OVERALL PROGRESS TO DATE

Of all the MDGs, Viet Nam has made the most impressive progress on MDG 1 on poverty reduction. From a poverty rate of 58.1 percent in 1993, Viet Nam successfully reduced poverty to an estimated rate of 14.5 percent in 2008 – a reduction of 75 percent. The food poverty rate reduced by more than two-thirds, from 24.9 percent in 1993 to 6.9 percent in 2008. Poverty has been alleviated among all demographic groups, in urban and rural areas, and across geographical regions. Progress in reducing malnutrition has also been significant, falling from 41 percent to 11.7 percent in 2011.

MAINTAINING ACHIEVEMENTS

While overall poverty levels have dropped remarkably, the pace of reduction is not equal among regions and population groups. The poverty rate is still high and chronic poverty persists, particularly among ethnic minorities and the most vulnerable groups such as children, women and non-registered migrants, and in disadvantaged areas. Urban poverty is starting to emerge as a new form of poverty. The risk of falling back into poverty is high, among other things because of the impacts of the global financial crisis, macro-economic instability and more severe natural disasters as a result of climate change. Tackling challenges in poverty reduction in the coming years will require tailored and multi-sectoral approaches, where poverty is viewed as a multi-dimensional phenomenon, not just in monetary terms.

Poverty among ethnic minorities

As of 2008, 50 percent of ethnic minorities were still living below the general poverty line, and up to 31 percent suffered from food poverty. Ethnic minority groups make up more than half of the total poor in Viet Nam and have experienced a much lower pace of poverty reduction compared to the majority Kinh. Chronic poverty is dominant among the ethnic minority poor. The poverty rate is highest in the North West (45.7 percent) and the Central Highlands (24.1 percent) where a large proportion of ethnic minorities reside and in a number of ethnic minority groups such as Ba-na, Gia-rai, E-de, Co-ho, H’mong and Muong. The progress in reducing poverty among ethnic minorities in dimensions other than income, such as education, health, water, sanitation and housing, also lags behind the national averages.

Child poverty

Viet Nam recently developed its own country- and child-specific multi-dimensional approach to child poverty. This approach is based upon several poverty domains, including education, health, nutrition, shelter, water and sanitation, child work, leisure, social inclusion and protection.

Applying this new approach to the Survey on Household Living Standards data set from 2008, shows that about one-third of all children under 16 years can be identified as poor. This amounts to roughly seven million children or a child poverty rate of about 28.9 percent. High rates of multi-dimensional child poverty were found among children living in rural areas, among children from ethnic minority groups, and among children living in the Northwest and Mekong Delta regions. The Northwest and the Mekong Delta now have the highest child poverty rates of 64.6 percent and 52.8 percent respectively.

Urban poverty

The reduction of poverty in urban areas from 25.1 percent in 1993 to 3.3 percent in 2008 shows income poverty is no longer a wide-spread phenomenon in urban areas. However, rapid urbanization and
migration from rural areas to big cities over the past years have been associated with the emergence of new issues, including improper housing, water and sanitation, pollution and limited access to basic social services and social security, especially among poor migrant workers and workers in the informal sectors. As a result, an increasing proportion of these urban population groups face deprivations in many aspects of human life other than income. Given its different nature, urban poverty needs to be tackled with different strategies.

1 This figure is the expenditure poverty rate using the World Bank and GSO poverty line
2 This section is primarily based on: MOLISA and UNICEF (2008) *Children in Viet Nam – who and where are the poor?*