

Implementation of the Program to Alleviate Poverty in HCMC

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HCMC has a population of some six million people and some 20% of them live below the poverty line, income of the rich is over 10 times higher than one of the poor. With the current growth rate it is estimated that the poverty percentage and difference in income will increase in the coming years. That is why the poverty alleviation becomes one of worries for the municipal authorities. To find solution for the problem, it's necessary to look back on the implementation of the poverty alleviation program since 1992.

1. Implementation of the program

a. Achievements:

In the years 1992-2004, this pro-

gram has helped some 115,000 families emerge from the poverty line reducing the poverty percentage from some 20% in the early 1990s to 0.15% in late 2003 (reducing some 10,000 poor families a year); thereby bridging the gap between rural and urban areas, and between the rich and the poor (the income difference fell from over 10 times in 1992 to 5.78 times in 2002). At present, there is no poor families according to local standard in HCMC, which means that the target was achieved two years earlier in comparison with the plan set by the VCP Unit in HCMC. Regarding districts in HCMC before Tân Bình and Bình Chánh Districts are reorganized,

seven out of 22 districts (Districts 1, 3, 5, 6, 10, Phú Nhuận and Củ Chi); 203 out of 303 wards and 1,253 out of 1,626 quarters are considered as free from poor families. The only poor district is Cần Giỏi (2,22% of families are poor) along with nine wards where the poverty percentage exceeds 1%.

Many factors have led to these achievements and the most decisive ones are as follows:

(1) Determination of HCMC authorities to carry out actively this program along with projects to build infrastructure in urban slums has prompted district authorities to start struggling against poverty in their districts.

(2) HCMC authorities concentrated necessary resources to ensure good results for the program. Funds for poverty alleviation and job creation have been used effectively and creatively, which provided a basis for the struggle against unemployment in poor districts.

(3) Some methods of reducing poverty have really worked. Besides supplying loans, local authorities also provided borrowers with advice, training and experience to help them start business and make profit.

(4) The poor have changed their thinking way, stopped depending on help from local authorities or relatives, and paid full attention to learning. More exactly, they started

Table 1: Poor families in HCMC in 1992-2003

Year	Number of poor families in January	As % of families in HCMC	Increases	Families removed from the program			Number of poor families in December	As % of families in HCMC
					Including			
					Families with poverty reduced	Families emerging from poverty line		
A	1	2	3	4=5+6	5	6	7=1+3-4	8
1992-1995	121,722	17.00	229	20,268	14,197	6,071	101,753	13.50
1996-1997	101,683	13.50		2,699		2,699	98,984	12.30
1998	98,984	12.30		10,158	7,730	2,428	88,826	11.82
1999	88,826	11.82		13,566	13,566		75,260	9.50
2000	75,260	9.50	1,764	14,168	14,168		62,856	7.80
2001	62,856	7.80	3,427	12,639	10,900	1,739	53,644	5.59
2002	53,644	5.59	12	25,824	25,824		1,655	0.15
2003	30,177	2.89	12	28,534	28,534		1,655	0.15
Total			5,444	127,856	114,919			

learning how to make the best use of financial support given by the program, and trying their best to develop their businesses.

The program has helped many families emerge from the poverty line. Although the line is still very low in comparison with neighboring countries, their living standard has experienced some improvements, which allowed them to secure basic needs. This program has received support from many organizations, businesspersons, charities, laborers, soldiers, students, artists, overseas Vietnamese and even retirees. The program in the past 12 years has mobilized over VND1,500 billion, and 1,000 billion of which were donated by individuals and organizations at home and abroad.

b. Shortcomings:

- The poverty line set by HCMC authorities, although higher than the national standard, is still lower than lines set by neighboring countries. This means that families that have just emerged from the line still meet with difficulties in making a living and they could fall again below the line if the program has no solution for them.

Recently, some 2,000 families in HCMC fall below the line every year, including families that have just enjoyed some improvements, which shows that this progress is not sustainable. Measures to reduce the poverty in the inner city are not effective enough.

In 2002 for example, some 400 families fell under the line and met with more difficulties than ones in rural areas.

- Some poor families, after receiving preferential treatment and financial support, become dependent on help from the authorities and community instead of trying to improving their businesses. Some others make easy money by selling land when their areas are urbanized or receiving compensation from land clearance projects can become poor again if no plan is worked out to help them get vocational training or develop new businesses.

- The program only supports poor families with permanent residency and some migrants with stable accommodation and fails to reach all economic migrants.

- Authorities of certain districts fail to link the program with their

socioeconomic development plans. The program has been introduced but failed to attract all social classes. The infrastructure in urban slums is not improved properly.

- Local authorities fail to estimate the implementation of the program on a regular basis in order to work out measures to deal with shortcomings and accelerate the program more successfully.

- Officials responsible for the program at district levels are not well trained. Allowances for this task is not high enough to encourage them to do well their job.

- Mobilization of financial sources is done poorly and less persuasively because local authorities did it as an administrative job. Moreover, the fund is not employed effectively (bad debt represented 9% of the fund and the better part of the fund still remains idle), and

some officials make bad use of the fund or even embezzle it.

2. Some suggestions

- Developing the infrastructure in districts of poor families and providing them with free vocational training and technical assistance.

- Diversifying and employing various sources of finance more effectively in order to ensure the supply of loan, and make it available for every poor family.

- Supervising regularly all projects financed by the fund in order to prevent bad practices.

- Cooperating with civic organizations to launch labor-intensive projects of large scale in order to change the situation as quickly as possible.

- Encouraging young officials and graduates to engage in, or take jobs offered by, the program, especially in rural and depressed areas. ■

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