

# HOUSING POLICIES FOR ETHNIC GROUPS IN THE NORTHERN MOUNTAINOUS REGION OF VIETNAM

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## ABSTRACT

*Housing policies for the poor and the ethnic minorities in Vietnam have had a positive impact on the accessibility to accommodation for the past few years, the number of households being supported with houses, and the degree of solidarity has been significantly improved. Policies to support accommodation for the ethnic minorities include such policies as land allocation, investment in housing infrastructure construction, financial support, etc. However, as for the ethnic minorities, the opportunities to access housing policies still have certain barriers. The Party and the Government of Vietnam thus should take the following measures: (i) Policy development on housing assistance needs to take into account practical studies on geographical and regional conditions of particular socio-economic regions; (ii) Housing policies should be closely linked to policies which emphasize on increasing income.*

**Keywords:** *housing policies, poor households, ethnic minorities, housing accessibility*

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## I. Introduction

Vietnam has 53 ethnic minorities with 13.4 million people accounting for 14.6% of the national population. Most of the ethnic people live in a community in 51 provinces and cities, 548 districts, 5,266 commune administrative units. The ethnics reside mainly in the Northwest, Central Highlands, South West and Central Coast regions accounting for three-quarters of the country's area. These places have the features of being mountainous regions, bordered, divided terrain, extreme climate, and is classified as the most difficult places of our country. However, they play their roles as important strategic positions in national defense, security and ecological environment.

Therefore, for many years, the Government has issued many policies to eradicate hunger and reduce poverty, narrow the gap in material and spiritual life between regions, ethnic groups. Many policies have been issued for socio-economic development in the areas of ethnic minorities such as supporting policies for settling residential land, productive land, clean water, developing production and stabilizing people's lives for poor ethnic minorities, poor households in especially difficult areas; stabilize the lives of spontaneous migrants; socio-economic development for the ethnic minorities ...

However, up to now, the ethnic minorities remain the "poor core" of the country, the rich-poor gap between regions and population groups has not been narrowed, the average income of ethnic households is equal to 2/5 of the average income out of the whole country, especially in the Northern Areas and the Central Highlands; there are still approximately 865 thousand poor households accounting for 52.66% of the total number of poor households nationwide (the Government, 2018), which requires the Government to concern about solving socio-economic development related issues in the ethnic minorities in order to narrow the socio-economic gap with other regions.

One of the key factors for the country's socio-economic development is the settlement of housing demands for people. The Government has identified housing demands as one of the crucial needs for people, one of the factors contributing to the country's development; considering promoting housing development for poor households, especially ethnic minorities is among the crucial tasks of socio-economic development of the country.

For the past years, the Party and the Government have implemented many programs and projects such as Program 134, Program 135, Program 167, National Program on poverty reduction and policies to support migrants to sedentarization and settlement of ethnic minorities, etc. Up to now, many remarkable results have been achieved such as Program 134 (period 2004-2008) has supported 373.400 houses for poor households; Program 167 (period 2009-2012) has 224.000 households receiving financial assistance including nearly 89.000 poor households in 62 poor districts.

However, the shortage of housing for people in mountainous areas has not been thoroughly solved. According to the overall investigation results of poor households and near-poor households being categorized as the multi-dimensional poverty approach applicable to the 2016-2020 period by the Ministry of Labor, War Invalids and Social Affairs on June 22, 2017, there are still more than 1.98 million poor households nationwide accounting for 8.23% of the country, of which more than 740 thousand households lack housing quality index and 571 thousand households are in the shortage of housing area index accounting for 37.29% and 28.79% of the total poor households of the country respectively. Approximately 460,000 poor households with the shortage of housing are ethnic minorities accounting for more than 62% of the poor households in the country; the increase in area per capita / m<sup>2</sup> of mountainous areas remains the lowest compared to the whole country at only roughly 3m<sup>2</sup> / person.

## II. Review of Related Literature

As stated by Cleppham and Kintree (1984), the narrow of social sector has reduced the choice for households who are in need of accommodation and is likely to have an effect on ethnic minorities. Therefore, policies to support housing for ethnic minorities and people in mountainous areas are always of top concern for the Government. The key issues of housing policies that researchers have pointed out are: (i) It is necessary to issue institutionalized laws related to housing for ethnic minorities and people mountainous areas; (ii) Policy formulation should specify key factors involved in the implementation process; (iii) Procedures and regulations related to policies, standards and regulations must be quick and convenient. (iv) Specialized agencies in charge of housing for ethnic minorities and people mountainous areas must be formulated.

Al-Homoud M., Al-oun S., Al-Hindawi A. (2009) pointed out that the effectiveness of housing policy for low-income people depends on the cooperation of the key actors involved in the policy implementation process; convenient procedure for housing suppliers and housing services to receive commercial bank loans. In addition, the study indicated that prioritizing taxes, fees and rules, simple procedures, reducing loan rates, encouraging flexible tax incentives and exemptions in the form of laws applicable to housing suppliers and housing services that can bring effective housing policies for the ethnic minorities or disadvantaged groups.

Un habitat (2014) argued that regulations and procedures in the policy framework should, instead of interfering, support the efforts to solve housing issues for the poor. Normally, regulations on planning and construction and local licensing processes are designed to be suitable for housing construction for the urban middle class by formal private investors rather than the informal housing construction system for the poor. If the Government is serious about creating a favorable environment for the poor to solve their problems, they need to adjust and soften these regulations so that they are more flexible and friendly to the poor.

According to Khanh Phuong (2012) on international experience about social housing policy, in Singapore, the establishment of a unique agency/organization was empowered to build, redevelop, abolish slums, resettle and manage residential land; responsible for quality housing at an affordable price that helps allocate and plan resources effectively. If a unique organization is assured, this organization has the ability to ensure land funds, raw materials and human resources for large-scale construction projects to optimize results and cost savings. The state actively intervenes by setting a legal framework for the formation of social apartments, especially the development of technical criteria for social apartments.

Nguyen Quang Giai (2014) analyzes housing development policies and experiences in several countries around the world (Singapore, Japan, and South Korea), by which contributing suggestions in terms of institutions, policies on housing development for people of low income. Firstly, the Government has set housing goals for people, especially low-income and poor people from the initial stage in the history of building and developing their country. Secondly, the goal of housing support for people is respected, the action strategy for the authorities at all levels are outlined, which is considered one of the tasks to be pursued and committed to complete as planned. Thirdly, many specialized housing agencies are established from central to local levels. These agencies cooperate, support and interact with others very scientifically, synchronously and professionally. Fourthly, housing guidelines and policies are studied, applied, implemented, flexibly adjusted in accordance with local practices. Finally, the problem of housing socialization has been

successful thanks to the right policy and the goal towards "settle down and thrive" of the people has been given special attention, in which the role of the Government is the most crucial.

According to Tran Ngo Duc Tho (2013), in the United States, the important policies regarding housing subsidies are issued by the Federal Government. Housing management policies such as laws on housing construction, service provision and ownership are the primary responsibility of local governments. On a national scale, supportive policies for people wishing to buy or rent houses and housing providers are implemented by two government agencies: The Internal Revenue Service (IRS) and the Department of Housing and Urban Development (HUD). While the promulgated tax policies have a great impact on the quantity as well as the social welfare impacts, the core task of the Ministry of Housing and Urban Development is to expand the supply of affordable housing to those of low income. Subordinate units (Community Planning and Development, Housing, and Public Housing) are responsible for several programs to increase the number of affordable housing units for low-income people. This policy framework has achieved many successes and played an important role in the development of American society.

Policies to support housing for ethnic minorities and people in mountainous areas in Vietnam are also researched by many authors, organizations, agencies with the main contents: (i) Decentralized policy framework; (ii) Organizations/individuals providing housing services to ethnic minorities and disadvantaged groups; (iii) Beneficiaries. Specifically:

As stated by Un Habitat (2014), community organizations and people in Vietnam are encouraged to operate on the basis of the state budget. Similar to state agencies, these organizations also have an organizational structure from the central to local levels. Some organizations are very active in the housing sector. The Vietnam Fatherland Front is responsible for guiding the supervision of investment projects. The Women's Union is considered the most active organization in terms of community affairs and plays an important role in organizing community activities, especially in community housing projects. The Youth Union is in charge of youth issues. The Trade Unions under the direction of the Vietnam General Confederation of Labor also play a crucial role in protecting the rights and welfare of workers including the accessibility to housing assistance.

UN Habitat (2014) also stated that social housing policy in Vietnam rather than participating in solving people's difficulties in the process of planning, building and renovating houses for poor people, only paid attention to the development of official housing projects regardless of self-built accommodations. Self-built households are inability to access to partial financing due to cumbersome paperwork. In addition, policies related to social housing, low-income housing, rental housing, housing for resettlement ... are still under the influence of the heavily subsidized approach. Moreover, social housing policies only support a number of target groups, has not created conditions for a large number of poor households to benefit from these policies.

According to the Ministry of Construction (2012), the beneficiaries of each policy under the current government regulations are not entitled to both policies even though the time of beneficiary differs is not consistent with current situations. In particular, in the past, many households received housing support under other policies, but due to the low level of support, the houses were of poor quality, most of the houses were degraded and damaged after a short time such as the policy of supporting production land, residential land, houses and clean water for ethnic minorities and poor households (Decision No 134/2004 /QD-TTG dated 20/7/2004 by the Prime Minister); target households under other support policies but now are severely damaged and cannot be used. Therefore, it is necessary to research and apply policies flexibly and to the beneficiaries of the state mentioned above.

### III. Methodology

In this paper, the author used descriptive statistical methods to analyze and evaluate the implementation of housing support policies for the poor and ethnic minorities in the northern areas of Vietnam. The data used in this study was collected from the Population and Housing Census conducted by the General Statistics Office of Vietnam including Results of the 2009 Population and Housing Census, mid-year 2014, April 1, 2014; Results of the socio-economic survey of 53 ethnic minorities in 2015 and the results of the review of poor and near-poor households in 2016 according to the multi-dimensional approach poverty line applied to the period 2016-2020 of the Ministry of Labor, Invalids and Social Affairs.

Factors in the analysis of the paper include foundation criteria on the rate, the number of housing conditions (with or without housing) of households and housing quality, specifically: (i) degree of the solidity of the housing (permanent, semi-permanent, unsecured, simple houses) (ii) the life of housing (iii) total housing area in a household, average housing area per capita by socio-economic region; urban and rural; the household income group is divided into five income groups from low to high (group 1 is the lowest; group 5 is the highest).

## IV. Findings and Discussions

### 4.1. Socio-economic features of the ethnic minorities in the Northern Viet Nam

Northern Vietnam, the mountain area, and half-mountain include the two regions the Northeast Mountains and the Northwest Mountains. The current area is 95,222.3 km<sup>2</sup> (General Statistics Office, 2016) accounting for 35% of the country's natural area. This is the largest area of the six economic regions playing a particularly important role in socio-economic, national defense, security and ecological environment. The region has many advantages and potentials for agricultural production, forestry, hydropower, minerals, tourism and border gate economy.

#### 4.1.1. The fundamental infrastructure of the region

The ethnic minorities and Northern Viet Nam are areas with complex topography and difficulties for the daily life and production of households, especially the ethnic minorities. Therefore, for recent years, the Government has focused on improving the transport infrastructure system of the region resulting in a strong development in the quantity and quality of intra-regional transportation systems.

The system of national highways, highways and inter-provincial and inter-district routes has been improved and upgraded ensuring goods exchange between regions. According to the Ministry of Agriculture and Rural Development (2017), the Northern Mountains region is one of the two regions with the highest percentage of communes having roads from the Commune People's Committee to the District People's Committee headquarters being plasticized and concreted at the fastest increase within 10 years (2006-2016) from 45.8% to 93.3%. Details of infrastructure in the Northern Uplands are shown in Table 4.1 below:

**Table 4. 1. Infrastructure system by commune in Northern Viet Nam**

No	Infrastructure system	No of communes	Percentage (%)
1	The commune with a high school	222	9.72
2	The commune with a cultural house	1092	47.83
3	The commune with a library	260	11.39
4	The commune with the communication system	1595	69.86
5	The commune with a standardized health care service house	1194	52.3
6	The commune with a common wastewater system	379	16.6
7	The commune with a market system	970	42.49
8	The commune with a store of materials and plant varieties	1,401	61.37
9	The commune with banks/, bank branches	200	8.76
10	The commune with an agricultural production cooperative group	268	11.74
11	The commune with traditional manufacturing villages	155	6.79

(Source: Ministry of Agriculture and Rural Development, 2017)

According to the Ministry of Agriculture and Rural Development (2017), the infrastructure conditions of the region are still poor and outdated. At present, only 9.72% of communes in the region have lower secondary schools, and 11.39% of communes have libraries meaning that the conditions for improving people's literacy are limited. Regarding environmental sanitation, currently, only 16.6% of communes in the region have a common wastewater system. 200 out of 2283 communes in the region have a bank branch showing that the access to financial capital for production and business of people still faces many difficulties.

#### 4.1.2. The economic life of the ethnic minorities in Northern Viet Nam

Ethnic issues, ethnic affairs and national solidarity have always been a particularly important strategy for the Party and the Government of Vietnam, thus for recent years, socio-economic development in mountainous areas in Northern Viet Nam has always been given special attention and priority in the development process. The region has achieved certain results.

*GRDP of the region.* Over the past years (2016-2018), the contribution of the region's gross domestic product has always increased by over 9% accounting for over 8% of the GRDP contribution proportion of 51 provinces with ethnic minorities.

**Table 4.2. GRDP calculated at 2010 comparative prices in the period 2016-2018***(Unit: trillion dong)*

Region	2016	2017	2018	Percentage (%)	
				2017-2016	2018-2017
Ethnic minorities and northern regions	324.42	356.24	389.86	9.81	9.44
51 provinces having ethnic minority and mountainous areas	3748.7	4007	4309.8	6.89	7.55
Comparisons on 51 local scale	8.65	8,89	9.04		

*(Source: Ministry of Planning and Investment, 2019)*

The ethnic minorities and Northern regions of Viet Nam contributed to the national GDP with a relatively high growth rate meaning that the interest of the Government in this area is effective. However, the proportion of contribution compared to other ethnic minorities and is still low. This is because the living conditions and production conditions of the region still face many difficulties and concentrate many poor and near-poor households nationwide.

*Income, employment.* According to the General Statistics Office (2019), the average income per capita of people in the northern region reached 2.455.000 VND/month, which tends to increase over the years. However, the monthly average income per capita of the region ranks the lowest among 6 economic regions in the country. People in the area are mainly engaged in agriculture, forestry and fishery (79.26%) having income from this activity occupies the highest position in the total income of the household (68.3%). The underemployment rate of the labor force of the region ranks the third nationwide (0.79%) followed by the Mekong River Delta (1.33%) and the North Central Coast.

*The situation of poor and near-poor households.* The number of poor and near-poor households in the region is always the highest in all regions of the country and tends to increase over the years. Specifically, the poor households in the region accounted for 55.27% and 48.96%, the near-poor households in the region were 18.4% and 20.57% respectively in the period 2015-2016. The rate of poor and near-poor households is high (over 20 %), which is one of the difficulties for the socio-economic development of the region.

**Table 4.3. Poor and near-poor households in mountainous areas during 2015-2016**

Region	Year 2015		Year 2016	
	Number of households	Percentage (%)	Number of households	Percentage (%)
Poor households	774.821.00	55.27	683.664.00	48.96
Near-poor households	288.918.00	18.40	317.620.00	20.57

*(Source: Ministry of Labor, Invalids and Social Affairs, 2017)*

*Accessibility to fundamental social services of the region.* The level of shortage of access to fundamental social services of poor households in the region is still high, specifically, 56.3% of poor households do not have hygienic latrines, 45% of poor households do not have secure housing, 30.9% of poor households do not have access to information, 27.7% of households are unable to access to clean water and 25% of households do not receive adult education (Ministry of Labor, 2017).

## 4.2. Results of housing policy implementation for the period of 2011-2018

### 4.2.1. Results of housing support, residential and production land for the ethnic minorities

For the period 2004 - present, the Government has implemented many programs and policies to support houses, residential land and production land for people in mountainous areas in order to stabilize people's life and stabilize production. The results are shown below:

In the period of 2004-2008, implementing Decision No 134/QD-TTG, 110.4% of households received housing assistance, 81.65% of households were supported with housing needs, and only 35.15% of households have access to residential land.

In the period of 2009-2010, the Government had two decisions to support accommodation, residential land and production land including Decision No.74/QD-TTG and Decision No.1592/QD-TTG. During this period, through the

review process, the demand for housing support was 0 household, the demand for residential land was 6.988 households, delivering successful housing support for 5.584 households reaching 79.9%. Demand for production land is 213.438 households, in which 39.21% of households received housing assistance.

In the period of 2011-2015, a small portion of households has been supported with residential land (7.49%) and production land (4.86%). The main cause of this situation is the slow disbursement, lack of capital, and the need for high support.

**Table 4.4. Results for supporting the ethnic groups in Northern regions**

(Unit: household)

Period	Houses			Residential land			Production land			Note
	Demand (No of households)	Results		Demand (No of households)	Results		Demand (No of households)	Results		
		No of households	Percentage %		No of households	Percentage %		No of households	Percentage %	
2004-2008	338.078	373.400	110.4	87.822	71.713	81.65	237.715	83.563	35.15	
2009-2010	-	-		6.988	5.584	79.9	213.438	83.692	39.21	Estimate
2011-2015	-	-		40.027	3.000	7.49	267.130	13.000	4.86	
2016-2018	-	-		58.123		0	68.936			No statistical results

(Source: the author calculated from the Ministry of Planning and Investment (2019), Ethnic Committee (2019))

For ethnic groups in the Northern region, in the period of 2011-2015, 36.05% of households have received residential land support, 22.37% of households have received production land support. The results are shown below:

**Table 4.5. Result of supporting residential and production land for ethnic groups in the Northern region**

Period	Residential Land			Production Land			Note
	Demand (Household)	Results		Demand (Household)	Results		
		No of households	Percentage %		No of households	Percentage %	
2011-2015	32631	11.763	36,05	47.724	10.675	22,37	According to decision 755
2016-2018	9.426			23.866			According to decision 2085

(Source: the author calculated from the Ministry of Planning and Investment (2019), Ethnic Committee (2019))

#### 4.2.2. Results of capital support for housing needs, residential land, production land and career change

Land fund to support housing needs, residential land, limited land for production tends to decrease. In order to support people to have access to houses, residential land and production land, the Government also provides material support in cash or preferential loans for households who are in need of buying houses, residential land, production land, or change jobs because of insufficiency of production land.

**Table 4.6. Results of capital support for housing needs, residential land, production land and career change**

Period	Capital needs (billions dong)	Results		Note
		Quantity	Percentage %	
2004-2008	4.473.705	4.473.705	100	134/2004/QĐ-TTG
2009-2010	9.890,83	8.743.91	88.4	74/2008/QĐ/TTG, 1592/2009/QĐ-TTG
2011-2015	12.060,212	1.698.6	14.08	775/2013/QĐ-TTG, QĐ 29/2013/QĐ-TTG
2016-2018	20.509	550.092	2.68	2085/2016/QĐ-TTG

(Source: the author calculated from the Ministry of Planning and Investment (2019), Ethnic Committee (2019))

As a result, in the period of 2004-2010, the percentage of households supported with capital was quite high from 88.4% to 100%. However, in the period of 2011-2018, the number of supported households is quite low at the rate of 14.08% in the period of 2011-2015, and 2.68% in the period of 2016-2018, respectively. One of the main reasons is that the demand for capital support increased significantly in the period of 2011-2018 (over VND 20.000 billion).

In the Northern regions, in the period of 2011-2015, the allocated capital is VND 1.179.4 million meeting 19.5% of the demand for capital support from local people in these regions.

**Table 4.7. Result of capital support for ethnic people in Northern Viet Nam**

Period	Capital needs (million dong)	Results		Note
		Quantity	Percentage %	
2011-2015	6.041.510	1.179.414	19.52	Theo 775/2013/QĐ-TTG
2016-2018	7.575.306			Theo 2085/2016/QĐ-TTG

(Source: the author calculated from the Ministry of Planning and Investment (2019), Ethnic Committee (2019))

## V. Conclusion

The socio-economic enhancement of ethnic minorities in Northern Vietnam plays a crucial part in the development process of the whole country and the northern regions. Due to the natural, cultural and social characteristics, the development is parallel to the development of the region according to national objectives while ensuring the implementation of policies related to ethnic issues. Therefore, the development policy system for this area, especially housing support policies including a set of policies with different levels and features. Policies to support housing for ethnic minorities include such policies as land allocation, investment in housing infrastructure construction, financial support, etc. However, to the poor and the ethnic minorities, the opportunities to access accommodation still have certain barriers, thus the following measures should be taken into account:

The formulation of housing support policies should be based on practical studies on specific socio-economic and topographical conditions of the region in order to develop housing policies that match the needs of a particular region and ethnic group. Instead of the current housing policies, policies which involve funding characterized houses suitable for the

needs of each region and the characteristics of each nation should be paid attention (Program 167).

There is a close link between income and housing, therefore, in addition to building direct housing support policies (housing support only), policies need to be implemented to integrate income generation for the poor and ethnic minorities such as allocation of residential land combined with production land, employment support in association with accommodation, etc.

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