



# Characteristics of the Vietnamese Rural Economy

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



UNITED NATIONS  
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# Overview and Introduction

Finn Tarp

# 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 plays an important role in making sure that the process is informed by high-quality, systematic and rigorous evidence

# Why Survey Data?

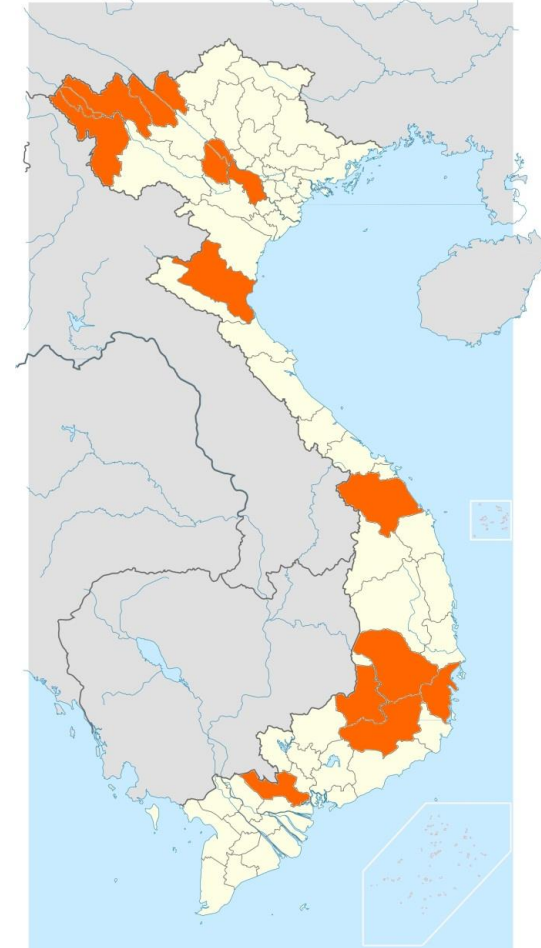
- Surveying and re-surveying the same households over time is difficult and time-consuming
  - So: why invest in panel data?
- How household welfare changes over time matters and we want to understand its determinants
- Macroeconomic growth means that choice and material welfare are indeed improving *on average*
- But: averages hide a lot of variation
- . . . and variation reveals a lot about underlying realities and point us to what to do about it

# 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 not 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

- This 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 2,665 households for which data are available in 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**

# Introduction

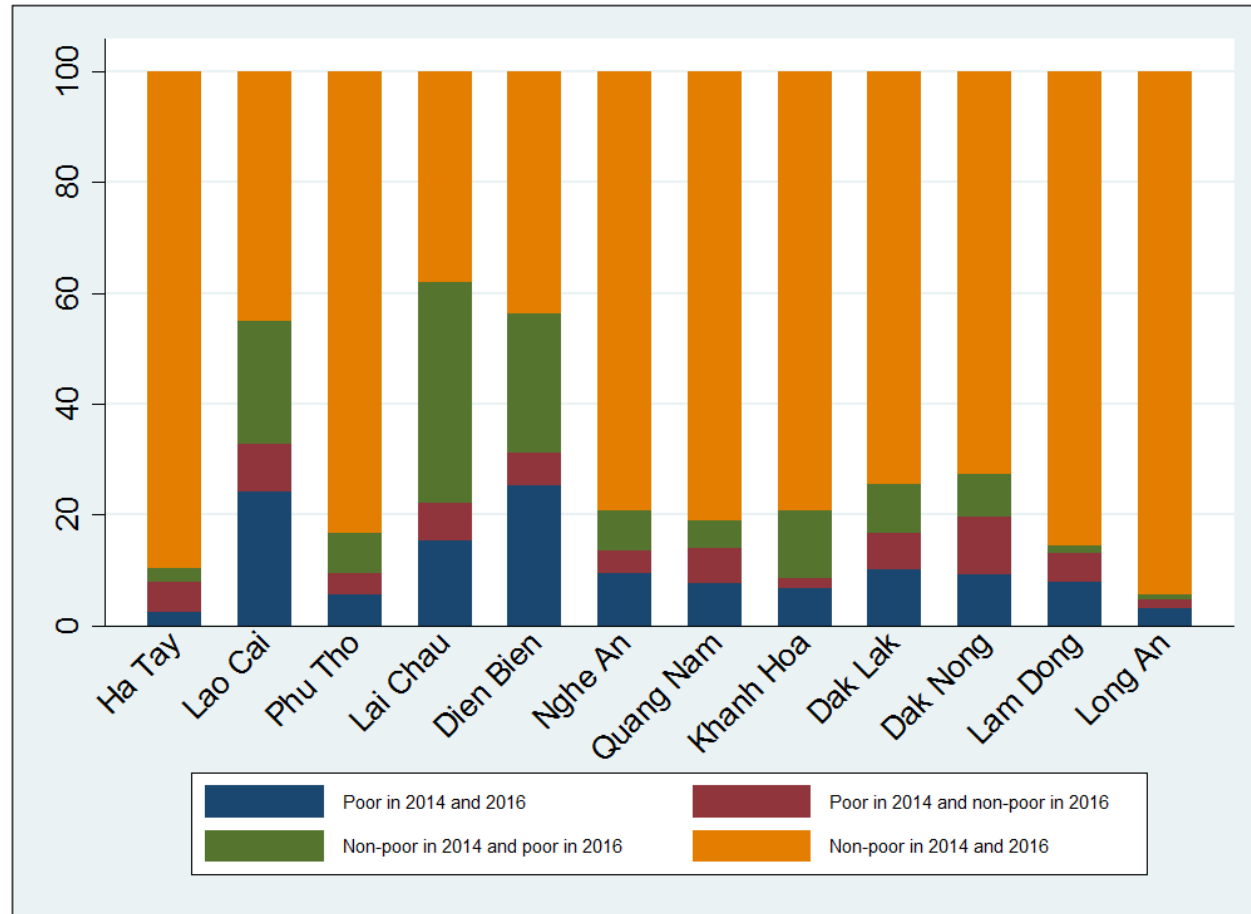
- Vietnam undergoing structural transformation.
- The VARHS aims to shed light on this process and its effects on rural households.
- In this chapter we use the VARHS 2016 data to assess trends in poverty, wellbeing and living conditions.

# Summary statistics

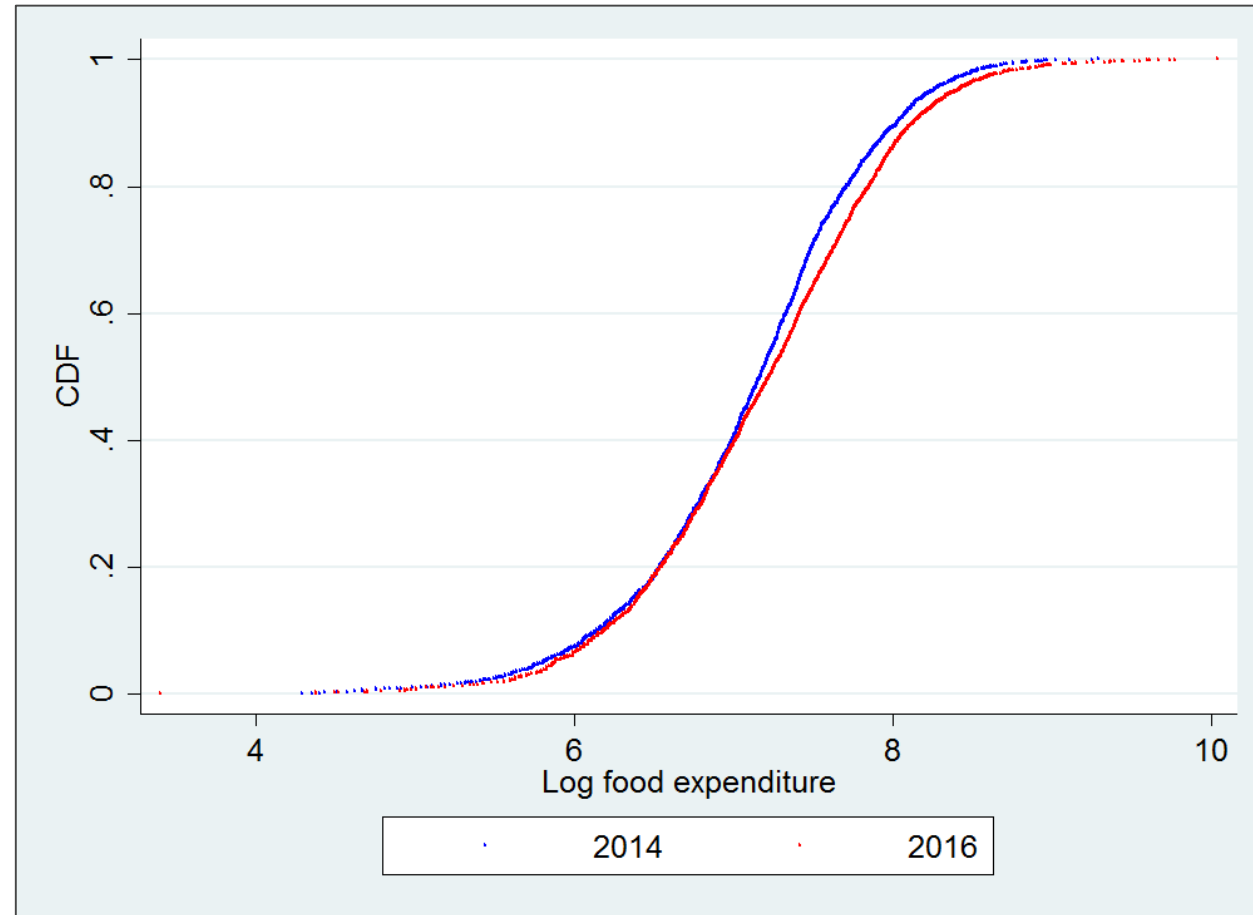
	HH survey number	HH survey, percent	Gender of HH head, percent male	Age of HH head	Ethnicity of HH head, percent Kinh	HH size	HH classified as poor by authorities, percent
<b>Province</b>							
Ha Tay	578	21.7	76.1	54.7	99.0	3.9	4.9
Lao Cai	104	3.9	89.4	49.8	25.0	4.6	46.1
Phu Tho	380	14.2	75.3	55.8	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
<b>Total 2016</b>	2,669	100	76.5	54.2	79.2	4.1	16.2
<b>Total 2014 panel</b>	2,665		77.4	52.6	79.5	4.2	12.9
<b>Total 2016 panel</b>	2,665		76.5	54.2	79.2	4.1	16.2



# Poverty dynamics by province



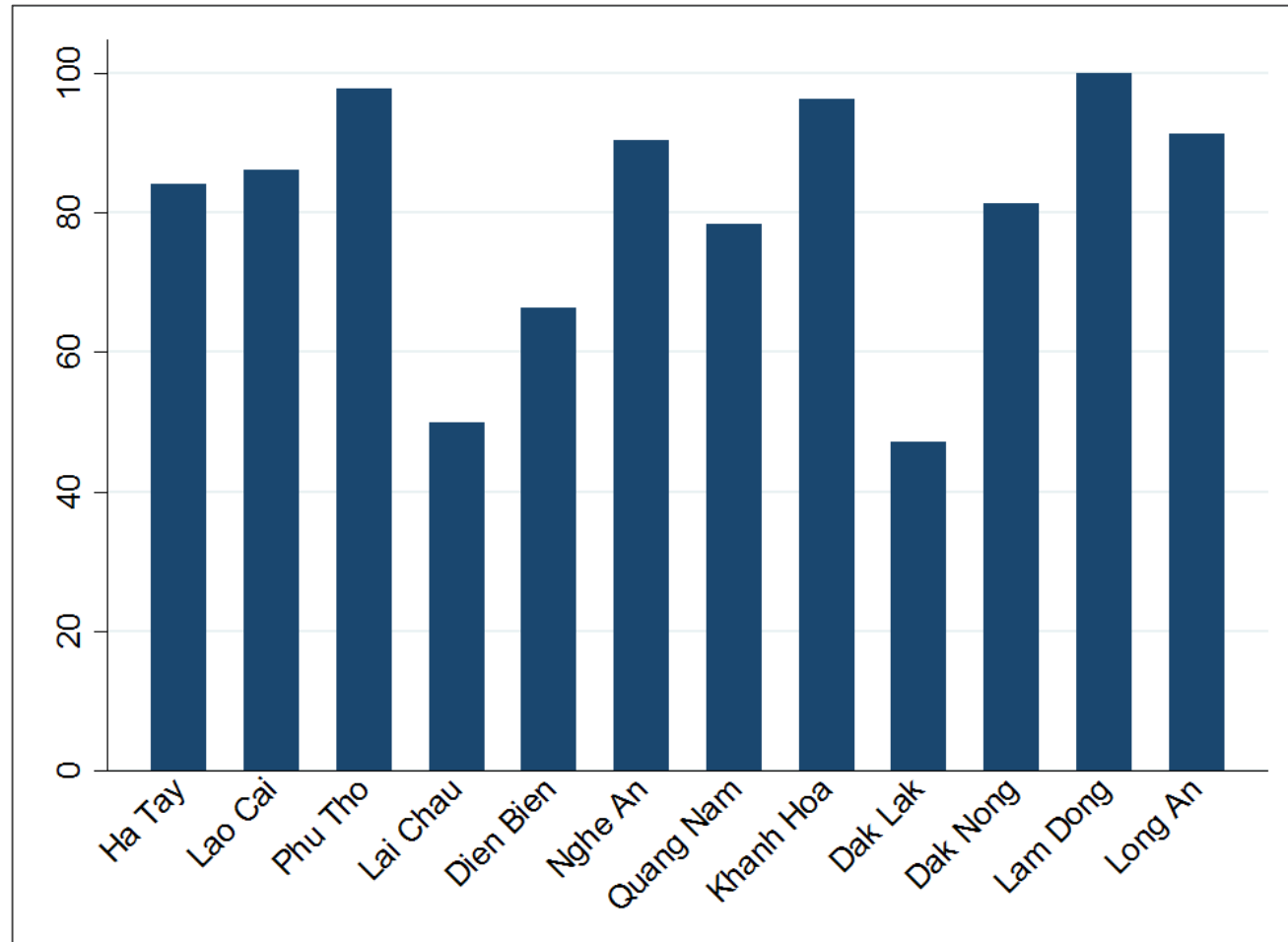
# Food expenditure distribution



# Education

- HH heads with no education
  - 6.7% for overall sample
  - High in Dien Bien and Lao Cai (~25%) and low in Ha Tay (only 2.4%)
  - Higher for females and non-Kinh
- Slight increase in formal education completed between 2014-16 – possible due to change in HH head
- HH heads with no professional education/training
  - 77% for overall sample
  - Only 13% have some short-term vocational training
- Are households satisfied with regards to children's education?

# Children's education – sufficient?



# Health

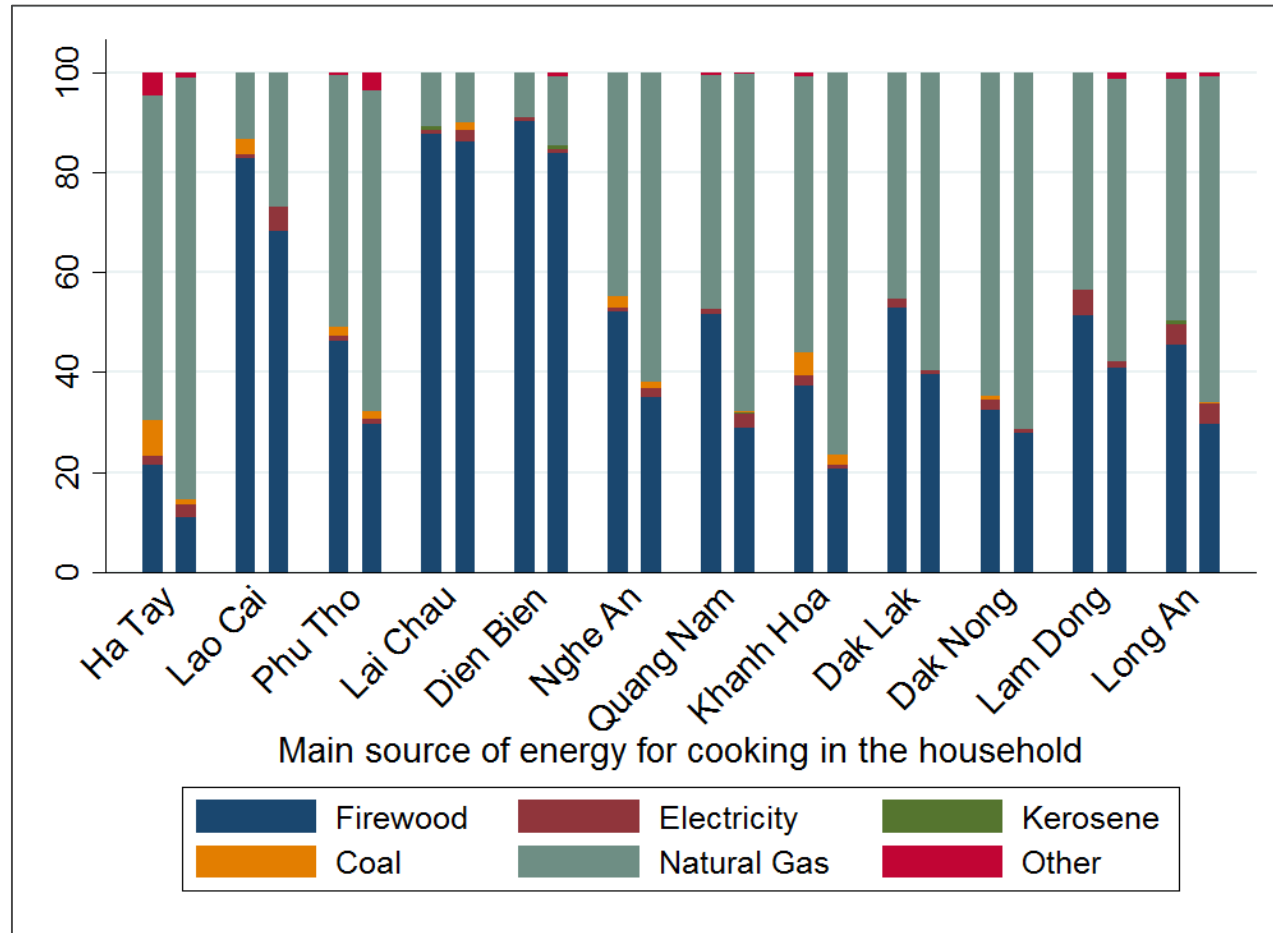
	HH with at least 1 member sick – in past 2 weeks, percent	Days lost due to sickness in past 12 months, per capita	Healthcare sufficient, percent
Ha Tay	30.6	11.5	67.8
Lao Cai	11.5	4.2	76.1
Phu Tho	42.6	15.1	75.3
Lai Chau	9.8	4.5	37.9
Dien Bien	33.3	10.1	49.6
Nghe An	39.3	13.1	80.9
Quang Nam	27.7	9.5	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
<b>Total 2014 panel</b>	25.6***	10.4	NA
<b>Total 2016 panel</b>	30.1***	11.0	NA



# Access to services

	Good toilet, percent	Good water, percent	Good garbage disposal, percent
<b>Total 2016</b>	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
<b>Total 2014 panel</b>	80.9*	85.7	46.4*
<b>Total 2016 panel</b>	82.9*	85.2	49.0*

# Energy source - cooking



# Conclusion

- Mixed evidence on poverty and wellbeing:
  - Official poverty rate increased, but this could be due to a change in classification
  - Signification regional variation in health and education attainment (Lai Chau & Dien Bien continue to lag behind)
  - Substantial ethnic differences persist
  - Some improvement in living conditions: increase 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 gives out 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
<b>Total 2016</b>	10.7	3,144	4.2	18	618
Ha Tay	7.3	1,462	3.7	16	360
Lao Cai	3.9	6,220	4.3	13	1,000
Phu Tho	10.4	2,160	5.5	18	348
Lai Chau	8.4	6,190	4.2	13	1,400
Dien Bien	4.1	9,275	5.7	15	1,000
Nghe An	12.6	3,213	4.1	13	650
Quang Nam	10.1	2,400	3.9	14	517
Khanh Hoa	32.7	4,325	2.7	9	1,400
Dak Lak	6.3	9,930	3.2	11	2,500
Dak Nong	8.3	16,794	2.8	8	4,500
Lam Dong	4.0	9,300	2.9	9	3,000
Long An	19.4	5,700	2.7	14	2,500
Female	18.5	2,092	3.4	16	500
Male	8.3	3,521	4.1	18	688
Poorest	9.6	3,770	3.8	18	728
2nd poorest	12.3	3,437	3.7	12	770
Middle	8.5	3,200	3.9	16	576
2nd richest	11.5	2,700	4.1	16	551
Richest	11.6	2,800	4.2	17	550
<b>Total 2014</b>	9.2	3,330	3.9	25	576

# Land acquisition

Plots Acquired by Source (%)	State	Inheritance	Bought	Cleared and occupied	Exchanged	Obtained
<b>Total 2016</b>	57.9	16.8	9.2	13.9	1.6	0.3
Ha Tay	89.4	5.7	2.6	1.0	0.9	0.4
Lao Cai	33.6	38.9	6.4	20.9	0.2	0.0
Phu Tho	82.8	9.9	2.9	2.8	1.0	0.2
Lai Chau	19.8	16.7	1.2	60.7	0.0	1.6
Dien Bien	27.7	11.8	2.5	57.9	0.0	0.0
Nghe An	60.9	18.9	3.3	5.0	11.9	0.0
Quang Nam	81.3	12.3	2.1	3.7	0.1	0.5
Khanh Hoa	34.4	27.9	18.6	18.6	0.0	0.5
Dak Lak	11.4	16.5	42.0	27.5	0.4	0.2
Dak Nong	6.7	14.5	47.0	31.0	0.9	0.0
Lam Dong	6.5	24.5	33.3	35.2	0.0	0.5
Long An	8.4	62.6	27.5	0.9	0.3	0.3
Female	65.1	17.0	9.1	7.8	1.0	0.0
Male	56.3	16.8	9.2	15.3	1.7	0.4
Poorest	49.6	19.5	4.8	22.9	2.3	0.7
2nd poorest	53.2	17.8	9.2	18.5	1.0	0.2
Middle	57.0	19.2	9.2	12.4	1.7	0.2
2nd richest	65.5	13.2	10.5	8.7	1.5	0.2
Richest	63.6	14.6	12.1	7.9	1.3	0.3
<b>Total 2014</b>	42.9	14.8	7.5	11.3	0.3	0.3

# Land acquisition II

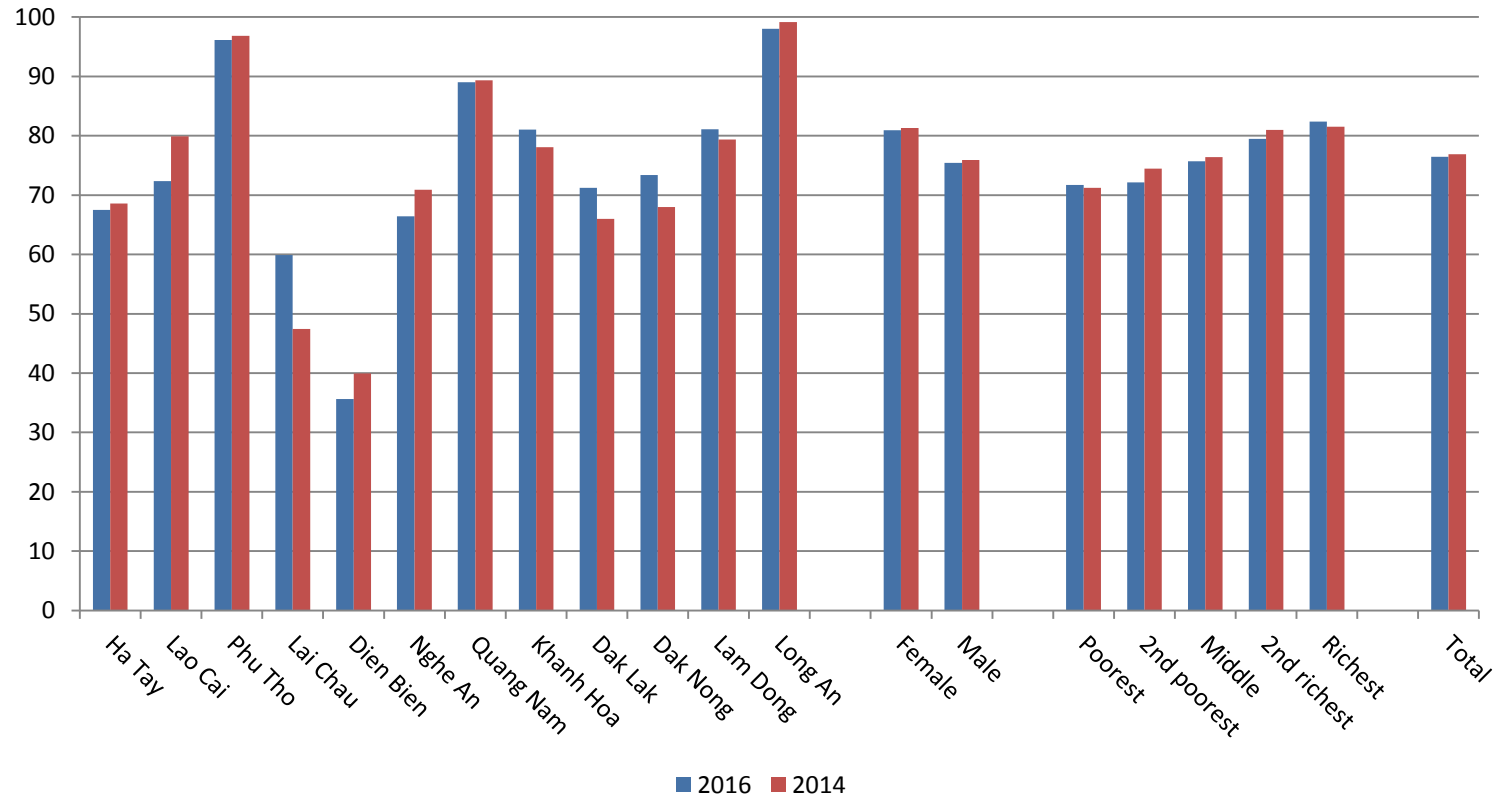
## Sources of Recently Acquired Plots (Past Three Years)

Acquirement source of plots	Total		North		South	
	Total	Percent	Total	Percent	Total	Percent
<b>&lt;3 years</b>						
<b>Total</b>	501	100	447	100	54	100
State/Commune	316	62.9	313	69.9	3	5.6
Inheritance	25	5.0	16	3.6	9	16.7
Sales market (bought)	52	10.4	15	3.3	37	68.5
Cleared and occupied	20	4.0	15	3.3	5	9.3
Exchanged	88	17.5	88	19.6	0	0.0



# Land titling

## Proportion of Plots Owned with a LURC (percent)



# Land titling II

## Name Structure in LURC (percent)

	Only head	Only spouse	Both head and spouse	Other
<b>Total 2016</b>	62.1	7.7	20.7	9.6
<b>Household head</b>				
Female	54.6	22.6	6.2	16.5
Male	64.0	3.8	24.4	7.8
<b>Food expenditure quintile</b>				
Poorest	59.6	9.3	22.1	9.0
2nd poorest	59.6	8.2	20.8	11.4
Middle	60.5	7.4	20.5	11.6
2nd richest	69.3	4.9	16.8	8.9
Richest	60.6	8.8	23.2	7.4
<b>Total 2014</b>	76.0	5.1	8.5	10.5

# Restrictions on land use

	Formal restrictions on choice of crops	Construct fixed structure (not allowed)	Convert into non-agricultural use (not allowed)
<b>Total 2016</b>	30.8	18.9	19
Ha Tay	39.0	7.4	7.6
Lao Cai	4.8	5.1	4.3
Phu Tho	49.7	13.8	14.4
Lai Chau	4.6	22.9	20.9
Dien Bien	14.9	20.1	13.7
Nghe An	55.8	17.9	17.9
Quang Nam	29.6	16.1	15.7
Khanh Hoa	19.4	39.7	66.4
Dak Lak	6.5	38.3	35.0
Dak Nong	9.3	28.5	28.0
Lam Dong	0.0	64.1	69.2
Long An	35.9	28.3	28.1
Poorest	26.1	18.8	18.8
2nd poorest	25.0	22.1	22.0
Middle	28.3	19.4	19.3
2nd richest	35.8	15.1	15.4
Richest	37.6	19.6	20.1
LURC	24.6	18.5	17.4
No LURC	32.4	19.4	19.8
<b>Total 2014</b>	44.3	29.4	19.2

# Investment

	Percent of plots with irrigation			Percent of plots with trees or bushes		
	All plots	No LURC	LURC	All plots	No LURC	LURC
<b>Total 2016</b>	81.4	75.8	83.4	18.2	18.0	18.3
Ha Tay	93.2	94.2	92.5	6.2	9.0	4.4
Lao Cai	63.4	56.4	66.2	12.3	16.1	11.0
Phu Tho	90.6	98.4	90.2	8.0	9.0	8.0
Lai Chau	77.9	65.2	86.4	0.8	1.0	0.7
Dien Bien	50.2	48.4	53.2	6.4	5.9	7.3
Nghe An	79.1	78.5	79.5	26.3	27.0	25.8
Quang Nam	75.6	74.8	75.9	13.5	16.2	13.2
Khanh Hoa	56.8	45.8	59.1	35.0	44.4	32.8
Dak Lak	90.4	84.5	93.1	57.0	54.2	58.2
Dak Nong	87.5	87.1	87.7	70.2	62.4	72.9
Lam Dong	73.1	83.3	70.3	76.1	81.0	74.8
Long An	84.9	100.0	84.7	21.4	0.0	21.6
Female	82.1	80.7	82.5	17.4	24.9	14.9
Male	81.2	74.9	83.5	18.4	16.8	19.0
Poorest	73.0	67.1	75.7	14.8	13.0	15.6
2nd poorest	79.7	71.7	83.5	19.9	22.0	18.9
Middle	84.7	80.5	86.3	18.1	17.2	18.5
2nd richest	84.9	84.1	85.3	19.6	18.6	19.9
Richest	83.1	78.1	84.2	18.5	20.1	18.1
<b>Total 2014</b>	75.6	65.6	79.0	17.7	15.7	18.4

# Parting with land

	Share of HHs who parted with land	Modes of parting with land					
		Exchanged	Sold	Gave	Expelled	Abandoned	Other
<b>Total 2016</b>	10.1	19.7	17.5	32.7	18.2	4.7	7.3
Ha Tay	9.1	33.2	0.0	28.2	20.5	3.0	15.1
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	17.3	0.0	22.2	0.0
Nghe An	24.3	44.3	4.3	22.3	18.0	6.5	4.6
Quang Nam	4.6	0.0	3.6	54.2	34.9	3.6	3.6
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	63.9	19.3	16.9	0.0	0.0
Lam Dong	10.7	0.0	39.4	30.3	0.0	0.0	30.3
Long An	7.2	4.3	65.2	18.8	0.0	0.0	11.6
Female	8.1	5.0	18.3	48.1	13.7	1.7	13.3
Male	10.7	22.4	17.3	29.7	19.1	5.3	6.1
Poorest	9.6	17.0	8.0	33.0	18.2	11.7	12.1
2nd poorest	10.4	18.8	18.2	34.8	16.9	3.5	7.7
Middle	11.3	20.0	21.5	34.4	9.1	4.4	10.6
2nd richest	10.0	17.3	19.8	30.9	23.0	5.0	4.0
Richest	9.1	24.4	18.4	30.0	25.0	0.0	2.2
<b>Total 2014</b>	17.7	48.1	9.3	20.4	14.8	3.5	3.9

# 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	81.9	76.1	-5.8	61.6	55.8	-5.7
Ha Tay	76.3	68.2	-8.0	45.6	40.3	-5.2
Lao Cai	92.3	88.4	-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	88.0	-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	84.6	79.8	-4.8	64.5	60.1	-4.4
Lowest	80.8	75.4	-5.4	63.9	60.3	-3.6
Middle	86.5	78.8	-7.6	67.4	53.7	-13.6
Highest	76.0	68.4	-7.6	51.7	48.7	-3.0



# Types of crops and livestock

	Crop production					Livestock			
	Rice	Maize	Veg.	Fruit	Coffee	Cow	Buffalo	Pig	Poultry
<b>Total</b>	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

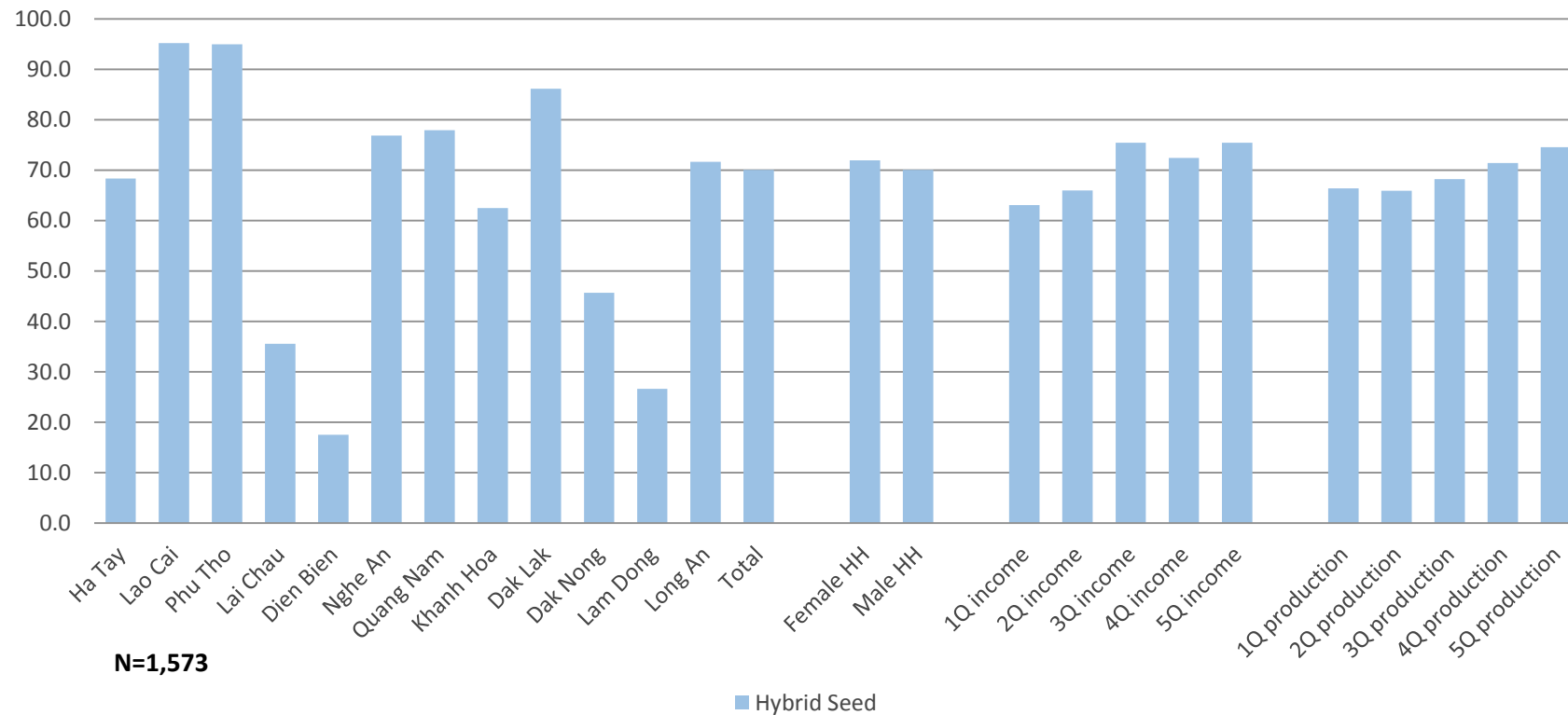
# Average plot yields for rice and maize

	Rice production			Maize production		
	2014	2016	Difference	2014	2016	Difference
Total	3,902	3,923	21.0	1,419	1,429	10.5
Ha Tay	1,391	1,539	147.4	1,022	719	-302.3
Lao Cai	1,842	2,382	540.4	1,401	1,526	125.0
Phu Tho	1,176	1,217	40.7	624	641	17.7
Lai Chau	2,647	2,375	-271.6	740	1,348	607.9
Dien Bien	2,221	2,191	-29.8	1,548	1,628	80.0
Nghe An	1,751	1,713	-38.3	451	751	299.9
Quang Nam	2,009	1,955	-54.1	590	618	27.2
Khanh Hoa	2,753	1,585	-1,167.6	3,286	6,567	3,281.8
Dak Lak	5,170	4,097	-1,072.5	3,068	3,610	541.8
Dak Nong	2,541	1,891	-650.1	8,516	3,318	-5,197.9
Lam Dong	2,215	2,340	125.4	1,289	1,610	320.7
Long An	21,901	24,862	2,961.4	-	-	-
Female	2,938	3,656	718.0	959	1,082	123.4
Male	4,118	3,983	-135.2	1,487	1,478	-8.1
Lowest	1,564	1,940	375.4	1,083	1,050	-32.6
Middle	2,145	3,933	1,787.8	1,222	2,209	987.2
Highest	10,429	8,156	-2,273.2	2,000	1,468	-532.5
N	4,505	3,908		4,505	3,908	



# Use of hybrid rice seed

Figure 1.3: Use of hybrid rice seed



# 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
<b>Income Quintile</b>							
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
<b>Production Quintile</b>							
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



# Commercialization

- In 2016, on average households sold or bartered 30% of their rice production
- Larger shares of the rice production are traded in the Southern provinces
- 60% of pigs and 20% of poultry are sold or bartered
- Commercialization of pigs has increased considerably since 2014, particularly in households at the highest income levels.
- In contrast, there was a large decrease in commercialization of poultry with respect to 2014, across all households with the exception of those in Quang Nam

# Common Property Resources

% households	Fishing			Forestry		
	2014	2016	Change	2014	2016	Change
Total	7.5	3.9	-3.7	30.0	21.2	-8.7
Ha Tay	2.1	1.9	-0.2	3.8	0.5	-3.3
Lao Cai	1.9	1.9	0.0	80.8	67.3	-13.5
Phu Tho	1.1	0.3	-0.8	23.2	12.9	-10.3
Lai Chau	19.8	18.3	-1.5	89.3	87.0	-2.3
Dien Bien	17.9	14.6	-3.3	82.9	83.7	0.8
Nghe An	4.5	4.5	0.0	28.3	20.2	-8.1
Quang Nam	1.8	0.9	-0.9	51.7	15.5	-36.2
Khanh Hoa	5.6	0.0	-5.6	22.4	19.6	-2.8
Dak Lak	3.8	0.6	-3.1	16.4	26.4	10.1
Dak Nong	5.3	0.8	-4.5	25.6	24.1	-1.5
Lam Dong	7.9	2.6	-5.3	26.3	30.3	3.9
Long An	29.0	9.3	-19.8	15.1	4.0	-11.1
Female	5.3	2.4	-2.9	23.5	15.8	-7.7
Male	8.2	4.3	-3.9	31.9	22.9	-9.0
Lowest	8.1	5.1	-3.0	48.8	36.8	-12.0
Middle	6.3	4.1	-2.1	31.4	18.0	-13.4
Highest	8.3	0.9	-7.3	11.1	5.3	-5.8
Number of observations	2,664	2,664		2,664	2,664	

# 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
- For pig production this represented a significant increase with respect to 2014 while in poultry the 2016 ratio of production to trade actually represents a decrease.
- 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

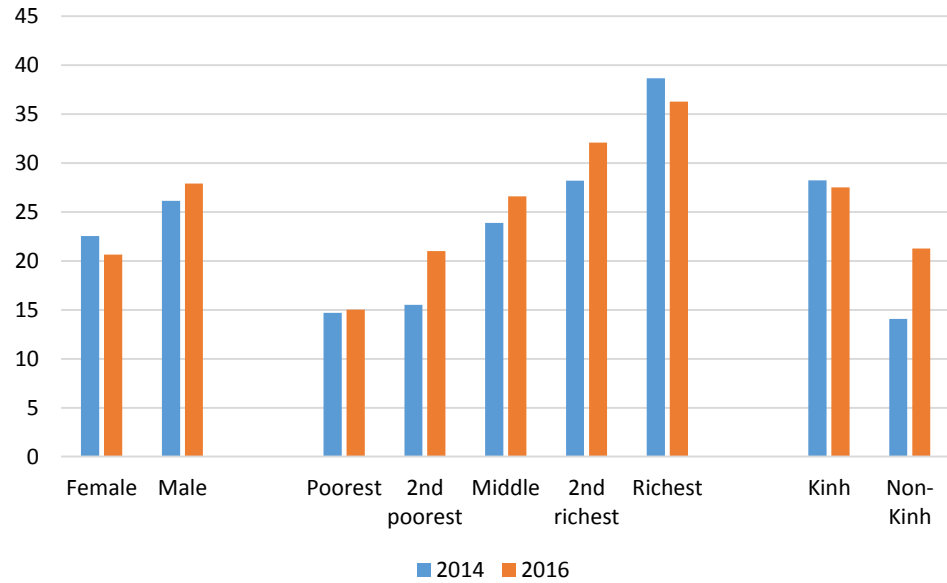
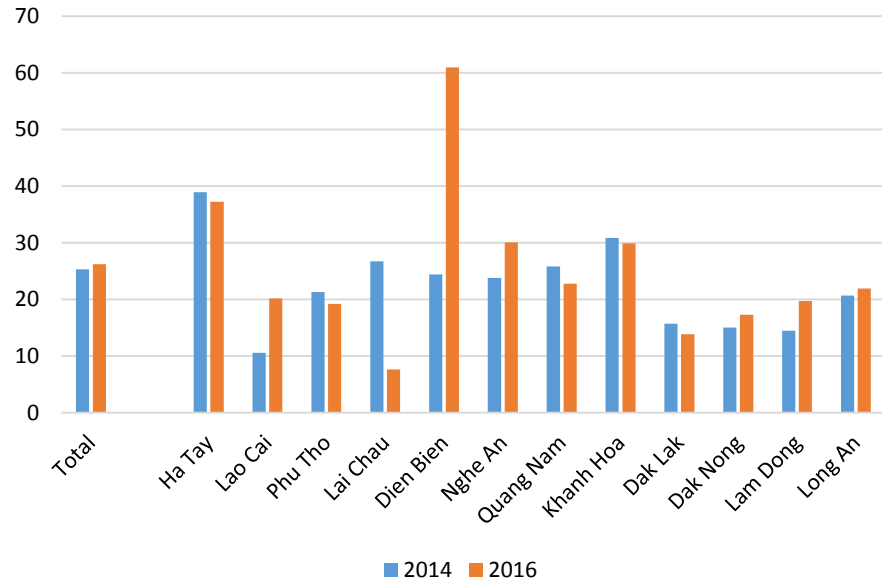
Author: Carol Newman



# Introduction

- Structural transformation process in Vietnam has led to an increase in the importance of non-agricultural incomes
- The diversification of household income away from agriculture in rural Vietnam has, on average, been welfare enhancing
- However, 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
- The types of households who own and operate enterprises are explored
- The main constraints to the operation of household enterprises are also documented

# Share of households with a non-farm enterprise



# Characteristics of household enterprises

	n	Has license	Located in family home	Number of workers	Number of hired workers
<b>Total 2016</b>	813	24.0	56.2	2.0	0.5
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
Female	146	15.8	61.6	1.6	0.2
Male	667	25.8	55.0	2.0	0.5
Poorest	83	7.2	85.5	1.3	0.0
Richest	238	34.0	50.4	2.6	1.1
Kinh	691	27.1	51.4	2.1	0.6
Non-Kinh	122	6.6	83.6	1.4	0.0
<b>Total 2014 panel<sup>a</sup></b>	595	23.7	59.0	2.3	0.7
<b>Total 2016 panel<sup>a</sup></b>	595	29.4	56.3	2.1	0.6

\*\*



# Diversification of income sources

Share of income from:	Household enterprises	Agriculture	Wage	Other
<b>Total 2016</b>	12.3	27.7	39.4	20.7
<b>Province</b>				
Ha Tay	22.1	14.0	42.8	21.1
Lao Cai	3.7	41.6	42.8	11.9
Phu Tho	10.0	24.2	38.7	27.1
Lai Chau	3.1	57.9	26.8	12.3
Dien Bien	2.6	57.7	20.8	18.9
Nghe An	13.9	17.9	34.8	33.5
Quang Nam	12.3	19.3	47.0	21.5
Khanh Hoa	18.4	11.7	53.6	16.3
Dak Lak	6.6	47.7	29.1	16.7
Dak Nong	5.8	49.0	28.7	16.5
Lam Dong	10.5	54.4	22.1	13.0
Long An	10.1	23.7	49.1	17.1
<b>Total 2014 panel<sup>a</sup></b>	12.5	30.1	37.6	19.8
<b>Total 2016 panel<sup>a</sup></b>	12.2	27.7	39.4	20.7
		***	*	

# Household enterprise performance

	Initial investment	All self-financed	Total revenue	Net income
Total 2016 (n = 813)	75,223	64.5	289,635	74,615
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
Female	38,883	62.3	282,753	57,572
Male	82,999	64.9	291,142	78,346
Poorest	7,816	84.3	35,638	15,988
Richest	144,419	58.0	543,206	127,475
Kinh	87,289	59.8	335,491	85,588
Non-Kinh	5,485	91.0	29,914	12,464



# Household enterprise performance

	Initial investment	Revenue	Costs	Total net Income
<b>Total 2016 (n = 813)</b>	75,223	289,635	217,878	74,615
<b>Highest general education HH head</b>				
Cannot Read or Write	17,576	236,761	198,479	41,508
Completed Lower Primary	31,916	138,512	99,419	41,097
Completed Lower Secondary	62,394	294,750	216,558	80,122
Completed Upper Secondary	111,210	338,325	259,356	83,161
<b>Borrowing Status</b>				
No loan	70,951	274,084	204,513	71,475
Has loan	83,517	320,059	244,026	80,759

# Proportion of time used in household enterprises

	2016	2014	
<b>Total</b>	51.3	53.9	
<b>Province</b>			
Ha Tay	61.8	58.0	
Lao Cai	23.7	62.5	***
PhuTho	56.3	63.7	
Lai Chau	45.0	18.8	***
Dien Bien	6.1	18.3	***
Nghe An	50.1	53.6	
Quang Nam	59.9	57.5	
Khanh Hoa	66.7	62.7	
Dak Lak	54.9	59.5	
Dak Nong	50.3	50.9	
Lam Dong	57.3	58.1	
Long An	54.9	50.1	

	2016	2014	
<b>Food expenditure quintile</b>			
Poorest	33.5	47.5	**
2nd poorest	53.7	48.0	
Middle	52.4	53.5	
2nd richest	55.5	53.0	
Richest	52.9	58.1	*
<b>Ethnicity</b>			
Kinh	58.7	57.8	
Non-Kinh	15.4	23.1	**

# Conclusion

- 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.

# Inter-province and intra-province migration

Inter-province and intra-province migration

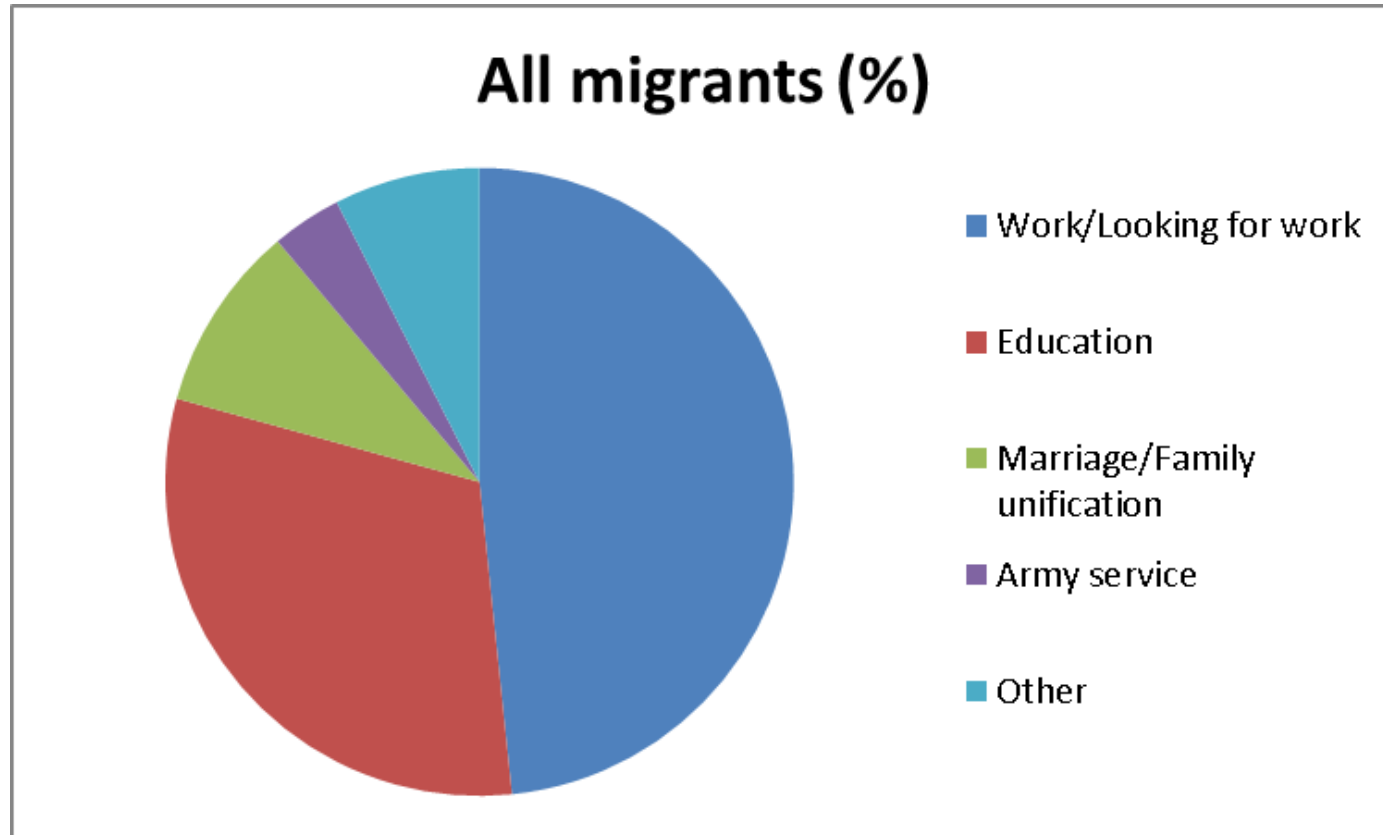
	All migrants (%)	Working migrants (%)
Same province	15.58	8.07
Another province	77.91	81.37
Abroad	6.51	10.56
Abroad (2014 VARHS)	6.67	11.18

# 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%

# Household characteristics

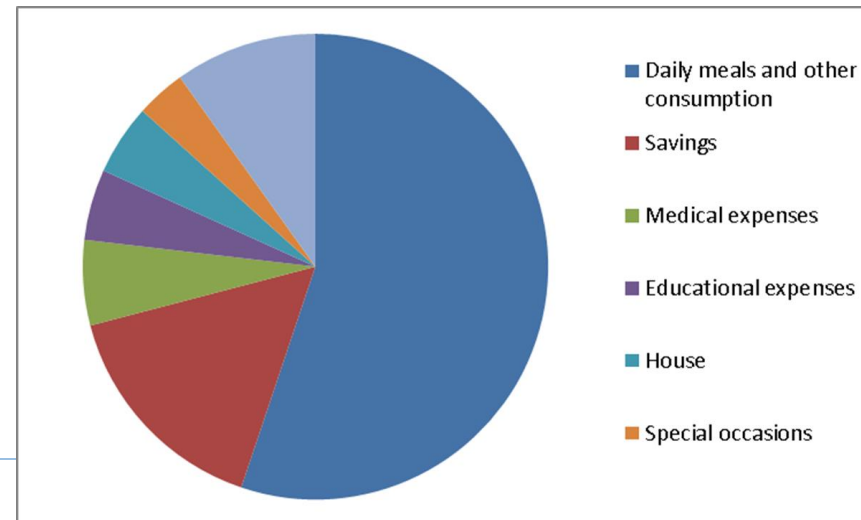
## Household characteristics by migration status

	Households with a migrant	Households with no migrant	t-Test of difference
	(1)	(2)	(1)-(2)
Age of household head	53.3	54.3	
Female household head (%)	21.4	23.9	
Household size	4.1	4.1	
Kinh (%)	85.3	77.8	***
Net income ('000 VND)	144,244	106,567	***
Savings ('000 VND)	53,017	35,620	***
Nr. of plots	2.7	2.5	***
Shock (%)	31.7	29.0	

Note: \*significant at 10%; \*\* significant at 5%; \*\*\*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.

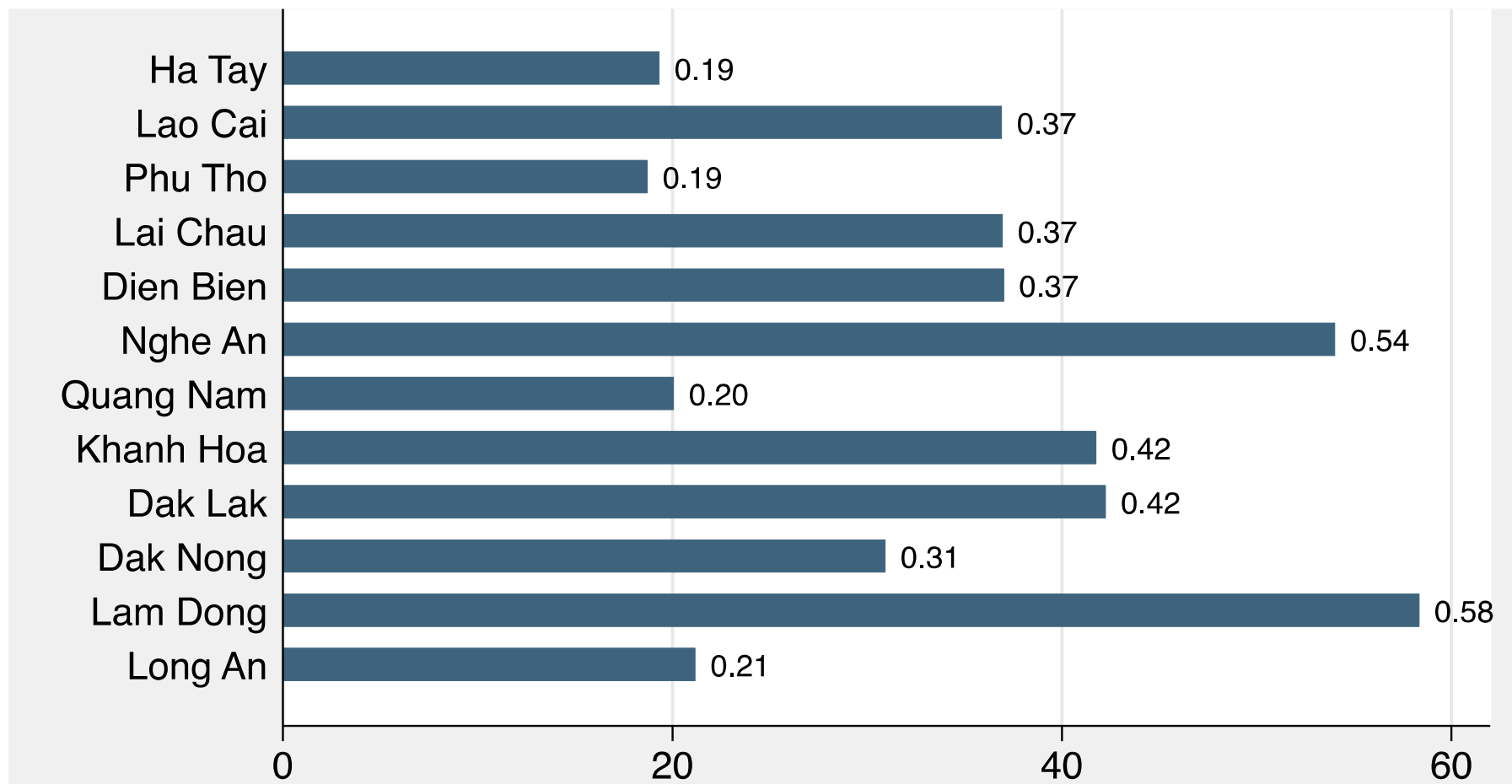
# Chapter 6: Access to credit

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

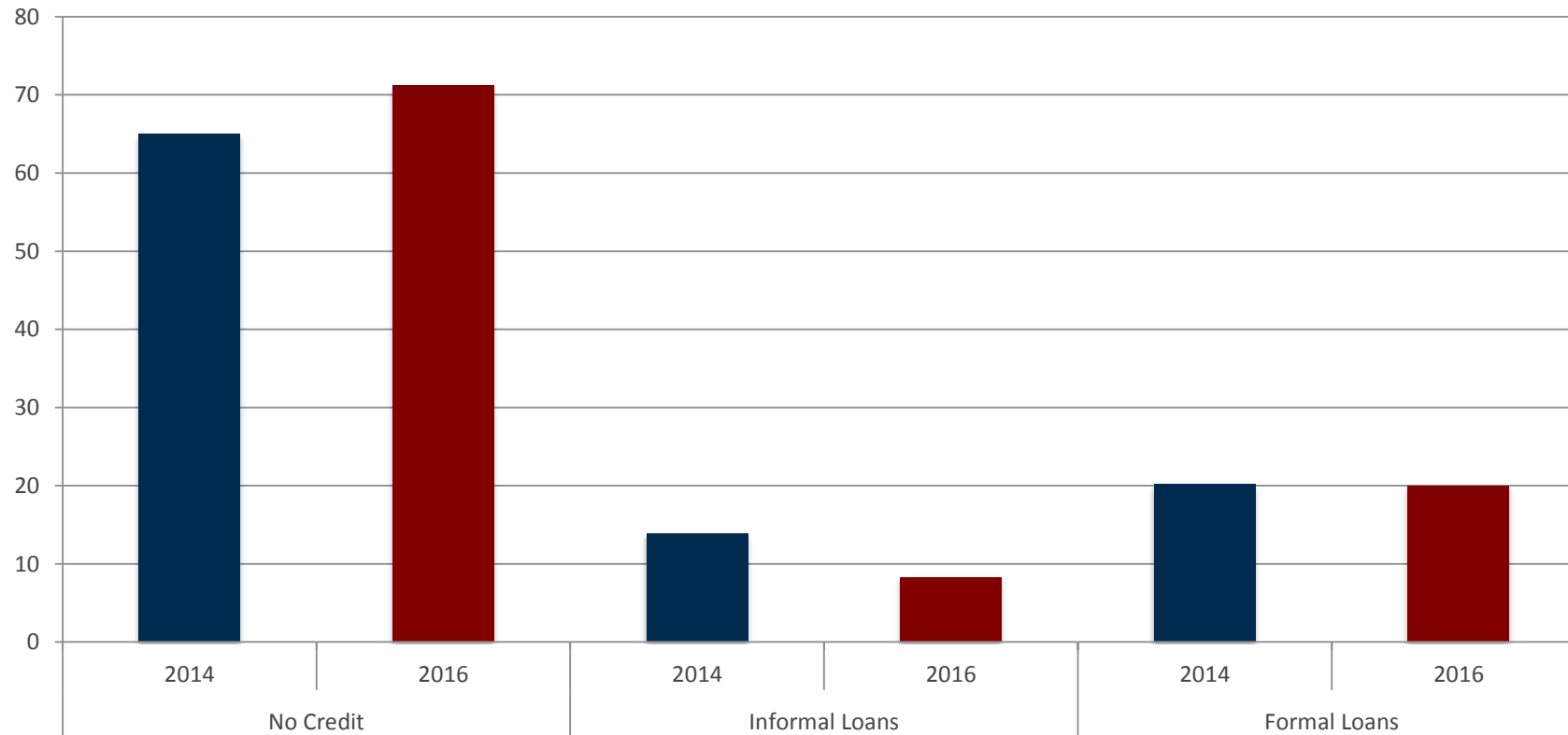


# Loan usage

- 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 Access and Formality of Loan

2014 - 2016



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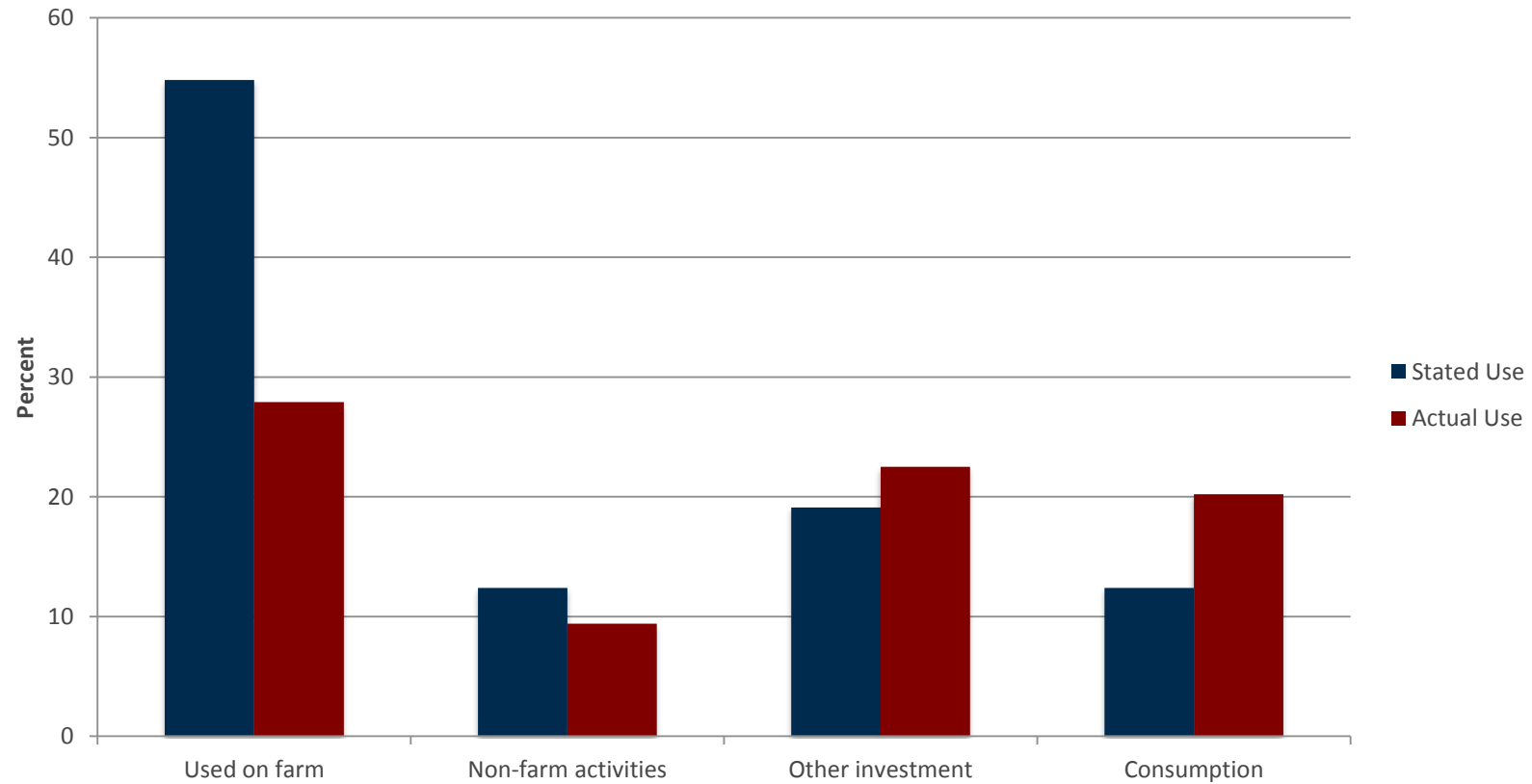
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**UNU-WIDER**

# Loan Source

Source of Loan - % from	Main Loan	Second Loan	Third Loan
VBARD	26.4	13.8	2.9
VBSP	36.3	14.5	17.7
Informal	19.7	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	17.6	18.6	8.8

# What loans are used for

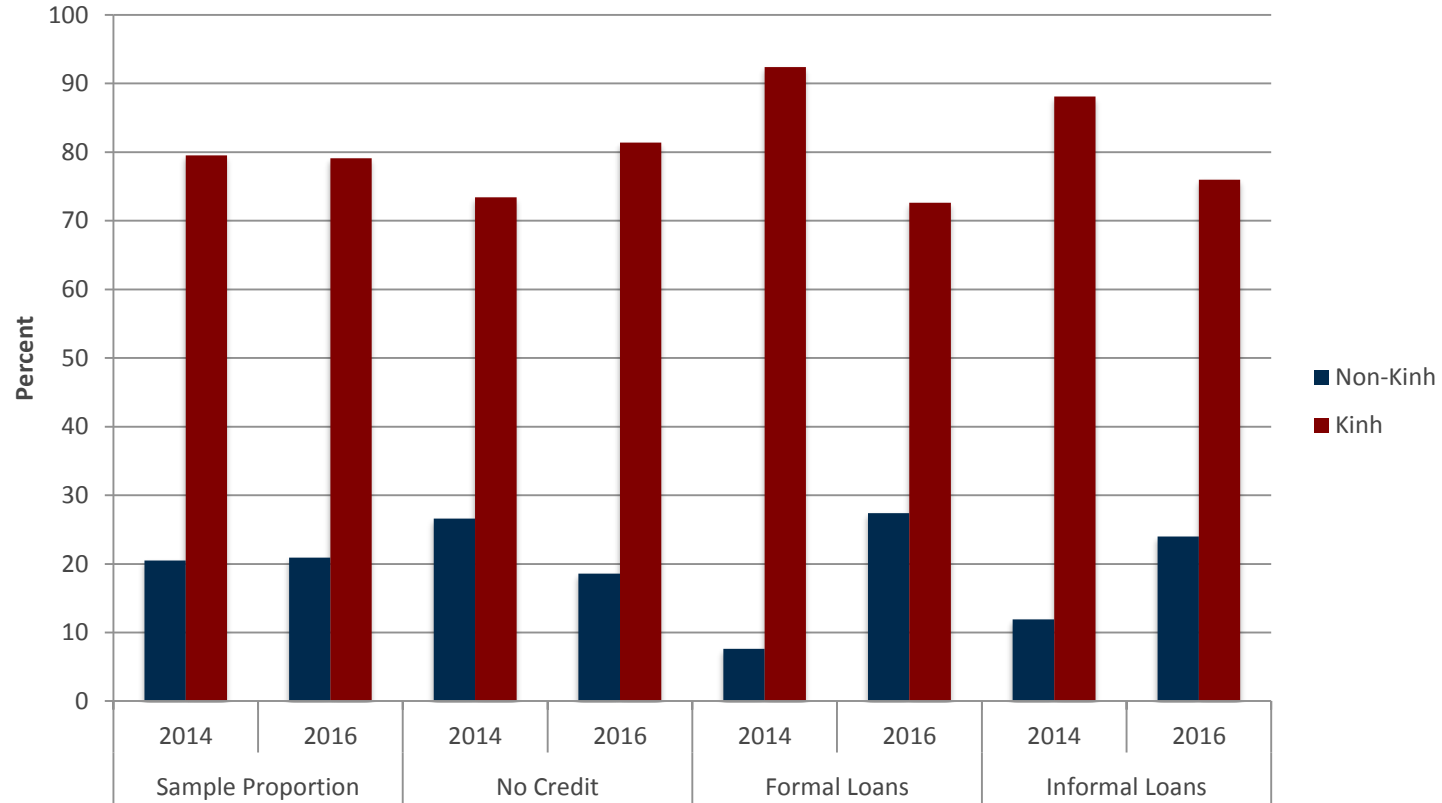
VARHS 2016





# Loan Access by Ethnicity

2014 - 2016



# 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

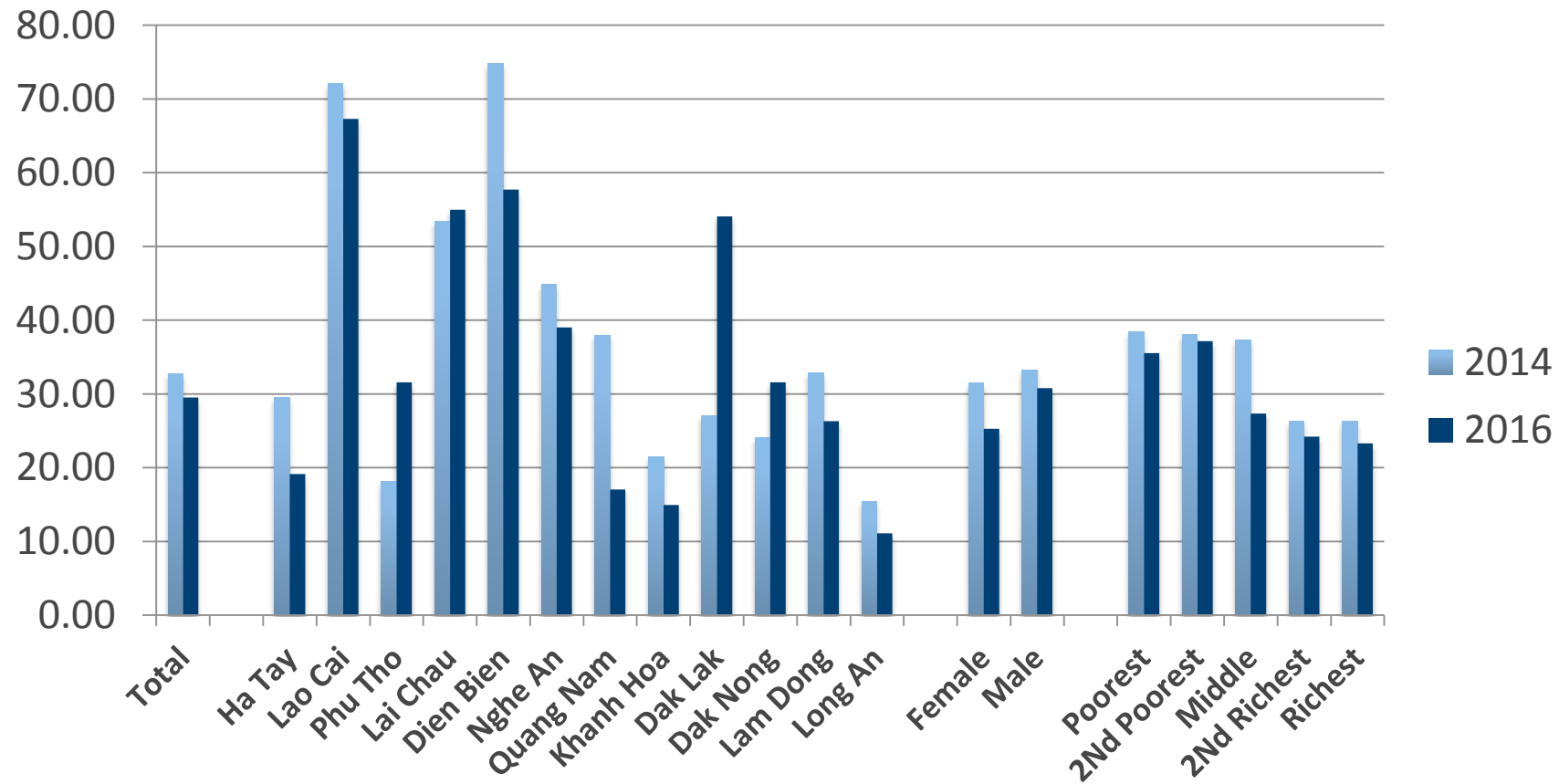
# Chapter 7: Risks and risk-coping mechanisms

Author: Anuj Pratap Singh

# Introduction

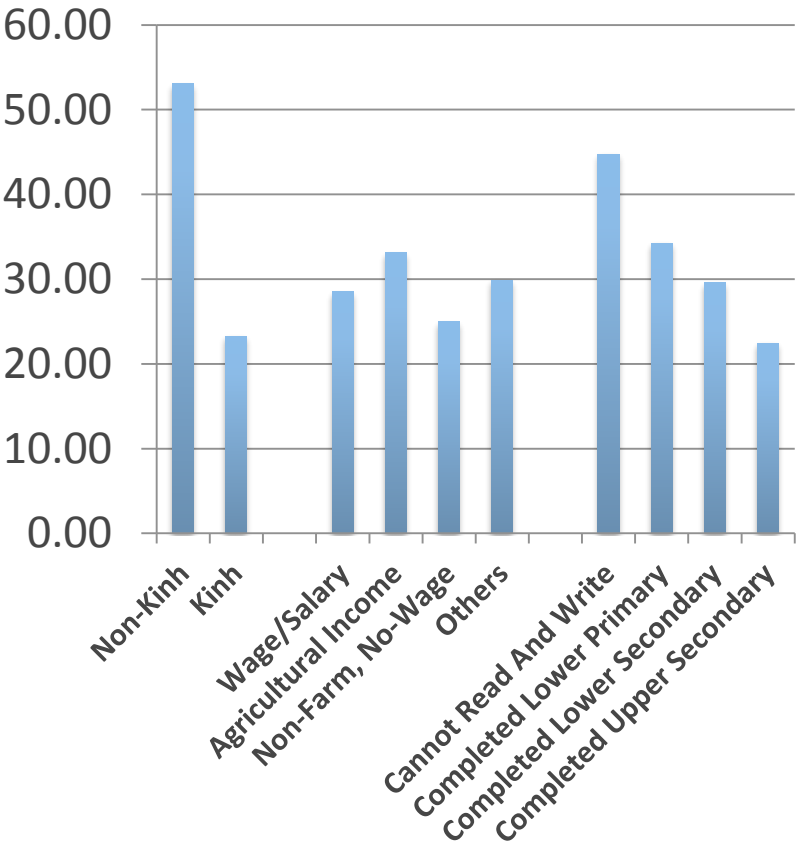
- Exposure to risk remains a significant problem in Vietnam
- The occurrence of income and consumption shocks is particularly high for households who belong to agricultural sector, have poorly educated household head and who belong to non-Kinh ethnicity
- This chapter focusses on the prevalence of income 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

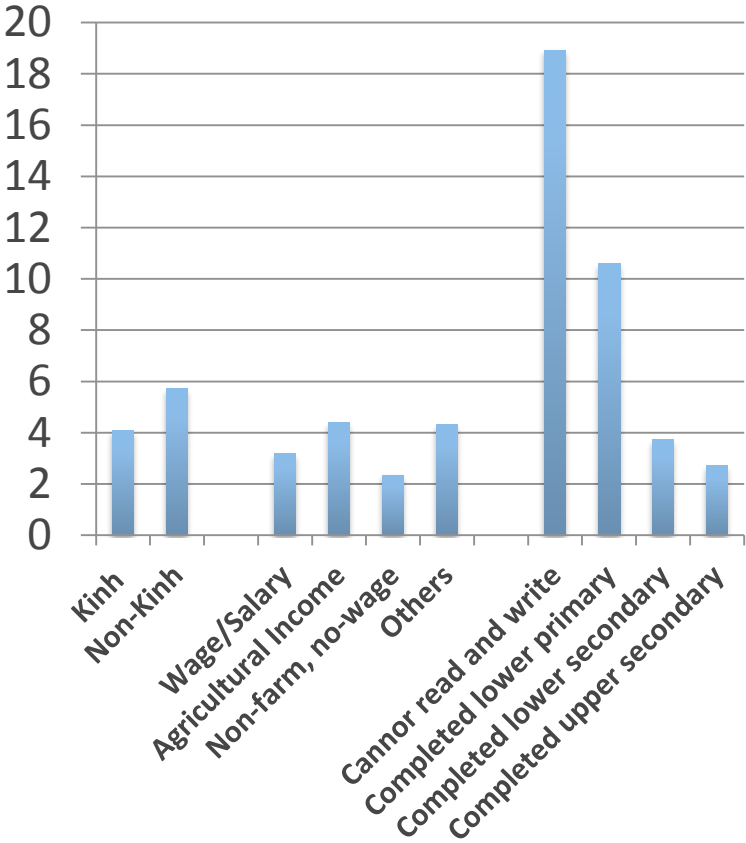


N=2,664

# Characteristics of HH reporting shocks



# Loss as share of Net Income (2016)



N=2,669

# Share of HHs affected by (main) shocks

	Natural Disasters	Biological Shock	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

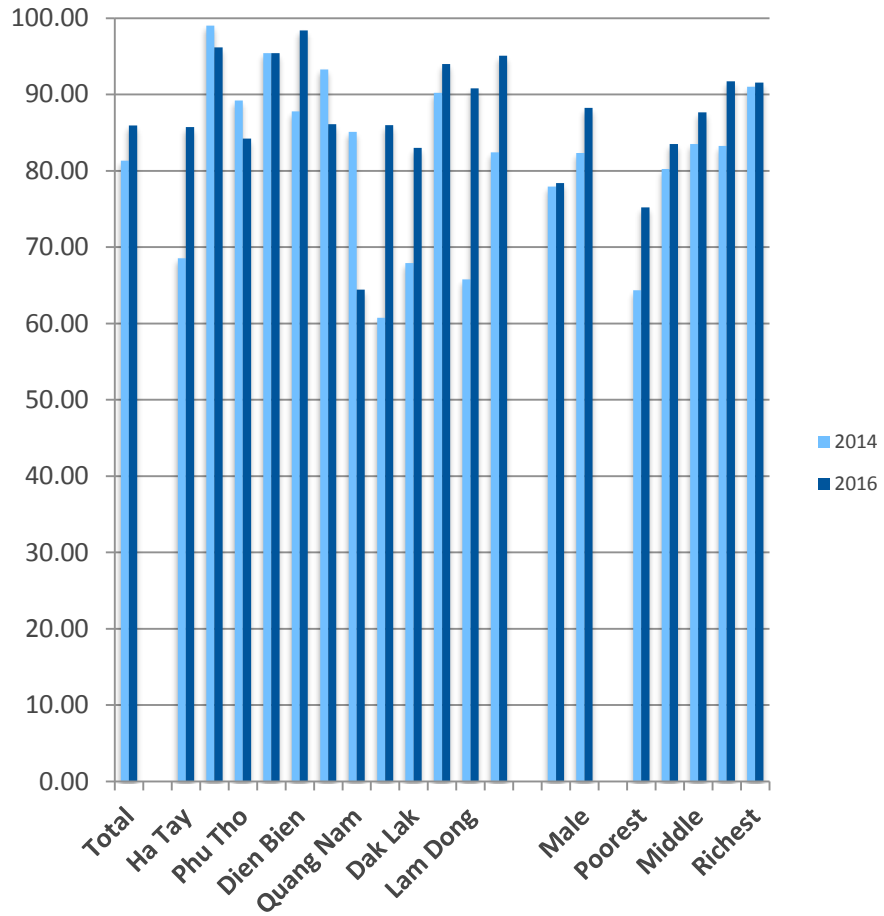


# Insurance Ownership

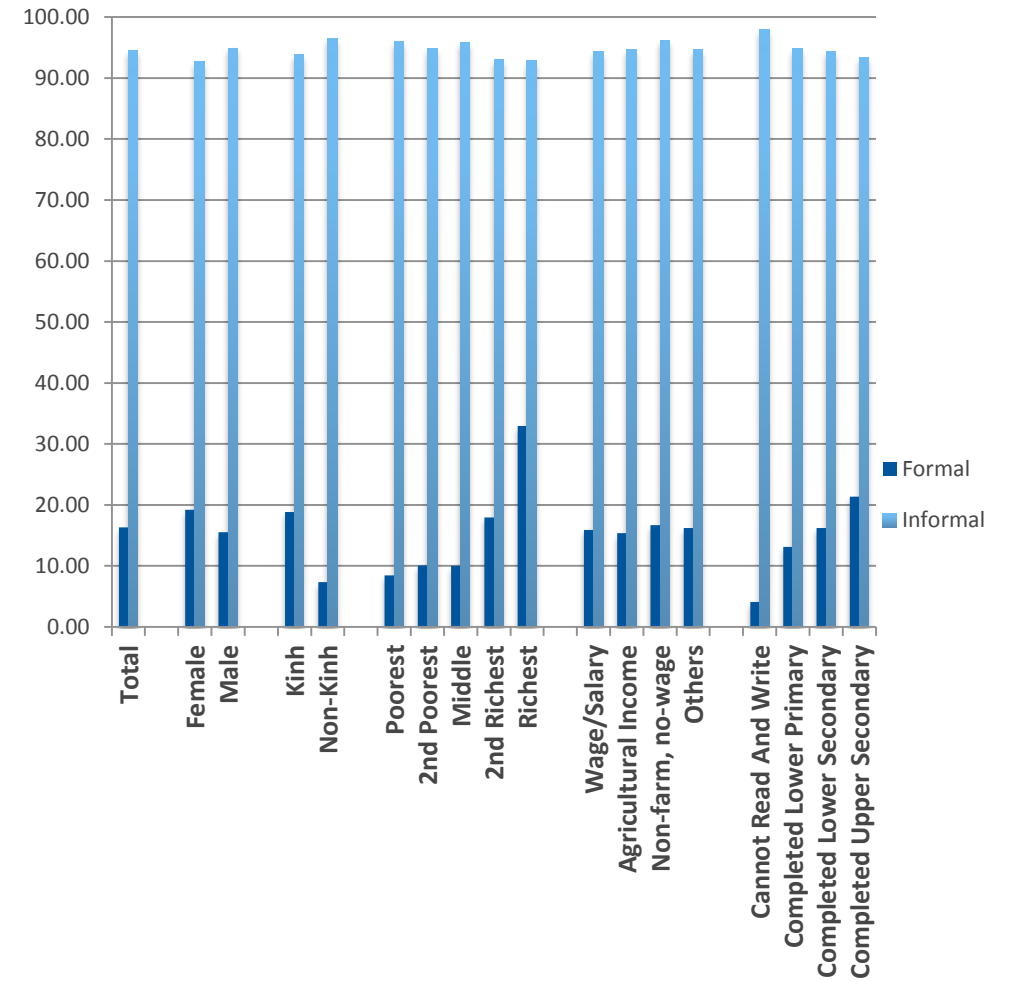
	Life	Volunt. Social	Comp. Health	Health Private	Unemp.	Free Health	Free Health (Children)	Educat.	Vehicle
Total	2.7	2.3	24.7	54.5	16.9	16.9	33.5	18.7	24.9
Female	2.2	1.9	25.6	54.1	17.8	18.9	34.9	17.8	24.7
Male	2.8	2.4	24.4	54.6	16.6	16.3	33.1	18.9	25.0
Poorest	3.0	2.0	24.5	54.0	16.1	17.3	36.3	19.7	22.3
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

## HHs with positive Savings



## Formal and Informal Savings



N=2,300

# Motivation for Savings

	Bad Harvest/ Natural Disaster	Old Age	Health	Big Expense	Educat.	Ag. Inputs	Profit Making Invst.
Formal	10.4	40.0	49.6	67.2	26.7	14.1	22.9
Informal	16.5	16.6	46.5	43.8	19.7	19.5	2.0
Female	9.7	29.7	53.5	43.2	18.4	12.1	5.4
Male	17.1	17.9	45.2	48.8	21.5	20.4	5.4
Poorest	30.1	19.0	53.1	28.2	13.3	16.1	1.7
2nd Poorest	16.0	25.4	49.3	36.7	19.6	18.9	1.8
Middle	15.0	20.7	44.2	49.5	19.4	19.2	6.3
2nd Richest	10.8	16.2	46.1	56.8	24.3	18.1	7.7
Richest	7.7	21.0	43.1	63.4	26.5	20.4	8.9
Cannot Read And Write	32.2	13.7	47.3	28.1	14.4	27.4	2.0
Completed Lower Primary	19.9	22.9	46.7	32.8	18.0	21.0	6.0
Completed Lower Secondary	14.4	19.9	45.3	52.4	19.5	19.2	4.2
Completed Upper Secondary	10.6	21.8	49.0	53.5	26.8	14.6	7.7
Non-Kinh	34.9	9.7	43.1	33.1	19.0	30.6	1.2
Kinh	10.1	23.4	48.1	51.7	21.4	15.3	6.6

N=2,300

# 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
- Health reasons and life-cycle motives outweigh investment activity through savings

# **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 harming: producing and reproducing inequalities
- In this chapter: Formal groups, informal networks, information, trust

# Group membership

## Household has at least one member of...

	Any Group	Communist Party	Youth Union	Women's Union	Farmer's Union	Veteran's Union	Religious Group	Old age Group	Other
<b>Total 2016</b>	87.3	11.6	9.4	55.1	40.6	14.6	2.3	24.0	1.8
<b>Total 2014</b>	89.3	11.6	12.0	59.9	40.9	15.9	2.4	26.2	1.5
Female	87.1	11.2	7.3	48.2	22.6	4.6	3.2	41.6	1.6
Male	87.3	11.7	10.0	57.2	46.1	17.6	2.1	18.6	1.8
Poorest	85.4	3.7	6.0	40.3	36.9	11.6	1.3	31.8	0.2
2nd poorest	85.4	8.2	6.2	48.3	39.5	14.0	2.8	27.7	1.7
Middle	87.3	11.0	7.9	57.7	43.1	14.8	2.1	22.1	2.2
2nd richest	88.0	14.2	9.7	64.3	42.1	16.1	3.2	18.7	3.0
Richest	90.2	20.7	17.3	65.0	41.5	16.4	2.3	19.5	1.7

# Group membership

## Household has at least one member of...

	Any Group	Communist Party	Youth Union	Women's Union	Farmer's Union	Veteran's Union	Religious Group	Old age Group	Other
<b>Total 2016</b>	87.3	11.6	9.4	55.1	40.6	14.6	2.3	24.0	1.8
<b>Total 2014</b>	89.3	11.6	12.0	59.9	40.9	15.9	2.4	26.2	1.5
Female	87.1	11.2	7.3	48.2	22.6	4.6	3.2	41.6	1.6
Male	87.3	11.7	10.0	57.2	46.1	17.6	2.1	18.6	1.8
Poorest	85.4	3.7	6.0	40.3	36.9	11.6	1.3	31.8	0.2
2nd poorest	85.4	8.2	6.2	48.3	39.5	14.0	2.8	27.7	1.7
Middle	87.3	11.0	7.9	57.7	43.1	14.8	2.1	22.1	2.2
2nd richest	88.0	14.2	9.7	64.3	42.1	16.1	3.2	18.7	3.0
Richest	90.2	20.7	17.3	65.0	41.5	16.4	2.3	19.5	1.7





# Group benefits

## What is the main benefit from joining this group? (percent)

	Benefits the community	Economic benefits	Social status and relations	Entertainment	Health benefits	Increase knowledge	No benefit
<b>Total 2016</b>	35.2	10.7	11.4	17.1	8.0	15.0	0.9
Communist Party	31.2	9.5	23.2	13.1	7.5	13.2	0.1
Youth union	34.7	13.5	10.1	17.1	8.8	14.0	0.6
Women's union	35.1	11.3	11.1	16.0	8.1	15.3	1.3
Farmer's union	34.8	12.6	8.5	15.7	7.1	19.1	0.9
Veteran's union	34.3	9.1	13.5	20.0	8.0	13.6	0.2
Religious group	49.8	4.3	5.7	14.7	5.7	16.1	0.5
The Red Cross	23.7	8.7	11.2	26.2	7.5	18.8	0.0
Old age group	38.2	7.3	9.9	21.5	9.6	10.6	1.7

# Emergency contacts

## People to Turn to in Case of Emergency (percent)

	Share of HHs with at least one person to turn to in case of an emergency	Share of helpers who are relatives	Share of helpers who are friends	Share of helpers who are neighbours
<b>Total 2016</b>	94.6	72.8	21.8	18.0
Female	94.6	74.0	16.9	20.3
Male	94.7	72.4	23.3	17.3
Poorest	94.6	73.2	17.4	17.6
2nd poorest	95.1	66.9	24.7	21.5
Middle	95.5	72.1	21.9	17.4
2nd richest	94.6	75.1	23.0	14.2
Richest	93.4	76.7	21.8	19.4
Any group	95.2	72.9	21.4	18.9
No group	90.9	72.1	24.1	12.1
<b>Total 2014</b>	93.8	75.7	16.5	15.5

# Social events

## Weddings and birthdays

	Share of HHs who attended at least one wedding last year (percent)	Number of weddings attended (median)	Share of HHs hosting a birthday party (percent)
<b>Total 2016</b>	98.0	15	4.8
Female	96.7	12	3.8
Male	98.4	15	5.0
Poorest	94.9	10	1.5
2nd poorest	97.8	14	1.9
Middle	99.1	15	3.6
2nd richest	99.3	18	6.2
Richest	99.1	18	10.7
<b>Total 2014</b>	98.2	12	4.5

# 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)
<b>Total 2016</b>	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
<b>Total 2014</b>	40.1	6.0	20.7	30.3

# Political connections II

## Position of political connection

*Position of the political connection of a member, a relative outside, or a personal friend of the HH holds (percent)*

	District leaders	District official	Commune leaders	Commune official	Mass organization leader	Other
<b>Total 2016</b>	3.1	7.7	9.8	20.7	11.9	2.0
Female	2.9	7.3	8.0	17.5	11.3	2.4
Male	3.1	7.8	10.3	21.7	12.0	1.9
Poorest	1.1	2.1	6.2	14.8	9.0	0.9
2nd poorest	1.5	5.1	7.5	17.8	10.1	1.5
Middle	3.2	7.7	10.9	22.3	12.7	3.2
2nd richest	3.0	9.0	10.8	26.5	16.3	2.6
Richest	6.6	14.7	13.5	22.2	11.3	1.9

# Information

## Source of information (percent)

	Agricultural production and extension	Sources of credit and insurance	Government policy changes	Market information - such as jobs and prices of goods and crops
<b>Sources of information:</b>				
Relatives, friends and neighbors	66.0	63.7	54.4	70.0
Community bulletin board	18.4	22.6	18.6	12.0
Community loud speakers	37.0	30.2	32.5	20.4
Local market	8.4	8.9	9.8	47.2
Newspaper	4.1	5.4	9.5	5.1
Radio	3.7	5.8	11.5	8.8
Television	42.5	49.6	74.1	59.2
Extension agents	27.7	9.5	6.0	6.8
Other groups or mass media	22.6	35.1	26.7	11.5
Business or work associates	0.3	1.2	0.3	1.2
Mobile phone	0.4	0.9	0.2	0.8
Internet	1.4	3.6	3.1	3.5
Other	1.1	2.2	1.3	2.2

# 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
<b>Total 2016</b>	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
<b>Total 2014</b>	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 supports 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 remain very large
- 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.