

# **WHAT MAINTAINS POVERTY?**

**A study of factors affecting poverty in  
mountainous areas of Quang Ninh  
province, Vietnam**

**Le Thi Phi  
Ton Van Chung  
Le Bang Tam**

**2004**

**A component of the collaborative research project steered by IIED:  
Land use and sustainable livelihoods in upland Vietnam**

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## Acronyms

AFE	Agriculture and Forestry Extension
CP	Committee of People
CPEC	Commune Party Executive Committee
DARD	Department for Agriculture and Rural Development
FAB	Farmer Association Branch
FAO	Food and Agriculture Organisation of the United Nations
FSIV	Forest Science Institute of Vietnam
IF	Forestry Inspection
IIED	International Institute for Environment and Development
IPM	Integrated pest management
MDF	medium density fiberboard
NF	National Front
NFB	National Front Branch
NTFP	non timber forest produce
OPU	Old People Union
OPUB	Old People Union Branch
PAM	Program Alimentation Mondial (World Food Programme)
PC	Party Cell
PEC	Party Executive Committee
RB	Resettlement Board
SFE	State Forest Enterprise
SIDA	Swedish International Development Cooperation Agency
VA	Veteran Association
VAB	Veteran Association Branch
WU	Women Union
WUB	Women Union Branch
YU	Youth Union
YUB	Youth Union Branch

Exchange rates (March 2003): US\$ 1 = 15,336 Vietnamese Dong

## EXECUTIVE SUMMARY

This study aims to identify the factors leading to the different standards of living in upland communities - in particular what influences people's livelihood options, and how communities benefit from assistance that is provided to them - and to propose how support may be given in a more effective way.

The study was conducted by a research team from the NTFP Research Center and Hanoi University, with technical assistance from IIED and financial support from Sida, during the period September 2002 to March 2003. Field research was carried out in five communes located in four mountainous districts of Quang Ninh province, in the north-east of Vietnam. Three of these communes are categorised as poor, while the other two have a relatively high standard of living (compared to upland areas in general). The data collected in the five communes relates to issues such as: village/ commune history and population development, land use, economic status of commune/ village/ household in each historical period, assistance provided and its impacts, equity issues, causes of commune/ village/ household poverty as identified by villagers, their current problems and solutions.

Most people living in the studied communes are from ethnic minority groups who started to settle permanently just 40-60 years ago. The period since then has been one of major social and economic change in Vietnam. The centralised economy started with collectivisation, such that agricultural land and means of production became common property. The development of agricultural cooperatives evolved from low grade to high grade and finally, to disintegration with the emergence of the market economy. Land tenure changed simultaneously with disintegration of the cooperatives. First of all, agricultural land was allocated to households, later followed by the allocation of forest land. Agricultural land tenure has completed a cycle in a spiral way over a period of more than three decades.

Much change has also taken place in the social and cultural life of upland inhabitants. Intensive efforts to eradicate illiteracy and an anti-superstition campaign started at the same time as collectivisation, declined in parallel with the development of cooperatives, and resumed at high speed over the last decade.

Land reform has been conducted simultaneously with the development of numerous assistance programmes, which relate to many aspects such as efficient land use, infrastructure improvement, raising literacy levels, and so on. The life of people in all the studied communes has improved, and the improvement has been particularly noticeable over the last few years. However, a range of weaknesses of the assistance programmes also expose factors such as lack of participation, poor study of local social and economic conditions, lack of product market surveys, misuse of aid funds, and so on. Wealth differentiation in the surveyed communes has developed since the implementation of renovation policies. It started to emerge during the process of land allocation, especially concerning forest land. Implementation of development assistance projects has contributed to deepening this differentiation.

The systems of forest resource utilisation used in the past and market policy are deciding factors leading to poverty or wealth of these five communes. Two of the communes are endowed with large areas of forest, with rich biodiversity and high value products. Forest exploitation was a main source of income in the past and still remains a very important one for local people. But over-exploitation due to poor management has led to depletion of the forest resource base and low income for most inhabitants of the community. The controlled trade in forest commodities (both planted and natural) contributes to deepening their poverty overall. The second type of commune is located between the two better-off communes, which derive cash income from production of NTFPs. However, the people of this commune earn their living purely from agriculture, because the forest products developed with the support of the Resettlement Programme four decades ago were

not marketable. The last two of the studied communes enjoy a high income, thanks to their tradition of producing cinnamon for commercial purposes. Market liberalisation in the early nineties created great opportunities for the producers to derive good earnings. High cash income from cinnamon allowed households to buy adequate inputs for agriculture and livestock, and to invest in secondary activities. In turn, these investments bring more income such that households can upgrade their houses, obtain luxuries and to take better care of their health and children's education.

This study considers the causes of household poverty, equity issues and development assistance programmes implemented in each commune. It considers in depth how and what both the authorities at different levels and poverty alleviation programmes have done for the economic development of each commune and for maintaining equity - especially in terms of supporting the poor - and what the poor think of the assistance provided to them, as well as their own problems and solutions. The following key issues were identified:

- *Weaknesses in land reform*, concerning both agricultural and forest land allocation to households, is one of the causes of poverty for numerous households.
- *Poor access to information* and low levels of literacy, together with high population growth, are further causes of poverty.
- *Farmers' passive approach to marketing*, a consequence of the long existence of a centrally-planned economy, is also a reason for their poor standard of living; meanwhile most external assistance tends to increase passivity of the beneficiary groups rather than strengthening their self-help capacity.
- The role of *commune and village administrative institutions* is most important in community development, maintaining equity and supporting the poor. Where the village or commune leadership is strong, efforts to reduce poverty are more successful.
- *Lack of participation* leads to a low level of benefits reaching the poor in most assistance programmes.
- *The role of the Agriculture and Forestry Extension is weak*; this is an institution responsible for providing technical support to farmers.
- The *SFEs*, a big land stakeholder in the community, enjoy a much more favourable share but *fail to use land in a sustainable way*, while a number of households have no access to forest land.

## PREFACE

This report describes the results of research carried out by Dr Le Thi Phi of the NTFP Research Centre, of the Forest Science Institute of Vietnam, in collaboration with Tong Van Chung and Le Bang Tam, both of whom are faculty staff from the Department of Sociology at Hanoi University. This research is a component of a wider project *Land use and sustainable livelihoods in upland Vietnam*, coordinated by IIED and funded by Sida.

The first phase of the research studied the structure and function of markets for upland products. This is published in as *“Making the most of market chains: challenges for small-scale farmers and traders in upland Vietnam”* (2004) by Le Thi Phi, Nguyen Van Duong, Nguyen Ngoc Quang and Phan Lac Vang, edited by Elaine Morrison and Sonja Vermeulen, and published by IIED. The published report is derived from a more comprehensive report that is available from IIED (in English) or from the NTFP Research Centre (in Vietnamese and in English). The English version is also available on IIED’s website: [www.iied.org/forestry](http://www.iied.org/forestry).

The second phase of the research, presented in this report, studied differences in levels of poverty within and between communities, and looked at the impact of assistance programmes on those communities. This report is available from IIED (in English) or from the NTFP Research Centre (in English and Vietnamese). The English version is available on IIED’s website.

## 1 INTRODUCTION

The research project “Land use and sustainable livelihoods in upland Vietnam” is funded by Sida and coordinated by the International Institute for Environment and Development (IIED) in collaboration with the Forest Research Institute of Vietnam (FSIV). The project aims to seek ways to optimise land use and ensure sustainable livelihoods in the mountainous regions and to provide guidance to policymakers.

Study of the marketing of upland products is one of the major research themes of the project. The objectives of this research theme are to identify the constraints in the upland market structure that impede the development of products, and based on the findings, to propose measures for improving the market system and for providing assistance to the beneficiary groups. This research theme has been addressed in two stages. In the first stage, the findings and analysis of the study resulted in eleven conclusions and consequently eleven recommendations for improving upland markets. One such finding is that although some communes are located in quite remote areas, their people produce traditional commodities with relatively stable, big markets and thanks to this, their standard of living is quite good and their households do not rely on extraction of forest products for cash income. Meanwhile, other communes enjoy a much better location, favourable for economic activities, and they receive more assistance from national development programmes, but still most of their households are poor and forest dependent. What are the reasons for these differences? This conclusion led to the recommendation for studying the causes of the intra- and inter-community differences - such as how people in some communes were able to identify the right products to cultivate for the market, while people in other areas failed. What was the initial motivation or stimulation for this innovative self-help solution and how did the process of development take place? What has been the impact of development assistance in terms of differences between and within communities?

This recommendation led to the second stage of this research theme, a study of intra- and inter-community differences, which is presented in this report. It is hoped that the results will provide useful recommendations to the upland development programmes, such as how assistance should be provided to farmers, and what capacity and quality is needed from the implementers of these assistance programmes.

This report is structured as follows. Section 2 describes the research methodology and the scope of study. Section 3 presents the findings of field research in the five communes; it includes a brief overview of the socio-economic conditions of the selected communes, and the results of PRA and household economy surveys. Section 4 analyses the findings, and discusses the historical events over the last six decades in the selected communes, the causes of livelihood differences of people between the communes and inside the villages of the same communes. Section 5 presents conclusions and recommendations designed to mitigate the problems and to ensure that assistance can be provided to improve livelihoods in mountainous regions.

## 2 METHODOLOGY AND SCOPE

The study was conducted by a team of three researchers, including one from the NTFP Research Center and two from Sociology Faculty of Hanoi National University, over a period of six months, from September 2002 to March 2003. The research questions are:

- What factors lead to choice of forest crop monoculture for cash income in some communes, while the others derive their income mainly from agriculture for subsistence and from natural forest extraction for cash? What are the advantages and disadvantages of these choices?
- How do the poor households in any commune/ village derive their income and what are the differences between the poor and the better-off in terms of income?
- How do the poor households benefit from government assistance programmes for improvement of infrastructure, production of cash crops and policies that facilitate marketing?
- How do the poor households in any commune/ village perceive their problems in forest and agricultural production?
- What are the intra-village relationships in terms of benefit sharing from natural resources, and from external resources including information, administrative and political contacts?
- What kinds of government interventions could help to ensure that the benefits of improved marketing reach the poorest households in any commune/ village, and that they are spread more equally among different districts?

### 2.1 Scope of study

The study was conducted in five communes of four mountainous districts of Quang Ninh province (see map 3). These districts are Hoanh Bo, Ba Che, Dam Ha, and Binh Lieu<sup>1</sup>. The total number of people interviewed was 270 and total number of households surveyed was 125.

### 2.2 Methodology

#### *Commune selection*

Two kinds of communes were selected for study: a) those with good economic development and high levels of household income; b) those who are poor with low household income (included in the list of poor communes of the districts and province).

Criteria used for the selection of poor communes were:

- The commune is poor compared to others in the district
- Favourable natural conditions (good natural potential), adequate infrastructure, proximity to cities and towns which is favourable for cultural exchange and marketing commodities.

Criteria used for the selection of rich communes were:

- The average income is higher than other communes in the same region, while its infrastructure and natural resource base are similar or worse.

Based on the findings of the first stage of the research on marketing of upland products and on interviews with the district administrators as well as statistical data, five communes in four districts were selected for this study as follows:

- Thanh Son commune in Ba Che district has a large forest area and is connected to district town, a relatively short distance away, by a good road. Despite this, it is the poorest commune in Ba Che which, in turn, is the poorest district in Quang Ninh.
- Luong Mong is one of the most remote communes of Ba Che, where transportation and communication is very difficult and natural resources are inferior to Thanh Son. Nevertheless, Luong Mong's income is much better than that of all the other communes of Ba Che district.

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<sup>1</sup> The selection of province and districts was made during the first stage of the research, and the justification for the selection is given in the report of the first stage of research, as described in the preface.

- Quang Lam of Dam Ha district is also one of few mountainous communes where the average income of households, largely from cinnamon, is high, although the commune receives relatively little assistance from poverty alleviation programmes. Quang Lam shares a border with Huc Dong and the two communes have similar natural conditions.
- Huc Dong commune of Binh Lieu district is located between Quang Lam and Hoanh Mo, two communes which earn good incomes from a single commodity, while Huc Dong is much poorer: about 50% of its households still face food shortages and it is ranked as particularly poor.
- Similarly, Dong Lam commune of Hoanh Bo district enjoys rich natural resources and a favourable geographic location near to marketing opportunities in cities and towns, but it is ranked as the poorest commune in the district.

### *Village selection*

Two villages were selected for study in each commune: one better-off and one poor. The criteria for village selection were as follows:

- infrastructure (road) and distance from village to commune centre (commune CP)
- forest land area
- agricultural land area
- income

As none of the five communes has statistical data on the income of each village<sup>2</sup>, the scoring of each criterion is based mainly on assets such as houses, facilities, land, buffaloes, food balance, etc. Village selection followed the following steps: commune staff of 5-12 people are requested to list the village names, their infrastructure (road quality, distance to commune centre, district town, market and so on), forest and agricultural land, water surface, economic status. Then the scoring is based on a scale of one to ten (where one is low and ten high), and finally, the selection is made by comparing the total score for agricultural land, forest land and infrastructure to income. The tables below present some examples of village selection in Huc Dong and Quang Lam communes.

*Table 1: Village selection in Huc Dong commune*

<i>Village</i>	<i>Agricultural land</i>	<i>Forest land</i>	<i>Infrastructure</i>	<i>Total score</i>	<i>Income</i>
Xu Cau	5	9	3	17	6
Khe Van	5	10	3	18	6
Luc Ngu *	4	6	5	15	8
Po Dan	4	5	7	16	7
Na Ech	5	4	10	19	10
Khe Mo *	4	4	7	15	4
Thong Chau	6	7	4	17	6

\* villages selected for study: land and infrastructure scores are similar, but income different

*Table 2: Village selection in Quang Lam commune*

<i>Village</i>	<i>Agricultural land</i>	<i>Forest land</i>	<i>Infrastructure</i>	<i>Total score</i>	<i>Income</i>
Li Say *	10	8	10	28	9
Li Say Chay	7	6	10	23	7
Mao Lieng	8	6	10	24	6
Seng Long	8	10	7	25	8
Binh Ho 1	7	9	5	21	8
Binh Ho 2 *	7	9	5	21	10
Sec Long Min	4	10	6	20	4
Ly Khoai	4	10	4	18	7

\* villages selected for study: income is similar but land and infrastructure scores and very different

<sup>2</sup> The income of the commune also is just estimation mainly based on agricultural production; furthermore, most communes deliberately lower their income figures in the hope of getting more assistance.

### *Household selection*

Household selection was conducted by PRA with the participation of 8-10 people. The criteria for participant selection are: a) people who have lived in the village for a long time; b) people who have a good knowledge of village history and of the livelihood of every household in the village. However, the selection of PRA participants depends entirely on the village head, and as a result, most of them are leading members of mass organisations. So it is not wrong to say that PRA results are the opinions of village authorities.

The issues discussed at during the PRA exercises were the following:

- Village and commune history and development, population
- Land and history of land use
- Village management, mass organisations and their roles in village development
- The economic status of the village in each historical period
- The national/ provincial/ district/ commune policies for community development, the assistance projects implemented or being implemented in the village/ commune, the beneficiaries, criteria for selecting those involved, their impact on the economy of the commune
- Household wealth ranking
- Causes of village/ commune and household poverty
- The current problems of village/ commune, causes and solutions

The better-off and the poor households were the focus of study for the research team. In order to conduct the work more efficiently, the team narrowed the number of households to be studied by requesting PRA participants to identify the causes of poverty or wealth of each household. Then the research team focused on the following types of households:

- the better-off households who have become wealthy thanks to initiative or innovation. Those households with an income from salary sources were excluded from interviewing.
- the poor households which are considered to be slow or lazy, households headed by women or recently separated households<sup>3</sup>. Poor households that are headed by disabled people or those with limited working capacity were excluded from interviewing as well.

### *Household economy study*

Common methods were applied such as interviewing together with observation to gather information relating to:

- Duration of household settlement in village, its members (ages, literacy, health)
- Assets: house quality, kitchen, stable, furniture and other facilities (radio-cassette, television, bike, motorbike and so on)
- Land: forest and agricultural land tenure. How land has been allocated to household, current land use
- Income: income sources of household such as gardening, agriculture, livestock, forestry and secondary activities.
- Balance of income and expenditure such as for basic needs, education, health care, production investment, house upgrading, social cost, comforts, etc.
- Credit: household indebtedness, sources of loans, interest rate term and conditions of getting loans.
- Savings: accumulating capacity of household and how the savings are used.
- Village management: whether household is involved in managing the village/ commune (including mass organisations) or includes members of an organisation, benefits of membership
- The assistance projects or programmes which used to be, or were currently being implemented in the village/ commune. Whether household is involved in their activities and way of

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<sup>3</sup> Some ethnic minority groups have a custom that several generations and couples live in one house. A young couple may live together with their parents and the families of their brothers for many years, until they feel the need to separate and become an independent household.

involvement. Comments on the impact of these programmes on household and village/ commune development.

- What information sources does the household usually have? From where does the household get market information and how did it sell the commodities in the past and currently?
- What factors influence the livelihood decision making of the household? What risks is the household facing and what is its strategy for mitigating them?
- What support does the household receive from the community in its difficult moment/ period - such as from relatives, friends, authorities at commune and village levels?
- How does household perceive its economic status? Has there been any change? What are the causes and the solutions for improvement?

#### *Data aggregation and analysis*

The data was aggregated based on a comparison of the similarities and differences relating to the above mentioned questions between interviewed households, the better-off and the poor, between villages of the same commune, and between communes.

Based on the findings, a brief overview of historical events the five communes experienced during last six decades was made. This historical analysis is important in understanding the factors leading to differences in income of people in different communes. Lastly, a deep analysis and discussion on intra-village differences and their causes was made.

### 3 FINDINGS

#### 3.1 Dong Lam commune, Hoanh Bo district

##### 3.1.1 Overview of social and economic conditions of Dong Lam commune

Dong Lam was formed in 1983 from the separation of Dong Quang commune into two. Its six villages are located on both lower sides of the same mountain, over a length of over 30km (see map 3). This physical separation causes difficulties for administration by the commune CP, the headquarters of which is still in the territory of Son Duong commune.

The statistics of land use and infrastructure such as roads, healthcare, schools, and communications are described in annex 1.

The commune's statistical data on education show that 76% of people have passed between one and five school years, and 12% of them have passed between six and nine school years<sup>4</sup>. However, according to the estimates of the commune and village authorities, over 30% people are illiterate.

Collectivisation was conducted in the early sixties. At first, each village was one cooperative: one was based mainly on agriculture, one purely on logging and the remaining four on both sources of earning. They exploited timbers to exchange for rice, under contract with the with Hoanh Bo SFE.

The Hoanh Bo SFE is a major stakeholder in the land of the commune. Currently, it manages over 100 hectares of natural forest within the commune territory. Quang Ninh DARD has delegated responsibility to the SFE for controlling all the natural timber exploitation and trade.

The administrative system of Dong Lam is the same as for all other communes in the rural areas of Vietnam (annex 2).

During the last two decades, Dong Lam has received assistance from a range of national and internationally funded programmes and projects. Some projects have activities at the scale of the whole commune, while others provide assistance only to several villages and in each village, not all households are beneficiaries (box 1).

##### *Box 1: Past and current assistance projects implemented in Dong Lam commune*

- District Resettlement Board supported households in two villages to plant cinnamon in 1999-2000.
- Program 327 supported households to plant cinnamon and acacia in 1995-1996 through Hoanh Bo SFE, consequently, the commune CP has no idea of how many hectares planted. They are also not aware of the Five Million Hectare programme (661).
- Project FAO-Belgium is being implemented in the commune over two years (2000-2003) and all the villages are benefiting from its activities.
- Credit project (325) provided the preferential loans to households from 1997. Eighty households received loans with a total amount of 400 million dong in 2002.
- Program 135 financed 100 million dong to construct a primary school in 2000 and 400 million dong to upgrade 0.5 km road to Dong Quang in 2002. As stated by the commune chairman, the commune wished very much to participate in construction work for job generation, but the contractors refused. The commune CP has no right to take part in discussions regarding bidding and supervision of the process of contractor selection.
- District AFE has conducted various training sessions on planting techniques for fruit trees, IPM, fruit tree garden models, new improved varieties of crops, livestock raising.

The causes of poverty identified by the commune authorities are the following:

<sup>4</sup> The primary school comprises two grades. In the past, grade 1 was 4 years of schooling, but is currently 5 years. Grade 2 lasts for 3 years of schooling.

- Too limited an area of agricultural land (rain fed paddy field)
- Previously, the logging was a major income source, now it is forbidden
- The planted forests are still too young to bring income
- Lack of capital for agriculture, livestock and forest planting investment
- Low literacy level

The commune CP failed to identify a strategy for the economic development of the commune and instead bases its plan on the district one.

Two villages selected by the commune authorities for study are Dong Quang and Cai, as they have similar conditions, but people in Dong Quang have a better standard of living than those in Cai.

### 3.1.2 Cai and Dong Quang villages: PRA results

#### 3.1.2.1 Similarities between Cai and Dong Quang villages

- *Ethnic groups.* Both villages were formed in the fifties. Ninety per cent of their population is Thanh Phan ethnic minority, thus they share the same customs and living style.
- *Population growth rate* is high for the last decades and from 1-3 households at the time of initial settlement, there are now 71 households in Cai and 123 in Dong Quang (table 3).

Table 3: Village development history and land reform of Dong Quang and Cai

	<i>Dong Quang</i>	<i>Cai</i>
Date of first settlement	1951	1956
Current number of households	123 (687 people)	71 (333 people)
Date of cooperative establishment	1964	1964
Date of high grade cooperative set-up	1978	1977
Disintegration of high grade cooperative	1982	1982
Agriculture land allocation	1987	1987
Pricing buffaloes		1988
Average area of paddy field per head	360m <sup>2</sup>	120m <sup>2</sup>
Date of forest land allocation to households	1992	1992
First amendment	1994	1995
Second amendment	1998	
Number of households having forest land		52
Largest area/ household	7ha	30ha
Total forest area of the village		1326ha
Area allocated to households		553ha
Date of cooperative disintegration	1998	1998

- *Access.* Both villages are at the same distance from the district town and are accessible only to high-floored vehicles. Households are located in groups of 5-10 on both sides of the road along the bottom of a mountain.
- *Administrative structure.* The villages have the same administrative structure, and the same dates of collectivisation and subsequent disintegration.
- *Allocation of agricultural land.* Paddy fields were divided equally to people in 1987-1988. Households formed after this date have no opportunity to access agricultural land.
- *Allocation of forest land.* Forest land was allocated to households in 1992, with some amendment in 1994-1995 (and 1998 in Dong Quang). The land allocation was conducted by district FI officials. Some households have very large area (30 hectares), while others have small areas or even no land at all. The remaining natural forest is far from villages,

consequently, it is difficult to manage. However, those households with no forest land are awaiting more land allocation (box 2).

*Box 2: Description of how forest land was allocated to households in Dong Quang (from PRA exercises)*

In 1992, it was reported that each household would be allocated 3 hectares. In order to make it easier for the district officials to demarcate the plot and take pictures, households were requested to clear a boundary line. As households had no idea on how large one hectare is, they cleared until the plot seemed to be big enough. However, the certificate was provided without any measurement or picture taken as promised. The consequence is that the figure on the certificate is 3 hectares, but in reality, some households have only 0.5 hectares. Most households have less land than is written on their certificate.

In 1995, some amendment was made. Each household was allocated 5 hectares and was asked to pay 20,000 dong/ha to get a certificate (green book). Several households paid but no book was received. They do not know where to claim.

In 1998, the second amendment was conducted in Dong Quang such that households were allowed to have more land to a maximum of 7 hectares. Again, no measurement or proper boundary demarcation was made, relying purely on estimation. This has resulted in some conflicts between households on forest land tenure.

*Box 3: Example of the poor and marginalised in forest land allocation*

*Trieu Duc Nghieu and Dang Thi Mui, hamlet 1, Dong Quang village:* "four of the six households in hamlet 1 have no forest land. The day all of us went to the field to receive land, the officials were drunk and they quarrelled a lot, then they left, saying that they would come back the next morning, but they did not do as promised. What should we do to have forest land?"

*Dang Van Lam, a better-off in hamlet 1 of Cai:* "I have received only 16 hectares. Now my children have grown up and this land has to be divided to them. I regret very much not claiming more land because I believed in the officials words that if farmers get land and fail to plant trees, the government will take it back. Later, I realised that the village authorities get a lot of land. Exactly how much, nobody knows. One thing is clear: that their forests, which spread from their houses up to other mountains, are too large. As a result, they are unable to protect their forest from encroachment by outsiders."

- *Sources of income:*
  - Agriculture: very limited agricultural land and lack of irrigation results in lack of household cereal self-sufficiency in both villages
  - Livestock husbandry: food shortage and lack of investment in techniques and other inputs, with regular disease epidemics, cause high risks and low profit in this business. No household in the commune is skilled in pig breeding and raising and they all have to buy piglets from the outside the commune. The buffaloes are used for ploughing fields and pulling timbers chopped illegally from unallocated natural forest, and for sale when they are too old to work. Pigs and chicken are mainly for self-consumption (wedding, funeral, festival and so on) and only a small amount is reserved for sale.
  - Forestry: exploitation of the natural forest (mainly illegal logging) is an important income source for the poor to balance their basic needs and for the better-off to obtain the comforts, house construction and investment back in agriculture.
- *Choice of tree species.* The changes in crop mix are similar: planting the same forest trees (acacia, cinnamon and canarium), fruit trees (litchi and logan) as identified by the district.
- *Absence of market.* Neither village has a market. During the period of the planned economy, the cooperatives used to sign contracts with Hoanh Bo SFE to exchange timber for rice and other basic needs. Currently, buying and selling of most commodities is done mainly at home as the outside traders go to each household to do business. However, for the last 3-5 years, several small shops have emerged in each village with a few commodities of very basic needs (salt, kerosene, and so on).

*Box 4: How people market their products*

*Dong Quang PRA participant:* Nobody in the village takes products to market for sale. The women feel very shy when they have to sell their products. The outside vendors bring food to households for sale. Some households in the village attempted to set up business by selling pork or by keeping small pubs, but people often buy on credit and then their indebtedness lasts too long for the shop owner to continue maintaining their business.

- *Assistance projects.* The FAO project with the district AFE as its partner has the same activities in all the villages such as selection of several households in each village to establish models of industrial chicken and pig raising, fruit tree gardens and acacia nurseries. Training in livestock raising and IPM are provided to women and in fruit tree growing to men. Those attending training are unable to apply themselves as the required investment is too high and the techniques are too complicated to follow.
- *Awareness of programmes.* People, including the village heads, are unaware of the names, objectives and activities of most projects and programmes implemented in the commune (325, 135, 327, and so on).
- *Information.* No system of loudspeakers or any alternative communication means exist to inform people of news or activities. All information is disseminated orally, through the community. The head of the village inform the heads of hamlets, who in turn inform households. No regular meetings are held; they take place only when commune instructions are given to the village.

*Box 5: Poor people's opinions on village meetings*

*Li Ngoc Ngu, 5 school years, hamlet 2, Dong Quang:* "I attended last week's meeting. It was a discussion about building a 'new cultural family'\*. I remember only some points such as no drinking alcohol, individual responsibility, no illegal logging and forest destruction, responsibility for contributing to village development... People argued so much for several hours and left the meeting at about 12 o'clock without any conclusion.

*Trieu Qui Tien, an illiterate, hamlet 2, Dong Quang.* The wife says: "My husband attended the meeting, but he came back without telling anything". Then she asked him: "What did they talk about?" Husband's answer: "I do not remember, they argue too loudly".

\* Commitment to the "new cultural family" was signed by everyone in the country and the agreement lasts 5 years. Misdemeanours by anyone in the family – whether children, grandparents or any family members – means that the family has failed. However, penalties for failure are unclear.

- *Mass organisations.* The mass organisations, except the Women's Union (WU), are weak in village development activities (table 4).
- *Improving economy.* Both villages have the same opinion that household economy was very meagre in the cooperative period and has been getting better since agricultural land allocation and that it has clearly improved for last several years.

### 3.1.2.2 Differences between Dong Quang and Cai villages

*Table 4: Differences between Dong Quang and Cai villages*

<i>Differences</i>	<i>Dong Quang</i>	<i>Cai</i>
Forest and agricultural land	More agricultural land and less acute shortage of rice	Larger forest area and higher dependence on forest

Off-farm activities	Faster to develop and more diverse activities such as shopkeeping, transportation service, entertainments, food service to primary school, carpentry, etc.	Slow and poorly developed such as some sundry goods shops, entertainments, hired motorbike
Projects and programmes implemented and currently being implemented	<ul style="list-style-type: none"> <li>• Project 135 funded construction of school grade 2, road and sluices</li> <li>• RB project: provided seedlings and money in return for labour</li> <li>• FAO project, Project 325, AFE activities</li> </ul>	<ul style="list-style-type: none"> <li>• FAO project, Project 325, AFE activities</li> </ul>
Causes of village poverty identified by PRA group	<ul style="list-style-type: none"> <li>• Difficulty in selling products as the market is too far away</li> <li>• No common agricultural land fund left when conducting land allocation. The consequence is landlessness or limited land for the new households. Forest land is available, but too far away to manage.</li> </ul>	<ul style="list-style-type: none"> <li>• Low literacy levels</li> <li>• Lack of capital</li> <li>• Very few opportunities to attend technical training</li> <li>• The cooperative disintegrated too late</li> </ul>

*PRA criteria for wealth ranking*

<i>Dong Quang</i>	<i>Cai</i>
<i>Better-off</i> : brick-constructed house with kitchen, >2 buffaloes, motorbike and other luxuries (television, radiocassette, electric fan and so on)	<i>Better-off</i> : similar criteria
<i>Average</i> : small brick-constructed house or just roofed by tiles with kitchen, 1 buffalo, a cheap motorbike, ability to balance food needs.	<i>Average</i> : brick-constructed house or just roofed by tiles with a kitchen, 1 buffalo, cheap motorbike, some other luxuries, self-sufficient in food.
<i>Poor</i> : house with a leaf-roof and walls constructed of soil, no buffalo or other luxuries such as radio, electric fans, food shortage	<i>Poor</i> : similar criteria
	<i>Hungry</i> : dilapidated house, food shortage year-round

*Result of wealth ranking*

<i>Better-off</i> : 24 households (19.51%) Thanks to salary or grants: 13 households off-farm activities: 4 households Service and grants self-starter (initiative): 7 households	<i>Better-off</i> : 12 households (16.9%) 5 households 2 households 1 household 4 households
<i>Average</i> : 56 households (45.52%)	<i>Average</i> : 16 households (23.35%)
<i>Poor</i> : 43 households (34.95%) Disabled and serious illness: 6 households no land or little land: 10 households Woman is the head of family Lives in very remote place drunken and waster: 4 households Slow, has no initiative: 23 households	<i>Poor</i> : 36 households (50.7%) 3 households 8 households 3 households 1 household 2 households 19 households
	<i>Hungry</i> : 5 households (7.04%)
Total 123 households	Total 71 households

*Table 5: Assessment of the roles of village authorities and assistance projects in village development in Dong Quang and Cai (from PRA exercises)*

<i>Name</i>	<i>Dong Quang</i>	<i>Cai</i>
	<i>Activities and effectiveness</i>	<i>Activities and effectiveness</i>

Head of village	Similar to Cai	Meeting schedule is quarterly, but it is organised only when the instruction comes from the commune CP.
Veteran Association Branch (VAB)	Hold meeting recently together with YUB to make a campaign on avoiding drinking alcohol, gambling. Its role is weak	7 members, sometimes gather for fun
National Front Branch (NFB)	No activities	No activities. Its head is unaware of his organisation's functions
Youth Union Branch (YUB)	Hold regular meetings, some contribution to security and mitigation of gambling. The impact is weak.	Sometimes hold meeting for fun, has no clear impact
Womens Union Branch (WUB)	Similar to Cai. Furthermore there is activity in generating jobs for women.	Family planning, visit and assistance provided when difficulty or illness happens to its member. FAO project support it to conduct saving and revolving loan activities for livestock and forest planting. Regular monthly meetings are held. Good contribution to household economy development, improvement of technical knowledge for women.
Farmer Association Branch (FAB)	Similar to Cai	Head of the village is also FAA's head. Difficult to distinguish between the two.
Old People Union Branch (OPUB)	No activity	No activity
FAO project	Similar to Cai	Supports the establishment of various models such as raising industrial chicken, pigs, acacia nurseries, training on IPM, organising exposure visits to good models, providing loans. It appears to have a good impact on the economic development of the village, relative to other projects.
Program 135	Similar to Cai	No one knows of 135. People know only that the national government provided funds for the primary school and Dong Quang road construction.
Project 325	Similar to Cai, however, the number of households receiving a loan is higher	12 households receive a loan with total amount of 47 million dong, and 3-year term at preferential interest rate of 0.25% per month. Many households have need for a loan but funds are limited. The poor should write a claim to the village head and then commune CP organises a committee to consider each case in the presence of the village heads.
Program 327 and 661	Similar to Cai	SFE is an implementer. In 1995-1996, the SFE provided cinnamon and acacia and canarium seedlings to households. People were not aware of the programme, thinking only that the SFE assisted them.
Resettlement Board (RB) project	In 2000 and 2001, the project provided cinnamon seedlings and money to some households 270,000 dong/ha (box 6).	Noone, including the village head, knows that there is a Resettlement Department in the district.

Agriculture and Forest Extension (AFE)	Similar to Cai	AFE gave the village several hundred litchi and logan trees in 2000. It invited 7 people to attend a training course held in the commune on techniques of planting fruit tree and IPM. Households that like to buy improved rice varieties should inform the village head and he will send someone to the AFE Centre to buy. People say that there is only agricultural extension, but no forest extension.
Healthcare station	Similar to Cai	Provides free medicine and health service to the people in commune
School grade 1	Similar to Cai	Present in every village, convenient for children
Grade 2	There is a school	The school is too far away (in Dong Quang), and few households can afford to send their children to it

### 3.1.3 Household economy study findings in Dong Quang and Cai

Thirty households were interviewed, including 7 better-off and 10 poor in Dong Quang, and 4 better-off and 9 poor in Cai.

#### 3.1.3.1 Similarities between the better-off and the poor

Despite the differences in wealth, the poor and the better-off households have many things in common such as:

- *Low literacy level.* Over 30% of people are illiterate, including the better-off such as a husband and wife who keep a sundry goods shop and motorbike transportation service. Most people completed 1-3 school years, a few passed 4-5 years and only two had completed 6-7 school years. Those who passed 1-3 school years often become illiterate again and have great difficulty in reading and writing.
- *Income sources.* Except several households who have off-farm activities, the remainder earn their living by three main income sources: agriculture, forest exploitation and gathering, and seasonal agricultural work. The second and third sources are most important for the poor.
- *Household expenditure.* In order of importance, household expenditure is on the following items: basic needs (mainly rice), agricultural inputs (fertilisers, insecticide, advanced seeds and others), house construction, purchase of luxuries (the better-off buy motorbikes and televisions, the poor, bicycles and electric fans), social occasions such as funeral, wedding, ceremony offerings in man recognition<sup>5</sup>. Expenditure on education is low, only covering the cost of buying books, because notebooks and school fees are subsidised. Most children finish grade 1 and a few finish grade 2. The secondary school is located in the town and sending children there involves much higher costs. For that reason, only a few of the better-off households are able to afford for their children to continue studying. However, some of the better-off households are able to afford two or three costly motorbikes, but refuse to allow their children to follow secondary school education. Most pupils attending the secondary school are children of the commune authorities. Costs for health care are low as the government policy provides health insurance to the people in zone 3. Only in cases of serious illness, people have to go for treatment in the town hospital, which may incur much higher costs because of the need to give gifts to hospital staff to encourage better care, or for ceremonial offerings.
- *Awareness of assistance programmes.* None of those interviewed were aware of the national mountainous development policies and the names of the programmes being implemented (327, 661, 325, 135, RB etc.), not to mention the tax exemption policies or the possibility of getting loans from the agriculture bank.
- *Market information.* Sources of information available to households relating to market and

<sup>5</sup> This is a custom of the Dao people. The man recognition ceremony is organised for a man only once in his life, whenever he is able to accumulate sufficient savings to hold a big party so that any adult in the community can attend.

product selection for development are from traders, commune authorities, AFE, projects and the community. Their access to television, radio and newspaper sources is very limited. Some better-off households own televisions and radiocassettes, but these facilities are not used much because electricity is available only for 3-4 months/ year (during the rainy season), as well as shortage of time and poor fluency in the Kinh language.

- *Choice of tree species.* All households plant the following trees: acacia, cinnamon, canarium, litchi and longan. These species were provided in the past by projects such as 327, RB, AFE and so on. For the last few years, acacia has become the favourite species, due to its high demand from the timber market of the coal mining industry. It is also an easily planted species with fast growth and mid-term rotation. Households in Dong Lam usually buy acacia seedlings in the open market, and only a few of them produce seedlings themselves with support from the FAO project. Concerning logan and litchi, very few households plant them using their own money.
- *Lack of technical support.* Most projects were implemented without any planning or training to farmers on how to plant and take care of the planted seedlings (box 6).

*Box 6: Example of how assistance is provided to farmers in Dong Quang (from PRA exercises)*

*Trieu Tien Hinh, the better-off, hamlet 3 of Dong Quang:* "I bought cinnamon seeds and produced seedlings myself and planted them in my garden for 2 years already. One day, an official came and gave me 595,000 Dong and I did not have to give him any receipt."

*Linh Du Kim, the poor in hamlet 2 of Dong Quang:* "One day, by chance I passed hamlet 3. I saw a truck full of cinnamon seedlings and an official distributing them to people. I told him that I have 1 hectare of forest land and asked him to give me some. He gave 5,000 seedlings to me. Several months later, he came back and gave me 450,000 Dong."

*Li Ngoc Ngu, a poor, hamlet 2 of Dong Quang:* "My sister was given 3,000 cinnamon seedlings, but she was too busy to plant them, so she gave them to me. At first, the cinnamon grew well, later the plants gradually died although I took good care of them, weeding regularly. I do not understand what the reason is."

- *Access to loans.* All households need capital for production investment, including the better-off, but very few of them know of the possibility of getting loans from the agriculture bank. Their sources of loans - usually from relatives or close friends - are limited, but free of interest. The poor wait to get loans from Programme 325. In Dong Quang, only the village head managed to get a loan from the agriculture bank (his brother is the commune chairman and his sister-in-law is WU's head).
- *Need for loans.* When asked how they intend to use loans, all households gave the same answers - to buy buffaloes and plant acacia.
- *Low capacity to capitalise on training.* Most people who attended training courses organised by the FAO project or AFE on IPM, livestock raising and planting of fruit trees are not able to apply the techniques themselves, due to various reasons such as poor understanding, and the requirement for high investment that households are not able to afford (box 7).

*Box 7: How an IPM trainee controls pests on his paddy field*

*Ly Tien Duc, hamlet 1 of Cai.* "I plant six sao<sup>6</sup> of rice. For this crop, I have spent 400,000 Dong on fertiliser and over 200,000 Dong on insecticide."

*Interviewer:* "Why do you spray so much?"

*Answer:* "When I see the pest I spray immediately. Sometimes I spray the crop every 3 days. The same is done to rice seedlings."

*Interviewer:* "Who told you how to control pests?"

*Answer:* "It is very easy, just on discovering the pest I go to the shop and the shopkeepers will tell me what to do."

*Interviewer:* "Have you attended the IPM course organised by FAO or AFE?"

*Answer:* "Yes, I did, but I cannot do others, spray should be done immediately, otherwise it's too late."

Ly Tien Duc's neighbour, who also attended the interview, confirmed: "Exactly, spraying should be done as soon as possible after the pest is discovered."

### *3.1.3.2 Similarities between the better-off households of both Dong Quang and Cai*

The better-off households that derive income from forest and agricultural practice have the following in common:

- They or their parents are the first to settle in the village, and own assets accumulated over two or three generations
- They are located in places favourable for agricultural practice.
- They have more rainfed paddy fields and rotate two crops yearly, which allows food self-sufficiency. Some food shortages of 1-2 months may occur when the weather is not favourable. Other crops like cassava, maize and sweet potato are used to raise small livestock or partly to supplement rice shortage.
- Livestock husbandry is underdeveloped in all villages. Livestock production is partly for self-consumption and partly for sale. Buffalo is a multi-purpose animal that serves as savings, means of production and generation of profit. Thus each household at least has 2-3 buffaloes.
- They have a large area of forest land, most of which has been under acacia and cinnamon since the early nineties, or has naturally growing canarium, so that currently, they have some income from their own forest land.
- The family includes strong male labour to derive income from the common or SFE's natural forests. The income these households derive from illegal logging and hunting is high, and serves as a major source of income for obtaining costly luxuries and for expanding their production.

As regards the better-off who derive cash income from secondary activities:

- These people are usually young and shifted to business activities in the last 2-7 years.
- They have rice fields and forest land given to them by their parents, but the area is limited.
- Their business was small at first and thanks to the income from this source, they were able to invest back into agriculture. The better inputs allowed them to reach food self-sufficiency with limited paddy fields. At the same time, they invested in acacia planting on their forest land. Furthermore, they expanded their businesses to other fields such as transportation service, carpentry, entertainments and so on. However, the services they provide are still poor and not sufficiently diverse to satisfy local needs. Many important basic goods are still supplied by outsiders who visit households at home.

### *3.1.3.3 Similarities between the poor of both Dong Quang and Cai*

Most of the poor live in places which are inconvenient for information exchange and transportation, being far from the centre of the village (village head's house). For example, 62.5% of households

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<sup>6</sup> One sao is equal to 360m<sup>2</sup>.

in Deo Thong and 100% of households in Khe Len of Dong Quang, are poor: it takes 2-3 hours to walk to the village centre in Dong Quang. All the households of hamlet 3 of Cai, which are 2km from the village head, are poor as well. These households are often forgotten when information is given regarding participation in community activities and poverty alleviation programmes. Some households do not even have an opportunity to write a claim for forest land (box 8).

*Box 8: An example of how the poor are marginalised from access to forest land*

*Trieu Tien Thanh, hamlet 3 of Cai: "I do not have forest land as nobody informed me to go to receive the land. When I heard the news from my neighbour, the officials had already left."*

*Box 9: An example of how the poor are excluded from involvement in assistance projects*

*Trieu Tien An, hamlet 3 of Cai: "Five households in this hamlet have no chance to participate in any projects. They ignore us. We are ranked as the poor, but no one get the preferential loans and free seedlings and training. I raised this issue at the village meetings several times, but they are not interested in this poor hamlet."*

- *Selective involvement in village activities.* Although they are forgotten when it comes to information about participating in development projects, they always are reported to contribute to the charitable activities such as making donations to Cuba, people who have suffered disasters, study encouragement fund, construction of affection houses<sup>7</sup> and so on. Officially, fundraising is done on a voluntary basis, but in reality, it is compulsory and every household has to contribute a certain fixed amount. If someone is short of cash, she or he is obliged to borrow for the donation.
- *Lack of support from authorities.* Most households in hamlets 1 and 2 of Dong Quang, located on land of Son Duong and Thong Nhat communes, but registered as Dong Lam citizens, do not get proper support from the Dong Quang authorities. They have no forest land and are not even included in the list of people provided with a red book for agriculture and settlement land.
- *Poor agricultural income.* Recently separated households, or those who migrated from other places to the commune after the date of land allocation, or who are landless or own little agricultural land which is located in poorly-irrigable areas, can raise only one crop per year with unstable productivity (the better-off with good inputs can produce on average 400kg/ sao of rice yearly, while the poor mentioned above are able to obtain only 50-70kg/ sao). For them, forest extraction and seasonal work are the major sources of income to balance food shortage and other basic needs.
- *Family structure.* The households headed by women and with small children are often in the list of the poor. These women usually earn their living by extracting paper bamboo to sell to the SFE or by collecting various NTFP, and the cost of their labour much lower than for other activities. They are also rarely informed about participation in community activities.
- *Lack of draught animals.* Lack of buffalo to pull timber harvested illegally is also one of the reasons leading to poverty.
- *Cash shortage.* Lack of cash to provide adequate inputs for paddy fields results in low crop productivity.
- *Income sources.* The poor earn their income from three sources: agriculture, forest extraction and seasonal work. For most households in this group, the income from the second and third sources are the most important.
- *Low product prices.* The prices offered for some forest products collected by the households who live far from the centre of the village are low. For example, in hamlet 3 of Cai (which is only 2km from hamlet 1), the price of paper bamboo is 100 dong/kg instead of 130 dong/kg in hamlet 1. These households blame the SFE for depriving them of their bargaining power, as it provides buying permission to only one trader for each area.

<sup>7</sup> For the last few years, there has been a campaign for donations to raise funds for constructing houses for poor people whose close relatives were martyrs (i.e. Those who were killed in the war).

Table 6: Average income per day of an adult man and woman

Activity	Average income/ day (Dong)	
	Man	Woman
Hunting	Varies from 10,000 to 200,000	
Illegal logging	40,000-50,000	
Bamboo extraction	20,000	15,000
Other NTFPs		5,000-15,000
Seasonal work	20,000-25,000	15,000-20,000

### 3.2 Thanh Son commune, Ba Che district

#### 3.2.1 Overview of social and economic conditions of Thanh Son commune

Thanh Son was established in 1984 at the time of the separation of Thanh Lam commune into two (map 3). Its nine villages are situated on both sides of the road, which goes along the Ba Che river, therefore only those villages on the right side of the river are accessible to vehicles.

Statistical data of commune land use and infrastructure including roads, healthcare, schools, and communications is given in annex 1.

The commune CP has no statistical data on commune literacy, however, in general there is very high illiteracy among adults and only a few people have reached grade 2.

In the old commune, the collectivisation process started in 1961. At first, each village formed one cooperative, and in 1977 three were combined into one high grade cooperative. However, poor management resulted in worsening livelihoods and consequently the high grade cooperative did not exist for long, subsequently breaking up into three cooperatives again.

During this period, the commune inhabitants earned their living by logging timber for sale to the Ba Che SFE at a fixed price which they called "the dead". Due to over-exploitation, the highest value timber resource ran out in 1975. After that, many groups of people from other areas came for logging. All timber species which were in high demand were chopped down. In 1995, when the logging ban policy was applied, the good value timber resource had depleted, and consequently, the formerly biodiversity rich forest vegetative cover evolved into bamboo cover of low economic value. A new paper factory has just been erected in Ba Che and the high risk of further depletion of bamboo resources is clearly evident, as remarked upon by the director of Ba Che SFE.

Ba Che SFE manages 314 hectares of planted forest (mainly pine) and over 4,000 hectares of natural forest in Thanh Son. SFE workers who are not inhabitants of the commune tap resin in the pine forest.

The organisational structure of Thanh Son is the same as that of Dong Lam. Furthermore, according to the new capacity strengthening policy of Quang Ninh province, an official was sent by the district to replace the local secretary of commune CP.

Thanh Son has received a lot of assistance from different provincial, national and international sources over the last three decades (see box 10). Similarly to Dong Lam, the opportunity for participation is not always extended to all households.

*Box 10: Past and current assistance projects implemented in Thanh Son commune*

- In 1978-1979, the district foreign trade company supported 3 villages (Bac Van, Thac Lao, Khe Long) to plant cinnamon. Some households in each village were selected and provided with seedlings and money for planting. This cinnamon was harvested and some of these households continue to plant, whilst others have stopped.
- SCF gave seedlings and rice to farmers to plant sandalwood (1992-1993), however, the grant was provided through the district, but not directly to the beneficiaries.
- PAM provided seedlings and rice to plant sandalwood, cinnamon and pine in 1991. When harvesting the products, the households should return 100kg of rice per hectare (or 30kg of dried cinnamon) to the district.
- An RB project provided money and seedlings to plant cinnamon two or three years ago.
- Programme 661 is just being implemented in commune at a small scale. Ten households in Khe Ma have signed a contract to protect natural forest for Ba Che SFE at a cost of 39,000 Dong/ha/year. Recently, the SFE has instructed households to register for planting several species of trees. The government (SFE) will cover 80% of seedling costs and farmers pay 20%. The commune CP is not aware of what programme this activity belongs to.
- Programme 135 supported 60 million Dong to construct 3 classrooms, 300 million Dong to establish a safe drinking water system, some funds for constructing irrigation dams and so on. The programme has a plan to fund construction of a primary school at a total cost of 1 billion Dong. All the 135 projects are decided at upper levels and outsiders implement them. The commune is not involved in planning and bidding processes. It is given a copy of the design, to supervise the quality of construction. However, as the commune chairman says, the commune has too little expertise in construction to be able to supervise.
- District AFE provides assistance in training and seedlings of several fruit trees species. Often, only the heads of villages attend the training course, which lasts for half a day.

Currently, 40% of households (104 of 260 households) are ranked as poor<sup>8</sup>. The causes of poverty identified by the commune CP are the following:

- Low literacy level resulting in failure to apply advanced techniques
- Poor infrastructure and transportation conditions
- Difficulty in selling products, since the district procedure for permitting traders to buy products in the locality is too complicated
- Limitation and infertility of agricultural land, while inputs are inadequate and irregular
- Poor irrigation: at present, 4 villages have no irrigation system.
- Lack of village management at the initial period of cooperative disintegration
- Inefficient use of loans
- Near exhaustion of the main source of income - forest extraction - because of poor management
- The higher level guidelines to change the crop mix is still based only on support of new rice varieties.

The commune authorities fail to make their own economic development strategy and just follow the district guidelines. They have good intentions, but find difficulties in implementation. The local conditions are suitable for litchi, but there is no market for the product. The district authorities suggest planting cinnamon, luong (big size bamboo), canarium and star anise. The commune doubts its possibility to be profitable. Cinnamon is poor in quality and fetches a low price in this period. The authorities decided to support the farmers in producing seedlings and conducting market survey themselves. Seedling production is possible, but finding a market is very difficult as the commune is poor, and often short of finance. Furthermore, it is not certain whether the farmers manage to find a market even if they are supported to go.

Two villages selected by the commune authorities for survey are Thac Lao and Long Toong as

<sup>8</sup> Ranking criteria in year 2001 were as follows: income of the hungry <55,000 Dong/month, income of the poor <80,000 Dong/month, the better-off >150,000 Dong/month.

they have the similar agriculture and forest land and infrastructure conditions, however, the standard of living of households in Thac Lao is better than in Long Toong.

### 3.2.2 Thac Lao and Long Toong villages: PRA results

#### 3.2.2.1 Similarities between Thac Lao and Long Toong villages

As both villages are in the same commune, they share much in common such as:

- *Ethnic groups.* Both were formed in the 1940s and 1950s from several groups of ethnic minorities with dominance of Dao Thanh phan. Later, Tay and Hoa groups left and only Dao remained. They practised shifting cultivation in the high mountains and their usage and customs are similar to those of the Dong Lam people.

Table 7: Village development history and land reform of Thac Lao and Long Toong

	<i>Thac Lao</i>	<i>Long Toong</i>
Date of first settlement	1945	1958
Ethnic minority group	100% Dao Thanh phan	100% Dao Thanh phan
Current number of households	18	18
Date of cooperative establishment	1962-1963	1962-1963
Existence of high grade cooperatives	1978-1981	1978-1981
Date of disintegration of cooperative	1984	1984
Agriculture land allocation	1984	1984
Amendment	1997	
Average area of paddy field per head	200m <sup>2</sup>	104m <sup>2</sup>
Highland cultivation per head	200m <sup>2</sup>	400m <sup>2</sup>
Date of forest land allocation to households	1994	1994
Number of households having no forest land	5	1
Smallest area forest land/ household	9 ha	3 ha
Largest area forest land/ household	27 ha	9 ha
Total area allocated to households	272 ha	105 ha

- *Access.* Both villages are separated from the main road by the Ba Che river and in order to cross it people use boats or rafts (see map 3). Those households with a motorbike or bicycle have to keep them in their friends' houses on the other side of river.
- The *population* has been relatively stable for the last 3-4 decades because of out-migration to other areas in search of easier livelihoods.
- *Administrative structure.* The cooperatives were established and disintegrated in the same years, but the cooperatives' management board existed up to 1992. Since 1993, the board has been replaced by the village head. The position is elected every two years.
- *Allocation of agricultural land.* Agricultural land was allocated to households in 1984 and forest land in 1994. Households formed after these dates have no opportunities to get land. The village authorities have requested the commune CP to make some intervention in assisting these households to access land, but with no results as yet (table 7, box 11).

*Box 11: Opinions on the injustice of forest land tenure (from PRA exercises)*

*Thac Lao PRA:* “Previously Mr. Du from the province came and said that every household would get 20 hectares. Later, the FI conducted allocation based on the plots. There are big plots and small ones. People are not satisfied with this way of doing it, but they are not able to do anything.

Some district policemen and leaders have been allocated forest land to establish their farms adjacent to the village. The largest area they have is 10 hectares. They live in the town and sometimes come to hire labour to work on their farms at cost of 13,000 Dong per day. Some areas under cinnamon planted by villagers, however, the FI takes it to allocate to these people. The cinnamon owners got only some money as compensation for their seedlings and labour input. In general, FI has great power over forest land.

*Long Toong PRA:* Most of the forest land is said to be of the SFE, and the total land allocated to all the households of village is only 105 hectares, while previously our cooperative managed 300 hectares.

- *Forest land.* Neither village is aware of its exact land tenure. Except land allocated to them, the remainder is said to be of the SFE.
- *Crops:* agricultural crops are the most common and are used for subsistence. Some households plant *huong bai* as the district provided guidelines and loans, but they suffered losses as no buyer came for the product<sup>9</sup>. Neither is there a market for litchi and logan planted with support from AFE and RB. The cinnamon and sandalwood planted in the early nineties have brought income to households. Currently, the district is making propaganda on planting canarium, luong and star anise (see box 12).

*Box 12: People’s opinions of the forest trees which the district advises planting*

*Thac Lao PRA participant:* “Star anise certainly grows well, but nobody is sure that it will give fruit. The risk of planting canarium and luong is lower. The village has register to plant luong. Some amount of seedlings arrived, but this time it is for other villages and Thac Lao people should wait. The commune CP selected one man from FA who is good at crop practice to attend a training course organised by the district. He has come back and still say nothing.”

- *Sources of income:*
  - Agriculture. Food shortages are widespread in Thac Lao, but are not so acute as in Long Toong. In the latter, even the better-off have to balance rice by other substitutes as cassava, maize, sweet potato etc. For the poor, food is sufficient only for 3 months when there is favourable weather and a good crop is obtained.
  - Livestock husbandry: buffalo, pigs and chickens are raised in both villages. Buffaloes are mainly for ploughing fields and sold only when they are too old. On average, Long Toong sells 1-2 buffaloes per year. Pig growth is very slow due to food shortages and lack of proper technical care. Chicken disease epidemics break out regularly, and consequently very few households have produce for sale, despite its high price and good demand in Ba Che town.
  - Forestry: Forest extraction from the natural forest is one of major income sources (bamboo, residues of previous over-logging, other NTFPs) and on average, people go to the forest for 6 months of the year. There is also planted forest: some households have cinnamon or sandalwood ready for harvest, but total income from this source is small because of the controlled market for forest products in the district. Households feel the price offered for cinnamon is unreasonable and prefer to wait for change. Most of the planted cinnamon forest are young (see box 13).

*Box 13: How Thanh Son people worry about marketing cinnamon when the trade is controlled*

*Thac Lao PRA:* “Whether we sell fresh or dried cinnamon, we have no bargaining power. We are not allowed

<sup>9</sup> Cultivation of *huong bai* was initially lucrative, but over-production following promotion by various poverty alleviation programmes in the absence of good market information led to a sharp decline in prices. This is described in more detail in the reports of the first stage of research: see the preface of this report for references.

to take our product out of the district to sell. The outside traders say that they are obliged to pay high fees so they cannot offer a good price. According to them, for each purchase, they have to pay 2 million Dong to the SFE, 500,000 Dong to FI, and 500,000 Dong to the police. It is impossible for them to buy cinnamon at a higher price. We are very worried about selling the cinnamon.”

- *Absence of market.* The commune has no market. People buy their basic needs in several shops in the commune centre. Foodstuffs such as meat and fish are sold by vendors from the town. In order to obtain big things, people go to the town market. The cash products are not diverse and mainly sold at home or in the village. The bamboo is sold in two ways: it is put on both sides of the road and sold to truck driver-middlemen, or it is put on rafts and pulled along the Ba Che river to be sold directly to the long distance traders.
- *Credit.* All households need loans for investment in production and upgrading their houses, but they only like to get interest free loans (325 programme). Nonetheless, there are households that have access to preferential loans but refuse them because of uncertainty in their reimbursement capacity.
- *Awareness of programmes.* Except PAM and SCF, the names of the assistance projects implemented in the commune are unknown to the farmers. They know only that the government provide this or that assistance.
- *Preference for livestock.* All households intend to buy buffaloes if they have capital, while the commune CP has no planning for grazing fields and regulations for planted forest protection. The inevitable consequence is serious damage to planted crops (see box 14).

*Box 14: Opinion on poor management of Thanh Son commune (from PRA exercises)*

*Long Toong PRA participant:* “The trees planted on the allocated forest land are destroyed by buffaloes. We are given cinnamon, canarium and sandalwood for planting, but it is impossible to protect them. Buffaloes ruin cinnamon and sandalwood and eat all the canarium. All buffaloes are from other villages. Once we caught one and kept it for several days but nobody came for it and we were obliged to release it as the commune has no regulation on this issue.”

- *Information.* Similar to Dong Lam, sources of information on livelihoods is obtained by households mainly from people in the community, AFE, assistance projects, the commune CP and traders. Most people have no access to television, radio or newspapers because they are too poor to buy these luxuries, as well as lack of electricity and their poor understanding of Kinh language.
- *Assistance projects.* District AFE conducts only a few activities in the commune and opportunities to attend its training courses are rather limited, not to mention the effectiveness of the training (see box 15).

*Box 15: Opinion on AFE's activities (from PRA exercises)*

*Thac Lao PRA participant:* “The village head attended a training course for half a day on rice and fruit tree cultivation techniques but he does not train the other villagers.”

*Long Toong PRA participant:* “The village head attended a training course once in the town. Then a district extensionist came to the village to train in cultivation techniques of nine crops in one morning. He also distributed a leaflet to all the farmers who attended, but we are not able to apply the things learned.”

- *Mass organisations.* The leaders of mass organisations in both villages are passive, particularly in Long Toong. Some organisations exist without any activity (table 9).
- *Improving economy.* Similar to Dong Lam, the PRA participants are of the opinion that their life has improved since the agricultural land has been allocated to households, and has noticeably

improved for the last two years.

Table 8: Differences between Thac Lao and Long Toong villages

Thac Lao	Long Toong
<p><i>Planted forest products</i> Some households have income from cinnamon and sandalwood. As the produce has been sold in small volumes for years, the village has no estimate of total production.</p>	<p>Most cinnamon was planted several years back. Sandalwood planted in 1992 was sold, so currently, the village has no income from planted forest.</p>
<p><i>Traditional products</i> Farmers plant Mai bamboo to harvest the shoots for commercial purposes. The income of this source is meagre.</p>	
<p><i>Facilities of value</i> 8 motorbikes (type of 3-4 million dong), 5 televisions (very old black and white), 3 grinders</p>	<p>2 old motorbikes of very cheap price, 1 grinder</p>
<p><i>Causes of poverty</i></p> <ul style="list-style-type: none"> <li>• Lack of capital for production investment</li> <li>• No irrigation system, rain fed rice production depends entirely on weather</li> <li>• Low literacy, while cost for schooling is high, (the book price is too costly).</li> <li>• Difficulty in selling products and no bargaining power.</li> </ul>	<ul style="list-style-type: none"> <li>• Low literacy, lack of production expertise</li> <li>• No irrigation system, paddy fields often suffer from water shortage</li> <li>• There is no commune convention, which results in powerlessness of the farmers when buffaloes of other villages destroy their crops.</li> <li>• High birth rate</li> </ul>
<p><i>Identified strategies</i> If there is capital, the households will:</p> <ul style="list-style-type: none"> <li>• plant canarium as it gives resin and fruit regularly. Furthermore, its timber is highly appreciated by the market. Some households have planted canarium themselves.</li> <li>• raise buffaloes</li> </ul>	<p>We have no idea what to do. We should follow the commune CP instruction. We should reclaim for more agriculture land for food security before we are able to think of long-term plan.</p>
<p><i>Criteria of wealth ranking</i></p>	
<p><i>Better-off:</i> brick-constructed house, &gt;2 buffaloes, cheap motorbike and other luxuries, grinder and food sufficiency <i>Average:</i> house roofed by leaves or fibrocement, ability to balance food needs by other substitutes. <i>Poor:</i> house with leaf-roof and walls constructed of soil, no luxuries, food shortage, and NTFP extraction is the main source of income</p>	<p><i>Better-off:</i> house roofed by tiles, 2-3 buffaloes, cheap motorbike or grinder, ability to balance food needs. <i>Average:</i> leaking house, several furnishings, shortage of food for several months <i>Poor:</i> leaking house, several chicken, food shortage for 5-6 months <i>Hungry:</i> dilapidated hut, daily food worry</p>
<p><i>Result of wealth ranking</i></p>	
<p><i>Better-off:</i> 6 households (33.3%) All of them have initiative</p>	<p><i>Better-off:</i> 4 households (22.2%) - thanks to salary and grants: 2 households - thank to hard work and good savings: 2 households</p>
<p><i>Average:</i> 6 households (33.3%)</p>	<p><i>Average:</i> 5 households (27.8%)</p>
<p><i>Poor:</i> 6 households (33.3%) - too many children: 2 households - Little land: 1 household - Slow and without initiative: 1 household</p>	<p><i>Poor:</i> 5 households (27.8%): most are due to having too many children, one is lazy <i>Hungry:</i> 4 households (22.2%) due to sickness and disability</p>
<p>18 households</p>	<p>18 households</p>

Table 9: Assessment of the roles and impacts of village authorities and assistance projects on economic development in Long Toong and Thac Lao villages (from PRA exercises)

Names	Long Toong	Thac Lao
	Activities and effectiveness	Activities and effectiveness
Village head	The term is two years. A regular quarterly meeting is held. All farmers always attend. The meeting is held to inform people of the commune CP instructions	Similar to Long Toong. Since 1993 there have been 3 times when people voted to select the head under supervision of commune CP
PC	Village has 2 party members, which is not sufficient to form a PC.	There is only 1 member
FAB	Village head is also the head of FAB so people confuse the activities of the village with those of the FAB.	Similar to Long Toong
VAB	No	Only 2 people. Has some contribution to village development
YUB	Has some activities, impact on village development is not clear	Holds meetings when some young people have unacceptable behaviour. Some impact, but still weak.
WUB	A quarterly meeting is held to discuss only the need to reduce the birth rate. There is only one literate woman in the village.	Similar to Long Toong, but the members are more active at meeting and subject of discussion is more diverse: to visit and help women in difficult time and so on.
NFB	No	No
OPUB	No	No
Project SCF	Support to plant sandalwood in 1992-1993. The trees have brought income to those who participated	Similar to Long Toong
Project PAM	Support to plant sandalwood and cinnamon. It is evaluated by people to be effective and with a good impact on village economic development.	Similar to Long Toong
Programme 135	People are not aware of Programme 135	Similar to Long Toong, but villagers know that the government provided some poor households with the material (fibrocement) to roof their house
Project 325	People name it as hunger eradication project. Five households get loans with total amount of 15 million dong.	Similar to Long Toong, 4 households receive loans.
327 and 661	No one knows of 327 and 661	Similar to Long Toong
RB project	People are not aware of it	Similar to Long Toong
AFE	AFE activities are weak and have very little impact on the livelihood of the village	Similar to Long Toong
Health station	Take care of health for people free of charge	Similar to Long Toong
School	There is school grade 1 The grade 2 school is in the commune centre and is not favourable for children in the rainy season as there is no bridge connection	Similar to Long Toong

### 3.2.3 Household economy study findings in Thac Lao and Long Toong

The total number of households surveyed is 19, including 4 better-off and 5 poor in Thac Lao, 2 better-off and 8 poor and hungry households in Long Toong.

#### 3.2.3.1 Similarities between the households interviewed in Thac Lao and Long Toong

- *High degree of poverty.* Overall, the degree of poverty of both villages is highest compared to all others surveyed in 5 communes.

- *Very low literacy level.* Most of the adults between ages of 17-40 are illiterate, especially the women. In Long Toong, interpretation was needed during fieldwork, as most villagers are not able to speak Kinh or they speak very little.
- *High birth rate,* average of 5-7 children per family
- *Limited agricultural land,* while most of the rainfed paddy fields provide only one crop yearly with unstable productivity. At the same time, lack of proper inputs leads not only to low productivity, but further soil degradation. Drought in the year 2002 killed paddy in both villages and very few households have a significant rice harvest.
- *Choice of tree species.* All the households plant cinnamon, sandalwood and canarium on their allocated forest land with the assistance of different projects (in the form of free supply of seedlings and sometimes rice or money as compensation for labour).
- *Income sources:*
  - Cereal: most households face rice shortage. The better-off are short for 2-4 months, while the poor are short of rice for more than 6-7 months. Only two cases surveyed (10.5%) say that they are able to have rice sufficiency, and only when a good crop obtained. All the households, including the better-off have to balance their cereal needs with cassava or maize.
  - Livestock husbandry: most households keep buffaloes, the better-off have 3-5 heads or even more, the poor keep 0-1 head by sharing with their relatives. There are only a few households that are too poor to keep buffalo. Pig growth is too slow to bring profit because of poor investment. On average, a piglet needs 1-3 years to reach a weight of 60-80kg for sale. As people expressed to the research team, pig raising is not profitable but it is a good way of saving for big occasions. Poultry is raised mainly for self-consumption (death anniversary, wedding, Tet holiday and so on) as disease breaks out regularly and farmers have no measures for reducing the risks.
  - Forestry: 100% of households are involved in extracting bamboo for cash. The poor go to forest year-round. Most of products are harvested on the SFE's forest land, and as a result these forests are more degraded than household forests. Usually, strong men are able to earn 15,000 Dong per day, whilst women gather other NTFPs (bark, leaves, herbs) and have lower earnings, ranging between 5,000-10,000 Dong per day.
- *Product prices.* Households sell their products either in the village or in the town market. For example, bamboo is sold in the village at 1,000 Dong/ bunch. To sell it in the town market, when several people form a group to transport their bamboo along the Ba Che river to the town and sell directly to the long distance traders, they are able to obtain a difference of 400 Dong/ bunch. This price is much lower than that available to the middlemen who transport bamboo by truck (1,700 Dong/ bunch).
- *Lack of off-farm activities.* Neither village has any off-farm activities. Villagers buy their basic needs in several small shops in the commune centre and they need to cross the river to do so. Grinder machines are used by several households mainly for their own use and for commercial customers occasionally. One owner of a grinder machine reported that he manages to earn about 60,000 Dong yearly from the business, as most households either have no rice or use the old way of rice husking.
- *Household expenditure.* The biggest cost is that of cereal and is also a daily worry of households. Spending on education is the lowest. On average, it costs a pupil of grade 1 about 60,000-70,000 Dong/ year to buy books; notebooks and school fees are subsidised. This amount is considered to be very big by Long Toong households (the whole village has only 6 children following grade 2). Health care is free of charge. However, due to low skill of local medical staff, if someone suffers from serious sickness and has to be moved to the district hospital, the cost will be high (transportation, gifts to hospital staff, etc.). After such circumstances, the family economy falls into difficulty and takes many years to recover. Superstition is widespread in the area and the witchdoctor is often invited to cure serious illnesses; the cost for his visit is as high as 200,000-300,000 Dong. Expenditure on customs and social occasions is too high (weddings, man recognition ceremony), requiring households to save for many years.

- *Information sources.* None of those interviewed know about the assistance projects (except PAM and SCF), not to mention the national upland development policies. They also do not pay much attention to the mass organisations of the village and commune. They receive assistance without caring about where it came from and with what objectives. Their sources of information come from the village head, traders and neighbours. Their outside contact is very limited.
- *Credit.* All the surveyed households lack capital. The better-off need it for expanding production, the poor need it to buy food, to upgrade their houses and partly for production inputs. However, there are households who have access to preferential loans but who refuse to receive them because they lack ideas as to what business to establish and whether they will be able to return the loan.
- *Causes of poverty.* Thinking about their poverty, each one brings up different causes, adding them up in order of importance is as follows:
  - Life over the last 2 years has been getting better, nonetheless, households still think only of how to have sufficient food. As a result, there is no room for thinking about for long-term investment, children's education and other comforts.
  - The village is poor because of little cultivated land, no irrigation and poor crop protection from damage caused by buffaloes.
  - High birth rate
  - Poor health that results in inability to go to forest for earning
  - Inability to identify what activities to be taken up to relieve poverty. They are thinking of planting cinnamon, but are uncertain of the marketing potential
  - Lack of cash to buy buffaloes.

### 3.2.3.2 *Differences between households interviewed in Thac Lao and Long Toong*

- Although the literacy level in the two villages does not differ much, in Thac Lao people are more fluent in Kinh (no translation was needed for household interview). The poor in Thac Lao, despite their illiteracy, still remember how much land and trees they have, and they take better care of planted crops, while in Long Toong the households do not know exact details of their property, and take less care of planted crops.
- On average, Thac Lao households own twice as much forest land as in Long Toong.

### 3.2.3.3 *Similarities between the better-off households in Thac Lao and Long Toong*

- As in Dong Lam, they are long-term inhabitants of the village, inheriting assets from their parents (house and buffaloes) and having larger areas of good cultivated and forest land, located in places convenient for agricultural and forestry practise and transport of materials.
- The literacy level is a bit higher than that of poor people (either the wife or husband, or both, attended school for 1-4 years). They remember well the areas of their land, the date and number of trees planted and show that they take good care of them.
- They have strong male labour for bamboo extraction
- Half of the better-off in Long Toong have benefited from salaried work and the other half have had income from selling sandalwood. In Thac Lao, those households in list of the better-off have the cinnamon and sandalwood for sale.

### 3.2.3.4 *Similarities between the poor households in Thac Lao and Long Toong*

The poor households usually have several of the following characteristics:

- One hundred per cent of the poor interviewed in both villages are illiterate (both wife and husband).
- Limited land (both agricultural and forest land).
- Some households have just been separated from their parents and have no support from them, as the parents themselves are too poor as well.

- Lack of capital for production investment. Nonetheless, some households have the chance to get a loan but refuse it or use ineffectively (eg. Some raised pigs but they died).
- Women-headed households
- Households in which one of its members had suffered a serious illness; consequently the household had to bear high cost for treatment and fell into debt.

### 3.3 Luong Mong commune, Ba Che district

#### 3.3.1 Overview of the social and economic conditions of Luong Mong commune

Luong Mong is a very remote commune and is connected to the district town by a tertiary road which is accessible only to high-floored cars in the dry season (map 3).

The commune inhabitants have settled in groups which are not far from each other. This has meant that their participation in community activities is much easier than in some other communes.

Statistical data on land use and infrastructure including roads, healthcare, schools and communications is given in annex 1. There is no telephone line connecting the commune to outside areas, consequently, communications are rather difficult.

According to the commune statistics, illiteracy has been eradicated and now a new policy has been issued to make general education at grade 2 compulsory. All commune citizens are fluent in Kinh.

#### *Box 16: Some statistics on literacy levels in Luong Mong commune*

At present, the commune has 51 people who have passed vocational training, and 6 high school graduates but who have not gone back to work for commune. Thirty people originating from the commune are working as government staff at district and provincial levels, and some of them hold important positions. The commune birth rate is below 2%.

The living standard of Luong Mong is the highest of Ba Che. The annual cereal production is 400kg rice equivalent per head. The commune is not only self-sufficient in rice, but has a big surplus of other cereals for livestock husbandry. As stated by the vice-chairman of commune, livestock development is still not adequate (although it is much better than other communes of Ba Che) while other crops such as maize, cassava and sweet potato have no market. The forest products are very important sources of cash income in the commune. Currently, 200 hectares of forest land are under cinnamon, which has been planted continuously since the 1980s, with the major part of it planted since 1996. The pine forest area of 260 hectares is managed by the SFE, with annual resin production of 120 ton. Furthermore, households derive other sources of cash income from natural products on the forest land allocated to them, such as canarium resin.

Trading with Son Dong district of Bac Giang province is more intensive than with Ba Che. It is one of few mountainous communes which have a market every ten days. Farmers may sell their products in the village or at commune market or even take them to An Chau town of Son Dong. The commune has almost all services needed for living and these businesses are concentrated mainly in two villages located in commune centre.

Currently Ba Che SFE manages 3,993 hectares, while the commune manages 1,094.69 hectares which have been allocated to households.

Luong Mong gets a lot of assistance from different levels of the government; similarly to the other surveyed communes, the commune has had the chance to participate only in some projects, but not all (see box 17).

*Box 17: Assistance provided to Luong Mong commune over the last two decades*

- For over ten years, households have received seedlings and money to plant cinnamon, fruit trees, and canarium from different projects such as 327, AFE, RB. If households produce seedlings themselves, they are given reimbursement.
- Programme 135 funded construction of the main road connecting the villages, as well as the health care station, market, school, safe drinking wells and some irrigation systems. The total fund for irrigation systems was 700 million Dong. Besides these, numerous small projects have been funded.
- Project 325: more than 50% of households have had loans, at 3 million Dong each, with a total amount of 320 million Dong.

Difficulties identified by the commune are as follows:

- Very poor road and long distance from cities and towns result in difficulty in marketing products.
- Poor communication
- Difficult to improve the education standards as the secondary school is located in Ba Che town 46km away.
- The cinnamon price declines continuously, while there is no demand for litchi and longan.

Strategies identified by the commune are:

- So far cinnamon is still an important cash crop, simultaneously the commune CP supports farmers to plant canarium and conduct development trials on star anise.
- Promotion of livestock husbandry
- Off-farm activity development

Six of the eight commune villages are situated on both sides of the main road and only two remainders are not accessible to cars. Khe Giay and Dong Cau are selected for study by the commune authorities. Khe Giay is one of 3 villages having the highest income, while its infrastructure is poor (it is located 5km from the road) and its agricultural land is limited. Dong Cau is endowed with better natural conditions and good infrastructure, but still the income of its people is lower.

### *3.3.2 Khe Giay and Dong Cau villages: PRA results*

#### *3.3.2.1 Similarities between Khe Giay and Dong Cau villages*

- *Village households.* The number of households in the two villages are relatively stable for last decade. Some households of Dong Cau migrated to the south. In Khe Giay, two households also shifted to other places in the difficult period of village. Some people working for government returned to the village. There are several families who would like to settle in Khe Giay, but the village's inhabitants have not given permission to any newcomers.
- *Allocation of agricultural land.* Similarly to other communes, the agricultural land has been allocated without reserving a common fund. The new families who emerged after land allocation have to depend on their parents sharing their land. Most of them try to expand the cultivation land, however, this land is often suitable only for cassava or maize.
- *Allocation of forest land.* Except forest land allocated to households, the remainder is said to be of Ba Che SFE. On average, each household gets 4-5 hectares. The forest area allocated to households is not equal, however, land allocation was conducted with participation of the villagers, therefore there were no complaints of injustice from those interviewed (see table 10 and box 18).

Table 10: Village development history and land reform of Khe Giay and Dong Cau

	<i>Dong Cau</i>	<i>Khe Giay</i>
Date of first settlement	1968	1978
Ethnic group	Dao Thanh phan, 1-2% of Kinh and Tay due to marriage	Similar to Dong Cau
Current number of households	28	21
Date of joining Luong Mong cooperative	1968	1978
Date of separating from Luong Mong cooperative	1982 separated to join Bai Lieu cooperative	1981 separated to establish its own cooperative
Disintegration of cooperative and replacement by village head regime	1994	1993
Land allocation by production contract	1982	1982
Permanent agricultural land allocation	1992	1989
Average area of paddy field per head	310m <sup>2</sup>	220m <sup>2</sup>
Forest land allocation	1997	1997
Number of households having no forest land	3 households due to them being established after 1997	2 households have no land allocated but still use the SFE's land to plant cinnamon
Largest area/ household	7 ha	12 ha
Smallest area/ household	3-3.5 ha	3 ha

*Box 18: Opinion on forest land allocation and land tenure in Luong Mong commune (from PRA exercises)*

*Khe Giay PRA:* the villagers are unaware of how much forest land the village owns except for that allocated to households. In the past, the forest was rich in high value species. A lot of people from Bac Giang province came to exploit forest produce. Khe Giay formed a team to protect the areas that it thought was under its tenure. But since the moment people knew that all forests belonged to the SFE, the team dispersed and resources of natural forests were quickly exhausted.

*Dong Cau PRA:* the district and commune officials came to the village for meeting on how to allocate land. An agreement was reached that land division should be based on plots. However, the topography is very complicated. There are big plots and small ones. The households received land with satisfaction. Later, some of them exchanged land with each other and just make a note for commitment.

- *Choice of tree species.* Most of the forest land is under cinnamon. The seedlings are partly provided by the projects and partly produced by farmers themselves. As estimated, one third of the forest land of Khe Giay is covered by cinnamon. Currently, a number of households are trying to produce star anise and canarium seedlings to plant on their land.

*Box 19: Opinion on approach and effectiveness of assistance (from PRA exercises)*

*Dong Cau PRA:* "The government gives seedlings to us to plant as it is afraid that if money is provided we will use it for other purposes. We want the government to support us in raising pigs, chicken and buffaloes. Seedlings given to us will die without proper care. Training on how to plant litchi was provided to villagers, but frost often occurs in the winter and that kills the plants. Furthermore, litchi is used only for self-consumption, there is no market for the product."

- *Off-farm activities.* The income source from off-farm activities is very small. In both villages, several households keep a small shop to sell basic needs to households in the village.
- *Awareness of programmes.* People are not aware of national and provincial development policies. They know only that they are not obliged to pay agriculture tax.

- *Spread of project benefits.* The support from all the projects are divided equally to households, regardless of whether they are better-off or poor.
- *Assistance projects.* All farmers have attended training sessions on planting techniques of litchi, longan, cinnamon and rice. There is still no training on livestock raising.
- *Information.* The households obtain livelihood information from the commune CP, AFE, traders, relatives working as government staff, etc. Some people in Khe Giay go themselves to other places to find market information of products, techniques of tree planting (star anise, canarium) and produce good nurseries of these species themselves.

### 3.3.2.2 Differences between Dong Cau and Khe Giay villages

Table 11: Differences between Dong Cau and Khe Giay villages

	<i>Dong Cau</i>	<i>Khe Giay</i>
Date of village formation	In 1968, 7 households came from Thac Lao at the suggestion of Mr. Ban Hung – a secretary of Ba Che PEC, but then 3 households shifted to another place due to much difficulty.	After retirement, Mr. Ban Hung went to Khe Giay to explore the area. In 1977, he managed to persuade several families from Thanh Son to shift to Khe Giay. In 1982, the number of households increased to twelve.
Income sources	<p><i>Agriculture:</i> the cereal is for subsistence and livestock. On average households are short of rice 1-2 months/ year</p> <p><i>Livestock husbandry:</i> each household has 1-2 buffaloes, 1-4 pigs. It takes about one year for a piglet to reach weight for sale (60-100kg). No profit is obtained from chicken raising due to regular disease epidemics, so they are mainly for self-supply.</p> <p><i>Forestry:</i> there is 30 hectares of cinnamon, but only 5 households have income from the product.</p> <p><i>Pine resin tapping:</i> 13 households signed a contract to tap resin for Ba Che SFE. Some households have a contract to protect natural forest for Ba Che SFE at a rate of 39,000 Dong/ha/year</p>	<p><i>Agriculture:</i> the productivity of cereal is increasing. Most households have surplus for livestock husbandry. Two households have some rice shortage but manage to balance it by other cereals.</p> <p><i>Livestock husbandry:</i> similar to Dong Cau</p> <p><i>Forestry:</i> cinnamon is a main income source as it has been planted continuously since the eighties. In 2001, average income from cinnamon was 3 million Dong/household. Although cinnamon is sold to Bac Giang, the village still collects 4% of income to pay as land tax to the district.</p> <p><i>Canarium:</i> resin is tapped from naturally growing trees in the allocated forest. As pine resin, canarium provides regular income year-round of 100,000-200,000 Dong/month per household</p>
Product price	Price of pine resin paid by SFE is too low (box 21)	
Facilities of value of the village	4 motorbikes, 5 televisions, 5 grinder machines, 1 rice-plucking machine	11 motorbikes, 5 televisions, 11 grinder machines, 3 rice-plucking machines. Most households have small hydroelectric generators
<i>Identified problems of village</i>		
<ul style="list-style-type: none"> <li>• Lack of capital</li> <li>• Regular chicken disease epidemics</li> <li>• Low literacy level</li> <li>• The old rice variety is low-productivity, the new one is as costly as 20,000 Dong/kg after the cut off 7,000 Dong/kg as transportation subsidy</li> <li>• The improved maize variety is not applicable due to poor investment in fertilisers and irrigation.</li> <li>• Lack of expertise in cultivation practice, limited land, high population density and underemployment</li> </ul>		<ul style="list-style-type: none"> <li>• Very bad road, which is inaccessible to cars. In the rainy season, even motorbikes cannot be used despite the villagers having made a lot of effort in upgrading it.</li> <li>• The forest boundary is not clear (with SFE) and the disadvantages are on the side of the villagers</li> <li>• There is no safe drinking system</li> <li>• There is still a lot of difficulty for childrens education</li> <li>• Price of new rice variety is too high</li> <li>• Areas of forest land allocated to households are too limited</li> </ul>

<i>Identified strategies</i>	
No strategy identified. Dong Cau will follow what other villages do.	Forestry development with cinnamon and canarium as strategic cash crops, simultaneously to conduct trial on planting star anise
<i>Recommendations to government</i>	
No recommendation	<ul style="list-style-type: none"> <li>To allocate more forest land to households</li> <li>The support of government is not clear, no participation (box 20). The villagers suggest the government should allow them to participate in all projects supporting the commune and village.</li> <li>District AFE has provided only training on rice cultivation. The people want it to assist in livestock raising</li> </ul>
<i>Criteria of wealth ranking</i>	
<p><i>Better-off:</i> brick-constructed house, good education for children, motorbike or grinder machine, &gt;4 hectares cinnamon</p> <p><i>Average:</i> tile-roofed house, &gt;1 buffalo, self-sufficient in food</p> <p><i>Poor:</i> house with leaf-roof and walls constructed of soil, 1 buffalo, some shortage in food.</p>	<p><i>The better-off:</i> tile-roofed house, motorbike, television, grinder or rice plucking machine, many cinnamon fields, &gt;2 buffaloes.</p> <p><i>The average:</i> tile-roofed house, grinder machine, 1-2 buffaloes, smaller cinnamon fields</p> <p><i>The poor:</i> leaf-roofed house, 1 buffalo, some shortage in food, no other comforts.</p>
<i>Result of wealth ranking</i>	
<i>Better-off:</i> 5 households (17.8%) All of them have initiative	<i>Better-off:</i> 11 households (52.4%)
<i>Average:</i> 13 households (46.4%)	<i>Average:</i> 8 households (38%)
<i>Poor:</i> 10 households (37.7%) (one is too old, 8 are poor due to having many children, slowness or recent marriage, and one is due to husband being in prison)	<i>Poor:</i> 2 households (9.5%), due to having too many children and slowness in household business
28 households	21 households

*Box 20: Opinion on the effectiveness of assistance projects (from PRA exercises)*

*Khe Giay PRA participant:* “the villagers have no chance to participate in many assistance projects and most of them are low in effectiveness. For example, we need the government to support us only with some funds and a technical expert, for the remaining needs such as gravel, sand, labour, etc. we are able to manage ourselves. This would enable us to supervise the work quality and to create job opportunities for the local labour force. The second example is the training on techniques of cinnamon planting. This technique is suitable to areas with less steep slopes, but not this locality. One more example is of road construction. The district PC funded 100 million Dong to construct 3km of tertiary road, connecting the village to the commune main road. Ba Che SFE was a contractor. The road was completed with very poor quality and used only by pedestrians. The villagers had to make another road for bikes and motorbikes.”

*Box 21: Opinion on the SFE's power in buying pine resin (from PRA exercises)*

*Dong Cau PRA participant:* “the price of pine resin paid to the farmers by the SFE is only 1900 Dong/kg. We do not know for how much the SFE sells it to the pine resin processing factory, but we repeatedly request it to increase the buying price. It refuses, saying that if we do not accept the offered price, labour from Dinh Lap will be recruited to do the job.”

*Table 12: Assessment of the roles and effectiveness of village authorities and assistance projects in development in Dong Cau and Khe Giay villages (from PRA exercises)*

Names	<i>Dong Cau</i>	<i>Khe Giay</i>
	<i>Activities and effectiveness</i>	<i>Activities and effectiveness</i>

Village head	Regular meetings are held and all households are informed to attend. The term of village head is two years.	Activities of the village head and mass organisations are well coordinated. A regular meeting is held with the participation of all villagers. The households have a good sense of solidarity, and help each other at difficult times. The village has a fund contributed to by villagers, to help those suffering from serious sickness or accidents.
VAB	Only few members. They hold regular meetings, help each other and make contributions (suggestions) to village development	
NFB	Regular meetings are held to discuss how to improve livelihoods, to advise the villagers to unite in poverty reduction front	
YUB	Regular meetings are held to discuss economic development and help the village in hard work	
WUB	Holds a meeting two times yearly and discusses only family planning.	
FAB	The head of the village is also the head of FAB, so it is difficult for people to distinguish the activities of the FAB from those of the village.	
PC	Only 3 members. As usual, they are leaders and have an important role in making decisions.	
RB project	Supported households in planting cinnamon. Money is allocated equally to households, 12,000 Dong each	Similar to Dong Cau
Poverty alleviation programme	Provided tiles for house roofing in 1994	Similar to Dong Cau
PAM	Supported households to plant cinnamon in 1997-1999.	Similar to Dong Cau
Programme 135	Construction of road, safe drinking water system, irrigation. Outsiders did all these works.	Some irrigation and road. Quality is poor and of little use.
Project 325	Many households get loans with an amount of 3 million Dong.	All households get a loan, except the 4 better-off households who refuse as they have no need
AFE	In 1997, AFE provided litchi seedlings sufficient to plant half a hectare per household. In 2002, each household got 10 persimmon and 4 longan seedlings.	In 2002, each household got 10 persimmon and 5 longan seedlings
Health station	Provides health care free of charge	Similar to Dong Cau
School grade1 grade 2	There is a school in each village One school in the centre of the commune	Similar to Dong Cau

### 3.3.3 Household economy study findings in Dong Cau and Khe Giay

The total number of households interviewed was 16, including 5 poor and 4 better-off in Dong Cau, and 4 better-off, 2 poor and 1 that has just passed poverty line in Khe Giay.

#### 3.3.3.1 Similarities between the households interviewed in Dong Cau and Khe Giay

Despite the differences in wealth, these households also have many things in common:

- *Literacy levels.* The literacy level of those interviewed ranges between 1-4 school years, and some cases are illiterate or have reverted to being illiterate (although the statistical data of the commune CP show no illiteracy existing in the commune). All people are fluent in Kinh.
- *Lower birth rate.* The birth rate is lower compared to other surveyed communes. Regardless of the better-off or the poor, households have 2-5 children, most have 3 and only one case has 5. All the children of school age go to school of grade 1 or 2 in commune. Better care is taken of the children's education than in other surveyed communes.
- *Rice self-sufficiency.* Thanks to a good irrigation system and sufficient fertilisers, rice productivity has increased considerably and enabled households to be self-sufficient in rice

(despite PRA results indicating rice shortage of the poor households). There is only one case of a household having a small rice shortage but it manages to balance this with other cereals.

- *Livestock husbandry*. The incomes derived from livestock husbandry are similar whether the households are poor or better-off. Each household keeps 1-2 buffaloes mainly to plough fields and 1-4 pigs. Thanks to cereal surplus, growth of pig is better and it takes less than one year for a piglet to reach the weight for sale (60-100kg). As other communes, poultry is poorly developed due to regular diseases, and as a result, the produce is insufficient for the commune demand.

### 3.3.3.2 *Similarities between the better-off households in Dong Cau and Khe Giay*

- They are usually the first village inhabitants, have been planting cinnamon since 1980 and have had cinnamon for sale since the early nineties. At present, these households own much larger cinnamon fields of different ages and every year they have some cash income from this product (see box 22). Their cinnamon fields are often very close to their houses and therefore easier to manage.

*Box 22: An example of a better-off household earning income from cinnamon*

Two better-off households interviewed in Dong Cau: one harvested 2 tons of cinnamon in 2001 and sold it for 9,000 Dong/kg, the other sold one ton at the same price. So, from cinnamon alone, they earned 9-18 million Dong.

- In Dong Cau, besides the same amount of forest land being allocated to them as the others (this land is far from the village and it takes one hour of walking to reach the place), each better-off household has a garden of 3-5 hectares, all of which were planted with cinnamon a long time back.
- Thanks to the income from cinnamon, the better-off in both villages are able to invest in long-term businesses (such as hiring labour to plant more cinnamon and canarium), to buy facilities used for agricultural practice and to improving their standards of living.
- The location in a favourable place and good savings have allowed some of the better-off in Dong Cau to shift gradually to secondary activities, such as providing services to other villagers in plucking rice, grinding flour, transportation and so on.

### 3.3.3.3 *Differences between the poor households in Dong Cau and Khe Giay*

There are many differences between the poor in Dong Cau and the poor in Khe Giay. The findings from interviewing six poor households in Dong Cau show that they also have a lot of things in common. Putting in order of similar degree, they are as follows:

- Fifty per cent of the interviewed households have a wife or husband who is illiterate or who has reverted to being illiterate. They have a much smaller area of agricultural and forest land. The forest land is far from their house such that it is not convenient to manage it.
- Being self-sufficient in rice, some of them have a surplus for sale and for use in livestock raising.
- They receive equal benefits from support projects such as cinnamon seedlings, money, sufficient litchi seedlings to plant 0.5 hectares, and other crops as mentioned above.
- Their cinnamon fields are still too young to bring income
- The income from pine resin and canarium tapping (from their allocated forest) of each household ranges between 100,000 and 500,000 Dong monthly. It is very important cash income, used to cover expenditure for daily needs and children's education. Currently, 46.5% of households have a contract with Ba Che SFE to tap pine resin. They are on the list of the poor or the average.
- The poor usually work seasonally for the better-off, but employment is scarce.

*Box 23: An example of a poor family, considered by PRA participants to be "slow"*

*Trieu Duc Minh of Dong Cau.* The family has 4 members (the wife is illiterate) and owns 900m<sup>2</sup> of paddy fields. This land is used to face the drought and provides very unstable and low production. The construction of an irrigation system in 2001 has enabled the household to become self-sufficient in rice. Besides the agricultural land, he owns 2 hectares of forest land, but the area has been planted with cinnamon by another villager and now he has to wait until this cinnamon is harvested. In 2002, he produced 1,500 cinnamon seedlings himself (then he got compensation of 200 Dong/ seedling) to plant on the SFE's land, but now the SFE no longer allows this. He has not got a loan (from Programme 325) but he wants it very much for upgrading his house. The main cause of poverty identified by the couple are the husband's incurable sickness. All their hopes rest on the planted cinnamon.

- Loans provided by Programme 325: one case has got loan to buy buffalo, two others want to borrow but have to wait, three others are afraid of failure to return the loan. All of these cases intend to use the loan for upgrading their houses.
- All of them have attended training courses as mentioned above.
- Despite receiving a lot of assistance, no one knew the name or aims of projects, of which they are beneficiaries. They say the government gives and we take. Longan and persimmon have just been planted, hence so far no result is clear. Litchi is dying a lot due to frost, and whilst the surviving plants have borne fruit, it cannot be marketed. Now their hope is put on cinnamon.
- Five of the six households interviewed are poor due to reasons relating to healthcare (serious sickness, difficulty in having a child). Their expenditure on treatment in the district hospital is high (transportation, gifts to hospital's staff) but with no result so far. Their suggestion to the government is somehow to create an opportunity for them to solve their problems, or to have a good medical doctor in the commune health care station.

The study of two poor households that are considered to be slow and lazy, and one that has just passed the poverty line in Khe Giay shows:

- Only one case is lazy and has no planning in household economy development
- The heads of the two remaining households are hard-working people (see box 24).

*Box 24: The economic status of a man considered to be "slow" by Khe Giay PRA participants*

*Ban Linh, the poor in Khe Giay:* The house has a leaf-roof and walls made of soil, but it is big and clean, with a large cemented yard, a kitchen and a stable for pigs and buffalo. The household is self-sufficient in food, however, it economises a lot on other expenditures as its five children go to school. Besides working on their allocated land, the couple often work for the better-off in the village at a rate of 20,000 Dong per day. The causes of poverty identified by him are lack of capital and too many children.

- The poor in Khe Giay get regular support from village authorities and their neighbours. Advice on how to improve income is provided and also their names are always the first on the beneficiary list of assistance projects.
- Differing from the poor in Dong Cau, Khe Giay's poor people have a good knowledge of the assistance sources provided to them.

### **3.4 Huc Dong commune, Bin Lieu district**

#### *3.4.1 Overview of social and economic conditions of Huc Dong commune*

Huc Dong is ranked as the poorest commune of Binh Lieu, despite the fact that it is located in between two communes, Quang Lam and Hoanh Mo, which specialise in growing cinnamon and star anise and enjoy high income from these commodities (see map 3).

The statistical data of land use and infrastructure such as roads, healthcare, schools, and communications are described in annex 1.

The commune CP has no statistics on literacy levels of its people at different ages. Its general opinion is that there is a low level of literacy amongst adults. There are only 15 people of working age who have attended grade 2, and 12 people attended secondary school.

As mentioned above, Quang Ninh has a new policy for strengthening commune governing capacity, and a new secretary of PC and a head of commune police were sent to Huc Dong by the district to replace the local ones.

Huc Dong has received much assistance over the last four decades (see box 25) and as for the other surveyed communes, the commune CP also has no opportunity to participate in decision-making on expenditure of funds from some programmes such as 135.

*Box 25: Past and current assistance programmes implemented in Huc Dong commune*

- RB project supported the planting of tung oil trees on a large scale in 1964-1965
- Programme 135 funded construction of healthcare station, market, school, some irrigation systems. Only in 2001, the total fund was 500 million Dong and in 2002, 400 million Dong.
- Project 325 provided 40 million Dong in 2002 (interest free loan)
- Leaf-roofed house eradication project provided fibrocement tiles to households
- RB project provided fertilisers in 2002
- PAM (1996-2001) gave each household sufficient seedlings and rice to plant one hectare of star anise
- Healthcare projects: vaccination for children, prevention of malnutrition, malaria etc.

The development policies for mountainous areas have led to some changes in commune services which are mainly for those making a living from salaried work. The number of people with an income from government sources in Huc Dong is quite big: 48 teachers, 10 medical staff, about 20 people working as commune administrators, and that is not including the project staff and district officials coming on mission. At the gate of commune CP headquarters, a small restaurant has been established to serve these staff and it is very busy on all working days of the week.

The causes of the commune's poverty identified by the commune authorities are the following:

- Lack of capital for production investment
- Limited cultivated land, furthermore, the soil is very infertile
- Two of seven villages are inaccessible to any type of vehicle. For most of the remainder, cars are only able to reach the villages or get close to them, as households are scattered over the mountain slopes and they are connected to each other or to the commune centre only by tracks. This type of habitation is rather difficult for livelihoods that require good access and easy information exchange.
- Lack of cultivation expertise. Many households are poor in economic management. The district AFE provides support in advanced techniques and improved crop varieties, but low levels of literacy have limited the achievements.
- Crop productivity is unstable because of lack of a good irrigation system, while the topography of the area is too diverse with high rocky slopes and numerous gorges resulting in leaking and short durability of the constructions.
- Products are not diverse, are small in volume and poor in quality
- Under-development of off-farm activities, just a few shops selling basic needs, but working irregularly due to too few customers. The market was constructed by 135 fund, but has not been used yet. In order to obtain big purchases, people have to go to the town market 20km away.

The commune CP identified the following strategies:

- To plant edible canna again. The crop was planted for sale in the past with an annual production of over 100 tons. However, now the raw material price is too low (300 Dong/kg), while the processed one (vermicelli) is high (13,000-14,000 Dong/kg). The commune authorities are seeking ways to support farmers in processing the product for income and employment generation.
- To develop some promising products such as cardamom, imported bamboo species for shoots, beekeeping and goat-raising.

Luc Ngu and Khe Mo were selected for study by the commune authorities. Compared to Luc Ngu, Khe Mo has similar natural conditions and a better road, but lower income.

### 3.4.2 Luc Ngu and Khe Mo villages: PRA results

#### 3.4.2.1 Similarities between Luc Ngu and Khe Mo villages

- *Ethnic groups.* As usual, two villages are in one commune with inhabitants of the same ethnic minority group, consequently, they have much in common.
- *Wartime activities.* During the period of the resistance war against the French, Huc Dong was an important rear supporting the resistant force in liberating Binh Lieu town in November 1950. In the war with the USA, many people of both villages went to the front and in the border war with China in 1979, Huc Dong was an assembly area for evacuation and each of its families had to host several refugee families.
- *Migration.* Households in both villages themselves want to migrate to better places but there is a lack of opportunities. The number of Luc Ngu households at the date of cooperative establishment was 37 compared to 12 in Khe Mo, now this figure reaches about 80 in both villages. Khe Mo has no migration, while 5 families of Luc Ngu shifted to other areas. Luc Ngu people also do not allow newcomers because of limited agricultural land.
- *Improving economy.* At the initial stage of collective life, households' standard of living improved. The main source of income was from water rice cultivation in terraced fields.
- *Agricultural land available to households.* In contrast to the other surveyed communes, some agricultural land fund is left and put forth for households to bid contract.

Table 13: Development history and land reform of Luc Ngu and Khe Mo villages

	<i>Luc Ngu</i>	<i>Khe Mo</i>
History of village formation	Long time ago, nobody remembers	Similar to Luc Ngu
Ethnic group	~100% San chi	~100% San chi
Current number of households	79 (168 people)	70 (404 people)
Date of mutual help group formation	1959-1960	1959-1960
Date of cooperative formation	1963-1964	1963-1964
Land allocation by production contract	1987	1987
Disintegration of cooperative	1996	1996
Reallocation of agricultural land per head	1996	1996
Average area of paddy field per head	400m <sup>2</sup>	370m <sup>2</sup>
Average area of highland field per head	200m <sup>2</sup>	no calculation
Forest land allocation to households	1996	1996
Largest area/ household	5 ha	2.5 ha
Smallest area/ household	1 ha	1 ha
Total area of village forest land	Do not know	110 ha
Total area allocated to households	Has not added up	
Pine forest of Binh Lieu SFE	No idea	No idea

- *Forest land.* Forest land was managed by SFE and RB of the district. In 1964, RB provided seedlings and 400kg of rice to farmers for one planted hectare of tung oil and so<sup>10</sup> trees. When trees bore fruit, the district bought produce for only one year and then stopped. People had to process so oil for self-consumption and later, since the 1990s, they gradually chopped the trees down; now there is an estimated 34 hectares left in the whole commune.
- *Agricultural land allocation.* The life of people in both villages was very hard until agricultural land allocation by production contract in 1987; standards of living have especially improved over the last several years. Despite that, many households still face food shortages and have to balance it with other substitutes like cassava, taro etc. (see box 26).

*Box 26: Assessment of village life (from PRA exercises)*

*Khe Mo PRA participant:* "Life now is much better. Previously, we had to eat cassava gruel, now we have rice porridge. Some households even have rice for dinner."

- *Low productivity.* Although the area of paddy field per head is not so small, productivity is very low (200 kg/1000m<sup>2</sup>) as the fields are terraced with steep slopes and erosion, while households are unable to provide adequate inputs. Furthermore, the fields are very rocky therefore the real cultivated area is much smaller than that shown by statistical data. Most fields are poorly irrigated and rotate two crops yearly, as a consequence, there is not stable productivity.
- *Introduction of new crops.* In the early nineties, some households with initiative learned from the experience of neighbouring communes in planting star anise and cinnamon. Their inputs have brought returns over the last few years. This achievement encourages other households in the commune to follow their example. Besides their own investment, several assistance projects as mentioned above also support households in developing these products, which are now the hope for a better life for Huc Dong people.
- *Sources of income.* The commune has no statistical data on village income. The income sources provided by the PRA group are the following:
  - Crop cultivation: the produce is entirely for subsistence.
  - Livestock husbandry: on average, each household keeps 1-2 buffaloes for ploughing fields and sells them only when they are too old or when in very acute need. Pig-raising is also an unprofitable business and it is considered just a type of savings for big items or events. On average, each household is able sell a pig of 50-100kg annually at price of 9,000 Dong/kg. It is clear that the profit from this activity is small as the cost of a piglet is about 200,000-250,000 Dong, not including the cost of other inputs such as food, vaccination etc. As in all the other surveyed communes, poultry raising is subject to much diseases, so income from this is low. The commune has no veterinary service to provide materials for disease treatment. When there is need, people have to go to the town. The commune has a programme of vaccinating all buffaloes periodically, but there is no such programme for pigs.
  - Forestry: Pine resin tapping for Binh Lieu SFE.
  - Salary and grants: there are only a few households with this type of income as their members work for the commune or as disabled veterans.
- *Credit.* All households need loans for production investment. The procedure for getting loans from the agricultural bank is complicated and it requires collateral. It may take many months and high costs (transportation and other fees) to obtain a loan. The loans available under project 325 are limited and very few have access to it (table 15).
- *Information.* Information sources for economic development:
  - Television: about 20% of households have televisions – very old black and white ones, but there is often no electricity to power them as small hydraulic generators work only when there is sufficient water.
  - Newspaper: heads of village and PC get a newspaper once a month (Agriculture and Rural Development Magazine). Any villager who likes to read it is welcome to do so, but very few of them show their interest in reading.

<sup>10</sup> The 'so' tree is *Thea sasanqua* Pierre.

- From village authorities after they attended meetings organised by the commune. The degree of precise information depends too much on their capacity to listen and to take notes.
- The sources of information from community, traders, relatives or friends in other areas are most important for their livelihood development.

### 3.4.2.2 Differences between Luc Ngu and Khe Mo villages

Table 14: Differences between Luc Ngu and Khe Mo villages (from PRA exercises)

<i>Luc Ngu</i>	<i>Khe Mo</i>
Luc Ngu cooperative made a plan to support all households in roofing their houses with tiles and 50% of the plan was fulfilled.	
Birth rate in Luc Ngu is lower than in Khe Mo	
Village activities are well coordinated by the authorities. There is equity in benefit sharing. For example, the SFE signed a contract with a number of households on tapping pine resin in 1992. Recently, the authorities made an intervention to Binh Lieu SFE so that pine trees are divided to all households.	20 households signed a contract to tap resin for the SFE since 1992. Each household has about 800-1000 pine trees. The price paid to farmers by Binh Lieu SFE is 2,500 Dong/kg.
	Several very poor Khe Mo households hunt wildlife for the Chinese market. Their earnings are insignificant as the resource has almost run out
Forestry: about 30% of households get cash income from cinnamon and star anise, of 5-8 million Dong/ year for the last few years	No one has earnings from cinnamon or star anise.
	Just finishing crop harvest, men of many households go to different areas such as Binh Lieu town, Quang Lam, Hoanh Mo border gate to seek jobs
<i>Facilities of value</i>	
10 cheap motorbikes, 20 grinder machines, over 90% of households have small hydraulic generators	4 cheap motorbikes, 5 grinder machines, 60% of households have small hydraulic generators
<i>Causes of poverty</i>	
<ul style="list-style-type: none"> <li>• Lack of capital</li> <li>• Difficulty in selling products due to poor road and low price offered.</li> <li>• The advanced rice variety is costly, such that the poor cannot afford it, despite the transportation subsidy provided by government.</li> <li>• The supported constructions are poor in quality and low in effectiveness due to much corruption</li> <li>• Difficulty in raising literacy level and inadequate attention paid to solving the problem. All the teachers in commune are outsiders and up to now, no one from the commune attends the pedagogic school.</li> <li>• Previously, the people had healthcare insurance, but now they have to pay for medicine.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of capital, but when loans are available, people refuse to apply because of fear of failure to repay them. Only 20 out of 70 households dare to receive loans.</li> <li>• Low literacy level</li> <li>• Limited agricultural land</li> <li>• Wedding custom is too costly (~10 million Dong)</li> <li>• Training of AFE is ineffective. The trainers are not enthusiastic in helping farmers.</li> <li>• Want to raise buffaloes but lack of capital and grazing fields.</li> </ul>

<ul style="list-style-type: none"> <li>National policies are applied unequally in different places. For instance, the assistance funds (which are set at district level) for disabled veterans and relatives of martyrs, etc. are low, compared to other districts.</li> </ul>	
<i>How to make life better</i>	
<ul style="list-style-type: none"> <li>Upgrading the irrigation system for improving rice production</li> <li>Plant cinnamon and star anise trees</li> <li>Promotion of livestock husbandry</li> </ul>	
<i>Suggestions to government</i>	
<ul style="list-style-type: none"> <li>Provide preferential loans for livestock development</li> <li>Allow farmers to directly participate in decision making on how to use assistance funds of Programme 135. The national government also should take good measures in supervision against corruption and improve the effectiveness of investment.</li> <li>Better to train farmers on how to produce star anise seedlings than just to give them, because this enables farmers to do it themselves and not be dependent any more.</li> <li>Apply exactly the national policies for mountainous areas.</li> <li>It is not fair that San chi culture is not broadcast on television and radio in Hanoi, while the other ethnic minority groups have such opportunities. San chi people have no chance to contribute their opinions to parliament and decisions of the national government. Huc Dong was once a revolution base, and made good contributions during the wars against USA and China, but does not receive adequate attention.</li> </ul>	To support households in resettlement inside the commune – to go to the more remote villages to plant cinnamon and star anise. The households will invest labour and capital themselves.
<i>Criteria of wealth ranking</i>	
<i>Better-off:</i> Permanent constructed house, motorbike, television, grinder machine, >2 buffaloes, cinnamon and star anise forest	<i>Better-off:</i> permanent constructed house, motorbike, television, good furniture, grinder machine, 3 buffaloes
<i>Average:</i> house with tile-roof and walls made of soil, 1 or 2 buffaloes, cinnamon and star anise forest but still young, some luxuries, self-sufficient in food	<i>Average:</i> house with tile-roof and walls made of soil, 1-2 buffaloes, self-sufficient in food, motorbike or television or grinder
<i>Poor:</i> leaf-roofed house, no buffalo, shortage of food.	<i>Poor:</i> leaf-roofed house, no buffalo, shortage of food.
	<i>Hungry:</i> dilapidated house, shortage of food year-round
<i>Result of wealth ranking</i>	
<i>Better-off:</i> 12 households (15.4%) thanks to salary and grants: 3 households Initiative and inherited property: 9 households	<i>Better-off:</i> 11 households (15.7%) thanks to salary and grants: 2 households Initiative and inherited property: 9 households
<i>Average:</i> 31 households (39.6%)	<i>Average:</i> 23 households (31.5%)
<i>Poor:</i> 35 households (44.9%) causes: Newly separated and lack of capital: 15 households  Sickness and oldness: 5 households Slow and without initiative: 15 households	<i>Poor:</i> 25 households (34.25%) causes : Newly separated and lack of capital: 10 households Sickness and oldness: 1 household Slow and without initiative: 14 households

	<i>Hungry</i> : 14 households (19.2%) causes: early orphans, sickness, many children, slow and lazy.
78 households	73 households

Table 15: Assessment of the roles and effectiveness of village authorities and assistance projects on development of Luc Ngu and Khe Mo villages (from PRA exercises).

Names	Luc Ngu	Khe Mo
	Activities and effectiveness	Activities and effectiveness
Village head	Holds regular meetings and all farmers are invited to participate. The term is two years.	Meetings are irregular. The head has been selected since 1996 with a five year term.
VAB	There are 19 members. Regular meetings are organised and good activities coordinated with the other organisations for village development.	There are only two people and no activity
NFB	It has 5 members with responsibility in supervising the activities of the authorities and implementing the instructions of CNF. Activities are evaluated as very fruitful.	No activities
YUB	To help each other to avoid alcohol addiction and gambling, however, its activities are weakening over the last few years and no regular meetings are held.	Weak activities, just implement the commune YU instructions
WUB	Family planning, to help each other in difficult times. Regular quarterly meetings are held	Family planning, birth rate has declined
FAB	Village head is also the head of FAB. Difficult to distinguish between the activities of the two.	There is no FAB
PC	There are 16 party members, monthly meetings are held, and the PC has a very important role in all village decision-making	There are two people, which is not sufficient to form a Cell. So they have to join the other village members for party activities.
PAM	Supported each household to plant 1 hectare of star anise and 3-4 longan and litchi seedlings. All farmers know of PAM and consider the programme very efficient.	Similar to Luc Ngu
Programme 135	Funded construction of healthcare station, market, school, repairing the irrigation canal of Luc Ngu and Po Dan villages. The cost of each construction is high, but poor in quality and efficiency. The commune people have no chance to participate in construction (see box 27)	Funded construction of 5 water inlet sluices. After 3 months of use, one has been seriously damaged. 16 million Dong provided to construct an irrigation canal. The villagers contributed sand, gravel and labour. Money was used to buy cement. The construction was made under supervision of commune authorities
Project 325	It is called "poverty eradication project" by local people. As stated by the secretary of PC, due to shortage of funds, not all households have access to loans.	Similar to Luc Ngu
Safe drinking water project	28 households have received support to build safe water tank. At first, the fund was sufficient to build only a few tanks, no household intended to give up and lots were drawn to resolve the argument. The second time, the commune CP made an intervention with clear criteria which gave preference to disabled veterans, families of war martyrs and the poor.	21 households benefited. The process of beneficiary selection was similar to Luc Ngu.

AFE	District AFE provides training to the commune every year. Only a few people have opportunity to attend it. The general opinion is that the effectiveness of training is low. The trainees then do not disseminate the acquired knowledge to other villagers. The training sessions are usually organised without training materials and not all trainees manage to take good note.	All the farmers attended one training course for half a day on cultivation techniques of new rice and maize varieties, but they are not able to apply the techniques as the costs of inputs for the advanced species are too high.
Healthcare station	The commune has a good healthcare station, each village has one nurse. Huc Dong people now have to pay for medicine.	Similar to Luc Ngu
School grade 1	There is school grade 1, but it is too small and living conditions of the teachers are very poor.	There is school grade 1
grade 2	At the other side of the stream with no bridge connecting to village. The pupils have a lot of difficulty to pass the stream in the rainy season	There is no difficulty for children to go to school grade 2

*Box 27: Comments on the quality of construction works funded by Programme 135 and how the beneficiary group is excluded from participation (from PRA exercises)*

*Luc Ngu PRA participants:* Only the village authorities know of Programme 135. As stated by the secretary of the PC, most constructions are of poor quality. The headquarters of commune CP was repaired 3 times, the healthcare station twice and the irrigation canal twice. According to the district, if the construction cost is higher than 100 million Dong, outsiders will participate in bidding. The commune level has a chance to be involved when the construction cost is lower than the above limit. However, very few construction projects are lower than 100 million Dong, so the commune CP has the right only to supervise. The ordinary people do not even have a voice. Some men were employed for manual work and if they expressed their comments, they were sacked immediately.

There is not a good irrigation system for paddy fields. In the past, Luc Ngu and Po Dan villages together constructed an irrigation canal 5km long and the RB supported only with some dynamite to drill the big rocks. This canal was used for a long time and damaged heavily. The issue was repeatedly raised at the district level for about 10 years and the district provided funds to mend it 3 times. The first time 50 million Dong, the second time 160 million Dong and the third time 190 million Dong. However, each time the durability of construction was less than one year and currently it fails to supply sufficient water to about 200 hectares of paddy fields. Had we had been permitted to do it ourselves, we would have needed only 100 million Dong!

*Khe Mo PRA participants:* The village was supported to build 5 water inlet sluices. These sluices were transported to the village. We had no idea how much the total cost of the work was. Some people in the village were hired to work for them for 12,000 Dong per day. We estimated that each sluice cost just about 600,000-700,000 Dong and one of these is spoilt after 3 months of use.

### 3.4.3 Household economy study findings in Luc Ngu and Khe Mo

The total number of households interviewed was 34, including 5 better-off and 10 poor in Luc Ngu, and 5 better-off and 14 poor in Khe Mo.

#### 3.4.3.1 Similarities between households interviewed in Luc Ngu and Khe Mo

All the interviewed households have the following points in common:

- *Low levels of adult literacy.* The people of middle age usually have 1-4 school years. Illiteracy is most common in the younger generation, aged between 17-30, and reversion to illiteracy is also a very common phenomenon. In the family, the husband usually decides everything and that made it difficult for the team to conduct interviews when the owner-husband of the household was not available.

- *Self-sufficiency.* It is not an exaggeration to say that the San Chi are a hard working and skilful ethnic minority group. Their livelihood is mainly subsistence. The households are scattered across the slopes surrounding their paddy fields and vegetable gardens. Livestock husbandry is partly for own supply and partly for the market. People construct houses themselves, including the modern type of big two-floored brick houses. They have to buy only a few materials that they are not able to produce themselves like steel and cement. They make all the wooden furniture themselves as well, using timber exploited in natural forests.
- *Sense of community.* The people's sense of community is high. Whenever somebody needs help, the others help in whatever way they are able such as building a house for each other, or lending money free of interest and without a repayment deadline. Often, the loan is in material form as its repayment. For example, borrowing a pig will be returned by the same animal.
- *Expenditure patterns.* Although the life is getting better, overall people's concern, including the better-off, focuses only on how to get sufficient daily food and decent shelter. The main household expenditure is just for buying salt, seasoning, fat, minimum clothing, inputs for production such like fertilisers, insecticide, seeds and seedlings. Even the better-off are able to afford to buy only 2-3kg of pork fat monthly. The expenditure for education and healthcare is the lowest compared to the above-mentioned items.
- *High cost of ceremonies.* Wedding ceremonies are a costly custom that require the bridegroom's family to pay 7-8 million Dong on average. After marriage, the family have to work hard for many years to repay the debt.
- *Credit and repayment.* All the households surveyed had received preferential loans 4-5 years back and only a few of them have repaid the loan. The remainder have fail to repay and from the principal of 2.5 million Dong, the figure is now much higher, accumulating interest every year. Recently, national policy allowed for loans over a 3 year-term and free of interest. Households got loans to invest in the following: livestock raising (pigs and buffaloes) and forest planting (cinnamon and star anise). Only a few households used borrowed money for wedding ceremonies and for upgrading their house. When they need cash for basic needs or sickness expenditure, they usually borrow from their neighbours.
- *Source of credit.* The households receive loans, but have no idea from which source and why they were given loans. They were just asked by the village head to write a request and later received money from him.
- *Need for further credit.* All the households need more loans. Most of them intend to use loans for buying buffaloes and seedlings to plant forest. However, they do want to have interest free loans and refuse any loan with interest because they are afraid of failing to repay them.
- *Choice of species.* Besides star anise seedlings provided by PAM, households buy them themselves in the open market to plant, or intend to plant them but have no capital available yet. They choose this species because the neighbouring communes have received good income from it.
- *Improving economy.* The general opinion is that life is getting better since allocation of agricultural land, and has improved considerably over the last few years thanks to the various assistance projects.

#### 3.4.3.2 *Similarities and differences between the better-off in Luc Ngu and Khe Mo*

- Except a few households receiving salary and grants, most of the better-off have inherited property (houses, buffaloes, land etc.) from their parents. Together with hard work and saving for many years, they have obtained better standards of living. Their crop productivity is often higher because of better inputs in seeds and fertiliser.
- Considering the total wealth, the Luc Ngu better-off are wealthier than those in Khe Mo, as the former have earned cash income from cinnamon and star anise over the last few years. The four richest households in Luc Ngu have constructed modern two-floored houses from the cash income from planted forest and good livestock husbandry.

### 3.4.3.3 Similarities between the poor in Luc Ngu and Khe Mo

- They attend all the village meetings if they are informed and like to participate in all village and commune activities. However, they usually keep quiet and only listen at meetings. Some of them have a voice only when things are relevant to them.
- As usual, most of the poor in both villages are considered to be slow or lazy. The findings from the survey show that this general opinion is not always correct (see box 28).

*Box 28: A poor villager who is considered to be "slow" thinks about his problems*

*Tran Hoang B, Khe Mo village: "I do not know the reasons for my poverty. I try to do as the others do, but often fail. I never have the chance to attend any training. My life for last few years is not better as the expenditure for schooling my four children is too high."*

- To different extents, each household identifies their causes of poverty. The causes determined by them are not all the same, however, we can put them in order of similarity as follows:
  - Limited agricultural and forest land
  - Infertile and poorly-irrigated agricultural land
  - Lack of capital to invest in cultivation, livestock husbandry and forest planting
  - Lack of expertise and access to livestock training
  - Some households think that their life is not better because of having too many children of school age, as a result the expenditure for them is too high
  - Allocated forest land is too far from houses, which causes difficulty in protecting the planted trees from buffalo damage.

## 3.5 Quang Lam commune, Dam Ha district

### 3.5.1 Overview of social and economic conditions of Quang Lam commune

Quang Lam is one of two mountainous communes of Dam Ha and borders Huc Dong by one mountain.

The statistical data on land use and infrastructure as roads, healthcare, schools, and communications are described in annex 1.

Similar to other surveyed communes, Quang Lam commune CP has no statistics on the literacy of its people, however, the survey shows that it has the same level of literacy as its neighbour Huc Dong.

It seems that Quang Lam receives less outside assistance than the other studied communes. Quang Lam faces the same situation in that participation is accessible to the local authorities only in some assistance projects as PAM, SCF, Programme 325. For the remainder, the works are handed over to the commune when they are completed (see box 29).

*Box 29: Projects implemented in Quang Lam commune since 1980*

- RB supported people to plant cinnamon in 1982.
- In 1993-1994, SCF provided rice and seedlings to households to plant 20 hectares of cinnamon
- In 1995-1996, RB provided seedlings and money to households to plant cinnamon. The total fund was unknown to everybody
- PAM in 1992 supported the planting of a small area of eucalyptus and in 2000-2001, provided seedlings and rice to grow 17 hectares of cinnamon and 28 hectares of Acacia mangium
- Programme 135 funded construction of market, commune CP headquarters, schools, healthcare station
- Project 325 previously provided loans to a number of households, currently, a plan to give more loans to households has just been made
- The tertiary road programme fund 250 million Dong. One company contractor is constructing it now.

Quang Lam commune CP also commented that the constructions funded by Programme 135 are of low efficiency and high in cost (see box 30).

*Box 30: Comment of the commune CP on construction works*

The people in the commune work for the contractor. Given such an amount of money, people would have done it much better themselves. The commune CP is not able to intervene as the district decides everything and the selected company constructs the road without consulting the commune authorities.

- Forest land. The forest land on the top of mountains is not allocated to households. Quang Lam people do not gather products in natural forest, but only people from other areas. Three years back, the fee collected from selling cinnamon was used to form a protection team. Now this team is replaced by the commune FI. Total commune forest land area is 6,700 hectares, of which 3,400 hectares have been allocated to households. The remainder is very difficult to protect as it is too far from villages.
- Income sources of households: the rice equivalent of cereal is estimated at 2 billion Dong annually. The commune has over 800 buffaloes and 850 pigs and other animals like chicken, duck etc. The income from cinnamon was higher than agriculture 5-7 years back, but now this ratio is declining compared to agricultural crops and livestock husbandry, as the cinnamon price has gone down, while the produce of the latter has increased.
- The market constructed by Programme 135 funds has been used since September 2002. At present, 35 households have a licence to carry out business activities such as pubs, sundry goods shops, entertainments, tailors, etc. In order to promote diverse services to satisfy the needs and bring income generation to people, the commune CP has not collected fees from the shopkeepers.

The strategies identified by the commune are the promotion of forest planting with cinnamon mixed with star anise. Canarium is also a promising tree as it is multi-purpose and its products are always in good demand.

Two villages selected for study are Li Say and Binh Ho 2 for their relative similarity in natural resources, however, the former enjoys a better infrastructure but earns lower income than the latter.

### *3.5.2 Li Say and Binh Ho 2 villages: PRA results*

#### *3.5.2.1 Similarities between Li Say and Binh Ho 2 villages*

- *Ethnic groups and recent history.* People in both villages are DaoThanh y. In 1977, during the conflict between Vietnam and China, the Hoa<sup>11</sup> ethnic minority group left Li Say. The district persuaded people from Binh Ho 2 and Se Long Min villages to shift to Li Say. As a result, in

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<sup>11</sup> The Hoa ethnic minority group were originally Chinese.

1979, the new village was formed with 40 households. In Binh Ho 2, the households were often separated into several, with one staying and another shifting to the new village. For that reason, the relationship between the villages is very close and the customs are the same.

Table 16: Village development history and land reform of Li Say and Binh Ho 2

	<i>Li Say</i>	<i>Binh Ho 2</i>
History of village formation	1977-1979	Nobody remembers
Ethnic groups	~100% Dao Thanh y	~100% Dao Thanh y
Current number of households	78	28
Date of cooperative formation		1960-1961
Land allocation by production contract	1979	1981-1982, in fact it is permanent allocation to households with 600m <sup>2</sup> per head
Agricultural land allocation to households	1984-1986	
Disintegration of cooperative	1994	1994
Reallocation of agricultural land	1994	1994
Total agricultural land area	39.2 ha	Nobody remembers the figure
Forest land allocation to households	1996	1996
Largest area/household	10 ha	10 ha
Smallest area/household	3 ha	2 ha
Number of households having no forest land	1	0
Total area of village forest land	300 ha	Unknown by people
Total area allocated to households	~50%	

- *Administrative history.* In the old village, households joined the cooperative in 1961-1962 and when 40 these households shifted to a new village, they took over the agriculture and infrastructure of the Hoa people and also formed a new cooperative.
- *Agricultural land allocation.* Land reform started early in both villages compared to other surveyed communes. Li Say conducted a production contract in 1979 and in 1984 allocated land permanently to households. Binh Ho 2 had land reform two years later, but allocated land permanently to its households. In 1994, Li Say made some adjustment in agricultural land, but just by taking land of the households who had migrated to other areas and the common land fund (10%) to supplement those who had too little land. In 1997, the red book (agricultural certificate) was provided to households. This way of land allocation had resulted in inequity in land ownership. Some households own a lot of land, while the other have little.

*Box 31: How agricultural land was allocated to the households in Quang Lam (from PRA exercises)*

*Li Say PRA participants:* Land allocation was conducted in 1986 in the following way: a main labourer was considered as one unit, two assistant labourers as one, and three dependants, one unit. Ten per cent of the total land was used as a common fund and later, in 1994, it was reallocated to households in the land allocation amendment.

Forest land was allocated to households and green books were provided. The system of allocation used was the same as in other communes, which led to different land tenure of households.

*Box 32: Comment on shortcomings of the authorities in forest land allocation (from PRA exercises)*

*Li Say PRA participants:* Due to some mistake of the district FI officials, one household has no forest land. The village authorities have sent a complaint to the commune CP, but still there is no response. The reason is not clear why the higher level did something wrong and does not correct it.

- *Forest crops.* The forest land of households is mainly under cinnamon and star anise. Cinnamon is a traditional product of Dao people in Quang Lam. Many households who are now living in Li Say still have cinnamon fields in Binh Ho 2, despite the fact that this land is under the tenure of another household.
- *Sale of land.* Commune regulation forbids households from selling land to others, but in reality, land is sold to each other when some family shifts to another place.
- *Migration.* The population in both villages varies a bit. About 20 households of Li Say moved to the south or lower lying, but later 5 households returned. They still keep land in the village which is maintained for them by their relatives. In Binh Ho 2, six families migrated to the south and only one of these came back.
- *Administration of cooperative.* The cooperative management board existed for the period 1981-1994 with its only function being to buy fertilisers and some other inputs for agricultural crops. The households paid some fees for maintaining the board's activities.
- *Election of village head.* In 1994, this board was replaced by the village head regime, with selection of the head by voting with a two-year term (see box 33). After that, the cooperative management board changed its function and was named a "business cooperative" with fewer members. At the initial stage, the board did well, but later its activities weakened and now it has almost stopped functioning.

*Box 33: Opinion on how the village head is selected (from PRA exercises)*

*Li Say PRA:* The village head is selected by confidential voting. The commune CP supervises and the villagers nominate. If the person elected is the right personality of commune CP, everything is okay. In the case where the wrong person nominated, it will appoint itself. It has never happened that the selection by villagers was approved by the commune CP. Li Say people do not know the responsibilities of the head. It is seen that the head informs households to contribute donations, organises meetings to implement the commune CP's instructions, to fulfill all of its assignments, but not all the information is reported to villagers.

- *Crops and livestock.* Crops cultivated are the common ones for household supply with some surplus for sale or livestock raising. Cinnamon is a traditional cash product. In the last decade, star anise has been introduced by planting it mixed with cinnamon as its high price attracts the attention of farmers. However, cinnamon is still considered to be the most important cash crop. Livestock husbandry is more diverse with buffaloes, pigs, poultry, duck, and different varieties of geese. Some households are conducting aquaculture trials.
- *Sources of income.* Sources of income of both villages are crop cultivation, livestock husbandry and cinnamon. As estimated by PRA, 40% of Binh Ho 2 income is derived from cinnamon.
  - Crop cultivation produces sufficient cereals with some surplus for sale, which raises income for buying agricultural inputs and other items. There are still some households suffering food shortage between harvests. There is no statistical data on the volume of cereal sold. For example it is estimated that Li Say sells about 5-10 tons of rice annually.
  - Livestock husbandry. The number of buffaloes has declined as many households now use machines to plough fields. Furthermore, the grazing fields are limited and the commune CP has a regulation which strictly forbids allowing buffaloes to run free and destroy crops. Most households raise 1-3 pigs on average. Pig growth is much higher than in the surveyed communes because of proper inputs (breeds and industrial food). It takes only 6 months for a piglet to reach the selling weight (60-90kg). Livestock husbandry in Li Say is better than in Binh Ho 2 as the investment is higher and mainly for commercial purposes, while the latter's aim is half for sale and half for subsistence. Poultry is also a source of cash income. A number of households keep up to 60 female ducks for eggs. As is common, diseases often cause high risks to the poultry business and the district AFE still has no measures to help farmers.
  - Forestry: cinnamon is a most important source of income for households. All the better-off

households obtained good houses and facilities by selling cinnamon. Savings derived from cinnamon help households to make more inputs into agriculture and livestock husbandry. Star anise has brought some income to a small number of households for last few years, but the ratio is small compared to cinnamon.

- **Off-farm income sources:**

Seasonal labour. The poor often work for the better-off or for construction works funded by assistance projects. Wages for weeding cinnamon are 15,000 Dong/day, excluding lunch; if lunch is included, the wages are 12,000 Dong/ day. Labourers are paid 500 Dong/kg for the cinnamon harvest. In this case, a strong labourer may earn 20,000-25,000 Dong/day.

Besides the poor in the locality, people from other areas also come to Quang Lam for work. Labourers with skills used for work such as modern house construction are usually recruited from lowland areas like Hung Yen province.

Services. Prior to the market opening, the services in both villages were very poor with several small shops in each village; their monthly profits ranged were around 100,000 Dong. Since the market opening, Li Say has 12 households who have shops in Li Say village and five households who maintain shops at home; even the village head keeps a restaurant in the market. Binh Ho 2 has only few households who have shops in the village. Salary and pension. The number of people getting pensions and salaries is small in both villages. Only some households who have family members who work as commune staff receive salaries ranging between 80,000 and 380,000 Dong depending on their position.

- *Awareness of assistance programmes.* Similar to other surveyed communes, people in Li Say and Binh Ho 2 are not aware of most assistance projects, except a few village leaders (table 18).
- *Sources of livelihood information:*
  - District AFE provides information and training on advanced crop varieties to a limited number of people. If these people apply the new techniques and are successful, others will follow their example.
  - Listening to the radio, watching television and learning from each other in the community.
  - Going to friends or relatives living in other areas to learn from their experience.
  - Observing the better-off and learning from their experience.
  - From discussion with the traders coming to village or in Dam Ha market to find out about product prices and what crops to grow or what animals to raise.
- *Marketing.* Usually, rice, pig and cinnamon are sold at home, while other products are sold in the market, previously in Dam Ha and now in the commune market. It is estimated that the number of visits to Dam Ha market has declined by 60%.
- *Wealth from cinnamon.* The reason for livelihood improvement is income from cinnamon. All the things households obtain now is thanks to selling cinnamon. The rich are those who have a lot of cinnamon fields.
- *Difficulties of village:*
  - There are households who own a lot of land, while some others have little or no land. The newly established families often face a problem of too little land.
  - Households are now forbidden from clearing land allocated to them to plant forest trees, without clear explanation from higher levels.
  - Land and labour are available, but there is lack of capital and expertise. For example, the water surface in the commune is large. There is good potential for raising fish, but people lack expertise in aquaculture.
  - The procedure for getting loans from the agriculture bank is too complicated and the amount permitted is insufficient to meet the demand (only 50% of collateral is provided).
  - There is a lack of market information therefore people have difficulty in identifying promising products for development.
  - Poor livestock husbandry skills and the district AFE does not provide sufficient help.
  - The cinnamon price is declining but the people do not know why.
- The *causes of poverty* of the poor households identified by PRA are:

- low level of literacy
- lack of experience and capital
- laziness
- lack of courage in doing things with high risks
- drink too much alcohol
- recent separation from old family
- *Support from commune.* Only some poor households have received preferential loans. Besides this, neither village has done anything to support them. The YU has no activities to help new couples. According to the opinion of PRA participants, for many of these poor households, the commune should help them to get loans and train them how to use them efficiently.

### 3.5.2.2 Differences between Li Say and Binh Ho 2 villages

Table 17: Differences between Li Say and Binh Ho 2 villages

<i>Li Say</i>	<i>Binh Ho 2</i>
The sources of income are more diverse. The proportion of income from agriculture and secondary activities is much higher than from cinnamon. The market economy is more obvious in Li Say	Despite lack of statistical data on income, household earnings are higher than in Li Say. Most households have large areas of cinnamon forests which were planted many years back. The income from selling cinnamon in the period 1992-1997 helped them to construct modern style houses and to buy different facilities.
Households took over the infrastructures of Hoa people to upgrade them gradually. As a result, two crops yearly can be obtained from agricultural land. Livestock husbandry is more developed for commercial purposes. Private money lenders give loans with high interest (2% monthly).	Agricultural and livestock production is mainly for subsistence. The people's sense of community is still high. Villagers help each other such as lending money or materials (pig, chicken, rice etc.) without interest or fixed terms. Binh Ho 2's difficulty is a poor irrigation system and more funds are needed to upgrade it. Furthermore, the road is poor and interrupted by creeks, which causes problems for children going to school in the rainy season.
<i>Wealth ranking criteria</i>	
<i>Better-off:</i> permanent constructed house, motorbikes, television, grinder and rice-plucking machines, many buffaloes or ploughing machine and other luxuries.	<i>Better-off:</i> big modern house, motorbikes, television, good furniture, grinder and rice-plucking or ploughing machines, large area of cinnamon fields.
<i>Average:</i> tile-roofed house, television, food self-sufficient, manage to cover expenditure on basic needs and schooling for children	<i>Average:</i> tile-roofed and brick-constructed house, food self-sufficient, bicycles or motorbike, smaller area of cinnamon field
<i>Poor:</i> leaf-roofed house, no buffalo, no luxuries, food shortage in between crop periods, very economical in expenditure and able to afford meat or fish only several times a year	<i>Poor:</i> leaf-roofed house, shortage in food in between crop periods, 1-2 ha of young cinnamon.
<i>Result of wealth ranking</i>	
<i>Better-off:</i> 14 households (17.9%) Thanks to salary and grants - 4 households Initiative - 10 households	<i>Better-off:</i> 9 households (32.2%) Thanks to salary and grants - 1 household Initiative - 8 households
<i>Average:</i> 33 households (39.7%)	<i>Average:</i> 13 households (46.4%)
<i>Poor:</i> 33 households (42.3%) The causes are slowness or having recently separated from their parents	<i>Poor:</i> 6 households (21.4%) Causes: Due to slowness or recently separated from their parents: 5 households Due to sickness: 1 household
78 households	28 households

*Table 18: Assessment of the roles and effectiveness of village authorities and assistance projects on development in Li Say and Binh Ho 2 villages (from PRA exercises)*

Names	Li Say	Binh Ho 2
	Activities and effectiveness	
Village head	The term of the village head is two years. No regular meetings are held; they take place only when there is a need to inform or implement some instructions of the commune	Similar to Li Say
VAB	Monthly meetings are held to help each other in economic development and its poor members.	Role is not clear
NFB	Previously had some activities, but no more now.	The village head is the NFB head and there are no regular meetings. Overall there is no clear impact on village development.
YUB	For last few years no significant activities have been conducted, although the membership fee is collected.	Participating in different village construction work, campaigning against under-age marriage. Weak activities and poor impact
WUB	Family planning, good care of children, visit to the sick members. The birth rate has declined.	Similar to Li Say
FAB	The village head is FAA's head. There is no clear activity.	Similar to Li Say
PC	There are 7 members and monthly meetings are held. Has a very important role in decision making of village	There are 4 people, conducting activities in coordination with other mass organisations.
RB project	In 1982, provided money to some households to plant cinnamon (600 Dong/ha)	Similar to Li Say
SCF	Provided seedlings and money to commune to plant 20 ha cinnamon. The commune divided this equally to villages, and villages divided the same way to households	The amount was too small, therefore the village selected only a few households to receive the grant
PAM		Supported rice and cinnamon seedlings to 3 villages to plant 17 hectares of cinnamon. The village divided this equally amongst households.
Programme 135	Funded construction of market, school and healthcare station	
Project 325	About 60% households received a loan of 3 million Dong each.	5 households received loans
AFE	Provided training on IPM, fruit tree planting and livestock raising (box 34)	Similar to Li Say
Healthcare station	Besides staff in the healthcare station, each village has one nurse. Quang Lam people have to pay for medicine.	Similar to Li Say
School grade 1 grade 2	School grade 1 available	Similar to Li Say
	School grade 2 available	No school grade 2

*Box 34: Comment on AFE training (from PRA exercises)*

*Li Say PRA participants:* The commune directly selects people to attend training and even the village head is not aware of that. The trainee later retells what he learnt of how to cultivate rice, fruit trees and livestock raising. The training at commune level provides the training materials, but there is no such thing at village level. Pig raising technique is not applicable as the input is too high.

### 3.5.3 Household economy study findings in Li Say and Binh Ho 2

The total number of interviewed households is 26, including 5 better-off and 11 poor in Li Say, and 6 better-off and 4 poor in Binh Ho 2.

#### 3.5.3.1 Similarities between the households surveyed in Li Say and Binh Ho 2

- *Literacy levels* are similar to those of Huc Dong. People of middle age have often passed 2-4 years of evening schooling. Most of the people of the younger generation, aged between 18 and 30, are illiterate. Some of them are not fluent in Kinh. Women suffer from illiteracy more than men, furthermore, they have little opportunity for contact with outsiders, consequently many of them are not able to speak Kinh. Within the households, the husbands usually decide everything. The women do not even know how much agricultural and forest land they own. There are a few families with Kinh wives, who are better in literacy and actively involved in making decisions concerning livelihoods. Most households still do not see the urgent need to send their children to school. A number of better-off households, including commune staff, have made their children leave school to work on the farm due labour shortage. However, the trend of investment in children's education is obviously increasing. Some of the better-off can afford to send their children to the better schools in Ha Coi or Dam Ha towns, at a cost of millions of Dong a year.
- *Awareness of assistance programmes.* As is common, people are not aware of national development policies for upland areas, the sources of funds for construction works in commune, or who are the executive agencies. They receive things given to them and try to divide them equally so that everybody benefits from donations (see table 18).
- *Cash crops.* Despite the declining price, cinnamon is still considered to be the most important cash crop. Some households with initiative plant cinnamon mixed with star anise, thinking that after harvesting the cinnamon, the star anise will provide a regular income for a period of 5-6 decades. The productivity of star anise harvested over the last few years is low compared to that of Binh Lieu, but is sufficient to encourage other households to follow the example. They pay for star anise seedlings themselves at a cost of 1000 Dong/seedling in the open market, although the survival rate is not high because of poor seedling quality. Even the poor also try to get loans to plant star anise.
- *Information sources.* Households get economic information from more diverse sources such like AFE, inside community, friends and relatives in neighbouring areas, radio and television (for those people fluent in Kinh). Good means of transportation (motorbikes and bicycles) allow them to obtain market information faster.
- *Learning and innovation.* However, most households choose the means of their own economic development by following or learning from each other. If someone is successful in his business, others will follow if they are able to. In this community, there are a few people who are always seeking their own way of living (see box 35).

*Box 35: An example of how an innovative man chooses his livelihood*

*Tang Tang Phuc, Li Say village:* "The cinnamon price declines continuously and is currently only 7,000 Dong/kg. The star anise price fluctuates much, but it is still profitable for Binh Lieu. According to my forefather, star anise in Quang Lam bears poor fruit. Households plant a lot of star anise because of its increasing price. I told my children not to plant this crop as we should think of its market, otherwise losses are unavoidable. I advise them to plant canarium as it is a multi-purpose species and there is good demand for its products. I have produced a good canarium nursery myself."

- *Sources of credit.* Despite high income from agriculture, livestock and forestry, over 90% of the surveyed households need capital for expanding their business. The number of households getting loans from Programme 325 is limited and the amount is considered to be too small for

production investment. Some households have tried to get loans from the agriculture bank, but the procedure is too complicated, time-consuming and there are high negative fees for bank staff and others. As a result, only those people who have good social knowledge and contacts manage to borrow loans. The remainder usually borrow money from their relatives or moneylenders with high interest rates (see box 36). This occupation is a recent development. The moneylenders are government staff working in the commune as teachers or in the healthcare sector and who have spare money.

*Box 36: The difficulties faced by poor farmers in getting loans from the agriculture bank in Dam Ha*

*Chiu A Ba, 25 year old and illiterate in Li Say:* "I am not able to borrow money from the agriculture bank because of having no identification card. I sent an application to obtain the card in 1995. The commune police has taken my picture three times without any success, yet I have to pay each time. In the commune, there are many similar cases. Currently, I borrow money from a private lender at an interest rate of 2% per month. Recently I sold some of my young cinnamon area to return the loan."

*Chiu Tac Hong:* "It is rather difficult to get a loan from the agriculture bank. In order to have an amount of 5 million Dong, it is necessary to pay 500,000 Dong as fees. Besides this, it takes a lot of time to go to the commune for the certificate and to invite the bank staff to come to assess your property for collateral. The total time spent is estimated at over ten days."

- *Use of credit.* Different to other studied communes, loans are used for very diverse purposes such as planting forest, pig and poultry raising, shop keeping, buying young cinnamon fields, hiring labour for cinnamon planting and harvesting, etc. The amount of loans needed by households is big compared to other communes. For example, the head of Li Say village borrowed 25 million Dong from the agriculture bank to carry on his restaurant business.
- *Risks to livestock.* Despite being a commune with better livestock development, the efficiency of the business is not adequate. Many households consider that they do not get profit from pig and poultry raising, as the risk from diseases is very high.
- *Low impact of assistance projects.* The AFE support is very limited. Only a few people in each village have the opportunity to attend training on IPM and pig raising. These people then report back what they have learned. However, most households fail to apply the new techniques due to various reasons such as inability to grasp the information which is reported back, or the high inputs in food, breeds and stable which are necessary, and so on.

### 3.5.3.2 *Similarities between the better-off in Li Say and Binh Ho 2*

- There are households who have lived a long time in Binh Ho 2 and although some of them migrated to Li Say, they still keep their cinnamon forest in their original home village. They all have large areas of both agricultural and forest land, and as a result, they usually hire labourers to work for their farms. Though the PRAs of two villages states that the largest area of forest land per household is 10 hectares, the survey reveals that some people own 14-20 hectares. Most have 5-10 hectares. The agricultural land of the better-off varies between 4,000-11,000m<sup>2</sup> with the majority ranging from 6,000-7,000m<sup>2</sup>. Their agricultural lands are well irrigated, hence, they are able to rotate two crops yearly. They produce a surplus in cereals and use it mainly for livestock raising, whilst only a few of them sell it for cash.
- The household diet is good. They can afford to have meat and fish regularly, on average, 10kg of pork per month. Li Say people buy meat in the market. Binh Ho 2 is far from the market, so its people solve the problem by a loaning/ sharing system, whereby each household kills a pig for self-consumption, the surplus is given to others and is returned later.
- All the better-off households earn high cash income from cinnamon. Their cinnamon fields have been planted continuously for a long time. In the early nineties, when the market had just been liberalised, the cinnamon price increased drastically. This enabled the households to

obtain good earnings and they used the income to construct big houses, and to buy luxuries and facilities for agricultural development, as well as healthcare and children's education.

- The cost of social events and ceremonies is higher for the better-off households. At the same time, the discrimination between the better-off and the authorities and the poor seems to be more obvious. For example, money given as gift to a wedding of ordinary people is 20,000 Dong compared to 50,000-150,000 Dong for the wedding of one of the leader's children.

The opinion of the better-off households regarding the causes of poverty of the poor households are as follows:

- Lack of capital and little land
- Lack of expertise in farming
- Cinnamon is still too young to bring income
- Slow, lazy, alcohol addiction

### 3.5.3.3 Similarities between the poor of Li Say and Binh Ho 2

- *Lack of land.* The poor own less agricultural and forest land, especially in Li Say, where the area of paddy fields of the poor households varies between 2,000m<sup>2</sup>-3,000m<sup>2</sup> and forest land 0.5-2 hectares, whilst only a few of them own 3-4 hectares of forest land. Part of this land is under cinnamon and has been planted since 1996. Some of the households just started to plant cinnamon but have been stopped from doing so by FI. For that reason, most of these households have no income from forestry.
- *Reasons for poverty.* Only a few households are poor because of their slowness or too much drinking as PRA identified. These households mainly live in Binh Ho 2. The poor in Binh Ho 2 are illiterate, do not remember how much land is under their tenure and are not able to learn advanced cultivation techniques. In contrast, the poor in Li Say are hard working and very economical in expenditure. They manage to obtain high yields of rice on their small area of paddy. Some of them would be self-sufficient in rice, if they did not have to sell it to meet other needs and inputs in cinnamon and star anise planting.
- *Lack of support.* Except a few who receive preferential loans, the poor do not get any support from the local authorities, let alone chances to attain AFE training. Some of the poor have the feeling that they are ignored (see box 37).

*Box 37: The feelings of the poor about what other people think of their poverty*

*Chiu Di On, age of 62, illiterate, Li Say:* "I do not join FAB. Nobody from any organisation comes to help my family. We have to manage ourselves. Maybe they think we are too poor to support (pay attention)."

*Chiu Di Qui, illiterate, Li Say:* "My life is not better because of six children going to school. The commune authorities are not fair. I have to pay 20,000 Dong for a birth certificate. I am not invited to weddings as people think I am too poor."

- Two cases surveyed in Li Say were considered to be "slow" by PRA participants, but in fact, they are even more dynamic than the better-off (see box 38).

*Box 38: How the poor think of their problems and solutions*

*Tang Van Sung of Li Say, 5 school years with Kinh wife:* “My agricultural land is 500m<sup>2</sup> per head and only half of this is suitable for rotating two crops yearly. My family is self-sufficient in rice. I got only 0.5 hectare of forest land from my parents and this area is under cinnamon which was planted in 1996. When the market started to operate in the commune, my wife got a licence to open a shop selling clothing and shoes and she manages to earn about 250,000 Dong monthly. We intend to shift to other commodities, but much more capital is needed, while the agriculture bank allows us to borrow only 50% of collateral.”

*Chiu Siu Senh ranked as poor because of having many children and slowness.* “I have four children and one who is adopted. All of them go to school. I myself passed 5 school years. I spent my own money to travel from the north to the south of the country to see how people live and learn from their experience. I think that most of the assistance projects are poorly implemented with low effectiveness and heavy corruption. I am still poor as my paddy field is too infertile and small, while my family is often short of capital. I need at least 10 million Dong for production investment.”

Ten households in Li Say identified their causes of poverty which are put in order of similarity as follows:

- Little agricultural land
- Very limited forest land area, while the planted cinnamon is still young
- Lack of capital to invest in production. It is too difficult to get loans from the agriculture bank. Their relatives are also too poor to help. Loans from moneylenders are at high interest rates therefore they usually borrow only for short periods of time, to meet acute needs.
- Too many school-age children
- Loss of parent at an early age, consequently they have no opportunity to attend school as they inherit their property (house and buffaloes).
- Wedding custom is still too costly (7-10 million Dong) and it takes new couples many years to return loans.

## 4 ANALYSIS AND DISCUSSION

### 4.1 *Overview of important historical events and land reform*

In order to understand the characteristics of an economy, and to find out the causes of its slowness or speed compared to others, it is necessary to look back its policies concerning natural resource utilisation and human resource development. For that reason, a brief overview of the social and economic policies of each period and livelihoods of each community is needed. It is a very complicated issue. For this case study, the overview frame covers the last six decades. It was a period of major social change, which clearly influenced five of the communes studied.

The predominant ethnic minority groups in these communes are Dao and San chi. The Dao people had a long tradition of shifting cultivation on high mountain tops, and started permanent settled life 5-6 decades ago (annex 1). They began to gain experience of water rice cultivation. Forests are used as the source of some basic needs and also commodities for exchange with Kinh people for production instruments, salt and others. Overall, their livelihood was one of self-sufficiency.

The planned economy started in the 1960s, at first with mutual help groups (Huc Dong) and slowly converted into agricultural cooperatives which reached the highest level in the form of high grade cooperatives (as they are usually called). Land reform was conducted simultaneously with collectivisation. The agricultural land and means of production (buffaloes and ploughs) became common property. This period was short, just 2-4 years, and was followed by disintegration back to the former system. In some areas, high grade cooperatives existed in name, but no longer functioned. The whole process lasted for about four decades, up to the end of nineties (1998 in Dong Lam), depending on the policies applied by each community.

Collectivisation was conducted simultaneously with illiteracy eradication. Children of school age went to day classes and adults attended evening classes. As a result, most of the adults and children who were of school age in this period have a literacy level varying between 1-4 school years. Women have less chance to attend school therefore illiteracy among them is higher. During the decline of the cooperative period, for many reasons, including the consequences of the long war against USA, most children during this period had no opportunity to attend school. That explains the high ratio of illiteracy among people aged between 17 and 30.

The command economy started on the basis of low literacy levels and poor agricultural skills, which were mainly for subsistence. Forest land was considered to be common property and was managed mainly by SFEs. Trading of all the high economic value forest products used to export for hard currency was put under the entire control of a few state owned companies. During this period, all the surveyed communes were in the same difficult economic situation and people were only concerned with how to get sufficient food. There was very little difference in income earned between households in the same community .

The renovation policy comprised a series of changes in land tenure and a liberalised market for agroforestry products. Firstly, agricultural land was allocated by "production contract", and then permanently (with red book certificate) to households. In fact, "production contract" is an intermediate stage of handing over land tenure to households. In some areas, local authorities combined these two stages into one (Binh Ho 2). Agricultural land reform brought vitality to the household economy. The food security of farmers improved considerably, something that is clearly recognised by people in all the surveyed villages. However, limited agricultural land and poor cultivation skills on the basis of low production investment and high rates of population growth has hindered most households in reaching adequate levels of food security.

Forest land reform followed the change in agricultural land. Although the national forest land allocation policy was issued in 1986, it was implemented in the surveyed communes only in the

nineties, the earliest in Dong Lam (1992) and the latest in Luong Mong (1997). The renovation in forest land is a big change to people in upland areas, as from the time of their ancestors, they used to think of forest resources as common property. Being at fault in receiving the allocated land with little interest in the early stages, now they have realised the value of the land allocated to them and make much effort to invest in it, seeking ways to use land more efficiently and sustainably. Nonetheless, shortcomings in the process of forest land allocation were obvious in most of the surveyed communes. The reasons for these constraints are diverse, such as inadequate policy dissemination, lack of participation, lack of experience of FI staff together with their poor sense of responsibility, while the local authorities were not free of self-interest (boxes 1, 2, 7, 11 and 32). The consequence of all this is inequity in forest land tenure such that a number of households, especially the poor, own little or even no land.

Land reform has been conducted simultaneously with the development of numerous assistance programmes, such as 327, 661, 135, 325, which relate to all aspects of livelihoods such as effective land use, infrastructure improvement, literacy and so on. The overall aim of these programmes is to raise living standards and to narrow the gap in income between the lowland and highland areas. This assistance has had a clear impact on the life of people in highland areas. Most of those interviewed made a general comment that their life has improved considerably over the last few years. However, they also show the shortcomings in programme implementation that result in significantly low effectiveness of these assistance programmes. The most common constraints are lack of participation, poor study of local socio-economic conditions, lack of product market survey, misuse of aid funds, and so on. The unavoidable consequences are high mortality or slow growth of the planted crops, soil degradation and unmarked products (box 39). The district AFE's way of supporting farmers to improve their technical knowledge is to provide training and demonstration models, but without any training needs assessment or evaluation of the effectiveness of its activities. The models established for demonstration are often complicated and require high levels of investment, that might be suitable only for the better-off with good literacy. Among the development assistance programmes, 135 provides the most funds, but is evaluated as low in effectiveness and heavily corrupt. These comments are made by the commune authorities, but not by ordinary farmers who are not even aware of the programme. This issue is also repeatedly raised by newspapers, television and in sessions of the national assembly – which does little to inform upland farmers as few have television or speak Kinh. Despite the facts, not much change is noticed up to now.

*Box 39: Comment of Hoanh Bo workshop<sup>12</sup> on effectiveness of some forestry assistance projects*

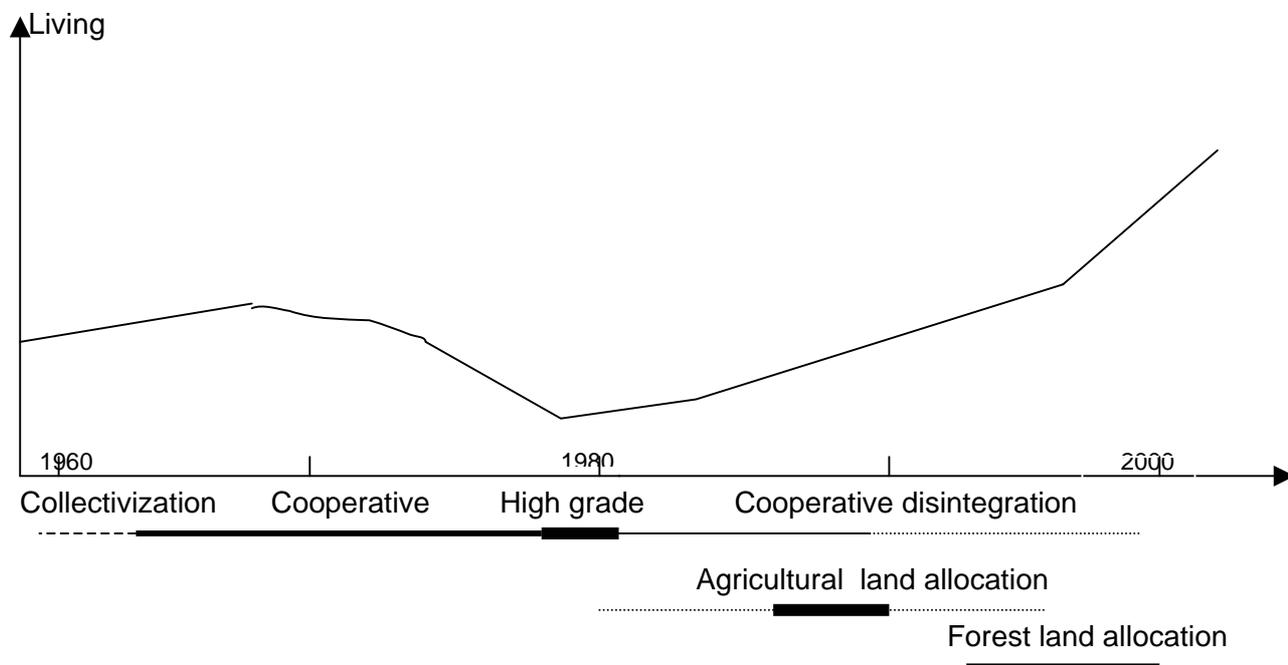
*Hoanh Bo workshop participants on promotion for marketing upland products:* The projects supported farmers to plant trees without a proper survey of climate and soil conditions. Furthermore, the seedlings provided to them were often poor in quality. For example, Hoanh Bo district provided a cinnamon variety, the product of which is sticky and we are unable to sell, even at a very low price.

The wealth differentiation in surveyed communes has increased since implementation of renovation policies. It was developing during agricultural land allocation, and especially during forest land allocation. Implementation of development assistance projects has contributed to deepen this differentiation which will be looked at in more detail in section 4.3. The following section analyses factors leading to differences in earnings of different communes in the same areas.

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<sup>12</sup> Following the first stage of fieldwork and analysis, the research team hosted three workshops at which the results were discussed with a range of stakeholders. One of these workshops was held in Hoanh Bo district. It is thought that these workshops were the first fora that enabled all the stakeholders in the market chain to come together to exchange information and express their views.

Figure 1: Land reform and the general trend of people living in the five studied communes for the last five decades (based on PRA and household interviews).



#### 4.2 What are the causes of the inter-commune differences?

For ease of analysis, the five surveyed communes are divided into three types: Dong Lam and Thanh Son; Huc Dong; Luong Mong and Quang Lam. Huc Dong is as poor as the first two communes, but it has particular characteristics therefore it is analysed separately. Though the five communes are located in four districts, they have some things in common:

- Same administrative set-up and mass organisations. In reality, the heads of mass organisations are considered as authority figures by farmers, and as usual, they are party members (so when the phrase “local authorities” is used, it encompasses all the heads of commune or village mass organisations). The same policies from provincial government are applied in communes (three of these communes have officials assigned by the districts to replace local ones, for the purpose of capacity strengthening, according to the new provincial policy). There are no truly ‘local’ organisations.
- Renovation policies are applied in all the communes, but time and approaches used are a bit different, depending on local governments, executing staff and supervision.
- All the communes receive support from national and provincial governments and international organisations, though the number of projects and their scale differ.

So what are the reasons leading to differences in income and standard of living between these communes?

##### 4.2.1 Dong Lam and Thanh Son

These two communes are located in two different districts but have many things in common:

- Geographically, the two communes are very close to each other and their inhabitants are mainly Dao Thanh phan.
- There are large areas of forest land, on average 4.9 and 5.8 hectares per head respectively, while the agricultural land is very limited with an average of 437m<sup>2</sup> and 631m<sup>2</sup> per head
- People's income is based on two main sources: agriculture and forest extraction
- Forest management follows the same methods as in the past, which were based more on exploitation than development. The forest vegetation cover in the two communes was similar in terms of species structure. Over-exploitation led to biodiversity losses and depletion of forest resources in both communes, but Thanh Son suffered much more than Dong Lam. In the former, low value bamboo species have replaced the old vegetative cover and forest land has become degraded. The causes of over-exploitation are the ease of transporting produce, thanks to the Ba Che river, and poor management by the Ba Che authorities (box 40). Dong Lam is luckier (in that its forests are less degraded) as its roads less accessible. Currently, Dong Lam's forest cover is still relatively rich in biodiversity, although resources of very high value timbers have run out. Forest product extraction is an important source of income for households, including the better-off of Dong Lam.

*Box 40: History of unsustainable forest management in Thanh Son and its causes of poverty*

*Thac Lao PRA:* At the first stage of the cooperative, our main source of income was logging for Ba Che SFE. Men logged timber, women and children practised agriculture. The high value timber (lim) was in abundance. One cubic meter was exchanged with the SFE for 50kg of rice. This timber has disappeared since 1990. Before 1979, timber was sold only to the SFE.

Later, private traders came to buy as well. In the period between the late eighties and early nineties, a lot of people from other areas came for logging. They owned good instruments and it was estimated that 80% of timber was harvested by them and the local people managed to log just about 20%. We raised this issue to the commune and district, but no intervention was made, while in Hoanh Bo the outsiders were forbidden from coming for logging. The logging ban policy has been applied since 1995, but currently, trucks transporting poor quality timber and residues from previous logging are still seen every day at 4 o'clock in the afternoon. They are permitted to log, but the local people are forbidden.

*Head of Agriculture and Rural Development Department of Ba Che district:* Thanh Son is poor because in the past people earned their living mainly by logging. This resource ran out and the people's main income source is over.

- Neither commune has a market, and the people are passive in marketing their commodities. They still have not adapted to the market economy.
- The standard of living of the two communes is low, and even those households considered to be better-off with income based on agroforestry only have a decent property (see criteria of wealth ranking).

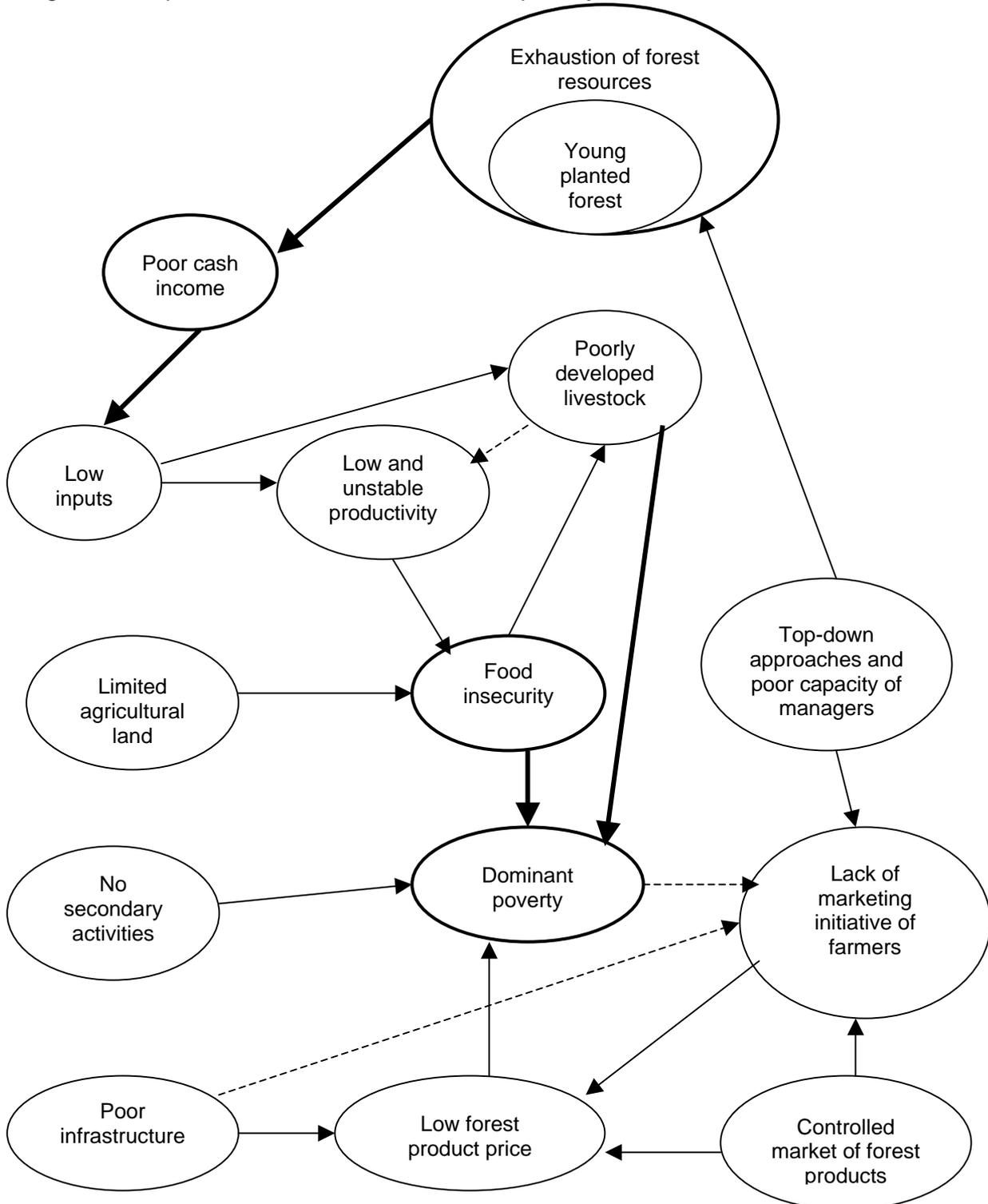
The authorities of these communes fail to identify their own strategies for the commune's economic development and just wait for a top-down plan, then follow the district instructions exactly. Despite many similarities, Dong Lam and Thanh Son also have some differences as the two communes are under the government of two different districts.

- Besides richer natural forest resources, Dong Lam enjoys a more favourable location such as proximity to big cities and towns, therefore its commodities are more easily marketed at higher prices.
- The policy in trading forest products of Hoanh Bo is more free than Ba Che, where the SFE is delegated the power to control the forest product trade. This policy also contributes to better prices for the same product compared to Thanh Son. For instance, in Cai village, farmers are able to sell paper bamboo for 100-130 Dong/kg, while Long Toong farmers are offered only 70

Dong/kg. Hoanh Bo SFE has the right to control only products from forest land under its management.

- Most of Thanh Son's forest land is under the management of Ba Che SFE and the total area allocated to households is much smaller than the cooperative managed in the past (see box 11).
- The income of Dong Lam households from natural forest is higher as the forest resource is richer as well.
- The labour cost in Dong Lam is almost two times higher than in Thanh Son for many reasons such as higher price of commodities, high value and diverse products for harvest, and more sources of employment.

Figure 2: Simplified main causes of Thanh Son poverty



All these factors create conditions for higher incomes of people in Dong Lam compared to those in Thanh Son.

In brief, the reasons for poverty in these two communes are limited agricultural land and unsustainable forest management, as expressed in over-exploitation without concern for development of alternative incomes. Thanh Son is the poorer, as apart from depleted forest resources, controlled trade of forest commodities contributes to a reduction in household income and poverty of the commune overall.

#### 4.2.2 *Huc Dong*

Almost 100% of Huc Dong's population is San chi. It is an ethnic minority group with a longer tradition of water-paddy practice on terraced fields compared to Dao. They are also hard working and "light-fingered" people. While Quang Lam people have to hire labour from lowland areas to construct houses for them, Huc Dong citizens build houses themselves, at very low cost. Huc Dong was a resistance base and its people were involved in all three wars; as a result, they have had better chances to contact others and to learn from experience. However, currently 50% of the households are still suffering from food shortage. What are the causes of it lagging behind its neighbours Quang Lam and Hoanh Mo, which enjoy a high standard of living (compared to upland communities in general)? Why is the commune poor, given that its natural conditions are similar to those of its better-off neighbours?

Firstly, the right or wrong strategy in economic development is an essential issue leading to its fast or slow growth. It is a big mistake when people inhabit an area where the forest land is predominant to the agricultural land (and the cultivation land is also converted from forest land with steep rocky slopes), but their livelihoods rely only on agriculture and the forest land does not provide any income, except a few products for subsistence. It took the Huc Dong people almost three decades to realise their mistake, and to correct it by learning from their neighbours. Three decades are sufficient for a local economy to be left behind.

Why did this happen to Huc Dong? The answer might be sought in the heavily subsidised and top-down approach to assistance. The support provided to the commune by RB in growing the thousands of hectares of tung oil and so tree without any market study became fruitless. The heavy subsidy (free seedlings and 400kg rice per hectare planted) in the context of acute food shortage was so attractive to the farmers that they received it happily without any concern for the longer term future. It is fair to say that the assistance with heavy subsidy but without any internal drive for a development strategy might bring more harm than good, as it erodes the motivation for self-help.

The Huc Dong people have recognised their mistakes and are actively adjusting their economic strategy. While the commune authorities are still pondering ways to alleviate poverty, many farmers have planted cinnamon and star anise since the early nineties and have earned income from these products over the last few years (30% Luc Ngu households). This result encourages other people to follow their example without waiting for support from outsiders. The sense of self-sufficiency among Huc Dong people is high and it is certain that they will find a way to improve their lives successfully.

#### 4.2.3 *Luong Mong and Quang Lam*

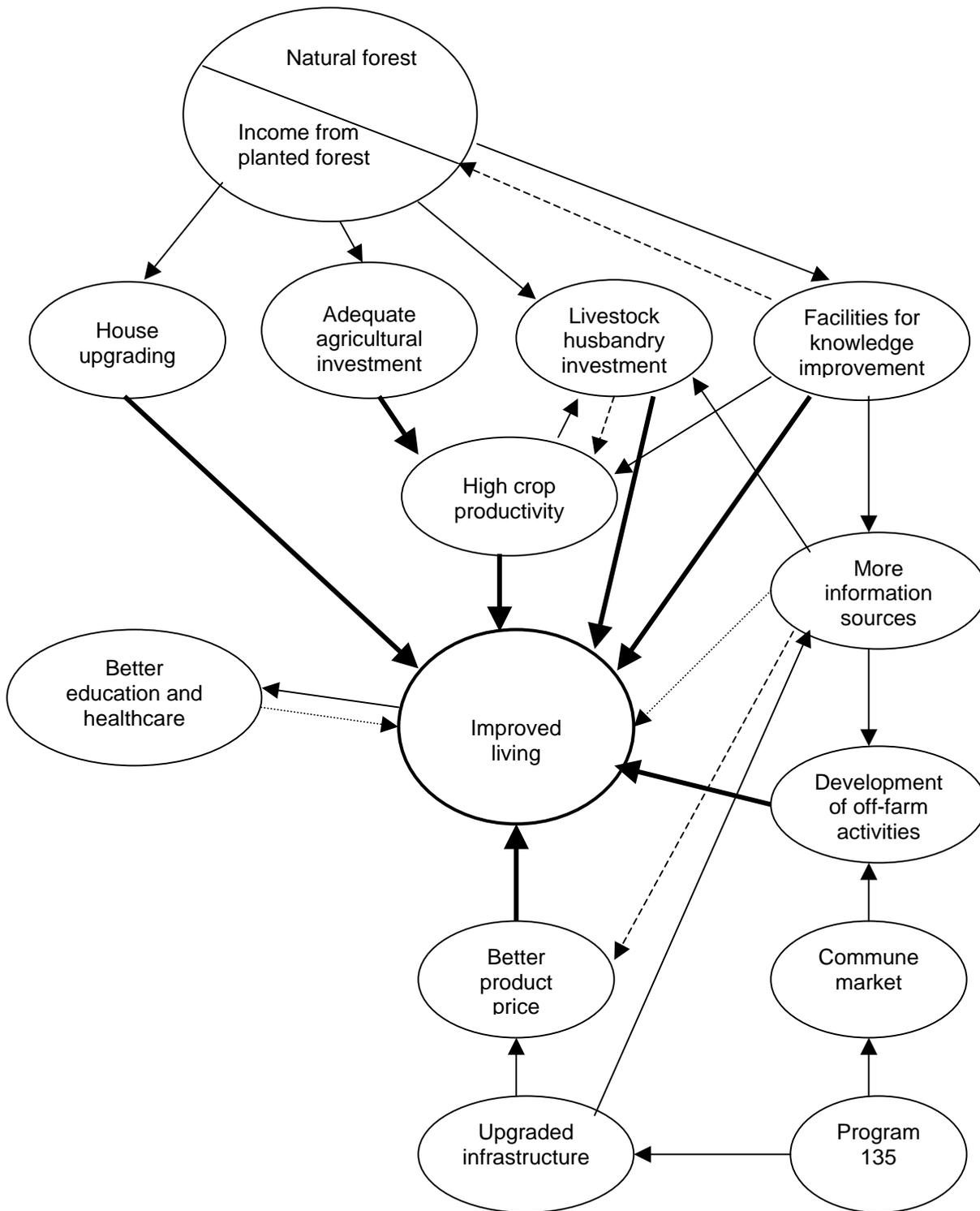
These are two communes where people have a much better life, thanks to their traditional products, despite the fact that their socio-economic conditions are the same or even worse (in the case of Luong Mong), compared to Dong Lam and Thanh Son.

The two communes are under the administration of two different districts, but they also have some

similarities:

- They have become better-off thanks to cinnamon. Prior to the market economy, they were in the same difficult condition as the others (Luong Mong was even worse). Quang Lam had some cash from selling cinnamon to the state-owned trade company at a low price, which people called the “dead price”. Luong Mong has planted cinnamon since the eighties. With the introduction of the free market, the cinnamon price increased drastically as more traders became involved, while forest areas under cinnamon were limited. High cash income from cinnamon allowed households to upgrade their houses, and to invest more in agriculture, livestock and secondary activities. In return, these investments bring more income and households are self-sufficient in food with a surplus available for livestock development and as well as for sale.

Figure 3: Simplified main causes of Luong Mong and Quang Lam improved standard of living



- Despite the declining price of cinnamon, which is only half that of 5-7 years back, it is still much more profitable than other crops. On other hand, cinnamon planting does not require high inputs, especially when the farmers are skilled in seedling production (it is a main input), while the other three communes have no such advantage.
- The high productivity of agricultural crops allows households to invest in livestock and the income from this source follows an increasing trend as it is intensive – rather than extensive as practised by people in the poor communes.
- Expenditure on food, health care and education have also increased considerably. For example, a better-off household in Quang Lam consumes 10kg of meat monthly, compared to the 1-2 kg of pork fat that Huc Dong families are able to afford.

The trade monopoly policy of Ba Che district<sup>13</sup> has no impact on marketing the cinnamon produce of Luong Mong as the commune borders Son Dong district where the marketing activities of forest products are very active, while the distance from Luong Mong to Son Dong town is much closer to Ba Che town.

Luong Mong seems to receive more assistance than the others (which may be thanks to its numerous people now working for district and provincial administration, see box 16. The farmers produce cinnamon seedlings themselves (they could have done this even without compensation) then the return for their labour is provided. This assistance fund should have been used for other purposes such as livestock raising as PRA participants commented (box 19), or for other more difficult communes and households.

In brief, the right or wrong system of forest resource utilisation followed in the past and market policy are deciding factors leading to poverty or wealth of these five communes. For Dong Lam and Thanh Son, unsustainable forest management based on exploitation without replacement has depleted the sources of livelihood and has meant the earning capacity of households lags behind. Huc Dong's poverty originated from growing the wrong products which were impossible to market. The communes of the third type are luckier in terms of identifying the right products for commercial purposes. That means they have succeeded in using the potential of the forest land in an efficient way. The most important factor in these two communes is how policy is actually applied, and natural resource use is a symptom of this.

### 4.3 *Intra-village differences and the causes*

To better understand how the process of wealth differentiation happens in a community, it is essential to analyse the internal and external forces at different levels such as socio-economic development policies, their implementation by local governments and the internal force of people in this community. That means, the analysis should address how and what the authorities at different levels and poverty alleviation programmes have done for the commune's economic development, especially in supporting the poor, and what the poor think of their problems and their solutions.

#### 4.3.1 *Dong Lam commune*

As mentioned above, the life of people in Cai and Dong Quang villages has been getting much better for last few years, but still about half of them are below the poverty line (35% households in Dong Quang and 58% in Cai).

The commune authorities know well the causes of household poverty, but they are not able to do anything, except wait for instructions and support from the higher level. Many national mountainous development policies are still unknown to them. They are not satisfied with the poor participation

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<sup>13</sup> Ba Che district made an amendment to its trade policy in April 2000 that gave the Ba Che State Forest Enterprise mandate to manage trade of all economically important forest products in the district, including pine resin, cinnamon, bamboo and sandalwood. All producers are required by law to sell their produce to the SFE. This is discussed in more detail in the report of the first stage of this research.

approach of assistance projects, but similarly to the other local authorities, they prefer to keep quiet (Programme 135). The commune and villages see clearly that the low literacy is one cause of poverty, however, no measures are taken to eradicate illiteracy for the numerous labour force at vigorous age.

The village authorities have identified the causes of village poverty through PRA exercises. There are both objective and subjective causes, but there are no solutions for the identified problems. They just follow the commune instructions. Mass organisations are set up to support the village head in economy and culture development, particular to assist the poor in their fight against poverty and hunger.

However, except the WU, these bodies are very weak or do not have any activities. The heads of these organisations are usually not aware of its functions and what activities should be conducted for village improvement. The leading positions often are occupied by the people of close lineage. The role of village head is most important, such as disseminating commune policies to households and managing all the administration cases within the village, as well as maintaining dialogue with the commune level. Nonetheless, these responsibilities are not well fulfilled in either village (see boxes 4, 7, 8).

*Allocation of all agricultural land* to households without leaving a common fund is a mistaken step which resulted in landlessness for some households in Dong Quang. For these households, natural forest extraction and seasonal employment are the major sources of income.

*Forest land allocation* conducted in the context of poor awareness preparation about the new tenure type for farmers is another mistake leading to inequity and wealth differentiation. The information provided to farmers about government conditions of forest land tenure, such as sufficient capacity to make inputs in forest planting within a certain period of time - otherwise the land will be taken back, has held back many households, particularly the poor ones, from receiving more land. Those households who have better information or opportunity to analyse the situation have obtained much larger areas of forest land (box 3). Realising the shortcomings, several adjustments in forest land allocation were conducted later, but still a number of households in both the surveyed villages have no land (tables 3 and 4). This is a result of the poor sense of responsibility and weak capacity of FI officials, while the commune and village authorities do nothing to protect the right of these poor households, not to mention their self-interest in the process (boxes 1, 2 and 7).

The *assistance projects* implemented in the commune have some positive influences on the commune's economic development, but to some extent, they also contribute to speeding up the wealth differentiation. All of the projects implemented in the commune still use the same top-down approaches. Few farmers are aware of what is going on in the village and just receive those "grants" provided to them. The common way of implementing project activities is to contact the village leaders to request them to select a number of households using certain criteria for involvement in projects. The FAO project was evaluated by the PRA group as being more effective than the others and has paid much attention to improving the technical knowledge of farmers and women in particular. However, its partner is the district AFE which follows the old approach mentioned above. Those selected are the better-off who have capacity to adopt new techniques and they are provided with inputs for establishing models, taken on visits to good models in other areas and so on. The methodology is applied without considering the economic conditions, the local services in providing necessary materials, the market for products or literacy of the farmers (box 41). All these factors lead to low effectiveness of assistance because very few people benefit and those who did participate have also not learned much (box 6). RB project provided cinnamon seedlings to households without any planning. There was no information given to households in advance, no criteria for selection of beneficiaries and naturally, no training on how to plant and take care of trees. It seems that the project was considered to be successful if the money was

disbursed in time (box 6). Programme 325 has clear criteria for selection of beneficiaries and careful procedure for choose the right beneficiaries at commune level. However, the government staff working in poverty eradication sectors from all levels such as provincial, district, commune and village have paid little attention to supporting the poor in using the provided loans in an effective way, nor have they considered well when the loan should be given so that the loanees are able to use it (box 41).

*Box 41: An example of how a demonstration model is set up*

*Li Thi Hai, assistant of NFB head, better-off in Cai.* Her household was selected by the FAO project to establish an industrial chicken raising model. The training and 60 small industrial chicken together with other inputs for the initial stage were provided to the beneficiary. However, she failed to continue this type of poultry as it was impossible to buy industrial chicken food in the locality, furthermore, the daily input is too high for her to afford.

*Box 42: An example of how a loan provided by Programme 325 is used*

*Li Tai Bao, an illiterate aged 24 in Cai.* "I am ranked as poor and am permitted to get a loan of 2.5 million Dong. I have not used the money yet because the season for tree planting is over, so I have to wait until March of next year to buy acacia seedlings."

All households are short of *capital for production investment*, however, they have no knowledge of the possibility to get it from the agriculture bank. The poor just expect a loan from Programme 325. This situation demonstrates the weak role of authorities at both commune and village level in assisting household economic development.

One of the difficulties identified by PRA exercises is the *lack of market information* available to farmers who want to choose the right product for development. As a result, people just learn from each other in their community or follow the instructions of the authorities. Everyone would like to get loan to invest in buffaloes and Acacia production. The question is whether in 5-7 years time, the demand for Acacia from the coal mining market will be the same, when most of the planted forests are under Acacia, while iron mine props are replacing the timber ones given their better durability. Quang Ninh DARD is supporting Hoanh Bo SFE in erecting an MDF factory to process Acacia timber, but currently, an MDF factory in Tay Nguyen has had to restrict its production due to low demand.

The village and commune authorities have not taken any measures to support the poor. PRA results indicated that most of the poor are considered to be slow. Nonetheless, the household study reveals that this is the case only for a very few cases. Some of these poor have much initiative and are dynamic. Lack of information is a main reason for their failure to find a way out of poverty. Exaggerated reports of successful models in newspapers and on the radio has partly contributed to their confusion in identifying appropriate livelihoods (box 9).

The *role of local authorities* is very important in community economic development and social and economic equity in benefiting from assistance projects. In Dong Lam, lack of information relating to policies of benefit sharing is a common characteristic for most of the poor. The households located far from the village head's house are frequently not invited to participate in assistance projects (boxes 8 and 9). However, they are always invited to make donations to various charitable funds such as the Cuba fund, disaster fund, affection house construction fund, learning encouragement fund, etc. These are termed voluntary donations, but in fact everyone is obliged to contribute, regardless of their degree of wealth or poverty. No household is forgotten to be reported for participation. So, the remote location is not a truly obstacle to information dissemination and or to offering opportunities to these poor people to be involved in various community activities. It is not

so difficult to understand this situation when most of the assistance funds are limited.

The *monopoly* in buying paper bamboo held by several traders assisted by the paper factory of Hoanh Bo SFE partly contributes to reducing the income of the poor. On the same road only 2km apart, the bamboo price difference is 30 Dong/kg (100 Dong in hamlet 3 and 130 Dong in hamlet 1 in Cai).

The farmers themselves are very *passive in marketing* their products, and in identifying suitable crops for diversification to satisfy the demand of nearby cities. As identified by PRA, the cooperative disintegrated too late (1998) and people have not yet adapted to the new context. They feel very shy about going to market to sell their products (box 4).

All the reasons described above hinder Dong Lam's economic development - which should have been the best among the studied communes - and increase the wealth differentiation. The forest land, as a main natural and income resource of the commune, belongs to a small group, while the remainder have limited or no land. This leaves a large marginalised group, which works seasonally for those with land, the latter managing to grasp the major part of the natural resources. This trend is obvious and will increase rapidly in the future if adequate measures are not taken to prevent it.

Dong Quang is considered to be the best in terms of commune economic development. The proportion of the better-off is higher because many of them have income from salary and grants (these are mainly working for the commune). The village receives more development investment from Programme 135, RB projects and it is where the grade 2 school and health care stations are located. These are important factors stimulating its better secondary activity development. However, the poverty in both villages is completely the same and differs only in income sources. The Dong Quang poor have more opportunities to get employment from the rich in their village and in nearby communes, while the poor in Cai are more dependent on the forest, as this resource is still more abundant compared to the first (annex 3). PRA exercises suggest that wealth differentiation has increased over the last five years (although it was not possible to conduct wealth ranking for five years ago because people were not able to remember that long ago).

#### 4.3.2 Thanh Son commune

As mentioned above, the average area of forest land per head is highest in Thanh Son, furthermore, its agricultural land is also larger compared to some other surveyed communes. Together with proximity and good road connections to Ba Che town, Thanh Son should have enjoyed a better life. Wealth differentiation is evident, but is much less obvious than in Dong Lam, especially in Long Toong, where even the better-off also have a very decent house with limited facilities and the total value of their assets is estimated to be less than 10 million Dong. The survey of 19 households, including the poor and the better-off in two villages, reveals that only two of these are able to be self-sufficient in rice when the weather is favourable and good rice crops are obtained. In order to understand the degree of poverty in Thanh Son, it is necessary to compare the expenditures of Thac Lao and Long Toong people on food, housing, production investment facilities, education and health care, as compared to other surveyed villages (see boxes 2, 11, 17, 26 and 30).

What factors lead to commune poverty and what do the commune and village authorities and the people themselves do to improve this situation? The causes of poverty have been identified by people at all levels (box 43).

*Box 43: Causes of poverty identified by authorities and farmers of Thanh Son commune*

*Commune level:* Low literacy, poor transportation conditions, difficulty in selling products because of complicated district procedures in providing buying permission to traders, limited agricultural land, poor irrigation, shortage of capital and inefficient use of loans, exhaustion of forest resources, lack of leadership at the initial stage of cooperative disintegration, district guidelines on changing the crop mix which focus only on new rice varieties.

*Village level:* Lack of irrigation system, low literacy, lack of capital for production investment, difficulty in selling products and no bargaining power, damage of planted crops by buffaloes, high birth rate.

*The poor:* Too limited agricultural land, poor irrigation, too many children, poor health to go to forest for cash income and lastly, lack of money to buy buffaloes.

There are a lot of similarities in the causes of poverty identified at the three levels, however, none of them have found solutions to these problems. The commune has an idea to support farmers in market investigation to identify promising crops and then produce them themselves. It is a very good idea, but it has not been realised because of lack of confidence in their ability to succeed. There is much thinking about doing this or that, but no idea becomes reality because of obstacles which are not overcome. In this way, the commune just sits and waits for the district guidelines and instructions. The Thac Lao authorities intend to plant canarium and raise buffaloes (canarium is good fodder for buffaloes), but lack of capital and fear of losing capacity to return the loan holds them back. Long Toong is too concerned about daily needs, therefore is not able to think about the future. Households' hopes for a better life lie in buffalo raising and all of them want a loan for obtaining buffaloes. It really is a controversy as the planted forest is damaged by buffaloes and most of the Long Toong households fail to protect their planted crops (box 14). The solutions identified by farmers are not surprising because lack of cash and illiteracy hinder their contact with the outside world. All their time is spent in a vicious circle of high birth rates, low literacy and poverty.

The commune authorities, including those assigned by the district officials, have not made any efforts to ameliorate the situation. There are things that are in their competence to solve, but they do nothing (or may be they have aware of it). For example, planning grazing fields and regulations on crop protection as other communes do, or improving literacy levels, etc.

Injustice in forest land tenure is also a cause of poverty which is slight now, but will deepen in the future. While a number of households have still no forest land or have very small areas which are located far from their houses and are difficult to manage, some district officials have been allocated good forest plots adjacent to villages to establish farms for their visits at the weekend. Some of these areas are even under cinnamon planted by farmers, but they are obliged to hand it over to these officials and get some compensation for their inputs in labour and seedlings (box 11). This may seem unbelievable, but it is a fact.

From the district to commune, there are sufficient organisations established to carry out implementation of the assistance projects. However, the same approach to support as in Dong Lam is followed, with the same results. The beneficiaries have no opportunities to participate, to understand policies and their rights. AFE provides training several times yearly and always blames the slowness and laziness of people for their failure to adopt new techniques (box 15).

Ba Che SFE manages most of the commune's forest land. All forest products, regardless of whether they are planted or extracted from natural forests, are put under its trade control. The fees paid by traders to the SFE, the FI and the district police (box 13) together contribute to the low price of commodities and the increase in household poverty.

The standard of living in Thac Lao is better than that of Long Toong thanks to income from the

planted forest. The PRA results show strong leadership in Thac Lao compared to Long Toong. That might explain why the village gets more assistance, and forest land which is almost three times that of Long Toong.

In summary, despite much effort by the national government in upland economic development, the local authorities from district to community levels have not done much to help the poor in their fight against poverty. The district development policies expose a range of constraints which are used as leeway for corruption and bribery and it is the farmers who have to bear all the consequences. The commune staff are weak in administrative capacity and innovation. The farmers themselves lack initiative and sufficient literacy. All their efforts focus only on how to satisfy their daily needs. All their hopes for improving their lives rest on the areas under cinnamon of 2-3 years old. A future of food security is still far away for the people of Thanh Son, if Ba Che district does not change its policies to take on more effective poverty reduction measures.

#### 4.3.3 *Luong Mong commune*

Luong Mong is a commune with relatively equitable economic development. All its households have reached an adequate level of food security (though food shortages are still shown in the statistical data). Even the poorest households are self-sufficient in food or have a surplus for livestock raising and obtain some minimum luxuries and means of transportation such as bicycle, radio, etc. Differing from the other surveyed communes, the poor of Luong Mong want to get loans not for production investment, but mainly for upgrading their houses.

Wealth differentiation is inevitable in a market economy, nonetheless, during the household survey, no one complained of inequity in benefit sharing in the community, such as in land tenure and assistance projects.

The level of literacy in this commune is the highest of all the surveyed communes. Apart from a few cases of illiteracy, everyone is fluent in Kinh and they are more skilled in managing the household economy.

Overall, the local authorities are more efficient in administration and in making efforts to help the poor. At each level, people identify their own problems and have solutions for each one, as well as making suggestions to the higher levels for improvement.

The commune has a clear plan such as to universalise education up to grade 2, promotion of forestry, livestock and secondary activities for speeding up the commune's economic development.

Khe Giay has good leadership with high levels of innovation and sense of community. They are the next generation of the first explorers and inhabitants of the village. After serving in the army or as government staff, many of its people have come back to village. As a result, they have accumulated rich knowledge of livelihoods and good social contacts with people at higher levels. The village keeps a fund of voluntary contributions which is used to help households facing difficult times. They assess the problems and potentials of their village and determine forest land as a most important source of cash income for raising their living standards. Most village households have realised this strategy such like enriching the allocated forest by semi-domesticating canarium, planting cinnamon, experimenting in planting star anise. Village PRA quotes the inefficiency of some assistance projects and proposes suggestions for their improvement (box 20). The poor of Khe Giay also clearly identify their causes of poverty and with the support of their community they will be able to move beyond the poverty line in the very near future.

In contrast to Khe Giay, Dong Cau authorities are passive. Though they are able to identify the village problems, they fail to find measures for overcoming them and just wait for support from the commune or from outside. Nonetheless, they maintain equity in benefit sharing and all the

households of the village enjoy the same opportunity to attend training and to receive grants from assistance projects.

Despite the fact that Dong Cau is poorer than Khe Giay, it gets less support from Programme 325. While all the households in Khe Giay, including the better-off (some of whom refuse because they have no need) have access to loans, the poor in Dong Cau have to queue for support. This is clear evidence of partiality and localism that is very common in many areas and happens at all levels from top to bottom.

Similarly to the other communes, the assistance projects have been implemented without farmer participation or needs assessment to identify what problems people are facing and how assistance should be provided. In line with the prevalent view, Programme 135 is considered to be the most corrupt and least efficient (boxes 19 and 20).

In brief, Luong Mong has taken advantage of forest land potential to develop the cash products and sustainable use of natural forest allocated to households for regular income. The authorities have clear strategies for economic development, upgrading people's living standards, maintaining equity in benefit sharing and taking measures to support the poor in fighting poverty. Besides these strengths, the commune also exposes weaknesses in its support of all the villages in equitable economic development, promotion of livestock raising and secondary activities, as there is an increasing trend of underemployment in the commune as well. Despite the fact that people at all levels understand the shortcomings of assistance projects and other matters like forest land and pine resin price, the whole community is under the district administration, and as a result it is beyond the people's competence to solve the problems (boxes 18, 19, 20, 21 and 22).

#### *4.3.4 Huc Dong commune*

Although Huc Dong is not as poor as Thanh Son, still about 50% of its households suffer food shortages to various extents. The authorities are aware of the commune's problems and have made efforts to overcome them within their frame of competence. Commune leaders have ideas to introduce some new crops and secondary activities to the commune for cash income and generation of job opportunities (cardamom, edible canna, goat raising, beekeeping, etc.). However, these ideas do not seem to be feasible because of insufficient knowledge about the ecological characteristics and market information of the products they intend to develop. In terms of administration, the commune has made efforts in equitable benefit sharing, with a participatory approach. The safe drinking water project is an example. The issue of benefit sharing is decided by farmers themselves at first, and only when the commune sees that this is unreasonable does it intervene by providing advice on criteria for selection of beneficiaries. To improve literacy levels, the commune has applied strong measures: children of school age are obliged to attend school and those whose schooling is interrupted in the middle have to go back or attend a supplementary course, otherwise an economic fine is levied.

Besides its strengths, the commune also shows many weaknesses in its administration. It has no regulations on crop protection, which resulted in severe crop damage by buffaloes, while most households like or expect to get loans to buy more buffaloes. Despite its poverty, costly customs such as wedding, funeral ceremonies, etc. are maintained and the commune authorities have no measures to mitigate the problems. The diversification of off-farm activities has not occurred to them. They forget to consider their available source of hard-working labour. Instead of seeking funds for the introduction of high risk crops, they might have thought about the vocational training (which is much easier) to provide services for neighbouring communes such as Quang Lam, so that there is no more need to hire skilled labour from the lowlands. A restaurant in the commune CP building gate is very busy and every morning its owner has to travel 20km to buy foodstuffs, while each Huc Dong household keeps a vegetable garden just for subsistence and pigs and chicken are sold to traders who come from Binh Lieu town. That is also a consequence of the long

existence of the command economy, such that even the authorities have not coped with the change to fulfill their leading function in the commune's economic development. Furthermore, Huc Dong is endowed with a beautiful natural environment and the special culture of San chi ethnic minority group, which has great potential for ecotourism.

Compared to Khe Mo, Luc Ngu has good leadership. Many people in Luc Ngu are veterans or joined the resistance forces in the past. The sense of community of Luc Ngu people is high. The village leaders always seek measures to create job opportunities for villagers, especially for the poor. Their identification of livelihoods and suggestions to national government are very practical and reasonable, but the commune is unable to respond. While the commune still in confusion in seeking a way out of poverty, Luc Ngu people decided to follow the step taken by neighbouring communes and have planted cinnamon and star anise since the early nineties. 30% of its households now enjoy a good income from the plantings. Their identified strategies are very clear, such as upgrading the irrigation canal for improving rice production for food security, while continuing to plant forest trees and promotion of livestock for cash income. Their suggestions to government are also clear and feasible, such as applying a participatory approach in implementation of Programme 135, which is a good measure for monitoring and supervision to prevent corruption etc.

Khe Mo authorities show a poorer quality of administration compared to Luc Ngu. A number of the households interviewed complained of the poor dignity of the village head. The mass organisations are weak in their activities. Despite all that, they also identified the village problems and have quite feasible solutions. Their suggestion is just to permit them to resettle within the commune, so that they are able to have more forest land in the more remote areas to plant cinnamon and star anise. They will make their own inputs. That means they do not ask for "grants" in cash or in material form, but only an enabling policy to overcome their problems.

The poor want to get loans to buy buffaloes and plant star anise. Their solution is a common one as they just follow the majority, however, it also demonstrates their efforts to overcome poverty by themselves.

Huc Dong people have a very high sense of community and it is demonstrated by daily help such as constructing houses for each other, providing loans of cash or materials free of interest and without fixed a term. Thanks to that, households construct houses at low cost, as most of building materials are produced by the villagers.

Most assistance projects are assessed by farmers to be of limited effectiveness and without participation. That is no different from the usual situation. PAM is considered to the best in terms of providing seedlings according to their choice, and rice for their labour. However, the same top down approach is applied. What the people want most is training on how to produce seedlings so that they are able to do it themselves in future (Luc Ngu PRA), and had the farmers had a chance to contribute their opinions, the project effectiveness could have been considerably improved (box 44).

*Box 44: A comment on support of a project considered to be the most effective*

*Khe Mo PRA participants:* PAM provided the star anise seedlings two times. The first time, the seedlings were given to households without pots, which resulted in very high mortality rate. Mr. Tran Van Li got 1000 seedlings and less than 200 survived. A similar situation happened to all households. The second time, the seedlings were handed out with pots and the survival rate was almost 100%.

In brief, Huc Dong is still a poor commune and wealth differentiation has emerged, but the gap is small. The authorities at commune and village level manage to keep equity in benefit sharing with

respect to land allocation, assistance projects, etc. At the same time, they also take measures to promote commune development. Huc Dong people are hardworking and actively innovative. Their suggestions to the higher levels are enabling policies so that they are able to improve their capacity and to overcome the poverty themselves.

#### 4.3.5 *Quang Lam commune*

As estimated (and by observation as well) Quang Lam has in general better income than Thanh Son. The market economy of the commune has developed fast and wealth differentiation is rather obvious, with an increasing gap between the better-off and the poor. So equity is lower compared to another relatively rich commune, Luong Mong, which has higher levels of equity. This difference is explained by Luong Mong's education levels and commune management (by the People's Committee) as well as its large number of veterans.

The commune implemented a policy on production contract and then allocated agricultural land to households much earlier than the other surveyed communes (1979-1981). Forest land allocation was conducted a bit later (1996), but most of this land was already under cinnamon. The land tenure is considered by PRA and by interviewed households to be unfair, though there was some adjustment in agricultural land. A number of households own a lot of agricultural and forest land, while others have very small areas. This is a main reason for the big difference in household income. Despite the commune regulation which forbids sale of land, in reality, the passing of land ownership to between households does happen. It is clear that the wealth differentiation started to develop during the process of land allocation.

The sense of community in helping each other is declining simultaneously with the development of the market economy and income differentiation. When in difficulty, people seek support only from their close relatives. In the commune, a number of households have gradually shifted to off-farm activities such as selling in market, or buying young cinnamon fields from households which are in acute need of cash. Moneylending at high interest rates has also emerged as an occupation. Discrimination in treatment of the poor and the rich within community has become noticeable. The poor have the feeling that they are ignored by the rich (box 37).

In this context, what have the local authorities done for commune economic development, to ensure equity and to support the poor? The commune has taken a range of measures for income promotion such as encouraging households to plant cinnamon mixed with star anise and canarium, diversifying off-farm activities (the tax exemption policy is applied for initial stage to households carrying out secondary activities). In order to protect the planted crops, a strict regulation on forbidding the free buffalo keeping has been issued. This is something that other communes are not able to do. Thanks to this measure, no household complains of crop damage by buffaloes. The commune also encourages those school children who have interrupted their schooling to continue it again, however, no strong measures have been taken as in Huc Dong. Except the measures listed above, the commune has no policies for supporting the poor in their struggle for survival. Most of the households need capital for expanding production, while the loans provided by Programme 325 are limited, but the commune makes no effort to help them to solve their problem by improving accessibility to funds from the agricultural bank. Furthermore, some of the commune staff deliberately caused trouble to disadvantaged people out of self-interest (box 36). Little attention is paid to disseminating information to farmers or more precisely, the top-down approach is preferred to the participatory one. For example, the households are forbidden to clear the forest for planting cinnamon on their allocated land without giving an explanation. Democracy is not really in place and that is expressed by the system of selecting the village head (box 33). Many of the village authorities are so busy with their secondary activities that they forget their responsibilities to the community, not to mention their self-interest. For example, the head of Li Say village keeps a restaurant in the new market and the head of Binh Ho 2 village has written records at all. He does not even have a list of village household names or any statistical data on the village, however, he

has his own business in buying young cinnamon forest from people who are in acute need of cash.

As described above, the activities of village authorities overall are weak and the sense of community is also weakening. Binh Ho 2 is more remote and far from the market and, consequently, is less influenced by the market economy. In the village, people still help each other in different ways such as lending cash or materials free of interest and without a fixed term. The reasons for poverty of the poor is identified by PRA to be low literacy, lack of capital, slowness, laziness or recent separation from the parents. Despite that, no measure is taken to help them to get out of their situation. The small number of seedlings and money given by the assistance projects were divided equally to all households. Programme 325 has clear criteria and some of the poor benefit from that, but Quang Lam receives less support from assistance programmes (box 29), therefore the number of the poor households getting a loan is limited. Except for Programme 135 which has big funds, all the other projects are small in funding and scale of implementation (only a few villages are involved). As a result, very few households benefit from the assistance.

The survey of poor households (mostly those considered to be too slow or lazy) reveals that only a few of them (mainly in Binh Ho 2) have poor skills in farming and business management. The poor in Li Say identify the causes of their poverty clearly. Some of them are very active with innovation and good experience (box 38). Despite lack of support from the authorities, they try very hard to overcome their difficult situation and to get off the poverty line and some of them have been successful. All of the poor interviewed want to have loans, not for obtaining luxuries or upgrading houses, but for investment in crop production and secondary activities. It is a good basis to say that they will be successful in using loans efficiently.

The role of the AFE is very important when there are low literacy levels, lack of cultivation skills and poor market information. However, the district AFE provides very limited support to Quang Lam people to solve their problems in their effort for economic development (table 18).

In summary, Quang Lam developed a market economy earlier, and a standard of living which is higher than the other studied communes, despite the fact that it receives less support from the poverty alleviation programmes. However, wealth differentiation in the commune is quite marked, and as a result, a number of households have become rich while others still face food shortage. This differentiation originated from inequitable land allocation. The authorities at all levels have not taken measures to support the poor, nor to stop the poor conduct of some commune staff who cause trouble to the disadvantaged. In the commune, a class of the poor has been formed to work for the rich with much better business management skills than in Dong Lam (the wage for weeding a cinnamon field is 15,000 Dong/day without lunch, but if with lunch the wage is reduced to 12,000 Dong/day) (see annex 3). With the current commune policies, wealth differentiation will develop faster and the gap between the poor and the better-off is widening with the accelerating speed.

## 5 CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusions

The following conclusions are drawn from the above findings and analysis.

#### a) General conclusions

1. How to identify products which are promising for marketing, is a general concern of people in all the studied communes. Lack of market information is so common that people develop products just by following instructions from higher levels of authority (assistance projects) or by learning from each other in the community.
2. Poor access to development policies issued by provincial and national governments is another general characteristic. In other words, the upland development policies are poorly disseminated to the grassroots level, and particularly to the poor, the majority of whom are illiterate. (see sections 3.1.2.1, 3.2.2.1, 3.3.2.1 and 3.5.2.1).
3. Early cooperative disintegration and land allocation to households has been a driving force for farmers to invest better in their land, which has led to food security and income improvement. (see sections 3.3.2.1, 3.4.2.1 and 3.5.2.1).

#### b) The causes of inter-commune differences

1. The unsustainable utilisation of natural resources based on exploitation without concern for their replacement has resulted in resource depletion and has exhausted the livelihood base of the local people. This is a main cause of poverty for the whole community, where the area of agricultural land is very limited and livelihoods are based on forest extraction. Responsibility for unsustainable forest resource utilisation lies with the poor management of the district and SFEs. (see sections 3.1.1, 3.2.1, 4.2.1 and Box 40).
2. The policy of forest product trade control with complicated procedures has created the space for bribery and corruption and deprived the producers of bargaining power. This also contributes to low production development, reduction of community income and deepening poverty. (see sections 3.2.1, Box 13 and Box 43).
3. Development of products for commercial purposes (especially long term crops) on a large scale with top-down planning and heavy subsidies without any appropriate market investigation has resulted in failure to market the commodities. It is also a major cause of poverty for the whole community - such as in Huc Dong - because the main natural resources fail to supply income, whilst limited agricultural land is unable to provide food security to households. (see section 3.4.2).

#### c) Intra-village differences in each community and roles of assistance programmes

1. In contrast to most of the lowland areas where some common land is reserved for village management, four of the five surveyed communes have allocated all the agricultural land to households. This situation precludes the opportunity to earn income from agriculture for the families formed after agricultural land allocation. This is one of the reasons for poverty for a number of households.
2. A range of shortcomings in forest land allocation such as insufficient information provided to target groups, bureaucracy, poor capacity of FI officials and the self-interest of local authorities have resulted in inequity in forest land tenure. A number of households own a large area of forest land, while the others are landless or have much smaller plots. This is another cause of household

poverty which is slight now but will be serious in the near future. (see Boxes 2, 3, 11, 18 and 32).

3. The leadership of commune and village authorities is most important in maintaining equity and supporting the poor as well as in the economic development of the community. In all the villages and communes surveyed, where the authorities have better administrative skills, the economic situation of the whole community is noticeably better. The veterans and retired government staff are a human resource with good management skills who contribute a crucial role to improving the rural life. (Huc Dong and Luong Mong are examples of this).

4. Most of the farmers are very passive in receiving grants and marketing products, whilst the assistance provided on the basis of heavy subsidies with a top-down approach is, on the one hand, unsustainable development, and on the other hand, stimulating the passivity of the beneficiaries. At the same time, the subsidy culture is a fertile ground for corruption and a huge obstacle for introduction of participatory approaches.

5. While the major part of the poor are considered by local authorities and AFE to be slow and lazy, the household study identified their causes of poverty as low levels of literacy, limited land tenure, remote and isolated settlements resulting in poor access to information, and limited support received from the local authorities and assistance programmes. (see sections 3.1.3.3, 3.2.3.4, 3.4.3.3, 3.5.3.3 and Boxes 8, 9, 28 and 38).

6. Wealth differentiation has started to emerge since the land allocation process and has developed fast in the market economy. Unfair land tenure, especially forest land, and inequity in benefits from assistance projects contribute to widening the income gap between rich and poor (Quang Lam and Dong Lam). This has led to the formation of a new group of poor households – those who do seasonal work for high income households. (see sections 3.1.2.1, 3.1.3.3, 3.5.2.1, 3.5.3.2, 3.5.3.3, Tables 3 and 16, Boxes 2, 3, 8, 9, 31, 32 and 27).

7. A low level of literacy is an important factor in the weakness in applying advanced techniques and upgrading cultivation skills. Except in Luong Mong, the proportion of adults who are illiterate or who have reverted to illiteracy is high, especially, amongst those of the labour force at the most vigorous ages. Huc Dong has made some efforts to eradicate illiteracy, while the remainder have done nothing or just halfway measures, not considering it to be an important factor in poverty alleviation. (see sections 3.1.1, 3.1.3.1, 3.2.1, 3.2.3.1, 3.4.3.1 and 3.5.3.1).

8. Most assistance projects are assessed as of low effectiveness and poor in participation. All the authorities at commune and village levels complain that construction works funded by Programme 135 demonstrate poor quality, low efficiency, too much corruption and no participation of the target groups. Programme 325 is for the poor, but loans are provided without giving them any support in how to use the funds efficiently. The international assistance projects have targeted women and the poor, and equity in benefit sharing, and are considered by the beneficiary groups as the most effective in term of community development. Nonetheless, these projects still have not applied a fully participatory approach and that impacted on their effectiveness. There are still no projects which really focus on capacity strengthening and motivating the internal resources for the target group. (see Boxes 1, 6, 10, 15, 20, 27, 30, 34 and Tables 5, 9, 12, 15).

9. The AFE is evaluated as weak in its activities and low in training efficiency in all five communes. Its activities are focused mainly on advanced rice varieties and several fruit trees without any farmer needs assessment and training effectiveness evaluation to draw lessons for improving the training. The approaches applied are top-down, with very few people having a chance to participate, especially the poor. (see Tables 5, 9, 15 and Boxes 7, 15 and 34).

10. Luong Mong commune, especially Khe Giay village, is a model of good community development. The first comers of Khe Giay had followed a sustainable forest land use strategy,

which combined short-term and long-term crops, and considered forest resources as a main source of long-term income. Overcoming all the geographical obstacles and poor infrastructure, they have succeeded in developing a united community with a good sense of self-dependence, without waiting for help from outsiders to improve their livelihoods.

11. In all five communes, it is generally recognised that there have been considerable livelihood improvements for the last few years. The question is whether this improvement is based on the effort of people together with assistance from poverty alleviation programmes, or in other words, whether this improvement is sustainable when the “grant” is sometimes higher than the assets of the beneficiaries many times over, and when too little is done to strengthen the capacity for self-help.

12. SFEs in some districts, Ba Che in particular, control large areas of natural forest and fail to protect or manage them in a sustainable way, while the local people do not have sufficient land for forest planting to improve their livelihoods. Households in two of the studied communes expressed the same desire that the higher levels of authority should support them by allocating more forest land to households, and especially to those owning no land or very little land. (see sections 3.2.1, 3.2.3, 3.3.1 and Boxes 11, 18, 40).

## 5.2 *Recommendations*

1. The districts and province should review land tenure, especially forest land tenure, to enable households to have sufficient land for planting production forests for income generation. This is an important measure for poverty reduction and efficient improvement of forest land use.

2. Communes and villages who still have forest land areas available should review the issue to allocate more land to those households with too little land. In the cases where the forest is too far from villages, it is crucial to consider measures for efficient protection. For example, forestry cooperatives might be established with participatory approaches, as some localities have succeeded in this.

3. Raising literacy levels is an urgent need in the poverty alleviation effort, for that reason, the authorities at all levels should have clear regulations and funds reserved for illiteracy eradication. On the other hand, a committee should be set up at provincial and district levels to maintain regular assessment and evaluation, to ensure the effectiveness of the campaign.

4. It is very important to study efficient measures to ensure accessibility to upland development policies for people, or in other words to find methods whereby the policies issued by national and provincial governments are well disseminated to the target groups.

5. Assistance programmes should change their approach to one of providing support through participatory means and minimising subsidies as much as possible, with more focus on capacity building for self-help. Thus all the assistance should take internal development strategy as its core. Slight subsidies are possible, but should be aimed in the direction of self-help of the beneficiaries.

6. It is important to strengthen the management capacity of the local authorities and simultaneously to apply democracy in the voting process.

7. All five communes are facing the same problem of how to identify promising products for the market. Thus building the marketing capacity of farmers and diversification of products to mitigate production risks is an urgent need. It is also a development measure to increase the internal strength of upland communities. For that reason, the methodology of marketing analysis and development (MA&D) should be introduced to the mountainous assistance projects as it encompasses participation, self-help capacity building, improvement of marketing initiative,

business management, seeking technical and financial support, and so on.

8. Diversification of income sources is an issue to be taken into consideration, especially for communities such as Huc Dong, where underemployment of the poor is prevalent. Thus, besides assistance in efficient land use, support in the development of secondary activities is needed, particularly in vocational training for the labour force so that they are able to get jobs in the same localities.

9. It is necessary to upgrade the training skills of AFE staff and their approaches to farmers. At the same time, there is a need for close supervision and regular evaluation of activities in order to improve efficiency, as well as contributing to a sense of responsibility of the AFE staff in particular and the Department of Agriculture and Rural Development in general.

10. A review of the investment approach of Programme 135 should be made at national level. On the one hand, the policy with clear regulations should be disseminated to the target group, and on the other hand, an independent inspection committee should be formed to supervise, evaluate or deal with claims on the implementation of construction works.

11. The national and provincial governments should conduct an evaluation of the impacts and effectiveness of all the assistance programmes implemented by different organisations on upland livelihoods, and on the social and resource sustainability, to draw lessons for further improvement.

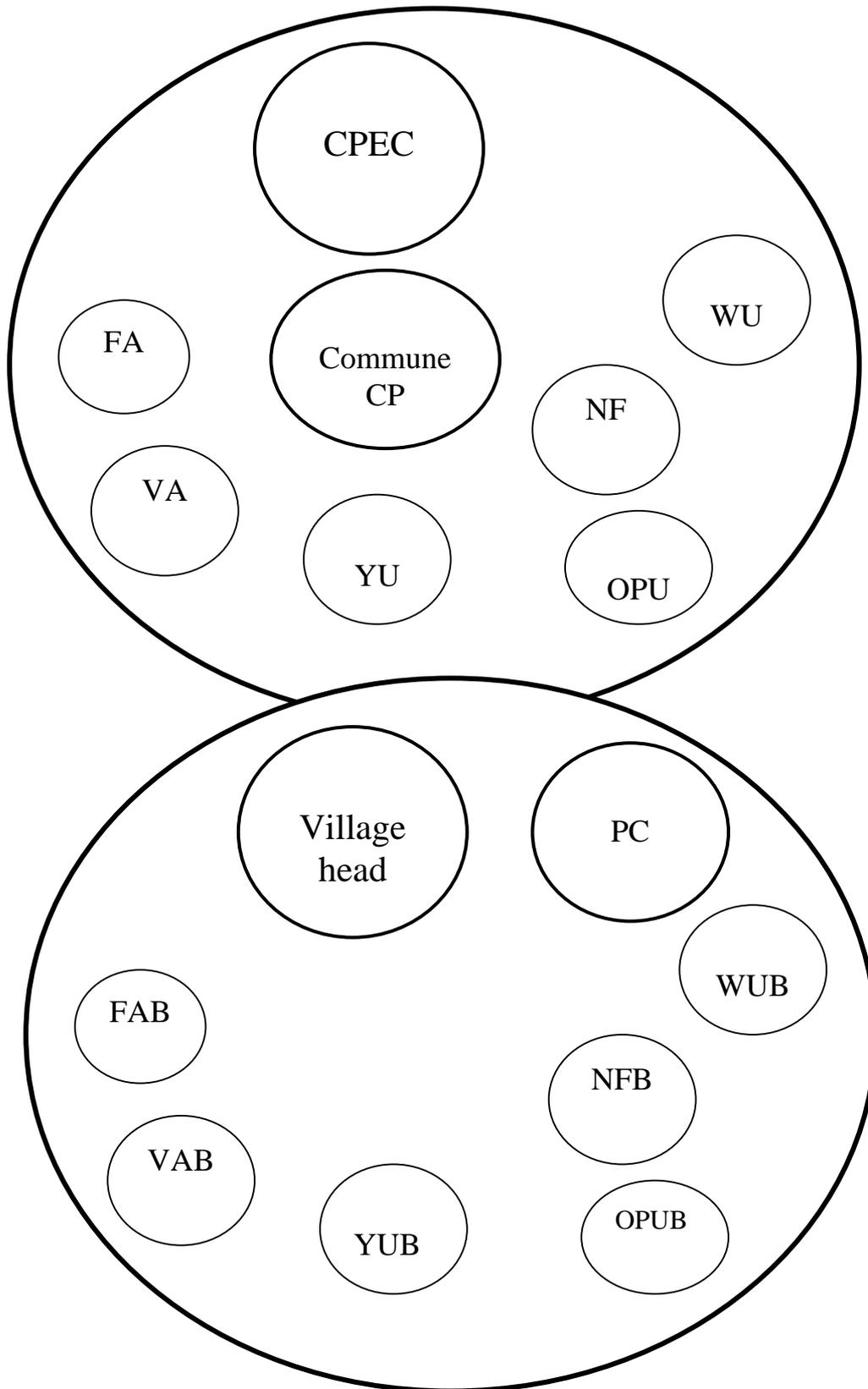
12. Ba Che should change its policy of controlling trade of forest products, to remove the complicated procedures in providing licences to traders. Intervention should also be made from the district so that the SFE increases the price of pine resin (at least to the same level as Binh Lieu), to create conditions for improving the income of Ba Che households. It is also necessary for the district authorities to review the forest land tenure problems raised by PRA participants of all the surveyed villages in Luong Mong and Thanh Son.

Annex 1: Social and economic statistical data of surveyed communes

	<i>Dong Lam</i>	<i>Thanh Son</i>	<i>Luong Mong</i>	<i>Quang Lam</i>	<i>Huc Dong</i>
Total natural area (ha)	10,462	8,520	6,454	8,911	4,718
Agricultural land (ha)					
Paddy field	79.6	92.97	59.55	214	217.6
Cultivated highland	66				
Land covered by forest (ha)	7,867.5	4,578.2	1,277.8	5,076.1	2,646
- natural forest	7,451.5	4,044	593	3,851.4	2,646
- planted forest	416.4	683.80	534.2	1,500 (cinnamon)	1,000
Allocated to households			1,094.69		
Population	2,147	1,473	1,117	2,350	2,148
Number of households	435	253	225	377	401
Ethnic groups	Dao Thanh phan make up 99%	Dao Thanh phan, San chi, Cao lan, Tay, Kinh and Hoa	Dao Thanh phan Kinh and Tay	Dao Thanh y make up 79.1%, San riu, Hoa, Kinh, Cao lan	San chi, Dao, Tay and Kinh
Distance to district town (km)	12	8	46	10	20
Infrastructure	Tertiary road to communes and its villages	Good road to commune but 4 villages are not accessible to vehicles	Tertiary road and inaccessible in rainy time, one village is not accessible to cars	Tertiary road accessible to cars; 4 villages are not accessible to cars.	Recently constructed road to commune centre. Most villages are not accessible to cars.
Market	No market	No market	There is a market	There is a market	No market
Facilities of considerable value			3 domestic made trucks, 1 ex-military car, 8 rice plucking machines, many rice husking and grinding machines, water pumping, generators, satellites and televisions	7 domestic made trucks, machines (30 rice plucking, 40 husking, 5 grinding, 20 ploughing, many water pumps) etc.	56 rice plucking, 63 rice husking 3 domestic made trucks
School	Each village has one school grade 1. Whole commune has one school grade 2	Similar	Similar	Similar	Similar

Healthcare station	A station for whole commune and one local nurse with 4-7 school year level for each village	Similar	Similar	Similar	Similar
Communication	There is a phone line	There is a phone line	No phone line	There is a phone line	There is a phone line

Annex 2: Diagram of the organisational structure at commune and village levels



Annex 3: Some figures on labour costs in the studied communes

Type of jobs	Labour cost per day (1,000 Dong)									
	Dong Lam		Thanh Son		Luong Mong		Huc Dong		Quang Lam	
	men	women	men	women	men	women	men	women	men	women
Tree planting	20	20	13		20	20			15	15
Weeding	20	20			20	20			15	15
Cinnamon harvesting					20				20-25	
Illegal logging	40-50									
Bamboo extraction		15	10-15							
NTFP gathering		5-15		5-10						
Hunting wildlife	0-200		little				little			
For 135 and other constructions							12		25	

*Annex 4: Some names of products mentioned in the report*

<i>Vietnamese name</i>	<i>Scientific name</i>	<i>English name</i>
So	Thea sasanqua	
Trau	Aleurites montana	Tung oil tree
Lim	Erythrophloeum fordii	
Dong rieng	Canna edulis	Edible canna
Thao qua	Amomum aromaticum	Tsao ko
Tram	Canarium spp	Canarium
Keo tai tuong	Acacia mangium	Acacia
Que	Cassia cinnamomum	Cinnamon
Bach dan	Eucalyptus spp	Eucalyptus
Tre giay	All species of bamboo families	Paper bamboo
Luong	A big diameter bamboo species	

Map 1:

VIETNAM



Map 2:

QUANG NINH PROVINCE



Map 3: Map of studied communes and districts

