

Implementation of Poverty Reduction Policies: An Analysis of National Targeted Program for Poverty Reduction in the Northwest Region of Vietnam

Do Kim Chung
Nguyen Phuong Le
Luu Van Duy

Faculty of Economics and Rural Development
Vietnam National University of Agriculture
Trau Quy Commune
Gia Lam District
Hanoi, Vietnam

Abstract

This paper examines policy implementation process for poverty reduction in the Northwest region, Vietnam where poverty rate is still almost triple in comparison with national average. Among several reasons, weaknesses in policy implementation play a crucial part. Based on secondary and primary data which collected from six provinces in the region, findings indicated that inaccurate beneficiary determination, top-down planning approach, lack of resource, misused resources, slow decentralizing process and improper monitoring system were key constraints in policy implementation for poverty reduction in the region. The study therefore, recommends that (i) planning process should be decentralized to commune level; (ii) resource mobilization and allocation should be handled by local government; (iii) a package support for a commune is ideal to enhance the effectiveness of poverty reduction policy implementation; and (iv) a good poverty monitoring system should be based on local community's participation.

Keywords: Policy, Implementation, Poverty, Reduction, Northwest, Vietnam

1. Introduction

National targeted program for poverty reduction is one of the important social security policy issues in the socio-economic development strategy of Vietnamese government and has received much attention of the society. The program has been implemented to help keep a balance between economic growth and equity and social progress, contribute to maintain social stability, sustainable development and fulfill Vietnam's international commitments. Vietnam's achievements in poverty reduction have been recognized by the world public and people. Since the year 1998 to present, poverty reduction has been considered as the national targeted program and always included in the every 5-year-plan. A number of resolutions, directives, strategies and decisions on poverty reduction including national target program on poverty reduction, socio-economic development programs, and special program such as No.134, No.135, No. 167¹, Resolution No.30A and Decision No.80 have been promulgated. These programs have created significant positive outcomes such as economic growth, social equity performance, social security not only for the poor, but also for people in extremely remote and difficulty areas. Poverty rate of Vietnam by national poverty line² has rapidly declined from 22% in 2005 to 9.45% in 2010 and 6% in 2014 (MOLISA, 2015). The poor and has better accessed to economic resources including finance, land, technology, infrastructure and markets. Their accessibility to basic social services such as education, health, clean water and legal aid has been remarkably improved. The aforementioned achievements are attributed to the country's comprehensive strategies on economic growth and poverty reduction, in line with global trends.

¹ Named by Number of Decision by Vietnam's Central Government

² National Poverty line is defined as people whose monthly income per capita is lower than VND 400,000 for rural area and VND 500,000 for urban one are considered as poor.

However, there are a number of issues related to Vietnam's reduction and elimination of poverty which need to be resolved such as poverty reduction results are not often sustainable, proportion of households falling back to poor groups is still high compared to total households getting out of poverty, gaps between the rich and the poor, between regions and groups are widening. Mostly, the poor people lived in rural areas, especially in extremely difficulty areas and belong to ethnic minorities group in Northwestern region. The Northwestern region consists of 12 provinces and 21 districts of western parts of Nghe and Thanh Hoa provinces has population of 11.6 million people with 34 ethnic minorities (63% of total ethnic minorities of the country). Poverty rate of the Northwestern region in 2014 was triple (18.22%) as compared to national averaged poverty rate. The region occupied 89% of total poor districts³ of the country. The poor in general and the Northwestern region in particular are highly vulnerable, easy to fall back into the poverty group when facing natural, social and economic shocks. According to Ministry of Labor, Invalids and Social Affairs (MOLISA), among three households those who overcome poverty, one will be back poor situation (Nam Phuong, 2014). One of the most important reasons for unsustainable poverty reduction are that: policy implementation of poverty reduction is not highly successful enough such as imprecise beneficiary determination, lack of qualified human resources, high expectation in comparison with available resources, bad combination of different resources and so on. Based on data and information collected from six provinces in the Northwestern region of Vietnam, this paper aims to: (i) make an overview of poverty reduction policies and programs which have been implemented in the region; (ii) analyze achievements and shortcomings of policy implementation process; and (iii) draw recommendations for changing the way of policy implementation.

2. Methodology

The study is based on both secondary and primary data and information. Secondary data which is related to poverty policies and programs is collected from published reports and documents. Whereas, the primary data and information are gathered by semi-structural and in-depth interviews and focused group discussions with 120 policy implementers who have been working at provincial, district, and commune levels in six selected Northwestern provinces including Lang Son, Ha Giang, Hoa Binh, Son La, Lao Cai and Thanh Hoa. Besides, 360 representative beneficiaries those who are defined as poor in six provinces were interviewed. The collected data and information are processed and analyzed by SPSS software. The study employed statistical analysis including Pearson Correlation and scoring in policy impacts.

3. Results and Discussion

3.1 Overview of Poverty Reduction Programs Implemented in Northwest Region

Since the time of Doi Moi (*renovation*) policy, especially after 5th Plenum of the 7th Party Central Committee in 1992, hunger eradication and poverty reduction have been identified as one of the key tasks of the socio-economic development plans in Vietnam. Based on the orientations for poverty reduction, a system of policies on comprehensive poverty reduction has been formulated for poor, poor households and poor communities including poor disadvantaged communes, poor districts and poor villages⁴. This includes the National Targeted Program on sustainable Poverty Reduction, the Programs for Socio-Economic Development in the mountainous and ethnic minority regions implemented under Decision No. 135/1998/QĐ-TTg of Vietnamese government (denoted as Program 135: phases I, II and III) in the 5-year plans, Resolution N0.30a/2008/NQ-CP on a Program of Rapid and Sustainable Poverty Reduction for 64 poor districts, Resolution N0. 80NQ-CP in 2011 on Sustainable Poverty reduction Orientation in the 2011-2020 period and National Targeted Program for Sustainable Poverty Reduction in 2012-2015 period and regional economic development programs incorporated with poverty reduction including socio-economic development programs for border areas, and socio-economic development assistance programs for the North Central, Central Coastal, Central Highlands regions, the Mekong river delta and the Northwestern mountainous regions. All poverty reduction policies and programs have focused on eight following aspects, namely livelihood improvement for the poor, educational support for the poor, health care, legal support, and special support for ethnic minority groups (Table 1). Thanks to the implementation all programs, Vietnam has made a remarkable achievement in lifting its large number of poor out of poverty as earlier mentioned.

³ A poor village, poor commune or poor district are those where poverty rate (poverty head counts) is more than 50% of total households in the village, commune or district

⁴ A poor village, poor commune or poor district are those where poverty rate (poverty head counts) is more than 50% of total households in the village, commune or district.

However, each policy aspect has been issued in several documents. For example, the credit policies for the rural poor were expressed in 25 documents (Table 1). This situation resulted in fragmentation of resource allocation and overlaps in terms of beneficiaries and targeted areas as reported by 74 percent and 55 percent of provincial and district officials, respectively. Furthermore, the limited state budget has been allocated to several parts for different programs, thus financial support for each program met only 40-45% of budget requirements, inhibiting an attainment of the expected outcomes.

3.2 Organizations for Policy Implementation of Poverty Reduction in Northwest Region

All national targeted programs for poverty reduction in Vietnam have been conducted at four levels including national, provincial, district and commune. At national level, MOLISA is assigned to manage almost all programs of poverty reduction. Besides, other functional ministries such as Committee for Ethnic Minorities Affairs (CEMA), Ministry of Agriculture and Rural Development (MARD), Ministry of Finance (MF), Ministry of Planning and Investment (MPI), Ministry of Health, Ministry of Education and Training, Ministries of Construction and Transportation, and Vietnam Bank for Social Policies. Organizations of civil society such as Women's Association, Farmer's Association, and Youth Union work together with functional ministries in policy implementation. Further, civil societies help government monitor poverty reduction programs. At provincial level, the people committee is responsible for allocation, use and management of resources for poverty reduction. The implementation process is mostly assigned to people committee at district level. All six Northwest selected provinces have *the steering committees for poverty reduction* (Fig. 1). The provincial steering committee for poverty reduction is usually led by a chairman of people committee. Members of the committee come from almost all functional departments such as Provincial Committee for Ethnic Minorities Affairs, Department of Agriculture and Rural Development, Department of Finance (DF), Department of Planning and Investment (DPI), Department of Health, Department of Education and Training, Department of Transportation, and Vietnam Bank for Social Policies. The committee is operated by and located at Department of Labor, Invalids and Social Affairs (DOLISA). DPI and DF play an important role in planning, finance provision and operation of poverty reduction programs. DOLISA is assigned as a representative to coordinate poverty reduction policy implementation at the province level. It is also responsible for synthesizing, managing and proposing the ways in which budget should be allocated for different purposes. However, according to provincial office of poverty reduction in Son La and Ha Giang provinces, it was very difficult for DOLISA to play its role in implementation of poverty reduction policy because plan making, policy implementing, and budget allocating are mostly done by DPI and DF.

A steering committee normally includes 10 to 21 members. Each member in provincial steering committee for poverty reduction is assigned for particular tasks based on their host departments, for example one who comes from Department of Agriculture and Rural Development will be responsible for implementation of policies supporting agricultural production of poor households. All members worked part-time and spend very little time on such work. Evidences from six selected provinces shows that apart from participating in the steering committee for poverty reduction, almost all members work in other steering committees such as national target program of new countryside development, national target program of health, national target program of education and so forth. Averagely, a person participates in more than five steering committees. Particularly, some persons work as members of more than twenty steering committees (Ha Giang, Son La and Thanh Hoa provinces) and others work as members of 30 steering committees (Lao Cai province). Some members cannot remember how many steering committees they have participated in. As a consequence, contribution of committee members to policy implementation is extremely limited while budget for committee running is still quite high.

3.3 Achievements of Policy Implementation of Poverty Reduction in Northwest Region

Vietnam has attained impressive results in poverty reduction. The poverty rate of Vietnam dropped from 57.7% in 1992 to 9.45% in 2010 and 6% in 2014, lifting some 30 million people out of poverty (UNDP, 2015). Poverty rate of the Northwestern region also dropped from 33.0% in 2011 to 18.22% in 2014. The poverty rate of 45 poor districts in the Northwestern region declined from 58.33% in 2011 to 32.22% in 2014. Annually, poverty rate reduced more than 2.5% at regional level and 6% at the poor district level while the targeted one was 2.0% for whole region and 4.0% for the poor districts. By beginning of 2015, there were 7 of 45 poor districts in the region moved out of the poor district list. The Northwestern region has attained its poverty reduction targets. The impressive achievement in poverty reduction in the Northwest region was basically attributed by poverty reduction policy implementation.

When asking the question whether policy implementation has positively impacted on poverty reduction in the location, most of government officials highly appreciated influences of poverty reduction programs. Up to 54.4% of provincial respondents perceived that poverty reduction programs which have been implemented in their localities resulted strong impacts on income improvement. Chart 1 shows that among 8 aspects including infrastructure, agriculture, housing, health care, education and water supply are considered as the most strongly influence factors for poverty reduction. There is a big difference in opinions between the rural poor and local officials in terms of the effect of poverty reduction programs. To answer the question how poverty reduction programs impacted on household's income during the last 5 years, about 58% of local respondents reported that their income has not been changed while about 30% of those responded that their income was increased (Table 2). This explains the fact that the current poverty rate in Northwest region is 18.22% which is triple compared national average (6%). There is an urgent need to redesign the programs and policies which targeting to uplift the poor's income. The main reasons for people falling into poverty groups found in the provinces under study were: lacks of financial capital (49.13%), farmland (18.10%), productive assets and equipments (16.74%), labor (10.14%), poor productive skills and know-how (16.74%) and others (unemployment, illness, high dependent ratio and so on). Therefore, almost all poverty reduction programs have tended to provide the poor with credit, agricultural inputs, job opportunity creation, education, training, and other direct help. However, this way of intervention comes from a linear thinking of both national and local authorities. In fact, causes of poverty varied from one household, one area to others. Many policy intervention such exploration of new farm lands for the poor, training ethnic minority workers to go abroad working were found infeasible and did not fully meet needs of local people. Thus, poverty reduction policies and intervention design should be based on local people's needs rather than singly relied on poverty causes.

3.4 Constraints in Policy Implementation of Poverty Reduction in the Northwest Region

According to Maduabum (2006), policy implementation is critical to the success of any policy since it constitutes the epicenter of the policy process. It involves an identification of policy plans and activities, a clear definition of the distinct roles of implementation organizations or agencies, details of strategies and necessary linkages and coordinating mechanisms, as well as resources (human, financial, material, technology, information acquisition and utilization). Efficient and effective policy implementation would require inputs of sound managerial and administrative capabilities in terms of proper activity scheduling, resource mobilization and rationalization, network analysis, budgeting, supervision, problem-solving, decision making and cost/benefit analysis. With regard to Maduabum's viewpoint, this research investigates how poverty reduction programs have been implemented in the Northwest region of Vietnam from beneficiary determination to plan making, activity scheduling, resource mobilization, project integration, program monitoring and evaluation.

3.4.1 Policy Target Identification and Beneficiary Determination

According to MOLISA's procedure, the data collection of poor households starts at Commune level where a Commune survey board is established to review household well being. This board includes the heads of villages and representatives from associations and unions. The survey board reviews the poverty situation in a fully participatory manner and submits results to a District Survey Board for approval and subsequently to the Commune People's Committee to include a new list of those who have not escaped from poverty. The assessment is based on those households judged to be below the poverty line which are then listed. At the commune level, the village headmen and the communal officials play an important role in determining precise figures for the rate of poverty of the people (Fig 2). There are two groups of households which are analyzed: the poor households and close to the poor households⁵. The poor households may include those of the previous year, but that are perhaps no more poor in the revised year while other households who were not poor last year but have become poor during the revised year were not fully included in the poor household list. Thus, the poor household list for policy supports may not fully include the real poor households but still consist of the non-poor ones. Furthermore, the households who just moved out of the poor group but their income was close to poverty line (call close to the poor ones), are highly vulnerable to natural, economic and social shocks. They also need further supports to ensure their ability to not falling back into poor group. *Thus, improving procedure to identify beneficiaries for poverty reduction is important.*

⁵ Household close to the poor are those whose monthly income per capita from VND 401,000 to VND 520,000 in rural areas and VND 501,000-650,000 in urban one

The reality is shown that MOLISA's procedure of poor household determination revealed three problems. *First, the most serious problem is improper determination of poor household.* The reason is the fact that according the procedure, local authorities, especially those at village and commune levels were assigned too much power to determine the poverty situation at their location. Additionally, villagers practice every day politics in order to draw state supports. If local authorities could not work well, real poor households would not be defined and may be out of the list of the poor group. *Second problem of the procedure is its statics.* As a result, at the time of poverty determination, their monetary income rose above the national poverty line, but the real ability of these households to overcome social and economic shocks remains low and therefore the need of social protection is required. However, this category of households receives very little, because the issue was not much considered by local government and social associations. This form of exclusion is derived from the definition of the MOLISA that determines who will get the status of "poor household" and to benefit from subsidies. *Third problem is an overlap of beneficiaries of different supportive policies and programs,* especially those who live in mountainous and remote areas. These people are supported by both poverty reduction strategies and prioritized policies for extreme difficult regions. Thus, the current procedure needs to be improved to overcome the three mentioned policy shortcomings. *The question of who are poor need to be answered by the poor and their community through participatory approach and need to be considered as a process.*

3.4.2 Planning for Policy Implementation of Poverty Reduction

Planning provides a 'map' of how an initiative will be implemented, addressing matters such as timeframe, dependencies with other policies or activities, program logic, phases of implementation, roles and responsibilities, resourcing, and compliance with legal and policy requirements (Australian National Audit Office, 2014). Results of field study in six Northwest provinces indicate that all plans of national poverty reduction programs have been made by semi-participatory approach. According to program N0.135, a plan making process for local infrastructure development is normally taken place as following: *"Provincial Committee for Ethnic Minorities Affairs annually announces available financial capital to all targeted communes. Based on the announcement, commune people committee determines priority for investment together with social organizations such as communist party unit, women's union, youth union, and others. A detailed proposal for priority project will be developed to send to district steering committee. If the proposal is approved, it will be then sent to provincial steering committee. Finally, the commune proposal will be approved if it is suitable to priority projects which have been issued by provincial steering committee."* (Mr. Dinh Van Duc, Head of Provincial CEMA, Hoa Binh province). This means that poverty reduction programs have allowed related stakeholders to participate in planning process. However, in most of the communes under study development of socioeconomic as well as poverty reduction plans are found practiced in a conventional manner. The task of planning is handled primarily by a number of commune cadres without the participation of beneficiaries. The content of these plans is almost identical each year. Commune plans are normally submitted to the district level. However, district-level agencies seldom use these commune plans as an input to district plans. A number of local projects which are invested by poverty reduction programs are still determined by top-down approach. Up to 40 percent respondents at provincial level ranked suitability of planning approach as weak and 15 percent supposed that priority projects made by provincial steering committee are not proper to commune conditions.

Experiences from implementing international projects for poverty reduction in Hoa Binh, Lao Cai, Son La and Thanh Hoa provinces reveals that planning will be properly made if it is totally assigned to community from priority determination to timing and resourcing. According to the new planning approach, information collection has been conducted in all the villages and with all the agencies and mass organizations in the commune. Villagers actively participated in the discussions at village meetings. The commune planning conference was also evaluated by grassroots cadres, as it was able to mobilize the participation of leaders and staff of commune and village agencies. The new approach is more progressive than the conventional approach because it accommodates a wider range of participation and ensures that proposed recommendations respond to the needs of villagers, line departments, and agencies in the commune. Thanks to this decentralization, up to 30 percent of poor communes in these provinces can make practical and highly feasible plans for poverty reduction. However, the surveyed data in six provinces indicated that only 50 percent of provincial and district authorities agreed to decentralize planning to commune level, especially in the fields of infrastructural development and production support.

3.4.3 Resource Mobilization and Allocation for Poverty Reduction Programs

Even if the state resources are allocated at right amount and on time, they are still so limited that they have never met financial needs for socio-economic development and poverty reduction. Moreover, the limited resources have been divided into small parts for several national targeted programs. As a consequence, most of poverty reduction policy implementers faced a problem of inadequate budget in order to achieve the proposed objectives. The data from six studied provinces shows that the state budget annually meets only 60-70 percent of investment as compared with the planned one. Particularly, the national budget allocated to poverty reduction just met 40-45% of total budget required during 2011-2014 period (MOLISA, 2015). Another problem comes from government's program design. As mentioned above, there were 16 national targeted development programs which were parallel implemented in the Northwest region. Some programs have similar components and activities all targeted to the poor, poor communes and poor districts but they differ one another in terms of procedures, resource allocation and ways of monitoring and management. About 70 percent of provincial officials reported that they could not successfully integrate different budgets from different sources/programs in order to invest in a bigger project. Local governments, especially commune level, were not encouraged to take initiatives in investment in accordance with local needs. For example, some communes in Son La province have been provided budget to build a stretch of road by three different programs. Those programs have never been integrated one another, but each of them invested in a specific part of the road. These burden work to local officials in managing program and project (duplication of project proposals, reports, monitoring regulation to meet different requirements of different donors).

Although resource mobilization from different stakeholders such as funding from international organizations, enterprises and local people has been considered as an important factor for success of policy implementation, the reality shows the share of local resource contribution in total budget spent in the poverty reduction program was small (less than 30%). The main reason for this fact was that local governments have no clear mechanism for resource mobilization. Most contribution of local people was in forms of labor and/or materials. All case studies indicate that the local governments only call for contribution from private sector as a type of social responsibility (granting scholarships, houses, foods and ect.) Poor governance has weakened the state and its capacity in implementation of poverty reduction programs in the Northwestern. It was discovered that in some cases, the state budget has been misused. It is established that cases of funds approved for certain beneficiaries were diverted to different beneficiaries, thus making it impossible for such funds to be recovered. Apart from misusing, corruption also makes the state budget is not effectively utilized. This argument can be demonstrated by comparing provincial competitiveness index (PCI) among the selected provinces (Table 3). PCI is used to evaluate and rank the province's governance capacity of provincial line departments as well as people's committee in policy implementation at provincial level⁶. Annually, Vietnam Chamber of Commerce and Industry (VCCI) conducts surveys, analyzes province's business environment and governance index and rank PCI of particular province among 63 provinces of whole country. The most governance province is ranked at number 1 and the least stands at number 63. Result of Pearson Correlation Analysis in Table 3 shows that change in PCI strongly correlated with change in poverty rate at value of -0.827 and significant 2 tailed at 0.4% level. This means that more transparent in policy implementation (as higher PCI rank) is, the faster poverty rate declined. Nevertheless, this correlation is not completely appropriate for all provinces because the data and which is used to calculate PCI is collected from enterprises rather than from the poor. In addition, the information mostly focuses on policies that much relate to enterprise support rather than poverty reduction.

3.4.4 Decentralization in Implementing Poverty Reduction Programs

Decentralization in implementation of poverty reduction programs, particularly in infrastructural development area, has been expressed in a number of policy documents. For example, the program N0.135 regulated that commune people committee can be assigned as an owner of small projects implemented within the commune scale. The procedures of decentralizing and empowering to communities in planning, implementing and managing small projects are clearly expressed in slogan of "The state and people work together" (Oxfarm 2014).

⁶ PCI includes 10 component indicator groups (joining markets, access to land resource and sustainability of land use, transparency, cost of time, informal costs paid, innovativeness of leadership, enterprise supportive service, training or workers, legal mechanism, administration reform with score at 100 points to evaluate province's governance capacity.

A number of districts and provinces provided communes with materials including cement, sand and rock in order to build rural road and irrigation systems. Local people actively built themselves as volunteer workers. However, there is a big gap between written documents and practice in terms of decentralization and empowerment in project implementation. There were less than 40% of communes have been assigned as active owners of the projects under the program N0.135 and others. Most of infrastructural projects which have been invested by the program 30a are implemented and managed by district people's committee. The communes' people committees who were assigned to manage their own projects could not work as active owners because of the fact that main activities including project design and implementation are done by district people's committee or outside contractors and sub-contractors. In some cases, the contractors and sub-contractors had to corrupt officials in order to get project work.

In reality, local governments are not able to know exactly how much budget available they would be allocated in every fiscal year. The reasons for this are that: (i) unwillingness from central government for decentralizing resource allocation and planning to provincial ones, and from provincial government to district and commune levels; and (ii) the local government, especially commune people committees are not confident enough when they are fully assigned to be owners make project plans as well as use a package budget for poverty reduction programs. In order to decentralize the implementation of poverty reduction programs to community, a package support is an ideal for policy implementation of poverty reduction. Package support means that a provinces, districts or communes are allocated a particular amount of state budget corresponding to poverty reduction targets and they can initiatively decide how the budget should be used in accordance with their communities' need (PRPP, 2014). By so doing, the state budget would be used more effectively. Experiences in managing Commune Development Fund (CDF) in Hoa Binh, Lao Cai, Ha Giang, Thanh Hoa, Son La provinces reveal obvious roles of decentralization of poverty reduction program and empowerment of local people. The commune people committees were allocated a certain amount of state budget, they are given the right what and how to use those budgets that most meet their local needs. According to CDF's regulations in Hoa Binh province, a commune is entirely granted VND 200 million⁷ (in 2011-2012), VND 250 mils (in 2013) and VND 300 mils (in 2014) in community development. The communes can decide themselves what type of project and how to invest in accordance with their needs, mostly for rural road and irrigation systems. Almost all projects which have been invested by CDF and operated by communities could save about 30 percent of total cost and better quality of work in comparison with the projects implemented by outside contractors/sub-contractors under district people committee's management. The project outputs fully meet the needs of local people, especially the poor. As a result, the poverty rates in the communes where CDF were functioning declined sustainably. The lessons learned from CDF model for poverty reduction programs in these provinces are: (i) CDF can improve effectiveness in financial utilization and management at commune level thanks to its transparency; (ii) CDF's projects are more proper to communities' need and (iii) CDF is a suitable form to decentralize planning and empower local communities for sustainable poverty reduction.

3.4.5 Poverty Reduction Program Monitoring

As shown in figure 2, the monitoring systems of poverty reduction program in Vietnam in general and the Northwest region in particular are formulated at both national and community levels. At the national wide, several surveys are conducted by MOLISA and General Statistics Office (GSO) to provide information on the different dimensions of poverty. Provincial steering committees that are represented by DOLISAs are the most important organization in managing information of poor situation. However, according to an official who has been working at the office of provincial steering committee in Son La, although DOLISA was assigned to manage all national targeted programs of poverty reduction, it has no power in planning, financing, and implementing. Based on plans that have been made by Department of Planning and Investment (DPI), Department of Finance (DF) would finance all related sectors including agriculture, industry, infrastructural construction, health care, education, and so on. The line departments were assigned to organize and implement programs within their fields. When DOLISA needs information to report to provincial people committee and MOLISA, its staff has to work so hard to collect from all line departments. Further, three main poverty reduction programs implemented in the Northwest region are managed by three organizations. DOLISA merely manages one, whereas two others are operated by Department of Ethnic Minority (program N0.135) Affairs and DPI (program 30a).

⁷ VND: Vietnamese Currency (Dong): 20,000 VND equals to one US dollar

As a consequence, the information that is provided by DOLISA in some cases is not proper for policy recommendation. To avoid the weakness of official poverty monitoring system, one such initiative is the community-based monitoring system, which aims to provide the local government units with the necessary information for diagnosing poverty at the local level and identifying the appropriate interventions. It has been recognized that participation of the communities in monitoring and evaluation of poverty reduction programs is an essential. This aspect of participation should be seen not only in the identification of problems and needs of local communities but also in implementation and monitoring of policies and programs to best meet the local needs. Experiences from CDF models in Hoa Binh and Ireland projects in Thanh Hoa showed that community's participation in monitoring not only improved quality of construction project, but also saved the resources. Further, the community-based monitoring system has a core set of indicators which are easier to collect and process in comparison with the official ones. This strategy can build the capacity and capability of local governments in using poverty statistics as inputs in formulation of development plans and as basis in formulation of poverty reduction programs and projects. It could be said that reducing poverty should be accompanied by a good poverty monitoring system. On one hand, the poverty monitoring provides planners, policy makers and local leaders with data on which to base their social and economic development plans and programs. It is also used in guiding the implementation and continuing analysis of policies and programs, so that timely action can be taken to address the weaknesses/problems detected. On the other hand, good poverty monitoring system that based on local community's participation could save the state budget as well as avoid corruption.

4. Concluding Remarks

The impacts of policies and programs to poverty reduction in Vietnam in general and the Northwest region in particular were impressive in terms infrastructural development, agricultural production, health care and education. However, there is little evidence to suggest that government policies made significant impacts in terms improving quality of life for the poor living in the rural communities in the Northwest region. Almost sixty percent of poor respondents in the studied provinces reported that government poverty reduction programs have little impacts on their income. The poverty rate in the region is still triple as compared to national poverty rate. Policy implementation fail is one of the key reasons attributed to the poor situation in the Northwest region. This study investigated that the failures of policy implementation was firstly caused by the formulation stage that did not produce the best alternative designed to suit socio-political reality and needs of the people to which the policy targeted in. The target beneficiaries were not able to actively participate in the formulation stage to express their problems and needs in policy alternatives, resulting low contribution of and weak commitment by the rural communities towards government policy implementation. Policy implementation fails happened from beneficiary determination to planning, resource mobilization and allocation, decentralization and monitoring. Evidences from the research findings in the Northwest region suggest following policy implications: (i) a planning approach should be changed in the trend of decentralization to commune level and promoting active participation of direct beneficiaries in all processes of program formulation, implementation and monitoring and evaluation; (ii) an initiative in resource mobilization and allocation should be handled to the local government, especially to commune and district levels; (iii) a package support for a commune is ideal to enhance the effectiveness and efficiencies of poverty reduction policy implementation; and (iv) a good poverty monitoring system should be based on local community's participation which can be seen as the way to save the state budget as well as to avoid corruption.

Acknowledgement

This study is funded by Program of Technology and Science for Sustainable Development in the Northwest Region, Vietnam.

References

Australian National Audit Office. (2014). Successful Implementation of Policy Initiatives: Better Practice Guide. Australian Government: Department of the Prime Minister and Cabinet.

Maduabum, C. P. (2006). The Mechanics of Public Administration in Nigeria. Lagos: Concept Publications Ltd.

MOLISA. (2015). Statistical Report of Poverty Rate in the Period of 2005 – 2014. <http://giamngheo.molisa.gov.vn/vn/NewsDetail.aspx?ID=857&CateID=56>. Access Date: 1st September.

Nam Phuong. (2014). If Three Household Overcame Poverty, One of them Will Be Poor Again (Cứ ba hộ thoát nghèo thì một hộ vào nghèo). <http://vnexpress.net/tin-tuc/thoi-su/cu-3-ho-thoat-ngheo-thi-mot-ho-vaongheo-3093695.html>, Access Date: 5th September 2015

Oxfarm. (2014). Policy Brief: Changes in Planning, Decentralization and Empowerment for Communities towards Sustainable Poverty Reduction. Pro Poor Policy Monitoring.

PRPP. (2014). Final Report of Technical Support for Management and Coordination Capacity Building for Poverty Reduction Programs and Policies in Vietnam. MOLISA.

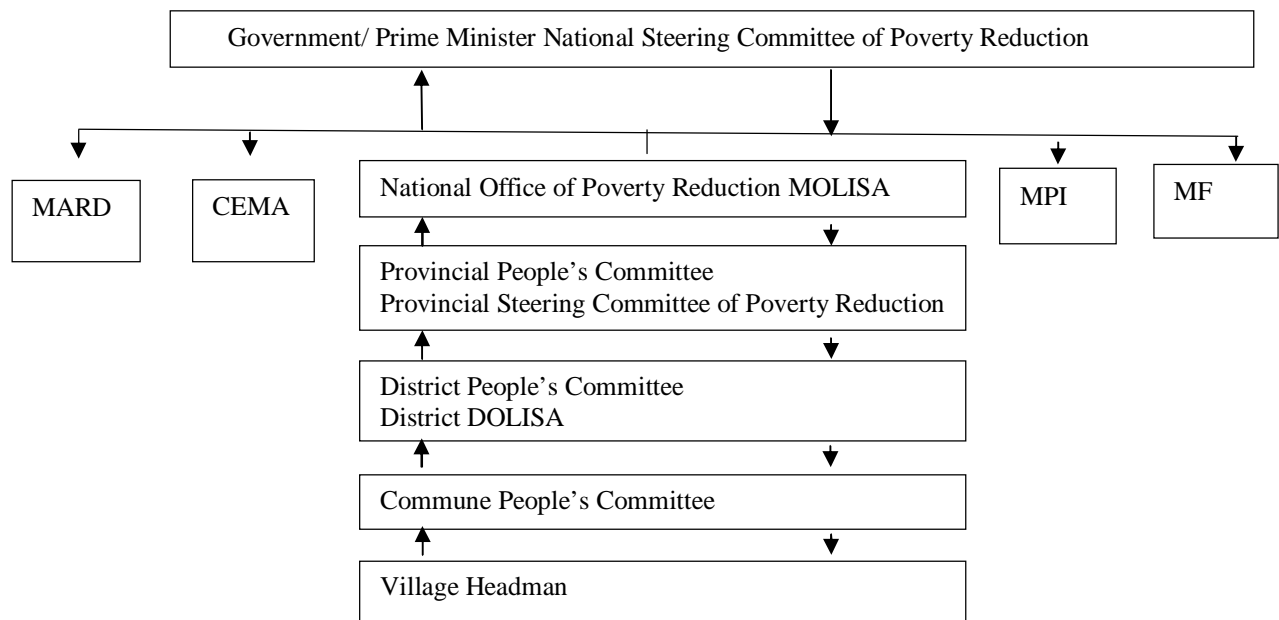
Vietnam Government. (2008). Resolution No. 30a/2008/NQ-CP of December 27, 2008, on The Support Program for Fast and Sustainable Poverty Reduction in 61 Poor Districts. <http://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Resolution-No-30a-2008-NQ-CP-of-December-27-2008-on-the-support-program-for-fast-and-sustainable-poverty-reduction-in-61-poor-districts/86655/noi-dung.aspx>. Access Date: 3rd September 2015.

Vietnam Government. (1998).“Decision No.135/1998/QĐ-TTg of July 31, 1998 To Approve the Program on Socio-economic Development in Mountainous, Deep-lying and Remote Communes with Special Difficulties. <http://web.cema.gov.vn/modules.php?name=Content&op=details&mid=4321>. Access Date: 3rd September 2015.

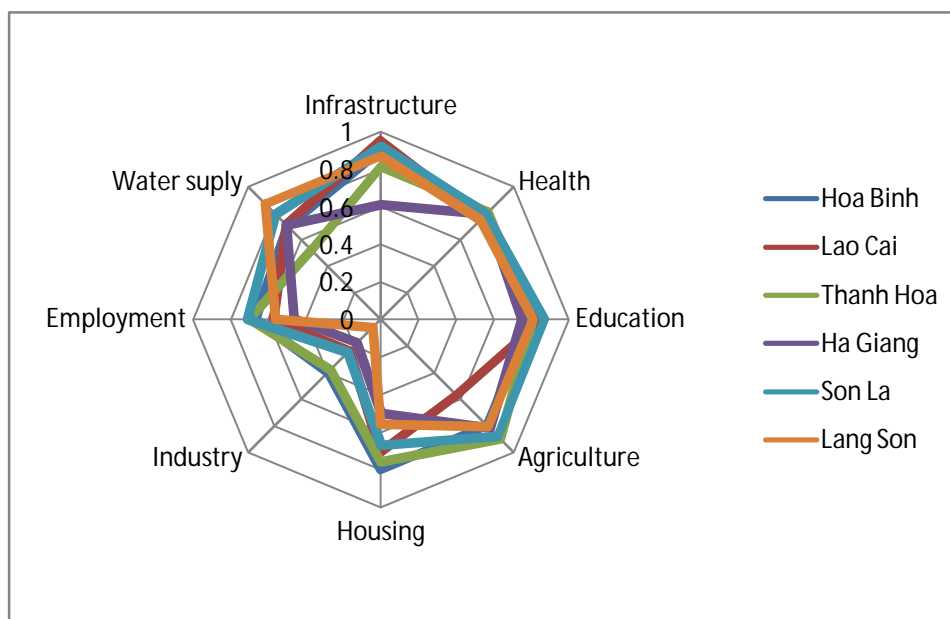
Table 1: Quantities of Policy Document for Poverty Reduction in Vietnam

Policy Area	Number of Policy Documents Enacted		
	Total policy enacted	Effective	In-effective
1. Infrastructure	05	05	0
2. Credit for the poor	25	25	0
3. Farmland	03	03	0
4. Employment	08	08	0
5. Health care	18	18	0
6. Housing	13	11	2
7. Education	15	15	0
8. Legitimate support	09	07	2
Total	96	92	4

Source: MOLISA, 2014



Chat 1: Impact of Policy / Programs on Poverty Reduction by Province as Perceived by Provincial Officials in the Northwestern Region



Note: Coefficients equals 1,0 implying that a particular program has the most strong impacts and 0 stands for the program has least impacts on poverty reduction in the province during the last 10 years

Table 2: the Poor's Evaluation of the Impacts of Poverty Reduction Programs on their Household Income

Perception of household income changes during the last five years	Ha Giang (n=60)	Hoa Binh (n=60)	Lang Son (n=60)	Lao Cai (n=60)	Son La (n=60)	Thanh Hoa (n=60)	All (n=360)
Significant Increase	2.53	4.03	1.62	8.85	7.83	4.67	5.33
Moderate Increase	16.21	25.00	14.29	46.09	59.04	8.32	29.82
No Change	68.21	67.74	81.17	41.56	24.70	80.73	57.93
Decrease	13.05	3.23	2.92	3.50	8.43	6.29	6.92

Source: Survey data, 2015

Note: Data in Table are percentages of the poor who had a particular perception of poverty reduction policy impact on household income in total surveyed respondents

Table 3: Relationship between PCI and Poverty Rate in Selected Provinces

Province	Provincial Competitiveness Index (PCI) Rank in 63 provinces of the country*		Poverty Rate (%)		2014-2010 Changes in	
	2010	2014	2010	2014	PCI rank	Poverty Rate (%)
Ha Giang	49	60	23.21	41.80	11	-18.59
Hoa Binh	60	50	15.46	31.51	-10	-16.04
Lang Son	59	54	14.90	28.34	-5	-13.44
Lao Cai	2	3	17.61	42.90	1	-25.29
Son La	62	49	23.94	37.90	-13	-13.96
Thanh Hoa	44	12	9.88	14.61	-32	-4.73

Source: MOLISA (2015) and VCCI, 2011 and 2014

Note:* PCI value of a particular province ranked in total 63 provinces of the country.

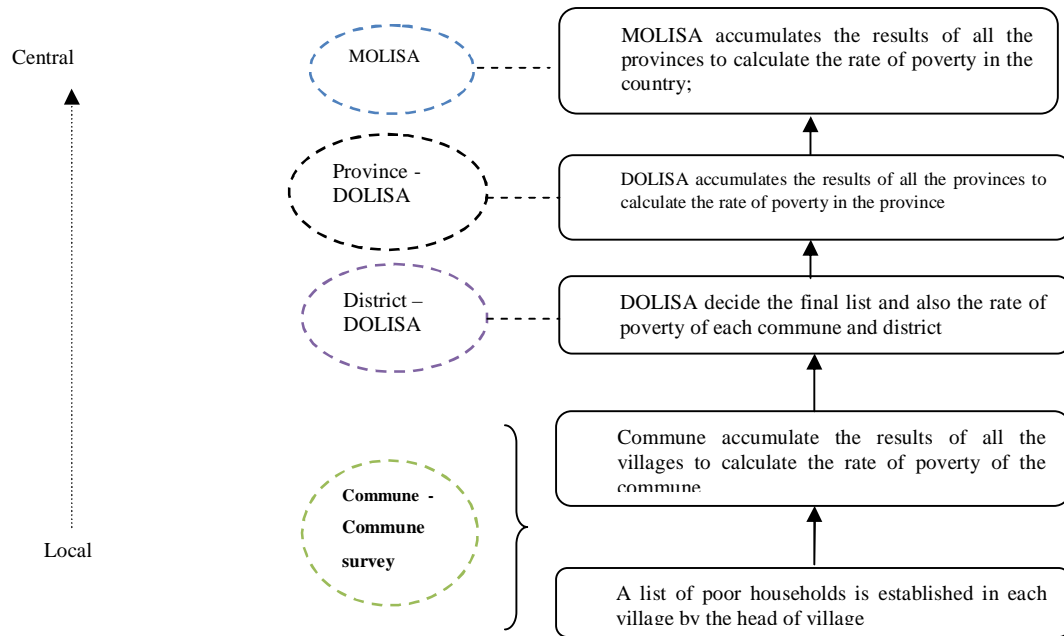


Figure 2: Level of Administrative Authority to Manage Poor