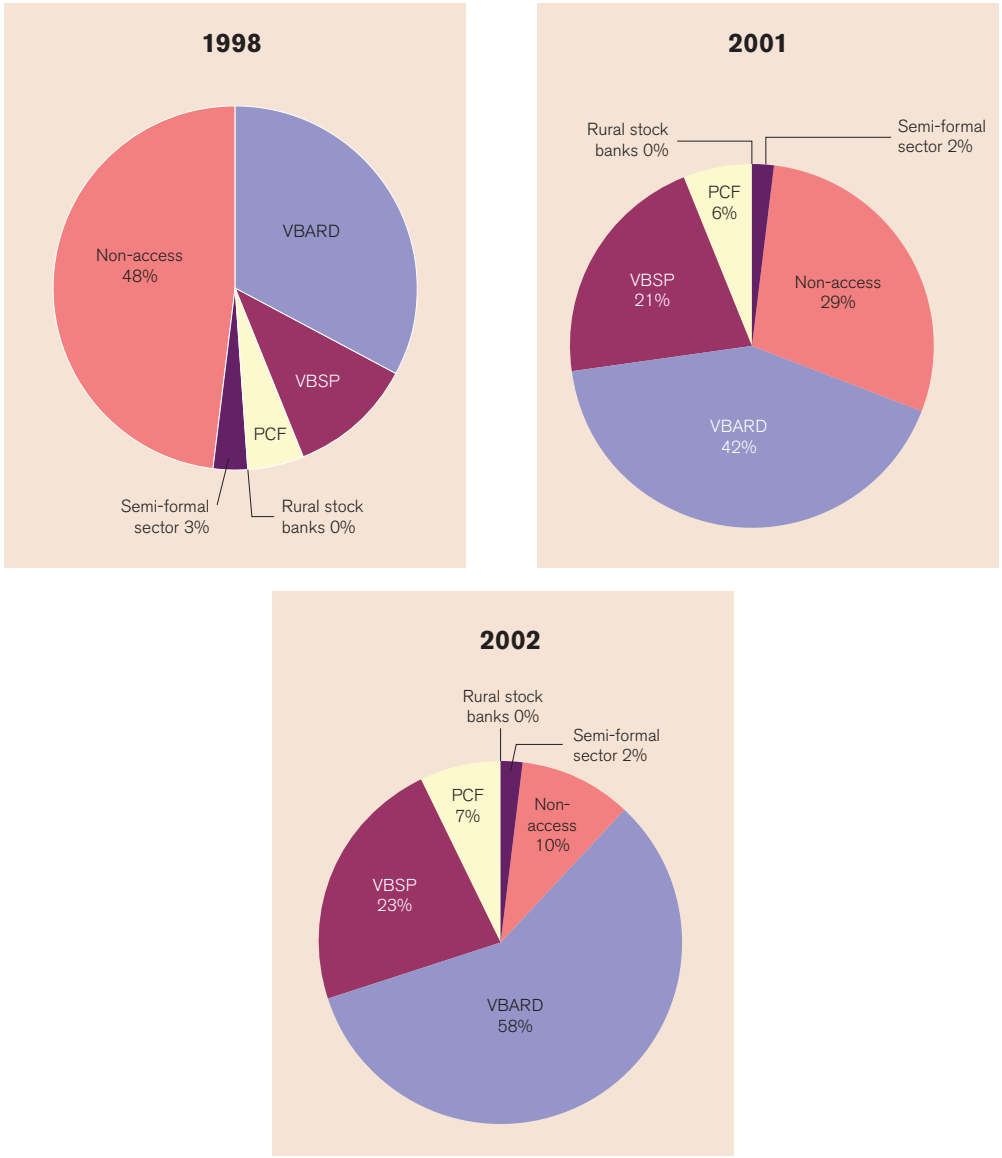


FIGURE 7.1 Access to Credit of Rural Households

Source: Hoang Cong Dung, Tran Van Doai et al. 2006

However, these figures can be somewhat misleading, as they include all rural areas, and any household that takes more than one loan may be overcounted in terms of the total number of households who have access. Rather, we should look at provincial levels and below to understand the level of coverage of minority households in particular. The 2006 IEMA study estimated that about 72 percent of total households in Yen Bai province and 70 percent of total households in Dien Bien had access to VBARD and VBSP credit schemes. In our study sites, we found it difficult to assess exact figures on coverage of loans, but the general trends are that the amounts of money loaned and the total number of borrowers have also been on the rise. For example, in Ha Giang, the number of borrowing households nearly doubled between 2001 and 2005, and the total amount of capital lent increased nearly 2.5 times. The average loan size also increased from VND 2.5 million in 2001 to VND 3.25 million in 2005 (Table 7.6). By 2005, the VBSP had loaned to more than 60,000 poor minority households. Overall, Ha Giang has around 100,000 poor and average minority households, so coverage of the loan programs are somewhere around 60 percent of households. Dak Lak's VBSP estimated they had covered about 68 percent of poor households in Dak Lak. Similar figures were not available for Quang Tri. Thus, while the overall trend is positive, as coverage has increased, there are still many minorities not accessing credit.

TABLE 7.6 Credit Extended to Poor Ethnic Minority Households in Ha Giang, 2001–05

	2001	2002	2003	2004	2005
Loan Balance	VND 69,254 million ($4,453) for 31,000 households	VND 69,239 million ($4,452) for 31,172 households	VND 68,388 million ($4,398) for 38,474 households	VND 105,426 million ($6,780) for 52.042 households	VND 196,404 million ($12,630) for 60,247 households
Average	VND 2.5 million ($161) /HH	VND 2.15 million ($138)/HH	VND 1.77 million ($114) /HH	VND 2.02 million ($130) /HH	VND 3.25 million ($209) /HH

Source: VBSP documents, Ha Giang, 2006

Who can access credit?

Despite the progress noted above, however, the number of financial entities providing financial services to ethnic people is much less than that of other regions and of institutions serving Kinh and the rates of borrowing by some ethnic minorities are still lower than Kinh in the same areas. According to the CSA survey, 20 percent of Kinh have never taken a loan, compared to 32 percent of ethnic minorities. Kinh had higher percentages of loans than almost all other ethnic groups (with the exception of Thai and Nung households). Table 7.7 indicates that some ethnic groups have considerably lower rates of borrowing, particularly Pa Co and Hmong.

TABLE 7.7 Access to Formal Credit Sources by Ethnic Groups

Ethnicity	% of Ethnic group that has borrowed a loan
Thai	88
Nung	88
Kinh	80
Van Kieu	78

Ethnicity	% of Ethnic group that has borrowed a loan
Bo Y	77
Ede	75
Others	73
Mnong	72
Dao	67
Tay	63
Pa Co	55
Hmong	54

Source: CSA Survey, World Bank

A forthcoming study of ethnic Khmer in poor areas of the Mekong Delta reveals that loan rates among Khmer are even lower than the rates reported above for Hmong. Only 20 percent of Khmer in a 2005 IEMA survey had ever taken out a formal sector loan (Le Ngoc Thang et al 2007). This indicates that specific targeting of ethnic groups may be warranted to increase access to credit when there are distinct disparities between Kinh and minority groups in terms of access to loans.

Source of Loans. Survey results show the most popular place for minorities to obtain credit was the VBSP, which was the source of credit for about half of all minorities. For Kinh, the most popular source was the VBARD (see Table 7.8). The formal sector clearly dominated for both minorities and Kinh, as few reported borrowing loans from relatives, friends, and neighbors.

TABLE 7.8 Where Did Households Borrow From? (%)

Source of loans	Minorities who had borrowed (n=212)	Kinh who had borrowed (n=40)
VBSP	50	38
VBARD	24	4
Relatives	8	10
Other banks	7	3
Neighbors	5	10
Other sources	5	0
People in the same village	1	0
Traders	1	0

Source: CSA Survey, World Bank

How Loans are Used. There were not many differences between Kinh and minorities when they were asked what they had done with loans in the past or what they would do with a loan in the future. The most popular choice for investment was in livestock raising, chosen by 81 percent of minorities and 78 percent of Kinh. Agricultural production was next, with 76 percent of Kinh and 65 percent of minorities investing in agriculture. Minorities had slightly higher rates of responding that they would use money to pay off previous debts, and there were more significant differences between the two groups with regard to buying food and household goods; minorities reported using loans for consumption more than 20 percent of the time, while less than 10 percent of Kinh reported this use (Table 7.9).

TABLE 7.9 What are Loans Used For? (%)

	Minorities	Kinh
Livestock	81	78
Agricultural Investment	65	76
House building/upgrade	22	26
Repay debt	22	16
Buy Food	21	8
HH Goods	21	4
Other	13	10
Trading	5	26
Give to someone else	3	4
Lend out	3%	2%

Source: CSA survey, World Bank.

Size of Loans. There were not only discrepancies in how many households of different ethnicities got loans, and the source of loans, but also differences in the size of the loans obtained (Table 7.10). Kinh took out significantly larger loans, with 62% of Kinh having a loan of $301 or more, while only 34% of minorities had loans this size.

TABLE 7.10 Average Household Loan Sizes for Minorities and Kinh (%)

Amount borrowed	Ethnic minorities	Kinh majority
None	32.1	20
1–1,999,999 VND (0–$120)	11.9	6
2,000,000–4,999,999 VND ($121–300)	22.1	12
5,000,000 or more ($301 or more)	34	62

Source: CSA survey, World Bank.

When we divide ethnic minorities into separate groups, we see the discrepancies between ethnicities very clearly with regard to average loan sizes (Table 7.11). We also see some regional trends as well. Ede, the minority living in the most heavily cash-crop-dominated area, were getting larger loans than minorities not in coffee areas. We also see the Van Kieu of Quang Tri doing much better in accessing loans than the Pa Co of the same province. This was attributable to an aggressive effort by the VBARD of one particular district where Van Kieu lived (Dakrong) to target minorities, while a neighboring district (Huong Hoa) was not making similar efforts.

TABLE 7.11 Average Loan Size by Ethnicity

Ethnicity	Average size of loan (VND)
Kinh	12,802,500
Ede	10,214,286
Thai	9,000,000
Van Kieu	7,265,714
Tay	7,047,143
Nung	6,792,857
Bo Y	5,050,000
Pa Co	4,792,308
Others	4,318,182
Mnong	4,109,091
Hmong	2,900,000
Dao	1,050,000

Source: CSA Survey, World Bank

However, while Table 7.11 suggests that Ede are doing relatively well in accessing credit, in that they received larger loans than any other ethnic minority groups, in fact, minorities are not doing nearly as well as Kinh in Dak Lak in terms of accessing credit. Significantly higher percentages of Kinh in Dak Lak get the larger loans needed for coffee farms (Table 7.12). Eighty percent of Kinh could get loans of 5 million or more, while less than half of the minorities could. Given that we were told a coffee farm needs at least 10–15 million a year per hectare to be profitable, it is likely that this differential access to credit was hampering minority efforts to increase coffee production. VBSP documents from Dak Lak confirm that the average size loan to minorities was VND 4 million.

TABLE 7.12 Access to Credit in Dak Lak (%)

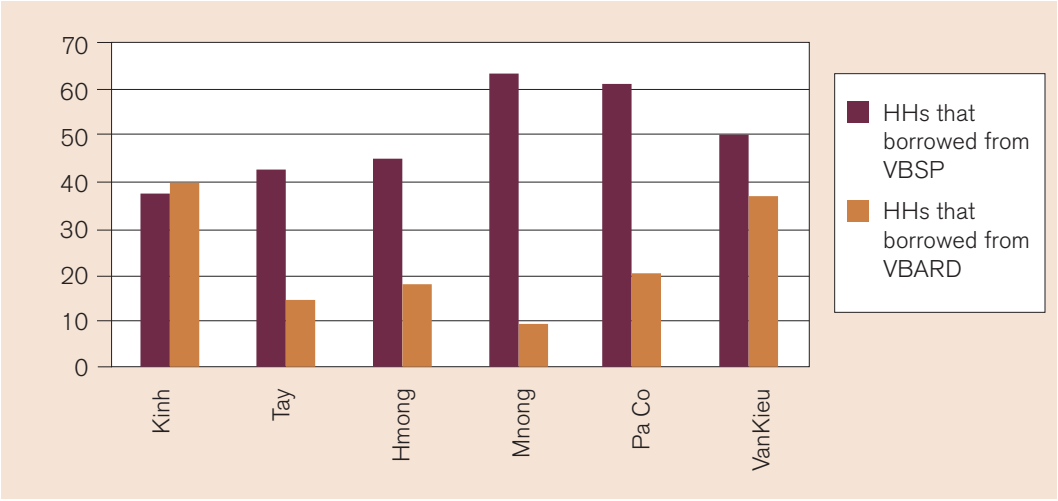
Amount borrowed	Ethnic minorities in Dak Lak	Kinh majority in Dak Lak
None	21.2	8
1 – 1,999,999 VND (US$1-120)	15.2	4
2,000,000 – 4,999,999 VND (US$121-300)	14.1	8
5,000,000 VND or more (US$301 or more)	49.5	80

Source: CSA survey, World Bank.

Lending Institutions. Much of the difference in loan sizes between Kinh and ethnic minorities can be explained by examining where households obtained loans. More minorities borrow from the Bank for Social Policy (VBSP), which has a smaller maximum loan size (around 5 million VND or less), than the Bank for Agriculture and Rural Development (VBARD), which regularly lends 10 million VND or more (Figure 7.2). Overall, it is clear that Kinh are more likely to take larger loans from VBARD and other sources while minority groups primarily take smaller loans from VBSP.

FIGURE 7.2 Sources of Loans by Ethnic Group

Source: CSA Survey, World Bank.



The average loan sizes from both VBARD and VBSP have been increasing over the past 10 years, according to both banks. However, the average loan size that minorities were getting in the field sites is far from the maximum loan size that a household can receive (VND 10 million from VBARD without collateral). Very few ethnic households applied for and received the maximum loan size from either VBARD or VBSP. Many households said they did not even know how much the maximum loan size was, and that credit officers usually made a decision to impose the loan size before they prepared applications for borrowing, thereby limiting what households were eligible for. In general, as reported from the banks, the average loan size for ethnic households is about 85 percent of the general average loan size in the case of VBSP, and about 50 to 70 percent of the general average loan size in the case of VBARD (Hoang Cong Dung, Tran Van Doai et al. 2006). This fact implies either that some ethnic groups are being discriminated against by bank officers and encouraged to take smaller loans, or some groups may have smaller "capital absorption capacity" and therefore are requesting smaller loans, or else do not have the collateral needed to ask for bigger loans.

Because loans for minorities tend to be from the VBSP, many minority households reported that credit made little difference to them because the loans were too small. Five million is too little to invest in livestock raising of buffaloes and cows or investment in coffee and other cash crops, leaving households with little option but to raise pigs/poultry or spend the loan on food or other consumption purposes.

Problems in Accessing Formal Credit

Our CSA research, along with the 2006 IEMA research, has highlighted a number of problems with the formal credit sector that prevent minorities from taking advantage of credit opportunities.

Demand for Collateral. Officially, a collateral asset requirement only applies to loans over VND 10 million offered by VBARD. In reality, however, it is common that VBARD branches will request Red Books and land tenure certificates as collateral for loans less than VND 10 million. VBARD will then hold on to the LTC until the loan is repaid. VBARD says that they do this to prevent people from taking multiple loans, rather than keeping the book as a collateral asset to guarantee the loan. Regardless of why it is used, however, this requirement excludes households from borrowing who

have not received land tenure certificates. In the 2006 IEMA study, among households who had never obtained bank loans, a lack of collateral was the most common answer as to why the household had not borrowed.

Limited Numbers of Loans Available. The VSBP depends mostly on central disbursements to maintain financially viability, as it mobilizes very little savings and has highly subsidized loan rates backed by funding from the central government. The annual number of people who can be served then depends on what amount of money comes from the state each year, consequently limiting VBSP's ability to respond to credit demands of all households. As a result of the limited funds of VBSP's local branches, credit officers usually predetermine the number of eligible clients for each village. This is based not so much on need, but on availability of money and on spreading this money to the most number of villages. This means there are a number of households who need credit but will not be able to obtain any loans, as their villages have a limited number of available loan slots.

Minorities More Limited in Number of Loans. Credit schemes in minority areas are usually limited to one loan per household at any one time, particularly from VBSP. Banks argue that this is to avoid the overlapping of many schemes, but households said this was an obstacle to getting enough credit to impact their household's economic status. This problem was compounded by some households that were able to "double-dip" and obtain more than one loan at any one time. Although banks' officers insisted that they refused to provide credit to those households who had already taken loans from other banks, in fact some households can obtain loans if there is not active supervision of local authorities. In fact, the IEMA study found that the number of active Kinh borrowers in Dien Bien province was higher that the total number of Kinh households, because many households were "double-dipping" and taking multiple loans, which reduces the overall pool of loans available to others.

Targets of VBSP Loans are Not Always the Poor. As a commercial bank, VBARD can decide who is eligible to take their loans. However, VBSP is only supposed to loan to people who are on approved lists of "poor households." In reality, however, these standards are not always followed. The 2006 IEMA study found that the number of active borrowers of local VBSP branches was always higher than the official number of households listed as poor in any locality. VBSP officials blamed the selection of eligible borrowers on local authorities who certified incorrect lists of poor households, saying that their credit officers could not appraise the creditworthiness of all these households. They simply accepted the list of "poor households" that they were presented from local authorities. As a result, the limited funds of VBSP have been allocated improperly to some non-poor households; this means some poor have not benefited from favored credit. The IEMA study found VBSP providing credit to the non-poor in all study villages: 31 percent of VBSP loans went to high-income groups, while only 11 percent went to the poorest (IEMA 2006).

Loans are Top-Down. In most cases, bank officers decided and imposed the loan purposes, loan term, and maximum loan size for villagers. People often complained that if they wanted to take a loan they had to agree to use the loan per the instructions of credit officers, village headmen, or leaders of mass organizations when they joined in group lending schemes, and could not decide to use the loan as they desired. Others complained that loans were often delayed and it was hard to find information about loans because the process was so top-down.

Loan Terms Not Suitable for Minority Households. As mentioned previously, most of the loans given in ethnic areas are less than the maximum size available for a collateral-free loan. Many households complained that the loan sizes were too small. A 5 million VND loan could not even cover the price of a cow or buffalo in most areas, forcing people to invest mainly in small-scale pig or poultry production. People also mentioned that the borrowing terms are usually too short and not enough for a reforestation cycle or cash crop investment (like for coffee, which would require at least a 6-year horizon to get a plantation to maximum production).

Indebtedness and Defaults. Most households we interviewed were currently in debt (57.4 percent). Kinh households were actually more likely to be in debt (72 percent as compared to 55 percent of minority groups). However, few households were overdue or overextended: most simply had loans out that had not yet come due. However, authorities expressed concerns over rising rates of bank defaults among ethnic minorities, particularly in Dak Lak. These authorities explained that about 6 percent of minority borrowers in Dak Lak were overdue on loan payments in 2006, although this was actually a slight decline from the year before (Table 7.13). The explanation for this was that these were mostly loans extended before 2000, when the price of coffee dropped dramatically. The province had taken the positive step of extending loan terms and forgoing interest payments from loans taken out from the state banks in these hardship years. They had also issued instructions that ethnic minorities who had overdue loans that had been taken out before 2000 should not be punished by ineligibility for future loans. While officers said in many cases they did not believe minorities would be able to pay off these older loans, they stated they were wiling to allow future loans to minorities, given this exceptional situation of the coffee price drop. This is a positive example of how local flexibility in understanding the credit problems that minorities often face can be used.

TABLE 7.13 Overdue and Outstanding Debts by Ethnic Minority Households in Dak Lak Province, 2003–06

Year	Total Outstanding Loan balance (in 1,000 VND and USD)	Number of households with overdue debts	% of Loans that were past due	Number of households with outstanding debts
2003	19,821 ($1,275)	991	4.9	8,618
2004	38,150 ($2,453)	1,823	4.8	13,890
2005	71,123 (S4,574)	5,698	8	18,586
May 2006	94,130 ($6,055)	5,744	6.1	23,814

Source: Dak Lak VBSP, 2006

In other areas, indebtedness was not a serious problem. For example, in Dakrong district of Quang Tri, the overdue debt rate was only 0.3 percent, and officers did not believe minorities were more prone to overdue debts than Kinh.

Why can't some ethnic minorities access the formal credit system?

There are always people who are not reached by the formal sector for various reasons, such as households with a lack of collateral, households that are considered a financial risk (such as having household members with "social evils" like drugs), or households who are already in debt. There

may also be more intangible "cultural" factors that influence if households ask for and are able to receive loans. We asked in focus groups why it seemed that minority households were less likely than Kinh to get access to the formal sector.

Evidence from PRA indicates that some minorities felt the formal credit system favored Kinh. For example, Ede in Dak Lak who wished to get loans to invest in coffee production reported some discrimination against them by VBARD staff (who would state either explicitly or implicitly that minorities were not creditworthy of large loans), and who would direct small-scale Ede farmers to the Social Policy Bank instead. Nung households in Dak Lak mentioned that they thought they got smaller loans than Kinh because they did not know how to "grease the wheels" for credit accessibility for large loans by slipping envelopes of money to credit officers or by having social relationships with the officers. While we could not confirm that there was any bribery going on for large loans, the perception among these minorities that it existed may have depressed their willingness to approach certain banks.

There were other examples of what appeared to be inequitable treatment. In Quang Tri, a special credit program had been devised for Kinh migrants to minority areas so that they could plant rubber. The migrants could get 24.5 million VND ($US 1600) in loans with interest of 0.81 percent/mo for 8 years. However, the credit program was targeted at the migrants specifically, not to the ethnic minorities that were already in the area.

We also heard comments from authorities during the research that might discourage minorities from taking loans, such as local district officials who stated that minorities "don't know how to use credit" and that they often squandered it on "property and vehicles" instead of investing it to raise their incomes. (In fact, our survey previously revealed that while some minorities admitted to buying household goods, the large majority used most of their loans for livestock and agricultural investments, as Table 7.8 previously presented).

Some people mentioned that Kinh seemed to do better in accessing the formal sector, more so than minorities, because they could use friends and relatives to increase collateral for maximum loan sizes. For example, one very young newly married Kinh family we met in Cu Pong commune had no experience running a business, but they were able to raise in short order 100 million in loans and credit from a combination of family, friends, and banks to open a trading shop in an Ede village. In the same village, numerous Ede households reported being unable to borrow more than 10 million from the formal credit system because they did not have enough collateral.

In other areas, particularly in Ha Giang, we were told that accessibility to credit was a challenge to certain ethnic minority groups who had limited knowledge of banking procedures and poor Kinh language skills. Certain ethnic groups, particularly the Hmong, also reported a fearfulness of debt. We heard stories of Hmong families who had borrowed money from a bank because they were told they should do so, then hid the money someplace, and only took it back out again for repayment (by which time they also had to pay interest on the money which they had not used). In the 2006 IEMA study, more than 50 percent of Hmong surveyed said they were afraid of indebtedness, while less than one-third of Tay or Thai responded the same way (Hoang Cong Dung, Tran Van Doai et al. 2006).

Remoteness and inaccessibility also affects households' ability to access loans. The IEMA study found that 100 percent of households that had borrowed money from VBSP and VBARD three times or more, and 50 percent of households that had borrowed money twice, lived in villages near main roads and cities. More remote areas got fewer loans, due to the difficulties in travel and the lack of credit officers focusing on these remote areas. This meant they had fewer chances to get multiple loans.

There is also an income influence on access to credit. Poor families, either due to hesitance in borrowing or lack of access to loans, had lower rates of borrowing than richer households. The rich often have access to a wider range of credit sources. The poor households, in contrast, met many difficulties in approaching commercial credit sources. Moreover, in-debt households (usually poor households who have had difficulties in production) are usually not allowed to borrow again, which also prevents them from raising income to help them repay their debts.

Finally, in the 2006 IEMA study, there was a difference between household heads who had received schooling and those who did not in terms of who was able to access credit. Fifty-seven percent of household heads without schooling reported that they did not get credit in the past 10 years, while the proportion of household heads with schooling that did obtain credit ranged from 75 percent to 80 percent. Schooling and literacy therefore appear to affect access to credit among ethnic minority people, as those with less school may be more hesitant to apply, less likely to understand paperwork, or be excluded by loan officers who fear illiterate families are credit risks (Hoang Cong Dung, Tran Van Doai et al. 2006). Survey findings also show the correlation between the high level of education and the increase in credit effectiveness when it is used.

The Informal Credit Sector

Those households that cannot access credit, or that receive loans that are too small or poorly timed, remain dependent on the informal sector. While the numbers of people who use the informal sector is much less than those who use the formal sector, the informal sector is significant because it supplies credit at usually very high interest rates and unstable loan terms, as we note below. Yet the role of the informal financial sector is very important in many areas, especially in meeting the demands for non-agricultural production credits (credit for health expenses, school expenses, emergencies, etc).

Informal loans take a variety of forms. Loans from relatives or friends are usually made without interest or at very low interest. However, these credit sources are quite limited as many rural people do not have cash to loan, or can only loan very small amounts for short terms. Less than 10 percent of households interviewed who had obtained loans said they borrowed from relatives or friends. Most people interviewed said that although they have demand for loans, few relatives could meet this demand due to their own economic difficulties.

Private moneylenders: While private money lending was reported in low numbers in the survey, those who do use this sector face very high interest rates (10 percent or more per month) and short loan periods. These loans are almost always available, but the high interest rates mean that households only come to these sources when it is really necessary. In some areas, the incidence of high

interest rate loans is common and is considered to be one of the main reasons for pauperization of the poor. These short-term high-interest loans, called "hot loans" (*vay nong*), might be taken out for as little as a few days or week in cases of emergencies. In spite of the high interest rates, these loans are still popular in rural areas, and the poor are some of the main clients of these services.

Private money lending to minorities was found to be most common among Khmer in the Mekong Delta and minorities in the Central Highlands. For example, in one single Khmer village in Tra Vinh, 90 percent of village households had borrowed funds by mortgaging (*cam co*) their rice fields. They could get up to VND 25 million from these mortgages, which they then used to buy soil preparation machines, threshers, livestock, and other production inputs. Households said that without turning to private money lending and mortgages they would not have sufficient capital to invest in rice production, which is increasingly dependent on capital and inputs in the Mekong Delta (Table 7.14).

TABLE 7.14 Estimated Investment Needs for an Average Khmer Rice Farm (VND)

Activity	Credit Needed for Summer Crop	Credit Needed for Winter crop
Seeding	1 million ($64)	1 million ($64)
Fertilizer	2.4 million ($154)	2.4 million ($154)
Plowing	500,000 ($32)	500,000 ($32)
Pesticides	500,000 ($32)	500,000 ($32)
Labor	500,000 ($32)	700,000 ($45)
Transport	200,000 for both crops ($13)	
Threshing/milling	140,000 for both ($9)	
Water pumping	100,000 ($6)	

Source: Le Ngoc Thang et al 2007.

Households that do not have land to mortgage in order to finance the above inputs have few options besides wage labor to raise cash. Furthermore, low productivity of rice production in the past years in the delta has meant no profit for the average household for nearly six years in a row, meaning many families who mortgaged land have not been able to pay off their mortgages. Foreclosures on unpaid mortgages were common in the area, and it was estimated that 20 to 25 percent of Khmer in Soc Trang had become completely landless as a result.

The credit situation has also been particularly acute in recent years in the Central Highlands, where the lack of access to larger loans has driven many poorer farmers, particularly minorities, to take their coffee production loans from the informal system. This included private traders and agricultural supply stores (*dai ly*), which can provide loans that are much larger than VBSP and VBARD, much faster, and with much less paperwork. We were told a private loan from a coffee trader can take only one day versus several months for the formal system. These loans are highly risky, however, as they involve very high rates of interest and short-term loan periods that cannot usually be extended without potentially forfeiting the collateral put up for the loan, which was usually a land tenure certificate. In other cases, the loan would be approved on the condition that the coffee the farmer produced would be paid to the loaning trader, at much lower than market rates when the

harvest was ready, leading to an inability to get out of these debts because the household could make no profit on their crops.

When coffee prices dropped in the year 2000, many Ede farmers with these short-term private loans told us they could not pay. In many cases, the lenders took the Ede land that had been put up as collateral, or the Ede had to sell other lands to pay the debts, leading to increasing landlessness among Ede. We interviewed a Mr. M. in Cu Prong commune of Dak Lak who not only had to face the coffee price drop, but a motorcycle accident in 2000. He took out an emergency loan from the coffee supply store for 6 million, with a one-year repayment term and interest of 4.8 million over the course of the loan (about 7 percent per month, compared to the formal sector rate of less than 1 percent per month). He put up his coffee lands as collateral (about 1.2 ha, with 750 coffee trees). When Mr. M. could not raise the 10.8 million to pay off the loan at the end of the term, the coffee trader took Mr. M.'s lands. Had Mr. M. actually sold the lands outright on the market (as they were productive lands with 5 year old coffee trees), he would have gotten more than twice the amount of his loan payment for these lands.

In other villages, traders have not taken lands from farmers yet, but continue to demand repayment of high-interest loans, which keep rising in size far beyond the original loan amount. In Adrong village of Cu Pong commune, out of a total of roughly 100 mostly Ede households, about 20 households had outstanding debts of over 50 million dong, and over 10 households had debts of 20–50 million dong each. These debts accumulated from the high-interest loans taken from traders to pay for machines and fertilizers for growing coffee in the 1990s, when coffee price were high. The burden of debt that cannot be repaid only increases over time as the interest keeps compounding.

The Kinh, who also had to face the same drop in coffee prices, appear to have been more able to weather the price drop. Kinh reported being more likely to have had their loans from the formal bank sector, and provincial and central policies were adopted to let banks extend loan terms during the coffee crisis with the interest on these extended loans being subsidized by the government. Additionally, many Kinh said they called on relatives, particularly in sending areas of the Red River Delta or elsewhere that were not in the same crisis situation as Dak Lak was, to send them money to help them weather the low prices. Thus, there was less land forfeiture among those with formal loans and migrants who could draw on family resources during this period.

Buying on credit: Besides emergency loans, buying on credit is another popular option in rural areas. Buying on credit is popular in many places, particularly where the cash crop sector is well-developed and farmers need money to buy seeds and fertilizers at critical points during the year. Buying on credit is very common in the Central Highlands, for example, with coffee traders loaning money or goods to minority farmers at the beginning of the year with the expectation the farmers will sell their coffee to the traders at lower prices later on.

The percentage of Kinh households that purchased on credit in the last year (64 percent) is more than double the percentage of ethnic minority households that did (31.8 percent) (Table 7.15). However, ethnic minorities were much more likely to pay interest on their credit purchase (35.6 percent of minorities had to pay interest vs. 10 percent of Kinh; *chi-square = .007, R = .007)* (Figure 7.3).

TABLE 7.15 Purchasing on Credit (%)

Did household purchase on credit in last year?	Ethnic minorities	Kinh majority
Yes	31.8	64
No	68.2	36

Source: CSA survey, World Bank.

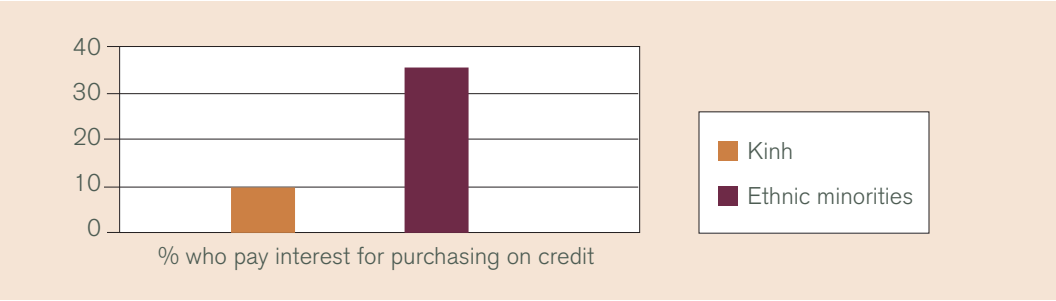


FIGURE 7.3 Paying Interest when Purchasing on Credit

Source: CSA Survey, World Bank.
(Chi-square = .007, R = .007)

The issue of buying on credit from traders was particularly noticeable in Dak Lak. Mnong and Ede were the only minorities that reported being in debt to traders of all our survey respondents, and we discovered through PRA the difficulties farmers in this area have had in recent years. Through PRA with Kinh moneylenders, we found that informal lending can lead to a vicious cycle of indebtedness and dependency.

There are two main types of credit purchases that Dak Lak minorities needed: one is the need for production inputs at the start of the agricultural season, in which case a trader will extend the fertilizer, seeds, and pesticides with either a fixed interest rate or the expectation that the crop will be sold back to the trader at a fixed price (always lower than market prices). For example, Kinh traders in one commune in Dak Lak lend money to Mnong to buy inputs from them prior to the corn planting season. The Kinh will lend cash, but then convert the amount to be repaid to corn equivalence if commodity prices are high. For example, if the price of the previous year's crop was VND700,000/ton, the Kinh traders lend Mnong households VND700,000 ($42), then collect one ton of maize from them after the harvest. The traders never accept repayment in cash if there is a rise in prices from season to season. For example, in 2005 the price was 700,000 VND per ton of corn, but in 2006 it had risen to 1,400,000/ton ($84). So with repayment in maize, the traders get 100 percent interest in the course of 6 months. If they worked with cash, they could likely only charge around 5 percent interest a month without protest from the minority households that the interest is too high. By not dealing with "interest" per se, and extending loans and credit which are paid back in kind, the traders take advantage of the Mnong's lack of awareness of market prices and poor ability to calculate. In the 2005 corn season, in one village alone, 56 households (about half the village) borrowed money for production inputs from a Mrs. S (a Kinh trader from another village) and repaid in 84 tons of maize (equivalent to VND109,200,000, or $6,558). If half of this is interest profit, this trader's yearly income from lending alone was over 50 million VND ($3,279).

Other villages that planted rice reported borrowing fertilizer from Kinh for their rice, a practice known as "selling unripe paddy" (or *ban lua non*). The farmers will take around 80,000 VND worth of fertilizer at the start of the season, and then are expected to hold for the trader 100 kg of paddy at harvest time (equivalent to 120-150,000 VND). If farmers do not pay immediately after the harvest, they will be required to provide 200 kg of rice from the following year's harvest (Lindskog et al. 2005).

The second type of credit purchase is the need to purchase rice to eat in the lean months before harvests are due (July, August, and September in Dak Lak). We spoke with Mnong households in Du Mah village about how they covered this hungry period (known as *doi giap hat*). Each household needs about 250kg of rice per month to cover their shortfall, so the total extra volume of rice that they need for the whole village is 101 households x 250kg x 3 months, or 75,750 kg/yr. This is a large amount, so the households borrow 50 kg bags of rice from a local Kinh trader to get them through this hungry season. Then, by maize harvest time in October, the trader collects 250kg of corn from the farmers for every 50kg bag of rice. Corn in 2005 fetched a price of VND 1,300 VND/kg. That means the trader has essentially charged 325,000 VND for a 175,000 VND bag of rice. If she loans to nearly all households, her net profit per year is over 15 million VND. Since the trader does not deal in actual cash amounts, however, the profits are not as noticeable.

Authorities largely let these traders operate unimpeded in minority areas, reasoning that they provided a service of inputs to remote areas and took "risks" on lending to more untrustworthy minorities. Yet overall, this lending clearly trapped many households into cycles of debt, as they were barely able to repay last year's production debts before needing new ones. More proactive policies and attention from authorities seem to be warranted in this case, as this debt lending was directly undermining poverty reduction efforts in the area.

In other minority areas in the north, the Farmers Union has stepped in to avoid the type of loan dependency we see among the Mnong in the example above. In Yen Bai, for example, deferred payment contracts for purchasing fertilizer are a new type of credit services offered by the union. Each year, the Farmers' Union would sign a deferred payment contract to supply fertilizer to its members with a payment period of 6 months from the contract date. The farmers do not have to pay interest through this period, and repay the price of the fertilizer at fixed, agreed-upon rates that the union had negotiated. This kind of informal credit has many advantages, such as simple procedures, no interest rates, and direct delivery to hamlets and villages, along with the institutional support of the union to keep prices low. The largest benefit of this kind of credit is that it reduces the burden on the farmers to have cash at the beginning of the season to purchase materials for production (Hoang Cong Dung, et al. 2006).

CONCLUSION: DIFFERENTIAL ACCESS TO CREDIT FOR MINORITIES

Access to credit in appropriate amounts and at appropriate times can help minority households lift themselves out of poverty, given good investments and wise use of credit. The 2006 IEMA study found that households believed credit and savings schemes had had positive impacts on their house-

hold income; 78 percent of the surveyed households that had borrowed money from VBSP and VBARD said their incomes had increased. However, impacts varied among the different credit and savings schemes and among ethnic groups. VBARD credit was said to contribute more to higher household income than any other sources; 62 percent of VBARD clients reported that credit helped to increase their income, while only 35 percent of VBSP clients said this (Hoang Cong Dung et al, 2006). The IEMA survey results also showed there may be some linkage between households' food security and obtaining loans. Only 28 percent of households that had borrowed money in the past 10 years reported shortages of food, while 75 percent of the non-borrowing households suffered shortages.

Given these needs, it is unfortunate that access to credit remains limited in minority areas. The lack of access to affordable credit has serious implications for ethnic minorities' ability to expand agricultural production, diversify livelihoods, and invest in new activities like trade or services. Certainly there is cause for hope; the large expansion in the availability of credit in the past 5 years is clearly reaching minority households, as a majority of households surveyed by the CSA had been able to take out a loan. However, this positive trend should not hide the fact that minorities still borrow less frequently than ethnic Vietnamese, get smaller loans overall, and are more vulnerable to cycles of debt in the informal sector..

We highlight here some particularly pressing issues for minority access to credit that need to be considered in future plans to increase minority access to financial services for poverty impacts.

- ***Credit policies are needed to target minorities specifically.*** There are currently very few specific credit policies for ethnic minorities, only policies on credit for poor people generally. Specific variable rates could be developed exclusively for ethnic minorities to try to reduce the disparities in loan availability and loan sizes that we have outlined here. The VBSP in Dak Lak suggested one policy would be to reduce the interest rates for all ethnic minorities by about 10–15 percent below current commercial rates (around .06 percent/mo). Loan sizes could also be raised for ethnic minorities, particularly in areas like Dak Lak with high investment costs in cash-crop agriculture. This would help expand the reach of credit beyond just focusing on the poorest minorities, but also help average and higher income minorities access needed credit as well.

- ***Minorities need more diverse options in access to credit.*** In principal, there are several formal credit sources that ethnic people can access. However in reality, only better-off ethnic households (and primarily Kinh) can usually obtain loans from VBARD. Therefore, the main source of credit that poor ethnic people in study areas can access are small VBSP loans. While this scheme is important, the limited loan sizes and small numbers of loans available per village mean many minorities are underserved in access to credit. Increasing the amount of funds available to the VBSP will help them reach higher rates of coverage, as will extending their agent network in order to reach the poorest and most remote areas.

- ***Households need flexible access to multiple sources of credit.*** Credit schemes in minority areas are usually limited to one loan per household at any one time. The fact that each household is only allowed to borrow money from one institution to avoid the overlapping of

many schemes was identified by households as an obstacle to getting enough credit to impact their household's economic status. There is a need to diversify the types of credit given to poor ethnic people through political and social associations, such as the successful Farmer's Union fertilizer credit plans used in Yen Bai that were mentioned above.

- ***While access to credit is getting better, some obstacles still remain for many households.*** Among various reasons for not obtaining loans stated by those households that had never obtained bank loans, no collateral was mentioned by half of the households in the IEMA study. Improving the issuance of land tenure certificates (discussed in more detail in the following chapter on land) will also help minorities have better access to credit through the use of the tenure certificates for collateral and mortgages.

- ***Formal banks are unable to reach ethnic minorities solely on their own.*** Mass organizations and NGOs are needed to help minorities access bank credit, especially since bank credit officers in remote areas are usually overworked. However, collaboration with local organizations is constrained by the current legal environment, which generally favors the formal sector. Furthermore, once loans are disbursed, there is usually no follow-up or any training on how to use the loan. Banks could better coordinate through the mass organizations with other development projects and extension training in order to match loan disbursements to training programs so households can use their loans in production in an effective way.

- ***Rules on private money lending and mortgaging should be implemented to protect vulnerable communities.*** Particularly for Khmer and for minorities in the Central Highlands, there are disturbing trends toward landlessness as moneylenders take over mortgages lost to indebtedness, and others are trapped in cycles of indebtedness due to high interest rates. While it is difficult to regulate private trading in remote areas, the practice of charging nearly 100 percent interest on buying on credit, as was seen in some villages, needs to be addressed by local authorities, and sanctions enacted against the most unscrupulous traders.

CHAPTER 8

Access to Land, Agriculture, and Forestry

The rights of households to access and use agricultural and forest land is one of the most important factors in household economic status in rural Vietnam. Because rights to land tenure have profound consequences for efforts to improve agricultural productivity, redistribute agrarian wealth, and conserve natural resources, ensuring entitlement of individual and collective land-use rights in ethnic minority and mountainous areas is one of the three main targets under the Vietnam Millennium Goals to "reduce ethnic inequality."

This chapter looks at access to land by ethnic minorities and Kinh. We seek to explain why minorities tend to have lower economic returns from land when they usually have access to larger areas of land than Kinh. To do this, we examine factors such as variations in the quality and quantity of land allocated to minority households; the productivity and use of lands for economic activities; the role of community and group management of lands; and the role of government management of land (particularly state forest enterprises and state farms) in minority areas. We conclude that there are a number of barriers to poverty reduction that result from unequal access to land assets and use. We seek to identify what policy changes might be needed to improve minorities' access to and use of land to achieve poverty reduction in the future.

In Vietnam, the 20th century has seen many changing conceptions of land ownership, which have created a highly variable understanding of local rights and national rules. People in ethnic minority regions have long relied upon traditional land use patterns such as swidden cultivation (also known as "shifting" cultivation; *ray* or *nuong ray* in Vietnamese) and customary community-based rights to forests and other natural resources. In the past 50 years, however, there have been dramatic changes in land use rights that have affected minority communities. Nationalization of forests and socialist cooperative production for agriculture in the 1960s and 1970s resulted in many changes, as did the reversal to private individual land holding rights in the 1990s, as well as the more recent expansion of markets in land. Additionally, policies to eliminate swidden cultivation–combined with transitions in agricultural production toward more cash crops–have also affected minorities. Policies to transfer forest land rights from the state to individual households or communities through permanent and privatized land use rights, as well as through less insecure arrangements of forestry management, have had varying degrees of success. Goals of increasing forest cover in the uplands and assisting upland households in finding new sources of income from forestry activities have been

laudable, but in reality most minorities have had little chance to benefit financially from forest land allocation.

We begin by examining the history of land use and land tenure in Vietnam, highlighting the many changes that have affected minority communities. Our analysis then looks separately at agricultural land tenure and use and forest land tenure and use. With regard to agriculture, we find that overall minorities have less productive lands and smaller landholdings of the highest value lands (such as for industrial crops like coffee or rubber). Kinh households also appear much more diversified than minorities, specializing in combinations of cash crops, subsistence crops, trading, and wage labor. Thus, we see fundamentally different production models appearing between Kinh and minorities, even in adjacent areas, with different crops grown on different lands, and different sources of off-farm income. There are also few impacts in terms of agricultural technology and extension, which have mostly bypassed minority households. We move on to analyze the role of forestry land in minority areas. We explore how recent trends in forest land allocation, including to communities, have impacted ethnic minority groups. We find that livelihood impacts–in terms of increased incomes from forestry–have been minimal for both minorities and Kinh in the highlands.

We conclude the chapter by examining recent trends in minority areas that may be signs of reduced access to land, including increased landlessness and diminishing landholdings, along with general environmental degradation. We also briefly assess the adequacy of new government policies to address these problems, particularly Program 132/134 to allocate land to land-poor minorities. We conclude with some summary recommendations regarding how new approaches in land policy might better benefit minority communities.

BRIEF HISTORY OF LAND USE AND CHANGES IN UPLANDS OF VIETNAM

This section will provide the reader with an overview of land relations for ethnic minorities going back to the earliest dynasties to contemporary times. There were three main periods:

- The early period spanning from the dynasties of the Ly and Tran, through the French colonial regime, to the South Vietnamese governments of Ngo Dinh Diem and Nguyen Van Thieu. The most interesting finding in this period is one of relative stability of land relations for most minorities, who could to a great extent still rely on traditional land ownership and land use. Limited capacity and a policy to "divide and rule" meant that the impacts of the feudal and imperialist forces on traditional land ownership and land use of minorities was limited. By 1945, and through 1975, the land ownership and land use of minorities in many mountainous areas in South Vietnam continued to follow long-standing traditional patterns.

- The socialist period from 1954-1986 signaled a change to state ownership and agricultural cooperatives that had a profound impact on the livelihood of many minorities. Sedentary and intensive farming techniques were replacing the minorities' traditional farming practices of extensive shifting cultivation. Expropriation and forced migration policies severely impacted land relations and livelihoods. Conflicts erupted between proponents of state land ownership

and those favoring communal land ownership for minorities. Ironically, the policies put in place during this period also led to an increased rich/poor gap, both between regions and between Kinh and minority groups.

- The contemporary period has been marked by a roll back of state ownership through a series of Land Law revisions (1993, 1998, and 2003) emphasizing the need for primarily private (or in some exceptional cases, communal) ownership of land. The implementation of land allocation to private households, however, has progressed slowly and has encountered financial difficulties. In addition, many minorities were unaware of the new land rights. The state is loosening control over land, yet state control is strengthened through record-keeping of land use rights certificates that specify defined uses for land and user tax payments. There are also clear indications that some of the best forest areas will be retained by the state, rather than being released to households.

History of Traditional Land Use in Minority communities

For centuries, ethnic minority communities have relied on traditional patterns of land ownership and land use. Under the Ly (1009–1225) and Tran (1225–1400) dynasties, the mountainous and border regions of Vietnam remained autonomous, and land ownership of the minority groups mostly followed traditional customs. No tax was levied on land natural resources, but instead localities were asked to offer rare and precious forest products as tributes to the emperor. Under the Le (1428–1527) and Trinh (1533–1789) dynasties, the policy toward ownership of land and natural resources in these areas did not significantly change. The central administration did, in principle, implement a shift from a poll tax to a land tax, but in practice it was only applied in the delta regions. When the Nguyen Dynasty was established (1802), the central government intensified control over land by levying land taxes. The country was divided into four regions for taxation: the ethnic minorities in the northern areas belonged to Region III, the Cham and other ethnic minorities in the central region belonged to Region I, and the Khmer belonged to region IV. Land in Region IV was more heavily taxed, while in Regions I and III few taxes were assessed. Initially, the land tax in these remote regions was only levied on wet fields, but later under Emperor Tu Duc (1847–1883) other types of land such as gardens, land for growing vegetables, sweet potatoes and salt making were also taxed. However, the state largely ignored swidden cultivation, the major land use practice in minority areas.

Swidden cultivation as traditionally practiced by ethnic minorities in Vietnam was extremely diverse. It included a range of activities, such as clearing forest land, planting crops, and fallowing land for forest vegetation to regenerate (for some examples, see Hickey 1993; Do Dinh Sam 1994; Fox, Dao Minh Truong et al. 2000). There were also a wide variety of traditional customary institutions and laws that governed land tenure of these swidden fields and other types of land. For example, in the areas inhabited by the Muong and the Thai ethnic minority groups in the northwest, much land management was controlled by the muang, the Thai polities that dominated the area. The head of the muang was essentially a feudal landlord and this title was handed down from the father to his sons. Peasants who used muang land had to make different contributions or taxes depending on the type of land. For forestland use, they only had to contribute precious forest products as tribute

(Cam Trong 1977). Among the Tay and the Nung, there were different practices, as these groups traditionally had recognized private ownership of some forestland, particularly valuable industrial crops such as anise and oil/resinous trees (Vuong Xuan Tinh 2000b; 370–410). Khmer and Cham in the delta areas also primarily had private landownership of wet rice fields. Among other groups, such as the Hmong, clans within a village were the primary regulators of land use (Pham Quang Hoan 1994). For many groups in the Central Highlands, land management was under a "traditional village land manager," who was responsible for administering land within the village territory (Luu Hung 1994; 92). While the land manager allocated use rights each year, overall the land was owned collectively by the whole village. Land use was also linked closely with beliefs about genies and spirits that inhabited different types of land. These spirits were ultimately the "true" owners, who could grant offerings or force punishment of the land users.

Despite the diversity of land management models as noted above, there were some common trends among minority groups. According to most customary laws, the village chief was the highest authority in land management. Usually an elderly man who was experienced in production, the village chief (*gia lang*) organized the sharing of farming areas, grazing areas, water sources or sacred forests; judged disputes or punished violations of customary laws on land use on behalf of the villagers; and decided on the relocation of the village lands or finding new forest areas for farming. The village head would allocate plots of land for use each year to households, who often farmed individually. Once the user of certain land plots gave up cultivation in that area, other people were entitled to use it. In cases of permanent settlement where the minorities established individual land claims, the owner of farmland could pass the land on to his children as inheritance or give his land to others, but often could not mortgage or sell it without village consent.

Other types of land were more collectively managed, such as forests. Within the forest areas of the village, every member might be entitled to exploit forestland for cultivation, to gather forest products, and to hunt wildlife. However, individuals would be obligated to share with the community anything collected on village land. In the traditional societies of the Muong and Thai, people presented the best share of any wild animals caught to the head of the muang (Nguyen Tu Chi 1996; 60–87; Le Si Giao 2000; 325–326). The Khu Mu ethnic minority group of Son La province had a rule that whoever gathered forest products had to make three shares: one for himself/herself; one for the Thai muang head, and one for the other villagers (Vuong Xuan Tinh, Bui Minh Dao, 2000a). Customary laws of this nature were largely respected by community members, and if they were not, violations and punishments were specified, such as having to donate wine or pigs to be sacrificed to the gods and shared with the community (Le Si Giao 2000; 334).

French Colonialism. In 1858, the French colonialists began annexing Vietnam. Their policies had some impacts on land use in the minority areas, particularly in the highlands. The primary policy of the French at the end of the 19th century and early 20th century was to expand private capitalist plantations, and they encouraged French capitalists to invest money in these ventures. The first plantations were primarily for rice, and the French invested considerably in canals and waterworks in coastal areas, particularly the Mekong Delta, in order to expand rice production (Biggs 2003). During the last years of the 19th century, some plantations experimented with industrial crops such as tea, coffee, and rubber. The occupation of land to establish plantations, which in many

areas encroached on or outright alienated minority lands, continued through the 20th century. Yet despite the eager annexation of land by colonialists at this time, some French researchers were calling for attention to the fact that,

> *There is no land in the Moi country without an owner; but most of it is collectively owned. Each village occupies definite territory, and an individual not native to the village does not have the right to cultivate a parcel of it without authorization. One can see that this circumstance makes the establishment of colonists in Moi country more difficult than one would at first expect. For the duration of its use the ray [swidden field] is the private property of the one who has cleared it; once abandoned, it reverts to the community, and the person who had cultivated it retains no rights to use it. The irrigated rice fields constitute private property. (Gourou 1945 [1940]; 455).*

The French state, in addition to seizing minority lands for plantations, also attempted to regulate the practice of swidden cultivation. While the earlier Nguyen emperors had never attempted to regulate traditional agricultural techniques like swidden, the French were adamantly opposed to this practice. They also instituted new rules on forestry. A *Service Forestier de l'Indochine* was founded in 1900 (Thomas 1999).

Under French rule, the dual process of state management of forestry land along with privatization of all agricultural land created deep social stratifications. The changes in land ownership that were started by the French were a major factor in the discontent and rural unrest that led to the Vietnamese Revolution in 1945.

Land Use Trends Under Socialism

The period under socialism witnessed many important changes in land policies that had impacts on ethnic minorities and mountainous areas. In fact, these policies had roots as far back as 1930 in the political program of the Communist Party of Vietnam. For the party, the path of the Vietnamese revolution was to take land back from the colonialists and feudalists and distribute it to the poor and landless. When they came to power in 1945, they made good on these promises. A strong land reform program in the early 1950s redistributed much of North Vietnam's agricultural land by breaking up the large estates and concessions that the French had founded (Moise 1978). Overall, approximately 700,000 ha of land were redistributed to poor and landless peasants throughout North Vietnam at this time.

However, in the mountainous areas, due to the remote locations and harsh living conditions, such agrarian reform was only partially implemented. The only specific mountain land policy was a land tax reduction at this time. Even as late as 1956, no land policies had truly impacted the highlands. According to a 1957 research project conducted by Tran Phuong in 10 mountainous communes, only 28 households owned large plots of land that were similar in size to the land owned by landlords and kulaks (rich peasants) in the deltas (Tran Phuong 1960; 11–18).

Land reform was just a first step toward collectivization of land under socialist Vietnam (SRV 1990). While in principle these cooperatives belonged to the people, they were in fact owned by the state, with the agricultural cooperatives merely administering the land on behalf of the state. By 1961, the

movement of agricultural collectivization had spread to 2,000 highland communes (Tran Phuong 1968; 240–241). State control over land in the highlands was extended when the National Assembly decided to nationalize all forest land in 1960. Land use in the highlands was further impacted by the Kinh migration policies that were put in place in the 1960s. In many areas, agricultural cooperatives in minority areas either accepted the in-migrant Kinh as their members, or the local administration allotted land to them to set up their own exclusive agricultural cooperatives (Liljestrom et al. 1998; 30–35).

The next major step in regulating land use under socialism in minority areas was the 1968 state policy on settlement and sedentary farming (the Fixed Cultivation and Sedentarization Program, or FCSP, which is discussed in Chapter 6). This program to regulate swidden agriculture represented a continuation of the same concerns the French had first voiced about swidden farming. Many minority villages in the highlands and midlands moved to settle down in the lowlands, mixing with other minority groups–such as the Tay, Nung, Thai and Muong–who already predominantly lived in the valley areas.

For minority groups in southern Vietnam, the land policy and land laws of the government of the Socialist Republic of Vietnam only had strong impacts after 1975, when the country was reunified. Prior to this, they had had to deal with the impacts of various laws implemented by the Republic of Vietnam from 1954–75. Under the Ngo Dinh Diem regime, important decrees on land eliminated the right to communal ownership of land. Through taxation, the new regime forced the French owners of plantations to sell off their landholdings, which the Diem administration transferred to their supporters. Ethnic minorities strongly protested those policies, staging a number of insurrections against the Diem regime in the early 1960s. Later, the new President Nguyen Van Thieu–learning from the mistakes of President Diem–announced a "special regulation for ethnic minorities." This regulation ensured ethnic minorities' rights to land ownership by allowing each family to privately own a small plot of shifting cultivable land and unlimited sedentary farming land. In short, under the Nguyen Van Thieu administration the rights to communal land ownership in ethnic minority areas was respected, while at the same time the administration created opportunities for them to privately own land.

These trends were reversed after the reunification of Vietnam in 1976. First, coffee, tea, and rubber plantations in the Central Highlands were nationalized and converted to state farms. This was followed by steps similar to those taken in the northern mountainous provinces described above to establish state control over forests and collectivize agriculture, but the scope and pace was larger and quicker. By 1988, in Dak Lak and Gia Lai-Kon Tum provinces alone, 79 state farms and 83 state forestry enterprises (SFEs) were incorporated. These state farms and SFEs accounted for 70 percent of the total area of forest land of the two provinces. By 1988, a total of 710,000 people, mostly Kinh, had moved from the plains to new economic zones in the Central Highlands. For minorities, production collectives–similar to agricultural cooperatives in the north–were established alongside the FSCP program, promoting settlement and sedentary farming.

This period of state ownership (between 1945 and 1986 in the northern mountainous regions, and between 1975 and 1986 in southern mountainous provinces) did not have strong impacts on all mi-

nority villages. In some highly remote and isolated highland areas, agricultural collectives and cooperatives were very weak or nonexistent (Corlin 1998). In other places, agricultural cooperatives only administered wet fields, and most of the shifting cultivation land and forests were freely exploited by private households (Vuong Xuan Tinh and Peter Hjamdahl 1997). For this reason, many people were able to maintain their traditional land administration practices, including collective management, even during socialization.

For most minorities, however, the period of state ownership did have profound impacts on their land occupation and land use. Sedentary farming techniques and intensive farming techniques replaced shifting cultivation. Many areas, particularly those surrounding provincial and district towns and along highways, experienced a reduction in the area of shifting cultivation and terrace fields, while the area of wet fields and industrial crops increased. This led to more modern agricultural production techniques and laid the foundation for increased food production in many highland regions. At the same time, the many state farms and forestry enterprises–together with the migration of people from the plains to new economic zones–upset traditional land ownership and land use rights for minority groups. The local people could not accept the fact that the land and forests that belonged to them in the past were now owned by the state, and conflicts erupted between state ownership of land and communal land ownership. The above-mentioned factors had negative impacts on ethnic relationships as well, particularly the relations between the migrant Kinh and the minorities.

Contemporary Land Use Trends and Policies

As with many other economies characterized by extensive state ownership and agricultural cooperatives, the economy of Vietnam also began to suffer from inefficiencies, low labor productivity, and chronic food shortages in both the deltas and the mountainous regions. To motivate farmers to invest in land and increase production in the cooperatives, the government issued Resolution 100 in 1980, which allowed farmers to keep the production surplus from private household economies. Eventually, Resolution 100 led to calls for full privatization of agricultural lands. With the adoption of Doi Moi in 1986, such calls were answered and Vietnam reversed 30 years of collectivization, allowing farmers to have the right to use their own land.

The establishment of long-term leasehold rights to agricultural land for individuals was an important part of this transition, and was first officially promulgated in 1988. The 1988 Land Law said that the state was "entrusting" (in Vietnamese: *giao*) land to households and organizations for long-term use. At this time, however, no rights of transfer or sale were given to households for land, nor was forest land included (Hayami 1993). A second land law was adopted in 1993 that further strengthened the processes of privatization and also applied to forests. Individual land use rights and land use certificates (LUCs) for both agricultural and forested lands were to be issued to households with five fundamental rights–to exchange, lease, transfer, mortgage, and inherit the land (SRV 1994).

Results of Land Allocation. While it is commonly stated that under socialism the state had a tight control on land use, in fact, it was during the Doi Moi period that the state truly had additional control over nearly all lands. In the period prior to 1986, the state "nationalized" land such that each agricultural cooperative represented the state in the administration of local land. However, such

an administration depended on the responsibilities and capability of the cooperative management board; therefore, there were places and times where land–particularly forests and forest land–were without official owners. Due to state difficulties in administering land, traditional land use was allowed to thrive in remote, highlands areas prior to 1986. With the implementation of the new land laws, particularly after 1993, such traditional land uses were no longer able to exist because all land was to be allotted to households, families, and individuals and organizations for use.

Thus the 1993 land law set into process a major series of changes in land use in minority areas in Vietnam. First, because the land law applied only to households, individuals and state organizations, "communities" and "villages" were not considered legitimate owners of land. This started to erode the rights many traditional communities had enjoyed over land.

Second, the process of land allotment to households "ossified" land-use relations into a relationship between one owner and the state (who granted the LUC), not between the individual land user and his local community, as had been the case in the past. Thus the process of land allocation in the highlands often saw conflicts between individuals, individuals and groups, or between groups. Prior to the implementation of land allocation, local people in many areas followed their traditional laws in the use and management of land, which meant that after each cycle of farming, the land was fallowed without an "owner" until someone else needed it. Because this meant that the same plot could be used by many people at different points in time, when land allocation began it was often difficult to determine who the single "owner" of any given plot of land was. The "allocation as is" principle (*nguyen canh*), meaning land allocated to the household that is currently using it, created differentiation between households within and among villages.

Third, conflicts occurred between old and new owners when land allocation was implemented (Vuong Xuan Tinh and Peter Hjamdahl 1997). In some northern mountainous areas (particularly in Lang Son province), land allocation fostered cases in which people demanded the return of land of their parents and grandparents, which had been contributed to agricultural cooperatives. In the northeast, prior to the collectivization in agriculture, most of the land of the Tay and the Nung in the region was already privatized. Land allocation then became a favorable time for farmers to claim ancestors' land back. In the valleys of the northwest, prior to 1960, the land of ethnic groups like the Muong and the Thai was largely communally owned, which explains why there were no ancestral land claims made in this region during land allocation. As land allocation, land disputes, and land occupation increased–even among some minority groups who lived in the far highlands such as the Dao and the Hmong–the new law encouraged some local people to occupy more land than they traditionally used (Vuong Xuan Tinh and Peter Hjamdahl 1997). In the Central Highlands from 1990 to 1998, there were 2,500 land disputes taken to authorities for settlement (Vu Dinh Loi, Bui Minh Dao, Vu Thi Hong 2000; 157).

Land allocation has also encountered other difficulties in minority areas, primarily of a financial character. With limited financial resources, mainly managed by the locality, the pace of implementation of land and forest allocation to households and individuals has been modest. Moreover, a lack of awareness among some minorities regarding laws and political rights has compromised the quality of land allocation in some places. An extreme example is that of reports of some Hmong people

signing papers acknowledging land allotted to them without even understanding the contents of the papers (Smith 1995). In other areas, local people actively resisted the shift away from local community management of lands. In Son La province, in some Thai villages, the communities accepted that forest land would be allotted to households, but they did not accept that wet rice fields would be privatized. These have long been under collective management and distributed periodically (once every three years) based on the number of members of the household (Sikor and Truong 2002). The Thai wanted this traditional system recognized, so they refused to accept individual long-term land tenure certificates for these fields.

In the three CSA study provinces, land allocation has proceeded at varying paces. In Ha Giang province, by mid–2006 LUCs had been given to 123,600 households and individuals, about 96.5 percent of the province. On average, agricultural land area allocated per person for ethnic minorities in Ha Giang is 2,100m^2, and for forestry land 5,000 m^2. During the period from 1996 to 2005 in Dak Lak, 51,146 out of 63,923 ethnic minority households were provided with red books, mainly for coffee fields (32,272 hectares), other perennial crops (13,130 hectares), and wet rice (7,138 hectares). Very few red books for swidden lands were issued, however (only 1,368 hectares) (Dak Lak DOSTE 2006). The allocation of forest land was even slower. According to the same report, from 1999 to 2005, the province only allocated 23,160 hectares of forest land to 5,002 households, of which a little more than half were ethnic minorities. In the western districts of Quang Tri province, where Van Kieu and Ta Oi minorities live, land allocation has been less urgent, as land pressures are not as high as in the Central Highlands and Ha Giang provinces. From 2001 to 2005, the province allocated forest land to 11,985 households for a total area of 21,827 hectares. However, land planning in most ethnic minority areas in Quang Tri is still slow. Many communes have not yet completed land surveying and land classifying. Another explanation for the delay in land allocation in the province was the lack of funding to provide households with LUCs, because most could not afford the fee themselves (Quang Tri DOSTE 2006). In the meantime, customary law still governs much of the land use among minorities. It was in Quang Tri that we saw the strongest evidence of local land tenure rules remaining predominant over state ones. Land is still allocated to households each year by designation of the village elder *(gia lang)*, and individual land tenure rights are not widespread or recognized. It is unclear, however, if this system will be allowed to operate much longer, even under a new community land tenure right granted in 2003 by revisions to the national Land Law. Quang Tri province did not have any direction on how to implement community titles as of 2006, which may mean that the authorities will go ahead and try to issue individual titles, sending the community system of the Van Kieu and Pa Co into decline.

AGRICULTURAL LAND ACCESS AND USE

One of the most important implications of land tenure decisions concerns the type of crops households will be able to grow on their land, and what restrictions they face or what support they will receive to help them make production decisions. The transformations to individual land tenure certificates for most agricultural land in Vietnam has been accompanied by equally dramatic changes in the types of crops grown, although the exact trajectory of changes has not always been clear or consistent. Strong regional patterns are evident as well.

For example, the main transformation in agriculture in the Central Highlands, and particularly in Dak Lak, has been the expansion of coffee. Within a decade from 1990–2000, the area for coffee plantations increased from 50,000 to 500,000 hectares (Lindskog, Dow et al. 2005). High world prices for coffee, starting in the 1990s, combined with the new land tenure rules for individual farming households, together formed a strong incentive for a land frenzy to expand coffee cultivation. While thousands of Kinh migrants poured into Dak Lak to stake out coffee claims, minorities too transformed their former swidden fields and hill rice areas into coffee plantations. With the decline of coffee prices in 1998–2000, many households tore up their coffee trees, replacing them with subsistence crops like rice or corn to get them through their financial difficulties. Other farmers moved on to newer high-value cash crops like pepper, cacao, and cashew.

Other areas outside the coffee zones of Dak Lak have experienced similar trends away from subsistence agriculture into more cash crops. The Mnong in Lak district of Dak Lak, who used to subsist on one single-crop of wet rice each year, have now grown coffee and cashew, as well as cassava for nearby starch production factories. In Quang Tri province, Van Kieu people, who used to live on self-sufficient swiddens of rice, maize, and cassava, have switched to a high-productivity variety of cassava known as K 94 since the establishment of a starch production factory has opened a new market for selling this product. Many Van Kieu now sell about 40 percent of their cassava harvest and eat the rest.

In general, the recent transformation of agricultural cultivation systems is not simply a factor of "ethnic differences." Rather, different people have been responding to the impacts of economic policies, farm produce markets, and changed infrastructure (transport and irrigation), as well as technical support. The qualities of local natural resources play a big role as well: for example, Ede plant coffee because they live in areas with basalt soils, while Mnong largely do not plant coffee as they do not live in these areas. This shows how the effects of the above-mentioned changes vary according to regions and ethnicities, depending on the ecological systems and market demands for each crop, as well as the extent of infrastructure and capacity of households to exploit the potential and advantages of the local ecological system for the general market. The range of diverse income sources that people in the highlands rely on can be seen in Table 8.1 below.

We can clearly see overall differences between Kinh and minorities in terms of major sources of livelihood (Table 8.2). Kinh are more diversified beyond agriculture in their household economies, often supplementing agriculture with trading or services, along with migrant or wage labor work. Kinh also rely more on industrial crops and less on low-value crops like rice or corn. One of the major transformations of the highlands in recent years has been the focus on increasing coverage of industrial and cash crops: coffee, rubber, and cashew chief among them. What we see from CSA survey results, however, is that the ability which to grow these crops is not equal between Kinh and minorities. In fact, the majority of minority respondents do not cultivate industrial crops (87%), and those who do concentrate on smaller plots than Kinh respondents.

Kinh are also more diversified beyond agriculture in their household economies, often supplementing agriculture with trading or services. For example, 27 percent of Kinh surveyed earn some income from trade, compared to 2 percent for ethnic minorities. Somewhat surprisingly, minorities

surveyed are more dependent on wet rice than Kinh, (76 percent of ethnic minorities earn income from rice (both irrigated and swidden), compared to 37 percent for Kinh), but without additional supplementary income, this rice growing alone has not pulled them out of poverty.

In the rest of this chapter, we examine whether these differences in livelihoods are a result of land tenure policies that impact the earning potential of ethnic groups, and whether these policies or practices regarding access to and use of land are putting minorities at a disadvantage as compared to Kinh.

TABLE 8.1 Main Sources of Livelihoods in CSA Study Sites

Commune	Village	Ethnic Group	Agriculture	Livestock	Forestry	Services	Handi-crafts/small industries	Wage Labor
Cu Pong	Dray Hue	Kinh	Coffee			Trade		x
		Northern Minorities	Coffee					x
Ea Sien	Dlung	Ede	Coffee, maize	Poultry				x
		Kinh	Coffee, maize	Pigs, poultry				
		Nung	Coffee, maize	Pigs, poultry				
Dak Phoi	Jie Yuk	Mnong	Rice, maize, cassava, coffee, cashew	Cows, Pigs, poultry	rattan, bamboo			x
		Kinh				Trading, rice husking, money lending		
Bong Krang	Thai	Thai, Mnong	Rice, maize, cassava, cashew	Cows, Pigs, poultry				
	Ja	Mnong	Rice, maize,	Cows , Pigs,	Firewood, bamboo	Plowing		x
	Krai	Mnong	Rice, cassava	Cows , Pigs,	Firewood, bamboo, banana leaves	Plowing		
		Kinh	Rice, cassava, coffee, cashew	Cows, Pigs, goat, sheep	Bamboo	Plowing, rice husking	Ironsmith, motorcycle repair	x
	San Bay	Kinh	Rice, cassava, coffee, pepper	Cows, Pigs, poultry		Trade, husking	Mason, carpentry, Ironsmith	x
Lung Tam	Lung Tham Thap	Hmong	Rice, maize, soya bean, potato, bamboo	Cows, Pigs, goat, buffalo			Motorcycle repair, weaving	x
	Tung Nun	Hmong, Dao, Nung, Giay	Rice, maize, soya bean, sweet potato, cassava	Cows, buffalo big poultry	Firewood, timber			x

Commune	Village	Ethnic Group	Agriculture	Livestock	Forestry	Services	Handi-crafts/small industries	Wage Labor
Nam Luong	Nam Long	Tay, Nung, Bo Y, Dao, Kinh	Rice, maize, peanut, bean, sweet potato	Cows, Pigs, goat, buffalo, poultry			Trade	
	Vinh Tien	Kinh	Vegetables of various kinds, rice	Pigs, goat, buffalo		Trade, husking	Contracting of road construction	x
Ngoc Linh	Ngoc Thang	Tay, Kinh, Nung, Han	Rice, maize, peanut	Cows, Pigs, goat, buffalo	Firewood, bamboo	Trade, husking		x
	Khuoi Kha	Tay, Hmong	Rice, maize, peanut, bean	Pigs, poultry	Firewood			X
	Tien Phong	Kinh	Rice, maize, peanut, orange, litchi, longan	Pigs, buffalo	Firewood, timber, pulp	Trade, husking transport	Plaster work, road construction	X
Viet Lam	Viet Lm	Kinh, Tay, Nung	Rice, maize, peanut, bean	Pigs, poultry, fish		Trade, husking transport		
	Suoi Dong	Tay, Kinh	Rice, maize, tea	Pigs, buffalo, poultry	Firewood, timber, pulp	Trade		X
A Tic	Huk	Van Kieu	Swidden field: Rice, maize, cassava, vegetable	Cows, Pigs, buffalo, poultry	Forestry by-products, wild animals			
A Bung	La Hot	Pa Co	Swidden field: Rice, maize, wheat, vegetable	Cows, Pigs, goat, poultry	Forestry by-products, wild animals			
	Cup	Van Kieu	Swidden field: Rice, maize, cassava	Cows, Pigs, goat, buffalo	Forestry by-products			
A Ngo	A Bung	Pa Co	Swidden field, plain field, garden, Rice, maize, coffee	Cows, Pigs				
	An Cong	Pa Co	Paddy and swidden field, maize, cassava, garden, (coffee, pepper)	Pigs, poultry				

Source: CSA Survey, World Bank

TABLE 8.2 Different Livelihood Models Between Minorities and Kinh

Income Source	% of Kinh HHs earning income from activity	% of Minority HHs earning income from activity
Rice (irrigated and swidden rice)	36.7	76.3
Maize	26.7	71.3
Cassava	10	36.5
Perennial trees (coffee, tea, fruit, etc)	46.7	17.9

Income Source	% of Kinh HHs earning income from activity	% of Minority HHs earning income from activity
Pigs	66.7	36.6
Wood/timber	3	17.4
Trade	27.3	2.2
Wage labor	9.1	23.9

Source: CSA Survey, World Bank

Major Agricultural Land Use Trends

Despite the overall diversity in terms of livelihood strategies, our CSA survey sought to illuminate some general trends in land use between minorities as a whole as compared to Kinh. Several trends stand out as significant. First, although overall size of landholdings are often higher for minorities compared to Kinh, minorities report less productive lands and smaller landholdings of the highest value lands for industrial crops. Second, while ethnic minorities by and large produce rice (both wet rice and hill rice) and other subsistence crops, Kinh more clearly specialize in coffee, tea, fruits, and trade. Thus, fundamentally different production models appear between Kinh and minorities, with different crops grown on different lands, and different sources of off-farm income. Third, upland fields remain very important for nearly all minorities, even ones who have transitioned to market-oriented production. However, restrictions on land use in swidden fields and a lack of attention to these fields from extension agents and poverty programs means they are not as productive as they might be. We explore each of these three major trends below.

Wet Rice in the Uplands. Not surprisingly, irrigated rice landholdings are small across the board, with more households planting non-irrigated (rain-fed) or hill rice rather than planning in irrigated fields (which can usually produce two crops a year, while hill and rain-fed rice produces only one). The productivity of rainfed rice is 600–1,200 kg/ha in the mountainous north, on average two to three times less than that of wet rice. For this reason, transitioning rain-fed rice into more intensive production of two–crop irrigated rice has been a major focus of state policy. In fact, many policy documents promoting Kinh migration into minority areas made explicit reference to the fact that Kinh knew wet rice and could introduce it to minorities to produce higher yields than from swidden fields and hill rice. There is often an assumption among local authorities and policy makers that part of the Kinh success in the highlands can be explained by their cultivation of wet rice, and that this focus on intensive cultivation of rice had propelled them to higher development than minorities, who focused on extensive cultivation of swidden fields.

However, somewhat surprisingly, the majority of Kinh respondents in the CSA survey reported that they were not cultivating irrigated rice land. More minorities than Kinh reported landholdings of wet rice, both in overall numbers of households with rice fields and the total size of rice field landholdings (Table 8.3).

TABLE 8.3 Irrigated Wet Rice Landholdings

Irrigated rice land cultivated in m^2	Ethnic minorities (%)	Kinh majority (%)
None	35	56
1 – 1000 m^2 (0.0001 - 0.10 ha)	24	14
1001 – 2000 m^2 (0.11 ha - 0.2 ha)	17	14
2001 – 3000 m^2 (0.21 - 0.3 ha)	9	10
3001 or more m^2 (0.3 ha or more)	15	6

Source: CSA Survey, World Bank

CSA data shows that more than half of Kinh in minority areas don't bother to cultivate wet rice. We will see in the section below that these Kinh focus instead on high-value industrial and fruit trees, as well as on trading and other services. While rice as a crop can be intensified by inputs of water, pesticides, and fertilizers in ways that many other crops cannot, the fact remains that rice prices are not as high as for other crops, especially industrial crops. Furthermore, without well-constructed irrigation, the ability to maintain steady supplies of water, and inputs like chemical fertilizers, pesticides, and high yielding improved seeds, wet rice production in the highlands cannot come close to matching the productivity of the lowlands. Many of our respondents reported they simply could not afford these inputs; 100 percent of Van Kieu respondents said that they didn't use any chemical fertilizer or pesticides or herbicides in the last year. The Pa Co, Ede, Mnong, and Hmong had similarly high reporting. In fact, the productivity of irrigated rice without enough extra inputs can even be lower and less stable than that of rain-fed swidden rice. The Thai people actually have a saying: "A wet rice terrace that is as wide as you can see is still less than half a swidden field." For some Thai people, rice terraces would only be used by people who had no or inadequate swidden fields (Cam Trong 1977; 93, 111–12).

It is common for Vietnamese state policy interventions to focus on wet rice development in minority areas, the assumption being that wet rice can be intensified and more productive than non-irrigated swidden fields. CSA data indicates that investment in extension and infrastructure for wet rice may not always be the best choice, given rice's low productivity and relatively low profits in many upland areas. Recent studies have emphasized that the low value of rice may be an argument against continued promotion of it as a major agricultural good, especially in areas that have no competitive advantage, like the highlands (World Bank 2006).

Yet the policy focus on irrigation and rice continues, though the costs of investment can be high. According to the Ha Giang authorities, for example, under Program 135, the budget for stabilizing agro-forestry production and marketing of non-rice crops is 7.2 billion VND, while the budget for wet rice irrigation projects is 91.9 billion. Other state programs also have focused on wet rice. For instance, according to Ha Giang between 2002 and 2004, Program 168 invested 5.3 billion dong for the clearance of 1,071 hectares of new paddy fields and 1.2 billion dong for the transfer of 600 hectares of swidden into paddy fields.

However, there is increasing evidence that this one-size-fits-all model of development of wet rice wherever possible means that some have benefited at the expense of others. One such instance is the case of wet rice promotion in Ang Cong village, in Dakrong District of Quang Tri. Since 2000, the government has encouraged clearance of land for wet rice cultivation in Ang Cong, and funds have been allocated through P135 for the construction of an irrigation system in the village. Ang Cong was chosen instead of its upstream and downstream neighboring villages simply because it had the potential for the development of wet rice farming: flat land and water sources for irrigation. The commune leader explained to us that the reason he chose Ang Cong was because it was a village that had received a lot of development support in the past, and because its physical conditions were best for wet rice. In other words, the criteria were not the demographic composition or the state of poverty in the commune, but simply where wet rice would be most successful. This, however, has created a significant gap between Ang Cong and adjacent villages upstream and downstream. That such policies benefit Ang Cong and not other villages in the same commune is because the approach involves introducing a fixed model to the receiving community, rather than integrating with and adapting to existing conditions.

Such top-down approaches can end up leading to little in the way of poverty reduction outcomes. For example, Nguyen Van Chinh notes what happened to Khu mu people who were told to switch from swidden to wet rice by authorities;

> *this land did not give good yields since their owners have little knowledge how to work on wet rice land. … Wet rice land needs rich knowledge and even more investments. To reclaim one hectare of irrigated land in the mountain area needs an investment of 8–10 million dong, and is a rather risky investment because of the damages by heavy rains. For these reasons, a number of households just recently settled down tend to sell their small pieces of wet rice land to neighboring groups and return to work on dry land (Nguyen Van Chinh 2005).*

Industrial Crops. As we have noted, one of the major transformations of the highlands in recent years has been the focus on increasing coverage of industrial and cash crops. The main crops of this nature in the highlands include coffee, rubber, and cashew in Dak Lak; tea, fruits, and sugarcane in the Northern Mountains; and smaller amounts of rubber and coffee in Quang Tri, although industrial crops there are fairly underdeveloped. What we see from CSA survey results, however, is that land on which to grow these crops is not equally distributed between Kinh and minorities (Table 8.4). In fact, most minority respondents do not cultivate industrial crops, and those who do concentrate on smaller plots than Kinh respondents. While some minorities include industrial crops in their swidden fields, rather than asking for allocated industrial land, this points out that the category of industrial land has been largely ignored with minorities. Furthermore, the slow allocation of land rights to swidden lands in most provinces mean that planting perennial and cash crops in these lands is potentially more risky than if the family had a clear red book for industrial crop land, as many Kinh do. This means that minority households who might wish to plant coffee, peanuts, or sugar cane would likely have to do so on their swidden fields or forest fields, perhaps displacing existing subsistence crops or contributing to deforestation and "illegal" use of forest land. The fact ethnic minorities use so little land for industrial crops–despite a major goal of agricultural policies for the past 10 years being the promotion of perennial cash crops–should be a source of concern.

TABLE 8.4 Industrial Crop Land Area

Industrial crop area in m^2	Ethnic minorities (%)	Kinh majority (%)
None	87	68
1 – 5000 m^2 (0.0001-0.5 ha)	9	14
5001 – 10000 m^2 (0.51 - 1 ha)	4	2
10001 or more m^2 (more than 1 ha)	1	16

Source: CSA survey 2006 *(Chi-sq.=.000, R=.000)*

Swidden Agriculture. Swidden has long been a primary production system in the uplands of Vietnam. Upland swidden fields remain very important to minorities, despite more than 30 years of policies seeking to discourage this type of production and replace it with fixed sedentary cultivation. These policies have tried to prevent the agricultural use of lands the government classifies as "forestry land," which is a large part of the uplands. Sedentarization funding to eliminate swidden has primarily been spent on production and infrastructure works, such as irrigated and terraced rice fields, and on agriculture extension for suitable "highland models," such as growing fruit trees.

Although the common practice is to refer to "shifting cultivation" (in Vietnamese, the term is *du canh du cu*, which means "shifting field and shifting residence"), in fact, most upland people in Vietnam do not "shift" their fields or their residences, but rather rotate a fixed area of agricultural land in cycles of use and fallow. "Swidden agriculture" is a less pejorative term that refers to upland agriculture, which is characterized by natural rain-fed conditions (i.e. not irrigated) on generally sloping lands, in which lands are cleared through use of fire or other means, and on which a variety of crops, (such as hill rice, corn, and cassava) are planted, usually in cycles of use and fallow over a number of years. For example, rice may be planted in year one, corn in year two, cassava in years three and four, and then the land is fallowed for a number of years to restore soil fertility, while a different plot of land is cultivated. These fields are called *"nuong ray"* in Vietnamese. They are usually characterized by use of local, non-improved seeds, with little or no use of chemical fertilizers or pesticides, and non-mechanized labor that requires neither tractors nor buffalo for cultivation and harvest.

There are many misconceptions about swidden fields and the agricultural practices used on them. Many people assume that swiddeners are "nomadic" and move their villages. This is usually not the case. There are also misconceptions that swidden agriculture is unproductive. Authorities often assert that swidden is a "primitive manner of production that keeps peoples in a backward life" and that abolishing shifting cultivation is therefore the only way to eliminate hunger and reduce poverty in the mountainous regions (Nguyen Van Chinh 1995). In fact, rotational shifting cultivation with a proper fallow period (around 10 to 20 years) can ensure higher yields than many types of lowland or permanent production (Thrupp et al. 1997). Yet the practice of fallowing to restore soil fertility is often incorrectly looked upon as "abandoning" land. A Kinh woman living in a Pa Co community in Dak Krong district said clearly "the Kinh people never desert their land." Indeed, many Kinh think that lands that are fallowing are somehow no longer claimed or used. Another concern many people have with swidden cultivation is that it is believed to contribute to deforestation. In fact, there

is little evidence that new fields are being opened in 'forested' areas in most parts of Vietnam; rather, fields are cleared in previously used and now fallowing areas (IEMA and McElwee 2005; Do Dinh Sam 1994).

Regardless of the biases against it, upland swidden fields remain essential to most ethnic minorities' production systems. This is even despite the expansion of wet rice noted earlier. Eighty-one percent of ethnic minority households used upland non-irrigated lands last year, some of which were planted in rotation on swidden lands and some of which have now more or less converted to permanent upland cultivation. Only among the Tay did less than half the households surveyed use upland lands. In fact, even 48 percent of Kinh in the uplands reported using these upland non-irrigated fields, although they do not usually fallow them in the same cycles as minorities (Table 8.5). Overall, over half of all minority households cultivated more than a third of a hectare of upland fields.

TABLE 8.5 Upland Fields Used

Upland swidden cultivated	Ethnic minorities (%)	Kinh majority (%)
None	19	52
1 – 3000 m^2 (0.0001 - 0.3 ha)	29	32
3001 m^2 or more (more than 0.3 ha)	52	16

Source: CSA survey 2006 *(Chi-sq.=.000, R=.000)*

It is clear that these fields will continue to remain important to many households. According to data from the CSA surveys, 28 percent of households using upland fields reported the overall size of their fields had grown compared with five years ago, while only 17 percent said it had decreased (the rest stayed the same). Pa Co and Van Kieu were most likely to have expanded swidden fields, due to lack of production from other lands and a reported preference for swidden produce. This indicates that policies aimed at putting a halt to the use of swidden and upland fields are ineffective and unrealistic, given these fields' importance to the livelihoods of ethnic minority households.

About 44 percent of those using swidden say they got more products from their swidden fields last year as compared with 5 years ago, while only 17 percent reported less produce (the rest were unchanged). Of those who got less produce, 47 percent said it was due to an inability to clear new lands; 15 percent said it was due to soil infertility; and 9 percent reported less available labor (the rest reported a variety of other reasons). Mnong, Ede, Pa Co, and Van Kieu were likely to report swidden products had declined. Quang Tri and Dak Lak reported declines, while almost no one in Ha Giang did.

However, one of the biggest challenges facing swidden cultivators is the decreasing amount of land on which to grow crops, and the resulting downward pressure to reduce fallow cycles on the land that remains. Twenty-five percent of households using uplands reported shorter fallow times, while 8 percent reported longer periods, and the rest said there was no change. These varied by ethnic group: 40.5 percent of Van Kieu, 38.7 percent of Mnong, and 33.3 percent of Bo Y reported shorter

fallow times. Mostly the trends were regional: one-third of households in Quang Tri reported lower fallow times, while only 10 percent of Ha Giang households did.

Another problem reported by households was an increase in pest infestations in swidden fields. Ede farmers in Dak Lak noted that in the past there were very few diseases affecting their crops. This was explained to us by an Ede man who said that because their corn was previously surrounded by forest and fallow, the diseases couldn't pass through the forests. However, "now the insects eat corn in one place and then fly right to the next. It used to be that even if one plot of corn was eaten, the others would be fine." With a move to monocropping of hybrid corn in swiddens, the village found themselves facing new pandemics.

Almost no attention has been paid to the problems that swidden fields may face if there continues to be pressure to reduce fallow cycles and to replace the traditional diversity of crops with monocrops. There has been very little research in Vietnam on improving swidden agriculture; most monies have been spent to eliminate or replace it. Certainly the bulk of extension research goes to cash crops and rice agriculture, with a number of research centers under MARD specializing in a certain product (i.e. a coffee research center in Dak Lak, a fruit research center outside Hanoi). There is no center specializing in swidden fields and improving productivity of upland fields in Vietnam. Yet there are many ways in which swidden fields can be maintained and improved. Research in other parts of Southeast Asia have focused on three main areas (Cairns and Garrity 1999):

- More effective fallows, usually involving introducing nitrogen fixing fallow cover crops.
- More productive fallows, in which fallow lengths stay the same but the farmer adds value to the fallow by introducing perennial economic species, such as cashews, cacao, fruit trees, etc. In some areas of China, minorities have responded to a soaring rubber demand by planting rubber in their fallowing swiddens (Jianchu, Fox et al. 2006).
- A combination of the two, where perennials are alternated infrequently with annual crop cultivation.

In the absence of government research or extension training to improve swidden, households themselves are finding new ways to raise their household incomes and productivity. Many minority households have shifted production on their upland fields from subsistence hill rice and vegetables into other crops, particularly crops that can be sold, like corn and cassava. Corn has been the major replacement of upland rice in the Northern Mountains, while in the North-Central Coast it has been sugarcane and cassava, and in the Central Highlands industrial crops like coffee, cashew and rubber are significant. New fallow crops that can raise income as well as restore soil fertility (like many varieties of beans and green fertilizer species) have been added to swidden cycles in recent years. Fields that once would have been tilled lightly if at all may now be plowed with animal or mechanical labor, especially if high-value crops are being planted. Intensified production in these fields has meant that many are no longer fallowed but are used continuously (often necessitating new uses of fertilizer, which previously was never used on upland fields).

It has also meant that upland fields can be devoted to monocrops. Whereas a true swidden field might once have produced rice, corn, beans and 30 to 40 other kinds of vegetables, spices, and

herbs in a complicated mix of intercropping and rotating cycles, it is now common to see hills of monocrops of corn or cassava (often hybrid corn and improved industrial cassava) in minority areas. These monocrops will be used for the household if it is short of food, but often these monocrops are for sale in the market. In other areas, some households with adequate food security on wet rice fields have allowed their former swidden fields to revert to forest, which they use for timber and other forest products (Sikor 2001).

This switch in the use of highland fields has run up against problems in some areas. Most seriously, many upland fields are losing their fertility as they are used for longer periods and fallowed for shorter periods (or not fallowed at all). PRA meetings revealed concerns about soil erosion and soil fertility, and concerns about reductions in crop production in recent years (particularly in Quang Tri), whereas in the past communities were able to sustain fertility, even on steep slopes, through fallowing and diverse crops with no-till methods of planting. To combat soil erosion, some households have begun to undertake mechanical methods of soil control (placing stones in rows on steep fields, as we saw in some Hmong villages) or inter-planting in rows or using special leguminous ground covers, techniques they had sometimes learned from NGOs and other projects. However, the extent of training on soil erosion/fertility is still very limited in most upland areas, despite requests from communities for more training in such things.

Other problems remain with the shift in uses for upland fields. In many areas, swidden fields are not considered to be agricultural land under official planning documents, but are zoned as forestry land. This means that many households either do not have land tenure red books for this land, or the use in the red book is listed as forest, not agriculture. In some areas, such as a Mnong village of Jie Yuk, authorities had instituted aggressive forest protection measures that severely restricted upland farming and essentially denied farmers access to former swidden fields as they were rezoned into protection forest. The Mnong villagers described these actions by forest rangers as "savage (*ac liet*)" and said that they would lead to rapid impoverishment of the village households. Similar actions may follow in other areas, placing these upland fields in jeopardy elsewhere, despite the fact that they have limited value as "forest" (they have been used for agriculture for many years now) and would require much investment and planting to return to any semblance of high forest.

Agricultural Productivity

In addition to differential outcomes between Kinh and minorities with regard to how much and what kinds of land they used for agriculture, there were also differences with regard to agricultural productivity between groups. Government programs and projects have focused on providing input materials for cultivation to reduce these differences, but they still persist. For example, minorities are often given discounts on input materials up to 50 percent or even more, and reduced prices on seeds and fertilizer.

Yet overall, despite these subsidies, Kinh reported using more chemical fertilizer for industrial trees and garden crops than minorities, using more pesticides for garden crops, and pumping more water for industrial trees than members of minority groups. In Dak Lak, in particular, we see a significant difference between Kinh and EMs in terms of inputs used with industrial tree crops, which likely had

a large impact on the productivity that could be obtained from coffee, as it is highly dependent on adequate fertilizer and water. (Surface water supplies are increasingly drying up in Dak Lak due to overpumping of water for coffee, driving richer farmers to invest up to 10 million to drill groundwater wells with electric pumps for their fields. Kinh reported using this technique more than minorities). Some ethnic groups (Pa Co, Van Kieu) reported almost no households ever using pesticides or fertilizers on their crops.

Minorities also tended to use more local varieties of seeds. In terms of non-irrigated rice varieties, we found that minorities were more likely to plant one or more varieties (46.6 percent) than Kinh (6 percent). Ethnic minority group members were also more likely to plant local maize varieties (38.2 percent) than Kinh (6 percent). These high levels of use of local varieties were in spite of the fact that ethnic minorities were more likely to have received free seeds from the government (32.8 percent) than Kinh (8 percent).

How we do we explain these differential patterns of use of technology in agriculture? Some factors are clearly economic; as previously noted, many minorities said they had no money to buy agricultural inputs and that credit was simply not accessible to them in order for them to invest in inputs. There are also some cultural explanations as well. Among the Mnong and Ede, there was long a belief that once dead, people's souls would wander the land awaiting transformation into other substances (animals, trees, etc). People worried that fertilizer might cause "dirtiness" to the soil and hence would murder the souls wandering about. So there were many cases reported where people took free fertilizer for rubber trees from the government, but later changed their minds about using it and instead gave it away.

CSA research also suggests that one major factor explaining lower use of technology among minorities is the poor or inappropriate design of extension services. The Agricultural Extension Service (*Khuyen Nong*) was first officially established in March 1993 (Decree 13/CP), and now all 64 provinces in the country have established their own local Centers of Agricultural Extension, which are under the Department of Agricultural and Rural Development (DARD) of each province. Agricultural extension workers are posted at provincial, district, and commune levels (although only 71 percent of the total communes have extensionists). There are approximately 3,650 people to every one state agricultural extension worker overall (Le Hai Duong et al 2006). Agricultural extension activities are allocated from the central state budget, and supplemented from local budgets, in order to pay the salaries of workers and implement local agricultural extension programs. In 2005, nearly 98 billion VND was allocated from the central budget for agricultural extension. This money was primarily used for supporting dissemination and training on improved seeds and materials for production (Table 8.6).

The Provincial Centers for Agriculture Extension conduct numerous training sessions throughout the year for people in their target areas. Usually, the province's offices of agricultural extension send information to the local authorities and then have a direct meeting with local staff to discuss the contents, agenda, timing, costs, requirements for learners, and number of learners that can participate. After local authorities select learners as required, they send the list to the Provincial Center for Agriculture Extension for a final decision. In reality, this usually means authorities themselves

select representatives for training. In many cases, it is men who are selected to participate in training courses, when in fact their wives are often more involved in farming activities. The language used in extension training is almost always the Kinh language, not local ones, which is a barrier for most ethnic minority farmers to access training. For example, in Ha Giang, a Hmong village told us that the people invited for extension training were only those who (a) knew Vietnamese well enough, (b) knew how to write, and (c) were active and enthusiastic. The people chosen were the people least likely to need training, as they already had a number of social advantages.

TABLE 8.6 State Budget for Agricultural Extension, 1993–2005 (Million VND)

Year	Crops/ planting	Livestock	Training/ education	Informa- tion	Agricultural extension	Capacity building	Forestry extension	Total (billion VND)
1993	412	129		477	50		200	1.3
1994	8466	2800		700		1200	1000	14.2
1995	10394	3504		700	100	500	2000	17.2
1996	14356	4190		700	1100	600	2500	23.5
1997	17421	4899		1200	1300	200	3500	28.5
1998	13024	6052		1500	2100	700	3100	26.5
1999	11581	5989		2340	3700	70	3000	26.7
2000	11728	7169	930	2270	3400	500	3000	28.9
2001	20026	9470	4782	1894	4260	200	4500	45.1
2002	27237	13663	5186	2635	7585	500	9000	65.7
2003	32908	19375	5871	3570	5648	500	10800	78.7
2004	31100	20102	6745	5721	11500	1632	12000	88.8
2005	32844	25264	8057	6515	11150	1970	12000	97.8
Total	231497	122576	31570	30223	51893	8572	66600	542.9

Source: MARD statistics in Le Hai Duong et al 2006.

As we noted previously, upland fields remain extremely important for most households, including Kinh in the uplands. Yet very little government attention is paid to upland fields in extension and credit provision. Farmers have ideas about what they would like to learn, but they are rarely consulted ahead of time by Agricultural Extension. Organization and implementation of extension training is usually done as per instructions from higher authority rather than from discussion about farmers' demands. There were many types of training that farmers requested in PRA meetings, including IPM, terracing, soil erosion protection, intercropping, SALT techniques, new crops like elephant grass, specialty fruits, and new hardy livestock breeds.

Yet CSA findings show that a focus on the specific needs of upland fields has not yet filtered to the extension services, which are dominated by Kinh and focus mostly on lowland Kinh models of production. PRA meetings with those who had been to extension training sessions revealed that the content often concerned irrigated rice, hybrid corn, and fruit trees (only hybrid corn is regularly grown in upland fields). There was also a heavy emphasis on technical advice regarding chemical fertilizers and pesticides, which are not often used on upland fields. Those who attended training courses were rarely provided with sample varieties afterwards, and they had little opportunity to

visit models to observe techniques. Training methods centered on writing down what the lecturer said, with little practice. Furthermore, most training focused on one specific crop that farmers would be encouraged to use widely in monocrops, rather than focusing on the subsistence needs of many farm households to plant multiple crops on their fields. These extension policies aim to alter existing farming systems rather than complement them; these "models" make no attempt to build on existing traditional farming systems, and no efforts are made to blend new farming methods with traditional ones in a way that does not compromise subsistence needs while attempting to boost production for the market.

For example, in one Ede village, nearly 100 percent of households were growing coffee for the market, and only 20 percent of households still planted rice, as everyone else had entirely switched to coffee. Yet agricultural extension had never once offered this village any training on coffee, nor brought any opportunities to buy improved coffee seedlings. Most seedlings that were being planted had been passed down from parents and grandparents from "the French time." The village was fortunate that a now-elderly Mnong man married into the village; he had worked on a French coffee plantation in the 1940s and so told Ede here how to plant coffee, trim buds, and irrigate and fertilize it. Otherwise, there was no information from the state about this important crop. When the extension office did send a "model" to be tested in this village, it was for wet rice. Few people were interested, but the village headman let the extensionists go ahead and plant some of their new varieties in a model next to his house. Unfortunately, the rice only grew a few centimeters high, and while it flowered, it did not produce grain. The village headman noted that the extensionists "came back to make a film about it, but did not say anything about why it didn't work, and then we never saw them again."

The research team heard many creative ideas from local people about how they solved agricultural problems themselves, given the agricultural extension offices' infrequent and often ineffective visits. For example, one focus group in Lung Tam Thap, a Hmong village of Ha Giang, discussed a new technique on pesticides that a local Hmong farmer had devised. Rather than spray a bottle of pesticide all over a field, this farmer decided to soak a few leaves from the forest in the bottle of pesticide. He then cut up the leaves and sprinkled them on his field. The pests came to eat the forest leaves and instead ingested the pesticide and died. Once this farmer saw the result of his experiment, he told everyone in his village and they all began to use this technique, which not only reduced the amount of pesticide farmers had to buy, but also was safer to general health and kept pesticides out of the air and water. Farmers were proud that they developed this technique themselves, and had not relied on extension to tell them. Yet there was no mechanism for these farmers to report their findings upward to extensionists to be used in any extension training sessions, which were developed from a generic "cookie-cutter" mold in districts and province agricultural stations, and disseminated downward to peasants. There was very little chance for these people to report upwards on what was appropriate and needed for local conditions. We even heard reports from one village in Ha Giang that had attempted to use part of the village budget to hire a private individual to provide advice on extension relevant to their particular problems, and were then punished by the commune for violating the law (which does not say that villages have the right to spend their money on private extensionists). These top-down mechanisms severely restrain the creativity of local areas to solve their own problems.

Overall, how successful has Agricultural Extension's outreach of the technology transfer for households been in our study areas? More than half the households surveyed had never been to extension training, and the large majority had never seen a production model or used new techniques from extension. Most people reported that they got information about new varieties and technologies from family and neighbors, not extensionists (Table 8.7).

TABLE 8.7 Where do Farmers Learn about New Varieties of Seeds?

	Percentage of HH
Family and close-by relatives	39.6
Neighbors	33.8
Village heads	24.7
Local extension officers	20.3
Distant relatives	13.7
Commune cadres	9.9
Traders at the markets	3.3
Others	1.9

Source: CSA Survey, World Bank.

Overall, much of the extensive service appears to have been designed to support the development of a market economy that looks like that of the lowlands. Toward this end, roads are extended to far away communes to make them less "remote"; land clearance is encouraged to promote wet rice cultivation, a farming model more suitable for the lowlands; and extension services and micro credit schemes are provided to promote cash crops. Yet these policies usually assume far too much. Farmers often cannot afford the packages being promoted, even when the seeds are free, as we saw in the previous chapter on credit. The "models" being promoted often have not been tested in mountainous areas, and market demands are rarely taken into consideration. A mechanism is needed for poor farmers to provide researchers and extension agents with feedback on which parts of the training and models work and which do not. As a result, extension remains far less effective for ethnic minority areas than it could potentially be.

ACCESS TO FORESTRY LAND

This section will focus on access to and use of forestry land. Forests are very unevenly distributed in Vietnam, as can been seen in a regional breakdown of forest cover in Table 8.8. The first three columns show total forest cover and then break this total into natural forest and planted forest. The last column provides data on the percentage of the regional population that is made up of ethnic minorities. The chart clearly shows that regions dominated by ethnic minorities (North-East, North-West, and Central Highlands) are covered with much forest, both natural and planted.

Since 1993, the government has had policies in place to transfer land use rights for forestry lands to individual households and away from the state, which previously managed nearly all forests in more than 420 state forest enterprises. Decree No. 02/CP (1994) was the first to define the allotment of forest land to organizations, household families, and individuals for long-term use for forestry purposes.

TABLE 8.8 Forest Land in Vietnam by Region

	Total forest, 1000 ha	Natural forest, 1000 ha	Planted forest, 1000 ha	Percentage of EM in population
Red River Delta	134	60	74	0
North East	2,882	2,083	799	39
North West	1,479	836	643	79
North Central Coast	2,400	1,937	464	11
South Central Coast	1,233	978	256	2
Central Highlands	2,996	2,847	149	39
South East	953	737	216	8
Mekong River Delta	342	54	288	7
Whole Country	12,419	9,529	2,889	13

Source: General Statistical Year Book 2005, Population and Housing Census Vietnam 1999; Statistical Publishing House, Hanoi

"Land allocation" with regard to forest land primarily takes place in two ways in Vietnam, which differs from land use certificates given for other types of land. One path to forest allocation is through a whole transference of the bundle of land use rights to a household and people receive a "red book" for this land. To date, however, most red books have been allocated for land that in fact has almost no forest cover, mainly for "bare hills" and other degraded areas, although there are some exceptions to this rule (such as in Dak Lak Province – see Sikor, Tan et al. 2005; Tan Quang Nguyen 2006; Tran Ngoc Thanh and Sikor 2006). However, these pilot allocations of good forest land are the very rare exception, with the state normally retaining land management rights to most forest lands with good tree cover, both in SFEs and in an increasing number of protected areas for conservation.

The other type of "forest land allocation" is perhaps more accurately described as "land assignment" or "joint forest management." It is carried out on a contract basis and the state retains considerable rights to the land. A household signs a contract with either an SFE, a former cooperative, or the cadastral department and agrees that they will manage the land for a set period of time. They also usually agree to reforest it, and commonly receive some credit or other help to get trees replanted. They are also often promised a piece-rate payment per ha for protection of the land and growing tree seedlings (around 30,000–50,000VND per yr/ha). In theory, households have to sell timber and other forest products from this land to the contracting body, or else turn over a percentage of their profits from the land.

These forest allocation programs ostensibly had several goals. The major goal was to create incentives for better protection of forest resources by villagers by either contracting to pay them to take care of lands, or by promoting investment in forestry at the household level by giving rights to forestry lands. Another goal was to "regreen" the bare grassland and scrubland that covered much of Vietnam by the early 1990s by combining allocation with reforestation funding, through programs like the 327 project and the National Five Million Hectare Reforestation Program (5MHRP, also known as Program 661), an ambitious nationwide plan to replant 5 million hectares of forest by

2010. These reforestation programs have had a development and poverty reduction component, as households that cared for tree crops were presumed to be receiving a beneficial household income from the eventual sale of forest products from their land.

However, the implementation processes and consequent outcomes of forest allocation and reforestation have been mixed. The Northern Mountains have generally experienced faster land allocation. In the Central Highlands, forestry allocation was much slower. Part of the difference can be accounted for by the continued dependence on SFEs in the Central Highlands, while in the north they have largely been disbanded and their land area allocated to households. For example, in Ha Giang, there are only nine agro-forestry enterprises using 15,624 hectares of agricultural and forest land, accounting for less than 2 percent of the total area of the province. In Dak Lak there are 25 SFEs, of which 18 belong to the central government and 7 to the province. They use 577,961 hectares of forest and forest land, accounting for 44 percent of the total of natural area of the province. An additional 40 state farms–of which 26 are under the central government, 10 under the province, and 4 under military control–are using 97,940 hectares of agricultural land in Dak Lak, accounting for 7 percent of the total province. The continued use of SFEs and state farms clearly has an impact on the amount of land that can be distributed to households. Currently, less than 2 percent of the total forest cover of the four provinces of the Central Highlands have been allocated to individual households to use, while the figure is 46 percent in the North-West (Table 8.9).

TABLE 8.9 Forest Land Allocation by Region, 2005

Region	Total Forest Estate (Ha)	Ha of natural forest allocated to HHs	Ha of protection forest allocated to HHs	% of forest estate allocated to HHs
Red River Delta	151,427	8,033	24,930	21.77
Northern East	2,648,437	802,632	463,388	47.80
North West	1,273,718	506,764	84,472	46.42
North Central	1,965,417	262,609	208,984	23.99
Central Coast	1,022,386	51,464	109,583	15.75
Central Highlands	2,756,370	38,628	8,130	1.70
South East	915,477	1,307	39,901	4.50
Mekong River Delta	370,707	46,977	57,357	28.14
Total	11,070,976	1,718,414	996,745	24.53

Source: Swinkels and Turk 2006.

This skewed regional distribution of forest land is confirmed by the CSA survey. Only 27 percent of the household respondents had forest land allocated to them, but the variations between ethnic groups and regions were substantial. Not even 1 percent of the Dak Lak household respondents had forest land allocated, while 67 percent of the households in Ha Giang received forest land. No Mnong or Ede households had FLA, despite living near substantial forest reserves (Figure 8.1).

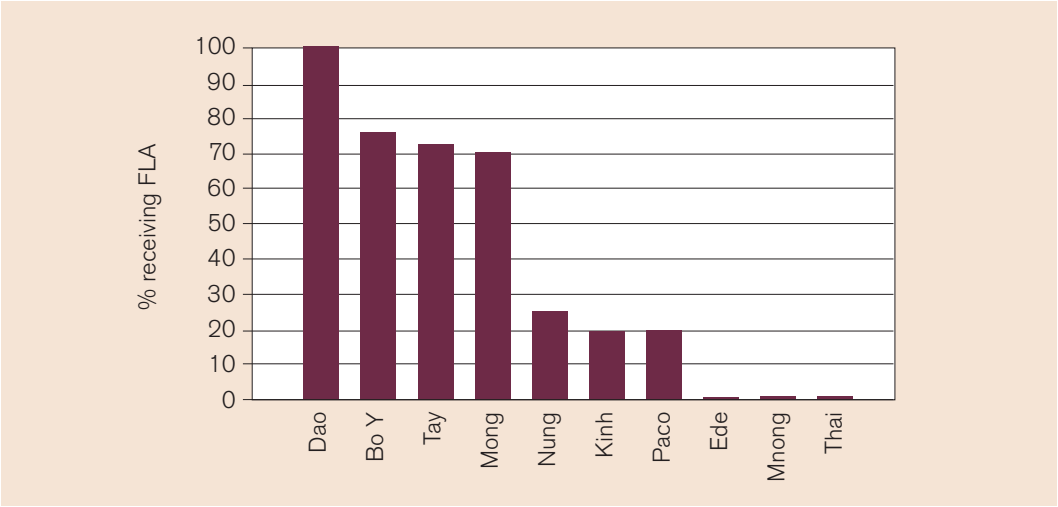


FIGURE 8.1
Percentages of Different Ethnic Groups that have Received Forest Land Allocation (FLA)

Source: CSA Survey, World Bank.

In addition to the highly skewed distribution of FLA lands, the survey also revealed that less than half of all recipients of forest land allocation in the survey got a red book that established the most secure tenure claims. Of the households that had received FLAs, 47 percent had a red book, 34 percent were given a protection or reforestation contract (usually with an SFE), and 11 percent had a green book (either a temporary LUC or a protection contract issued by the district), while the rest did not know. This indicates that not only are rates of FLA generally low, but that not even half the households with FLAs have the most secure tenure rights (red books). The majority of households have temporary rights on only protection contracts–which do not give many use rights to households–or else they have received temporary green books while they wait for the more secure red books to be issued. Some ethnic groups had no red books at all: the Pa Co and Van Kieu had only received protection contracts, while northern minorities were likely to have red books. The lack of red books could have adverse consequences on investment decisions (insecurity hampers investments) and access to credit (lack of collateral). Households acknowledge they enjoy more land-use rights, higher income, reduction of land disputes, improved community cohesion, and better distribution of household income when they have clear land use rights in red books (Le Hai Duong et al. 2006).

Another major problem concerns the promised poverty alleviation benefits from forest allocation. Households were only being allocated the full bundle of land rights (red books) to non-forested land. Thus the shift of the burden of risk in tree planting was moved from the state level to the local level, and households had to undertake efforts on their own to bring forest lands into production. This meant that poor families by and large were not receiving the benefits of forest allocation programs, as most households that had received forest land allocations were average or better-off. This was a result of the requirement that, in order to get land, families had to have labor and some capital to replant it. Although tree-planting seedlings may often be offered free through such programs as 661, it takes time, water, and fertilizer to plant them, and time and effort to protect them. The labor and capital requirements for forest land allocation are very different than for agricultural land allocation, which was mostly based on egalitarian per capita formulas. While wet rice lands were remarkably evenly distributed among most households in the agricultural land allocation of the 1990, the disparities in forest allocation were a result of these different standards for qualification.

We asked the nearly 75 percent of households in our survey who had not received FLAs to give a reason why they were not recipients. The primary reason was that there was no land to be allocated in the respondent's area (46 percent of respondents). Other reasons included trying to register but being rejected (9 percent) and not registering in the first place. Given that many places have much forest but no FLAs, the government has recently issued a new Decision 146/2005/QD-TTg, dated June 15, 2005, on policies to withdraw cultivation land of SFEs (including land for perennial industrial crops) in order to reallocate these lands to minority households. This is a companion decision to P134 on policies for cultivation land for minority households with special difficulties (discussed further below). However, to date, it is primarily remote or infertile forest land that has been allocated to minorities, while the best land remains with SFEs. Despite years of knowing that the excessive areas of SFEs have resulted in very poor forest management, little has been done in dissolving these SFEs, particularly in the Central Highlands, because vested interests oppose such a move.

We also heard complaints from cadastral departments about the requirements of the newest revisions to the Land Law that were completed in 2004 but are only now being implemented. One of those provisions is that each plot of land belonging to a household should be listed on a separate LUC, rather than all plots being listed on one book, which is the usual practice. The new provision was based on the premise that it will be easier for households to trade and sell land if each plot has an LUC, which could be transferred much more easily than if all household land were on a single certificate. However, the costs of redoing all the LUCs for households, combined with the fact that minorities may have 10 or more plots of land in different places, means a very large expense for the cadastral departments. They estimated that households would have to pay around 50,000VND per certificate for them to be redone: if a minority household has 10 pieces of land, reissuing would cost 500,000 VND, an exorbitant sum for most households.

Role of Community Forestry

The 1993 Land Law did not recognize the village community as a legitimate recipient of land and forest land allocation. However, donor funding of experimental allocations of forestry land to communities was supported in some places like Son La and Dak Lak in the 1990s, where natural forest was allocated to the village and to household groups (Pham Quoc Tuan 1997). In Dak Lak, in the 1998–2002 period, 1,542 hectares were allocated to 10 household groups (111 households) and 9,007 hectares for 24 villages (1,065 households). Each household group was allocated 150 to 200 hectares and each village was provided with 400 to 500 hectares. Allocation of forest land to communities has been viewed as having the advantage of preventing land sales and supporting equal allocation of land to households, thereby increasing the ability to protect forests.

These pilot projects proved relatively effective, and donors and other NGOs formed a Community Forestry Working Group to lobby the government to include communities as a legitimate land recipient. This provision was added in Article 9, Chapter 1 of the revised 2003 Land Law, which was the first to address the question of community rights to land. The revised law pertains to communities living in the same village, hamlet, sharing similar traditions or lineage, allocated land or land use rights. The 2004 Law on Forest Protection and Development also confirmed that the community was recognized as a valid recipient for allocation of land and forests.

According to local reports and survey data from the Forest Department (*Kiem Lam*) under the Ministry of Agriculture and Rural Development, village communities throughout the country were managing 2,348,295 hectares of forests and forest land in 2001. These community-managed forests were mainly natural forests restored or revived after swidden farming, and secondary or poor forests (Ha Cong Tuan 2002; 9-10). Sacred forests and watershed forests were also being managed by communities for spiritual and environmental reasons. However, most of these communities did not have legal title as a community to their traditionally managed lands.

Since the new 2003 laws have been put in place, some communities have received land tenure certificates, but the rate is very low. For example, in the province of Dak Lak, beyond the pilot project that was initially funded by GTZ in the 1990s, communities have not received more forest land (Dak Lak DOSTE 2006). Few provinces have issued legal documents such as decisions or directives on the allotment of land and forests to communities and acknowledged the community as one of the entities to be granted forestland and forests and to be owners of forests. Even several years after the legal change, most provinces still do not have clear legal frameworks for how to allocate community-held land tenure titles.

Currently, community management of forest land is generally of two main types:

- ***Community-managed forests that have been used for many generations.*** Although many communities have not yet been granted official land use rights, traditional customary laws still govern these forests. These types of forests exist in remote areas inhabited by minority groups in a number of provinces, particularly in the Northern Mountains and North-Central coast. Within community-managed land, regulations vary by locality, but often all local members are entitled to have access to forests to gather forest products such as vegetables, fruit, bamboo shoots, mushrooms, medicinal herbs, and firewood. In some localities, local community members are allowed to collect secondary forest products, but they are not allowed to sell them (Pham Xuan Phuong 2002; 105–06). In some places, the community allows members to use the land for farming, as long as community rules and regulations are followed. In the mountainous areas of Quang Tri, for example, villages continue to play an important role in the management and use of land, including hill land and forest land. According to local leaders in A Doi commune, Huong Hoa province, the commune is perceived as having no rights to distribute the land within the boundary of the commune. Villages reserve this right and it is strongly respected.

- ***New group-allocated forest land.*** Local authorities have allotted land and forests to different social organizations for their long-term management and use. Social organizations such as the War Veterans' Association or the Farmers' Association have received forests and forest land. Some types of forests and forest land, allotted by the local authorities to communities, were formerly granted to agricultural cooperatives by the state, but as these cooperatives have been dissolved, the forests have been transferred to the community for management. In some localities, groups of people have actively taken part in planning and developing rules and regulations on forest protection, patrolling, preserving, and tending forests. However, in other localities, village and commune authorities did the planning and development of rules on forest protection without direct participation of local people, simply assigning a "community" a plot of forest to "collectively manage."

Much of the forest estate of Vietnam that is managed by communities has been well-protected. It thus seems that there are clear advantages of community forest management. Through different surveys on the model of allotting forests to a community for its management, the following concrete advantages have been identified: (a) the inventories of forests and forest land are simple, economizing human efforts and cost in land allocation; (b) groups can easily help each other and exchange labor in management, protection, and tending of forests, reducing time on patrol and forest protection activities; (c) it ensures equality in the use of land for agricultural production and other secondary forest products; (d) it protects forests better, as people in the community can easily discover violations; and (e) it prevents the sale of land by individuals, leading to forest and land fragmentation. However, the downside of community forest allocation is that such rights cannot be used for accessing bank loans because communities have yet to be recognized as borrowers (Nguyen Van Thuan, 2003; Tran Ngoc Thanh 2003; Tan Quang Nguyen 2005; 91-2). Furthermore, community management does not always halt deforestation; in Dak Lak province, deforestation has even occurred in the forest area allocated to household groups (Tran Ngoc Thanh 2003).

Forest Income in Poverty Reduction

Despite the massive efforts that have been undertaken in recent years to implement forest land allocation and community forests, overall forest land allocation does not appear to have a huge impact on people's income (Dinh Duc Thuan 2005). In our CSA survey, only 9.4 percent of those who had forest land allocated reported that it contributed to the households' overall income and livelihood. Again, the overall percentage obscures a skewed distribution where only some groups (Tay and Pa Co) said they had forest income, while most other groups did not (Dao, Bo Y, Van Kieu and Nung). Overall, Kinh, not minorities, said they had the most income impact from forest allocation (Figure 8.2).

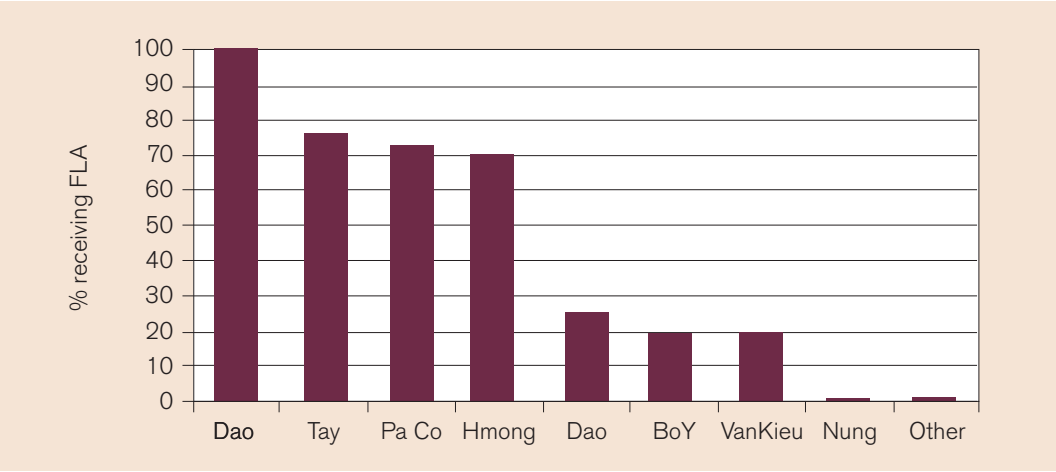


FIGURE 8.2
Households Reporting that FLAs Contributed to their Income (%)

Source: CSA survey, World Bank

Source: CSA survey, World Bank.

In terms of the products that could be collected from forests and sold, there were a variety of items mentioned by survey respondents:

- The sale of fuelwood was the activity that contributed most of the income from forests. Twenty percent of Kinh and 29 percent of minorities reported fuelwood income.

- Eight percent had income from forest fruits. Twenty percent of Pa Co reported income from fruit in particular.
- Seventeen percent of households had income from forest vegetables; Pa Co, Van Kieu and Mnong collected the most.
- Five percent had income from construction materials (i.e. rattans) (only Pa Co, Hmong, Dao, and Tay families).
- Five percent had income from forest grasses for livestock (Hmong and Dao primarily).
- Four percent reported timber income, mostly Hmong.
- Less than 1 percent had income from medicinal plants, and all were Hmong.
- No households reported income from hunting (likely underreported due to illegality).
- Only Pa Co and Van Kieu in Quang Tri reported income from handicraft materials derived from forest products (cloth and baskets).

Although the figures above indicate little income impact, these figures primarily relate to the private FLA forest allocations that households received, and should not be taken to imply that forests as such are unimportant to minority livelihoods. Many forest products continue to be collected in community-managed or state-managed lands. Several studies point to the continuing positive impacts that forests have on minorities, not only as a source of income but also as a direct contributor of subsistence food and forest products to the household. The Poverty Action Group estimates that in Nghe An province, income from non-timber forest products (NTFPs) accounts for 15 to 35 percent of the total income of the households surveyed. The most common non-timber product is supplemental food. The Dao in Hoang Su Phi, Ha Giang province, can find over 40 kinds of vegetables, roots, and fruits in the forest for food (Pham Quang Hoan & Hung Dinh Quy 1998; 203). Studying the use of non-timber forest products of a village of Ede in Dak Lak, Pham Cong Tri (2002) showed that people use up to 146 varieties of vegetables, roots, and fruits as food. The function of forests as a source of food (mostly vegetables, meat, fish, eggs, and beans) is particularly important for the minorities in the Central Highlands, where 65 percent of the Ma are estimated to use the forest as a source for food, 51 percent of the Co Ho, 46 percent of the Ba Na, 32 percent of the Gia Rai, 32 percent of the Mnong, and 29 percent of the Ede (Vuong Xuan Tinh et al. 2006). Apart from being a source of food, highlanders also exploit the forest for products like herbal medicines.

CSA findings that forests provide income to only 9 percent of households should not be interpreted as being in contradiction with the above evidence on the importance of NTFPs. Rather, the CSA points out that for many communities, while forests provide subsistence income, they do not raise much in terms of cash. Further, many communities no longer have collection rights to NTFPs they have traditionally used when those forests are claimed by the state in the form of SFEs or, increasingly, into protected areas. The increasing conservation presence in many minority areas with the addition of new nature reserves and increased numbers of forest rangers has made much forest use illegal and underground.

As the expansion of the protected areas system has increased, more attention has been paid to the environmental benefits of forests in highland areas. Forest activities have the potential to provide people with income from environmental services such as forest protection contracts; from integrated conservation and development projects; from watershed services; and from ecological tourism. The

Hmong in Sa Pa district, Lao Cai province can earn an income by giving tours to visitors in the area, especially tours to explore the Phanxipang peak of the Hoang Lien Son Mountain Range. However, these efforts to encourage other income from forest protection have not been widespread or made much of an impact in minority areas. The idea of watershed and ecosystem protection payments to highland households paid for by levies on downstream and urban water users is an extremely interesting idea that has been developed in other countries, but such programs have not been seriously undertaken with minority communities in Vietnam.

LAND SALES AND LAND LOSSES

Differentiation in land tenure can have profound impacts on the rich-poor divide in and between communities. During interviews with poor people, they inevitably noted the correlation between small or no landholdings and poverty. People with large landholdings are simply not among the poor in most communities. As a report on the Central Highlands noted, "If you go to visit a household and cannot meet them for two weeks or a month, you can be sure they are poor people. Only poor people cannot afford to work near the village, because there is no fertile land left. They often stay in the forest for weeks with their children" (ADB 2002).

Under traditional management of lands in most highland groups, where forest and upland agricultural landholdings would be divided each year relatively equally according to the labor ability of the household, the privatization of land has started a new process of land differentiation. It has enabled certain successful households to accumulate capital, and often expand their landholdings, while preventing poverty reduction among the landless or those with little land. With the farming sector in many rural areas inadequately diversified and with urban centers unable to absorb extra labor, those with insufficient land, or those who are landless, are becoming increasingly dependent on large landholders through wage employment in farming. Such large landholdings are made possible by the increasing practice of land trading and selling, and losses of land to debt and other reasons. Land differentiation is strongly correlated with regional trends, with the Central Highlands and the Mekong Delta regions having the most land differentiation, with consequent impacts on groups like the Ede/Mnong and Khmer respectively.

In the Central Highlands, Dak Lak is the province that suffers from the most serious cultivable land shortage. A recent survey showed that roughly half of the local minority households in Dak Lak owned less than one hectare of land per household (see Table 8.10). While one hectare may seem like an adequate amount of land when compared with Kinh landholdings nationwide, which on average are less than one hectare per household, in fact much of the land in the Central Highlands is un-irrigated swidden cultivation land. Thus one hectare may not be adequate to supply the food needs of minority households, given the need for part of that land to be under fallow. According to a 2002 review by the Dak Lak Department of Agriculture and Rural Development on farm lands of the local ethnic minority groups, 28,773 households, accounting for 49 per cent of all minority households, were considered to have "inadequate land" for their food production needs (Vuong Xuan Tinh 2003).

TABLE 8.10 Average Minority Household Agricultural Landholdings in Dak Lak, 2002

Minority group	Under 0.3 hectares/ HH	0.3-1 hectares/HH	1-1.5 hectares/HH	Above 1.5 hectares/HH
Ede HHs	10,049	11,029	15,270	5,839
Mnong HHs	1,150	4,613	5,053	1,515
Gia Rai HHs	300	657	615	427
Total HHs	11,499	16,299	20,793	7,781

Source: Vuong Xuan Tinh 2003.

In Ha Giang, according to provincial authorities, among ethnic minorities the average area of agricultural land per capita is 2,100m^2 and that of forest land 5,000m^2. This translates to an average household landholding of less than 1 hectare. In Quang Tri, average landholdings per ethnic minority household are 12,903m^2, or slightly over 1 hectare, although it should be noted that much of the land of Quang Tri is unallocated, so minority communities are likely using far larger landholdings that are simply not on the official books. In Dak Lak, the average agricultural land of an ethnic minority household is 1.23 hectares (although the figures in Table 8.10 indicate that half of households are significantly below this).

Following unrest in the Central Highlands in 2001, the government has begun to identify ethnic minority households they consider to "lack land." Each province sets a different standard for what is considered "lacking land," depending on local conditions and average landholding sizes. According to 2006 assessments of the provinces, the rates of ethnic minority households facing land shortage are rather high: 10 percent in Ha Giang, and 24 percent in Dak Lak (which includes both local ethnic people and migrant northern ethnic minorities). In Quang Tri, provincial authorities said that land was not a problem due to low population densities in minority areas. But they estimated that around 4,700 households lacked land for cultivation.

The low landholdings in some minority areas were a result of many different causes, some of which have been discussed in previous chapters. Population growth, together with migration, has resulted in the shortage of land for farming in some provinces. Land disputes, land occupation, and land sales have been the result, especially in Dak Lak when coffee became such a hot commodity. Many migrants in Dak Lak bought land from minorities who were willing to sell, or in some cases, were duped into doing so by their lack of understanding of the significance of government-issued LUCs. We heard numerous stories about minorities who traded their land for bags of rice, bags of salt, bicycles, or other low-value items. Traditionally, local ethnic minority people in the Central Highlands never previously considered land as an exchangeable asset; they could only lend it or give it for free as a present. Taking advantage of this custom, many Kinh people gave low-value presents to ethnic minority people and received land from them in return. One Kinh person in Dak Lak province shared his experience: "you should know how to give a present to ethnic minority people in a proper way so that they would give you land in return. If you give them 100 kg of salt at once, they would easily forget you but if you have only 10kg of salt and you give it to them in 100 times they would remember you forever and you will for sure receive land from them."

By the mid-1990s, land sales were common. Wealthy Kinh speculators, based in Ho Chi Minh City or Buon Me Thuot city, were able to front the money to purchase large tracts of coffee lands, and residence permits or land limits were not checked by authorities. Plots close to the road and water sources commanded the highest prices, although prices of land fluctuated greatly from year to year. In 1994–95, coffee land in Dak Lak was selling for 70–80 million VND/ha, but in 1998 it dropped to 20 million VND/ha. By 2001 it had risen to 30 million VND/ha, and in 2006 prices were back up again: 50 million VND/ha for land far from water and 100 million/ha near a water source, rising to as much as 250 million/ha for a hectare of the best land. Residential land prices also have risen; in 2001, land facing roads was about 1 million/m^2, while in 2006 it was more than 6 million/m^2. In the face of these rising prices, and given the heavy debt loads many minority households face, it was not surprising to find land sales reported by 5 percent of our survey respondents. Of this number, most were Ede; 28 percent of Ede had sold some land in the past. Twelve percent of all households in Dak Lak had sold land, while the figure was only 2 percent of households in Ha Giang and 0 percent of households in Quang Tri. To combat this problem, some localities in the Central Highlands, such as Dak Lak, instituted decrees after the year 2000 limiting or forbidding the purchase of land from ethnic minorities in certain areas.

In other cases, land was lost due to debts, as was noted in the chapter on credit. When coffee prices fell in 1998–2000, many outstanding debts came due and households who had mortgaged land or used it as collateral faced land losses. A survey in 2002 estimated that 45 per cent of coffee growing households in Dak Lak lacked adequate food, 66 per cent had bank debts, and 45 per cent had members of the family who had turned to wage labor to find money (ICARD and Oxfam 2002). Rich households were able to deal with the drop in prices by holding and storing coffee with the expectation that prices would rise again. Others reduced their investments, particularly in water and fertilizer. A study of coffee farmers by U.S. economists found that large Kinh farmers were able to turn to other sources of income, but the same was not true for smaller farms and minority farmers (Rios and Shively 2005). Many minorities had to sell their lands as payment of debts, rather than trying new higher-priced crops, or simply holding on and waiting for better prices, as many Kinh households did. Similar patterns of losses of land primarily to bad debts appear to be common among Khmer in the Mekong Delta, where a recent survey estimated as much as 25 percent of Khmer households in many areas are functionally landless (Le Ngoc Thang et al. 2007).

In other places, minorities reported that they had lost lands to development or other government projects or for other reasons. Fifteen percent of households in the CSA survey reported having lost land at some point in the past without compensation (12 percent of households in Dak Lak, 19 percent in Ha Giang, and 13 percent in Quang Tri). The main reasons for losing land were confiscation by the government (57 percent of those who had lost land), landslides/erosion (26 percent), and other reasons/unknown (17 percent). These land losses were unequally divided between Kinh and minorities; only 6 percent of Kinh had lost any land, compared to 16 percent of minority households.

An example was shared with us in Krong Buk district of Dak Lak. A state-owned coffee company arrived in 1987 to clear 300 hectares, which they then intended to sell to their (mostly Kinh) workers to plant coffee. Of the 300 hectares, any swidden land of the local people that had crops on it that

year was compensated with 400,000 VND/ha; however, any lands in fallow that had previously been used or owned were recognized as "owned" and therefore not compensated; they were simply taken by the company. The Ede protested strongly and tried to block the company from clearing their fallowing lands, but were unable to so do. There are also reports from the Mekong Delta of Khmer losing lands to development of roads and other infrastructure projects in the Mekong Delta without adequate compensation (Taylor 2006).

A final reason for the shortage of land in some places has been the division of households into smaller units, as children move out and form their own households. Increasingly, there is no land to give to these newly formed households, which is why some of the poorest families in minority areas are very young ones that have just separated from their family.

In response to these concerns that minority landholdings–particularly in the Central Highlands–have become threatened since land allocation began in the 1990s, the party and government passed a series of policy resolutions. In 2002, the prime minister issued Decision 132/2002/QD-TTg on the "Allocation of farming and housing land for ethnic households in the Central Highlands." Under Decision 132, land funds would be created in each of the Central Highlands provinces by one of several means: by taking acreage from SFEs and state farms that had lands that were unproductive or over the "average amounts" per worker of the locality; by working to reclaim unused lands (the central budget would pay VND 4 million per hectare for clearance); or by "encouraging" households that had excess or uncultivated land to sell their land-use rights to minorities, who would be subsidized by the government to buy it. Minority families that qualified would be eligible for a minimum of 1 hectare of swidden field, 0.5 hectare of non-irrigated rice field, or 0.3 hectare of irrigated rice field, plus 400 square meters of residential lands. Those who received land under this policy were not allowed to sell or transfer it for 10 years after receipt.

These policies originally focused only on the Central Highlands, but were later extended to all of Vietnam's minorities in 2004 in the Prime Minister's Decision No. 134/2004/QD-TTg, of July 20, 2004, on "A number of policies to provide support in terms of production land, residential land, houses and water sources to poor ethnic minority households meeting with difficulties." The amounts of land that would be given out under the nationwide policy was reduced from that in the Central Highlands pilot: in the new expanded policies, each household that qualified was to receive a minimum of 0.5 hectare of swidden fields, or 0.25 hectare of single-cropped rice fields, or 0.15 hectare of double-cropped rice land. Eligible households were also to get 200 square meters for residential land, and people without houses or with temporary ones would receive around VND 5 million per household. There was also extra money from the central budget to increase the number of community water systems in minority areas. The overall goal was to allocate 120,500 hectares of land to 388,998 poor ethnic minority households.

In Dak Lak province, 13,548 households received land according to Decision 132/2002, representing 24 percent of local ethnic people; and 1,828 households received land according to Decision 134/2004, accounting for about 2 percent of its local ethnic minorities (Dak Lak CEM, 2006). In Quang Tri province, the province has allocated 2,893 households with 934 hectares, less than half the targets.

While addressing the land allocation problem is a laudable step with the potential to contribute to better production and poverty reduction, serious problems still remain in the implementation of Decision 134. Less than 10 percent of the households nationwide identified as being short of land have received any land from P134, and the program is nowhere near the target distribution of over 100,000 hectares of land. The fundamental goal of land redistribution is not being achieved by directly reinstating any land that has been lost, sold, or confiscated. This means that people are not being given land back that was once theirs or that belonged to their village. Rather, they are being given land someplace else, sometimes in the same commune, but often further afield in the district. This requires people in many cases to make a decision to move their household out of their original village into a new settlement. In these cases, particularly in Dak Lak, the P134 program was being run like the older fixed cultivation programs, in that the commune and district would select some land in the area and ask households to move there. Given that the best land has already been sold, anything left to give out under P135 is usually unwanted areas of barren and poor land, which is unlikely to bring people out of poverty. Relying on wage labor in a village one is familiar with, compared to poor land someplace else where one has no family or relatives, is often a better economic choice for households, preventing P134 from having a significant impact. While in most areas there was not enough money to buy good quality land, some provinces also have wasted money by paying land prices that were too high in comparison with the market prices (leading some to suspect corruption was involved).

In reality, however, the biggest share of the P134 money has been used as a housebuilding program. In Ha Giang, 27 billion VND was allocated to P134 in 2006. This money was distributed to districts based on the number of minorities perceived to be short of land. At the commune level, the communes often selected who would be a P134 recipient from the standardized list of poor people submitted under other poverty programs like P135. However, because most communes did not have any extra land to give out, they have not reallocated land under P134 in most cases, but used the P134 money to invest in new houses and water systems for the poor. In this sense P134 is not really perceived as a new program aimed at land redistributions, but rather as a "charity" program to build houses (such programs have long been in place in Vietnam, such as government programs to build houses for the families of war martyrs).

In Dak Lak, because many communes had little land to give out, they used P134 money to build houses. In one Ede village in Krong Buk district, six houses were built for people who were poor, sick, or unable to build a house themselves. The commune asked outside contractors to come to build the houses. Recipients and local people were not hired to help in construction because the house style chosen by the contractors was that of a concrete Kinh style house on the ground, not the local wooden stilt house style that people there knew how to build. The contractors also did not follow local custom before building the houses, which required a prayer and ceremony before putting in the first pillar to ask for good favor from the "spirit of the house" (*po san* in Ede). In Ede tradition, misfortune results if house spirits are not acknowledged before building; every component of the house has to be acknowledged and thanked, with prayers to "Mr. Pillar," "Mr. Brick," "Mr. Waterpump," etc., as the house is completed. Ede said that they did these prayers once the contractors had left, but could not do it before the house was built in keeping with the usual custom.

In an interview with an Ede family who had received a P134 house, Mr. M. and his wife Mrs. K., we learned the contractors actually charged 11 million to build the P134 houses, and that recipients had to come up with 7 million of their own money to add to the 5 million the commune had paid. They were told this was because the 5 million only covered the design of a one-room concrete house, and if they wanted additional rooms they would have to pay more money. Mr. M. had two children and so he decided to pay the extra money to make two additional rooms for his daughters to use. He got the extra money from selling all their corn crop and borrowing 3 million from his mother. Now that the house is completed, the girls sleep in it at night, while Mr. M. and his wife continue to live mostly in their old bamboo and thatched stilt house right behind the new concrete one, as the new house has no kitchen. The new house also has no furniture, as they have not raised enough money for outfitting it. It is difficult to see that P134 will have any poverty impact in situations such as Mr. M.'s.

Ha Giang was doing better in their P134 administration by involving local people in the choice of housing style. In one commune of Hmong in Ha Giang, the commune gave each recipient family 5 million VND to spend on housing supplies and additional subsidies for concrete to build water wells. The Hmong households bought the supplies they needed and built the houses themselves (with considerable labor donated by others in the community). This was rated highly by recipients as it meant they could choose the house style and shape themselves.

In other areas, people were essentially treating P134 as a giveaway program in which one could get free or highly subsidized houses, rather than relying on one's own labor or community-house building labor as in the past. We heard of young families in a Mnong village who in past times might have lived with their parents in a longhouse for several years, working and living together. Yet these young families are deciding to separate earlier than they traditionally would, in order to be able to ask for one of the free houses and additional land. In this way, the P134 might actually have been encouraging house and land fragmentation as households that might have lived together once until the parents were elderly and unable to work their land anymore were separating out early in order to benefit.

ENVIRONMENTAL CONSEQUENCES OF LAND USE

In recent years, environmental issues have become a focus of concern in ethnic minority areas. Floods and drought happen more often than in the past, according to respondents, who attributed environmental changes to the fact that watershed forests have been overexploited and seriously destroyed. These changes have led to poor water preservation, badly affecting agricultural production in some areas. Cultivation land and irrigation systems in the highlands increasingly face the danger of landslides in the rainy season as protective forest cover has been removed. In Ha Giang province, during the rainy season of 2003, about 9,000 meters of canals and four irrigation systems were damaged; in 2004, flooding destroyed the land and crops on 1,478 hectares. In the mountains of Quang Tri, Storm Number Six in 2006 destroyed many irrigation dams and agricultural land belonging to minorities.

Coffee planting in unsuitable lands has been a major source of environmental degradation as well in minority areas. Many coffee fields were established on poor soil with very steep slopes and high

rates of soil erosion, and in areas prone to drought. Inexperienced farmers cut down shade trees to maximize production, and chemical fertilizers were also overused. The expansion of electricity into the Central Highlands has made electric groundwater pumps more widespread. About 40 per cent of current coffee acreage is irrigated by groundwater (requiring about 66 million cubic meters during the dry season in the spring). Overwatering of young coffee trees by inexperienced farmers who rely on these groundwater pumps has resulted in dramatic reductions in the water table in the Central Highlands, and even some rivers have begun to run dry part of the year (D'haeze, Deckers et al. 2003). This has a potentially significant impact on human health, as more than 50 per cent of households in the Central Highlands have to use surface water sources for their household needs. Spring droughts have occurred frequently in the last few years and have highlighted the precarious water situation. A 2003 drought left more than 300,000 people in a serious food crisis; most were from minorities (Nhu Trang 2003). A 2005 spring drought destroyed 14,000 hectares of paddy in Dak Nong and 68,000 hectares of coffee in Dak Lak. Ten to fifteen percent of families in Dak Lak and 130,000 families in Gia Lai had a shortage of drinking water. These losses to drought were estimated at more than $60 million US in Dak Lak and $20 million US in Dak Nong (BBC 2005).

The majority of respondents in the CSA survey (69 percent) report that the quality of the environment is worse now than it was 10 years ago. Among the main problems cited: drought (reported by 60.7 percent of respondents), shortage of timber for building houses (52.2 percent), livestock diseases (50.3 percent), human diseases (48.4 percent), mosquitoes (42.9 percent) decline in soil fertility (40.4 percent), scarcity of drinking water (40.1 percent), and scarcity of land (38.7 percent) (Figure 8.3).

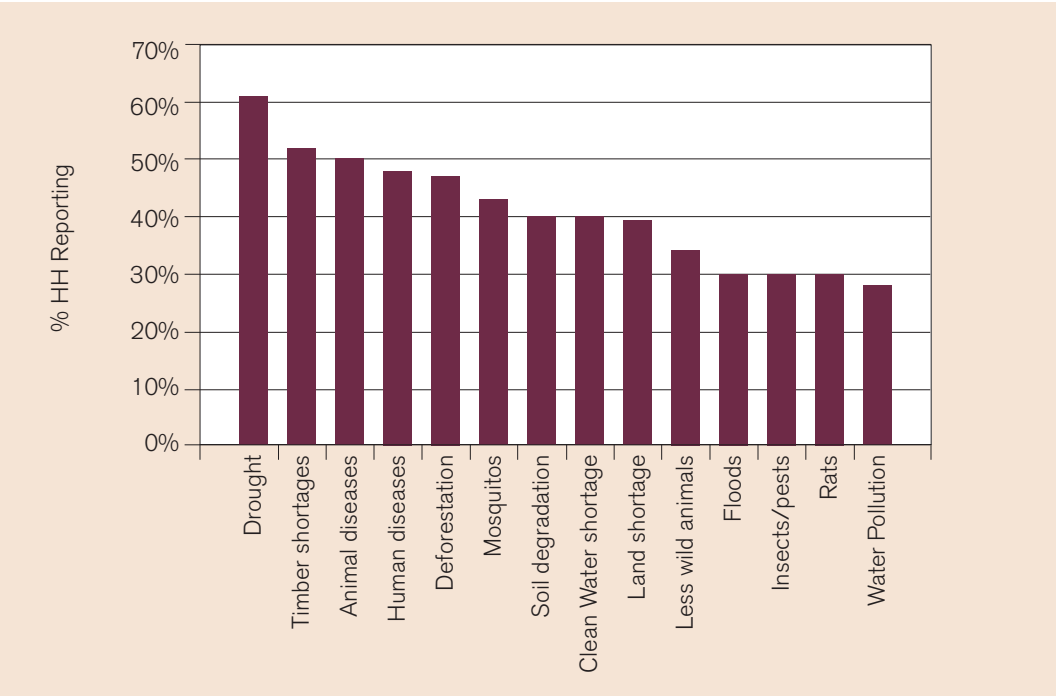


FIGURE 8.3 Major Environmental Problems in Upland Areas

Source: CSA survey, World Bank

Source: CSA survey, World Bank

CONCLUSION: IMPACT OF ACCESS TO LAND AND LAND USE

Land tenure plays a critical role in poverty reduction among ethnic minorities in Vietnam's mountainous and upland regions, where natural resource extraction and agricultural production comprise the main sources of income. Within the past century, changes in land policies have had profound impacts on minorities' lives: from land being under community control throughout much of history, to several decades of socialist state control, to land being used primarily by households and individuals. From a cultural point of view, ethnic minorities' relationship to land has shifted from a system in which community-managed land was not allowed to be sold or exchanged, to one where land is now a commodity in which individuals make decisions about land use.

State land policies have promoted investment and agricultural intensification in minority areas. While many Kinh and some minorities have thrived in this environment, others have not. Minorities who are market oriented, and who have been able to take advantage of new production policies, have transformed their production from subsistence to more globally oriented commodities. In areas where the transition to market economies has been uneven, we have seen rising landlessness among minorities.

Land policies have resulted in differentiation in land tenure, which has had a major impact on the rich and poor divide within and between communities and between ethnic groups.
Differentiation in land tenure has enabled large landholders to become richer, while preventing poverty reduction among the landless or those with little land.

The general trend we see in all three regions is that minorities have clearly different overall production models than Kinh in highland areas. Minorities have less diverse sources of off-farm income, and are often confined to low-value and unstable wage labor, while most Kinh have income from trading and services. Although the crops minorities plant are often more varied than those of Kinh, who rely on high-value cash crops (often planted in monocrops), such diversity has not helped minorities maximize their income. There are structural patterns behind these findings, as minorities have smaller landholdings overall of the highest value lands appropriate for industrial crops. While swidden lands remain essential to ethnic minority households, due to restrictions on their use and a lack of attention from extension services, they are not as productive as they could be. These fundamentally different models help explain why minorities tend to have lower levels of economic performance even though their land assets are usually greater overall than Kinh.

Although minorities may once have depended on forests, currently forest income is very low across the board. FLAs are highly skewed regionally, and are practically nonexistent in the Central Highlands, where minorities have no access to private land tenure for the forests there. The occupation of large areas by state organs and private enterprises has impinged upon the landholdings of ethnic minority households in mountainous areas. This has also prevented local people, especially the poor, from accessing this natural resource in the region. As a result, minorities have little chance to benefit financially from forest lands in most areas. Further, unless there is more aggressive investment in productive use of FLA lands after allocation, there does not appear to be much livelihood benefit from the forests that actually are allocated.

In order to address the negative impacts of land policies, this report proposes some recommendations on future land-related policies below.

- ***More Flexible Land Laws.*** Several policies could speed up the process of land allocation. One option is to allow provincial and district administrations to set up more flexible regulations for providing land use certificates. The government could also decentralize the specification of the land ceiling to the provinces instead of centrally determining the ceiling of 3 hectares of agricultural land and 30 hectares of forest land, to allow for the diversity of the regions and to better meet the needs of different minority groups. Each province could be allowed to define the land ceiling based on their on-the-ground situation.
- ***Reallocation of Land for Minorities.*** In the coming reallocation of agricultural land, increasing land allocation to communities could help limit market transactions of agricultural land by dispersing risk among many households. The government could also reduce the timeframe given to the allocation of agricultural land (specified in the 2003 Land Law) from 20 years to 10 years to allow for more frequent redistributions as necessary to balance out inequalities and combat land losses.
- ***Continue Dissolving SFEs and Allocating this Land to Households.*** Reducing the area of land used by the state agro-forest enterprises would have a major impact on the amount of land available for minorities to use, as would establishing regulations on the appropriate ratio of land area used by these SFEs to the total natural area nationwide. Depending on the actual situation, this ratio could vary from place to place. Households in many PRA meetings clearly requested the government do something about the SFEs, mainly that land be taken away from SFEs and given to local people to reduce land conflicts. As a result of SFEs' claims on so much land, the only land that is available for allocation is often too far away from villages and households, or is of very poor quality. More needs to be done immediately to address this, including a serious review of all SFEs in the Central Highlands to assess the potential poverty impact of handing these SFEs over to local minority communities.
- ***Forest Allocation needs to be Followed by Investment.*** Aggressive investment policies are needed to follow in the wake of forest land allocation in order for ethnic minorities to benefit from the increased access to forests. Such policies could offer community credit funds and capacity-building programs to increase financial management skills. In practice, households are currently only allocated barren land. Land with natural forest or forest planted under state programs remains allocated to state organizations only.
- ***Better "Social" Models are Needed for Agricultural Production.*** The current extension and support system for agriculture is based on top-down, "lowland models" of monocrops of fruit or rice, with little attention paid to social or economic factors, such as whether the crop can be sold or if it is suitable for local social or labor conditions. These "models" are often combined with highly subsidized prices on seeds and fertilizers, most of which are chosen by districts to be provided. Overemphasis on monocrops, high inputs of fertilizer and pesticides, and hybrid seeds are not a sustainable model for production in cash-poor areas remote from markets, or in communities with little ability to negotiate for high prices or to process goods to add value. In addition to more bottom-up extension services, assistance in agriculture could also be targeted to help minorities reduce their dependence on outside traders. Such assistance should prioritize establishment of community credit funds and capacity-building programs in

financial management aimed at promoting local organizations such as community marketing cooperatives. Assistance with village-based marketing and processing, specialization in certain high-value crops (shade-grown coffee, specialty food items, etc), and other more innovative approaches are needed. This is particularly the case in areas like the Northern Mountains, where land resources for cultivation are scarce. The solution to land problems lies not in land supply or further provision, but in the expansion of intensive cultivation, value-adding, and alternative income sources, like new crafts, expanded wage labor opportunities, or private sector development.

CHAPTER 9

Access to Markets, Trading, and Off-Farm Employment

This chapter looks at market penetration and access to markets in upland minority areas. CSA findings show that barriers to marketization and commercialization of minority livelihoods are a factor preventing higher rates of poverty reduction. For example, minorities tend to use markets less than Kinh, and tend to receive less money for the products they sell there than Kinh do. Minorities are also much less likely to be traders or involved in shop keeping than Kinh, and they report fewer sources of off-farm employment.

In this chapter, we explore the reasons for this unequal access to and use of markets. While we found that nearly half of all households sold something at a physical marketplace last year, and the vast majority raised some sort of income from selling goods, overall minorities face disadvantages in the marketplace that limit their livelihood benefits. We pay particular attention to cultural factors influencing market access and integration and how these cultural factors have created some barriers to increased minority roles in business and trading. We also note problems having to do with the relative lack of power minorities have in unequal trading relationships, whether with private traders (who are overwhelmingly Kinh) or para-statals and state enterprises that buy and sell minority-produced commodities.

The role of markets and off-farm employment is extremely important in increasing economic development among minorities. Diversification within the farm economy, by selling commercial crops rather than relying on subsistence crops, can help households move out of poverty (Minot et al. 2003). However, much of the market sector remains seriously undervalued in minority areas, which lack value-chain linkages among producers, traders, and consumers, as well as sources of support for high-value commodity products. While there is no doubt that markets have created opportunities for many households to escape poverty, commercial farming has also increased vulnerability among households due to increasing reliance on the market for inputs and outputs. Households that are unable to invest properly in high-priced inputs have to accept lower yields (as we noted in the previous chapters on land and credit), while others who did invest may suffer drops in market prices, as we saw with the case of growers of coffee. The fluctuation of market prices combined with uncertainty in natural conditions that characterize much upland areas can serve as a mechanism for farming households to fall into indebtedness. We look at these market vulnerabilities closely in this chapter.

PENETRATION OF MARKETS IN MINORITY AREAS

There is a widespread belief among government officials and others that minorities are poor because they lack familiarity with the market economy and are only concerned with self-sufficiency. For example, the government's socio-economic development plan for 2006–10 says that in minority areas, the "economy is characterized by predominantly agricultural production and [is] autarky-oriented. Cultivation skills are backward. Market economy is rather passive and underdeveloped." Such sentiments are widespread; for example, the head of the Ethnic Minority Committee of Ha Giang stated that "Ethnic minorities don't know how to consume (*chua biet tieu*)" and were still producing only for themselves. Other analysis has not blamed minorities themselves, but the geography and remoteness of their locations: "There are many reasons why the market economy has not been working well enough for the ethnic minorities. First of all, their economic activities are not connected to major economic centers, and that is because not only of the location, but also of the lack of infrastructure," notes a recent analysis of VHLSS data on the rural sector (Le Duc Thuc et al. 2006; 24)

Since Doi Moi, however, all evidence points to increased marketization throughout the uplands of Vietnam (Henin 2002; Minot et al. 2003; Sikor and Pham 2005). This marketization (*hang hoa*) has led to agricultural diversification (*da dang hoa*) in many areas (Henin 2002). Evidence from the living standards surveys shows increasing commercialization in the rural sector in all regions, although it has been less prominent in regions dominated by minorities (Table 9.1). The South-East and the Mekong Delta are currently the most commercialized rural areas. The Central Highlands is the only region to actually have decreased in terms of commercial output from 1992 to 2002, likely attributable to the slump in world coffee prices in the 1990s, from which the region is still recovering.

TABLE 9.1 Share of Agricultural Output that is Sold, by Region (%)

Region	1992	1998	2002
All Vietnam	48	59	70
Northern Mountains	36	44	52
Red River Delta	39	45	61
North Central Coast	37	44	63
South Central Coast	39	55	73
Central Highlands	77	78	74
Southeast	69	79	84
Mekong Delta	59	79	84

Source: Vietnam Development Report, 2004, based on VHLSS data

While Vietnam's rural sector is clearly moving toward more commercial production, this trend needs to be tempered by a realistic view that much of the market sector remains seriously undervalued. Many goods are sold unprocessed and in poor quality, and many Vietnamese agricultural goods are considered to be low-value on the world market (such as lower-quality coffee used for the instant coffee sector or low-end broken rice). For continued market growth to have a real impact, serious shortcomings in this sector will have to be overcome, as a recent World Bank review report on the rural sector in Vietnam noted (World Bank 2006a and 2006b). The report notes, "growth in the rural

economy, and from agricultural activities in particular, will increasingly involve choices driven by market signals and competitive pressures from opening markets. To respond to these market opportunities and challenges, attention to four areas will be important. These are agricultural diversification, deepening of market systems, management of trade integration, and pursuit of SOE reform" (World Bank and MARD 2006b).

These same factors that will influence Vietnam's rural sector as a whole will also have impacts on minorities. Agricultural diversification may increase sources of income available for minorities and make them less dependent on either low-value subsistence crops or more risky monocrops like coffee. The deepening of market systems will allow minorities to take better advantage of demand for high quality and specialty products for which the highlands can have a competitive advantage. Management of trade integration will help minorities weather fluctuations in world prices for some important commodities in minority areas, namely coffee, pepper, cashew, sugarcane, cassava, and livestock. Finally, reforming SOEs into more dynamic private trading enterprises can help free minorities from dependence on buying and selling goods in unequal relations with SOEs simply because of poor competition from the private sector in rural areas.

POLICIES ON MARKET DEVELOPMENT

There have been a number of policies directed at expanding markets and trading in minority areas in recent years. Many of these policies are predicated on the assumption that minorities don't have awareness and use of markets. This assumption has led to policies aimed at expanding trading in minority areas through support to private companies and traders (mostly non-minorities themselves), as well as to subsidy and other programs aimed directly at minorities. We note some of the major programs below:

1998 Decree on Trading in Minority Areas (20/1998/ND-CP). This decree deals with the development of trading in mountainous areas and areas mainly inhabited by ethnic minorities. The decree is a preferential policy to stabilize and develop minorities' "society and economy." The incentives envisaged by this decree include training traders to operate in open market conditions and helping them access market information. The policy sought to encourage private traders to buy goods produced in highlands areas as well. The decree stated that "government commerce should expand its network to commune centers in mountains, islands and ethnic minority areas." The government is supposed to provide 50 percent of the working capital for trading enterprises in the specified regions, and interest is not paid on money borrowed for this program. It is clear that almost ten years after the release of this Decree, the private sector is competing strongly with state owned enterprises in purchasing locally made products by ethnic minority people. Whether the state needs to continue to play a role in encouraging traders to come to the highlands is debatable.

The Commune Center Program. Under the P135 program (135/1998/QDTTg) are a number of specific policies for "developing socio economy in communes with difficulties, mountainous areas, and remote places." P135 has targeted certain communes as being the most in need of help, based on natural conditions; available infrastructure; social issues; production conditions; and living condi-

tions. One aspect of help for these communes is developing infrastructure in the commune center (post offices, government offices, cultural houses, marketplaces) so that such infrastructure contributes to minorities' being able to develop economically. The construction of commune centers has been the second largest component of P135, after the general infrastructure funds for projects such as roads and schools (Table 9.2). In fact, the development of commune centers has brought mixed impacts. In some areas, commune centers have been built but only Kinh use them. This has particularly been the case in the Central Highlands, due to the remoteness of most people's fields from their residential areas, and from commune centers. Meanwhile, with different means of transport on the new roads that P135 has built in many areas, Kinh people can provide home delivery services with essential commodities to ethnic minority households and purchase whatever they can buy from these households. As a result, a commune center model is less needed in this area. Thus, even when well-meaning development projects and social interventions are formulated for minorities, many of these efforts are concentrated in commune and district towns, where few of the targeted minorities actually live. This commune center policy may in fact primarily benefit Kinh traders in market towns, rather than the minorities it is intended to help.

TABLE 9.2 Investment in Program 135 from 1999–2005, billions of VND

Component	<1999	1999	2000	2001	2002	2003	2004	2005	TOTAL
Infrastructure	0	483,2	701,2	880,0	893,2	1.116,5	1.120	1.417,5	6.611,6
Construction of Commune Centers	432,0	103,0	101,0	230,0	250,0	265,0	350	372	2.103
Training/ capacity building	0	7,2	7,2	7,2	10,0	11,0	11	*30*	***83,6***
Residential planning and sedentarization	0	0	0	0	10,0	10,0	15	25	60*
Production inputs	0	0	0	50,0		100,0	64	70	***284***
TOTAL	432	593,4	809,4	1.167,2	1.163,2	1.502,5	*1.560*	*1.624,5*	9.142.2

Source: (MOLISA/UNDP 2004)

Subsidy Programs. The primary subsidy program for minority areas was first promulgated by Decree 02/2002/ND-CP in January 2002. The objective of the policy was to subsidize prices (*tro gia*) and subsidize transport costs (*tro cuoc*) so that the selling prices of necessary goods for production and for livelihoods in all remote areas would be equivalent to the price of goods in central provincial towns. Seeds and fertilizers are the main production inputs subsidized, along with kerosene, salt, and other goods deemed "essential." In mountainous areas, 60 percent of the cost of improved seeds and 40 percent of the cost of other production inputs are subsidized by the central budget. In delta areas (but with poor farmers), the subsidy is 40 percent of seed cost and 20 percent of input costs. For the five years between 1994-99, the province of Dak Lak was said to have saved 71 billion VND in taxes through these subsidized prices (Hong 2000). Usually, this program is run through distribution stores (*dai ly*) in districts (and sometimes communes) where minorities can come to buy the subsidized goods. We were told that in areas that do have these formal distribution centers for

goods, few other businesses dare to compete and sell these goods because they cannot be offered at the same low price. The subsidies therefore have an inadvertent effect in stifling private competition for customers in minority areas. While it does protect against price gouging, it raises the question of quality control if there is no competition and no choice for farmers but the government-subsidized distributor. Questions have also been raised about the fact that some of these distribution centers run out of subsidized seeds if demand exceeds authorized supplies, and thus are of limited use during planting times.

Help for Minorities Program. This program under HEPR ran from 2001–04 in 41 provinces with a total budget of 120 billion VND (30 billion a year) directed at 40 ethnic groups. The objective was to assist their lives and production and to build some models of integrated development to contribute to poverty reduction, including livestock rearing, garden economies, and fruit trees. The program also gave ethnic minorities in difficult circumstances rice, clothes, blankets, bed nets, pots and pans, etc., with a maximum assistance per household of 500,000 VND. The support for production included free seedlings, and other inputs, such as equipment, hoes, and pesticide pumps, not to exceed 1,000,000 per household. The levels of support were decided by the People's Committee of each province. In general, minorities assessed this program as too little to make any perceptible difference in their livelihoods. Each household received a maximum of a bag of rice for eating, perhaps a mosquito net, a bottle of kerosene, and 5-10kg free corn or rice seeds per year. These supplies would show up at unpredictable times, and were not consistent resources that could be depended on. They were simply treated as a "free gift" that was appreciated, but not particularly important. Many researchers and authorities have also questioned if this policy of subsidization is still appropriate in a commodity-oriented economy. Some government officials expressed the idea that subsidy programs made ethnic minority people think that the state will do everything for them, creating dependency (*y lai)*. While many local authorities agreed that the policy of subsidized prices is helpful in a certain period of time, it should not be maintained indefinitely as it prevents the development of truly competitive market economies and limits the proactive efforts of ethnic minority people to develop their economies themselves.

Other Agricultural Commercialization Policies. In addition to the above policies dealing directly with markets and trading, numerous other policies have been implemented to encourage more commercial farming in upland areas. The two most important policies in this regard have been Decision 3/2000/NQ-CP of 2000, which promotes large-scale farms (*trang trai*) to further develop rural economies; and Decree 80/2002/QD-TTg to promote production contracts between farmers and trading enterprises. The large-scale farms decree sought to encourage larger farmsteads (where the average value of goods and services offered would be at least 40-50 million VND) and to scale up farming from the household to a larger entity that hired labor and used land more effectively. The production contracts decree was issued to promote production contracts for commercial agricultural products between food processing companies and farmers directly. Under contracts, the company provides all agricultural inputs (breeds, fertilizer and insecticide), transfers techniques, and then purchases and transports all of a farmer's products at agreed-upon prices. Such contracts were signed to take some of the risk out of production for farmers, and to guarantee processors a steady supply of raw agricultural goods: "In a transition economy like Vietnam, contract farming can be a potentially effective way to promote more commercialized agriculture, overcome market failures,

introduce new technology, provide support services, and mitigate risks. However, there are also potential problems created by highly asymmetric information flows and balance of power, the lack of contract enforcement, and lack of mechanisms for resolution of disputes and distress sales" (World Bank and MARD 2006b).

These latter policies were both designed to move Vietnam into what has been called the "third wave" of agricultural development by the current Prime Minister Nguyen Tan Dung. The first wave, in Dung's opinion, was the move to a market economy in 1986 when Vietnam was able to stop importing food and began exporting commodities like rice. The second wave was a move from extensive to intensive farming with higher global competitiveness, particularly in commodities like coffee, pepper, and other industrial crops. The third wave the prime minister would like to see is to shift from what is called "spontaneous production" to contractual production. This is to combat the problem of farmers growing something before searching for a market for the product. The current push is for market demands to dictate what farmers should grow through direct contractual relationships, leading to a fully commoditized economy.

Impact of Markets in Minority Areas

Even in the most remote upland areas, there are increasing signs of this commoditized economy. While much previous analysis of minority areas has tended to focus on lack of access to markets as a key problem–and despite common assertions from authorities that minorities are poor because they don't understand and use markets–we found that minorities are well-integrated into the market system and have been for some time. Nearly half of all households we surveyed sold something at a physical marketplace last year, and the vast majority raised some sort of income from selling goods they had produced. Income from sales of locally produced products is an important source of cash in the area, and this cash income helps local people to buy food and cover other expenditures.

Agricultural products that ethnic minorities sell on the markets include everything from rice, corn, sugar cane, cassava, coffee, cashew, pepper, and rubber to cows, pigs, goats, and chickens. Many products–such as cashews, coffee, pepper, and rubber–that minorities sell are exclusively commercial crops, with no subsistence value whatsoever. Yet other crops– like rice, corn, cows, and pigs–can be sold and used as subsistence goods as well, which are used for daily lives and rituals/festivals in the community as needed. Regional trends show clearly that specific market goods are often tied to geography. Dak Lak has coffee and corn; Ha Giang produces corn and soya beans; and Quang Tri produces cassava and bananas.

However, the degree of commercialization is quite varied in minority areas. There are areas with a low degree of commercialization, where farmers grow crops that can be eaten primarily for subsistence purposes, and then sell any surplus on the market. In areas with a high degree of commercialization, the market is the main focus of farmers, who produce only the goods that consumers are demanding. For these commercialized farmers, decisions are made in order to increase profit, rather than to ensure food security, which is the main concern of the non-commercial subsistence farmer.

Even in the most subsistence-oriented areas visited by the CSA (for example, western Quang Tri), increasing interactions between producers and buyers in the market place are evident. Whether transactions take place at the commune centers with SOEs, with traders visiting the villages on a daily basis, or at local markets, more frequent interactions between producers and the market are clearly a decisive factor in the increase in wealth in these mountainous communities. Many households sell their products at the farm gate to traveling middlemen, while others sell directly to business like SOEs (particularly true of industrial crops like coffee and sugarcane). Although fewer in number, others travel to commune or district markets to sell their goods.

The increasing number of roads has been one important factor in the development of markets and production at the local level. A clear example can be seen in Quang Tri, where the new road that runs from the Ho Chi Minh Highway to the Laos border takes mobile grocery stores to people's doors. Local sellers travel on motorbikes to bring food to remote villages. Traders also drive motorbikes to even the remotest villages in Quang Tri to buy bananas and other forest products. Daily visits by Kinh traders have inevitably increased the interaction between the minorities (Van Kieu and Pa Co) and the market. Mrs. I, a Kinh woman married to a Pa Co man, said that a few years ago, these villagers did not know anything. They didn't speak Kinh and couldn't count. Their typical reaction was a smile to traders and they would accept any offer made by traders. Nowadays, things have changed. Not only can ethnic minorities understand and count in Kinh, they can also bargain for their desired price. This increased interaction between local traders and the minorities has led to more organized agricultural cultivation; the minorities now grow a lot of bananas, one of the products sought by Kinh traders.

Statistically, there are still major discrepancies among regions with regard to the degree of commercial orientation. Sakata (2005) conducted a survey of more than 400 households in Lai Chau and Ha Giang provinces and compared the results with Kinh households in a survey in Ha Tay province. Sakata found that commercialization varied with the sector, with livestock being the most commercially oriented (Table 9.3). However, overall, Ha Tay's Kinh households were much more commercialized than the minority households in Lai Chau and Ha Giang.

TABLE 9.3 Agricultural Commercialization in Several Provinces

	Lai Chau	Ha Giang	Ha Tay
Annual and perennial crop production value (a)	6,549,685	4,279,463	3,631,812
Annual and perennial crops sold (b)	1,977,287	309,748	1,653,778
Commercialized rate (b/a) (%)	30.2	7.2	45.5
Livestock production value (c)	4,934,526	2,899,106	2,893,050
Livestock sold (d)	2,814,656	2,314,252	2,814,937
Commercialized rate (e/d) (%)	57.0	79.8	97.3
Forestry and fishery production Value (g)	2,294,164	1,479,087	100,990
Forestry- and fishery products Sold (h)	612,179	292,109	100,990
Commercialized rate (g/h) (%)	26.7	19.7	100.0

Source: Sakata 2005

Besides commercialization, another main trend that has been noted in recent years in minority areas is a move toward diversification as a result of market interactions. Diversification is a broad concept, and includes the "diversity of income sources, the shift from subsistence to commercial production, and the shift from producing low-value staple crops to producing high-value crops, livestock, and fishery products, as well as the shift into non-farm activities" (Minot et al. 2003; 179). When households diversify both their income sources and agricultural products, they are better able to spread risk around, and to weather ups and down in the market for different types of produce.

In a survey of households in the Northern Mountains, 83 percent of the respondents had diversified and adopted at least one new crop or source of income since 1994. These new crops included such things as litchi and other fruits, tea, and industrial crops (Minot et al., 2003). While such diversification can lead to higher incomes, unfortunately many poor households are not able to participate in these diversifying activities because of barriers to entry: "They may lack necessary skills, social capital, information about the market, or liquidity to cover high investment and bear risks associated with these activities. When poor households are able to participate, it is often because of institutional arrangements (such as contract farming) in which the buyer provides inputs, credit, and technical assistance" (Minot et al. 2003; 179-180) .

Minority Use of Markets

Our CSA household survey asked a series of questions relating to market knowledge and information among ethnic minorities in our three research sites. The CSA research found that minorities are becoming well-integrated into the market system and have been for some time. Nearly half of all households surveyed sold something at a physical marketplace last year, and the vast majority raised some sort of income from selling goods they had produced. Sales of locally produced products are an important source of cash; this cash income helps local people buy food and cover other expenditures. In all, more than 98 percent of Kinh used marketplaces regularly, although the figure was lower among minorities (85 percent went to the market). In particular, nearly 33 percent of minorities in Quang Tri said they did not go to markets (Table 9.4).

In another question, we asked who in the household went to markets most frequently: wives, husbands, children, others, or some combination of these. For Kinh, it is clear that women take the majority of the responsibility for going to markets for the household. However, in minority households, more husbands go to the market, either with their wives (36 percent of minority households) or by themselves (24 percent of husbands). This is in contrast to Kinh, where only 6 percent of households said the husband went to the market alone. Overall, the CSA found that Kinh women are more skilled in trading and financial management in their families because they have better market access and language abilities. Due to their language barriers (few minority women speak Vietnamese fluently), minority women reported that they often are confused at the market, and do not understand what traders say. This means more men have to carry out market activities for minority households, as men are often more fluent in Vietnamese. These barriers also discourage women from learning new techniques to improve productivity, as they may not travel as much to markets as Kinh women and get to see firsthand about new varieties and breeds that are being bought and sold.

TABLE 9.4 Gender Division of Labor in Market Activities (%)

Who sells/buys at market	Total Kinh	Total EM	Kinh Dak Lak	EM Dak Lak	Kinh Ha Giang	EM Ha Giang	Kinh Quang Tri	EM Quang Tri
Usually Wife	53	31	63	48	42	30	50	25
Usually Husband	6	24	4	18	10	16	0	41
Usually both wife and husband	33	36	25	34	38	44	50	29
Child	2	4	0	7	5	5	0	0
Others	6	4	8	3	5	5	0	5

Source: CSA Survey, World Bank.

Our survey also indicates that minorities overall tended to use central marketplaces less than Kinh. Kinh report more frequent visits to markets (Table 9.5). However, we need to distinguish between the use of physical marketplaces and being involved in the market (selling one's produce to a trader). While the latter is increasingly common in minority areas, they appear to be less likely to do their trading at central marketplaces than Kinh, instead dealing directly with traders in villages or at the farm gate. In fact, 74 percent of households reported that traders come to their village to buy things.

TABLE 9.5 Access to and Use of Marketplaces among Minorities and Kinh (%)

Average number of times HH goes to market monthly	Ethnic minorities	Kinh majority
None	14.6	2
1 to 4	71.7	54
5 to 10	7	10
11 or more	6.7	34

Source: CSA Survey, World Bank.

In addition to differences between Kinh and minorities in the amount of time they frequent markets, we also noted ethnic differences in what minorities sold at markets (Table 9.6). Some minorities reported very low rates of selling at markets. (Table 9.6 specifically asks about the use of marketplaces for selling; many other minority households may be selling at the farmgate. Thus, the table indicates only use of markets for selling, not overall commercialization of minority livelihoods.) Maize appears in the table to be the most commercialized crop, with at least a few households of every single ethnic group selling at least a little bit of maize. Rice and cassava were less commercialized, with many households producing but not selling. People in Ha Giang were more likely to sell rice than in other provinces (14 percent of households in Ha Giang, while less than 3 percent in Dak Lak and Quang Tri.) Maize was sold by 36 percent of households in Ha Giang, while only 23 percent in Dak Lak and 16 percent in Quang Tri. Regionally, Quang Tri minorities reported the lowest rates of the use of marketplaces for selling goods.

TABLE 9.6 Market Selling by Ethnicity (%)

Ethnicity	% total HH who sold at market	% of HH selling Rice	Maize	Cassava	Fruit	Industrial	Other goods
Tay	27	9	9	0	5	0	14
Dao	77	44	66	0	0	0	44
Hmong	76	7	51	0	17	2	27
Thai	63	25	13	13	38	14	25
Mnong	20	4	11	0	2	4	4
Ede	54	0	46	4	7	43	0
Bo Y	69	46	38	0	23	0	23
Pa Co	23	4	15	21	8	0	8
Van Kieu	40	0	18	22	18	0	2
Nung	75	6	75	19	0	25	19
Kinh	58	0	6	4	22	24	22

Source: CSA Survey, World Bank (low cell counts in some boxes).

Minorities also tended to have less profitable crops to sell than Kinh in our survey. The survey shows Kinh are more likely to sell higher value industrial crops on the market (in particular, coffee, sugar, cashew, tea, and fruit). Minorities primarily sold lower value corn and cassava crops (Table 9.7). They are also more likely to sell rice than Kinh.

TABLE 9.7 Products Sold on Market by Kinh and Minorities

Products sold in market	Ethnic minority HH that sell (%)	Kinh majority HH that sell (%)
Rice	7.6	0
Corn	28	6
Fruit	11.5	22
Industrial/cash crops (coffee, tea, pepper, cashew, sugarcane, etc)	6.7	24

Source: CSA survey, World Bank.

Minority households, in addition to selling their agricultural products, also go to markets to buy goods, like rice (62 percent of Kinh households and 45 percent of minorities) and household appliances (92 percent of Kinh and 73 percent of minority households). A majority of Kinh households (56 percent) also went to the market to buy the inputs they need for production, like pesticides and fertilizers. However, this number was much lower among minorities, with only 35 percent reporting they bought production inputs at the market (Table 9.8). Additionally, 19 percent of minorities reported bartering goods within the village with friends, relatives, and neighbors, as did 14 percent of Kinh.

TABLE 9.8 Reasons for Going to Market (%)

At market, they buy:	All Kinh HH	All EM HH	Kinh Dak Lak	EM Dak Lak	Kinh Ha Giang	EM Ha Giang	Kinh Quang Tri	EM Quang Tri
HH goods	92	73	88	77	95	87	100	57
Rice	62	45	84	61	33	30	75	45
Other Food	92	69	92	75	100	92	50	43
Production products (Seeds, fertilizers, pesticides)	56	35	60	44	57	53	25	10
Other reasons	22	7	16	5	33	12	0	4

Source: CSA Survey, World Bank.

There are also ethnic differences in what people buy at markets.

- Nearly 100 percent of Kinh, Hmong, Dao, Bo Y and Thai, and over 70 percent of Tay, Nung, and Ede bought food at the market, while only 37 percent of Pa Co and 52 percent of Van Kieu bought supplemental food.
- Eighty-seven percent of Ede, 62 percent of Kinh, 56 percent of Nung, 52 percent of Van Kieu, and 50 percent of the Mnong had to buy rice for their families' at the market, while the figure was less than 50 percent for all other ethnic groups.
- Over 75 percent of most ethnic groups bought household goods at the market last year, compared to only 61 percent of Van Kieu and 54 percent of Pa Co.
- For production inputs, only 11 percent of Pa Co and 9 percent of Van Kieu bought inputs at the market; 56 percent of Kinh bought inputs at the market, as did 88 percent of Thai and 81 percent of Nung.

This indicates that certain ethnic groups have much less access to markets and much less to spend at them than other groups. The implication is that regional and ethnic differences will need to be reflected in market access policies.

PERCEIVED PROBLEMS WITH MARKETS

Despite the fact that minorities are well-integrated into the market and depend on it for much of the source of their household supplies and as a place to sell their produce, minorities did report a number of problems with the market. Generally, the minorities' ability to cope with changes in the market is limited as compared with that of Kinh due to language barriers, cultural factors, natural conditions, and physical isolation.

The main problem respondents report with the market is that they are forced to buy things at high prices and sell at low prices (*bi ep gia*). This was a complaint of 28.8 percent of households. Ethnic minority communities in the most remote areas reported this problem the most. Being in remote areas, without good roads and limited markets, restricts the exchange of information and experience

between ethnic minorities and others. As they are not familiar with market forces, they have to bear higher transaction costs and gain less. The problem of buying high and selling low was closely followed by complaints of price fluctuations (21.1 percent) and low prices paid for the goods that are sold (19.5 percent). Only 2.7 percent report problems with traders having a monopoly. Table 9.9 highlights in bold the main problem with the market mentioned by each ethnic group.

TABLE 9.9 Main Problems with Markets according to Minority HHs (%)

Ethnic Group	Unstable Prices	Prices too low	Unfamiliarity with Market	Buy high & sell low	Lack of market info	Monopoly	Other
Tay	55	5	0	41	0	0	0
Dao	22	22	0	44	11	0	0
Hmong	29	15	10	22	17	0	7
Thai	50	13	0	25	0	13	0
Mnong	0	30	35	28	2	4	0
Ede	28	7	18	21	25	7	4
Bo Y	8	31	31	8	15	0	7
Pa co	16	28	18	21	14	0	3
Van Kieu	4	20	9	56	7	0	4
Nung	43	25	0	19	13	0	0
Kinh	28	14	6	30	12	8	2
TOTAL	21	20	14	29	12	3	3

Source: CSA Survey, World Bank

Agricultural product sales are subject to international markets and domestic demands, and will be even more integrated into world pressures as Vietnam has now joined the World Trade Organization. Even before WTO, minorities said that the instability of prices has discouraged them from investment in certain crops. The communities involved in specialized industrial crop plantations for sale (primarily in Dak Lak)–whose products include cashew, coffee, and high-yield cassava–reported feeling market and price movements most strongly. The lack of information on prices (reported by 12 percent of households), combined with a lack of power to deal directly with processors rather than middlemen and general unfamiliarity with market mechanisms (14 percent of households), was reported by many households in PRA meetings as well. Some households did note, however, that construction of P135 roads into remote areas had begun to lessen this problem for them. While previously perhaps only one trader would make the long journey into a remote village, with better roads villages were likely to see more traders, which increased the competition and raised prices that minorities were paid for produce.

Many minorities reported that one reason their products are often sold below market prices is that Kinh traders come to villages to buy unprocessed goods (such as coffee or cashews), which they then re-sell at higher prices to businesses and processing facilities. Minority households know they are losing money by selling to these middlemen, but as households cannot afford to buy preservation tools and devices, they have to sell their products immediately to these middlemen after harvesting, often

when prices are at the lowest point. Some products produced by minorities are bought by trading companies at fair market prices, and supported by the government in terms of reduced shipment costs (*tro cuoc*). However, a limited amount of products are impacted by this plan to receive government assistance because the shipment cost subsidies are low.

This means traders pass on their losses to the minority farmers. There is very little integration of a value chain in this process. Few minorities sell on contract farming, which establishes a long-term relationship between producer and buyer. Rather, most minorities sold to whatever middleman happened to show up in the village. More vertical integration in a value chain could help farmers access better market information and technical support from private sources. As a recent World Bank report on the rural sector notes,

> *To develop well-functioning markets it is necessary to create durable business linkages among farmers, traders, processors and buyers through working together in a commodity value chain – an "organized system of exchanges from production to consumption with the purpose of increasing value and competitiveness." Fair distribution of incentives among participants in the chain is critical for its durability while good coordination of decisions and exchanges within the chain is important to achieve economy of scale and efficiency, and to meet consumer demand so as to enable continuous innovation. The chain needs to go beyond spot market transactions and include contracts, vertical integration, supply chains (i.e. durable logistic arrangements), alliances and other forms of cooperation. (World Bank and MARD 2006b)*

Farmers also need to have value through preservation and processing techniques and to build up consumption chains to consumers who are willing to pay higher prices for specialty products. Such a process can be seen in Sapa with medicinal plants, where consumers pay premium prices to know they are getting "authentic" minority-harvested produce (Delang 2005). The question of value-adding will be an even bigger issue in the future as WTO integration continues, and as processing and grading of agricultural produce becomes more influenced by international norms and standards, such as hygienic quality. Future changes under the WTO that could influence market systems in rural minority areas include the expansion of venture capital and foreign investment in processing and value-adding.

Reponses from minority areas to deal with these new market demands may need to include better use of producer organizations and marketing associations, which can help share production and marketing risks. Currently, such organizations are only in their infancy in most areas. In Dak Lak, we specifically asked about coffee cooperatives for minorities and were told there were none in our research areas. In Ha Giang, there were more producer organizations, including cooperatives for the production of hemp, woven handicrafts, cardamom, and specialty wines. Yet these producer organizations usually remained limited in scale and in number of producers, and members reported they were not yet seeing much additional profit from being in a producer organization.

Barriers in Access to and Use of Markets

Language may be a barrier to full market access among minorities. In the CSA survey, 82 percent of households said the people they dealt with at markets were Kinh (Table 9.10). Further, only 15 percent of minorities could use their mother tongue in the marketplace. The rest had to use Viet-

namese or another second language. This disadvantages those who are not skilled or fluent in Kinh. We speculate, based on many women's group meetings, that ethnic minority women's lack of fluency in Vietnamese often keeps them away from marketplaces at much higher rates than Kinh, where women dominate petty trading.

TABLE 9.10 Ethnic Relations in the Market (%)

What ethnicity are traders in the marketplace?	Total Kinh	Total EM	Kinh Dak Lak	EM Dak Lak	Kinh Ha Giang	EM Ha Giang	Kinh Quang Tri	EM Quang Tri
Kinh traders	92		100	89	81	70	100	82
People of the same ethnicity as respondent	–		–	9	–	17	–	16
Ethnic minority different than respondent	8		0	2	19	13	0	2

Source: CSA Survey, World Bank.

Although minorities show relatively lower use of markets, questions remain regarding whether minorities need more physical marketplaces. The building of marketplaces has been one of the main infrastructure targets under P135 and over poverty reduction programs. In the CSA survey, 74 percent of households reported that traders come to their village to buy things. Only the Bo Y reported that traders did not often come to their village to buy products, while all other minorities reported at least some presence of mobile traders. The goods that were sold at the farmgate include most major crops (Table 9.11).

Table 9.11 shows that for every crop except cassava and fuelwood, more households sold at the farmgate than at the marketplace. This implies that physical marketplaces (infrastructure) may not always be needed to encourage minorities to engage in trading if mobile traders are already present and farmgate trading is taking place. Investment currently spent on building markets might then be better spent on credit or agricultural processing facilities, or preferential policies to increase minority involvement in business and trading. At the same time, while farmgate trading is important, it does mean that many households do not get as much from their produce.

TABLE 9.11 Where Agricultural Products are Sold

Products	HH selling at market (%)	HH selling at village/ farmgate (%)
Rice	6.6	16.2
Corn	25	47.5
Cassava	32	31.3
Fruits	12.9	26.4
Fire wood	4	2.7
Forestry products	4.7	10.2
Cash crops	9.1	17.3
Others	13.7	12.3

Source: CSA Survey, World Bank.

Prices and Information at Markets

One of the most important things for people producing for and trading in markets is information. However, for rural farmers, lack of market information systems remains a bottleneck: "They lack quick and easy access to market information, which makes them vulnerable to market risks. In many places, farmers rely on information from their friends and relatives about 'boom crops' that will help them get rich. Information tends to be partial and incomplete, making it impossible for farmers to make a balanced assessment of the market. Thus, many farmers have experienced significant losses as numerous people plant 'boom crops' simultaneously, which consequently floods the market and causes prices to crash" (Fujita 2006; 199).

Table 9.12 shows that many ethnic minority farmers have limited awareness of market demands, and lack market updates on prices (the information comes from an agricultural survey of six minority farming communities in 2006 done by IEMA). Most market information that minorities reported getting was provided by friends (67 percent) or traders themselves (44 percent). Only a small percentage of minorities got their market information from more objective sources like television, radio, and newspapers or from local officials. Information about the market that comes from informal sources like friends and relatives, however, is more likely to be in the local language, while market information from traders and mass media is usually passed on in the Kinh language.

TABLE 9.12 Access to Information about Markets among Ethnic Minorities (%)

1.Get information on market/price from:	
Friends	67
Traders at market	44
Television	26
At market	18
Local authority	16
Radio	7
Official gazette	7
2. Information is in what language?	
No idea	28
Kinh language	28
Local language	2
Both	17

Source: Le Hai Duong, McElwee et al. 2006.

Table 9.12 notes that most information is passed to producers at the time of selling their goods. There remain serious problems with reaching producers at the time they are considering crops to plant. Such information about markets is crucial "to identify profitable markets and opportunities, and to strengthen efficiency and competitiveness of value chains. Communication channels are essential to convey consumer demand backward to the producers so that the products are produced competitively and satisfy the demands of end exports" (World Bank and MARD 2006b). The World Bank report notes that this can be a particularly important role for government agencies to play

in developing an "effective information system for the tracing of product origin and movement to satisfy calls for the maintenance of product identity from 'gate to plate'." Such consumer concerns can already be seen in urban areas in Vietnam, with increasing attention being paid to "organic" produce at wet markets and on proper identification of specialty produce (such as litchis from a certain farming area). Consumers increasingly want accurate information on the commodities they are buying, and certification systems are not yet in place to ensure this consumer trust. Such certification could benefit minority areas if they can tap into demands for particular specialty produce (like specialty wines, forest honey, medicinal plants, etc) that Kinh consumers want and that are identified with upland areas.

Processing and Value-Adding at Markets

Many minority communities in the CSA reported selling unprocessed goods (corn on cobs, green coffee cherries, and raw wet cassava) because of a lack of access to storage and processing facilities. Khmer in the Mekong Delta noted that given floods in the Mekong Delta, they could not store rice at their houses after harvest and therefore had to sell when prices were low (Le Ngoc Thang et al. 2007). Hmong farmers noted that many types of hybrid corn they are now planting, especially Bioseed, are very prone to mold and cannot be stored for long in their houses, so they sell it immediately after harvest still on the cobs. Even when weather and circumstances were more favorable for minorities to store produce until higher prices, the very highest prices are paid for produce that has been mechanically processed (husked rice, dried and sorted coffee beans). This processing requires machines that very few minorities possess; most rely on mobile Kinh processors who bring their equipment to fields or the village after harvest time and charge a set price for processing or else buy the goods outright once processed. This guarantees lower prices for these goods than if the minorities were able to process goods themselves. Kinh said they will often wait if they get a low price from a trader until they can get to a government store or middleman (*dai ly*) that they know offers a better price.

We met one young Kinh couple who served as middlemen in an Ede village. The couple bought wet coffee beans and dried them for local people, as the couple had constructed a concrete yard when they built their house in 2006. Mr. T. said he made 50,000 VND for every 100 kg he bought of the coffee. After drying it, he sells it without classifying it as to quality (although some middlemen do this sorting themselves). Mr. T however simply bags the dried coffee and sells it in Buon Ho district where the buyers will sort it into classes. Mr. T was able to make contact with the district coffee buyers because his in-laws live in the district and already knew the processor through his wife's parents. In addition to coffee, Mr. T. buys avocados from the local Ede farmers at 200VND per fruit, later selling in BMT for 6,000 VND/kg (about a six-times markup), as he has a tractor to drive the produce to the provincial market.

Local farmers often complain about receiving low prices, while the other actors in the supply chain (traders, processors, retailers, transporters, storage facilities owners, etc.) get more, as illustrated by the avocado example. How much is this markup reflective of simple costs in processing and transport, and how much of it might be exploitation of minorities? That is hard to assess with the information we gathered, and further research is needed on marketing chains in minority areas. As an ADB report recently noted, "In the presence of a long marketing chain which includes multiple

intermediaries, repeated handling, and smallholder farmers lacking organized structures, the marketing margins are indeed high and, in the absence of policy regulations, the margins will be captured by marketing agents, who hardly make a contribution to value addition of the product" (ADB 2005). More systematic information is needed to compare commodity chains for minority produce bought by SOEs (such as coffee, pepper and cassava) with those bought by private traders (such as rice and corn).

Cultural Factors Influencing Market Access

The cultural beliefs of some ethnic groups can also be a main factor constraining their ability to take part in a market economy. This was particularly emphasized for the Central Highlands and Central Coast indigenous minorities (Ede, Mnong, Van Kieu, Pa Co), although it was mentioned in almost every village we visited. It was commonly said there was a different "mindset" between Kinh and minorities when it comes to market transactions. Minorities often viewed transactions as social relations between people in which one needed to treat and be treated fairly and generously. For example, Ede People "sell goods to people they like even though the price can be lower," said farmers at a PRA in Ea Bro village. Kinh, however, were described as being focused on the pecuniary aspects of market transactions: how to get the best price and highest profit, no matter the social costs. These are completely different cultural world views. Again and again, we were told that these different world views favored Kinh success in the marketplace over minorities. As the head of the Dak Lak ethnic minority committee (an Ede) stated, "The Ede cannot lie to increase the price and bargain like the Kinh."

We heard in several places that minorities do not know how to (or do not want to) "*noi thach*" (overprice goods or charge different prices depending on how much profit the trader thinks they can get) as this is wrong and a moral violation of their principles. Further, if generosity is a favored attribute, this too will affect market relations. A Mnong elder told the team, "The Mnong like people who give and not those who take money." Thus demanding payment immediately or with interest is difficult for minorities to do to other minorities, as it seems culturally inappropriate or strange. It seems that some of the attributes that are necessary to be successful in the market economy go against the "moral code" of minority cultures and thus are not encouraged. Michaud and Turner explain how this plays out in the marketplace of Sapa, which they have researched for the past several years:

> *Local Montagnard groups on the one hand, and the Kinh on the other, have different expectations concerning this marketplace. Social and cultural aspects are dominant in Montagnard tradition, while for the Kinh, having only shallow roots there and with only a fraction of their extended family on location, the social aspect of the marketplace is secondary while the trader and economic dimensions are dominant. For many among them, their involvement takes the form of an economic exile, which is precisely how they, or their kind came to Sa Pa in the first instance within the New Economic Zones scheme. Their dream is definitely to return to 'the village' where their families and ancestors are. Needless to say, for those additional Kinh traders coming from outside the district during the bursting weekend market, this lack of long-term commitment is even more apparent and profits are the only goal. (Michaud and Turner 2000; 96)*

This "cultural factor" in market interactions encompasses what can be seen as an entirely different approach by minorities to profit making. As we saw in earlier chapters, minorities are less willing

than Kinh to do anything to increase the household economy– like move and leave one's family behind to engage in migrant labor, or taking out risky loans on chances for high payback. Minorities' community ties and hesitancy to charge money and endanger social relationships were often contrasted with Kinh, whose ability to make money and to use their skills to increase their income as much as possible are looked upon as socially favorable traits. In fact, we found many Kinh traders were pleased and enthusiastic about telling us how they had gotten rich off minorities; despite their stories often involving what might be considered "cheating" or "unfairness," such tactics were not seen as something to be embarrassed about. Rather, they were strategies that had worked and made Kinh traders a large profit, which they were proud of as it showed their success.

There are other cultural variables that were mentioned in our PRA work. When we asked an Ede focus group why Kinh are richer, we were told that Ede are "not confident" and "hesitant" to go to the market and other places and to ask for higher prices for their goods. When we asked Ede to explain further, they linked this market hesitancy back to factors mentioned in earlier sections of the CSA: how a lack of education meant that Ede felt their language skills were not as good as Kinh. As a result, they were afraid their pronunciation was not "standard" (*chuan*). Many stated that Kinh made fun of them, which made them even more embarrassed. This limited the ability and willingness of people to go to markets and bargain effectively, especially among women who felt their Vietnamese was very poor and that it was too hard to understand Kinh traders who yelled at them to buy things. Ethnic minority women's lack of fluency in Vietnamese is likely one of the main factors that keeps minority women away from marketplaces at much higher rates than Kinh.

This language barrier is evident in the quantitative data. Only 15 percent of minorities said they could use their mother tongue in the marketplace; the rest had to use Vietnamese or another second language. This disadvantages those who are not skilled or fluent in Kinh and has serious implications. PRA with traders revealed that mobile Kinh traders often go to villages in groups of 6–8 people, and deliberately speak quickly, collect products quickly, and try to distract local people from monitoring the scales used to weigh products (which are often rigged to favor the traders).

A final cultural factor that may influence market interactions is the sense of community among minorities. For many minorities, market decisions are not individual decisions, or household decisions. Rather, interaction with markets and buying and selling is something that has to be done collectively, especially within relatives of a clan. For example, Ede noted that if a nuclear family wants to buy or sell something substantial, they have to let the wife's clan know. This would include things like land or livestock. If someone in a household were to sell a buffalo without telling others in the clan, it would be considered an offense just like stealing (*lay trom*) something outright from the clan and the offender would be punished. The offender would have to reimburse the clan for what had been sold illegally in this circumstance.

ROLE OF KINH IN MARKETS AND TRADING

In addition to cultural factors playing a role in how minorities interact with the market, such cultural factors also influence whether or not minorities can or are willing to become involved with trading

and business professionally. In fact, minorities are much less likely to engage in any sort of trading: only 3 percent of ethnic minority households reported income from trading, while 27 percent of Kinh did. Very few minority groups reported any trading activities at all; only Tay, Hmong, and Mnong reported any business activities. We identified multiple causes for this situation, and also looked at the consequences of such ethnically unbalanced trade relationships.

In PRA, we asked who the main trading agents were in each village. Even in overwhelmingly minority villages, the village trader/shop owner is almost always Kinh. Data shows that the ratio of household traders per village ranges from 2 percent to 7 percent of the households; most are Kinh (Table 9.13). Ngoc Thuong, where Tay and Nung people are the majority, is the one case where the ethnic people participated in trading activities. San Bay village is a special case as it is located on the national road from Da Lat to Buon Ma Thuot, and a large number of people were involved in trading (all Kinh).

TABLE 9.13 Trading Households in Visited CSA Sites

	Dak Lak				Ha Giang			Quang Tri	
Ethnicity	Dray Hue	Ea Sien	Jie Yuk	San Bay	Vinh Tien	Ngoc Thuong	Tan Phong	Ang Cong	Huk
Kinh Households trading	9	5	3	61	2	5	6	-	-
Minority Households trading	0	0	0	0	1 **	4		1	1 *

Notes: * Kinh wife, Van Kieu husband; ** Nung wife, Kinh husband
Source: PRA in CSA survey, World Bank.

Consumption goods such as dry food, confectionary, cigarettes, dry fish, rice, medicine, and clothes are the common goods for sale by village shopkeepers. In one Thai village surveyed, Thai and Muong had previously tried to get involved in some trading by opening shops selling confectionary and instant noodles, but there were no buyers so they had to close the shops. They said that they could not compete with Kinh people in the San Bay village nearby. In Bong Krang district of Dak Lak, Kinh shopkeepers provided Mnong with cooked food such as braised fish, braised meat, and soup sold at the shops in Mnong villages, or even for home delivery. The Kinh traders can deliver cooked food together with fresh food and cigarettes, confectionary, and clothes, in exchange for rice or chicken, pork, and bamboo sprouts. The barter price can be something like two braised fishes for a cup of rice weighing about 2 kg. In some surveyed sites, traders also sell agricultural materials, such as pesticides and fertilizers. Agricultural products such as rice, maize, cassava, coffee, and peanuts are the common goods to be purchased. In some localities, forestry products and rare animals are purchased.

The level of price setting varies, depending on supply and demand, but there is no doubt that many Kinh have become rich quickly through business and trading. With this additional source of income, they have money to buy land and develop quicker than the local minority people, who assess them-

selves as people who "do not know how to say high prices, bargain and collect debt as Kinh people do" (from interviews with Mnong people in Jie Yuk village).

Why Minorities Don't Open Businesses

In PRA, we asked minority groups why they themselves did not operate trading shops to take advantage of the opportunities to make money. Why were Kinh always shop owners, not minorities? Why did minorities themselves not operate shops to take advantage of the opportunities to make money? Again and again, we were told that to open a shop for trade runs into cultural barriers among all the minority groups, from Thai to Van Kieu. These cultural barriers to trading are tied to the idea of community reciprocity: storekeepers would be asked to give neighbors for loans, allow people to borrow on credit or to even give presents for free. Given that it is also socially unacceptable to demand repayments of gifts and loans, this can keep people from wanting to extend too much credit or assistance otherwise they would be bankrupted. These social relationships mean that reciprocity or obligations on the wealthier to support the poorer are called upon, limiting wealth accumulation. Kinh who married into minority communities similarly reported that their market relationships have had to change as well. One Kinh woman married to a Pa Co, Mrs. N., had tried to open a shop but failed as her husband's relatives were always asking for loans and to buy on credit. Some minorities stated that there was a preference to leave trading to Kinh migrants, because of these social demands and social relationships.

Why Kinh Do Better as Traders

Both Kinh and minorities interviewed in PRA agreed that Kinh were better in the marketplace, which explained their dominance of the economic and trading systems. One clear reason is that Kinh are also more mobile, and many Kinh traders in ethnic minority areas are from significant distances away. Many had started off selling itinerantly, and some had bought land and settled in more permanently. They often relied on contacts in their home villages and regions to do business in their new upland homes with minorities. The success of migrant Kinh in Son La province was attributed by researchers to "their comparatively high levels of schooling, and their common language and shared background eased the contact with traders coming from the lowlands or living in the district center. Villagers also kept in contact with the lowlands through regular visits" (Sikor and Pham Thi Tuong Vi 2005; 423).

When we interviewed a group of Kinh traders living among Mnong villagers in Lak district of Dak Lak, we asked why these Kinh had left their more advantaged coastal homeland of Quang Ngai province and migrated to this remote area. A Kinh woman, Mrs. H said, "we found it's easier to do business in here" and gave a number of reasons for their success:

- They were able to buy, borrow, rent or even ask for land from local Mnong people for cultivation when they first arrived.
- Purchasing agricultural products from Mnong people and selling it to agents at town is a relatively easy and quick way to get into trading. The major agricultural products these Kinh started buying are hybrid maize, coffee, and cashew nuts.

- The Kinh then exchanged basic and cheap essential goods to the Mnong, such as salt, fish-sauce, oil, MSG, candies, sugar, clothing, children shoes, and learning materials. They also began trading in agricultural products like paddy, rice and maize to store it, sell it to agents, or buy it for animal raising (i.e. pigs).
- Certain very highly demanded commodities–rice, wine, tobaccos, and dried fish–were a particular stock in trade for the Kinh, and they would accept late payment in kind with high interest for these goods.
- The Kinh graduated to exchanging some more highly valued assets of low price from China like motorcycles, televisions, VCD/DVD players, and cassettes for rice or other agricultural products from ethnic minority people like coffee, cashew nuts, and maize with very high interest rates.
- The Kinh also started providing credit to ethnic minority people through high interest lending and accepting interest payments in kind with agricultural products, which they then sold to agents in town for higher prices.
- The shopkeepers also started allowing minorities to buy agricultural materials on credit at the start of the agricultural seasons–like seedlings, varieties, baby animals, fertilizer, pesticide, herbicide, agricultural tools, machines etc. The shop owners receive payment in kind by agricultural products at the end of the season.
- Some shopkeepers also provide agricultural services to local ethnic minority people–like coffee dryers, maize separators, and rice grinders–and receive payment in kind by agricultural products to store, which they sell to agents in town or use for animal raising.

The Kinh traders interviewed in this Mnong village were earning 50–100 million VND or more per year from these various activities.

Many Kinh and minorities alike attributed Kinh success in trading to their "abilities," which were different than minorities, rather than advantages in social networks or access to capital that favored Kinh. Many Kinh described minorities as being unable to understand mathematics and not having a head for business as a reason why there were no minority shops. Often more pejorative words were used, and these stereotypes by Kinh about the "ignorance" of minorities have had practical effects, and have led to many serious instances of Kinh traders taking advantage of minorities in economic transactions. We noted earlier in the chapter on credit how Kinh lenders were able to turn a lack of awareness of market prices to their advantage by loaning cash and requiring repayment in kind when commodity prices rose.

Overall, minorities were often unable to lend money to accumulate interest in the same way. Minorities in a few locations provided small-scale lending to others, often with quite high interest rates (one Mnong family in Dak Lak charged 40 percent per year), but the amount that minorities had to lend out was not much compared to Kinh. Further, we heard that most minorities were not able to accept repayment in rice or maize as Kinh traders do. This is significant, as the problem of buying on credit and repaying in kind (way beyond the price of the good purchased) appeared common, particularly in the Central Highlands. We heard the story of Mr. M.R., a Mnong man who bought on credit a television and a tape player in 2004 from Mrs. S, a Kinh trader, for 2 million VND. In 2005, M.R. harvested quite a lot of maize but it was all seized by Mrs. S to pay the debt on the TV. M.R.'s wife

was so angry and upset that she attempted to commit suicide, but she was saved by her neighbors. In another instance, in 2002, the family of a Mr. M.L. asked Mrs. T, the younger sister of Mrs. S above, to buy one 17 inch TV. Mrs. T requested four tons of maize in payment, and M.L. has been repaying for the past four years, and still owes her 800kg; in the meantime his television broke down and has not been fixed. If one does the math, 4 tons of maize currently costs five million dong, while the actual price of a TV is only two million dong. In this way, accepting payment in kind is an easy way to make a lot of money for Kinh traders who have the ability to collect and store produce.

There are even more obvious instances of cheating in the marketplace in which traders take advantage of ethnic minorities. Traders noted numerous "tricks" that are used in the market place to reduce the prices paid for produce bought from minorities. Scales may be rigged by attaching a small piece of thick paper to the scale, resulting in mismeasurements of 20-30kgs on the 100kg. Mobile rice millers may charge low rates to encourage minorities to mill their rice with them, but then make a small hole in the bottom of the machine to collect extra rice (about 2.5kg per 50kg of rice milled), resulting in a profit about 10 times the charged price. Such tricks are played on everyone, but minorities reported these problems more often in PRA. In interviews with officials, they confirmed that traders often deliberately take advantage of EMs lack of language and literacy skills (as an interview with the Ede head of Dak Lak's ethnic minority committee revealed).

Such tricks not only impoverish minorities who are taken advantage of, but they are a barrier to entry to the market by minority traders. For example, a Mnong man wanted to provide rice milling services to people in his village to make some money, but he found he could not compete with Kinh people. The Mnong man bought an old rice grinder, which costs only 4 million dong at market rate, but he had to pay 6.5 million dong since he bought it through a Kinh trader. Since local people have no money to pay for the service, he charges them 1kg of rice per 50 kg paddy if they use his service. That would be reasonable since expenses to run this grinder are quite high (at VND8,500 per liters of oil used). Unfortunately, right after his initiative, there were some mobile grinders run by Kinh people from Lak town. This brought a service home to the local people and charged service costs at very low rates (250gram of rice/50 kg of paddy), which is one-fourth of the Mnong man's rate. But in fact, the traders got more than they claimed through the tricks described above, while the Mnong man was unable to find any business.

Kinh traders also complained about trickery as well. According to Kinh traders who had settled and lived in a Mnong village, they confirmed that it's hard for them to compete with mobile traders who come into the villages. They said mobile traders used very "simple cunning, given the natural honesty of ethnic minority people" and would take advantage of their weakness in calculation. The mobile traders might go in a group of six to eight people to purchase agricultural products at the farmgate, and would collect products very quickly and try to distract local people from scale monitoring. With a rigged scale, for every hundred kg of agricultural products mobile traders could steal around 20–30kg from local people. By doing so, mobile traders offer very high rates so local people are very fond of them and choose them to sell products, yet in the end the mobile traders end up costing the minority farmers much more.

There are also less obvious forms of "cheating" or seeking profit. For example, some people noted

that whenever there was a project that increased access to credit to raise livestock, Kinh people who were selling cows in that commune would increase the price of baby cows and in due time when ethnic minority people had to sell cows for repayment they would automatically reduce the price. Such problems have been reported by other surveys of ethnic minorities, such as a 2002 ADB report, which quoted a minority family in Dak Lak: "When a credit program reaches our village, the entrepreneurs can smell it. Buffaloes become very expensive. But two years later, when we have to return the loan, our buffaloes are worth only two thirds of what we paid for them. And we also have to pay the interest. We always become indebted after a credit program. It is the same with rice. We are encouraged to grow paddy rice but the government is not interested in buying our harvest. Entrepreneurs manipulate the prices however they want" (ADB 2002; 25).

ROLE OF OFF-FARM EMPLOYMENT

Diversification in income streams also influences household economic outcomes: "There is evidence that diversifying away from agricultural income by rural households contributes to higher incomes and that there is a strong association between such income diversification and improved household welfare." Regionally, non-farm self employment is the highest in the Red River Delta (24 percent), and lowest in minority areas such as the North-West Mountains (7 percent), Central Highlands (15 percent), and North-East Mountains (17 percent) (World Bank and MARD 2006a).

We see ethnic differences in off-farm employment in the CSA survey, as Kinh are more likely to hold posts in the off-farm sector (Table 9.14). Twenty-two percent of Kinh in the survey reported that a member of the household had served as a government official, while only 9 percent of ethnic minorities did. Only in Ha Giang do we see some parity with ethnic minorities also serving in government positions, but these are primarily Tay people (32 percent of Tay report government positions). Kinh are more likely to have household members who were teachers: 8 percent of Kinh answered yes as opposed to 1.9 percent of ethnic minority households. Kinh are also much more likely to be employed as a trader (8 percent of Kinh versus 0 percent of minorities).

TABLE 9.14 Sources of Off-Farm Employment (%)

JOB OF HH HEAD	Kinh majority	Ethnic minority groups
Farmer	72	93
Trader	8	0
Government official	14	4
Other (3 categories grouped)	6	3

Chi sq. = .000; R = .013; low cell count in 8 cells
Source: CSA Survey, World Bank

What about more diversified sources of on-farm self-employment? Traditional handicrafts– including making textiles, sewing, rattan and bamboo handicrafts, and cake and wine making–were once popular in minority areas. However, in the market economy, many of those traditional jobs have quickly disappeared due to fierce competition from other cheap and durable industrial products, such as imports from China. The substitution of handicraft products with industrial ones requires

job creation for the people so that they have income from other sources to replace their income from handicraft jobs.

In fact, the most common source of non-farm income for both Kinh and ethnic people is often hired wage labor. Such wage labor includes agricultural work such as soiling, transplanting, clearing embankments, weeding, harvesting, and pond digging. Other industries in minority areas that can pay wages include plastering, carpentry, road making, brick making, machine repairing (motorbike, agricultural machines, watch, TV, etc), and blacksmithing. Some minorities have also been involved in mining and portering.

CONCLUSION: DISADVANTAGES MINORITIES FACE IN MARKETS, BUSINESS, AND OFF-FARM EMPLOYMENT

This chapter has shown that market access is about more than building infrastructure and simple "exposure" to markets. Rather than being conservative and hesitant to engage with the market, as is often reported, our study sites indicated great awareness of and engagement with market forces by all minority groups surveyed. However, minorities use physical marketplaces less than Kinh, implying that investment in marketplaces may have benefited Kinh more than minorities. The few policies to date that have been aimed at minority access to markets (namely the reduction in shipping costs for produce taken out of minority areas) have not been enough to buffer some of the problems that minorities face in their engagement with the market. In fact, access to markets is tied to other issues such as the ability of minorities to sell higher value or processed crops, and to obtain fair prices for them. Disadvantages in language, credit, and type of crops sold affect the minorities' ability to compete more than the actual lack of physical marketplaces does.

As agricultural production in cash crops has increased, so have risks from market fluctuations. Most significantly in the Central Highlands, minorities are now linked to the global market for some important commodities (coffee, rubber, pepper) and they are vulnerable to both price fluctuations and to unscrupulous middlemen and traders. The quality of goods, such as seeds and breeds, available in ethnic minority marketplaces is also sometimes risky. Despite the annual provision of new rice and corn seeds from local suppliers subsidized by government market stimulation policies, they are often insufficient for all cultivation areas and little attention has been paid to more high-value commercialized crops.

Additionally, while much attention has been paid in recent years to improving the infrastructure for trading and markets in highland areas, there has been almost no policy attention paid to the fact that trading and business in minority areas is dominated by Kinh. Support to alternative models of trade that reflect community and cultural norms (such as loans to start community-owned supply stores rather than relying on private Kinh-owned ones) could be an option to give minorities a foothold in the market.

Future rural policies will need to take into account some of the following points in order for minorities to gain greater benefits through market forces.

- ***Language and information barriers.*** Many ethnic minorities, especially the poor and women, cannot read, write and speak the Vietnamese language, which limits their access to, and sharing of, information. Minority women are hesitant to go to markets for fear they will not understand prices or will be taken advantage of.
- ***Markets need to focus on value-added.*** Ethnic minorities suffer due to changing prices by season, and face the difficulties of post-harvest preservation. Without preservation measures, many households are forced to sell products during the seasons when prices are lowest, and to sell raw, unprocessed goods rather than value-added ones.
- ***Market relationships tend to be very simple in minority areas.*** Middlemen come randomly to buy goods from minorities, and are often not the same person. These one-off events–selling goods at the farmgate to whoever is in the village to buy–are a weak market relationship. These can be contrasted with the situation in which setting up consistent trading agreements and contracts would guarantee longer term, more stable market relationships that could be beneficial for both buyer and sellers. Yet despite a 2002 decree to increase contracting, very little evidence of a contracting system has emerged in minority areas to date.
- ***Information access.*** Full and regular provision of information about market prices should be made through different channels, including agricultural promotion staff, mass media, and service centers. Agricultural promotion by extension agents could also become more effective by drawing more attention to market conditions, as we noted in a previous chapter. With recommendations on the development of new plants, it is necessary for farmers to know not only cultivating techniques, but also be informed of market place, price, product characteristics that match the consumer's taste, as well as how to process and store products once they are harvested. In other words, market information needs to come at the time when farmers are making decisions about what to plant, not when they are making decisions about what to sell and where.
- ***Support for minority trading needed.*** Kinh now currently dominate petty trading in minority areas as the private market economy has developed. Minorities need assistance in developing trading and business relationships that take into account cultural factors, such as minorities' unwillingness to demand repayments or to deny requests for loans. Community-oriented shops, where trading is organized for the benefit of the community rather than individuals, would be one important pilot to implement in minority areas. Such shops could be set up with the assistance of mass organizations like the Farmers Union, and focus on providing needed inputs for production and buying outputs at reasonable prices, to enable minorities to break out of the cycle of buying on credit and paying in kind that now dominates in some minority areas.

CHAPTER 10

Misconceptions and Stereotyping

This chapter looks at the final problem of disadvantage for ethnic minorities, what we are calling "misconceptions and stereotyping." Unlike the previous chapters, for which we can demonstrate measurable differences between Kinh and minorities in terms of education received or land tenure granted, this problem reflects a more subtle set of challenges. It is difficult to measure quantitatively how many people might hold negative stereotypes about minorities, and how those stereotypes might serve to disempower or deprive minorities of their rights to full participation in society.

What we are able to present here are different forms of evidence that show a general trend toward the predominance of a majority-centered worldview that sees the ethnic minorities as less developed, and even less "civilized," than Kinh. This idea has been reinforced by recent economic development and by donor emphasis on poverty alleviation in remote and minority areas. Minorities have long been considered as different from Kinh (often called outright "backwardness") and the attention paid to poverty reduction has reinforced this longstanding perception that minorities are economically backward and need to be assisted to "catch up to" the Kinh people. Yet this idea of "catching up" implies a sense of evolution of cultures, with some at very low states of evolution (those most poverty-stricken and "backwards") to those groups that are most like Kinh. As two long-term researchers on Vietnam recently wrote,

> *Cultures of the upland ethnic minorities are perceived to be especially 'backward', and it is the duty of more advanced groups (like the Kinh) to transform them in conformity with the natural order of evolution to a higher stage. The concept of cultural relativism is virtually unheard of and ethnocentrism is widely prevalent. Elements of minority cultures perceived to be 'backward' (like shifting cultivation or matrilineal kinship systems) or 'superstitions (like animistic religious elites) are to be eliminated as obstacles to progress. However, since the determination of which cultural traits are 'backward' or 'superstitious' is self-evidently possible only from the vantage point of people who are themselves more 'advanced' and more 'rational,' efforts have been made to impose change upon upland minority groups from the top down, in accord with lowland standards and perceptions. Members of minority culture have only passive roles in this process. They are objects, not subjects, of development. (Rambo and Jamieson 2003; 166).*

Many government development interventions for the past 30 years have been essentially premised on the view that minorities should be more like Kinh. Identifying "backwardness" that can be changed with development interventions, like the introduction of wet rice cultivation or the resettlement of swidden cultivators, has been a key goal of ethnic minority policies. The lack of economic progress of minorities is blamed on their cultures and habits, and these practices and traditions have been targeted for elimination or revision. The logic behind these campaigns is that Kinh have economically developed and many have moved out of poverty over the past years, so if minorities are more like Kinh, they too should be able to reach higher states of development. Is this, we asked, a fair point of view? Is it realistic to assume minorities can and should want to be like Kinh, or are there more suitable and culturally appropriate models for development that can address ethnic differences?

More difficult to answer is whether the practice of identifying minorities as backwards, denigrating their cultures as "superstitions" or "foolishness," and stereotyping minorities in a negative light has led to measurable forms of prejudice and discrimination against them that may have welfare impacts. Although we do not claim to have evidence that can answer this question, CSA data does show that many ethnic minorities have internalized negative views of themselves. We also identified several specific policies that seem more driven by stereotyping than by solid understanding of the structure of ethnic minority livelihoods, some with potentially negative impacts.

Eliminating stereotyping and negative attitudes is difficult and extremely sensitive, particularly given how widespread such attitudes are among officials and the mass media. At the very least, we argue here that more sensitivity and awareness of this issue is needed at all levels, from local cadres to teachers to urban dwellers to newspaper reporters. Learning to value ethnic diversity is important, and has not been emphasized enough in Vietnam in recent years. Although in the past the minorities of Vietnam have often been lauded for their significant contributions to national independence and freedom, those models have too often been replaced with stereotyped caricatures of backwards people who cannot develop without Kinh to guide them, of people with archaic and superstitious customs that need to be eradicated in the name of ethnic assimilation and unity. The point of this chapter is to show that such beliefs are largely ethnocentric, and based on misunderstandings and mischaracterizations of the real challenges facing minority communities.

Appreciation of cultural diversity–essentially adopting an approach more grounded in cultural relativism–would enable more incorporation of cultural concerns into development practice. An understanding and appreciation of how variations in culture and background may affect a community's willingness to borrow money, or influence the style of houses people want to build, or the way crops are planted, can have positive development outcomes. This kind of transition in dominant perspectives regarding ethnic minorities will not be easy. It will require real change on the part of both Kinh and ethnic minorities. In this sense, it is perhaps one of the greatest challenges facing development initiatives meant to benefit minorities. It will involve acknowledging and responding to diverse cultural practices. It will require a heightened awareness of one's own attitudes, as well as development of sensitivity to issues of stereotyping, prejudice, and even racism.

Discrimination and stereotyping directly affects minorities' ability to use their capabilities, and be recognized for them, as well as for them to assert their voice. Attention to negative attitudes toward

minorities will help achieve the goals in both the CAS [we don't call it CAS; called CPS] for 2007–10 and SEDP 2006–10 on "strengthening social inclusion." True social inclusion is not possible unless people are able to join in development on their own terms, with their own cultures, and use their own voices to speak for their own goals. This will help "include and empower ethnic minorities in the development process," as the CPS calls for, in the immediate future.

THE LEGAL BASIS OF MINORITY RIGHTS

Vietnam has a strong legal basis to prevent overt discrimination. In addition, there are no deeply embedded cultural codes regarding peoples' status in society, as might be the case in societies where caste is an issue. For example, there is no deliberate racist exclusion of minorities from society, such as one might find with persecuted minorities in other countries who cannot live in the same neighborhoods or drink from the same water wells as the majority.

We argue throughout this chapter that because there are no obvious signs of systematic discrimination, most people in Vietnam believe discrimination does not exist. Despite this, we argue that the stereotyping and misconceptions that were identified in our research have origins and outcomes similar to discrimination because–for a variety of reasons–they contribute to negative outcomes for minorities.

The chapter begins by reviewing the official legal framework for minority rights and issues of discrimination. Vietnam has always recognized citizenship for all minorities. This contrasts with neighboring countries such as Thailand, where the legal framework has resulted in discrimination against minorities. For example, although Thailand is a democracy, ethnic minorities living within the country's borders have been routinely denied citizenship papers, even when they were born in Thailand. This is not an issue in Vietnam, as all minorities are considered to be equal citizens under the law. Although the first constitution formulated in 1946 did not specifically mention minority rights, it did proclaim that "The country of Vietnam is one democratic republic. All of the authority in the country belongs to all the people of Vietnam, without distinguishing on the basis of race, gender, wealth, social class, or religion" (HDDT-QH 2000 [1946]).

In the 1959 revision of the constitution, ethnic minorities were explicitly given all rights of citizenship, including voting and standing for national assembly elections. They were also given more specific rights to "preserve or reform their own customs and habits, to use their spoken and written language, and to develop their own national culture." Currently, Article 5 of the constitution (as last revised in 1992) states:

> *The Socialist Republic of Viet Nam is the unified state of all nationalities living together in Viet Nam. The state carries out a policy of equality, solidarity, and mutual assistance among all nationalities, and prohibits all acts of discrimination and division. Nationalities have the right to use their own language and system of writing, to preserve their national identity and to express their good customs, habits, traditions and culture. The State carries out a policy of comprehensive development, and step by step will raise the material and spiritual living conditions of the ethnic minorities. (HDDT-QH 2000 [1992])*

The constitution also mandates preferential treatment of minorities in education and health care in Articles 36 and 39. However, the constitution also clearly notes that when minority cultures and the state are in conflict, the state will win out. Article 30 says: "The government and society protect and develop the cultural foundation of Vietnam . . . The reunified government will manage cultural work. It is prohibited to disseminate ideology and culture that is reactionary and depraved; *superstition and outdated customs should be abolished*." (256) This last emphasis on the need to change certain cultures, rather than letting people practice their own belief (though they may be different than what the majority holds), in some ways contradicts the earlier Article guaranteeing "preservation of national identity."

In addition to the constitution of the SRV, the Civil Code (*bo luat dan su*), as amended in 1996, also mentions the rights and responsibilities of minorities (Socialist Republic of Vietnam 1996). Article 4 states that "The establishment and performance of civil rights and obligations shall ensure the preservation of ethnic characteristics and ethnic respect, and shall promote good customs, practices, and traditions, as well as solidarity, mutualism and cooperation… Favorable conditions shall be created in civil discourse for ethnic minority communities so as to gradually improve their material and spiritual life." Article 5 also directly relates to ethnicity, noting that equality should be the guiding principle in social interactions: "In civil relations, the parties shall be equal and shall not invoke differences in ethnicity, gender, social status, economic situation, belief, religion, educational level and occupation as reasons to treat each other unequally." In Article 8, the code prohibits discrimination based on ethnicity. Article 14 talks about principles of minorities' customary law (*luat tuc*), which is to be allowed when "such applications are not contrary to the basic principles of this code." Article 30 speaks of the right of parents to determine the ethnicity of their child. Article 43 guarantees a right to freedom of belief and religion, but says that no one may "misuse beliefs or religion to infringe on state interests, public interest, and the legal rights and interests of other persons." Article 49 discusses discrimination in hiring and working: "Individuals shall have the right to work. Every person shall have the right to work, the freedom to choose a job or occupation without being discriminated against on the ground of his/her ethnicity, sex, social status, belief, or religion."

In addition to the rights and duties of minorities enshrined in the laws and constitution, political activities have always been open to minorities. The best-known member of an ethnic minority group currently in politics is the Communist Party head (and former National Assembly chairman) Nong Duc Manh, who is Tay. Minorities are also represented in the National Assembly in numbers that approximate their population size (about 17 percent of National Assembly Deputies in the most recent congress were minorities). This level of minority participation is guaranteed by Article 9 of the Law on Election of the Deputies to the National Assembly, which states that the Standing Committee of the National Assembly decides what the "appropriate" number of ethnic deputies is and seeks candidates for election matching those numbers.

However, representation in the civil service has often been less inclusive, as we noted in previous chapters, with many minorities underrepresented in higher level positions (particularly districts and provinces), in teaching, and in technical services like extension and forestry.

In addition to the Constitution and Civil Code, there has been a discussion under way in Vietnam

for roughly the last decade regarding whether the country needs a specific "Law on Minorities" or not. Such a law has been in initial drafting stages in the National Assembly for some time, and there appears to be little movement to push it forward. Some have argued that any law would simply duplicate rights already allowed in existing laws, while other argue that a specific law for minorities would increase minorities' awareness of rights and their responsibilities to use them (Friberg 2002). The draft law has not been released to the public, so it is difficult to discuss this issue further without knowing the contents under debate.

THE CONCEPT OF ETHNOCENTRISM

We noted in Chapter 2 that the way the Vietnamese state has approached the classification of minorities, and the way ethnologists and anthropologists have been trained, has resulted in a very hierarchical and evolutionary model of culture. Despite the official classification system that identifies 54 groups that the Constitution says are all equal, in reality, there are widespread notions that many minorities are less civilized than Kinh. These ideas were reinforced under socialism, in part due to the thinking of Marx and Engels on the evolutionary development of societies.

The informal classification system or "cultural model" that most Kinh in Vietnam use is that there are certain minorities who most resemble Kinh in culture and custom: wet rice planting, living in lowlands, and having patriarchal social organization and village organization. These minorities (primarily the Tay, Nung, Thai, and Muong) are seen as more developed and closer to the Kinh way of life. The fact that many people in these ethnic groups are relatively well-educated and speak Kinh better than most helps in this perception that they are "almost like Kinh." Further down in the evolutionary spectrum are those groups that traditionally engaged in shifting cultivation rather than wet rice farming (almost all of the groups of the Central Highlands and many in the northwest of Vietnam are considered these types of "nomads"), or groups with social organization such as matriarchy (some Central Highlands groups). These groups were often judged as to the "sophistication" of their governance systems. On this scale, rice farming is the pinnacle of civilized achievement, which leads to political development like the Vietnamese imperial court, while shifting cultivation is a vestige of a primitive way of life that never developed any trappings of high civilization. At the very bottom of the ethnic pile in Vietnam are those groups with very small populations who are considered "endangered," often because of their "primitive" lifestyles. This last group includes minorities such as the Chut, Brau, and O Du.

Certainly one aspect of the "cultural model" comes out of a long historical tradition of attention to education and literacy as the hallmarks of high civilization, an attitude passed down to Vietnam through Confucianism. Groups that lack literacy–and particularly groups that do not have a written script for their language–are therefore seen as inferior to Vietnamese, who have a written script and a long history of literary achievements.

Because this cultural model orders ethnic groups from most civilized (Kinh) to least, the end result is that policies and social interventions are developed to try to move people up the civilization ladder: "According to this theory, the 'less developed' ethnic groups will change toward the model of

the 'more developed' ethnic groups, although the former may still maintain their cultural identities," says an ADB report on minorities (ADB 2002). Such world-views, which reflect the notion that the majority is superior, are not unusual; most countries in the world dominated by a majority ethnic group face the same problem. However, as anthropologist Terry Rambo has noted, "this natural tendency of members of the majority group to devalue minority cultures is reinforced, in the Vietnamese case, by the Marxist model of unilineal cultural evolution, which assigns most of the minority groups of the highlands to a primitive or backward status in contrast to the putatively civilized society of the lowlands" (Rambo 1995a). The end result is that policy makers cannot avoid planning and implementing development activities "taking the majority culture and thinking model as the center" (ADB 2002; 19).

This ethnocentrism–that is, how minorities should be more like majorities in terms of their culture and economic development trajectories–results in particular kinds of policy approaches. For example, there have been serious campaigns to try to change the "culture" of minority areas, rather than accepting culture as something that is historically produced and socially valuable for each distinct ethnic groups. This has cast the state in the role of deciding what "cultural artifacts" minorities should be allowed to retain, and what need to be disposed of as archaic or feudal or backwards (Salemink 2003).

Many of the minority customs that the state has tried to eradicate have involved religion, beliefs, taboos, "superstitions," and ceremonies surrounding these cultural practices and others like marriages, funerals, and agricultural rites. While some customs have been changed, still others live on in many communities. The CSA team heard much about cultural practices and customs that are still alive and well, such as harvest festivals; praying to land and heavenly spirits; taboos over what to eat and when to eat certain things; and cultural practices regarding births, weddings, and funerals. However, eradicating "culture" or "custom" is nearly always impossible and often ill-advised. It makes little difference in terms of economic development whether a custom to pray for rain is allowed to continue among an ethnic group. In fact, one could argue that the money that has been spent through the Ministry of Culture on meetings and regulations trying to outlaw such cultural practices is money that could have been spent elsewhere with more direct development outcomes.

Ethnocentrism results in normative judgments about others' cultures without reflection on one's own. It may be considered "superstitious" for the Ede to believe in land spirits and for them to make offerings of a chicken once a year to these spirits. However, the Kinh practice of visiting temples and buying votive offerings of paper houses, cars, and other luxury goods, which are then burned to bring prosperity in the afterlife, may not be seen as superstitious.

To give a more concrete example of ethnocentric attitudes held by those in positions of power about ethnic minorities, in the early 20th century under French colonialism, Kinh were often unfavorably described by the French because they did not conform to the ethnocentric French model of what was "civilized:": "'Primitive', 'lazy', 'cowardly', 'vain', 'dishonest', 'unclean' and 'somnolent' were the adjectives most frequently used to describe the Vietnamese," writes historian Mark Bradley in his analysis of colonial writing in on Vietnam (Bradley 2000; 46). We recognize such words now as racist, ethnocentric, and disparaging to Vietnamese. Indeed, it was their poor treatment at the hands of

the French that stirred many Vietnamese to rise up in the anti-colonial movement. Yet some of the same words, like "primitive," "lazy," and "unclean," are all words we heard during our CSA research being used to describe ethnic minorities.

STEREOTYPING OF ETHNIC MINORITIES

Ethnocentrism, as we discussed above, often leads all too easily to negative attitudes toward others. What do most Kinh really think about ethnic minorities? Do they truly think they are "backwards," or just repeat this word because they hear others using it? We noted previously that many Kinh do have a cultural model that sees minorities as less civilized and less developed. Many Kinh often attribute very negative stereotypes about minorities' lack of capacity, skills, or knowledge. One point that comes up again and again in policy-level interviews with government officials is the representation of minorities as "lacking awareness" and "lacking education/intellectual levels" (in the nicest phrasing) and being "backwards," "superstitious," and "conservative" (in the more critical phrasing) (see Taylor 2004 for examples).

Examples of negative attitudes expressed by government cadres in field sites during the CSA include:

- "Ethnic minorities don't know how to make a living" – *CEM cadre*
- "Ethnic minorities don't consume - they are only self-sufficient" – *MOLISA cadre*
- "Minorities don't know how to use credit effectively" – *Social Policy Bank cadre*
- "Minorities have low intellectual levels, which has an impact on their economies. They don't know how to use technology or raise livestock" – *District people's committee cadre*
- "Mnong let their pigs run around their stilt houses and sleep under the house. It's very dirty and unhygienic" –*CEM cadre*
- "Minorities don't have the will to get ahead" – *District People's Committee cadre*

Academics too have often held somewhat negative views toward minorities they were studying. These negative attitudes are a result of the different approaches to anthropological training in Vietnam discussed in Chapter 2, whereby very few Vietnamese anthropologists speak minority languages or have done much lengthy field research in minority communities. These academics have nonetheless judged the cultures of minorities, usually by ethnocentric Kinh standards. In academic works, minorities have been called similar terms like backwards and autarkic. When academics with PhDs, who are held in high esteem in a society like Vietnam that emphasizes higher learning, perpetuate negative stereotypes about minorities, many other people accept these statements as fact. In this way, stereotypes start at the top and percolate down to all sectors of society and the mass media.

When we asked Kinh people who live in ethnic minority areas why ethnic minority people are poorer than Kinh, they nearly always responded that it was because ethnic minority people were "lazy," with "low intellectual levels (*dan tri thap*)," and were too dependent on the government. For example, one Kinh man living near Mnong and Thai in Lak district compared the two: "The Thai are living to suffer difficulties and have the ability to be conniving in agriculture like Kinh. But they

are slow to change, more than Kinh, and usually wait to see if Kinh have any results before they do something new. They never go first, but once they change they can reach the level of production of Kinh." Mnong, on the other hand, in his opinion "never save, whatever they get in income they just eat it up. Any wealthy Mnong just spend their money. When women run the household they just don't save. Mnong will trade labor for even just a meal; Kinh will trade labor but for equivalent of labor, with just a modest meal, and they don't drink wine."

We should not imply that all Kinh hold negative attitudes to minorities. Indeed, there are increasing rates of intermarriage between some minorities and Kinh (primarily Tay and Muong). Many Kinh live intermingled with minorities and have very positive neighborly relations with minorities. Many Kinh youth have gone to school with minorities and count minorities among their close friends. Kinh who had lived among minorities for a long time often had much more positive viewpoints that Kinh who only knew about minorities from brief encounters at the market or on TV. One woman, Mrs. P., who moved to Dak Lak in 1990 and lived in a Thai and a Mnong village where she had bought land in 1997, said minorities were "good people, living very harmoniously, and helpful to everyone."

However, such positive relations and comments can be outweighed by the negativity that many minorities stated they heard repeatedly from officials, outsiders, and the media. When we asked minorities what they thought Kinh people thought of them, we inevitably heard negative comments in every single focus group. Minorities related untrue things that were said about them, hurtful or embarrassing comments that were made, or stereotypes that they saw of minorities that shamed them. Some examples from our focus groups include:

- Thai migrants in Dak Lak said they heard a lot of things that others said about the Thai, including that they are stupid (*ngu*) and backwards (*lac hau*). One man said, "Other people think the Thai don't know what a TV remote is, or don't know how to drive a motorbike." Thai in a focus group in Dak Lak said that many Kinh think the Thai are "people who are so poor and backwards they don't even eat salted fish (*dan xa ca mam*)." (Salted fish (*ca mam*) is a very cheap food for poor laborer workers, and this phrase indicates that Kinh think the Thai are so much farther below even the poorest classes of Kinh that Thai can't even afford to eat salted fish.)
- In a mostly Kinh village in Ha Giang, we interviewed a Bo Y girl who had married a Kinh man. She told us sadly that she was looked down upon by her in-laws and the other Kinh villagers. Her mother–in-law frequently scolded her and told her that she wanted her son to divorce his "stupid" wife. The girl said she had heard insults of "stupid," "fool," "ugly," and "being an unequal match with her Kinh husband" in the eyes of the other villagers. She said these beliefs by the Kinh that she was inferior made it really difficult for her to borrow money from anyone (although the Kinh neighbors regularly loaned to one another). The Bo Y girl said that she had even encountered Kinh neighbors who did not want to sell fish to her since they believed as a minority that she would not have money to buy anything. She said that before she moved to the Kinh village, "I used to think that I had education, and when I got married, we could do some small business in the market for our living, but it has not been as I expected." She concluded, "I used to think that marrying a Kinh man who is more intelligent than our ethnic group, my life will be easier and happier. But then it turns out that my life is worse than a dog's life."

- One Ede man in a focus group in Dak Lak gave an example of how the media puts down minorities and portrays them negatively or comically. He said he had seen a recent program on VTV which had made fun of minorities by showing a minority from the Central Highlands, dressed in a loincloth, wandering about Hanoi, who was confused about how to get around in the big city and who was looking for an elephant to carry him around. The man said this type of program was very common in showing the "simpleton" nature of minorities.

These are very negative examples of insults and stereotyping. There are also less obvious examples that nonetheless continue to perpetuate the idea that minorities need to catch up to Kinh or need the guidance of Kinh to change their ways. The article in Box 10.1 is an example of a very common genre of journalism in Vietnam, in which changes in minorities' lives are shown to be a result of the benevolent teachings of Kinh.

How do these stereotypes about minorities get started and then perpetuated? For example, take the idea that minorities are "lazy"; this is a common statement to hear from Kinh that minorities often stay at home doing "nothing" when they could be trying to earn more money, and that Kinh work harder in their fields and at home. Yet there has never been any true indication that this is the case; in fact, quantitative data from VHLSS surveys has shown that in terms of mean hours worked on one's own household farm, minorities work nearly twice as many days as Kinh (a mean of 397 days across the majority households versus 697 days for minority households (VandeWalle and Gunewardena 2001). PRA for this CSA with focus groups resulted in daily time calendars for Kinh and minorities that were essentially identical: both minorities and Kinh alike rose early and worked long hours (Table 10.1). The idea that minorities are "lazy" may in some part originate from Kinh who hire minorities to work for them. Minorities in Dak Lak, for example, said that they were not experienced in the labor market like the Kinh people, and so are not used to disciplining themselves according to fixed schedules and work requirements, as well as competition with other workers to win employers' trust.

Box 10.1

Article from Vietnam News, March 7, 2005: "Farmer moves in with K'Mon minority"*

"Ethnic minority groups living in the forests near Lam Dong province's Cat Tien District admire and follow farmer Nguyen Van Quy, the man who honorably helped them change their way of life.

Born in the central province of Binh Dinh in 1951, Quy fought in the American war when he was 11 years old and then returned to his hometown where he lived until 1982, when he and 50 other families moved to Lam Dong in the Central Highlands to build the new economic zone. "My fate is tied with this land," Quy said.

Quy was selected to be an authority mainly responsible for monitoring the people's living standard. Through this position he found that the ethnic people in the villages of Bu Gia Ra, Chau Ma, Bi Nai, Bu Sa, and Bo Do, about 35 km from his district, faced many difficulties.

"The Ma Chau ethnic minority people were very poor and backward. I thought that I must move in with them, and help them change their agriculture methods." Quy said.

Determined to help, he made a bamboo house and dug a big well so he could live in the forest. The local authorities were skeptical at first, but Quy persuaded them to trust him.

Box 10.1 (continued)

Quy was strong and determined in dealing with people when he first came to live in the forest. Once he had to perform martial arts with a cane to fight off 50-year-old K'Mon in the village who saw the outsider as a threat and told him "if you stay here you will be killed by a tiger or with this knife."

But K'Mon and all his villagers began to admire Quy's talent and allowed him to teach them not only improved farming methods but also martial arts, which allowed them to stop using the weapons they had illegally used for hunting. He also helped them establish a leadership structure to protect the community and showed them how to cultivate wild soil to grow cashew nuts. Modern farming methods have stopped the people from moving from place to place, clearing the forest to grow rice.

Quy recalled that ten years ago, Village 5 of Cat Tien District, Dong Nai Thuong Commune looked entirely different and held tight to their superstitions. Now, two-thirds of the village's 225 households have TV sets, video players and motorbikes and superstitions are a thing of the past.

The people in the village are so appreciative that they call him K'Quy. He loves the village deeply and moved his family from the district centre to the commune, saying that "I will stay with my villagers forever."– VNS

** Note the headline confuses the name of a Ma man mentioned in the article (K'Mon) and calls the entire ethnic group the K'Mon, rather than their real name of the Ma.*

TABLE 10.1 Comparison of Daily Time Schedule from Focus Groups

Village	Ethnicity	Women					Men				
		House work	Field work	Lunch time	Field work	House work	House work	Field work	Lunch time	Field work	House work
Ea Bro	Ede	4:00 – 6 : 30	7:00 – 15:00 (in coffee swidden)			15:00 – 21:00					
Jie Yuk	Mnong	3:00 – 5:00	5:00 – 18:00 (swidden work, go home)			18:00 – 20:00	5:00	5:00 – 18:00 (swidden work, go home)			18:00 – 20:00
Thai	Thai, Mnong	5:30 – 7:00	7:30 – 11:30	11:30 – 14:00	14:00 – 16:30	17:00 – 21:00					
San Bay	Kinh	5:30 – 6:30	6:30 – 11:00	11:00 – 14:00	14:00 – 17:00	17:00 – 22:00	5:30 – 6:30	6:30 – 11:00	11:00 – 14:00	14:00 – 17:00	17:00 – 22:00
Tung Num	Hmong, Dao, Nung…	5:00 – 7:30	7:30 – 10:30	10:30 – 13:30	13:30 – 17	17:00 – 21:00					
Vien Tien	Kinh	5:30 – 7:00	7:00 – 11:00	11:00 – 14:00	14:00 – 18:00	18:00 – 22:00					
Huk	Van Kieu	4:00 – 7:00	7:00 – 17:30 (swidden work, go home)			18:00 – 21:00	5:00 – 7:00	7:00 – 17:30 (swidden work, go home)			18:00 – 21:00
Dray Hue	Kinh	5:30 – 6:30	6:30 – 11:00	11:00 – 13:30	14:00 – 17:30	17:30 – 22:00	5:30 – 6:30	6:30 – 11:00	11:00 – 13:30	14:00 – 17:30	17:30 – 22:00

Another reason why stereotypes may take hold is because they provide a convenient "scapegoat" for problems in policies. For example, anytime minorities do not follow the government policies directed at them, it is usually chalked up to the "ignorance" of the minorities, rather than being a statement about the inappropriateness of government policies. As an example, we heard from the Ministry of Culture representative in Ha Giang who told a story that was supposed to demonstrate to the CSA team how difficult the minorities could be. Each ministry and department in the province was supposed to "adopt" an ethnic minority village, which they were to help "develop" with investments and assistance raised through charity. Her department adopted a Hmong village, and raised some money to buy bundles of elephant grass seedlings to give to the village to plant to be used to feed to livestock. (The department itself decided this is what would help this Hmong village, not what the village had requested itself, as there was no PRA or consultation before the fundraising). The department representative dropped off lots of bundles of these grasses which they had purchased for the villagers to plant in their fields, and told them that this charity was courtesy of the Ministry of Culture to help them develop. When the department representatives came back several months later, they found the Hmong had not separated the bundles and planted the seedlings individually dispersed throughout their uplands fields, as they were supposed to, but had merely dropped each bundle of 100 seedlings in one single hole. The department representative told this story as an example of how "stupid" the minorities could be and how they had to be directed to do everything by the government as they could not be trusted to do so themselves.

Yet an alternative explanation suggests itself here. If the Hmong community did not see the value of the grass, and had played no role in requesting it, why should they spend precious labor dividing the bundles and planting each seedling individually on their extremely limited production land? Dropping the bundles in a single hole was an ingenious way to actually look like they did something with the plants that they did not in fact want or need. This is a good example of how top-down decisions are made about what minorities should want and need, and then when these policies fail, the minorities themselves are blamed, rather than the blame being placed on the all too often top-down, non-participatory nature of government policy.

IMPLICATIONS OF STEREOTYPING AND ETHNOCENTRISM

Stereotyping can have very serious negative consequences. Many people in Vietnam do not see stereotyping and misconceptions as a serious problem, and argue vigorously that Vietnam has no discrimination against minorities, but rather a progressive stance with many government policies. We argue that this failure to recognize that stereotypes can lead to negative consequences that may be just as serious as outright discrimination shows a lack of attention to the consequences of these stereotypes. CSA research shows that these consequences can include both decreased participation of minorities (due to lack of self-confidence) but also less inclination of authorities to listen to minorities because they are perceived to be "less educated" or have "lower intellectual levels." Stereotyping also leads to assumptions that are often not backed up by reality, and that can lead to inappropriate or incompatible policy prescriptions.

Lack of Self Confidence in Minorities

The stereotypes and ethnocentrism that minorities report they continually hear does have impacts on their self-image. As Rambo and Jamieson note, "The essence of marginalization is that upland people learn–in schools, mass media, and daily social life–to judge themselves by lowland standards and to internalize their inferiority. As is the case in many other places, these people are too-often defined and judged by what they are perceived by outsiders to lack, by the ways in which they differ from the dominant culture" (Rambo and Jamieson 2003). The extent to which this internalization is accepted is clear when we look at data from the CSA survey.

We asked in the CSA survey for respondents to choose one word of a paired set to describe their own ethnic group. Respondents were given choices like "backwards" or "progressive"; "aukartic" or "market-oriented"; "low levels of education" versus "high levels of education"; and "unresourceful at making a living" or "good at making a living." The results showed that the belief that minorities are less capable than Kinh is widespread not only among government cadres, but also among the minorities themselves (Figure 10.1). Ethnic minorities were more likely to consider themselves backwards: 47.1 percent of minorities said their ethnic group was backwards, as compared to 16 percent of Kinh respondents. Ethnic minorities were also more likely to report that their own ethnic group is lazy: 12.1 percent of minorities said this was true, compared to 0 percent of the Kinh surveyed. Ethnic minorities viewed themselves as having low levels of education (73.9 percent), while only 52 percent of Kinh respondents reported this. There were also differences in self-perception among ethnic groups; Tay, for example, did not often say they were "backward," but rather that they had low education and were bad at making a living, while nearly 80 percent of Van Kieu thought they were "backwards."

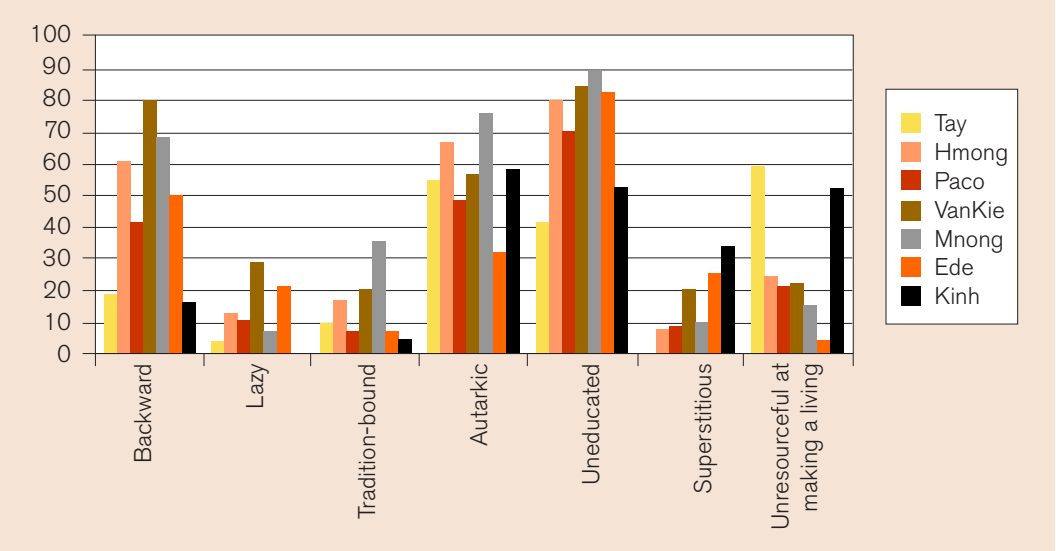


FIGURE 10.1 Self-Perception of Different Ethnic Groups

Source: CSA Survey, World Bank.

We also differentiated between ethnic groups and asked people to describe other minorities, and for Kinh to compare different minority groups. The results are shown in Tables 10.2 through 10.5. Two general trends can be noted. First, in most cases Kinh judged minorities more harshly than minorities judged one another: 60 percent of Kinh thought Tay were uneducated, while only 10 percent of non-Tay minorities said the Tay were uneducated. The rest found them highly educated. Likewise,

37 percent of Kinh thought Ede were superstitious, while no non-Ede minorities thought this about them. Second, Kinh judged some minorities more harshly than others. Tay and Nung were given less negative attitudes at lower reported numbers than were assigned to Hmong and Ede. This demonstrates that the cultural model of cultural evolution, with some groups closer to Kinh than others, still exists among many Kinh.

TABLE 10.2 Attitudes Toward the Tay

	% of Non-Tay Minorities who think Tay are:	% Kinh who think Tay are
Backwards	0	4
Lazy	2	0
Tradition bound	7	8
Autarkic	24	68
Uneducated	10	60
Unresourceful at making a living	2	28
Superstitious	0	12
Cheap	0	0
Dishonest	0	0

TABLE 10.3 Attitudes Toward the Nung

	% of Non-Nung Minorities who think Nung are:	% Kinh who think Nung are
Backwards	12	4
Lazy	3	0
Tradition bound	11	19
Autarkic	37	67
Uneducated	10	59
Unresourceful at making a living	11	26
Superstitious	6	15
Cheap	6	0
Dishonest	7	0

TABLE 10.4 Attitudes Toward the Hmong

	% of Non-Hmong Minorities who think Hmong are:	% Kinh who think Hmong are
Backwards	28	42
Lazy	8	5
Tradition bound	11	16
Autarkic	40	63
Uneducated	28	68
Unresourceful at making a living	20	42
Superstitious	17	32
Cheap	2	0
Dishonest	5	0

Minorities, when asked about Kinh, also reported negative attitudes on some traits (Box 10.6). These, however, were traits that were rarely mentioned in regards to minorities. For example, 32 percent of minorities reported Kinh were "cheap" or tightfisted, while almost no other minorities were called cheap (only the Nung, with 6 percent of minority respondents saying they were cheap). Forty-six percent of minorities said Kinh were "dishonest," a strikingly high number when compared with figures reported for other ethnic groups. We speculate that Kinh people's role as traders, which we outlined in previous chapters, has led to these negative attitudes having to do with cheapness and dishonesty. On the other hand, minorities did not report that they found Kinh lazy or uneducated, instead mostly reporting in high numbers that Kinh "worked hard" and were "highly educated."

TABLE 10. 5 Attitudes Toward the Ede

	% of Non-Ede Minorities who think Ede are:	% Kinh who think Ede are
Backwards	50	74
Lazy	7	0
Tradition bound	0	47
Autarkic	7	47
Uneducated	21	96
Unresourceful at making a living	5	53
Superstitious	0	37
Cheap	0	5
Dishonest	0	0

TABLE 10.6 Minority Attitudes Toward the Kinh

% of Minorities who think Kinh are:	
Backwards	1
Lazy	3
Tradition bound	10
Autarkic	20
Uneducated	3
Unresourceful at making a living	6
Superstitious	17
Cheap	32
Dishonest	46

Less voice and Power

Because is common to hear from officials that minorities have "less capacity" and "less intellectual ability" than Kinh, one consequence of this lack of belief in the ability of minorities to do things themselves has been an overreliance on Kinh cadres, teachers, and healthcare workers, among others. For example, in Ha Giang province, Kinh make up only 12 percent of the population, but 54 percent of all cadres. Of the remaining 46 percent of cadres who are ethnic minorities, however, 76 percent are Tay, meaning many of Ha Giang's ethnic population (Ha Giang has more than 20

ethnic groups) have little to no representation in the civil service or among local leadership. Without support for minorities to be cadres in number commensurate with their population, it is difficult for minorities to give voice to their own specific aspirations and needs.

Another example where stereotyping against minorities' perceived abilities diminished their options and decreased their voice and power, with real development outcomes, was seen in our example from the credit system in Dak Lak. There, Ede reported VBARD bank staff would direct Ede to the Social Policy Bank. The belief of bankers that minorities couldn't handle larger loans, or the belief among Ede that they would not receive such loans even if they asked, accounts for the fact that many Ede have never taken out a large loan from VBARD, while many more Kinh have.

Inappropriate Policy Prescriptions

Stereotyping may also lead to flawed policy prescriptions. Misconceptions about how minorities live, which are not backed up with actual data from work with minority communities, can be harmful for policy development. We give several examples below of how misconceptions and incorrect beliefs get translated into policy:

- A common stereotype is that that minorities are often "nomadic" due to their reliance on swidden agriculture: "The agricultural systems of the ethnic minorities living in Vietnam's Northern Mountain region are commonly perceived by people in the lowlands, including government officials and scholars, as 'backward' and environmentally destructive. The minorities are usually characterized as living a nomadic lifestyle dependent on shifting cultivation. In fact, only a small proportion of upland people still engage in shifting cultivation. Most populations are sedentary and employ farming methods that are extremely well-adapted to the difficult environmental conditions of the mountains" (Tran Duc Vien 2003). Yet these beliefs that minorities are "nomadic" and destructive of forests has resulted in many years of funding of sedentarization programs that have not had discernible impacts on poverty or on deforestation (IEMA and McElwee 2005).
- Beliefs that minorities are not market-oriented, but rather rely on autarky and self-sufficiency can lead to funding of infrastructure (like markets) that benefits more Kinh than minorities. As we noted, minorities do engage in the market, but more often at the village/farmgate, and they go to central commune/district markets less than Kinh. Yet misunderstanding that minorities are autarkic has led to an infrastructure emphasis when our work shows that market investment might be better targeted to agricultural processing and value-adding, not just more physical marketplaces.
- Beliefs that minorities don't consume goods has led to programs for subsidies for salt and radios–often supplied by Kinh-owned companies–but at such low rates they have little affect. Subsidies for transport of goods from minority regions again mostly benefit Kinh, as many minorities sell unprocessed goods and do not transport them themselves, or receive a benefit of higher farmgate prices from these subsidy programs.
- Belief that minorities have less intellectual capacity can result in investment in Kinh development to "show minorities how to develop," as was the case with migration programs in Quang Tri, rather than directly investing in minority communities themselves.

ABSENCE OF GOVERNMENT POLICY OFFICES FOR STRONG MINORITY REPRESENTATION

Government offices charged with minority policy do not pay enough attention to cultural factors in minority development. We have noted above that many minorities are seen as 'backwards' and policies applied to them that do not take into cultural difference. Part of the problem is a relatively weak structure for policy making within the government for minorities. The Committee on Ethnic Minorities (CEM) is supposedly a ministerial level office, yet it is marginal compared with the budget and strengths of other ministries like the Ministry of Planning and Investment and the Ministry of Agriculture and Rural Development.

Furthermore, CEM's policies and reports often embody the stereotypes and contradictory messages on minority affairs we have outlined above, and CEM has little to no role in issues like civil rights or discrimination law. Much of its policymaking is not based on strong local research, or use of ethnographic and anthropological data, but rather on the 'conventional wisdom' of minorities' deficiencies. CEM could be encouraged to promote new proactive ways to encourage cultural sensitivity and awareness, from specific training on dealing with minorities in culturally appropriate ways, to more aggressive affirmative action policies, legal anti-discrimination statutes enshrined in a Law on Minorities, government offices and ombudsmen focused on civil rights, grievance boards for people to report discrimination, or other initiatives.

CONCLUSION

The problems of social inequalities (*bat binh dang*) and income differentiation (*phan hoa giau ngheo*) are increasingly recognized in Vietnam. This chapter points out that "ethnic differentiation" (*phan hoa dan toc*) is also a problem that Vietnam will need to tackle. However, unlike income differentiation, which can be measured by such tools as Gini indexes, the problem of measuring ethnic differentiation or unequal treatment due to ethnicity is much more difficult.

Our research certainly indicates that minorities perceive themselves as being on the receiving end of negative stereotypes, and these stereotypes have in many cases then been internalized, so that many minorities themselves think they are backwards and unable to get ahead. While government officials may use these stereotypes of backwardness and underdevelopment as a way to promote policies for poverty alleviation, it is difficult to see how such widespread use of these labels can have a positive development outcome; rather, it is more likely to have a negative one as people feel disempowered and voiceless in a society that devalues them and their contributions. Prejudice, misunderstanding of cultural norms, and inappropriate interpretation of actions and behaviors of minorities can collectively lead to poorer outcomes for development in many aspects. A different approach is needed; otherwise, minorities risk becoming even more marginalized. As a recent report on cultural exclusion noted, "Targeted programs may be as marginalizing as poorly implemented universal approaches if they rely on 'labeling' practices that reinforce stigma" (Kabeer 2006).

New dialogues on minorities are needed in Vietnam, and the donor community can lead the way.

There is a widespread need for cultural awareness among cadres; many cadres, especially Kinh recruited from lowlands, may think all minorities are the same and have these longstanding feelings that minorities are "backwards" from years of hearing it in school, media, and in government documents. Donors can play a strong role in promoting a new focus on eliminating discriminatory labeling and stereotyping in practice and in reporting by government. Such steps to eliminate stereotyping could include targeted sharing of laws on racial discrimination in other countries, other countries' racial sensitivity training, or examples of regional affirmative action programs. Diversity awareness is best geared toward changing behavior and informing attitudes through the acquisition of new knowledge and skills. However, validating the legitimacy and worth of other people's backgrounds is not something that will easily come overnight.

One challenge to opening a new dialogue on minorities is that there are essentially no indigenous minority-run NGOs in Vietnam that have a voice to advocate for fair portrayal of minorities and an end to the informal discrimination and stereotyping that characterizes much government discourse. This is in contrast with Thailand, the Philippines, and Indonesia, for example, where minority NGOs and coalitions play this role. Recent work in Thailand has discussed how previously marginalized minorities such as the Karen are increasingly organizing to change negative Thai attitudes about them, such as the mistaken belief that they are forest destroyers. The Karen, though NGOs and advocacy organizations, have spoken back and tried to alter the discourse by casting themselves as indigenous conservationists (Santasombat 2003; Walker 2001). In the absence of minority coalitions speaking for themselves in Vietnam about how they would like to be portrayed, what role can the Bank and donors play in encouraging government officials to rethink their long-held stereotypes? Such questions need to be asked.

One important outcome of this new dialogue on ethnic minorities –with involvement of the government, donors, and representative of ethnic minority communities–could be the development of new proactive ways to encourage cultural sensitivity and awareness, from specific training, to more aggressive affirmative action, legal anti-discrimination statutes enshrined in a Law on Minorities, government offices and ombudsmen focused on civil rights, grievance boards for people to report discrimination, or other initiatives. More certainly can be done. It is the right time for a dialogue to begin to discuss future steps.

Eliminating stereotyping and negative attitudes is difficult, and extremely sensitive, given how widespread such attitudes are among officials and the mass media in particular. At the very least, we argue here that more sensitivity and awareness of this issue is needed at all levels, from local cadres to teachers to urban dwellers to newspaper reporters. Learning to value ethnic diversity is important, and has not been emphasized enough in recent years. Although in the past the minorities of Vietnam have often been lauded for their significant contributions to national independence and freedom, we argue that those models have too often been replaced with stereotyped caricatures of backwards people who cannot develop without Kinh to guide them, or of people with archaic and superstitious customs that need to be eradicated in the name of ethnic assimilation and unity. Such misunderstandings and mischaracterizations obscure the real challenges facing minority communities. Appreciation of cultural diversity, and taking an approach more grounded in cultural relativism, would enable more incorporation of cultural concerns into development practice. It requires

Kinh to change, not just minorities, and in this sense it is perhaps one of the greatest challenges facing development work with minorities.

CHAPTER 11

Additional Issues Facing Vulnerable Groups

We have noted the central factors that CSA research identified as producing differential impacts on poverty outcomes. In this concluding section, we also wish to note that there are also specific populations of vulnerability among ethnic minorities that poverty programs and projects need to pay special attention to, namely (a) women and (b) children and youth. We briefly examine these vulnerable populations here.

WOMEN

Ethnic minority women have different access to assets, capabilities and voice than do men, and there are often cultural or economic barriers to women's capacity and decision-making ability in minority communities. Despite the benefits enjoyed by both men and women from recent economic growth, infrastructure development, and increased agricultural production, there is evidence that existing gender inequalities persist (Bui Minh Dao 2003, p. 115). Cultural norms continue to place ethnic minority women in a subordinate position in many communities, and minority women continue to be disadvantaged in all respects, including access to production resources and extension services as well as to healthcare and education. Many minority women have had no opportunity to go to school, and are illiterate in Vietnamese. This prevents them from participating more actively in new economic opportunities brought about by the market economy.

Ethnic minority women, especially those who live in remote villages, have few opportunities to participate in meetings for any purpose, which prevent them from accessing social services and significantly limit their interaction with the outside world. According to the male head of a Mnong village in Lak District, "Men can get around more freely, while women sit in one place. In the event of a divorce, the woman has to look after the children all by herself." Many women said that it was primarily men who sought off-farm wage labor, because they were more likely to speak Vietnamese and to not be shy about leaving the community and interacting with other ethnic groups. This lack of mobility and exposure to the outside world that affects many minority women can be contrasted with Kinh women, who are often breadwinners and traders and have many contacts and business opportunities outside the household.

Culturally, patriarchal minority traditions and practices also have impacts on women's status. For example, men occupy the important positions in Van Kieu and Pa Co society, and are the landowners, head of the lineage, and head of the village. Men also carry out the responsibilities as shamans and make decisions on important matters such as weddings and religious ceremonies. Properties and household assets are handed over from one man to another, while women are not given any share of property. (For example, if the household has no son, the property will be handed over to a nephew.)

There are some exceptions to these types of patriarchal customs, yet even in communities where women hold high status, this may be devalued by wider Kinh society. For example, due to their distinctive matrilineal system (inheritance is passed through daughters), women in Ede and Mnong communities have had important decision-making power and enjoyed a relatively high status. However, matrilineal descent has been threatened in recent years by government and legal policies and informal practices of Kinh authorities to not recognize women's land use rights in land tenure certificates or women's leadership roles in matriarchal ethnic communities. Men, who are more likely to speak Vietnamese, are often targeted to be village leaders, while in the past women might have played this leadership role. Women in some communities have tried to push back against norms that relegate them to secondary status, but many challenges remain.

Box 11.1
A Positive Example of Women's Empowerment

There are some promising examples of women taking charge of their destinies and giving voice to their needs in minority communities. One such case is a Hmong Hemp Cooperative in Quan Ba District of Ha Giang. The cooperative was initially established in 2000 with a 13 million VND grant from the Department of Agriculture and Rural Development to a group of 20 Hmong women members and a core group of technical personnel responsible for different parts of the production process such as embroidery, drawing, and sewing. The co-op recruits workers who are victims of domestic violence, some of whom had been sent to China. Within a few years, its membership has increased from 20 in 1999 to 110 in 2004. Today, workers' salaries range from 300,000 VND to 600,000 VND per month depending on production and quality. Women can save this income and decide what to do with it. Aside from economic gain, there are many advantages to be members of the cooperative. Women have more freedom to express themselves. The co-op is a place where women can seek help in case of domestic violence. Members of the co-op have had more exposure to the outside world. They earn more money, which enables them to have more voice within the household and in the community. They also take part in local social events. They receive training on budgeting for the household, thus increasing their importance and their decision-making role within the family.

Source: 2006 CSA.

Youth

Ethnic minority youth face many barriers in realizing their potential. Most ethnic youth are optimistic about the future; 74 percent of youth surveyed by the CSA think they will be more prosperous than their parents' generation. But youth face roadblocks to this prosperity: of 108 youth respondents to our survey, only 20 percent had received any sort of technical or vocational skills. Only half

of those had found a job related to their training. There are very few policies or support programs targeted at minority youth; in most villages visited, the only activities for youth were sports and recreation and an occasional job training course offered by the local Youth Union. There are virtually no policies targeting the specific needs of ethnic youth.

This is part of a larger problem for ethnic youth: they do not know much of the world outside their community. Seventy-eight percent of youth respondents said they preferred to stay in their village to look for work in the future, while only 22 percent said they were open to migration. This is not to say that minorities were closed off from the outside world. In fact, TV was the most popular mode of communication for youth to learn new things, followed by newspapers and radio. Many minority youth enjoy the same South Korean soap operas and Vietnamese pop music that Kinh youth do. But compared with Kinh and especially urban youth, minorities face many disadvantages. Only 16 percent of minority youth respondents knew anything about computers. Only 6 percent had ever used a mobile phone (only Tay and Bo Y youth), and no one in the survey owned one. As a result, many minority youth risk falling behind urban and Kinh youth in access to technology and a wider world. Just as poor households are a specific target under poverty reduction programs, it seems reasonable to add that youth might be a feasible target population as well.

PART III

RESEARCH FINDINGS

CHAPTER 12

Summary and Recommendations

This CSA report has attempted to provide a framework to understand both the macro-level social and political influences on ethnic minority policy, and the micro-level outcomes of development in minority communities. We have outlined a number of factors that influence the opportunities and constraints to more equitable, inclusive development, including unequal access to education, differential migration impacts, uneven access to credit, disparity in models of land use, asymmetrical relations to markets, and disparate outcomes related to stereotyping and ethnocentric premises in development. We have noted throughout this report that eradicating poverty in minority communities in Vietnam cannot be understood solely as simply an economic question of raising household incomes, but rather needs to be addressed as a project with broad social and cultural dimensions requiring a holistic understanding of the many barriers that minority communities face.

The overall message of this CSA is that culturally inclusive development has not yet been attained in Vietnam. Although the government has made minority development a high priority, and should be congratulated on their attention to minority issues, this attention has not yet resulted in equal development between Kinh and minorities by any measure. There are still inequalities across the board in access to government programs and services, in access to institutions and governance, and in overall development outcomes. This is not to say that there has been a widespread failure to serve minorities; in fact, most communities believe life has gotten better in recent years compared to the severe poverty that characterized much of the wartime era in Vietnam. The problem is that programs, projects, and development trajectories are needed to result in more equal outcomes between Kinh and minorities than we are currently seeing. Unless the problems with culturally inclusive development are addressed, minorities may continue to significantly lag behind Kinh on all development indicators, and form a permanent underclass of the disadvantaged. Such an outcome would be detrimental to Vietnam's longstanding goals of targeting support to vulnerable areas and promoting unity and cooperation between minorities and Kinh.

In addition to analyzing the barriers facing minorities, the CSA report has extracted a few major recommendations, cutting across all the sectoral chapters. These are not direct prescriptions, as we argue that in many cases, policy alone cannot change what are social or cultural barriers to inclu-

sion. However, we can point out some basic principles of understanding that could help build a more inclusive society in Vietnam. They can be summarized under the form of six priorities: *improving information on minorities*, *leveling the playing field*, *understanding cultural difference*, *strengthening cultural inclusion*, *supporting ethnic voices*, and *opening dialogue on new approaches.*

Improving information on minorities: More and better information is needed on minorities, from how they are classified by ethnic group to where they are located in the country to their levels of economic development. Minority groups vary tremendously in terms of assimilation and levels of economic success; data collection and dissemination should reflect this. It is common to see in analysis of census data and the VHLSS a coding of groups into Kinh and non-Kinh (all ethnic minorities). This leaves only a coarse grained analysis of "ethnic minorities" generally, which includes groups who are doing relatively well (Tay, Muong, and Thai) and who have larger population numbers. Their success can hide the serious economic difficulties that smaller ethnic groups are in if data is not disaggregated by ethnic group and collected more systematically for more ethnicities. Poor classification and overly general data can lead to inaccurate targeting of resources, while more detailed local data can help identify the most vulnerable. Donors in particular can potentially make a real impact in this area through support for better classification, analysis, and public availability of data on minorities.

Leveling the playing field: Minorities need special policies, such as affirmative action programs, to make up for past and current deficiencies that have left them on an uneven playing field. This is particularly true in the education sector, where real efforts at bilingual education have yet to be expanded and more ethnic minority teachers need to be trained and used effectively. While there is some prioritization of minorities in education and university admissions, too often this is too little and too late in students' careers. Affirmative action also exists for civil servants, although data suggests that overrepresentation of some relatively better-off ethnic groups (particularly the Tay) hides the fact that many minorities have disproportionately low representation in government. Affirmative action and preferential policies can and should be expanded into new areas and made more aggressive for specific minority groups that are underrepresented and underserved. For example, there are currently no specific credit policies for ethnic minorities, only policies for poor people generally. Specific variable rates could be developed exclusively for ethnic minorities to try to reduce the disparities in loan availability and loan sizes that they experience. Finally, minorities need better legal recourse when they feel they are not treated equality; this could be addressed by legal anti-discrimination statutes enshrined in a Law on Minorities with sanctions for those who discriminate, and the formation of government offices, ombudsmen or grievance boards focused on civil rights.

Understanding cultural differences: There are significant cultural norms in minority communities that often go against trends in the new market oriented economy of Vietnam. These cultural norms vary by village and by ethnic groups, making one-size-fits all development interventions difficult. But it is clear that cultural factors have major outcomes on minority success or failures. For example, among some minority groups, inheritance is passed through the female line, and land rights policies that do not explicitly acknowledge women as owners of land may come into conflict with these norms. In other cases, policies that focus on individual household welfare support (e.g. poor cards that treat the owner to entitlements of health care and reduced school fees) may be perceived

as inappropriate in minority communities where collective decision making and mutual aid is the cultural norm.

One of the major sources of culturally inappropriate policies in recent years have been misunderstandings about the types of agriculture practiced by minorities. Too often, policies have assumed that minorities are 'nomadic' and need to be settled and taught about how to grow irrigated rice, when in fact most communities are long settled agriculturalists who rotate and fallow agricultural fields in culturally and ecologically appropriate ways, using crops that are selected for environmental suitability and consumption preferences. Yet rather than see this as an adaptation to often difficult mountainous environments, policies have been formulated to eradicate traditional upland agriculture and replace it with irrigated wet rice or cash crops. There are many other examples where cultural stereotypes and assumptions are used to guide policy, rather than actual on-the-ground evidence about minority communities. A concerted effort needs to be made, lead by government institutions like CEM and academic centers, to understand cultural norms and differences through anthropological research, and incorporate these better into policy.

Strengthening cultural inclusion: Cultural inclusion means recognizing and supporting the cultural differences that exist and making special efforts to be inclusive of all minorities, especially those who are most marginalized. For example, real efforts in bilingual education need to be improved and scaled up, not just made available for the largest ethnic groups. Information access should be strengthened in minority areas through the mass media in local languages, with specific requirements for multi-lingual government staff in key agencies. Cultural inclusion means making clear that cultural difference is understood and the importance of diversity is acknowledged. For example, a major concern for some communities is assimilation and loss of their cultural traditions because these are not seen to be valued outside the community. Youth were often more interested in modern global culture, like Korean soap operas, than in their own communities' cultural traditions. The point is not that minority culture needs to be 'preserved', as some policies in the past in Vietnam have advocated. Rather, it is that minority culture should be valued and supported through an inclusive society that is strengthened by the diversity within. CEM and other institutions, such as the mass media, could be encouraged to promote new proactive ways to encourage cultural sensitivity and awareness, from specific training for other ministries on dealing with minorities in culturally appropriate ways, to more positive representation of minorities in TV and newspapers.

Supporting ethnic voices: New approaches to minority policy should take more account of what minorities themselves want; this can be aided by increasing the ability of minorities to have 'voice' and use it effectively. While there are some increasing opportunities for minorities to voice their opinions on development, particularly through new laws on grassroots democracy and participation, there is very little activity above the level of local communities and villages. This is an anomaly when compared with the explosion of indigenous rights organizations in neighboring countries, where these groups are gaining ground to help shape perception and policy about minorities. Too often, we see the opposite trend at work in Vietnam, where interest in preservation of culture or traditions of minorities comes from the outside, from the government or from Kinh academics or policymakers, rather than endogenously from minorities.

Minorities need new spaces and forums to express their own wishes for the future, and to have influence on policy themselves. They also need a larger role in defining their own destinies. Institutions in minority areas need to be fostered and supported, as there is a glaring absence of formal local institutions in many minority areas. Such institutions should include cooperatives and community shops and group lending circles, among other ideas, to spread risk and take advantage of strong community and kin ties in many minority areas. Support for minority-run NGOs and other informal institutions through laws that allow minorities to form associations and community-based organizations with a minimum of paperwork would help this situation considerably. This area could be a key focus for future support and ties in with recent Bank and donor focus on community-driven development.

Opening dialogue on new approaches: Government and donor discussions need to continue on the policy pathways for minority development to take into the future. In some cases, the simple continuation and expansion of current policy is needed: for example, 80 percent of minorities in 2006 reported having received a health insurance card, indicating good rates of coverage, but more could be done, such as in expansion of school-fee reduction policies or explicit targeting of minorities in the concessionary credit system.

In other cases, it is not clear that the current policies in and of themselves will be enough to overcome minority poverty, and these policies could be revisited. For example, policies on migration appear to have caused conflicts between ethnic groups, so much so that migration should be reassessed by authorities. In another example, the greatest barriers to minorities' expanding the trade and marking of their agricultural goods appears not to be a lack of physical assets (land and markets) but rather social barriers to increased economic power. Thus new approaches and ideas are needed, like helping minorities in value-adding, cooperatives, and community-based marketing.

A major new dialogue that needs to be raised is in targeting of financial resources for minorities. Currently, most policy from the national level, such as programs for rural infrastructure and poverty funding, goes to poor communes and households in remote areas; while this will capture some minorities, it does not capture all, and these blanket geographical policies do not distinguish between ethnic groups that are more vulnerable and those that are doing relatively well. A discussion about the specific targeting needs of minorities is long overdue. Potentially more vulnerable populations should be identified; minorities that are small in overall population size or small relative to neighboring groups might need special assistance, as might groups that are the least assimilated to Kinh majority culture (such as the Hmong). However, currently there are almost no ethnic-specific policies at a national level. A discussion should be opened that asks: *is a general policy covering all minorities always warranted? Which policies might be made ethnically specific?* It is also worth discussing in terms of development assistance whether or not certain groups have made sufficient progress that they no longer need special targeting or privileges, particularly for quota programs in education and the civil service.

A final aspect of the dialogue on targeting that is needed is the level at which resources are directed. Minority communities themselves raised concern about welfare policies targeted at individual households (such as social safety net programs run under the Ministry of Social Affairs, Invalids and Labor) which were often as less useful as those that supported whole communities (such as most P135

investments). Minority communities in which there is little social differentiation and close social ties indicated they prefer poverty targeting to the whole community if possible, as individual household targeting is often seen to increase inequality, not level it.

SECTORAL POLICY RECOMMENDATIONS

This concluding section describes some policy-relevant recommendations for promoting culturally inclusive development in each sector discussed in the report. Such recommendations cover options from more research and better data collection on minority situations, to specific policy recommendations for changes in policy or new policies in such areas as education, migration, financial services, land use, and markets. We also outline additional ways to support giving minorities more voice and ability to use that voice in the policy and institutional arenas.

Education Policy

- ***Expand pre-school services in minority areas.*** The CSA survey reveals that one of the reasons for lower educational attainment and higher dropouts for minority students vis-à-vis Kinh students can be traced all the way back to kindergarten: minorities simply do not get adequate pre-school education. The inaccessibility of pre-school education hampers the children's ability to communicate in the national language and to conduct basic learning exercises.
- ***More ethnic minority teachers need to be trained and used effectively.*** The minority enrollment increase in secondary education that is already under way will produce more potential teachers in the future, but incentives to teach in remote areas also need to be present through greater fringe benefits and priority positions for minority teachers. There also needs to be recognition that minority teachers have special skills in language and knowledge of local culture, and they need learning materials and other support to help them in bilingual and culturally inclusive teaching.
- ***Bilingual education pilot projects need to be scaled up, particularly in the areas in which certain minorities are falling behind in education rates.*** A new focus on bilingual education needs to come from the center, as most education policy remains highly centralized. Allowing more flexibility in local content of curricula will help (currently, only 15 percent of the school curriculum can be added locally; the rest follows a standardized national model). Support for publication of minority language teaching materials and training in bilingual methods will help.
- ***School fee reduction policies need to be expanded to include other out-of-pocket expenses.*** Currently, many minorities get free school fee exemptions. However, families still have to come up with money for school supplies, and for out-of-pocket "contributions" to school construction, school security, overnight boarding, meals, etc., for children. Policies need to take into account the fact that even a small amount of money per month that families must come up with can keep children out of school.

Migration and Mobility Policy

- ***Where migration has caused conflicts between incomers and indigenous people, migration needs to be reassessed.*** Too often, particularly in the Central Highlands, formal

migration programs have caused additional poverty among minorities, as migrants have taken over lands that were once used by minorities. There seems to be no national dialogue that has truly reassessed if there is need for continued support for formal migration programs.

- ***Equal funding for minority communities should be given when Kinh migration is promoted.*** We have analyzed here some of the current approaches to migration projects, which emphasize "trickle-down" development to minority communities when Kinh are moved in (particularly on-going in Quang Tri). Given that investment in Kinh migrant communities is higher than in minority communities, it is not surprising that Kinh do better. Rather, that investment could be made directly into minority communities themselves, in the form of additional credit and investment, extension or technical skills for improving agriculture, or new markets and trading and business opportunities.
- ***Migration laws need to be applied equally.*** Minorities have been encouraged in recent years not to migrate for better opportunities and to stay in rural areas, while such restrictions have not been applied to Kinh. Restriction on minority migration, and a lack of attention to promoting or helping minorities in labor export programs, will continue to result in less availability of diverse income from remittances.

Credit and Financial Services Policy

- ***Specific credit policies are needed to target minorities as a special group.*** There are currently few specific credit policies for ethnic minorities, only policies on credit for poor people generally. Specific variable rates could be developed exclusively for ethnic minorities to try to reduce the disparities in loan availability and loan sizes that we have outlined in the CSA. Average loan sizes could also be raised for ethnic minorities, particularly in areas like Dak Lak with high investment costs in cash crop agriculture.
- ***Minorities need more diverse options in access to credit.*** Only better-off ethnic households (and primarily Kinh) can usually obtain loans from the Bank for Agriculture and Rural Development. Therefore, the main source of credit that poor ethnic people in study areas can access are small Bank for Social Policy (VBSP) loans. While this scheme is important, the limited loan sizes and small numbers of loans available per village mean many minorities are underserved in access to credit.
- ***Households need flexible access to multiple sources of credit.*** Credit schemes in minority areas are usually limited to one loan per household at any one time. There is a need to diversify the types of credit given to poor ethnic people through the semi-formal sector, such as political and social associations, especially since bank credit officers in remote areas are usually overworked. One model would be the successful Farmer's Union fertilizer credit plans noted earlier, which provides low-interest loans of fertilizer at the beginning of the season.
- ***Rules on private money lending and mortgaging should be implemented to protect vulnerable communities.*** Particularly for Khmer and for minorities in the Central Highlands, there are disturbing trends toward landlessness as moneylenders take over mortgages lost to indebtedness, and others are trapped in cycles of indebtedness due to high interest rates and buying on credit. While it is difficult to regulate private trading in remote areas, the practice of charging nearly 100 percent interest on buying on credit, as was seen in some villages, needs to be addressed by local authorities, and sanctions enacted against the most unscrupulous traders.

Land and Agriculture Policy

- ***More flexible land laws are needed in places where land laws have not been beneficial for minorities.*** Several policies could improve the process of land allocation. One option is to allow provincial and district administrations to set up more flexible regulations in providing land use certificates, such as reduced fees for certificates for minorities. Furthermore, periodic reallocation of land for minorities could be implemented in provinces where it is needed (such as by allowing communities to reallocate according to their own needs, as was the case in the past.) This more frequent redistribution as necessary and according to community needs could balance out inequalities in specific regions and communities vulnerable to land loss, but would require major revisions to current national land law. Such policies could be localized at provincial and district levels where land losses have been particularly severe and where programs like P132 and P134 have been ineffective in remedying minority land losses. This flexibility needs to be supplemented with more aggressive allocation of land to communities themselves, as is already allowed in the 2004 Forest Law.
- ***There is a need to speed up the dissolution of SFEs and to allocate this land to households, with a priority on minority households.*** Reducing the area of land used by the state agro-forest enterprises– by establishing regulations on the appropriate ratio of land area used by these units in the total natural area nationwide–would have a major impact on the amount of land available for minorities to use. More needs to be done on this immediately, including a serious review of all SFEs in the Central Highlands to assess the potential poverty impact if these SFEs were to be handed over to local minority communities.
- ***Better "social" models are needed for agricultural production in minority areas.*** The current extension and support system for agriculture is based on top-down, '"lowland models" of monocrops of fruit or rice, with little attention paid to social or economic factors such as if the crop can be sold or if it is suitable for local social or labor conditions. Overemphasis on monocrops, high inputs of fertilizer and pesticides, and hybrid seeds are not a sustainable model for production in cash-poor areas remote from markets or in communities with little ability to negotiate for high prices or to process goods to add value. Besides more bottom-up extension services, assistance in agriculture could also be targeted to help minorities reduce their dependence on outside traders. Such assistance should prioritize setting up community credit funds and capacity-building in financial management to set up local organizations such as community marketing cooperatives.
- ***The extension service needs to focus on more culturally inclusive policies for minorities.*** Currently, the extension service is largely modeled on the narrow and top-down assumptions of government planners about what ethnic minorities plant and what they need. A more market-oriented approach, in which the farmer gets to choose the seeds he/she wants, the training he/she wants, and who provides the training, would induce competition and increase options for farmers.

Markets, Trading, and Employment Policy

- ***Markets policies need to focus on value-adding and value-chains, not just building physical marketplaces.*** Ethnic minorities suffer from changing prices by season, and face

difficulties in post-harvest preservation. Without preservation measures, many households are forced to sell products in the harvest seasons when prices are lowest, and to sell raw, unprocessed goods rather than value-added ones. This is a greater challenge than simply an absence of marketplaces. Policy reform suggestions in this area might include more attention to agricultural and processing co-ops in minority villages to take advantage of community sentiment and to build in stronger bargaining power in the market for minority producers.

- ***Information access should be strengthened in minority areas.*** Full and regular provision of information about market prices should be made through different channels: agricultural promotion staff, the mass media, service centers, etc. Additionally, market information needs to come at the time when farmers are making decisions about what to plant, not when they are making decisions about what to sell and where.
- ***Policy and investment support for minority trading is needed.*** Kinh currently dominate petty trading in minority areas, and have obviously found more ways to profit from the development of the private market economy than have ethnic minorities. Minorities need assistance in developing trading and business relationships that take into account cultural factors, such as minorities' unwillingness to demand repayments or to deny requests for loans. Community-oriented shops, in which trading is for the benefit of the community rather than individuals, would be one important pilot to try in minority areas. Such shops could be set up with the assistance of mass organizations like the Farmers Union, and focus on providing needed inputs for production and buying outputs at reasonable prices, to enable minorities to break out of the cycle of buying on credit and paying in kind after harvest, which now dominates in some minority areas.

Policies For Capacity and Voice

- ***Donors can start a dialogue on eliminating "unofficial" forms of discrimination and prejudice.*** A new dialogue on minorities between the government, donors, and some representation from minority communities themselves could address new proactive ways to encourage cultural sensitivity and awareness. This could include specific training on minority customs and cultures, and attempts to provide a more inclusive environment by avoiding demeaning terminology like "backwardness."
- ***Government offices for ethnic minority affairs should be strengthened.*** CEM's mission vis-à-vis minorities should be clarified so that CEM can transition into a voice to advocate for minorities, rather than being an office that seeks to change them into being more like Kinh. CEM officials need training in cultural sensitivity and awareness, and training in new approaches, such as using other countries' affirmative action and equal opportunity laws as a model. If CEM can become an office that treats minorities as a special constituency to be served with policies rooted in cultural inclusion and diversity, they could serve as role models to other ministries. In that capacity, CEM might offer specific training for other ministries on dealing with minorities and take a lead role in developing a Law on Minorities, which should be strongly rooted in affirmative action and equal opportunity principles.
- ***New civil rights approaches to minority policy should be piloted.*** Other policies could include more aggressive affirmative action for specific minority groups that are underrepresented and underserved; legal anti-discrimination statutes enshrined in a Law on Minorities with sanctions for those who discriminate; and the formation of government offices and

ombudsmen focused on civil rights and/or grievance boards for people to report discrimination, among other ideas.

- ***Support for minority-run NGOs and other informal institutions is needed.*** A major weakness in starting a new dialogue on minorities is that there are essentially no indigenous minority-run NGOs or community-based organizations in Vietnam that have a voice to advocate for fair portrayal of minorities and an end to the informal discrimination and stereotyping that characterizes much government discourse. There could be new forums for minorities that are allowed by the government, such as a mass organization for minorities, just as there are for women and youth, or support for minorities to form associations and community-based organizations.

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