

THE IMPLEMENTATION OF POVERTY REDUCTION POLICIES IN THAI NGUYEN PROVINCE

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ABSTRACT

Poverty reduction is a policy of the Government set out to improve people's living standards and contribute to the implementation of national social securities. Comprehensive and sustainable poverty reduction is a long-term goal and one of the crucial tasks contributing to the country's socialist-oriented development. For the past few years, although the poverty rate of Thai Nguyen has been high, the overall implementation of poverty reduction policies has brought positive changes to people's lives.

Keywords: policies, poverty reduction, sustainable policy, social security

1. Introduction

Thai Nguyen province is located in the northeastern area of Vietnam, adjacent to the capital of Ha Noi, categorized as in the planned capital region, and lies in the key economic region of North Hanoi capital. These are considered the strength and premise for the province to have strong development breakthroughs in all aspects.

With the growth of many enterprises, the economy of the province has significantly improved for the past few years. In 2019, the economic growth rate (GDP) in the area was estimated to reach 9%; Gross Regional Domestic Product (GRDP) per capita was estimated to reach 83.5 million VND; the value of industrial production (compared to 2010 prices) in the province was estimated at 743.8 trillion VND rising 11.5% over the same period; the export value was estimated at 27.63 billion USD rising 11.2% compared to 2018; total state budget revenue was estimated to reach 15 trillion VND; the production value of agriculture, forestry and fishery increased by 4% compared to 2018; the value of products/ha of the agricultural land in 2019 was estimated at 100 million VND; 13 communes were recognized as new rural destinations; the number of newly created jobs increased by an estimated at 21.5 thousand; [1]

Social security policies and social welfare were promptly and effectively implemented. The poverty rate in 2018 was 6.39% and the average annual reduction was at more than 2%; 34 poor households whose members are party members aged 50 and over who have difficulty in housing were support to repair or build new houses; 33 temporary classrooms in the province were completely deleted as planned; 35 villages were provided with national electricity following the program of eliminating hamlets and white villages of the Government. [6]

In addition, the management of hunger eradication and poverty reduction in the province is still limited when poverty reduction programs and policies have not been implemented comprehensively; many policies and programs for poverty reduction have been issued but they are still overlapping and haven't created interconnection and haven't focused on poverty reduction goals.

The propaganda and awareness-raising activities are still limited, ideological expectations and dependence on the Government and the community are popular in the area. The management of poverty reduction does not have comprehensive coordination in terms of direction between the departments at all levels with the active participation of local people. As a result, the poverty reduction in Thai Nguyen has not achieved the desired effect. Therefore, analyzing the reality of poverty reduction policies in order to find solutions is practical and urgent for Thai Nguyen province.

2. Review of Related Literature

According to the United Nations: "Poverty is defined as having no accommodations and clothes, sickness without being taken care of, illiteracy and vulnerability to adverse events out of people's control. Those who are poor are often mistreated and marginalized by the state and social institutions; they have no voice and power in their institution." [5]

As mentioned by many experts, it is insufficient to use income criteria to measure poverty. In essence, poverty means

being denied basic human rights, being pushed into the margins of society, not just low income. Several minimum needs cannot be met with money. A lot of cases are difficult to access basic health services, education, information ... even though they have a good income. Therefore, using the measure based on income or spending will lead to the omission of the poor leading to inequity, efficiency, and sustainability in implementing poverty reduction policies. [7]

To implement effective poverty reduction, the 13th National Assembly, 7th session passed Resolution No. 76/2014/QH13 on promoting the implementation of sustainable poverty reduction targets by 2020 which clearly states that: "Establish new poverty standards based on a multi-dimensional approach to ensure minimum living standards and meet basic social services".

Decision No. 2324/QD-TTG dated December 19, 2014, of the Prime Minister promulgating action plan to implement Resolution No.76/2014/QH13 of the National Assembly clearly defines the task of formulating a comprehensive project on renovating the approach to poverty in Vietnam from one-dimensional to multi-dimensional approach. Subsequently, on September 15th, 2015, the Prime Minister signed the Decision No.1614/QD-TTG approving the overall plan on "Converting the poverty measurement approach from unidimensional to multidimensional for the period 2016-2020".

Accordingly, the poverty standard for the period 2016-2020 of Vietnam is built using a combination of the income poverty and the level of shortage of access to basic social services. The poverty measurement criteria are based on income criteria including minimum income standard of income, income poverty standard, average income standard of living; the level of deficiency of access to basic social services (access to health, education, housing, clean water, and sanitation, and information).

Based on 5 dimensions of poverty, the Ministry of Labor, War Invalids and Social Affairs has proposed 10 measures to measure the gap in multidimensional poverty including adult education, child education, medical treatment, health insurance, housing quality, housing area, clean water, toilets, telecommunications services, properties used to serve information access.

Table 2.1. Determining multidimensional poverty in Vietnam

Criteria	Measurement index	Threshold of shortage	Legal basis
1.Education	1.1. Adult education	Households with at least 1 member aged 15 years or older, born in 1986 or earlier didn't graduate from secondary schools and currently don't attend schools.	Constitution of 2013 Resolution 15/NQ-TW; Some social policy issues for the period of 2012-2020. Resolution No. 41/2000/QH (supplemented by Decree No.88/2001/ND-CP)
	1.2. School attendance of children	Households with at least 1 school-age children (5 - under 15) currently don't attend schools.	Constitution 2013, Education Law 2005, Law on the protection, care and education of children Resolution 15/NQ-TW; Several social policy issues for the period of 2012-2020.
2. Medical	2.1. Access to health services	Households with the illnesses but don't have health check (illness is defined as being seriously ill/injured that need special care and have to leave job/study/daily activities).	Constitution 2013; Law Health Check and Treatment
	2.2. Health Insurance	Households with at least 1 member aged 6 or older	Constitution 2013; Health Insurance Law 2014 Resolution

		currently do not have health insurance	No.15/NQ-TW; Several social policy issues for the period of 2012-2020
3. Accommodation	3.1. Housing quality	Households who are staying in solid houses or simple houses (Housing is divided into 4 levels: solid, semi-solid, semi-unsolid, and unsolid houses).	Constitution 2013; Health Insurance Law 2014 Resolution No.15/NQ-TW; Several social policy issues for the period of 2012-2020
	3.2. Housing area per capita	The average housing area per capita is less than 8m ²	Housing law; Resolution 15/NQ-TW; Several social policy issues for the period of 2012-2020.
4. Living condition	4.1 Sources of water	Households do not have access to hygienic water.	Resolution 15/NQ-TW; Several social policy issues for the period of 2012-2020.
	4.2. Toilets	Households do not use hygienic toilets.	Resolution 15/NQ-TW; Several social policy issues for the period of 2012-2020
5. Access to information	5.1. Telecommunication services	Households without any members using telephones and internet subscriptions	Telecommunication Law Resolution 15/NQ-TW; Several social policy issues for the period of 2012-2020.
	5.2 Assets for information accessibility	Households do not have any of the following assets: TVs, radios, computers; and have no access to the commune/village radio broadcasting.	Information and Communication Law NQ 15/NQ-TW; Several social policy issues for the period of 2012-2020.

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

3. The implementations of some poverty reduction policies in Thai Nguyen province

The aim of sustainable poverty reduction in Thai Nguyen province in the period of 2016 - 2020 is to limit the rate of poverty returns; contribute to economic growth, social security, improvement of life and income for people, especially in poor areas, creating favorable conditions for poor households to get access to basic social services [9]. Accordingly, a number of policies have been implemented to accomplish this goal.

3.1. Credit policy

Credit policies are regulations on granting credit, supplementing business capital for poor and near-poor households with low interest rates. Accordingly, in sustainable poverty reduction projects, the Bank for Social Policies of Thai Nguyen province has implemented the credit programs and policies for poor households as follows:

Table 3.1: Some credit programs and credit policies in Thai Nguyen province

No	Criteria	Interest rate (% / month)	Loan rate (million dong)	Purpose of Capital Use	Maximum loan period
1	Lending to poor households under Decree 78 of the Government	0,55	50	Feeding, growing and trading.	5 years
2	Lending to poor households under Resolution 30a of the Government	0,275	10	Feeding, growing and trading.	3 years

3	Lending under Government Decision 755	0,1	15	Reclamation for production, job change, labor export	5 years
4	Lending under the Government's Decision 54	0,1	8	Growing and feeding	5 years
5	Lending for job creation under Decision 120.	0,55	50	Farming, growing and trading	5 years
6	Lending under Decision 33 government	0,25	25	House building costs	15 years
7	Lending to near-poor households (Government Decision 15)	0,66	50	Growing and Feeding	5 years
8	Lending to new households out of poverty (Government Decision 28)	0,6875	50	Growing and Feeding	5 years

(Source: Thai Nguyen People's Committee)

The loan programs and policies have been offered with low interest rates, long loan terms and are mainly used to develop agricultural economy in the province. Although the amount of credit in each preferential loan program is not relatively high, it has made practical contributions to help households in the province to escape from sustainable poverty.

Between 2014 and 2018, the mobilization of total capital increased (the average growth rate is 12.7%) but the number of poor households having access to capital decreased (the average reduction rate is 12.1%) making the average capital received by each household increased rapidly to 23.1 million VND/ household in 2018.

3.2. Health care policy for poor people

The policy on medical support and medical examination for poor people complies with the Law on Health Insurance dated November 14, 2008 and the Amending and Supplementing Law on Health Insurance dated June 13, 2014; Decree No.105/2014/ND-CP dated November 15, 2014 of the Government; Circular No. 25/2016/TT-BLĐTBXH. Policies are implemented throughout the province. Accordingly, the poor and near-poor households in the area are provided with free health insurance from the annual local budget. Between 2014 and 2018, free health insurance card allocation for the poor achieved the following results:

Table 3.2: Results of health support policies implementation for poor people

Criteria	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Number of poor, near-poor and ethnic minority people granted health insurance cards (household)	338.608	326.035	362.791	349.689	368.000
Total expenditure (million dong)	139.957	169.327	198.376	211.565	240.124
Number of poor people with health insurance cards (people)	136.340	104.153	82.361	60.734	64.000
Funding provided (million dong)	58.525	54.951	48.880	37.456	39.800
Number of near-poor people with health insurance cards (people)	8.630	11.893	61.078	65.510	74.000
Funding provided (million dong)	2.488	4.489	20.128	37.191	57.494

Number of ethnic minorities and people in difficulties with health insurance cards (people)	193.638	209.989	219.352	223.445	230.000
Funding provided (million dong)	78.944	109.887	129.368	136.918	142.830

(Source: Thai Nguyen People's Committee)

As can be seen from the above table, the implementation of medical examination and treatment policy has achieved many positive results providing poor and near-poor households providing poor and near-poor households with sufficient health service, creating favorable conditions for hunger eradication and sustainable poverty reduction for households in the province.

3.3. Policies to support education and training

Education support policies for the poor were implemented following Decree No. 86/2015/ND-CP dated October 2, 2015 of the Prime Minister, Circular No. 09/2016/TTLT-BGDĐT-BTC-BLĐTĐXH dated 30/3/2016 of Ministry of Education and Training - Ministry of Finance - Ministry of Labor, Invalids and Social Affairs. The policy was implemented in both public and private schools throughout the province. The target participants were the children from poor households and children of ethnic minorities and illiterate people who were out of school age. The policy implementation achieved the following results:

Table 3.3: Results of the education support policies implementation for poor households

Criteria	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Total number of people supported (people)	124.757	145.358	157.303	173.125	178.485
Total funding for implementation	70.922	93.906	85.551	89.964	101.433
Number of pupils, students, preschoolers belonging to poor households was exempted from school fees (people)	54.526	59.738	62.540	66.125	69.679
Implementation cost (million dong)	24.338	33.950	38.457	42.357	45.935
Number of pupils, students, preschoolers in poor households were supported with expenses and learning tools	51.295	63.158	63.635	66.850	67.456
Implementation cost (million dong)	32.315	44.210	31.068	30.439	35.740
Number of 3-5 year-old children was provided with lunch at school (person)	18.936	22.462	31.128	40.150	41.350
Implementation cost (million dong)	14.269	15.746	16.026	17.168	19.758

(Source: Thai Nguyen People's Committee)

The implementation of the education support policy in Thai Nguyen province was simply and effectively carried out through the form of tuition reduction and exemption, and learning facilities supply. However, the financial resources for the policy implementation were mainly taken from the central budget, and the procedure was still complicated and time-consuming affecting the sustainable poverty reduction of the local government.

3.4. Housing policy

The main objective of the housing support policy for poor and near-poor households in Thai Nguyen province was to erase degraded, severely damaged houses under Decision No. 33/2015/QĐ-TTg dated 10/8/2015 of the Prime Minister. On implementing this policy, the province achieved the following results:

Table 3.4: Results of implementing policies on housing support for poor people

Criteria	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Number of houses was allocated funds (house)	343	453	347	247	256
Funds provided by the provincial budget (million dong)	15	15	15	20	20
Funds financed by the Fund for the Poor (million dong)	5	5	5	5	5
Local financial support (million VND)	2	2	3	3	3
Total funding supported (million dong)	22	22	23	28	28

(Source: Thai Nguyen People's Committee)

Implementing the support policy on accommodations for poor and near-poor households, in 2018, the province granted funding to repair 256 houses (with a decreasing sign compared to previous years) with a total budget of 28 million VND, increased significantly compared to previous years with the average growth rate of 7%. In particular, funding from the provincial budget accounted for the major proportion. In addition, this policy was supported by the provincial for-the-poor funds and local contributions. Although the amount of supported money was not much, it also contributed significantly to reduce the burden of the state budget.

3.5. Policies on vocational training for poor households and job creation

Table 3.5: Results of implementing policies on vocational training and job creation

Criteria	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Job creation (people)	17.649	17.540	18.934	20.873	22.089
Vocational training (people)	25.490	25.846	26.754	28.973	30.210
Investment cost (million dong)	5.463	5.543	5.483	5.673	6.084

(Source: Thai Nguyen People's Committee)

In 2014, 17,649 people in the province were offered jobs, the number of people supported with vocational training reached 25,490 people with an investment of 5,463 million VND. In 2018, the province's vocational training support policy changed in a positive way when the number of employees allocated jobs increased rapidly to 22,089 people (the average growth rate reached 6.3%), the number of people trained was 30,210 people (the growth rate was 4.6%) with funding of 6,084 million VND (the average growth rate reached 2.8%). The policy of vocational training and job creation was highly appreciated by the poor households and considered as one of the practical and sustainable policies to support the poor to overcome sustainable poverty.

3.6. Legal support for poor households

Following the Prime Minister's Decision No.1678/QD-TTg of May 10, 2011 which approved the strategy for development of legal support in Vietnam by 2020 with orientations toward 2030, the People's Committee of Thai province Nguyen issued Decision No.04/QD-UBND dated January 3, 2013 on the overall plan to implement the strategy for development of legal support. For the period 2014 - 2018, the Provincial State Legal Support Center provided legal assistance to thousands of cases, mainly poor and near-poor households. The legal support was provided in the fields of criminals, civils, family-related affairs, land, housing and labor laws focusing mainly on labor and employment categories.

4. Conclusion

The implementation of the poverty reduction policy in Thai Nguyen has achieved certain results, however, some limitations can be found: the review of poor and near-poor households was not comprehensively carried out and didn't closely follow the intructions from localities.

A part of people and local authorities did not show their expectation to achieve poverty reduction mechanisms and policies. To solve these outstanding issues, it is crucial to have a system of effective solutions so that the poverty reduction policies can bring about practical results contributing to the success of the policy for the sake of building the society of rich people, strong countries and fairness, democracy, civilization.

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