

COMMENTARY



Poverty Reduction in Vietnam and the Role of Public Administration

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ABSTRACT

Vietnam has attained impressive results in poverty reduction. The poverty rate has decreased from about 58% in 1993 to 3% in 2015. This article examines Vietnam's poverty reduction achievement and several of the factors that have underpinned it. It also examines the contemporary difficulties faced by the Vietnam government in further reducing poverty. In particular, this commentary assesses the role of public administration in poverty reduction, considering the role of administrative reform, decentralisation and ensuring good governance for poverty reduction. In assessing the present situation, the article discusses some of the limitations of poverty reduction strategy and emerging challenges for public administration.

ARTICLE HISTORY

Published online 13
September 2018

KEYWORDS

Poverty; Poverty Reduction;
Vietnam; Public
Administration;
Administrative Reform

Poverty is an issue for all countries and a key challenge facing all governments. Even wealthy countries like South Korea, Japan, Australia, the USA and Germany develop and implement programmes meant to alleviate poverty. Authoritarian and democratic regimes alike have sought to reduce poverty levels and, when successful, claim these reductions as a measure of good governance and claim political legitimacy on the basis of successful poverty reduction efforts.

In the development studies literature, poverty is usually defined as a level of deprivation such that a person is unable to meet minimum standards of well-being. For example, the World Bank (2010, 17) considers poverty as “the inability to attain a minimal standard of living.”

Status of Poverty Reduction in Vietnam

In Vietnam, the government accepts a definition of poverty introduced at the Asia-Pacific Conference on Poverty Reduction in September 1993 where poverty is not having enough money to meet basic needs including food, clothing and shelter. As this definition suggests, poverty is more than not having enough money. In practice, the government recognises absolute poverty and relative poverty. Absolute poverty is where a proportion of the population is unable to satisfy the basic human needs that have been societally recognised in relation to the level of economic and social development and local customs and practices. As discussed

at the Asia-Pacific Conference on Poverty Reduction, relative poverty was defined as a situation where a proportion of the population lives below a community average.

In Vietnam, the key characteristics of absolute poverty are: (i) the head of a poor household is most likely a farmer or other agricultural worker and will have low occupational skills; (ii) the very poor, as well as mostly being rural dwellers, will likely be living in very isolated areas of places prone to natural disasters, where the physical and social infrastructure is relatively undeveloped; (iii) in agriculture, most typically the poor will have small landholdings or are landless; (iv) the poor have limited access to credit; and (v) the poor have limited education, tend to have limited socio-economic resources for a healthy lifestyle and limited ability to live and work in environments for healthy living. In this context, improving health is a challenge for government when implementing poverty alleviation programmes.

It has been found that in contemporary Vietnam, most people who remain in poverty are from ethnic minorities, where poverty remains persistently high since these people face multiple challenges of isolation, limited assets, low education levels, poor health and poor living conditions.

Since 1998, the government has considered poverty reduction a priority and a national targeted programme has been included in every five-year plan since then, targeting absolute poverty. Two main approaches to measuring poverty have been adopted. The first approach is used by the Ministry of Labour, Invalids, and Social Affairs (MOLISA) to generate a classification used for determining those who are eligible for the national anti-poverty programme as well as monitoring poverty over the short term. The second approach, used by the General Statistics Office and the World Bank, examines long-term poverty change (see World Bank 2013). The use of these approaches to monitor government poverty programmes is a common practice worldwide (Linh 2015). Several state and party resolutions, directives, strategies and decisions on poverty reduction have established the national target programme on poverty reduction and socio-economic development programmes, while special poverty programmes have also been promulgated.

Vietnam's high economic growth has also significantly contributed to poverty reduction. Economic growth reached a high of 7.5% in 2005 and average economic growth was 6.2% from 2006 to 2016 (see Figure 1). Since the high growth point, subsequent lower growth rates mean that the contribution of growth to poverty reduction has been reduced in recent times. At the same time, where poverty is persistent, growth alone is insufficient. In addition, as the economy has become more open and linked with global supply chains, downturns internationally will have impacts on poverty rates in Vietnam.

In broad terms, Vietnam is a poverty reduction success story. From one of the poorest countries in the world with per capita income below US\$100 per year in 1980, according to the official General Statistics Office, by the end of 2017 the country was a low middle-income country with per capita income of US\$2,400 (*VietNamNet Bridge*, January 23, 2018). Poverty reduction has been impressive. The national poverty rate decreased from 58% in 1993 to just 3% in 2015 (see Figure 2). In the process, some 30 million people were lifted out of poverty (MPI 2015). In 1992, Vietnam had a Global Hunger Index (GHI) of 40, where a ranking below ten shows low hunger severity; by 2017, the GHI had been reduced to 16 (Concern Worldwide and Welthungerhilfe 2017, 40).

Between 1990 and 2015, the poverty rate reduced annually more than 2.5% at the regional level and 6% at the poor district level, beating state targets. By the beginning of

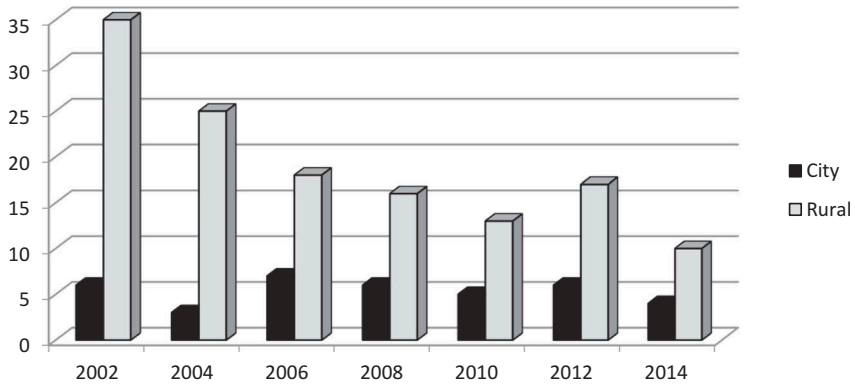


Figure 1. Poverty rates in Vietnam, 2002–2014 (%).
Source: *Financial Review*, September 2016.

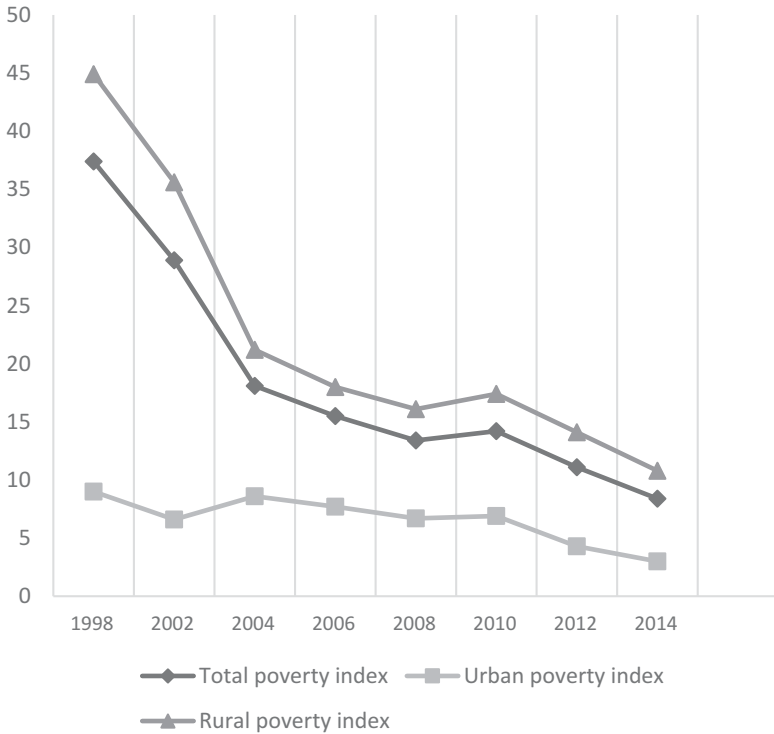


Figure 2. Vietnam's poverty index, 1998–2014 (%).
Sources: World Bank (2005); MOLISA (2016).

2015, seven districts had graduated out of the list of 45 poor districts. For example, the Northwestern region has been successful in meeting poverty reduction targets. Poor districts in the Northwestern region received more than VND1 trillion (US\$55.5 million) assistance to support poverty reduction in 2009. In the following years, plans

to alleviate poverty in the area also received contributions from domestic businesses, contributing to poverty reduction.¹

In terms of the spatial incidence of poverty, it is the Northern Uplands, North Central and the Central Highlands that were the three poorest regions in 2017. The ethnic minority groups that predominate among the poor in these areas depend mainly on forest resources for their livelihoods. They live in remote upland areas with a limited natural resource base and in coastal areas that are prone to adverse climatic events such as typhoons and flooding. Some households include disabled members and migrants, while some families are landless. Infant mortality is high and education indicators are also low in these areas. For example, in the Central Highlands, infant mortality is over two and half times that in the more prosperous Red River Delta and South East regions. Meanwhile, the net enrolment primary school rates for Northern Uplands (89%), North Central (88.2%) and the Central Highlands (87%) were below the national average of 91%.

To achieve the Millennium Development Goals, from 2000, the government shifted its focus to achieve the objectives of “sustainable poverty reduction,” where poor households do not fall back into poverty. Poverty rates had fallen before 2000, but poverty remained persistent. The changes in poverty objectives were associated with a further fall in the national poverty rate from above 37% in 1998 to about 8% in 2014 (see Figure 2). Poverty reduction programmes and economic growth had both improved the lives of the poor while improved socio-economic infrastructure, particularly in rural and mountainous areas, assisted in reductions. This has seen more targeted projects implemented. For example, the Central Highlands Poverty Reduction Project targets 540,000 people in 130 communes in 26 districts in the six provinces of Dak Lak, Dak Nong, Gia Lai, Kon Tum, Quang Nam and Quang Ngai. The project aims to enhance opportunities and develop livelihoods of residents in poor households and communities in highlands areas by improving access to basic services related to farm production and strengthening food security and improving nutrition. It also assists with upgraded infrastructure and capacity-building for local staff. Ethnic minority and especially difficult areas are targeted to reduce income gaps and living standards disparities.

Three regions currently account for 70% of the country’s poor: the Northern Uplands (28%), Mekong Delta (21%) and North Central region (18%). Having dropped by 2.8% annually over the 2000 to 2015 period, the poverty rate in the Central Highlands remains 24.1% (MPI 2015). The Central Highlands remains one of the poorest regions in Vietnam. However, because the Central Highlands has a small population it makes only a relatively small contribution to total poverty in the country. The North Central region has seen the greatest reduction in poverty and the Northern Uplands the least.

Public Administration for Poverty Reduction

Administration Reform for Poverty Reduction

Vietnam’s administrative reforms have been part of the overall *doi moi* reform process that began in 1986. *Doi moi* has transformed the economy from a centrally-planned system to one that is market-based. While market reforms have encouraged economic growth, which has contributed to poverty reduction, it is also clear that public administration has played an important role.

The role of public administration in effective poverty alleviation may include the administration reform, decentralisation and ensuring good governance for poverty reduction. It also includes initiatives related to public, social and economic infrastructure as well as providing the regulatory framework for good governance and poverty reduction. Administrative reforms can foster increased rates of economic growth, promote appropriate private sector development, increase public resources for priority spending, reduce corruption and increase the accountability of the public sector.

In the period 1986–2017, Vietnam’s administration worked to develop appropriate policies for poverty reduction, especially in areas of transport, housing, health, education and credit (see Table 1). As can be seen in Table 1, MOLISA has assessed that the majority of these policy innovations have been effective for poverty reduction. In detailing the policies listed in Table 1, emphasis is on credit, land, employment, health, education and other support, with infrastructure having been discussed earlier in the article.

Preferential credit policy has been extended from poor households to near-poor households and households which have just escaped poverty.² In the period 2012–2014, loan interest rates fell to 0.55% a month. In 2014 alone, 516,665 near-poor households got loans totalling VND11,079 billion and 144,219 students got loans worth VND4,126 billion (Do 2015). Preferential credit policies have created opportunities and capabilities in support of poor households in production and job creation, allowing many to escape poverty.

Attention has also been given to health care for the poor, including policies to support poor people acquiring health insurance cards and free medical care for poor and near-poor households. In the period 2012–2014, an annual average of VND12,500 billion was spent on health insurance for the poor, ethnic minorities, children under six years of age and assistance for near-poor households and students living in poor families. In total, more than 5.5 million free health insurance cards were issued. In addition, 15% of people in near-poor households could buy health insurance with state subsidies of 70% of the cost of insurance (Do 2015).

Policies on assistance to the poor in education, training and vocational training have boosted the proportion of poor children going to school at the right age and increased the percentage of poor people receiving vocational training. In the period 2011–2014, on an annual average basis, nearly VND8,000 billion from the state budget was allocated to support poor students with school fees, provide scholarships for minority students and provide education infrastructure for ethnic minorities. Thus, more than eight million students were exempted from school fees while also receiving meal

Table 1. Policy documents for poverty reduction assessed in 2014.

Policies area	Number of policy documents		
	Total policies enacted	Effective	Ineffective
Infrastructure	5	5	0
Credit for the poor	25	25	0
Farm land	3	3	0
Employment	8	8	0
Health care	18	18	0
Housing	13	11	2
Education	15	15	0
Supporting laws and rules	9	7	2
Total documents assessed	96	92	4

Source: MOLISA (2016).

assistance. Approximately 200,000 poor workers received free vocational training and participated in job creation programmes. More than 10,000 labourers in poor districts were supported with vocational training, and guidance that permitted them to seek work abroad. The total budget allocated for vocational training and support of poor workers seeking work overseas in 2011–2014 reached VND3,870 billion.

Policies on housing and land, agricultural land, water, electricity subsidies and legal aid have helped stabilise the lives of the poor and near-poor by creating jobs and raising incomes. In the period of 2012–2014, more than 500,000 poor households were supported with housing (Do 2015). At the same time, the state supported efforts to improve safety in housing construction and in responding to floods and other natural disasters in several regions where the poor predominated.

The development of effective poverty reduction policy has been based in processes of administrative reform. A measure of the general level of administrative reform is captured in data that approximate the efficient delivery of public administration. Gross domestic product (GDP) from public administration has increased substantially in recent years and is forecast to increase further (see Figure 3).

Increasing GDP may be a necessary condition for poverty reduction, but it is not enough. In Vietnam, while GDP per capita has increased substantially during the 1990s and 2000s, the poverty reduction rate has been declining. Ensuring that poverty reduction can continue to be achieved requires both good policy and sound implementation that targets poverty reduction programmes to the people who need it.

Poverty reduction is one of the Vietnam government's largest programmes. Its resources have mainly been used for programmes that assist with “sustainable resettlement” and subsidised credits for poor people. For example, Programme 135 is a state effort that focuses on the poorest communes, with 2,325 communes eligible. Its resources have mostly been directed to investments in transportation, irrigation, electricity and schools and for construction of community and cultural centres. More broadly, government expenditure for education and training and public health has increased substantially. Health spending increased from

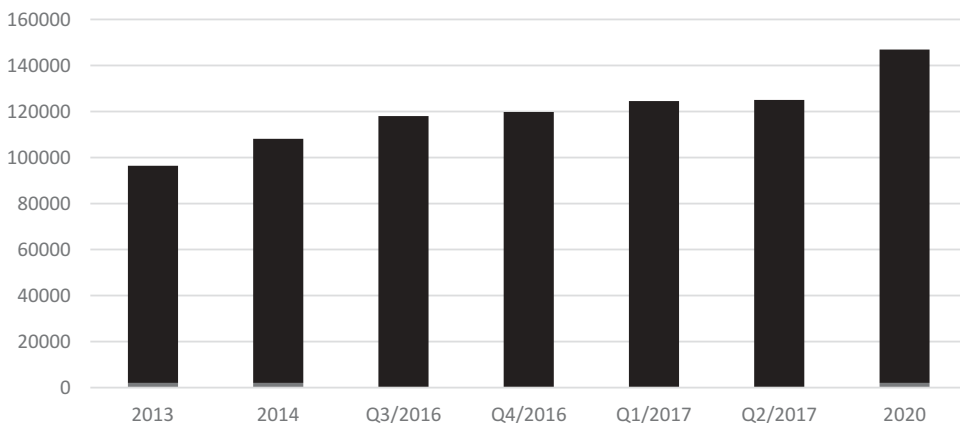


Figure 3. Vietnam's GDP from public administration, including forecasts, 2013–2020 (VND billion). Source: General Statistics Office (June 2016)

2.9% of the state budget in 2005 to 5.28% in 2010. Education has gone from 10.89% to 14.9% over the same period.

Decentralisation and Poverty Reduction

One of the important administrative and governance reforms implemented by the state has been decentralisation. Decentralisation has included several policy reforms that are designed to transfer rights and responsibilities from central agencies to local agencies and communities, including the devolution of political, administrative and fiscal powers. Decentralisation may contribute to the reduction of poverty and is considered an important element of Vietnam's poverty reduction efforts (see Table 2).

Decentralising the implementation of poverty reduction programmes, particularly in areas designated for infrastructural development, has been expressed in several policy documents. Infrastructure in poor districts and communes has been consolidated, significantly contributing to improved transport systems, reduced production costs and reduced geographic disparities. This decentralisation involves local committees being assigned as the owners of small projects implemented at the commune level. Such decentralisation was operationalised through Government Decree No. 29 (May 1998) and the Grassroots Democracy Decree (issued in 1998), and generally in line with the *doi moi* process. Both decrees aimed to improve governance at the local level by legalising people's direct participation in local decision-making as well as to establish commune-level transparency and accountability mechanisms and also at the levels above the commune for the supervision of public programmes and locally-financed projects. The procedures allowed communities to participate in planning, implementing and managing small projects. The central government heralded this change with a slogan: "The state and people work together." Clearly the state retained a significant role but also expressed a desire for expanding the role of locals in smaller projects.

Decentralisation strategies for poverty reduction must be accompanied by serious capacity-building efforts if they are to be successful. Effective poverty reduction requires strong government financial management skills, multi-year expenditure programmes and effective expenditure monitoring. It also presumes the capacity to raise revenue for development and poverty reduction and this calls for efficient tax administration. In addition, improvements are required in statistical collection to ensure better poverty and social impact analysis and to facilitate more effective monitoring of poverty reduction progress. Improvements in the capacity to deliver public services, and

Table 2. Local government and decentralisation reform in policy documents.

Decentralisation reform efforts

- Constitutions of Vietnam 1946, 1959, 1980, 1992 and 2013
 - Executive Order 1945
 - Law on Local Governments 1958, 2015
 - Law on Organisation of the People's Council and the Administrative Committees at All Levels
 - Laws on the Organisation of the People's Council and the People's Committee, 1983, 1989 and 1994
 - Law on Election of Deputies to the National Assembly (1997), revised in 2001 and 2010
 - Law on Election of Deputies to People's Councils (2003), revised in 2010
 - Law on Election of Deputies to the National Assembly and Deputies to People's Councils (2015)
 - Law on Oversight Activities of the National Assembly and People's Councils (2016)
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Source: Adapted from Brillantes (2016).

especially to the poor, are crucial in efficiently moving tax revenue and foreign aid to poverty reduction.

Vietnam's experience with decentralisation is part of a broader transformation involving marketisation and poverty reduction. Aside from the role of decentralisation and its institutions in promoting pro-poor economic growth, the provision of public services has been important. One sector with clear successes is health. Commune health centres have been established or re-established across the country, with service and utilisation rates equal to or better than other countries in the region. The commune-level health system has advanced considerably since the central government started paying staff salaries in the early 1990s. Meanwhile, the decentralisation of health service delivery has helped reduce infant mortality and morbidity, particularly for poor families.

Ensuring Good Governance for Poverty Reduction

Vietnam's official approach to poverty reduction stresses "pro-poor" good governance. The policy states that its:

Objective is to build a healthy, effective, efficient and accountable State Administration at all levels that can develop policies and provide services to meet people's needs, to encourage the creation of opportunities for the poor and the disadvantaged in order to help them realize their potential. To achieve this objective, it is necessary to establish a transparent State administration with a simple organizational structure and a contingent of government staff and civil servants whose quality, capability, profession and qualifications meet the country's for, defining good governance as "the process of translating societal demands into choices, resulting in policy formulation and implementation requirements for socio-economic development" (Government of Vietnam 2003, 53–54).

For the state, good governance for poverty reduction comprises: (i) integrating economic, social and physical development for poverty reduction; (ii) creating accountability in the use of public funds in the interests of the poor; (iii) building national capacities for pro-poor policy formulation and implementation; (iv) improving administration and private sector participation for better service delivery to the poor; (v) shifting decision making nearer to the poor and helping the poor to organise themselves; (vi) preventing corruption as it most negatively impacts the poor; (vii) strengthening the rule of law with clearly pro-poor enforcement procedures; and (viii) involving, in a participatory way, a diversified range of stakeholders including non-governmental organisations (NGOs) representing the poor. "Vietnam 2010: Entering the 21st Century" identified the state's five key areas for improved governance: (i) a stronger, more efficient public service which is capable of implementing policy and delivering better services to the people at all levels; (ii) better and more transparent public financial management; (iii) wider access to justice and ensuring that the same rules apply to all; (iv) more participatory and responsive government, particularly at the local level; (v) a government which fights corruption and waste at all levels (see Agrawal 2001).

There are several projects that contribute to the state's strategies for achieving good governance. Examples include: supporting multi-stakeholder coalitions to be effective advocates for achieving good governance; promoting responsible cross-border infrastructure investments; using mobile phone "scorecards" to improve public administration services;

increasing public budget transparency and accountability; and encouraging a fair and accountable fiscal policy to ensure equitable health services and job creation.

Good governance was tagged as one of the pillars of the state's Poverty Reduction Strategy (Government of Vietnam 2003, 53–54). In promoting the Poverty Reduction Strategy, the state has involved NGOs in capacity building. For example, Oxfam's good governance programme is focused on ensuring that ethnic minorities and the poor have increased access to information and feel confident about raising their voices with government (Oxfam 2014). Four key outcomes of the poverty framework that good governance can help achieve are: (i) empowering the poor, in particular by improving transparency and the poor's participation in governance; (ii) improving coverage, efficiency, effectiveness and sustainability of basic services; (iii) improving the poor's access to markets so that they can improve their standard of living in the market economy; and (iv) providing security from economic shocks and from corruption, crime and violence (Government of Vietnam 2003, 36–55, 64–69, 94–97, 116, 136, 155).

Rule of law has been allocated a significant role in establishing good governance. Since 2005, the Vietnam government has issued more than 70 legal documents on poverty reduction, including two important government resolutions on rapid and sustainable poverty reduction.³ In addition, Party Central Committee Resolution No. 15-NQ/TW (June 1, 2012) on some issues of social policy in the period of 2012–2020 identified strategies for job creation and poverty reduction and continued giving priority to poverty reduction, especially targeting the poorest districts and regions with high ethnic minority concentrations. The government continues to review and propose amendments to poverty reduction policies in accordance with Decision No. 2324/QĐ-TT (December 19, 2014) and a prime ministerial Plan of Action to implement Resolution No. 76/2014/QH13 of the National Assembly to accelerate sustainable poverty reduction programmes and achieve targets set for 2020. This includes efforts that are widely used in other countries, including in the West, to reduce poverty through direct assistance while also adopting market-led strategies that gradually increase lending and conditional assistance and repayment to encourage poor households and near-poor households to escape poverty. Attention is also given to building and replicating effective models of poverty reduction as well as production and consumption so that poor households and regions can access markets.

Public Administration and the Challenges of Poverty Reduction

A prerequisite for poverty reduction is political will and commitment on the part of the government. The government is the key actor with whom other groups, such as civil society and international organisations, can co-operate in the fight against poverty. It is the government that must commit to and deliver on reforms such as decentralisation. In addition, in the areas where poverty remains a problem, because these areas are often remote and lacking in basic services, it means the state's role becomes critical (see Can 2013).

The strides taken in poverty reduction and the expansion of social and economic development indicate that the party and the state have been committed to the task of expanding incomes, reducing poverty and hunger and enhancing infrastructure. Even

so, there remain stubborn pockets of poverty that require careful targeting and the state's attention.

Limits to Poverty Reduction

Despite its successes in poverty reduction, the government still faces several challenges in sustaining its achievements and extending poverty reduction more comprehensively.

First, the poverty rate remains stubbornly high in remote areas, especially in the mountainous regions in the north, the central coastal region and the Central Highlands. In these areas there is a high proportion of ethnic minorities. In many areas, the poverty rate remains above 50%.

Second, some anti-poverty policies require heavy subsidies which can develop as a state paternalism and lead to an over-reliance on state support and subsidies. For example, decentralisation cannot successfully proceed without access to adequate resources, including budget. Yet, especially in areas with limited local resources the reliance on state support can become a dependency.

Third, poverty reduction has not proven sustainable for all families. Poverty gains are fragile and a proportion of the population, particularly in rural areas and among ethnic minorities, is vulnerable to falling back into poverty. According to the Vietnam Household Living Standard Survey 2012, the proportion of non-poor households falling back into poverty accounted for around 30% of the total number of poor households (General Statistics Office 2012). At the same time, disparities between regions and population groups have not been narrowed.

Fourth, gender remains an indicator of poverty, with women suffering some of the largest economic disparities, based on limited employment opportunities compared with men, pay gaps, a lack of female leadership roles and poor employment conditions in sectors where women are employed. These limits negatively affect women's earning capacity and economic security.

Fifth, there are poverty issues that have emerged in urban areas where large numbers of migrants are in the informal sector. In this sector, conditions and pay tend to be inferior and migrants are not easily brought into social assistance programmes. Because some are transient and seasonal migrants, they do not have access to social assistance programmes which remain largely based on official residence in local administrative areas.

To continue to reduce poverty and achieve the state's objectives set for 2020, Vietnam's government will need to fully account for people's basic needs while satisfactorily fulfilling demand for education, health care, environmental quality, equality and access to services, among other things. The state's response to poverty must reflect the current nature of poverty, which poses challenges that were not evident in the era when poverty was more widespread. This requires new poverty lines that reflect a multi-dimensional approach to support poor people, communes and regions in identifying poverty gaps and determining the most appropriate means to address these.

Challenges for Public Administration

There are several challenges facing public administration for poverty reduction. Four deserve our attention here.

First, constraints in co-ordination and integration of the policies and resources for poverty reduction are the responsibility of multiple agencies and levels of government. This becomes an obstacle to the realisation of poverty reduction strategies. To achieve cost-effectiveness, it is essential to reduce these overlapping responsibilities and roles in poverty policy development and the implementation of projects and programmes.

Second, there remain limitations in resource mobilisation and allocation. Resources for poverty reduction in many state programmes and projects have been concentrated on infrastructure development. Although the state prioritised investment resources for poor districts, especially difficult communes and ethnic minority and mountainous areas, the level of investment and support is low compared with real demand for these services. It is also seen that policies to support near-poor households and households which have just escaped poverty have been promulgated too slowly. Apart from limited resources, when resource allocation has been delayed or ignored, the progress and quality of programmes and project implementation are threatened and impacts potentially reduced.

Third, credit policies for poverty have not been adequately associated with training programmes, capacity building and consideration of the position of the poor in production. A lack of close linkages with agricultural extension policies also limits the effectiveness of credit policies that are meant to spur production. New loans may increase total income but not necessarily result in a change in income structure for the poor. When credit does not change income structure, poor families can find themselves caught in a debt trap.

Fourth, unsustainable poverty reduction challenges public administration. This results from imprecise beneficiary determination, lack of qualified human resources, high expectations in comparison to available resources, a bad combination of different resources such as mobilising financial resources for poverty reduction where the high cost of finance and the complexity of debt servicing reduces the availability of financial resources for poverty alleviation.

These challenges mean that poverty reduction in Vietnam is not always sustainable. In fact, the proportion of households falling back into poverty remains high while the proportion of households escaping poverty during the recent years has decreased. In addition, there are widening inequality gaps between the rich and the poor and between regions and social classes. Even if absolute poverty may be eradicated, the issue of relative poverty remains, with widening income and wealth gaps between ethnic classes, sectors and regions. These gaps will pose critical challenges for poverty alleviation in the future. Poverty reduction will require more effort from the government, society and the poor themselves.

On Further Reducing Poverty

There are possible solutions to the above-mentioned shortcomings and constraints. First, further economic reforms that promote inclusive growth will generate further resources for sustainable poverty reduction and can reduce and limit the gap between regions and groups. Second, strengthening proactive measures to support the poor such as active labour market policies involving credit, vocational training and employment connections for poor households may ameliorate poverty. Third, ensuring resources and increasing medium-term investment by the state for poverty reduction is

important. These resources need to better prioritise allocation, promote the effective use of resources and ensure a more effective integration of policies and resources. Fourth, readjusting policies on preferential credit for poor and near-poor households must better align with the characteristics and resource bases of regions, production and businesses of households. This also requires the adjustment of loan amounts, interest rates and loan terms to be consistent with policies of economic development in each region. Fifth, state policies and programmes on poverty reduction must ensure the effective use of resources. Sixth, the state must focus on solving the problem of landless ethnic minority households. Where land is unavailable, programmes to target assistance such as vocational training and job creation must be promoted.

Conclusions

Public administration reform can be an engine for economic development and poverty reduction. Vietnam's social and economic development goals will require a public administration that can continue to address the challenges and deliver the promise of a higher standard of living and greater prosperity for all people.

The commitment of the state to poverty alleviation is evident in its strong institutional and budgetary support, including the promotion of a supportive and efficient public sector that ensures effective delivery mechanisms through planning and implementation co-ordination. The state's plan aims to improve income and living conditions for the poor, increasing the per capita income of poor households to 150% and of those living in disadvantaged districts by 200% by 2020, as compared with 2015. Poverty will remain an issue and an important agenda for development.

Notes

1. The national target programme on sustainable poverty reduction for the 2016–2020 period has a total budget of VND48.397 billion (over US\$2 billion) (*Nhandan Online*, September 5, 2016).
2. A near-poor household is one where per capita income exceeds the official poverty line but does not exceed the minimum living standard and it is considered deprived in three or more of ten indicators of basic services.
3. Resolution No. 30a/2008/NQ-CP on December 27, 2008 of the Government on the Programme to Support Rapid and Sustainable Poverty Reduction in 61 Poor Districts and Resolution No. 80/NQ-CP on May 19, 2011 of the Government on Orientations for Sustainable Poverty Reduction in the Period of 2011–2020.

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