



Characteristics of the Vietnamese Rural Economy:

Evidence from a 2016 Rural Household Survey in 12 Provinces
in Vietnam

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Overview and Introduction

Background

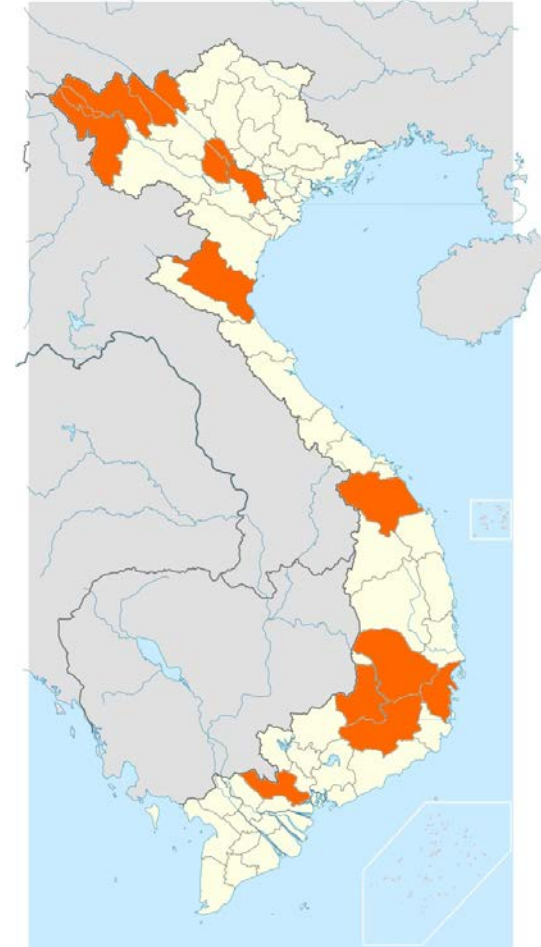
- Following the successful implementation of the *Doi Moi* reform, Vietnam has experienced outstanding economic progress
- Viet Nam is growing at a much faster pace than the average low- or middle- income country
- Continued successful development cannot be taken for granted
- Policy makers and citizens must constantly adapt to changing circumstances
- VARHS aims to play an important role in making sure that the process is informed by high-quality, systematic and rigorous evidence

The VARHS Project

- VARHS is a unique panel survey which allows us to investigate whether:
 - Some areas or groups are being *left behind*
 - Households are sharing equally in overall economic growth
 - Some regions need additional resources or policy innovation
- It supplements and extends the VHLSS
 - *Supplements*: repeated surveys of the same households (a unique panel dataset)
 - *Extends*: asks questions about land, agriculture, income, spending, assets, investments, market linkages, and much more...

VARHS Provinces

- *Red River Delta:* Ha Tay
- *North East:* Lao Cai and Phu Tho
- *North West:* Lai Chau and Dien Bien
- *North Central Coast:* Nghe An
- *South Central Coast:* Quang Nam and Khanh Hoa
- *Central Highlands:* Dak Lak, Dak Nong, and Lam Dong
- *Mekong River Delta:* Long An



Sample

- The 2016 report is based on a sample of 2,669 households surveyed in 2016
- VARHS dates back to 2002, but the majority of the current sample of households were sampled from the 2004 VHLSS sample in the rural areas of the 12 provinces
- In addition, in 2012, 544 new households were sampled from the 2009 census to ensure representation of young households
- To compare the results from 2016 to 2014 we use the 'panel sample' which consists of 2,666 households for which data are available in both 2014 and 2016

Chapters of the Report

1. Poverty, living conditions and economic well-being
2. Land
3. Agricultural production and markets
4. Non-farm household enterprises
5. Labour and migration
6. Access to credit
7. Risk and risk-coping mechanisms
8. Social capital and political connections

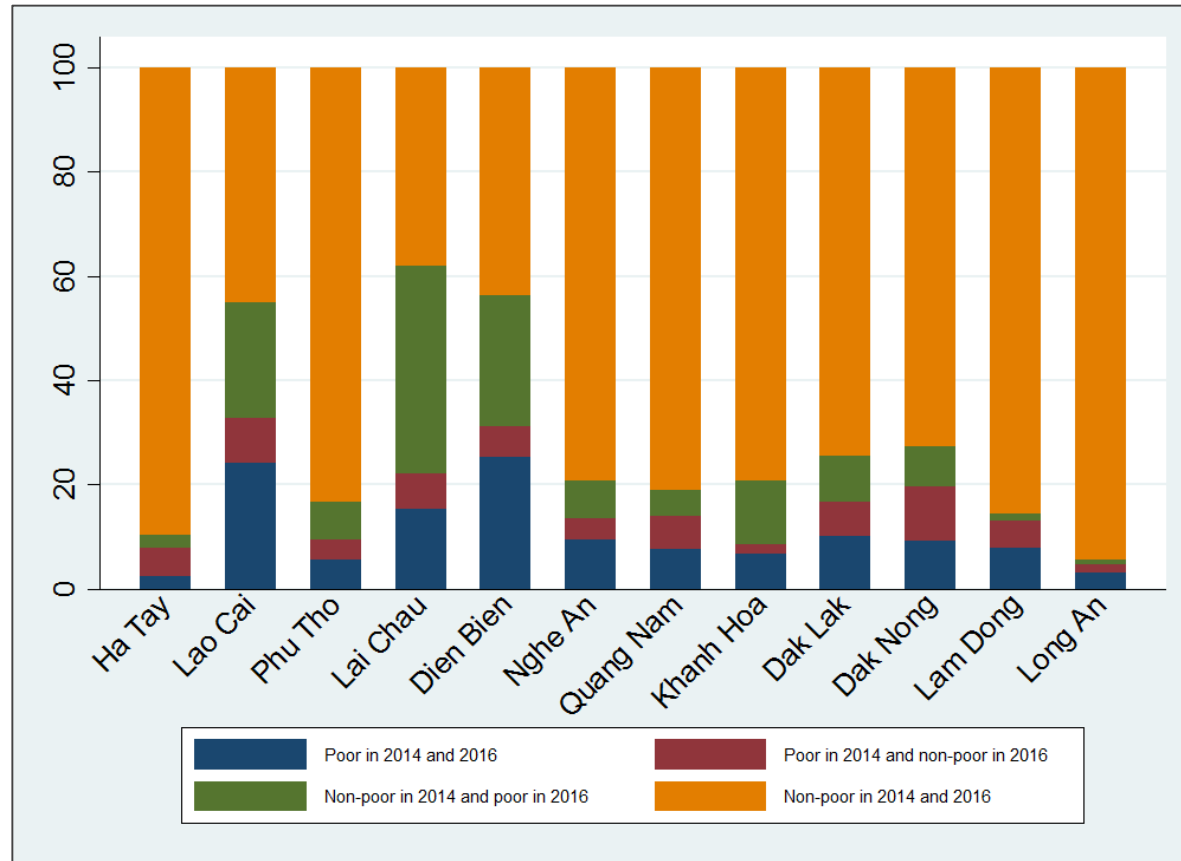
Chapter 1: Poverty, living conditions and economic well-being

Authors: Saurabh Singhal and Finn Tarp

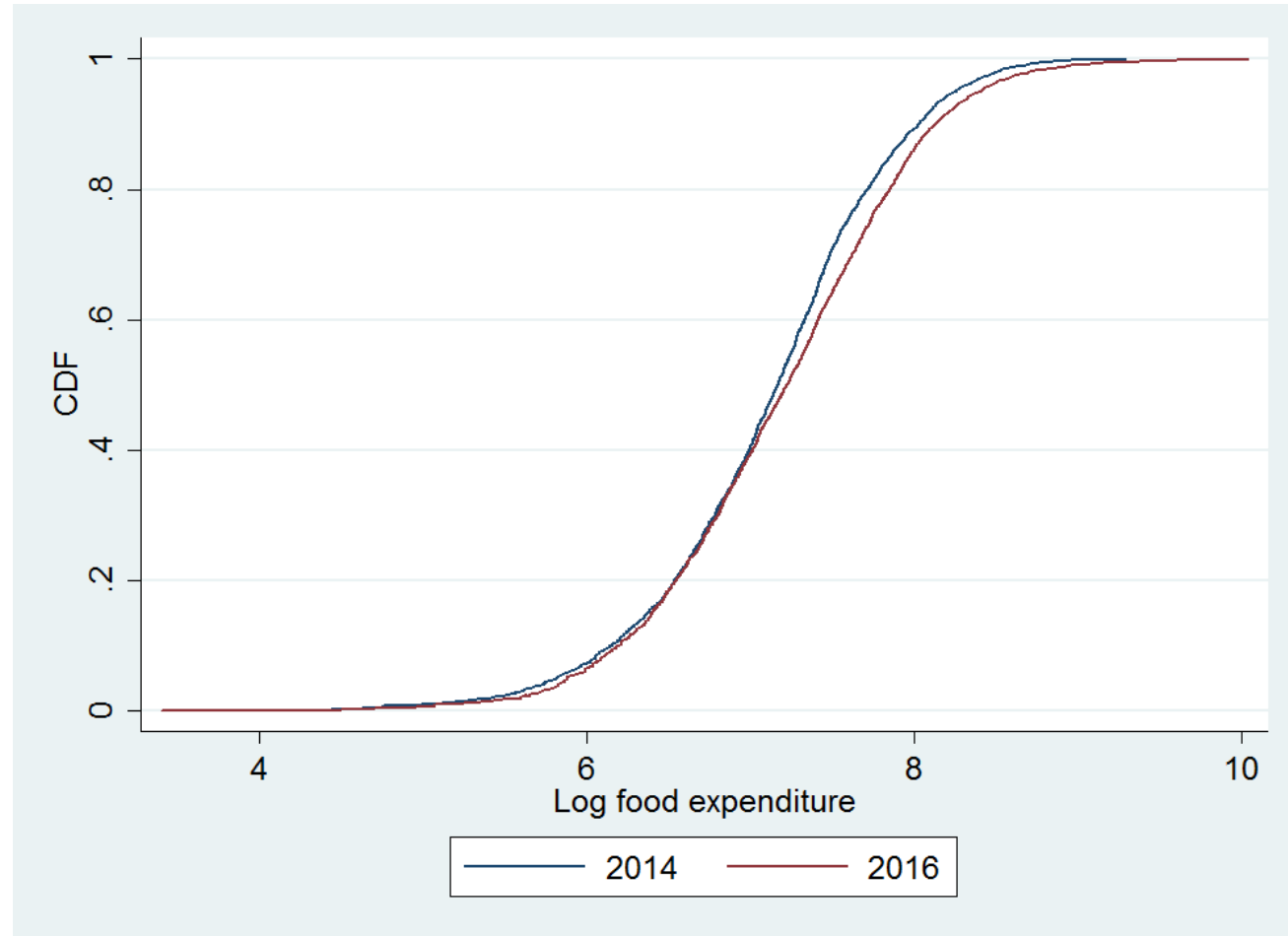
Summary statistics

| | HH survey number | HH survey, percent | Gender of HH head, percent male | Age of HH head | Ethnicity of HH head, percent Kinh | HH size | HH classified as poor by authorities, percent |
|-------------------------|------------------|--------------------|---------------------------------|----------------|------------------------------------|---------|-----------------------------------------------|
| Province | | | | | | | |
| Ha Tay | 578 | 21.7 | 76.1 | 54.7 | 99.0 | 3.9 | 4.9 |
| Lao Cai | 104 | 3.9 | 89.4 | 49.8 | 25.0 | 4.6 | 46.1 |
| Phu Tho | 380 | 14.2 | 75.3 | 55.8 | 81.0 | 3.7 | 12.8 |
| Lai Chau | 132 | 4.9 | 90.1 | 48.4 | 13.6 | 5.0 | 55.3 |
| Dien Bien | 123 | 4.6 | 87.8 | 51.0 | 9.8 | 5.4 | 50.4 |
| Nghe An | 224 | 8.4 | 78.6 | 55.5 | 87.5 | 3.9 | 16.5 |
| Quang Nam | 329 | 12.3 | 70.8 | 57.6 | 96.7 | 3.8 | 12.6 |
| Khanh Hoa | 107 | 4.0 | 66.4 | 54.3 | 86.0 | 4.0 | 18.9 |
| Dak Lak | 159 | 6.0 | 80.5 | 50.6 | 68.5 | 4.3 | 19.1 |
| Dak Nong | 133 | 5.0 | 75.9 | 48.0 | 73.7 | 4.3 | 16.5 |
| Lam Dong | 76 | 2.8 | 81.6 | 49.5 | 59.2 | 4.5 | 9.2 |
| Long An | 324 | 12.1 | 69.4 | 57.2 | 98.5 | 4.0 | 4.0 |
| Total 2016 | 2,669 | 100 | 76.5 | 54.2 | 79.2 | 4.1 | 16.2 |
| Total 2014 panel | 2,666 | | 77.4 | 52.6 | 79.5 | 4.2 | 12.9 |
| Total 2016 panel | 2,666 | | 76.6 | 54.2 | 79.2 | 4.1 | 16.2 |

Poverty dynamics by province



Food expenditure distribution



Health

| | HH with at least 1 member sick – in past 2 weeks, percent | Days lost due to sickness in past 12 months, per capita | Healthcare sufficient, percent |
|-------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------|
| Ha Tay | 30.6 | 11.5 | 67.8 |
| Lao Cai | 11.5 | 4.2 | 76.1 |
| Phu Tho | 42.6 | 15.1 | 75.3 |
| Lai Chau | 9.8 | 4.5 | 37.9 |
| Dien Bien | 33.3 | 10.1 | 49.6 |
| Nghe An | 39.3 | 13.1 | 80.9 |
| Quang Nam | 27.7 | 9.5 | 61.8 |
| Khanh Hoa | 17.8 | 7.2 | 97.2 |
| Dak Lak | 18.2 | 8.8 | 32.9 |
| Dak Nong | 20.3 | 3.7 | 71.5 |
| Lam Dong | 31.6 | 8.7 | 98.7 |
| Long An | 37.3 | 16.4 | 86.0 |
| Female | 40.8 | 16.3 | 72.9 |
| Male | 26.8 | 9.3 | 68.7 |
| Non-Kinh | 23.6 | 7.1 | 55.3 |
| Kinh | 31.8 | 12.0 | 73.4 |
| Total 2014 panel | 25.6*** | 10.4 | NA |
| Total 2016 panel | 30.1*** | 11.0 | NA |

Access to services

| | Good toilet, percent | Good water, percent | Good garbage disposal, percent |
|-------------------------|----------------------|---------------------|--------------------------------|
| Total 2016 | 82.9 | 85.2 | 49.0 |
| Ha Tay | 98.3 | 81.1 | 90.8 |
| Lao Cai | 65.4 | 51.9 | 40.4 |
| Phu Tho | 93.4 | 93.2 | 37.4 |
| Lai Chau | 34.1 | 56.8 | 7.6 |
| Dien Bien | 55.3 | 52.0 | 4.9 |
| Nghe An | 84.4 | 84.4 | 52.7 |
| Quang Nam | 94.2 | 95.4 | 84.2 |
| Khanh Hoa | 83.2 | 99.1 | 35.5 |
| Dak Lak | 87.4 | 98.7 | 23.3 |
| Dak Nong | 82.7 | 99.2 | 31.6 |
| Lam Dong | 76.3 | 94.7 | 14.5 |
| Long An | 65.7 | 89.2 | 18.8 |
| Female | 83.4 | 90.1 | 53.3 |
| Male | 82.7 | 83.7 | 47.7 |
| Non-Kinh | 54.7 | 62.8 | 11.7 |
| Kinh | 90.3 | 91.1 | 58.9 |
| Total 2014 panel | 80.9* | 85.7 | 46.4* |
| Total 2016 panel | 82.9* | 85.2 | 49.0* |

Conclusion

- Mixed evidence on poverty and wellbeing:
 - Official poverty rate increased, but this is due to a change in classification
 - Significant regional variation in health and education attainment (Lai Chau & Dien Bien continue to lag behind)
 - Substantial ethnic differences persist
 - Some improvement in living conditions: increased access to better toilets, garbage collection, and shift from using firewood to natural gas for cooking between 2014-16

Chapter 2: Land

Authors: Thomas Markussen and Helge Zille

Introduction

- Many regulations and restrictions on land use, partly motivated by food security concerns
- Vietnamese state issues land use right certificates (“Red Book”)
- Several efforts in recent years to increase land tenure security and foster investment
- In this chapter: Land distribution, land titles, land transactions, land use, investment

Distribution and fragmentation

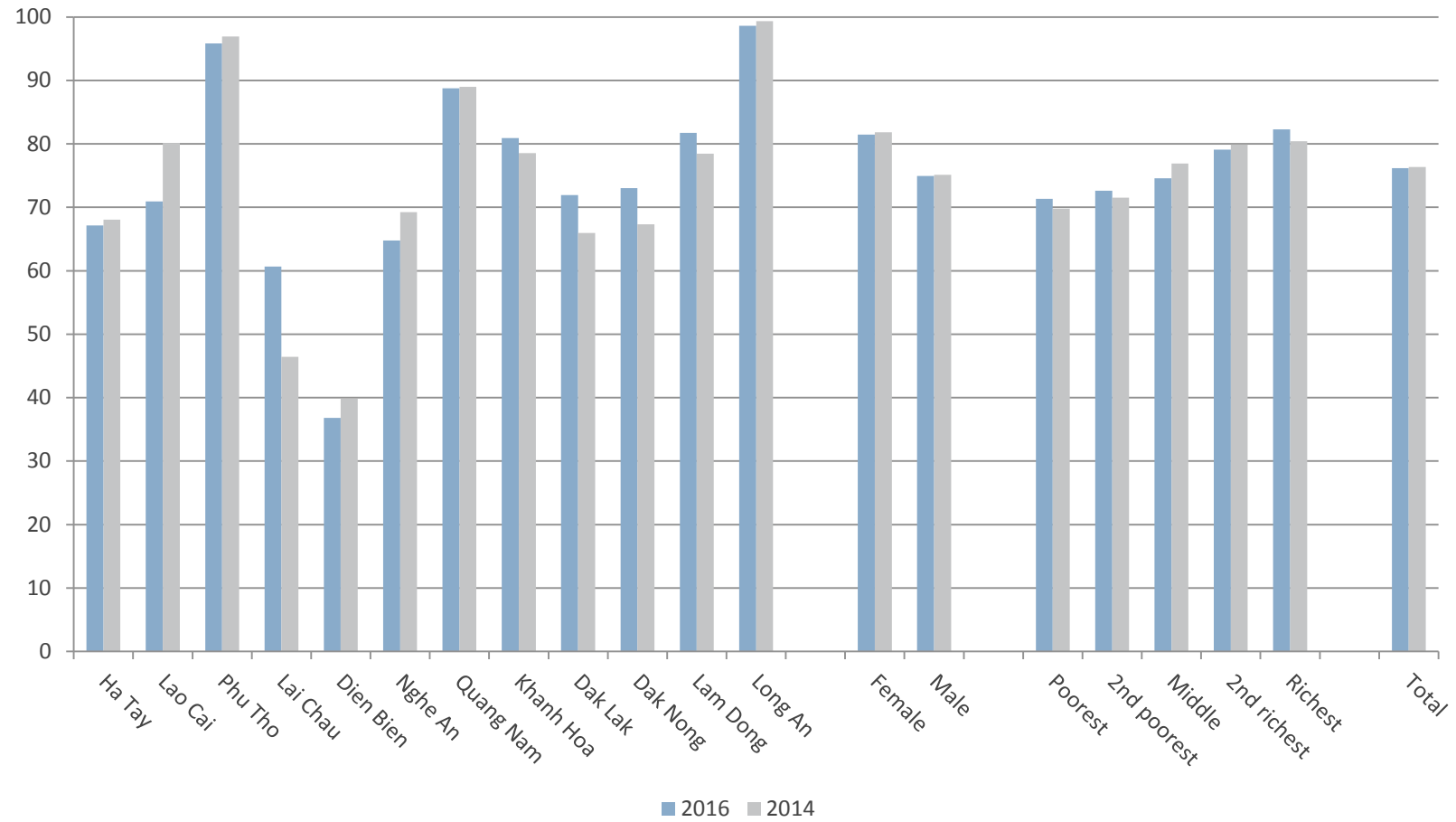
| | Landless (percent) | Total agr. land (sqm), median | No. of plots per HH, mean | No. of plots per HH, max | Plot size (sqm), median |
|-------------------|-----------------------|----------------------------------|------------------------------|-----------------------------|----------------------------|
| Total 2016 | 11.5 | 7,744 | 3.9 | 18 | 600 |
| Ha Tay | 8.0 | 2,293 | 3.7 | 16 | 360 |
| Lao Cai | 3.9 | 10,072 | 4.4 | 13 | 1,080 |
| Phu Tho | 10.4 | 3,818 | 5.5 | 18 | 356 |
| Lai Chau | 9.2 | 7,183 | 4.1 | 13 | 1,300 |
| Dien Bien | 4.1 | 12,868 | 5.7 | 15 | 1,000 |
| Nghe An | 12.6 | 6,942 | 4.1 | 13 | 650 |
| Quang Nam | 10.1 | 3,946 | 3.9 | 14 | 514 |
| Khanh Hoa | 32.7 | 9,003 | 2.7 | 9 | 1,348 |
| Dak Lak | 6.3 | 13,640 | 3.2 | 11 | 2,450 |
| Dak Nong | 8.3 | 22,101 | 2.8 | 8 | 4,500 |
| Lam Dong | 4.0 | 14,682 | 2.9 | 9 | 3,000 |
| Long An | 25.1 | 14,020 | 2.6 | 14 | 2,400 |
| Female | 19.0 | 5,120 | 3.4 | 16 | 500 |
| Male | 9.3 | 8,459 | 4.1 | 18 | 660 |
| Poorest | 10.8 | 6,808 | 3.8 | 18 | 750 |
| 2nd poorest | 13.6 | 7,258 | 3.7 | 12 | 759 |
| Middle | 9.2 | 8,533 | 3.9 | 16 | 550 |
| 2nd richest | 11.8 | 7,938 | 4.1 | 16 | 570 |
| Richest | 12.3 | 8,160 | 4.2 | 17 | 511 |
| Total 2014 | 9.2 | 8,048 | 4.2 | 25 | 580 |

Land acquisition

| Plots Acquired by Source (%) | State | Inheritance | Bought | Cleared and occupied | Exchanged | Obtained |
|------------------------------|-------|-------------|--------|----------------------|-----------|----------|
| Total 2016 | 58.0 | 16.5 | 9.3 | 13.8 | 1.8 | 0.3 |
| Ha Tay | 89.4 | 5.9 | 2.5 | 1.0 | 0.8 | 0.4 |
| Lao Cai | 33.3 | 38.0 | 6.2 | 20.2 | 2.2 | 0.0 |
| Phu Tho | 82.2 | 10.0 | 3.2 | 2.8 | 1.1 | 0.2 |
| Lai Chau | 19.8 | 17.2 | 1.2 | 60.2 | 0.0 | 1.6 |
| Dien Bien | 27.9 | 11.8 | 2.5 | 57.7 | 0.0 | 0.0 |
| Nghe An | 58.3 | 19.0 | 3.7 | 5.2 | 13.8 | 0.0 |
| Quang Nam | 81.7 | 12.2 | 2.1 | 3.4 | 0.1 | 0.5 |
| Khanh Hoa | 34.6 | 28.6 | 18.1 | 18.1 | 0.0 | 0.5 |
| Dak Lak | 12.8 | 16.8 | 41.6 | 26.2 | 0.4 | 0.2 |
| Dak Nong | 7.0 | 13.7 | 48.3 | 30.2 | 0.9 | 0.0 |
| Lam Dong | 6.6 | 24.9 | 32.4 | 35.7 | 0.0 | 0.5 |
| Long An | 8.0 | 61.3 | 29.3 | 0.7 | 0.3 | 0.3 |
| Female | 65.0 | 16.7 | 9.1 | 8.1 | 1.0 | 0.0 |
| Male | 56.4 | 16.5 | 9.3 | 15.1 | 2.0 | 0.4 |
| Poorest | 49.6 | 19.0 | 4.8 | 23.1 | 2.7 | 0.7 |
| 2nd poorest | 53.8 | 17.1 | 9.2 | 18.3 | 1.3 | 0.2 |
| Middle | 56.9 | 18.8 | 9.0 | 12.4 | 2.4 | 0.2 |
| 2nd richest | 64.7 | 13.7 | 11.0 | 8.5 | 1.5 | 0.2 |
| Richest | 64.4 | 14.2 | 12.1 | 7.5 | 1.2 | 0.3 |
| Total 2014 | 55.5 | 19.1 | 9.8 | 14.7 | 0.4 | 0.4 |



Land titling



Restrictions on land use

| | Formal restrictions on choice of crops (%) | Construct fixed structure (not allowed) (%) | Convert into non-agricultural use (not allowed) (%) |
|-------------------|-----------------------------------------------|------------------------------------------------|--------------------------------------------------------|
| Total 2016 | 30.7 | 19.0 | 19.2 |
| Ha Tay | 41.3 | 7.4 | 7.6 |
| Lao Cai | 4.7 | 4.6 | 4.1 |
| Phu Tho | 49.0 | 14.3 | 15.3 |
| Lai Chau | 4.7 | 21.1 | 20.8 |
| Dien Bien | 14.8 | 19.9 | 13.3 |
| Nghe An | 52.3 | 21.2 | 20.9 |
| Quang Nam | 29.6 | 15.7 | 15.2 |
| Khanh Hoa | 20.1 | 39.0 | 66.4 |
| Dak Lak | 7.1 | 38.6 | 35.7 |
| Dak Nong | 9.3 | 27.8 | 27.4 |
| Lam Dong | 0.0 | 63.0 | 68.2 |
| Long An | 34.7 | 28.5 | 27.2 |
| Poorest | 24.7 | 19.4 | 20.1 |
| 2nd poorest | 25.5 | 21.4 | 21.1 |
| Middle | 27.3 | 20.1 | 20.8 |
| 2nd richest | 36.4 | 14.9 | 15.3 |
| Richest | 38.2 | 19.5 | 19.5 |
| Total 2014 | 44.3 | 29.4 | 19.2 |



Parting with land

| | Share of HHs who parted with land | Modes of parting with land (%) | | | | | |
|-------------------|-----------------------------------|--------------------------------|------|------|----------|-----------|-------|
| | | Exchanged | Sold | Gave | Expelled | Abandoned | Other |
| Total 2016 | 10.0 | 19.5 | 17.2 | 32.1 | 19.0 | 5.0 | 7.3 |
| Ha Tay | 9.2 | 33.0 | 0.0 | 29.2 | 19.9 | 2.9 | 14.9 |
| Lao Cai | 6.8 | 26.2 | 14.3 | 35.7 | 21.4 | 0.0 | 2.4 |
| Phu Tho | 10.1 | 9.4 | 9.0 | 47.1 | 26.6 | 5.4 | 2.5 |
| Lai Chau | 3.1 | 0.0 | 0.0 | 36.7 | 43.3 | 0.0 | 20.0 |
| Dien Bien | 8.1 | 0.0 | 60.5 | 12.3 | 0.0 | 27.2 | 0.0 |
| Nghe An | 24.3 | 42.7 | 4.3 | 19.8 | 21.4 | 6.5 | 5.3 |
| Quang Nam | 4.6 | 0.0 | 3.6 | 49.4 | 34.9 | 3.6 | 8.4 |
| Khanh Hoa | 8.4 | 10.0 | 6.7 | 53.3 | 16.7 | 0.0 | 13.3 |
| Dak Lak | 17.6 | 0.0 | 43.7 | 45.2 | 4.0 | 3.2 | 4.0 |
| Dak Nong | 14.3 | 0.0 | 60.2 | 22.9 | 16.9 | 0.0 | 0.0 |
| Lam Dong | 10.7 | 0.0 | 39.4 | 30.3 | 0.0 | 0.0 | 30.3 |
| Long An | 6.3 | 5.2 | 74.1 | 17.2 | 0.0 | 0.0 | 3.4 |
| Female | 7.9 | 5.0 | 17.6 | 46.9 | 13.8 | 1.7 | 15.1 |
| Male | 10.6 | 22.2 | 17.2 | 29.3 | 19.9 | 5.6 | 5.8 |
| Poorest | 9.5 | 17.2 | 7.3 | 31.7 | 18.3 | 13.4 | 12.2 |
| 2nd poorest | 10.4 | 16.3 | 18.3 | 35.3 | 19.6 | 3.5 | 7.1 |
| Middle | 11.3 | 20.9 | 20.6 | 32.9 | 10.0 | 4.4 | 11.2 |
| 2nd richest | 9.8 | 17.8 | 20.0 | 30.2 | 22.9 | 5.1 | 4.0 |
| Richest | 9.1 | 24.4 | 18.4 | 30.0 | 25.0 | 0.0 | 2.2 |
| Total 2014 | 17.7 | 48.2 | 9.2 | 20.4 | 14.8 | 3.4 | 4.0 |

Conclusion

- Clear differences between North and South
- Poverty does not correlate with landlessness
- Land titling positively affects crop choice and investment
- Female disadvantage in land use certificates decreased

Chapter 3: Agricultural production and markets

Author: Luciano Ayala-Cantu

Participation in agricultural activities (%)

| | Crop production | | | Livestock/Aquaculture | | |
|-----------|-----------------|------|------------|-----------------------|------|------------|
| | 2014 | 2016 | Difference | 2014 | 2016 | Difference |
| Total | 81.8 | 76.1 | -5.8 | 61.5 | 55.8 | -5.7 |
| Ha Tay | 76.1 | 68.1 | -8.0 | 45.4 | 40.2 | -5.2 |
| Lao Cai | 92.3 | 88.5 | -3.8 | 91.3 | 88.5 | -2.9 |
| Phu Tho | 83.7 | 76.8 | -6.8 | 76.8 | 71.8 | -5.0 |
| Lai Chau | 90.8 | 90.1 | -0.8 | 92.4 | 90.8 | -1.5 |
| Dien Bien | 95.1 | 93.5 | -1.6 | 93.5 | 95.1 | 1.6 |
| Nghe An | 78.5 | 79.4 | 0.9 | 81.2 | 76.2 | -4.9 |
| Quang Nam | 77.5 | 72.6 | -4.9 | 55.9 | 45.6 | -10.3 |
| Khanh Hoa | 58.9 | 54.2 | -4.7 | 36.4 | 29.9 | -6.5 |
| Dak Lak | 91.2 | 88.1 | -3.1 | 62.9 | 43.4 | -19.5 |
| Dak Nong | 91.0 | 90.2 | -0.8 | 62.4 | 55.6 | -6.8 |
| Lam Dong | 94.7 | 92.1 | -2.6 | 32.9 | 46.1 | 13.2 |
| Long An | 80.9 | 66.0 | -14.8 | 44.1 | 38.3 | -5.9 |
| Female | 72.6 | 64.0 | -8.6 | 51.4 | 41.8 | -9.6 |
| Male | 84.5 | 79.8 | -4.8 | 64.5 | 60.1 | -4.4 |
| Lowest | 80.6 | 75.0 | -5.6 | 63.6 | 60.2 | -3.4 |
| Middle | 86.6 | 79.3 | -7.4 | 67.7 | 54.0 | -13.6 |
| Highest | 75.7 | 68.6 | -7.1 | 52.0 | 48.5 | -3.5 |



Types of crops and livestock (%)

| | Crop production | | | | | Livestock | | | |
|--------------|-----------------|-------|-------|-------|--------|-----------|---------|-------|---------|
| | Rice | Maize | Veg. | Fruit | Coffee | Cow | Buffalo | Pig | Poultry |
| Total | 58.3 | 8.2 | 3.0 | 4.0 | 5.9 | 26.1 | 24.6 | 49.6 | 77.1 |
| Ha Tay | 77.8 | 3.3 | 3.0 | 3.2 | 0.0 | 19.8 | 1.3 | 47.8 | 73.7 |
| Lao Cai | 44.1 | 24.4 | 2.5 | 1.0 | 0.0 | 4.3 | 54.3 | 72.8 | 95.7 |
| Phu Tho | 70.0 | 8.2 | 3.2 | 2.0 | 0.0 | 24.9 | 22.3 | 56.0 | 76.9 |
| Lai Chau | 75.3 | 17.2 | 3.0 | 0.2 | 0.0 | 4.2 | 78.2 | 96.6 | 63.9 |
| Dien Bien | 49.4 | 20.7 | 0.6 | 2.0 | 1.1 | 23.9 | 62.4 | 85.5 | 98.3 |
| Nghe An | 56.7 | 10.4 | 9.4 | 4.6 | 0.3 | 37.1 | 29.4 | 26.5 | 88.8 |
| Quang Nam | 59.3 | 1.8 | 1.2 | 4.2 | 0.0 | 46.7 | 20.7 | 45.3 | 62.0 |
| Khanh Hoa | 39.5 | 6.1 | 6.8 | 19.7 | 1.4 | 21.9 | 0.0 | 25.0 | 78.1 |
| Dak Lak | 29.0 | 7.7 | 0.7 | 0.9 | 39.5 | 33.3 | 1.4 | 33.3 | 72.5 |
| Dak Nong | 18.4 | 4.6 | 0.0 | 3.1 | 49.7 | 20.3 | 2.7 | 23.0 | 83.8 |
| Lam Dong | 9.4 | 2.5 | 5.0 | 4.0 | 53.0 | 31.4 | 5.7 | 5.7 | 77.1 |
| Long An | 54.5 | 0.0 | 2.7 | 16.8 | 0.2 | 38.7 | 0.0 | 23.4 | 62.9 |
| Female | 59.7 | 5.9 | 3.8 | 5.8 | 4.6 | 24.1 | 11.9 | 38.3 | 77.0 |
| Male | 58.1 | 8.7 | 2.8 | 3.7 | 6.1 | 26.5 | 27.3 | 52.0 | 77.1 |
| Lowest | 59.3 | 10.3 | 3.8 | 3.6 | 2.7 | 29.0 | 34.0 | 52.0 | 79.4 |
| Middle | 62.0 | 8.1 | 2.7 | 3.2 | 4.9 | 28.2 | 24.0 | 49.5 | 76.0 |
| Highest | 48.8 | 5.2 | 2.8 | 7.2 | 10.6 | 20.8 | 9.7 | 49.0 | 77.2 |
| N | 7,758 | 7,758 | 7,758 | 7,758 | 7,758 | 1,487 | 1,487 | 1,487 | 1,487 |

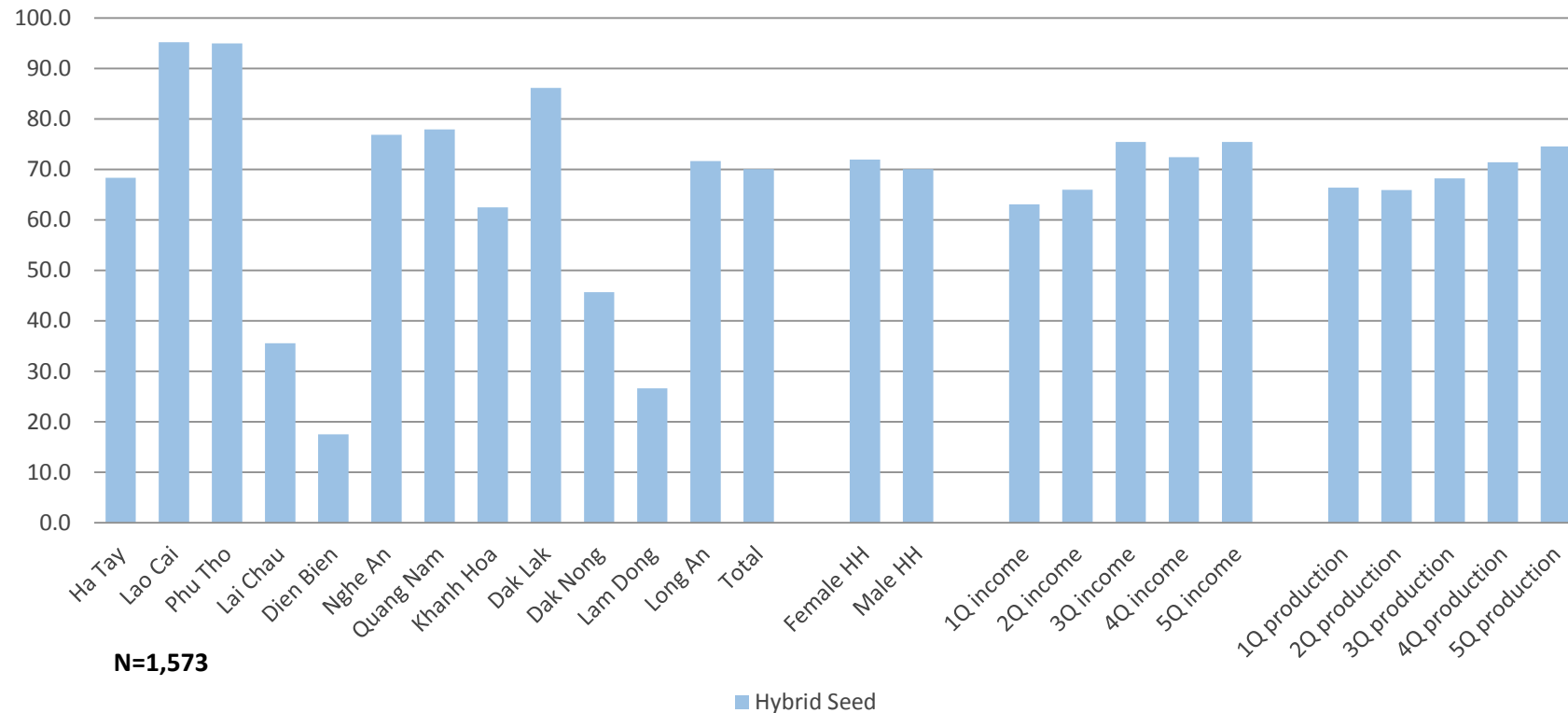
Market access for rice seeds

| | Never buys (%) | Cooperative (%) | Company(%) | Local market(%) | Stockist(%) | Other(%) | Distance (Kms) |
|----------------------------|----------------|-----------------|------------|-----------------|-------------|----------|----------------|
| Total | 13.4 | 31.6 | 21.0 | 19.9 | 13.3 | 0.8 | 1.7 |
| Ha Tay | 1.7 | 52.2 | 21.9 | 16.7 | 6.9 | 0.6 | 4.4 |
| Lao Cai | 4.8 | 15.7 | 1.2 | 78.3 | 0.0 | 0.0 | 95.8 |
| Phu Tho | 3.5 | 50.2 | 27.4 | 6.6 | 12.0 | 0.4 | 5.4 |
| Lai Chau | 5.1 | 64.4 | 2.5 | 26.3 | 1.7 | 0.0 | 3.5 |
| Dien Bien | 90.4 | 4.4 | 0.9 | 1.8 | 2.6 | 0.0 | 7.3 |
| Nghe An | 6.1 | 46.9 | 32.7 | 6.8 | 4.8 | 2.7 | 2.8 |
| Quang Nam | 7.4 | 1.5 | 19.1 | 30.4 | 40.2 | 1.5 | 8.7 |
| Khanh Hoa | 28.1 | 0.0 | 3.1 | 62.5 | 6.3 | 0.0 | 1.6 |
| Dak Lak | 26.2 | 12.3 | 3.1 | 38.5 | 20.0 | 0.0 | 2.7 |
| Dak Nong | 31.4 | 2.9 | 34.3 | 31.4 | 0.0 | 0.0 | 2.8 |
| Lam Dong | 73.3 | 0.0 | 0.0 | 20.0 | 6.7 | 0.0 | 1.1 |
| Long An | 7.8 | 2.8 | 51.8 | 5.0 | 30.5 | 2.1 | 5.1 |
| Female | 9.1 | 29.8 | 24.2 | 19.6 | 15.8 | 1.4 | 9.1 |
| Male | 14.4 | 32.0 | 20.3 | 20.0 | 12.7 | 0.7 | 10.4 |
| Income Quintile | | | | | | | |
| Lowest | 21.8 | 27.1 | 17.5 | 20.6 | 11.4 | 1.5 | 6.6 |
| Highest | 7.8 | 30.6 | 26.7 | 16.4 | 17.7 | 0.9 | 3.2 |
| Production Quintile | | | | | | | |
| Lowest | 16.0 | 31.3 | 10.3 | 22.1 | 18.3 | 1.9 | 19 |
| Highest | 8.6 | 44.2 | 16.9 | 16.1 | 13.5 | 0.7 | 4.9 |
| N | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,362 |



Use of hybrid rice seed

Figure 1.3: Use of hybrid rice seed



Conclusion

- The proportion of households involved agriculture decreased between 2014 and 2016.
- Over 58 percent of all plots are dedicated to rice production and on average households sell around 30 percent of the rice they produce
- In 2016 households on average traded 60 percent of their pig production and 20 percent of their poultry production
- The Northern provinces are in general less commercially oriented than the southern provinces
- Common Property Resources, in particular forestry, are still important for some households, in particular the poorest households and those in the Northern provinces

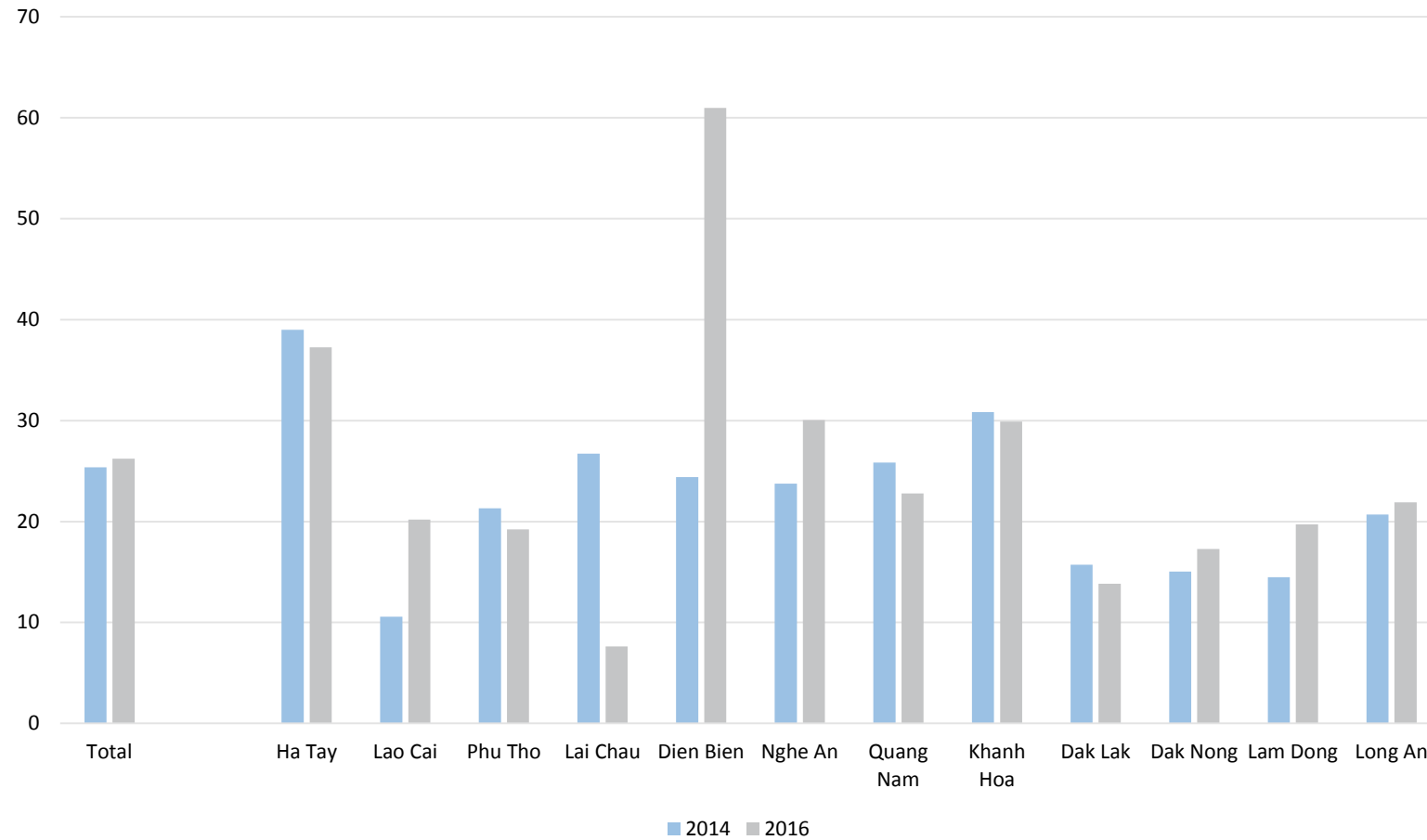
Chapter 4: Non-farm household enterprises

Author: Carol Newman

Introduction

- Structural transformation process in Vietnam has led to an increase in the importance of non-agricultural incomes
- Kinghan and Newman (2017) document the fact that the diversification of household income away from agriculture in rural Vietnam has, on average, been welfare enhancing
- The success of enterprise activities is associated with access to resources such as finance, education and markets, all of which vary across households
- This chapter presents statistics on the prevalence and nature of rural household enterprises in rural Vietnam

Share of households with a non-farm enterprise



Characteristics of household enterprises

| | Number | Has license (%) | Located in family home (%) | Av. number of workers | Av. number of hired workers |
|-------------------|--------|-----------------|----------------------------|-----------------------|-----------------------------|
| Total 2016 | 813 | 24.0 | 56.2 | 2.0 | 0.5 |
| Province | | | | | |
| Ha Tay | 253 | 25.3 | 51.8 | 2.3 | 0.8 |
| Lao Cai | 21 | 4.8 | 71.4 | 1.3 | 0.0 |
| Phu Tho | 90 | 32.2 | 55.6 | 2.3 | 0.7 |
| Lai Chau | 12 | 50.0 | 41.7 | 1.9 | 0.0 |
| Dien Bien | 76 | 2.6 | 94.7 | 1.4 | 0.0 |
| Nghe An | 79 | 8.9 | 39.2 | 1.6 | 0.2 |
| Quang Nam | 87 | 36.8 | 55.2 | 1.9 | 0.3 |
| Khanh Hoa | 32 | 6.3 | 34.4 | 2.1 | 0.5 |
| Dak Lak | 23 | 34.8 | 60.9 | 2.6 | 0.9 |
| Dak Nong | 28 | 42.9 | 78.6 | 1.9 | 0.4 |
| Lam Dong | 20 | 25.0 | 45.0 | 2.0 | 0.4 |
| Long An | 91 | 29.7 | 53.8 | 1.5 | 0.4 |
| Gender | | | | | |
| Female | 146 | 15.8 | 61.6 | 1.6 | 0.2 |
| Male | 667 | 25.8 | 55.0 | 2.0 | 0.5 |

Characteristics of household enterprises (continued)

| | Number | Has license (%) | Located in family home (%) | Av. number of workers | Av. number of hired workers |
|----------------------------------|--------|-----------------|----------------------------|-----------------------|-----------------------------|
| Food expenditure quintile | | | | | |
| Poorest | 83 | 7.2 | 85.5 | 1.3 | 0.0 |
| 2nd poorest | 124 | 17.7 | 65.3 | 1.6 | 0.2 |
| Middle | 159 | 22.0 | 50.9 | 1.7 | 0.2 |
| 2nd richest | 209 | 24.4 | 49.8 | 2.0 | 0.4 |
| Richest | 238 | 34.0 | 50.4 | 2.6 | 1.1 |
| Ethnicity | | | | | |
| Kinh | 691 | 27.1 | 51.4 | 2.1 | 0.6 |
| Non-Kinh | 122 | 6.6 | 83.6 | 1.4 | 0.0 |
| Total 2014 panel | 596 | 23.7 | 58.9 | 2.3 | 0.7 |
| Total 2016 panel | 596 | 29.5 | 56.2 | 2.1 | 0.6 |

Household enterprise performance

| | Initial investment (`000 VND, mean) | All self- financed (%) | Total revenue (`000 VND, median) | Net income (`000 VND, median) |
|-----------------------------|----------------------------------------|---------------------------|----------------------------------------|-------------------------------------|
| Total 2016 (n = 813) | 75,223 | 64.5 | 289,635 | 74,615 |
| Province | | | | |
| Ha Tay | 85,431 | 55.3 | 423,732 | 92,590 |
| Lao Cai | 14,057 | 85.7 | 49,299 | 23,842 |
| Phu Tho | 156,599 | 56.7 | 408,872 | 132,474 |
| Lai Chau | 24,208 | 75.0 | 117,663 | 43,066 |
| Dien Bien | 1,985 | 94.7 | 7,990 | 4,555 |
| Nghe An | 70,118 | 64.6 | 171,283 | 53,332 |
| Quang Nam | 57,724 | 63.2 | 273,941 | 74,109 |
| Khanh Hoa | 80,500 | 56.3 | 377,268 | 83,916 |
| Dak Lak | 21,370 | 60.9 | 201,915 | 48,237 |
| Dak Nong | 137,173 | 67.9 | 193,470 | 64,671 |
| Lam Dong | 50,250 | 60.0 | 199,600 | 56,924 |
| Long An | 66,610 | 70.3 | 268,349 | 71,088 |
| Gender of HH head | | | | |
| Female | 38,883 | 62.3 | 282,753 | 57,572 |
| Male | 82,999 | 64.9 | 291,142 | 78,346 |

Summary

- Household enterprises are an important component of rural livelihoods in Vietnam
- They do not account for a large proportion of incomes but absorb significant investments of resources
- Success of household enterprises is correlated with the wealth of households, education level and ethnic status
- However, most are micro-enterprises, with few employees operating on an informal basis
- This suggests that these enterprises are unlikely to drive an expansion in rural labour demand, but are clearly an important intermediary step in the development process

Chapter 5: Labour and migration

Author: Gaia Narciso

Introduction

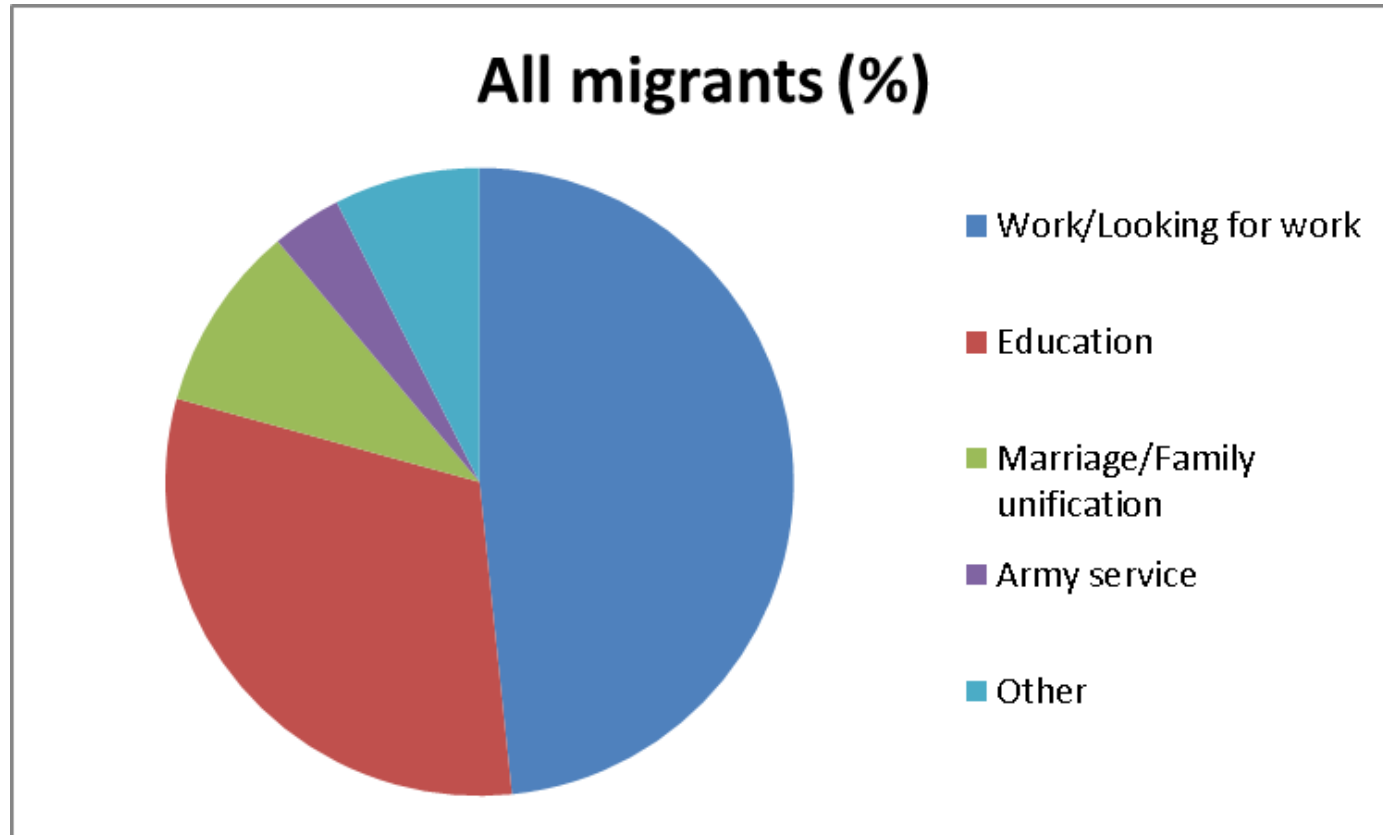
- About 6.6 million people migrated within Viet Nam over the period 2004-9 (United Nations Viet Nam, 2010)
- This chapter provides evidence on the characteristics of migrants and sending households
- About 18% of interviewed households have at least one household member who has migrated
- 21% of migrants are permanent migrants
- About 78% of migration episodes occur across provinces

Province of destination and origin

| Province of destination | % |
|-------------------------|------|
| Ha Noi | 30.7 |
| Ho Chi Minh | 21.6 |
| Dak Nong | 10.1 |
| Dak Lak | 4.4 |
| Quang Nam | 3.9 |

| Province of origin | Households with a migrant (%) |
|--------------------|-------------------------------|
| Ha Tay | 19.4 |
| Nghe An | 23.7 |
| Quang Nam | 21.6 |
| Dak Lak | 21.4 |
| Dak Nong | 24.8 |

Reasons for migrating



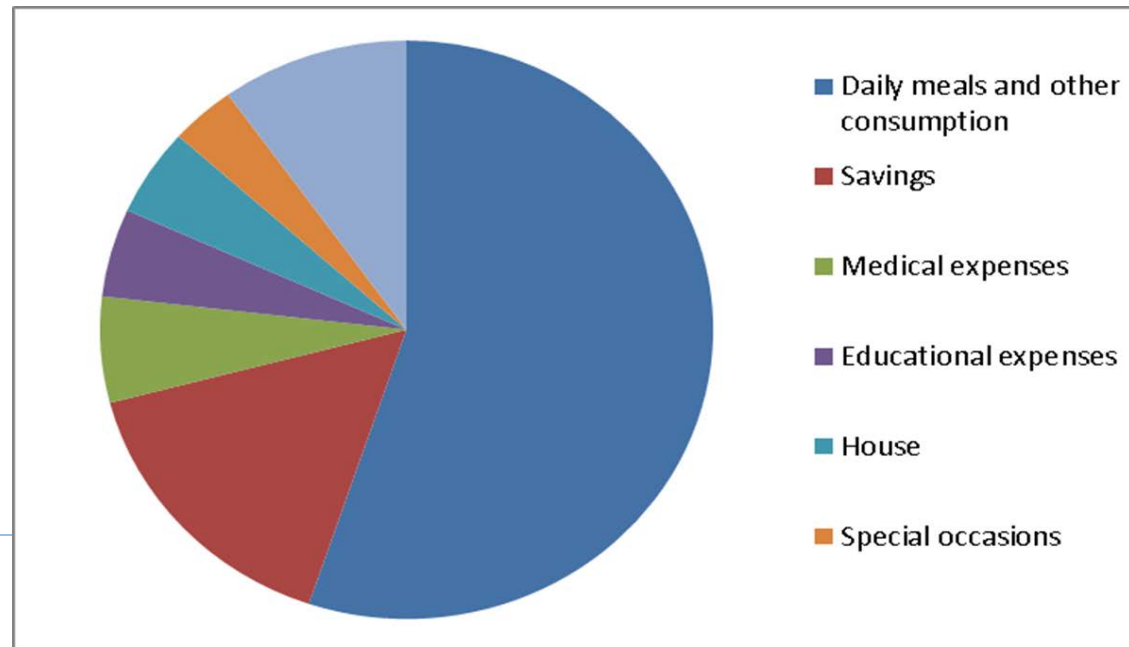
Migrant characteristics

| | All migrants | | Working migrants | | t-Test of difference |
|------------------------------|--------------|-----|------------------|------|----------------------|
| | Mean | SD | Mean | SD | |
| Male (%) | 52.8 | 0.5 | 59.0 | 0.49 | *** |
| Married (%) | 31.8 | 0.5 | 39.7 | 0.49 | *** |
| Age at migration | 23.3 | 9.9 | 25.9 | 8.74 | *** |
| No diploma (%) | 57.7 | 0.5 | 41.9 | 0.49 | *** |
| Years since the migrant left | 1.9 | 1.8 | 2.0 | 2.16 | |
| Permanent (%) | 21.1 | 0.4 | 14.5 | 0.3 | *** |

Note: ***significant at 1%

Remittances

| | Frequency of remittances (%) | Frequency of remittances (%) (working migrants only) |
|---------------------------------|------------------------------|------------------------------------------------------|
| Once a month or more frequently | 11.9 | 21.7 |
| Once a quarter | 5.1 | 9.9 |
| Less frequently | 15.6 | 25.1 |
| Never | 67.4 | 43.2 |



Conclusions

- Migrants are more likely to be male, young and come from wealthier households
- Work and education are the main drivers of migration
- Sending households are more likely to have a higher income and more savings than households with no migrant
- There is a significant flow of transfers between migrants and their household of origin
- Remittances seem to be used as a coping-mechanism in the presence of negative income shocks

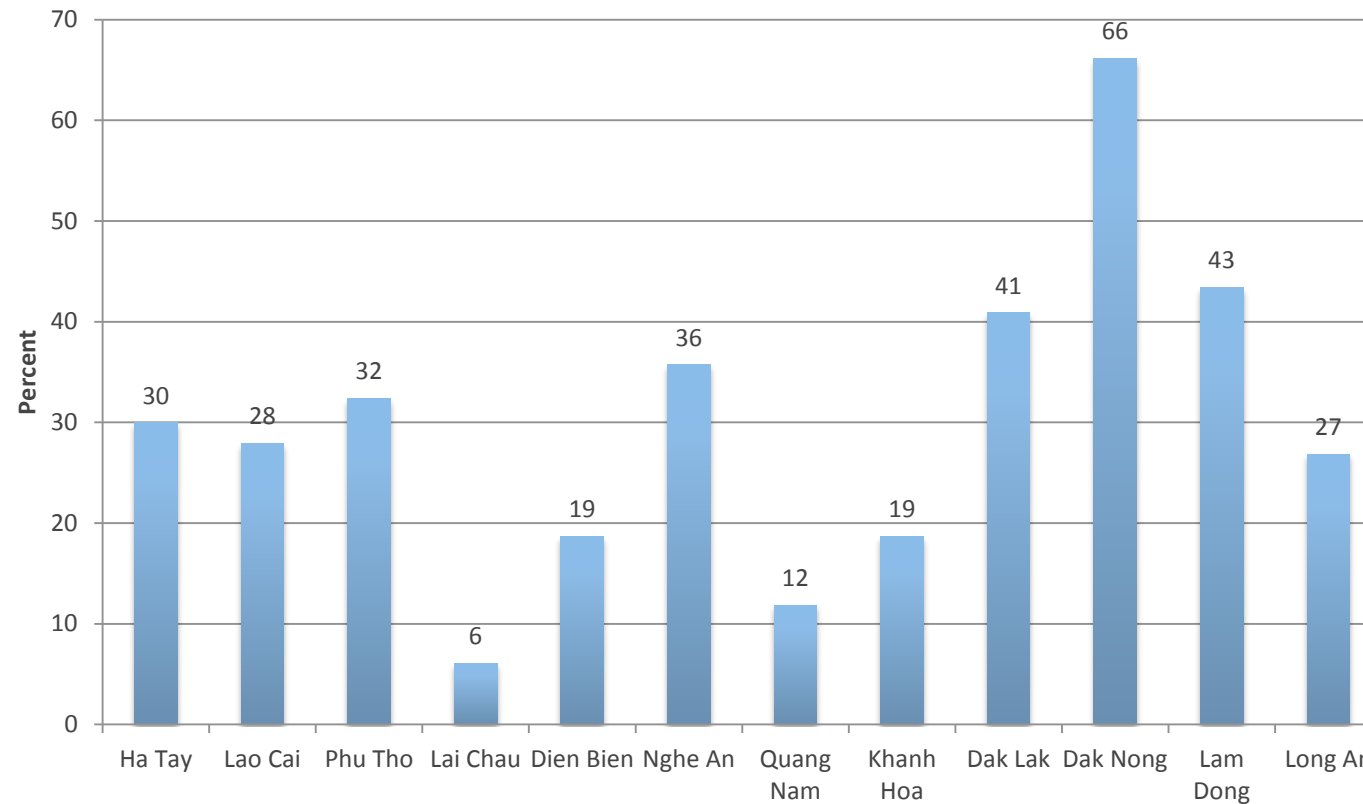
Chapter 6: Access to credit

Author: Tara Bedi

Introduction

- Access to credit, in particular formal credit, can be an important tool in poverty alleviation
- It is often the case, however, that the poorest most vulnerable households are credit constrained
- In this chapter we examine:
 - The characteristics of households who have access to credit
 - The type of credit households have access to
 - How they use this credit

Credit Access by Province, VARHS 2016



Loan usage

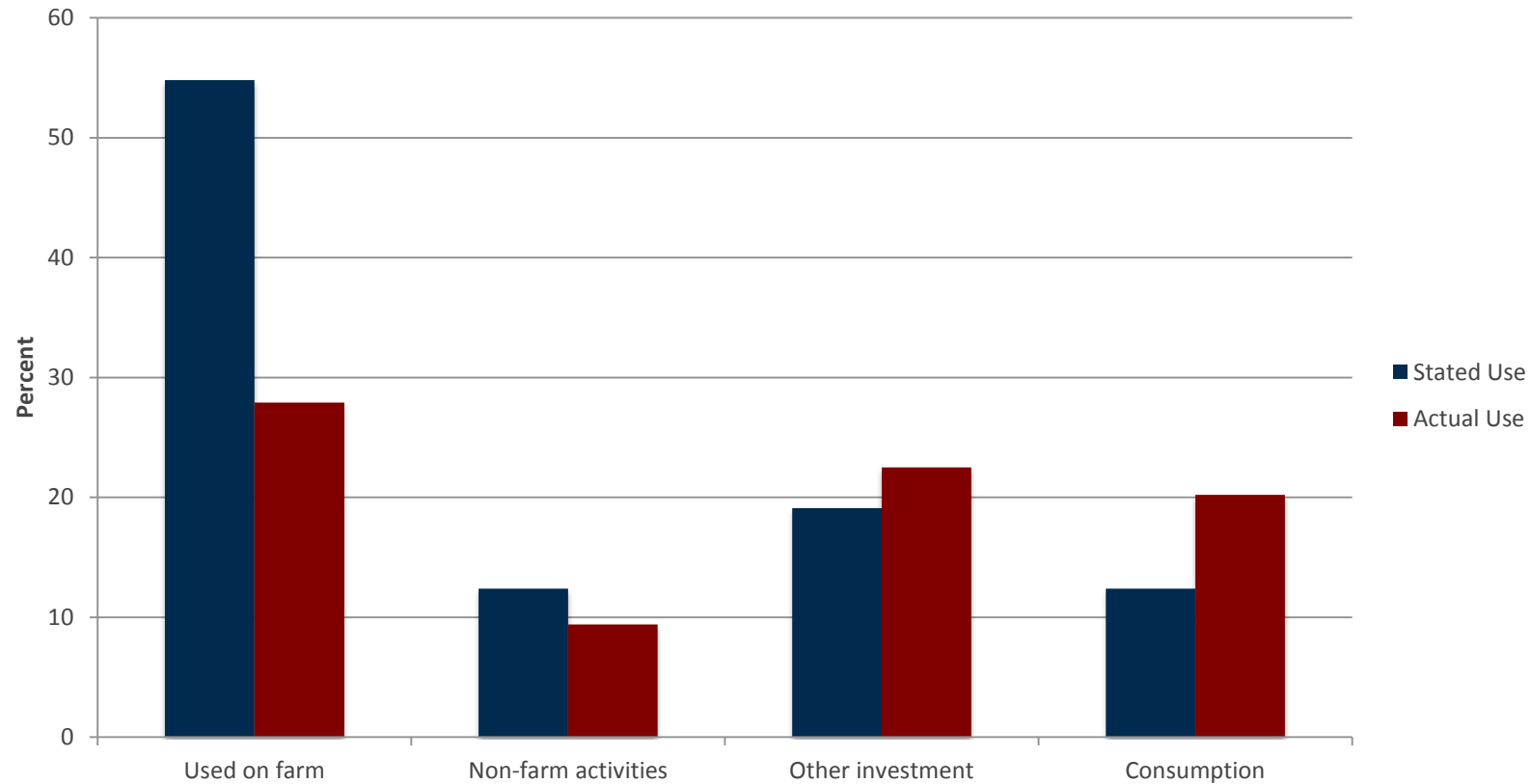
- Just over 28 percent of households hold at least one loan
- On the other hand over 71 percent had no loan
- Of the 768 households who held a loan, 145 of them had a second loan, while an additional 34 had a third loan
- The average size of the main loan at VND 78,946 was bigger than any of the additional loans

Loan Source

| Source of Loan - % from | Main Loan | Second Loan | Third Loan |
|-------------------------|-----------|-------------|------------|
| VBARD | 26.4 | 13.7 | 2.9 |
| VBSP | 36.3 | 14.5 | 17.7 |
| Informal | 20 | 53.1 | 70.6 |
| - Friends/family | 14.1 | 26.2 | 35.3 |
| - Group Scheme | 0.4 | 2.1 | 2.9 |
| - Money Lender | 2.6 | 11.7 | 5.9 |
| Other sources | 17.5 | 18.6 | 8.8 |

What loans are used for

VARHS 2016



UNITED NATIONS
UNIVERSITY
UNU-WIDER



UNITED NATIONS
UNIVERSITY
UNU-WIDER

Conclusion

- Access to credit decreased between 2014 and 2016 driven by a decline in informal loans
- The average size of loans, however, has increased
- Large regional disparities in access to credit continue to persist
- The proportion of households with loans who had a household head who was unable to read or write has increased
- The poorest households have seen an increase in credit access, while the second richest households have seen a decrease
- The percent of non-Kinh households with credit has increased, including formal credit

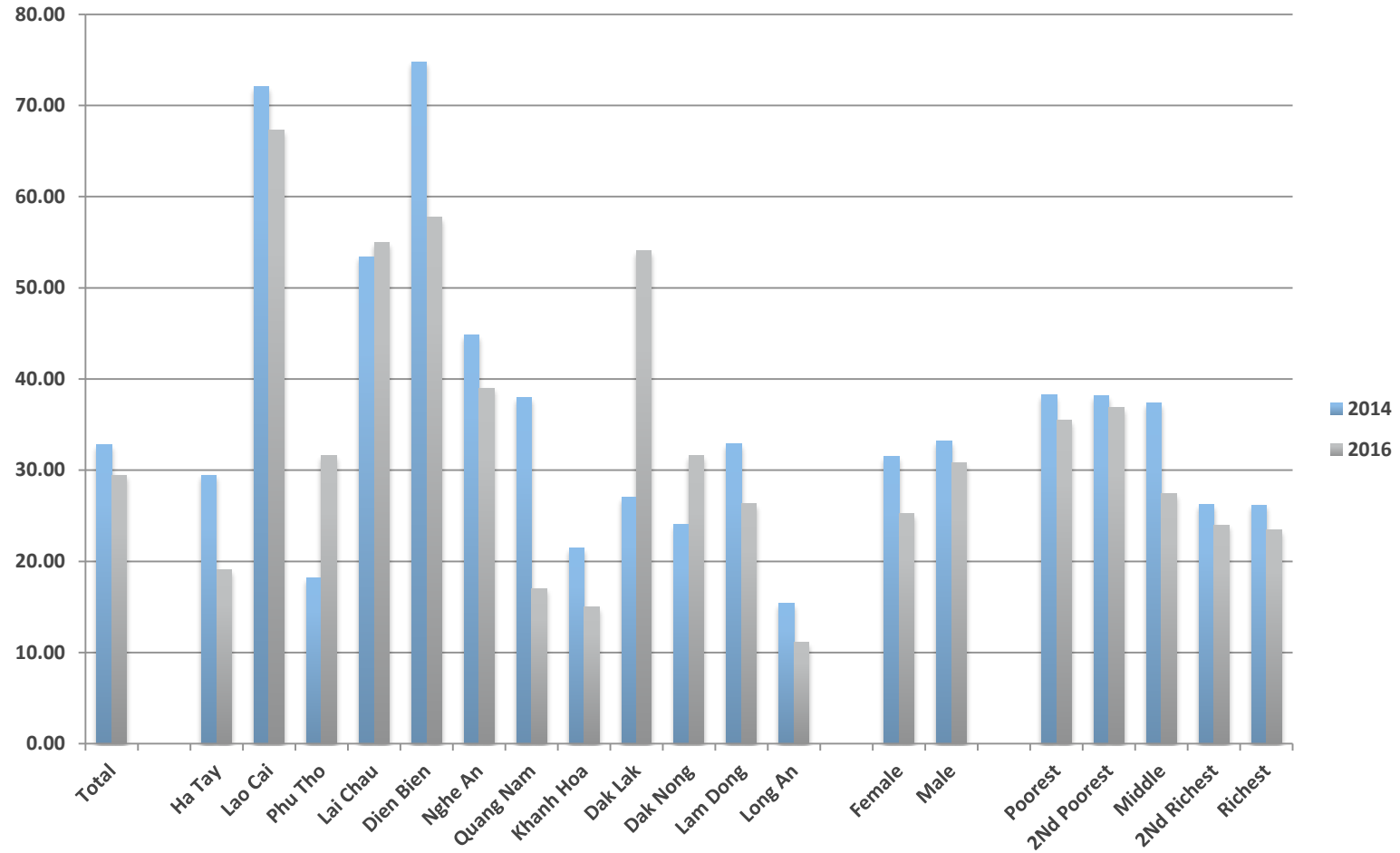
Chapter 7: Risks and risk-coping mechanisms

Author: Anuj Pratap Singh

Introduction

- Exposure to risk remains a significant problem in Vietnam
- The occurrence of income and consumption shocks is particularly high for households who belong to agricultural sector, have poorly educated household head and who belong to non-Kinh ethnicity
- This chapter focusses on the prevalence of income shocks amongst different households
- The risk-coping mechanisms adopted to deal with such shocks
- The outreach of insurance
- The status and instruments of household savings
- The main motives behind household savings

The incidence of shocks



Share of HHs affected by (main) shocks, 2014-16

| | Natural Disasters | Biological Shock (pest, avian flu) | Crop Price Change | Illness/Death |
|---------------------------|-------------------|---------------------------------------|-------------------|---------------|
| Total | 38.2 | 39.9 | 6.3 | 33.0 |
| Female | 37.2 | 38.2 | 8.7 | 30.6 |
| Male | 38.5 | 40.5 | 5.5 | 33.8 |
| Poorest | 38.7 | 34.7 | 9.2 | 33.5 |
| 2nd Poorest | 40.5 | 39.9 | 6.5 | 32.0 |
| Middle | 38.2 | 44.7 | 9.9 | 29.6 |
| 2nd Richest | 36.0 | 39.0 | 3.0 | 34.8 |
| Richest | 37.7 | 42.2 | 2.6 | 35.1 |
| Cannot Read And Write | 31.9 | 40.3 | 11.1 | 34.7 |
| Completed Lower Primary | 43.1 | 38.6 | 5.9 | 30.7 |
| Completed Lower Secondary | 38.0 | 37.7 | 6.6 | 35.7 |
| Completed Upper Secondary | 37.0 | 42.0 | 5.0 | 31.0 |
| Can Read And Write | 38.1 | 66.7 | 0.0 | 19.0 |
| Non-Kinh | 39.5 | 36.7 | 7.6 | 30.9 |
| Kinh | 37.7 | 41.1 | 5.8 | 33.8 |

N=796

Risk Coping Measures (%)

| | Self-Reliance | Did Nothing | Redu. Cons. | Sold Assets | Assist. Relatives | Insur. | Borrow Bank | Borrow Other | Used Savings |
|---------------------|---------------|-------------|-------------|-------------|-------------------|--------|-------------|--------------|--------------|
| Total | 89.7 | 49.2 | 37.8 | 6.9 | 17.0 | 4.1 | 4.3 | 5.1 | 13.2 |
| Female | 91.3 | 49.2 | 37.7 | 6.0 | 18.0 | 2.2 | 4.4 | 3.3 | 12.6 |
| Male | 89.2 | 49.3 | 37.8 | 7.2 | 16.6 | 4.7 | 4.2 | 5.7 | 13.4 |
| Poorest | 90.2 | 48.5 | 40.5 | 7.5 | 19.6 | 4.0 | 4.0 | 3.5 | 9.8 |
| 2nd Poorest | 87.6 | 49.0 | 36.6 | 5.9 | 15.7 | 3.9 | 3.3 | 5.9 | 14.4 |
| Middle | 92.1 | 49.3 | 39.5 | 6.6 | 14.5 | 3.3 | 2.0 | 4.6 | 17.1 |
| 2nd Richest | 89.6 | 49.4 | 37.8 | 8.5 | 17.1 | 4.9 | 6.1 | 6.7 | 13.4 |
| Richest | 89.0 | 50.0 | 34.4 | 5.8 | 17.5 | 4.5 | 5.8 | 5.2 | 11.7 |
| Cannot Read & Write | 91.7 | 51.4 | 40.3 | 2.8 | 18.1 | 2.8 | 2.8 | 1.4 | 13.9 |
| Lower Primary | 92.8 | 51.0 | 36.6 | 7.8 | 15.7 | 3.3 | 3.3 | 3.9 | 10.5 |
| Lower Secondary | 88.3 | 49.1 | 38.3 | 5.7 | 18.9 | 3.7 | 4.6 | 6.6 | 13.1 |
| Upper Secondary | 89.0 | 47.0 | 37.0 | 8.5 | 15.0 | 6.0 | 5.5 | 5.0 | 15.0 |
| Non-Kinh | 90.5 | 49.0 | 38.6 | 7.1 | 16.2 | 4.8 | 2.9 | 3.8 | 15.2 |
| Kinh | 89.4 | 49.3 | 37.5 | 6.8 | 17.2 | 3.9 | 4.8 | 5.6 | 12.5 |

N=796

Insurance Ownership (%)

| | Life | Volunt. Social | Comp. Health | Health Private | Unemp. | Free Health | Free Health (Children) | Educat. | Vehicle |
|---------------------------|------|-------------------|-----------------|-------------------|--------|----------------|------------------------------|---------|---------|
| Total | 2.7 | 2.3 | 24.7 | 54.5 | 16.9 | 16.9 | 33.5 | 18.7 | 24.9 |
| Female | 2.2 | 1.9 | 25.6 | 54.1 | 17.8 | 18.9 | 34.9 | 17.8 | 24.7 |
| Male | 2.8 | 2.4 | 24.4 | 54.6 | 16.6 | 16.3 | 33.1 | 18.9 | 25.0 |
| Poorest | 3.0 | 2.0 | 24.5 | 54.0 | 16.1 | 17.3 | 36.3 | 19.7 | 22.3 |
| 2nd Poorest | 2.9 | 2.7 | 26.7 | 49.6 | 18.3 | 19.4 | 33.7 | 16.5 | 26.0 |
| Middle | 3.0 | 2.0 | 26.7 | 58.9 | 17.9 | 14.5 | 33.8 | 17.3 | 26.5 |
| 2nd Richest | 2.7 | 2.1 | 23.7 | 55.1 | 16.8 | 16.8 | 30.2 | 19.3 | 24.9 |
| Richest | 1.7 | 2.8 | 21.7 | 54.8 | 15.3 | 16.8 | 33.5 | 20.6 | 25.0 |
| Cannot Read And Write | 3.5 | 1.7 | 29.8 | 52.6 | 19.9 | 15.8 | 30.4 | 23.4 | 26.3 |
| Completed Lower Primary | 4.3 | 3.0 | 24.6 | 55.0 | 16.6 | 18.3 | 32.9 | 17.6 | 20.3 |
| Completed Lower Secondary | 2.1 | 2.1 | 23.1 | 53.5 | 15.3 | 17.2 | 33.1 | 17.5 | 25.0 |
| Completed Upper Secondary | 2.3 | 2.5 | 25.2 | 55.9 | 18.4 | 15.8 | 34.3 | 20.6 | 26.9 |
| Non-Kinh | 4.8 | 2.4 | 27.7 | 50.9 | 18.4 | 16.2 | 34.5 | 21.6 | 25.5 |
| Kinh | 2.1 | 2.3 | 23.8 | 55.4 | 16.5 | 17.1 | 33.3 | 17.9 | 24.8 |

N=2,417

Conclusion

- Overall reduction in the prevalence of shocks from 2014 to 2016
- Agriculture, low educated and non-Kinh households most vulnerable
- The membership of insurance very high, however insurance payments not a very important risk coping mechanisms; indicating existence of high uninsured shocks
- Savings act as a good buffer against income shocks
- Primarily, the savings instruments are informal

Chapter 8: Social capital and political connections

Authors: Thomas Markussen & Helge Zille

Introduction

- Social capital exists in relations between people
- Norms, trusts, networks
- Can be beneficial: transforming into other forms of capital
- Can be harmful: producing and reproducing inequalities
- In this chapter: Formal groups, informal networks, information, trust

Group membership

Household has at least one member of... (in percent)

| | Any Group | Communist Party | Youth Union | Women's Union | Farmer's Union | Veteran's Union | Religious Group | Old age Group | Other |
|-------------------|-----------|-----------------|-------------|---------------|----------------|-----------------|-----------------|---------------|-------|
| Total 2016 | 86.7 | 11.6 | 9.4 | 54.8 | 40.2 | 14.5 | 2.3 | 23.8 | 1.8 |
| Total 2014 | 89.3 | 11.6 | 12.0 | 59.9 | 40.9 | 15.9 | 2.4 | 26.2 | 1.5 |
| Female | 86.9 | 11.2 | 7.3 | 48.2 | 22.6 | 4.6 | 3.2 | 41.5 | 1.6 |
| Male | 86.6 | 11.7 | 10.0 | 56.9 | 45.6 | 17.6 | 2.1 | 18.3 | 1.8 |
| Poorest | 84.6 | 3.7 | 5.8 | 39.9 | 36.3 | 11.6 | 1.3 | 31.6 | 0.2 |
| 2nd poorest | 84.5 | 8.2 | 6.2 | 47.9 | 39.3 | 13.9 | 2.8 | 27.3 | 1.7 |
| Middle | 86.9 | 11.2 | 7.9 | 57.3 | 42.7 | 14.8 | 2.1 | 21.9 | 2.2 |
| 2nd richest | 87.7 | 14.2 | 9.7 | 64.3 | 41.9 | 16.1 | 3.2 | 18.3 | 3.0 |
| Richest | 89.7 | 20.5 | 17.3 | 64.7 | 41.0 | 16.4 | 2.3 | 19.5 | 1.7 |

Political connections

Share of HHs where an office or position of public responsibility is held by...

| | HH member, relative or friend (percent) | HH member (percent) | Relative (percent) | Friend (percent) |
|-------------------|--------------------------------------------|---------------------|--------------------|------------------|
| Total 2016 | 33.7 | 5.9 | 15.5 | 23.2 |
| Ha Tay | 25.8 | 3.6 | 13.8 | 13.8 |
| Lao Cai | 16.3 | 3.8 | 12.5 | 0.0 |
| Phu Tho | 31.8 | 7.1 | 18.2 | 17.6 |
| Lai Chau | 29.5 | 6.8 | 4.5 | 22.0 |
| Dien Bien | 44.7 | 10.6 | 13.8 | 41.5 |
| Nghe An | 58.9 | 8.0 | 40.2 | 41.1 |
| Quang Nam | 20.7 | 4.3 | 9.1 | 13.7 |
| Khanh Hoa | 31.8 | 5.6 | 0.0 | 31.8 |
| Dak Lak | 43.4 | 3.8 | 4.4 | 38.4 |
| Dak Nong | 51.1 | 11.3 | 26.3 | 39.1 |
| Lam Dong | 43.4 | 6.6 | 5.3 | 40.8 |
| Long An | 35.5 | 5.9 | 19.1 | 23.8 |
| Female | 30.6 | 4.5 | 15.5 | 19.5 |
| Male | 34.7 | 6.3 | 15.5 | 24.3 |
| Poorest | 22.7 | 2.2 | 9.0 | 15.4 |
| 2nd poorest | 29.0 | 3.6 | 14.0 | 19.1 |
| Middle | 35.2 | 5.2 | 16.3 | 26.0 |
| 2nd richest | 41.3 | 8.4 | 18.5 | 28.6 |
| Richest | 40.4 | 10.0 | 19.5 | 26.9 |

Information and trust

Sources of information considered mostly or highly trustworthy (percent)

| | Relatives, friends and neighbors | Community board | Community loud speakers | Local market | Newspaper | Radio | TV | Extension agents | Other groups or mass organizations | Business or work associates | Internet |
|-------------------|----------------------------------|-----------------|-------------------------|--------------|-----------|-------|------|------------------|------------------------------------|-----------------------------|----------|
| Total 2016 | 95.2 | 97.8 | 97.0 | 46.2 | 67.6 | 85.3 | 87.7 | 93.0 | 67.8 | 63.3 | 28.5 |
| Female | 95.4 | 98.0 | 97.6 | 46.1 | 70.2 | 85.5 | 86.7 | 92.2 | 67.7 | 59.2 | 26.6 |
| Male | 95.1 | 97.7 | 96.9 | 46.3 | 66.8 | 85.3 | 88.0 | 93.3 | 67.9 | 64.6 | 29.0 |
| Poorest | 93.4 | 98.4 | 97.1 | 46.8 | 68.9 | 85.8 | 87.5 | 90.4 | 63.8 | 59.3 | 19.0 |
| 2nd poorest | 97.4 | 97.2 | 96.4 | 43.5 | 70.6 | 85.5 | 87.0 | 91.2 | 68.7 | 65.9 | 31.5 |
| Middle | 95.3 | 98.3 | 97.4 | 44.3 | 64.3 | 83.8 | 85.2 | 93.3 | 69.0 | 64.9 | 23.9 |
| 2nd richest | 95.1 | 97.9 | 97.9 | 46.1 | 62.4 | 84.3 | 88.1 | 93.9 | 67.0 | 62.3 | 23.9 |
| Richest | 94.5 | 97.1 | 96.4 | 50.5 | 72.5 | 87.3 | 90.8 | 96.1 | 69.8 | 63.7 | 37.8 |
| Total 2014 | 92.8 | 96.4 | 95.8 | 50.3 | 70.8 | 85.6 | 91.3 | 91.6 | 67.7 | 55.8 | 39.8 |

Conclusion

- Overall, high availability of social capital
- Most households ...
 - Attended to a wedding
 - Have an emergency contact
 - Are member of a formal group
- About one third of the households has a political connection
- Poorer households are disadvantaged in terms of social capital
 - Lack of economic resources constrains the buildup of social capital
 - Lack of social capital is an obstacle to escaping poverty

Conclusion

Finn Tarp

Conclusion

- Sustained economic growth over the last decade has led to significant improvements in the well-being of the people of Viet Nam
- VARHS 2016 confirms this trend with average incomes across the 12 VARHS provinces increasing beyond their 2014 levels
- A greater number of poor households are gaining access to government support and services to help lift them out of poverty
- VARHS 2016 reveals, however, that the fruits of Viet Nam's economic success story have not been shared equally among rural households
- Significant disparities in welfare and access to resources across different household groups continue to persist in 2016

Conclusion

- Regional differences
 - Households in the mountainous Northern Uplands (Lao Cai, Dien Bien and Lai Chau) lag behind others on several indicators of welfare
 - Farmers in the North are also less commercially oriented than those in Southern provinces
- Ethnic differences
 - Substantial differences in welfare along ethnic lines persist
 - Ethnic minority households earn lower incomes, their businesses perform worse, they are more exposed to shocks and find it more difficult to cope with shocks; they also have lower savings levels.
- The gap in welfare outcomes between the poorest and the richest remains very large

Conclusion

- To ensure that the economic successes of Viet Nam are shared equally, closing these gaps should be a major focus of Vietnamese policymakers in the years to come
- Addressing these disparities and ensuring that the poorest and most vulnerable households are not left behind should continue to be an important focus
- It is therefore important for policy makers to avoid relying on the trickle down route and to instead place emphasis on clearly targeted interventions aimed at improving the welfare of the poorest and most vulnerable groups