

Compared with plains and more developed regions, mountainous and ethnic minority areas still meet with difficulties, imply chances for hostile elements to cause troubles and witness high proportion of poor families, which produces unfavorable effects on the sustainable development of the national economy.

short), and special policies on minority communities. Regrettably, part of the fund for minority communities goes to Kinh people (or Vietnamese, the biggest group in Vietnam) who live among minority communities. Ways of making a living adopted by Kinh and minority people are different, and plans to support minority communities won't

must be improved and beefed up with a view to supporting minority communities more effectively, especially when Vietnam is preparing for WTO accession. Lack of fund, corruption, abuse of power and bureaucracy are great obstacles to these programs.

## 2. Vietnam's accession to the WTO

According to many analysts, personal income in Chinese rural areas, three years after China's accession to the WTO, kept decreasing. It's very likely that the same thing happens to Vietnam.

The most negative effects will be found in Vietnamese rural areas where the technical level is very low, labor productivity poor, and

# Measures to Accelerate Socioeconomic Development in Minority Areas

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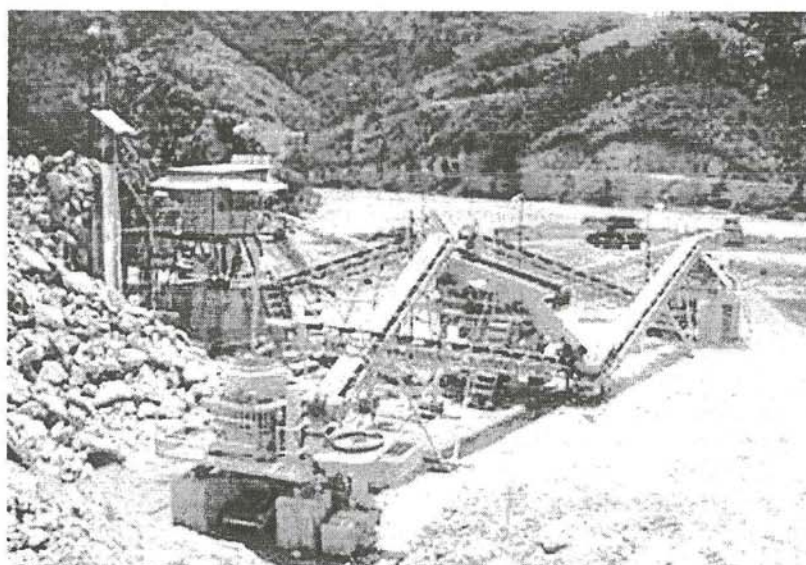
To implement more effective policies to develop depressed areas, I present here some suggestions.

## 1. Proper attention to ethnic communities

To bridge the gap between minority areas and more developed ones, the Government should pay attention to the following issues:

The rate of poverty reduction in minority communities is still low in spite of efforts made by authorities in recent years. Minority communities represent only 14% of the population but account for 29% of the poor. Although the number of poor families among minority communities has reduced, their share in the poor keeps increasing in the years 1992 – 2004. This means that the rate of poverty reduction of these communities is lower than the national average. Minority communities with high proportion of poor families are: Vân Kiều (63%), Pako (58.5%), and H'mong (35%) according to 2003 statistics.

At present, Vietnam has many programs to support the poor and minority communities, such as Program for Hunger Eradication and Poverty Reduction, and Program for Socioeconomic Development of Depressed Areas (Program 135 for



Sesan Hydroelectric Plant Project

be effective if relevant bodies fail to pay full attention to this difference.

The Program 135 was started in 1998 with emphasis on infrastructure projects, such as irrigation systems, school and communal center building, especially in isolated areas. In fact, performance of the Program hasn't been fully estimated. A study argues that the best part of the fund for this program is used for agricultural production and only a small part is used for other projects.

Such social welfare programs

production cost high, and government's protection for farm products is to cease to exist.

If no measures are taken to support rural areas and minority communities, the WTO membership will widen the gap between cities and rural areas, rich and poor, and Vietnamese and minority communities. The best part of foreign investment will flow to big cities and newly liberated industries, such as insurance, banking, foreign trade, transportation, entertainment, legal



service, construction, telecommunications, etc. Rural and isolated areas could never attract this source of investment because of poor infrastructure and human resource.

This gap could lead to social unrest if it prolongs enough.

According to rough estimates, if 1% of the GDP is turned into public investment, the poverty level will be reduced by 0.5%. The survey conducted by Rainer Klump and Thomas Bonschab (Operationalising Pro-Growth: A Country Case Study of Vietnam, World Bank, 2004) reveals that in spite of the gap between different zones in Vietnam, the Government has made more investments in rich provinces than in the poor ones while scientific studies show that the public investment in poor areas brings about results that are two or three times higher.

So I think that the Government had better adopt policies that aim at serving the poor and minority communities, and protecting them from negative effects caused by the WTO membership.

3. Investment in education and health care in minority communities

Many studies show that the education of the head of the family has remarkable effects on the standard of living. The proportion of illiterate head of family reduced remarkably, from 62.6% in 1993 to 55% in 1998 and 37.01% in 2002 and the proportion of the poor also decreases accordingly from 58.1% to 37.4% and 28.9% in the same period.

In Vietnam, the health care for the poor shows signs of decline in comparison with one enjoyed by the rich because the poor have fewer opportunities to access this service than the rich, because of poor organization of this service and corruption in public health care offices. The Government had better establish funds for health care service in minority communities in order to provide them with medical care.

#### **4. Encouragement to the private sector**

Developing non-public sectors is

an effective and principal measure to reduce poverty and hunger. Vietnam suffered a negative growth rate in 1980 (-3.7%) and gained a high one in 1981 because it adopted the piece-work system. This achievement proved the role of the private economy.

Private companies of small and medium sizes are also sources of new jobs in both rural and urban areas. The Government should adopt policies to encourage establishment of private business among minority communities with a view to tapping local potentials and cheap labor. For the time being, small and medium cooperatives could be seen as a feasible measure because of the low development level of these communities.

#### **5. Well-planned domestic migration**

In the past, the strict residency control that limited mass migration led to widespread poverty. When this control is lifted and the Government failed to work out a reasonable policy on this issue, flows of mass migration led to burdens on localities when new settlements were established and ethnic tensions, which forced the Government to adopt shotgun solutions to arising problems. However, migration is still a measure for poor people to find a chance to start a new life in a new environment. The Government had better organize orderly migration and get prepared for short- and long-term effects.

#### **6. Decentralization**

Vietnam has many zones that are different from one another in terms of natural and social conditions. In fact, it's hard for the Government to work out policies suitable to all zones and ethnic groups. Up to now, there are many policies applying to all zones and provinces but a province in the North, such as Lai Châu, couldn't adopt the same development pattern as Cà Mau, a Southern province, does.

As for the development of minority communities, the

Government should delegate more power to provinces and zones because local authorities could work out policies more suitable to ethnic groups they are responsible for.

#### **7. Bilingual education**

As the economy develops and integration trend becomes stronger, many ethnic languages face danger of extinction. Cultural exchange between zones and ethnic groups helps minority communities enhance their knowledge and education but they could be assimilated into the predominant culture. Moreover, different ethnic groups in Vietnam usually live side by side, and minority groups tend to use the most common language and forget their own ones after some generations.

The Government should ensure a bilingual education service for minority communities, especially the education in history and geography, with a view to enhancing their confidence, solidarity and respects for other groups.

#### **8. Application of technological advances**

The Government should make plan to introduce information technology, especially the Internet, to minority communities and isolated areas. Result of such a program will be beyond measure because it starts a revolution and creates new demands for knowledge and information. With the introduction of wireless local loop technology by some telecommunications companies in Vietnam, the task of helping isolated areas connect with the world becomes easier.

To realize the above-mentioned suggestions, however, the following conditions must be ensured:

- A well-trained army of civil servants who could work in minority communities.
- Transparency in public investment projects and development programs for minority communities.
- Solidarity among various ethnic groups ■