

RURAL DEVELOPMENT FOR POVERTY REDUCTION

**A presentation by Brian Doolan
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Your Excellency Minister Le Huy Ngo, Vice Minister Cao Duc Phat, distinguished guests, partners in development in Vietnam.

Thank you for the opportunity to address this 2002 Plenary Meeting of the International Support Group of the Ministry of Agriculture and Rural Development.

Rural development is central to poverty reduction. Throughout the world there are estimated to be more than 1.2 billion people surviving on an income of less than one dollar a day. Around three quarters of these people live and work in rural areas. Statistics show us that rural people are twice as likely as their urban counterparts to be poor¹.

For many years international non-government organisations have worked with partners in Vietnam to address issues of rural development and poverty reduction. Based on reports submitted by 384 INGOs to the People's Aid Coordinating Committee, in the year 1999 there were 1,458 projects implemented by INGOs throughout Vietnam. This represented a disbursement of approximately USD 81 million. Approximately one third of these disbursements specifically targeted rural development, although further allocations also supported health care, education and other services in rural areas.

In the larger picture of development assistance to Vietnam, INGOs play only a small part in terms of the total finances allocated for this purpose. However it is commonly agreed that the particular value of INGO contributions is in their ability to innovate, to assist partners in experimenting with new approaches, to undertake essential social and cultural research so as to ensure the effectiveness and sustainability of initiatives, to provide high quality training and support to their partners, and to provide accurate information to assist policy makers.

INGOs have been actively involved in the process of the preparation of the Comprehensive Poverty Reduction and Growth Strategy for Vietnam. We congratulate the Government of Vietnam for their openness in consulting widely in the preparation of this important document and we look forward to working with our partners to achieve the targets which have been set.

I will not attempt to summarise the diverse contributions or suggestions of INGOs which have already been made during the preparation of the CPRGS. I would however like to take this valuable opportunity to comment on just a few particular points.

1. MARD - An Advocate for the Poor

¹ "Rethinking Rural Development" - Briefing Note from the Overseas Development Institute (UK). March 02

The first point I will make is perhaps the most important. In accepting the challenges laid down in the Comprehensive Poverty Reduction and Growth Strategy, MARD has a central role to play. The policies and practices of this Ministry directly affect the lives of every person living in Vietnam and impact every day on the lives of the overwhelming majority who live and work in rural areas. In the struggle to reduce poverty MARD should aim to become known as the advocate for the poor. This means not only working to reduce poverty, but also recognising that MARD has an obligation to stand up for those who remain poor until there are none left to stand up for.

Officials and agents of MARD deal every day with vital issues such as market integration, commodity production, natural resource protection and disaster mitigation. The issues are large, important and often complex. So it is all the more important to be clear that the focus of the work of MARD is to benefit the landless peasant and the ethnic minority farmer struggling to feed their family in a remote mountain village. It is to support the communities plagued by floods and storms who annually see their work washed away or destroyed and who are always worried about how they will be able to afford education and health care for their children. If the focus of MARD is not on the poorest rural people in Vietnam, then all the best efforts of the Ministry and its officers will be of benefit to a few but do harm to many others.

In the context of global integration there is a particular lesson for us to learn if we are indeed to be regarded as advocates for the poor. It is that the role of the state and its Ministries needs to remain strong and active rather than allowing free market propaganda to dominate. The state has a clear role in promoting diversification and in ensuring standards of quality are met. It is appropriate where necessary and with appropriate targets that the state provide production subsidies for limited periods and provide economic support to boost non-farm economic activities in rural areas. It is the role of the state to ensure people are informed and able to participate in decisions which affect their lives, to provide support to communities affected by disasters and to lead and to actively participate in the development of national and regional strategies aimed at reducing poverty and supporting the poor. It is also true that the state has an important role in addressing international issues which will impact on individual farmers, issues such as the development of Intellectual Property Rights, and in ensuring better access to markets including fighting against unfair and unsustainable barriers put up by some OECD countries.

2. Grassroots Democracy

In the struggle to reduce poverty and support the poor, the state has a most powerful ally - that is the people. The Prime Minister's 1998 decree 29/CP on the Regulation of the Exercise of Democracy in Communes is a powerful tool to guide the Ministry and assist in ensuring the people are informed and can fully participate. The study of this decree should be made compulsory for all MARD staff and its application should become a major goal in all MARD activities.

3. Civil Society

Participation by the people takes many forms in modern Vietnam - through the work of the Assembly representatives, the People's Committees at all levels, through the mass organisations and associations which are active throughout the nation.

From around the world we see time and again that people's organisations, sometimes referred to as 'civil society' organisations, play an active role in the struggle against poverty and in supporting those who are poor. While civil society already takes many forms in Vietnam, there is a belief that the development of strong, professional Vietnamese non-government organisations will positively assist the struggle against poverty. There are already a number of Vietnamese organisations which are registered as research organisations or are sponsored by educational institutions and mass organisations. They are carrying out activities similar to international non-government organisations but are operating in an unclear legal environment and without many of the benefits of international non-government organisations.

While the development of laws allowing the formation of Vietnamese NGOs is not a responsibility of MARD, it should none-the-less be recognised that by supporting the development of such laws and organisations MARD will be supporting the growth of further national allies in the work of rural development and in fighting to reduce poverty and support the rural poor.

4. Cooperatives

One important form of people's organisation is the Cooperative. I know MARD and the Government is already supportive of the development of new cooperatives. It is not commonly recognised that these are in fact civil society organisations which have an important role as a mechanism for connecting farmers with markets, providing support and advice and for sharing knowledge and resources.

In the context of Vietnam, the Co-operative Law of 1997 offers an innovative and strong legal context for creating a collaborative framework for enhancement of household level livelihood security. This law clearly establishes the right of farmers to form and operate independent and democratically governed co-operatives for mutual assistance and self-help. There are a number of international NGOs which are active in supporting the further development of the movement for rural cooperatives in Vietnam. International donors interested in rural development should take note of the regrowth of this important unit of organisation and support its continued development.

5. Poverty and the Environment

There is a clear link between poverty reduction and responsible environmental management. Incentives need to be provided to encourage poor people to invest in environmental improvements to enhance their livelihoods and well-being, by applying their own technical knowledge and by adopting new technologies that are appropriate to their needs and circumstances. Poor people must be seen as part of the solution, rather than part of the problem, to improving environmental management.²

6. HIV/AIDS

I take this opportunity in the company of this distinguished gathering to once again sound a warning. HIV/AIDS is a rural development issue. All our good plans, our intentions and efforts can be destroyed by the continued spread of HIV/AIDS. We need only look at the experience of African economies to learn that the cost of HIV is not only measured in human suffering and loss, it can also be measured in declining GDP.

² Linking Poverty Reduction & Environmental Management - Policy Challenges & Opportunities. a discussion document prepared by DFID, EC, UNDP and the World Bank January 2002

If the link between HIV/AIDS and development is not recognised and addressed, HIV/AIDS will seriously erode physical, human and social capital and undermine prospects for continued private and public sector investment and economic growth in Vietnam. Steps are needed to mainstream further HIV/AIDS interventions into national and local development plans and budgetary allocations.

I close by thanking you, not only for the opportunity to address you today, but also for the honour of being able to spend a part of my life in a country which is committed to the process of development and the reduction of poverty. I look forward to working with you as you continue this historic process.