

# Mind the Gap

A widening gulf in living standards threatens to leave Vietnam's ethnic minorities behind



Despite numerous government measures to tackle poverty amongst Vietnam's ethnic minorities, they still account for almost half the country's poor - but just an eighth of its population.

Using data from three national household surveys, this project quantified the underlying reasons for the gulf in rural living standards between the majority Kinh and Hoa groups, and the country's fifty two minority groups.

About forty per cent of the gap in each year is due to differences in household endowments (such as the size and composition of families, their education level and land holdings) and community characteristics (whether households are near roads, public transport, post offices, daily markets and factories).

The majority of the gap, however, is explained by differences in the returns from having these endowments. Even when they live in the same upland communes as the minorities, Kinh and Hoa workers generally earn substantially higher returns to their human and physical capital, while their households enjoy better access to public services.

One likely reason why previous programs have failed to eradicate poverty among the minorities is because they have focused solely on improving minority endowments, and not on these differences in returns.

To enhance endowments, policies should be designed to help ethnic minorities to have better access to education, infrastructure and social services. To improve returns to endowments, interventions should aim to reduce language barriers, improve the minorities' access to quality education and wage employment, and overcome negative stereotypes.

This study also showed that even though minorities mostly live in remote highland areas, geographic factors explain less than a fifth of the gap in rural living standards.

Government restrictions on internal migration, limited education, and firm's hiring practices have prevented many ethnic minorities moving to cities and industrial zones, where living standards are higher.

## FINDINGS

- Vietnam's ethnic minorities have benefited less from economic growth than the majority, so the gap in living standards has increased.
- Minorities are disadvantaged with regard to their assets, access to public services and endowments, but most of all by the lower returns they obtain from these.
- Most of the substantial increase in the ethnic expenditure gap since 1993 cannot be explained by differences in asset ownership, education, household structures or geography.

## INNOVATION

The project's qualitative field work and quantitative decomposition methods provided rich evidence to inform policy and practice. This is improving data collection and analysis by different government agencies.

## REDUCING POVERTY

- Greater decentralisation of poverty reduction programmes would help ensure they cater to the specific needs of minorities.
- The diverse agricultures of the highlands need specifically tailored extension and marketing services.
- The quality of education and Vietnamese languages skills need to be improved amongst minorities in remote regions.
- Action by employers and equal opportunity legislation is needed to increase ethnic minorities' access to waged employment.

## A widening gap

Perhaps of most concern to policymakers, however, is that the real expenditure gap between the rural Kinh and Hoa households and those headed by ethnic minorities increased by almost 15 per cent between 1993 and 2004.

Less than a quarter of this increase can be explained by the endowments of the majority – together with the communes in which they live – improving more rapidly than those of the minorities.

Changes in so called ‘unobservable’ factors account for about half of the increase in the ethnic expenditure gap. These factors include variables such as culture, distance, language, quality of schooling and the spatial patterns of settlements, which have either been omitted from-, or cannot be easily measured using, household surveys.

While some groups such as the Central Highlands minorities, the Khmer and the Cham have been able to close the gap

with the Kinh-Hoa, the gap for the Northern minorities – in particular the Hmong and Dao – has increased over time.

## Sharing research

The project invested in building links with key stakeholders in the policy and development communities at the start of the research - and continued to interact with users throughout the lifetime of the project.

They produced a range of research outcomes, such as policy briefs in Vietnamese and English, designed to meet the needs of users of research.

As a result of this research, greater attention is now being paid to having data disaggregated by ethnic group.

A key academic output is the article: [‘Decomposing the ethnic gap in rural Vietnam, 1993-2004’ published in Oxford Development Studies, Vol. 40, No 1.](#)

## PARTNERS

- The Centre for Analysis and Forecasting within the Vietnam Academy of Social Sciences was the main local partner in the research. Their capacity to analyse ethnic minority issues using both quantitative and qualitative methods has been enhanced by working with the project’s UK researchers.
- The Vietnam Academy of Social Sciences has since produced two national poverty assessments that have highlighted the issue of ethnic minority poverty.

## NEXT STEPS

The Principal Investigator and researchers are involved in national and international programmes and further research:

- Bob Baulch continues to work closely with key development actors such as the Vietnam Academy of Social Sciences and the World Bank on ethnic minority issues.
- Hung Pham is now working with the Committee for Ethnic Minorities and the United Nations Development Program on evaluating the impact of Program 135, the main development program in remote and mountainous areas of Vietnam.
- Phuong Nguyen has since coordinated a program to monitor the impact of the economic and financial crisis on the poor and the vulnerable.

This project is part of the ESRC-DFID Joint Fund for Poverty Alleviation Research. The scheme funds world class social science research on issues relating to development and human well-being in less developed countries; with the potential for impact on policy and practice for poverty reduction.

## ABOUT THIS PROJECT

### Project name

Ethnic Minority Underdevelopment in Vietnam

### Principal Investigator

Bob Baulch, Tan Tao University (formerly Institute of Development Studies, University of Sussex)

### Co-Investigators

Barry Reilly, Department of Economics, University of Sussex

### Other Partners

Phuong Thu Thi Nguyen, Centre for Analysis and Forecasting, Vietnam Academy of Social Sciences  
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### Grant amount

£108,352

### Time frame

December 2006 – March 2008

### Countries

Vietnam

### Objectives

- To determine why ethnic minority peoples have failed to share equally in the benefits of Vietnam’s recent rapid economic growth.
- To stimulate a dialogue around appropriate measures to promote ethnic minority development

### Summary

Most of Vietnam’s 52 ethnic minority groups are mired in poverty - and suffer from poor education, health and nutrition, with poor access to public services.

This project used data from national household surveys combined with a review of policy to show that the widening gap in living standards is mostly due to differences in the returns which ethnic groups derive from their endowments.