

THE UNIVERSITY OF TAMPERE

Faculty of Management

MASTER'S THESIS IN PUBLIC FINANCIAL MANAGEMENT

**SUSTAINABLE POVERTY REDUCTION POLICY IN  
PHU THO PROVINCE**

Student: Pham Quynh Lien

Supervisor: Professor Harri Laihonon

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## ABSTRACT

University of Tampere	Faculty of Management
Author	Pham Quynh Lien
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This thesis will studies poverty reduction policies and assesses the results of sustainable poverty reduction policy formation and implementation in Phu Tho Province, Vietnam.

Originating from the actual requirements and actual situation on the sustainable poverty reduction policy in the province, and people's living standards gradually improved and enhanced through the implementation of various programs and projects for poverty reduction. The study employs the qualitative approach and institutional theory to understand this phenomenon. Primary data is collected from survey of questionnaire with 30 relevant people in Phu Tho Province who are working for People Committee in Phu Tho Province and interviews with two leaders of this Committee in term of poverty policies and related programs to reduce poverty level in last few years.

The key findings of this study refers to a conclusion of reducing fertility and dependency on working age population brings an opportunity to further economic development and further reduction of poverty. However, the implementation still meets many difficulties and challenges in economic development policy associated with the settlement of social issues, ensuring social security for the poor in Phu Tho province. The author recognizes that the poverty and the sustainable poverty reduction should be paid much care with suitable policies for the better sustainable poverty reduction.

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# CHAPTER 1 INTRODUCTION AND SIGNIFICANCE OF THE RESEARCH TOPIC

## 1.1 Introduction

Poverty is a global phenomenon. It does not only exist in poor countries but also happens in developing countries (Shah, 2011). Therefore, poverty reduction is developed as a long-term and regularly strategy of every country.

In Vietnam, sustainable poverty reduction is considered as a key objective in the development process of economic and society. Especially when Viet Nam is in the period of turning into the socialist-oriented market economy and expansion of international economic integration. After more than 20 years of innovation, thanks to the implementation of mechanisms and policies in line with the real situation, the alleviation of poverty in Vietnam has made significant achievements. In other words, it is of great significance in terms of both economic, social and national security and defense, promote the fine traditions of nation and an important contribution in the development of the country.

Poverty reduction achievements of Vietnam has been rated as one of the best success stories in economic development in all over the world (The World Bank, 2017). The rate of poverty in Vietnam decreased rapidly from 32% in 2000 to 13.1% in 2008, and the average annual was 2-3% in the following years, on average fell around 2-3% each year, which makes people's lives improved. In general, the support policies and investment projects of Vietnam are achieving objectives and effective to create profound social shift in awareness of poverty of the people. However, besides these achievements, Vietnam still meets some challenges which need to be urgently overcome soon. Vietnam needs to take advantage of favorable opportunities and overcome difficulties and challenges to accomplish the goal of reducing rates the country's poverty rate down to 3% by 2020.

Moreover, there are many studies that address poverty phenomenon and poverty reduction in Vietnam. Communist Review (2017) provides the extension of poverty programme in Vietnam. This extension is shown through the expansion of poverty reduction from the focus of delivering foods and foodstuffs before 2000s to non-food assistance during 2000-2016 to multidimensional

approach during 2016-2020. Moreover, poverty is reduced through the governmental supports in developing production and preferential credit policy. This paper also indicates about current limitations in poverty reduction programme in Vietnam, including national poverty line is low and it is generally adjusted slowly, local authority's awareness of poverty reduction is not so high, poverty reduction result is not sustainable, and inadequate in the government's guidelines about poverty reduction. However, this paper is very general document and it does not focus on specific situation in Phu Tho Province and it is notable that each province has different socio-economic situation, leading to different scheme in poverty reduction programme. Nguyen et al. (2006) provide a chronic poverty report of Vietnam. This study firstly explores poverty and poverty reduction in Vietnam during 1993-2004 and it also examines how poverty dynamic of Vietnam during 2002-2004. The benefit of the study of Nguyen et al. (2016) is that it determines key factors of poverty dynamic, including ethnicity, geographic characteristics, human capital characteristics, head's occupation, farm activities and external shock, asset, and infrastructure. This study of Nguyen et al. (2006) has main drawback as it is conducted for a decade ago and the change of poverty pattern is major concern. Moreover, this study does not provide recommendation to further reduce poverty in Vietnam. Vu (2005) provides a study about how poverty reduction for ethnic minority group in Vietnam. In positive side, this study focuses only ethnic minority group which is known major poverty part of Vietnam. This study also provides what the policies to reduce poverty in this group. Primary outcome factors are counted in this study, including food security, health and education. However, this study of Vu (2005) does not provide any recommendations rather than focusing only on current poverty issues.

## **1.2 The aim of the research**

Phu Tho Province is a mountainous province in the North of Vietnam, which has made significant strides in the economic-social development of the country. With the continuous efforts of the provincial leaders, business organizations, local people and the practical support of the Central Government and some international organizations, the poverty reduction in Phu Tho province achieved many important achievements. The poverty rate fell to 8.0% in 2015, people's living standards gradually improved and enhanced through the implementation of various programs and projects for poverty reduction and settlement employment, income, production

support for the poor, infrastructure investment, developing diversified service lines have a high economic efficient, etc.

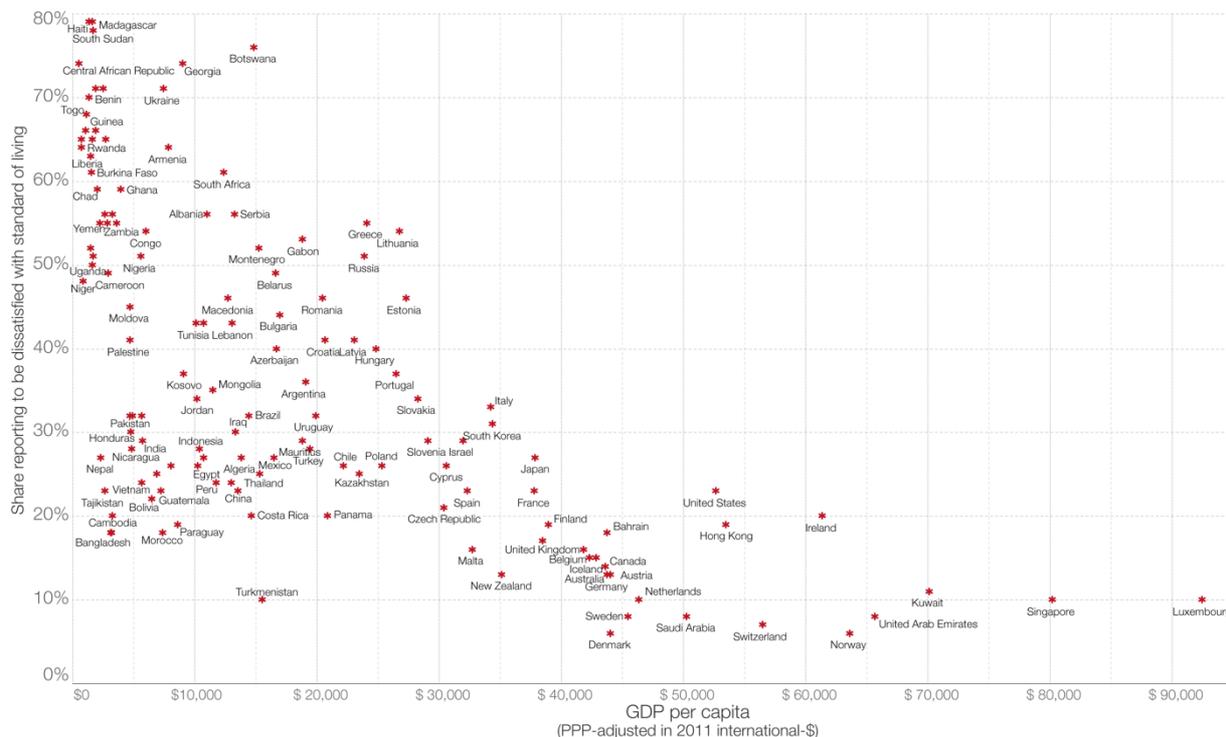
In this context, the study aims to develop a research framework for evaluating the status of poverty. The information that this framework/model provides than then be used as a basis of policy panning/development in Phu Tho Province. The objective of the study, firstly, is to examine current situation of poverty in Phu Tho Province. Another objective of the study is to measure the influence of each social and economic programs to poverty reduction in Phu Tho Province and then providing subsequent recommendation to further reduce poverty rate in the long run.

According to General Statistics Office – GSO (2017), Phu Tho Province is now lying in the middle of table of poverty rate by province and cities in Vietnam. Current poverty rate in 2015 of the province is 8.0% which is decreased more than two times compared to 18.8% in 2006. Although it is considered as big achievement to that province, local authorities are still worrying about future development since this poverty rate is still higher than the whole country’s poverty rate which is about 7.0% in 2015 (GSO, 2017). It is leading to the question towards the effectiveness of social programs which are conducted by local authorities in Phu Tho Province in term of using social and national programme budget which are allocated for poverty reduction actions.

Current position of Vietnam in the global poverty map is revealed through the statistics of Index Mundi (2017). Vietnam is ranked at 138 position in terms of the proportion of country’s population below poverty line. Vietnam now has 11.3% of population below poverty line and it is lower than Indonesia (11.7%) and Thailand (13.2%). In another context, current rank of Vietnam is quite good among 162 countries in this table of Index Mundi (2017). However, it is still far below the top countries which have lowest the portion of population below poverty line as Taiwan (1.5%), Tunisia (3.8%), and Malaysia (3.8%). Vietnam’s position in global poverty is also revealed in the report of Our World in Data (2017). This report provides an index named as the percentage of population who are dissatisfied with living standards as GDP per capita.

## Dissatisfaction with standard of living vs GDP per capita

Shown on the y-axis is the share that answered 'dissatisfied' to the question "Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?"



Data source: GDP per capita data from the World Bank; survey data on the satisfaction with living standards from the Gallup World Poll. The visualization is available at [OurWorldinData.org](https://ourworldindata.org) where you find more visualizations and research on global development. Licensed under CC-BY-SA by the author Max Roser.

Figure 1: The percentage of population dissatisfied with living standards vs. GDP per capita

Source: Our World in Data (2007)

Figure above shows that Vietnam is now in the list of the countries who have GDP per capita less than US\$5,000 and share of population dissatisfied with current living standards is less than 25%. Vietnam is among other countries which share similar position, including Tajikistan, Bolivia, Guatemala, Nepal, Nicaragua, India, and Honduras. In this context, Vietnam Government still have a lot of work to further improve current situation of Vietnam's poverty to reduce poverty rate and to improve living standards for its people. We can see that Vietnamese poverty line remaining at about US\$2 per day. Thus, many people living above this situation may face the chances of economic, social and political fluctuations. Although poverty has been significantly reduced, it is no doubt that the government still have to make sure to sustainable and continue developing the economic for the Vietnamese people.

The study aims to answer to the following research question:

**What factors influence the effectiveness of poverty reduction program?**

This main research question is supported by the context-specific sub-questions::

- 1) What is the current situation of poverty reduction in Phu Tho Province?
- 2) How poverty reduction program is being implemented in Phu Tho Province?
- 3) What are the programs that need to be done to further decrease poverty rate in Phu Tho Province?

**1.4 Structure of the research**

There are five main chapters in this study. Chapter 1 refers to introduction and significance of the research. It covers introduction about poverty eradication in Vietnam as well as research aims and objectives. This chapter also proposes research problem as basis to formulate research questions that will be answered in following chapters. Chapter 2 refers to the review of literatures. To do that, basic theories which are related to poverty reduction are put into consideration. Moreover, this chapter examines the culture of poverty theory as well as measurement of this factor. Chapter 3 refers to research methodology with focus on research instruments such as content of data analysis, questionnaire design, and data analyses. Chapter 4 aims to provide the results of the data analysis and key finding related to poverty reduction in Phu Tho Province based on chosen research model and answers of the respondents about survey of questionnaire. Chapter 5 provides conclusion and recommendation that further improve poverty reduction in the province.

## **CHAPTER 2 LITERATURE REVIEW**

### **2.1 Poverty as a phenomenon**

Concept of poverty was used already in the nineteenth century when three researchers examined the living condition of people who was living in England (Rowntree, 1948). These researchers provided fundamental understanding related to social policies and programs to further improve living standards of people, leading to the establishment of poverty concept (The World Bank, 2001). Since then, the concept of poverty has been revised and updated by many scholars and economists in both developed and developing economic contexts (Townsend, 1970). According to Son (2015), the topic of poverty reduction is still gaining much attention from the researchers due to the fact that poverty rate is remaining high in some part of the world despite of the fact that global poverty rate has been reduced significantly over the last few decades. In this study, the concept of poverty is discussed in two subsets: poverty understanding as absolute term and poverty understanding as a relative term.

#### **2.1.1 Poverty as an absolute term**

General understanding of poverty is defined through its absolute term (Son, 2015). Bourguignon (1999) asserts that poor people are those who have income lower than a certain level required to afford most basic physical needs and survives. From this viewpoint, poverty can be divided into three groups, including absolute poverty, physical poverty, and extreme poverty (The World Bank, 2012).

Absolute poverty is defined based on consumption level of goods, and it is linked to the situation of inadequate food in term of calorie and it is required to get supplementary from non-food essentials (Desai, 2002). In this context, absolute poverty also refers to the ones (people?) who do not have sufficient money to purchase foods or essential goods in order to maintain their daily living standards (Son, 2015).

Physical poverty is defined by Rowntree (1948) in the survey about current living standards of people in England. This survey establishes the understanding for physical poverty as the situation of which the parents do not have sufficient fund to purchase foods and essential products such as

school fees for their children (Desai, 2002). In addition, Rowntree (1948) highlights that physical poverty is linked to the gap between income and expenditure and the deficit from income creates higher level of physical poverty.

Haughton and Khandker (2009) highlight that poverty as social groups who do not have enough income to cover minimum resources to maintain their livings such as foods, house, clean water, etc. Tracing back to the history, Rowntree (1901) also addresses poverty as a structural consequence or poverty is only eradicated from the government's efforts of a nation. The World Bank (2001) highlights that absolute poverty remains as a major concern of the governments in developing countries while it is well-addressed and eradicated in developed countries. It is well-addressed that both of developed and developing countries' governments have been focusing on social aspects of poverty such as social exclusion and inequality (Son, 2015).

### **2.1.2 Poverty as a relative term**

Poverty as a relative term is developed under the criticism of many scholars towards the absolute term. Poverty is acknowledged as an absolute term is developed upon on income-based approach but income level is varied and depended on countries, social groups, etc. For instance, Bellu and Liberati (2005) identify that people have different nutrition consumption level and therefore using the income-based approach in relationship with nutrition consumption is inappropriate. Moreover, Bellu and Liberati (2005) assert that each people has different requirement in term of food consumption as well as living standards and therefore income is not suitable measurement and definition indicator for poverty term. Townsend (1986) emphasises that poverty as an absolute term is developed since nineteen centuries and personal demands are probably different from the past. Donnison (1997) argues that monetary aspects are not the only defining factors to poverty as it is depended on the living environment. For example, people who are living in rural areas often consider clean water as a luxury good due to fact that they do not have access to clean water sources. In this context, poverty as relative term provides as supplementary for absolute term in previous section.

Scholars have stated that poverty as an absolute term does not provide comprehensive understanding due to poverty level is not defined through low income and inability to obtain physical needs such as foods, clothes, and accommodations (Son, 2015). Indeed, studies

highlight that poverty as a relative term such as personal attitudes (Froster et al., 2002; Amartya, 1987; Townsend, 1986). For example, the study of Harrington (1962) which is developed to determine poverty level among group of African people in U.S. and this researcher refers poverty to personal fear and lack of self-confidence. Townsend (1986) asserts that poverty is formulated under many forms as either low income or low social relationship or social roles are not accepted to specific group of people. Sen (1990) also identifies that poverty associates with capabilities and freedom level of people beside general poverty concept as lack of primary goods and resources. Anand and Sen (1997) indicate that poverty refers to low human beings and income is just part of broader definition. Sahlins (1997) embodies the importance of social status as important of poverty concept and lack of major social status is considered as prominent part of the concept.

Another point of view of poverty as relative term refers to political, legal, and educational contexts. According to Rein (1970), poverty situation is much depended on current situation of political, legal, and educational system of particular country. Donnison (1997) identifies that the three factors above impact significantly to future income of people and they are key indicators that lead to possibility of poverty. Indeed, people who have poor education do not have sufficient skills to work and to earn higher income than people who receive high education; people who are living in remote areas often receive less favorable national policies than people who are living in urban area and this situation results higher poverty rate (Donnison, 1997). The United Nations Development Programme – UNDP (1997) highlights the important role of legal framework in the way of supporting equality between women and men and how national government assures essential and public services for people in rural and mountain areas as initiatives to reduce or to eradicate poverty.

The relative point of view of poverty is not new since this term is emphasized through the study of Scotsman Adam Smith as this researcher highlights a situation of which a peasant who could not pay for a linen shirt to join the social events might be considered as socially poor people even though he and his family is not malnourished, as cited by Bourignon (1999). In addition, Rein (1970) asserts that the understanding of poverty must cover both of physical dimension and social dimension. Townsend (1986) provides common concept for relative poverty term as people who are lack of physical and social beings compared to other people. On the other hand,

it means that relative poverty addresses the ones who are unable to obtain basic condition of life such as foods, amenities, social services that do not allow them to play a full social role (Townsend, 1986). Sen (1987) refers relative poverty as lack of required capabilities but this researcher also admits that it is difficult to prove adequate assessment of capabilities. Under capability scheme, poverty refers to those who have limited capabilities to live the life as they want (Haughton and Khandker, 2009). Relative poverty concept is appeared even in developed countries. Sachs (2005) mentions that relative poor situation is happened in developed countries and it shows under the form of which people face up with the lack of access to cultural goods, entertainment, education, and healthcare services.

Relative poverty is also defined through income level and income distribution system of the countries. Bourignon (1999) emphasizes that poverty is happened when a family has total income lower than average national income. Bellu and Liberati (2005), however, highlight the importance of income distribution system as these researchers identify the case of which the raise of national income level and poverty rate is the same due to income distribution system remains unchanged. Other researchers like Ravallion et al. (2009) and Desai (2002) strongly argue that relative poverty is happened when inequality in income distribution to be happened for very long time. Alcock (1997) mentions about injustice as part of relative poverty and this researcher highlights the situation of people who receive unfair treatment compared to other social group, leading to the consideration of poverty. Subsequently, Smeeding et al. (2001) state that inequality plays an extremely important role in generating poverty situation of countries. These researchers examine income distribution in many developed and developing countries and make the argument of average income and poverty rate in examined countries are not improved properly if big disparities are still remaining in pay and income system.

It is notable that the concept of poverty as relative term continues growing with the establishment of international development agencies (Son, 2015). According to Townsend (1986), European Union provides the concept of poverty as it refers to people who do not receive sufficient materials, cultural, and social resources compared to minimum level in area where they are living. The United Nations Economic and Social Council (1998) describes about poverty as limitation of people to access national resources such as education, healthcare and they also face up with insecurity and living in fragile environment without sufficient and clean foods and

waters. The World Bank (2001) also provides definition for poverty as deprivations in well-being. It means that people is falling into poverty condition if they have deprivations in materials and low achievements in education and health (Hayami and Godo, 2005). According to UNDP (1997), poverty concept closes to the lack of good health, inability to produce creativeness, low living standards, less dignity and respects from others. UNDP (2010) also highlights another aspect of poverty as a denial of human rights.

## **2.2 Measurement of poverty**

Since the concept of poverty is divided into absolute term and relative term, measurement of poverty is also characterized by two subsets: measurement of poverty in absolute term and measurement of poverty in relative term.

### **2.2.1 Measurement of poverty in absolute terms**

Fixed income-based approach is determined as the most commonly used measurement of poverty in absolute term (Son, 2015). To measure a person is under poverty condition, a fixed income level is provided by the governments and this income level is required to survive physically in that country (Son, 2015). It is notable that income-based approach is often used in developing countries rather than developed ones (Nielsen, 2009; Ravallion et al., 2009). Moreover, this fixed income level is different across different countries as each country has unique characteristics in term of economic and social situations (Asian Development Bank – ADB, 1999).

In developed countries, fixed income-based approach is also used to measure poverty as alternatives to relative measurement (Desai, 2002). For instance, U.S. Government applies a fix income at US\$31 per day or US\$11,344 per year as threshold for poverty determination (Forster et al., 2002). This income line of U.S. Government is much higher than the standard which is set by The World Bank as US\$1 per day as poverty line (Forster et al., 2002). It is well-noted that poverty line which is set by The World Bank is applicable for low-income or poor countries while U.S. is determined as advanced economy and therefore U.S.s' poverty line is much higher than global average number which is provided by international development agencies i.e. The World Bank, UNDP, and ADB (Nielsen, 2009; Ravallion et al., 2009).

Until now, poverty line as under fixed income-based approach is reported by many international development agencies but the number which is provided by The World Bank is still being considered as widely accepted concept (Son, 2015). To provide this poverty line, The World Bank considers the purchasing power of national poverty lines in different countries (The World Bank, 2001). In more detail, an original poverty line of US\$1 per day is derived from the data of national poverty lines from 33 low-income countries in 1980s (The World Bank, 1990). With this number, it is reported that about one-third of overall population in developing and low-income countries were living under poverty condition (The World Bank, 2001; Chen and Ravallion, 2009).

The poverty line has been frequently updating by The World Bank with updated data from different countries (Son, 2015). One update was provided during 1990s and poverty line was increased from US\$1 to US\$1.08 per day with data on purchasing power parity during this period. With new number, it is estimated that about 1 billion of people was living under poverty condition (The World Bank, 2001). Recent update was conducted in 2008 and poverty line was increased from US\$1.08 to US\$1.25 per day and it was about 1.29 billion of poor people (The World Bank, 2012). In addition, The World Bank also provides different poverty lines different economies (Son, 2015). There are two poverty lines applied for two major economies in The World Bank's (2012) report: one is US\$2 per day for middle-income economies and US\$4 per day for transitional central and Eastern European economies.

### **2.2.2 Measurement of poverty in relative terms**

Although income is used to measure poverty in absolute term, it is also utilised to construct a measurement of poverty in relative term (Ravallion et al., 2009). The reason of measuring poverty in relative term is that fixed income-based approach provides a narrow view of poverty (Bourgignon, 1999). In this context, a point of view towards income as proportion is highlighted to the extent of relative deprivation (Forster et al., 2002). Moreover, the reason of using income to derive relative measurement of poverty is that income is a common economic term and it is easy to interpret poverty level of a country (Townsend, 1986).

In this context, measurement of poverty in relative term is associated with income concept (Forster et al., 2002). Like measurement of poverty in absolute term, measurement of poverty in

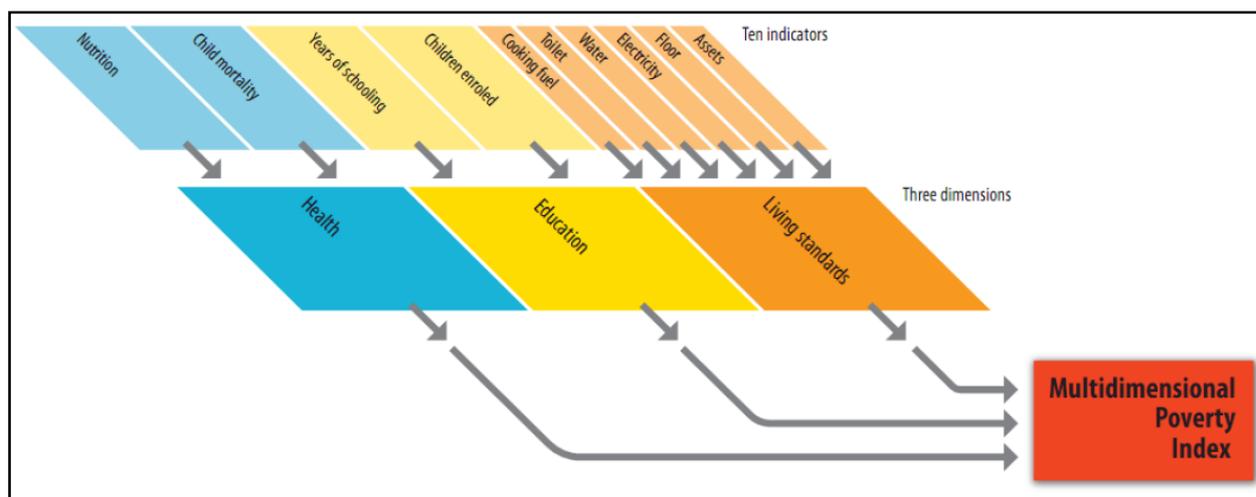
relative term is also different across the countries (Desai, 2002). For instance, poverty line in relative term in OECD countries ranges from 40% to 60% of average national income level (Ravallion et al., 2009). The countries within European Union and Scandinavian areas currently set poverty line as less than 60% of average income level in the countries (Smeeding et al., 2001). Relative poverty line in U.S. is set at 40-42% of average household income level (Forster et al., 2002; Nielsen, 2009).

Other measurement of poverty in relative term is denominated through Gini coefficient (Son, 2015). Gini is technical concept and it is illustrated under a curve from complete equality to complete inequality in average income of a country (Donnison, 1997). Gini coefficient is often generated from survey-based method with calculation is detail to every member of the population (Son, 2015).

### **2.2.3 Measurement of poverty in multidimensional terms**

Connected to previous section whether another point of view of poverty as referring to political, legal, and educational contexts, many international development agencies provide measurements of poverty in multidimensional terms (Son, 2015). For instance, UNDP (1997) provides an indicator to measure poverty level of a nation. This indicator is named as Human Poverty Index (HPI) and it is a combined measurement of multiple facets related to deprivation in health, education level, and living standards of people in a country (UNDP, 1997). However, HPI has shortcoming as it only measures poverty at national level data and it is not developed to measure poverty at specific individuals or household level of a country (Son, 2015).

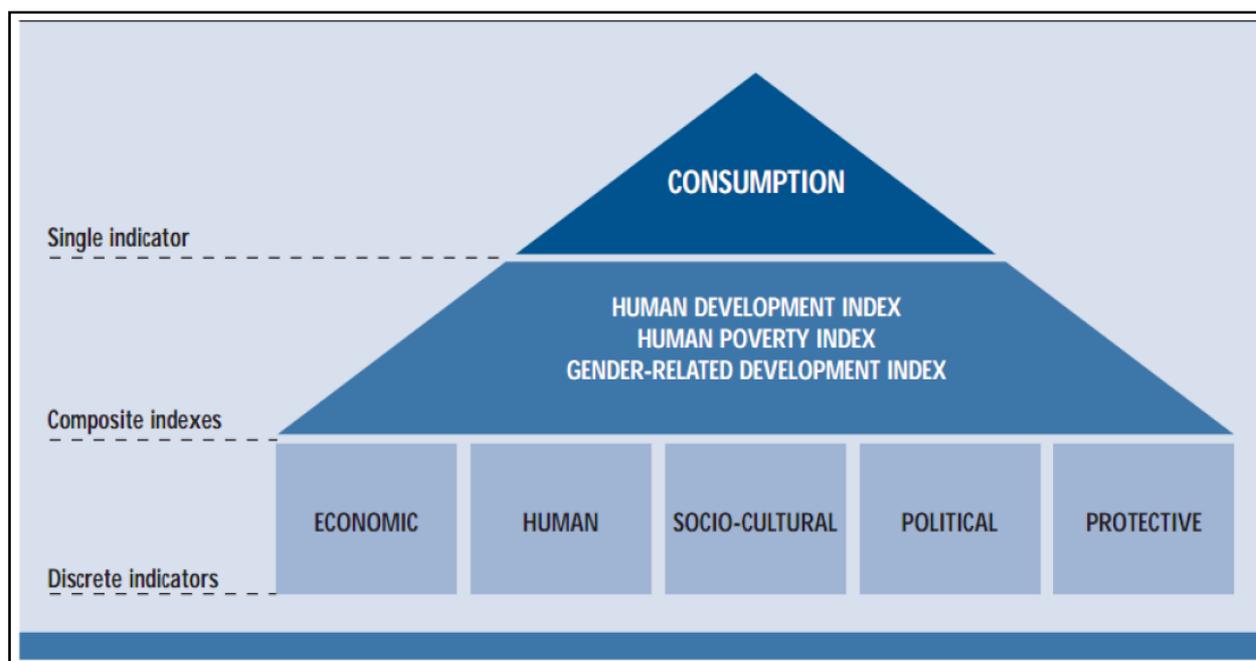
In this context, another measurement scale is provided by UNDP as under the name of Multidimensional Poverty Index (MPI) during 2010. It is notable that MPI is developed from the shortcoming of HPI given to it considers three facets related to deprivation in health, education level, and living standards as emphasized in HPI (UNDP, 2010). Moreover, MPI comes up with 10 indicators as addition to three indicators in HPI (Figure 1). MPI is considered as high applicable measurement in developing countries (UNDP, 2010).



*Figure 2: Multidimensional Poverty Index*

Source: UNDP (2010)

Other measurement of poverty in multidimensional term is provided by OECD (2001). This measurement is developed under the guidelines for poverty reduction (Figure 2). It is a combination of single indicator, composite indicators, and discrete indicators. In another word, OECD (2001) considers poverty as multidimensional concept and poverty level is depended on different layers.



*Figure 3: Poverty measurement by aggregation level*

Source: OECD (2001)

The top tier in OECD's (2001) poverty framework relies on single indicator as fixed income-based approach. This indicator is denominated through either absolute term or relative term and it provides an overview of how many people or portion of overall population is now living under poverty condition (Son, 2015). The second tier refers to composite indicators such as Human Development Index (HDI), Human Poverty Index (HPI), and Gender-related Development Index (GDI). The last tier includes discrete indicators which help to measure poverty level in multidimensional.

### **2.3 Linkage between poverty reduction and the development of socio-economic**

The linkage between poverty reduction and the development of socio-economic takes high attention from previous researchers. The objective of this section is to examine literature reviews about the impact of poverty reduction to socio-economic development to highlight some programs that have been used to reduce poverty in other.

Sinding (2009) conducts a study about population, poverty and economic development. Major key finding of this study refers to a conclusion of reducing fertility and dependency on working age population brings an opportunity to further economic development and further reduction of poverty. Moreover, Sinding (2009) addresses the importance of **incorporated population policies** and the countries which maintain population policies in well-manager often gain higher economic development and significant reduction of poverty rate in both of absolute and relative terms. This study brings a policy implementation to fertility reduction and this policy requires the governments to **invest more for each person in the education and healthcare system**. Expected result of this policy is to create adequate human capital for sustainable development and poverty reduction. Another policy which is recommended by Sinding (2009) is **human development programmes**.

Binger (2004) provides a research about poverty reduction efforts in Less Developed Countries (LDCs). The main objective of this research is to provide specific measurements to accelerate poverty reduction in LDCs. This research points to the fact that poverty is resulted from adverse economic conditions. To reduce poverty rate, the governments need to increase accessibility to financial resources across different economic entities. This study highlights the importance of micro-finance sectors and **higher accessibility to financial resources** ensure their operations properly. In addition, the development of micro-finance sector encourages more job created in scheme of reducing poverty possibility from unemployed people. Accessibility to financial resources require a wide range of services, including credits, savings, and assurances. Another initiative of poverty reduction refers to establishment of farmer support services facilities in rural areas. The objective of this initiative is to **improve income in agricultural sector**. A case study of African LDCs is put into analysis with some concerns about poor geographical conditions that leads to lower food production to meet the increases of population. In this context, the governments in African LDCs conducted a policy to **import foods under governments' subsidiarization** from OECD's countries. Under governments' subsidiarization, food prices were kept at low level to bring favorability to local people instead of producers. It is addressed that African LDCs had been suffering lack of transparency due to lack of resources as land and credit, and inadequate knowledge and limited research to improve agriculture. Moreover, another policy scheme refers to the **partnership of international agencies** in which they present under NGOs and the **involvement of private sector** to provide supports to local farmers in term of new

agricultural technologies and transparent information. This partnership includes **international aids throughout the forms of aids and loans**. Another way to reduce poverty in LDCs is **the development of rural infrastructure**. Binger (2004) highlights the role of basic national infrastructure such as roads, transportation, utilities, and communication. The advantage of upgrading infrastructure is to connect rural or remote areas to higher development ones and therefore, reducing poverty in that areas.

In addition to empirical studies above, there are numerous evidences about poverty reduction in Vietnam. One study is developed by GRIPS Development Forum (2003) with the objective of making linkage between economic growth and poverty reduction in the context of Vietnam. There are 6 case studies to be provided and examined subsequently in this study. Some national programs are addressed as initiative to solve out poverty concerns, including **promoting rural development, strengthening the effectiveness of poverty-targeting measures, and the investment into national infrastructures**. Another study is developed by researchers from Communist Review (2013). This study addresses the importance of 2011-2020 Socio-Economic Development Strategy as main policy-based tools to reduce poverty rate. Some national programs must be conducted to foster economic development and to reduce poverty rate. First national program refers to **the establishment of favorable condition to poor people** and they have right to use production resources. Communist Review (2013) highlights that 20% of richest people in developing countries hold more than 70% of production resources in hand that lead to inequality in social structure. Second national program refers to **the tax policies** applied to rich people. These taxes are collected directly and accumulatively. Of course, the highest tax rate should be bearable and not so high as to eliminate motivation and discourage efforts to acquire a fortune legally through personal effort. Another program is **tight management on the prices and market supply** to reduce negative impact of price fluctuation. Finally, this study highlights the importance of **expanding of assurance and healthcare system**.

## CHAPTER 3 RESEARCH METHODOLOGY

### 3.1 Research methodology

Research methodology is the consideration and the choice in between qualitative and quantitative research method (Saunders et al., 2009). However, the differentiation between quantitative and qualitative research method is quite abstract and wrong selection leads to unexpected results (Alwood, 2012). In this study, qualitative research method will be selected as main research methodology. Bot of two methods are utilised subsequently in business and management researches (Canurran and Blackburn, 2001).

At first, it is required to make clear difference between quantitative and qualitative research method and it is depended on the way to collect data and the process of data analysis (Saunders et al., 2009). Quantitative research method refers to the process of collecting numeric data and the application of nature science to drive the facts inside social phenomenon (Bryman and Bell, 2007). Qualitative research method, however, refers to non-numeric data collection and the utilization of categorization or content analysis to obtain key findings (Mack et al., 2005).

In this study, qualitative research method is developed due to some reasons. The first reason is that this study does not aim to make quantitative measurement of poverty in Vietnam due to poverty level of the country has already provided by international agencies. The second reason is that qualitative research method is deployed with survey of questionnaire with relevant respondents that are linked directly to poverty reduction in the province.

Second, the choice of qualitative research method required subsequent research strategies (Saunders et al., 2009). It is asserted that there are many research strategies to be adopted in business and management researches (Saunders et al., 2009). In addition, wrong selection of research strategy often leads to poor key findings and research objectives are not obtained successfully (Cook and Campbell, 1979). In case of qualitative research method to be applied, case study is considered as certain choice for research strategy (Saunders et al., 2009). Although case study is widely accepted and applied previously, previous researchers still leave most of questions about research design under discussion (Yin, 1989; Eisenhardt, 1989). Moreover, the choice of case study requires subsequent understanding about its strengths and weaknesses

(Meyer, 2001). In this study, case study refers to the choice of Phu Tho which is known as one of Vietnam's provinces.

Case study is determined as selection of organisations or group of people who are related to social phenomenon which has little understandings and therefore it is not tackled by other research strategies rather than case study (Hartley, 1994). Moreover, case study supports a study that comes up with “how”, “why”, and “what” research questions (Leonard-Barton, 1990). One of valuable point of case study is that it brings subsequent and in-depth information about social phenomenon (Gummesson, 1988). In addition, case study allows the researchers to understand about social phenomenon which has multiple facets and deeper understandings are generated from detail examination of each facet (Gummesson, 1988). The role of case study is relevant in case of social phenomenon and its related theories are not clearly visible and findings are generated only through real-life contexts (Yin, 1993).

In another spectrum, the choice of case study as main research strategy brings two requirements that are made up regarding to sample cases and a unit of analysis (Meyer, 2001). Sample case refers to how many case studies that are expected to put into analysis. In case of only one case study to be selected, obtained information is generalized and biased (Eisenhardt, 1989). Therefore, more than two case studies should be selected but two case studies are preferable because of it takes less time consuming and efforts to collect and to analyse the data (Meyer, 2001). In addition, two case studies allow comparative analysis among them (Meyer, 2001).

The second aspect is a unit of analysis (Meyer, 2001). Yin (1980) asserts that there are two types of unit of analysis, including holistic and embedded design. While holistic analysis considers overall assessment of social phenomenon, embedded design focuses on every aspect constructed to this phenomenon (Meyer, 2001). In this study, embedded design will be utilised as unit of analysis. This study will involve in-depth analysis of poverty reduction policies and programs in Vietnam and one other country so that a comparison is made up and findings are obtained subsequently.

After selecting sample cases and unit of analysis, the next step is to choose sampling time or when to conduct analysis (Meyer, 2001). Sampling time refers to the period when the analyses will be mad up and the study is developed with data collected from XXX to date.

### 3.2 Collecting data

There are two kinds of data that are often used in business and management studies which are primary data and secondary data (Saunders et al., 2009). Primary data is the second type of information that is collected in this study. Primary data is defined as the information that is not collected as before but first time collected by the researchers (Saunders et al., 2009). In this study, primary data is collected from questionnaire with relevant people in Phu Tho Province in term of poverty policies and related programs to reduce poverty level in last few years. Current situation of poverty reduction in Phu Tho Province is clarified through survey of questionnaire with 30 people who are working for People Committee in Phu Tho Province. The survey of questionnaire is designed with Likert scale of 5 points: 1 – strongly disagree, 2 – disagree, 3 – neutral, 4 – agree, and 5 – strongly agree. The statement of questionnaires is based on literature reviews about poverty concept of which it is balanced between income and living standards for people. In addition, Uddin et al. (2015) indicates that a poverty reduction is highly depended on economic possibilities (how to earn money, to use, and to have assets), human development capabilities (how to have permission to get health care system, basis education, diversity nutrition, clean water, and good living conditions), political capabilities (how to maintain human rights, to take part in political and policymaking process, and to be able to create effective decision-making), socio-cultural abilities (how to participate as a essential citizen of the community with social status and dignity), and protective abilities (how to prevent vulnerability from food insecurity, environment, sickness, illegal activities, war, and conflict).

*Table 1: Survey of questionnaire*

No	Statement	1	2	3	4	5
1	The agriculture office ensures distribution of high quality seeds in Phu Tho Province's villages at the moment					
2	Distribution of fertilizer bow becomes smooth in Phu Tho Province					
3	All members in your family use electricity from Phu Tho Province supply					
4	The agricultural production has been increased in Phu Tho Province's villages					
5	Housing has become more convenient in Phu Tho Province					
6	There is a recent development in the farming tools					

	and machines in Phu Tho Province					
7	Most of my family members use hygienic latrine in Phu Tho Province					
8	Most of the members in your family have access to clean drinking water from tube-well piped line etc. in Phu Tho Province					
9	Number of elderly people has increased in Phu Tho Province's villages					
10	Infant mortality rate has been decreased for the last five years in Phu Tho Province's villages					
11	Costs of health care facilities are reasonable in Phu Tho Province					
12	Health care centers are equipped with necessary machines in Phu Tho Province					
13	People are aware about healthcare services in Phu Tho Province's villages					
14	Many children can read and write in Phu Tho Province's villages					
15	The number of educated people has increased in Phu Tho Province's villages					
16	Access to school attendance of our children has increased in Phu Tho Province's villages					
17	Training opportunities are available for agricultural farmers in Phu Tho Province's villages					
18	Income generating training is also available in in Phu Tho Province's villages					
19	Livelihood opportunities have been increased in in Phu Tho Province's villages					
20	Income generating opportunities have been increased in in Phu Tho Province's villages					
21	Now our travel time from Phu Tho Province's villages to town is decreased					
22	Travel cost is suitable in Phu Tho Province					
23	There are available public transports in Phu Tho Province's villages					

The first critical point in closed questionnaire and opened questionnaire refers to they are directly linked to literature review in Chapter 2. As mentioned in previous chapter, poverty is measured by both absolute and relative point of view. The understanding of poverty as absolute term is provided by Haughton and Khandker (2009) and it addresses the ones who do not have enough income to cover minimum resources to maintain their livings such as foods, house, clean water, etc. Therefore, survey of questionnaire is designed with some statements which address current

income level of people in Phu Tho Province. For example, question 11 targets to reveal costs of health care facilities and question 19 addresses income generating training is available or not available, and question 23 mentions about travel cost.

The understanding of poverty as relative term is provided by different scholars. Source of poverty as relative income refers to poor income that lead to inability to obtain adequateness in education or less national favorable policies or public service entry (Donnison, 1997; UNDP, 1997). In this context, survey of questionnaire is designed to address about supply of electricity in question 3, housing convenient in question 5, sanitary latrine in question 7, etc. Moreover, European Union provides the concept of poverty as it refers to people who do not receive sufficient materials, cultural, and social resources compared to minimum level in area where they are living (Townsend, 1986). Therefore, it is required to explore these settings in Phu Tho Province and it is explored through several questions such as question 13, 14, 15, etc.

Another critical point in survey of questionnaire implementation is to gain the trustfulness from the respondents. Luckily, the author has good relationship with the Chairman of People Committee in Phu Tho Province and he introduces me to other people in his office. The sample size for survey of questionnaire is 30 people who are working for People Committee in Phu Tho Province. The reason of picking these people due to they have in-depth understanding about current situation of poverty in the province. Moreover, most of people who are working in People Committee in Phu Tho Province for very long time and therefore they understand about many aspects of poverty reduction from education to healthcare services to transportation in this province.

In addition to survey of questionnaire which is designed by closed question type, it is necessary to provide some opened questions to improve understanding and to find explanations behind the evaluation. These questions are given to President of People Committee and two Vice-Presidents of this committee. Open-ended questions include:

- 1) What is long-term objective of poverty program which is being implemented in Phu Tho Province?
- 2) What are the major contents of poverty program which is being implemented in Phu Tho Province?

- 3) How poverty reduction program is being implemented in Phu Tho Province?
- 4) What are the programs that need to be done to further decrease poverty rate in Phu Tho Province?

Interviews were conducted face-to-face with chosen respondents. Interviewees are holding key positions in Phu Tho's People Committee. Each interview session took about 30 minutes. Each respondent was asked four questions and their answers are noted for future content analysis.

Aside to primary data, secondary data is also collected. Secondary data is the information that is existing in previous studies or reports about social phenomenon (Saunders et al., 2009). This data type has the advantage of taking less time to collect and the information is already processed, cleaned up, and well-presented (Srivastava and Rego, 2011). In this study, secondary data is collected from previous studies and reports about poverty reductions. A wide range of reports from international development agencies i.e. The World Bank, OECD, etc. are also collected to give better experiences and point of view about poverty reduction.

### **3.3 Data analysis techniques**

The first data analysis of this study is descriptive statistics. It is notable that descriptive statistics will be applicable for primary data which is collected from survey of questionnaire process. Since the survey of questionnaire is relied on Likert scale of 5 points with 1 as strongly disagree and 5 as strongly agree, descriptive statistics play prominent role as it delivers mean value analysis. If mean value is less than 2.5, the respondents disagree with a given statement and if mean value is between 2.5 and 3.5, the respondents have neutral attitude with a given statement and if mean value is higher than 3.5, the respondents agree with a given statement. This rule is further supported by Sekeran (2003). Moreover, descriptive statistics include frequency analysis which is conducted upon on secondary data. In this study, secondary data is collected from different sources. Main source is taken from the database of General Statistics Office and it provides key insights about how social aspect, economic aspect, health aspect, education aspect, and infrastructure aspect of Phu Tho Province. By using frequency analysis, key findings from mean value analysis is relevant or not. On the other hand, frequency analysis on secondary data will strengthen or against the findings from primary data.

The second data analysis is content analysis. It is notable that content analysis is being used widely in accordance with qualitative research method and this analysis includes three distinct approaches: conventional, directed, and summative (Hsiu-Fang and Shannon, 2015). Conventional content analysis refers to the action of coding categorizes which are conducted directly from text data (Hsiu-Fang and Shannon, 2015). Direct content analysis is determined as the action of understanding theories and concepts related to target social phenomenon or relevant findings as paradox for initial codes (Hsiu-Fang and Shannon, 2015). Summative content analysis requires counting and comparative actions to interpret key findings (Hsiu-Fang and Shannon, 2015).

University of Missouri (2017), however, provides two subsets of content analysis, including conceptual analysis and relational analysis. Conceptual analysis refers to the action of finding relevant theories about social phenomenon and the researchers will count how the frequency of this concept in previous literatures (Palmquist et al., 1997). Relational analysis is conducted when the researchers want to identify common and closed terms towards target social phenomenon (Carley and Palmquist, 1992). Moreover, both of conceptual and relational analysis begin with identification of research objectives and research questions as well as selecting samples (University of Missouri, 2017). However, the next steps are different among two subsets. While conceptual analysis often relies on key words as part of selective reduction. On the other hand, the researchers who follow conceptual analysis consider there is stronger presence of positive or negative words related to social phenomenon (University of Missouri, 2017). Relational analysis, however, seeks beyond presence of words as it aims to explore the relationship among recognized concepts (Palmquist et al., 1997). It means the researchers who follow relational analysis aim to determine the connection among terms (Carley and Palmquist, 1992).

Moreover, content analysis follows specific paradigm that is adapted from Berelson (1971). The first step in content analysis is to explore the differences or the contrasts in communication context. The second step is to identify information existed underlyingly in the context. The third step is to detect the trend within communication contexts. The fourth step refers to descriptive output in term of attitudinal and behavioural responses of respective respondents. The last step is the determination of psychology or emotion of these respondents.

## CHAPTER 4 DATA ANALYSIS AND KEY FINDINGS

### 4.1 The current situation of poverty reduction in Phu Tho Province

Current situation of poverty reduction in Phu Tho Province is assessed through five factors: (i) housing and agriculture, (ii) health, (iii) education, (iv) training and employment, and (v) communication. Each part consists of questionnaire's items and it will be presented in the table below:

#### 4.1.1 Housing and agriculture

Housing and agriculture factor has 8 questionnaire's items with average scores of each item is presented in Table 2 as below:

*Table 2: Assessment of housing and agriculture in Phu Tho Province*

Item	Questionnaire	% of selection					Average score
		1	2	3	4	5	
1	The agriculture office ensures distribution of high quality seeds in Phu Tho Province's villages at the moment	-	-	33	27	40	4.07
2	Distribution of fertilizer bow becomes smooth in Phu Tho Province	20	10	30	23	17	3.07
3	All members in your family use electricity from Phu Tho Province supply	-	-	-	57	43	4.43
4	The agricultural production has been increased in Phu Tho Province's villages	-	-	20	57	23	4.03
5	Housing has become more convenient in Phu Tho Province	20	33	47	-	-	2.27
6	There is a recent development in the farming tools and machines in Phu Tho Province	-	37	10	40	13	3.30
7	Most of my family members use hygienic latrine in Phu Tho Province	43	40	17	-	-	1.73
8	Most os the members in your family have access to clean drinking water from tube-well piped line etc. in Phu Tho Province	13	40	47	-	-	2.33

The first item is set to measure the quality of seeds in Phu Tho Province. Obtained result shows that none of 30 respondents choose 'strongly disagree' or 'disagree' with this item while the percentage of 'neutral', 'agree', and 'strongly agree' are 33%, 27%, and 40% respectively. Obviously, average score for the first item is calculated at 4.02 and it is higher than 3.5. It means

the respondents have high agree with this item's statement. It is true since the province has received precious investment from a Japanese company, Kitoku Shinryo Corporation, to raise the quality of seeds in rice harvest. This investment is delivered with high technology transfers on 7,000 hectares of Japan's rice seed with high quality in Phu Tho Province (Phu Tho Portal, 2017).

The second item refers to distribution of fertilizer bow in Phu Tho Province. Obtained result shows that the percentages of respondents who choose 'strongly disagree', 'disagree', 'neutral', 'agree', and 'strongly agree' are 20%, 10%, 30%, 23%, and 17% respectively. Average score of this item is 3.07 and it is between 2.5 and 3.5, meaning that the respondents share neutral attitude towards current performance of fertilizer distribution in Phu Tho Province. This average score reflects the fact that Phu Tho Province has already had fertilizer distribution but the effectiveness of distribution is not high. This argument is affirmed by the report of French Red Across (2008) whether this international agency has helped the farmers in worst-hit areas in Phu Tho Province to receive more than 658,000 kilograms of fertilizers for upcoming planting seasons. However, this program was only available for poor districts such as Cam Khe and Ha Hoa.

The third item focuses on current situation in supplying electricity for households in Phu Tho Province. Obtained result shows that 57% of total respondents choose 'agree' and 43% of total respondents choose 'strongly agree' with this item's statement. Average score is 4.43 and it is higher than 3.5 or the respondents have high agree towards this item's statement. This item gains high average score because of this province has good electricity system and national electricity network covers all districts and communes (Investment Promotion Center - IPCN, 2017). Phu Tho Province has thermos power plant with capacity of 600MW and biomass power plant with capacity of 40MW (EVN, 2017). With two power plants, Phu Tho Province assures for local people to be supplied by electricity line for daily living and business purposes. Moreover, General Statistics Office (2017) provide percentage of household using electricity in Phu Tho which is stood at 99.0% and this number is higher than average percentage of whole country that is 98.3%.

The fourth item addresses the agricultural production in Phu Tho Province. The statement mentions about agricultural production in this province has been increasing. Obtained result

shows that none of respondents choose ‘strongly disagree’ and ‘disagree’ with this statement. Moreover, the percentages of respondents choose ‘neutral’, ‘agree’, and ‘strongly agree’ are 20%, 57%, and 23% with more than half of respondents choose ‘agree’ with this statement. It leads to high average score at 4.03 or the respondents have high agree level with this statement. This result is true due to latest figures from General Statistics Office (2017) shows that agricultural production of this province has been increased from VND1,621 billion in 2007 to VND1,996 billion in 2011. It means that agricultural production of Phu Tho Province has been increased by VND375 billion or 23% during the period of 2007-2011. Although there are 6 respondents having neutral attitude and it is explained by the fact that Phu Tho Province is only ranked at second place among provinces in northern mountain area in Vietnam and this province is nearly 2 times lower than Bac Giang Province which has agricultural production value at VND3,898 billion in 2011 (General Statistics Office, 2017).

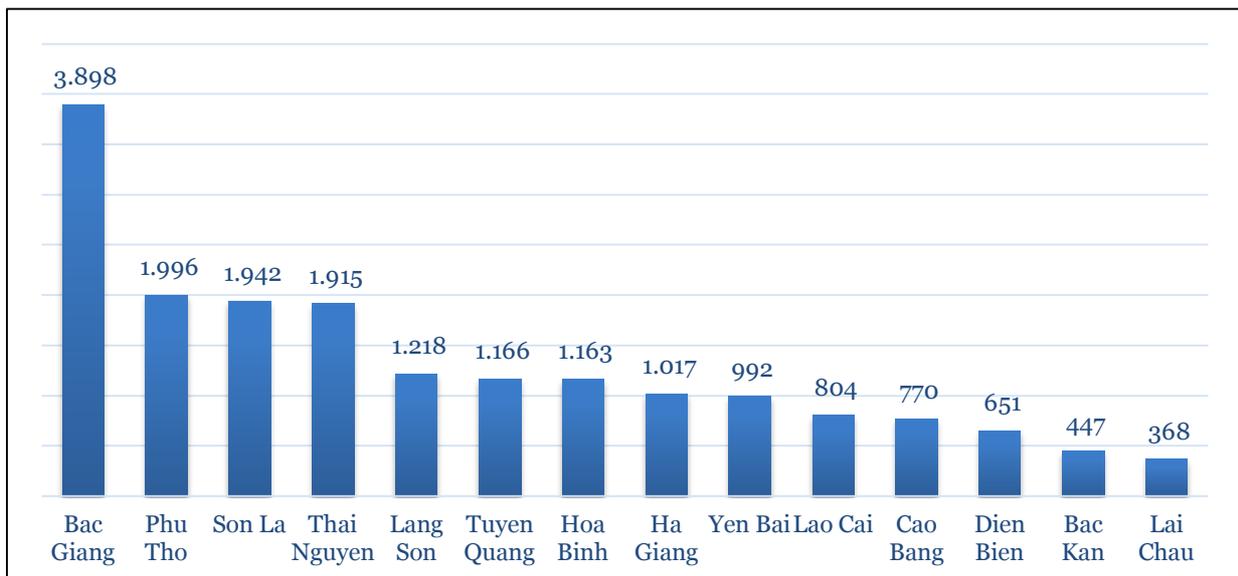


Figure 4: Agricultural production in northern midlands and mountain areas (VNDb)

Source: General Statistics Office (2017)

The fifth item mentions about the comfortability of housing in Phu Tho Province. Obtained result shows that the percentages of respondents who choose ‘strongly disagree’, ‘disagree’, and ‘neutral’ are 20%, 33%, and 47% respectively and there are no respondents who choose ‘agree’ and ‘strongly agree’ with this statement. Average score of this item is 2.27 and it is lower than

2.5 or the respondents do not feel comfortable with housing in Phu Tho Province. This argument is true because of the data from General Statistics Office (2017) shows that Bac Giang, Phu Tho, and Thai Nguyen are three provinces that have highest population density in northern midlands and mountain areas in Vietnam. Current population density levels of three provinces in term of numbers of persons per kilometer square are 426, 388, and 377. Compared to average population density of whole country (277 persons/km<sup>2</sup>), current population density of Phu Tho Province is much higher.

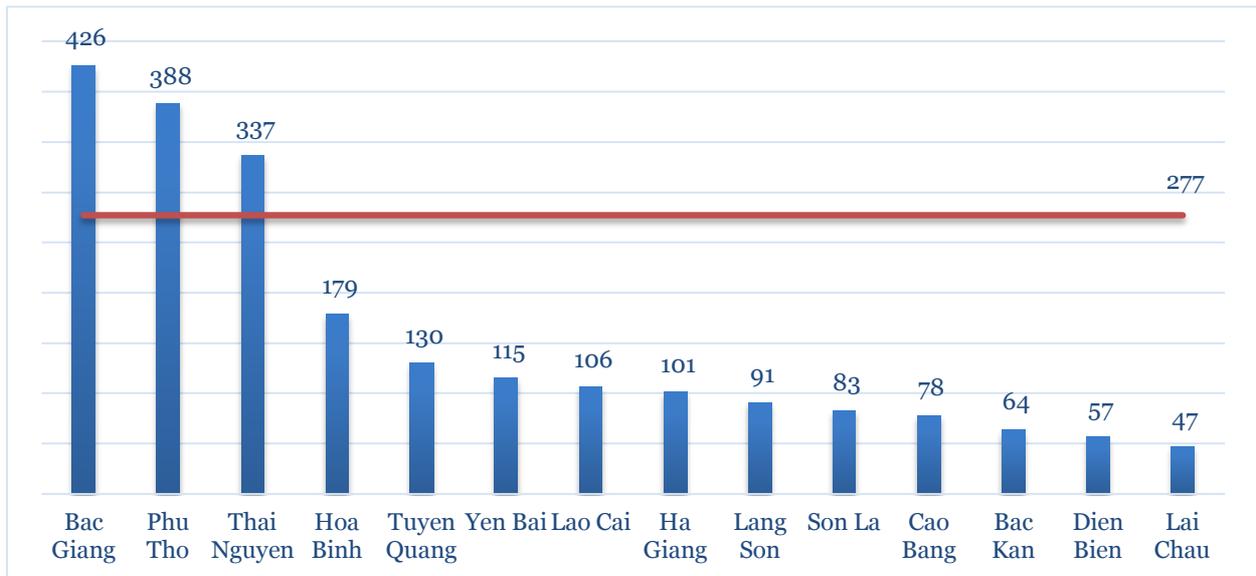


Figure 5: Population density in northern midlands and mountain areas (person/km<sup>2</sup>)

Source: General Statistics Office (2017)

The sixth item refers to farming tools and machines in Phu Tho Province. Obtained result shows that no respondents choose ‘strongly disagree’ with this statement while the percentages of choosing ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 37%, 10%, 40%, and 13%. This result brings average score of 3.30 and it is between 2.5 and 3.5 or the respondents share neutral attitude with this statement. This result will be validated through fact and figure which are published by General Statistics Office (2017). It is notable that there are no references for current technology level applied in farming tools and machines in Phu Tho Province. However, higher technology level will generate higher yield of paddy; therefore, this study will compare yield of paddy and production of paddy as moderator factors of evaluating recent development in the

farming tools and machines in Phu Tho Province. Compared between region, northern midlands and mountain area has yield of paddy at 48.7 and it is lowest number compared to other regions and whole country (General Statistics Office, 2017).

Compared among provinces in northern midlands and mountain areas, the values of yield paddy of provinces are presented in Figure 5. It is showing that Phu Tho Province is ranked at fourth place and this province’s yield of paddy is lower than Tuyen Quang, Bac Giang, and Ha Giang. In more detail, yield paddy values of Tuyen Quang, Bac Giang, and Ha Giang are 58.4, 55.7, and 55.4 respectively. Two provinces which have lowest yield value are Dien Bien and Son La with numbers of 35.4 and 33.5 respectively. Current yield of paddy in Phu Tho Province, moreover, is higher than average value in northern midlands and mountain areas but it is slightly lower than yield of paddy value in whole country.

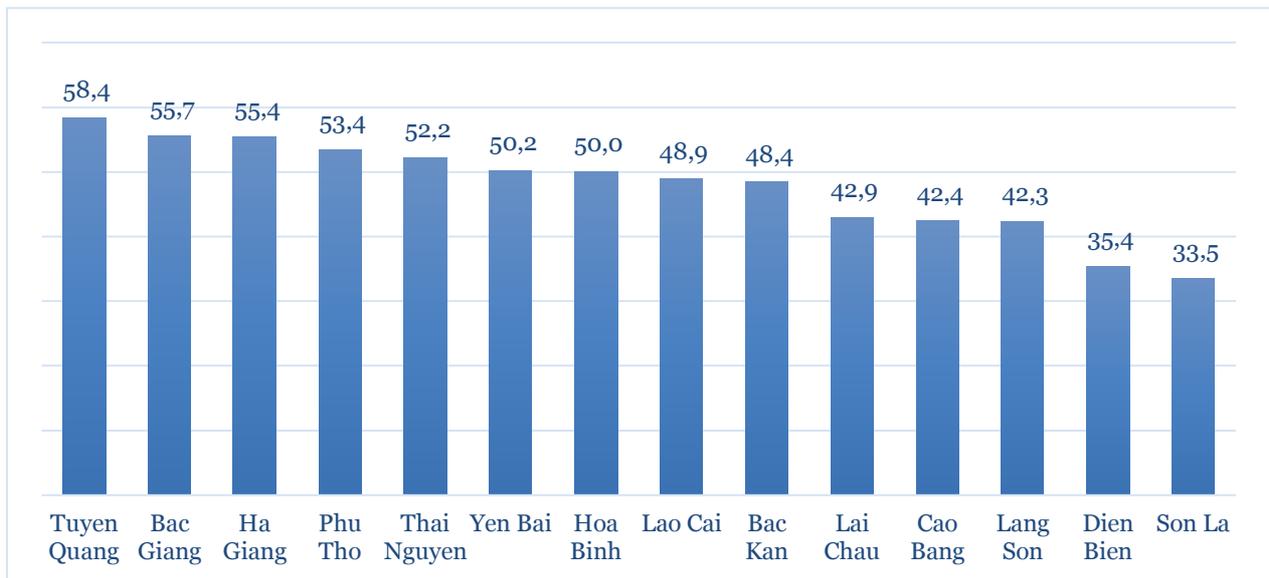


Figure 6: Yield of paddy in northern midlands and mountain areas

Source: General Statistics Office (2017)

The seventh item focuses on the assessment of sanitary latrine in Phu Tho Province. The percentages of respondents who choose ‘strongly disagree’, ‘disagree’, and ‘neutral’ are 43%, 40%, and 17% respectively and there are none of respondents choose ‘agree’ and ‘strongly agree’ with this statement. High number of respondents choose ‘strongly disagree’ and ‘disagree’ with this statement brings average score of 1.73 and it is lower than 2.5. It means the respondents

do not happy with current situation of sanitary latrine in Phu Tho Province. Since General Statistics Office (2017) do not provide any indicator related to the use of sanitary and latrine by province, alternative indicator is utilized and it refers to percentage of household using toilet by residence and by region throughout the years. Table 3 shows that the percentage of household using toilet in northern midlands and mountain areas where Phu Tho Province is located is 68.8% in 2014 while this percentage in whole country is 83.6%.

*Table 3: Percentage of household using toilet by residence and by region*

Area	2002	2004	2006	2008	2010	2012	2014
Whole country	55.1	61.0	59.1	65.0	75.7	77.4	83.6
Urban	84.9	89.6	86.7	90.2	93.8	93.7	95.4
Rural	44.1	50.1	48.6	55.2	67.1	70.0	78.1
Red River Delta	-	-	-	84.5	89.6	91.4	96.7
Northern midlands and mountain areas	-	-	-	49.2	60.8	60.0	68.8
North central area and Central coastal area	-	-	-	67.9	81.9	83.0	89.0
Central highlands	-	-	-	49.2	62.1	65.2	69.6
South East	-	-	-	87.5	92.0	92.5	96.2
Mekong River Delta	-	-	-	35.2	47.6	53.3	61.6

Source: General Statistics Office (2017)

The last item examines current accessibility level to pure drinking water from tube-well piped line etc. in Phu Tho Province. Obtained result shows that none of respondents choose ‘agree’ and ‘strongly agree’ with this statement. Other while, there are 13% of total respondents choose ‘strongly disagree’, 40% of total respondents choose ‘disagree’, and 47% of total respondents choose ‘neutral’ with this statement. Average score is calculated at 2.33 and it is lower than 2.5. It means that the respondents do not agree with the statement of most of their family members have access to pure drinking water from tube-well piped line etc. in Phu Tho Province. The disagreement from respondents is explained from below average of percentage of collected solid waste treated in accordance with corresponding defined national criteria in this province

compared to whole country's level. Report from General Statistics Office (2017) shows that Phu Tho is ranked at fourth place in northern midlands and mountain areas in term of percentage of collected solid waste treated in accordance with corresponding defined national criteria and this province's percentage is much lower than whole country's percentage that is 75%. Moreover, the report from General Statistics Office (2017) shows that northern midlands and mountain areas have lowest percentage of household having hygienic water. Current percentage of household having hygienic water in this area is 81.3% while this percentage in whole country level is 93.0% and highest percentage is belonged to Red River Delta with the value of 99.2%, followed by South East with value of 99.0%.

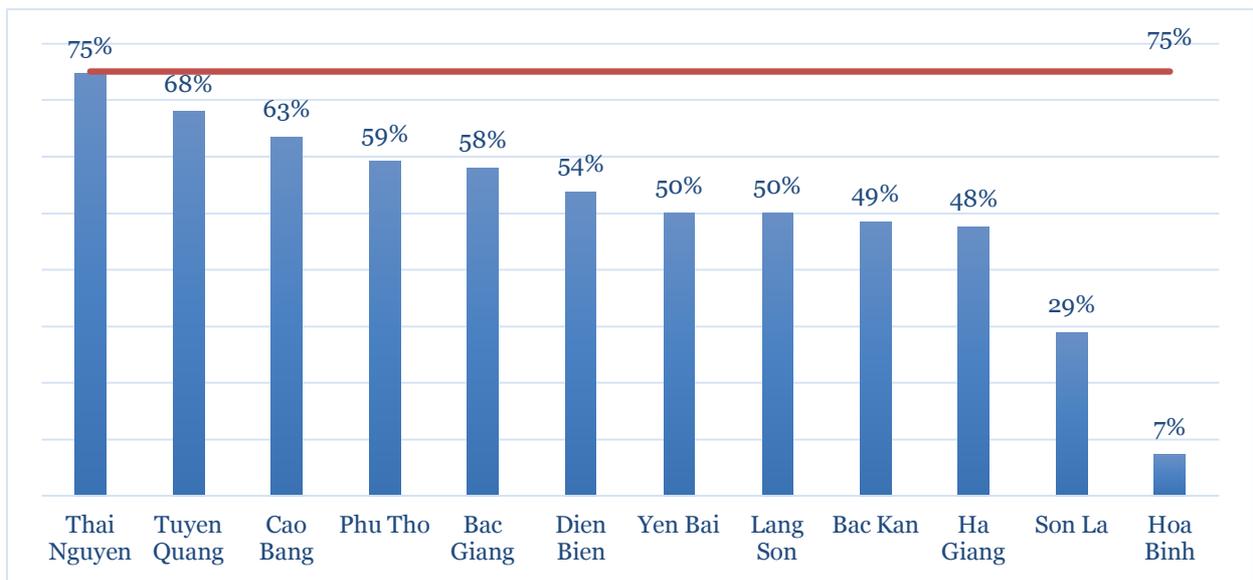


Figure 7: Percentage of collected solid waste treated in accordance with corresponding defined national criteria

Source: General Statistics Office (2017)

#### 4.1.2 Health

Health factor is evaluated through five questionnaire's item with average scores of each item is presented in Table 3 as below:

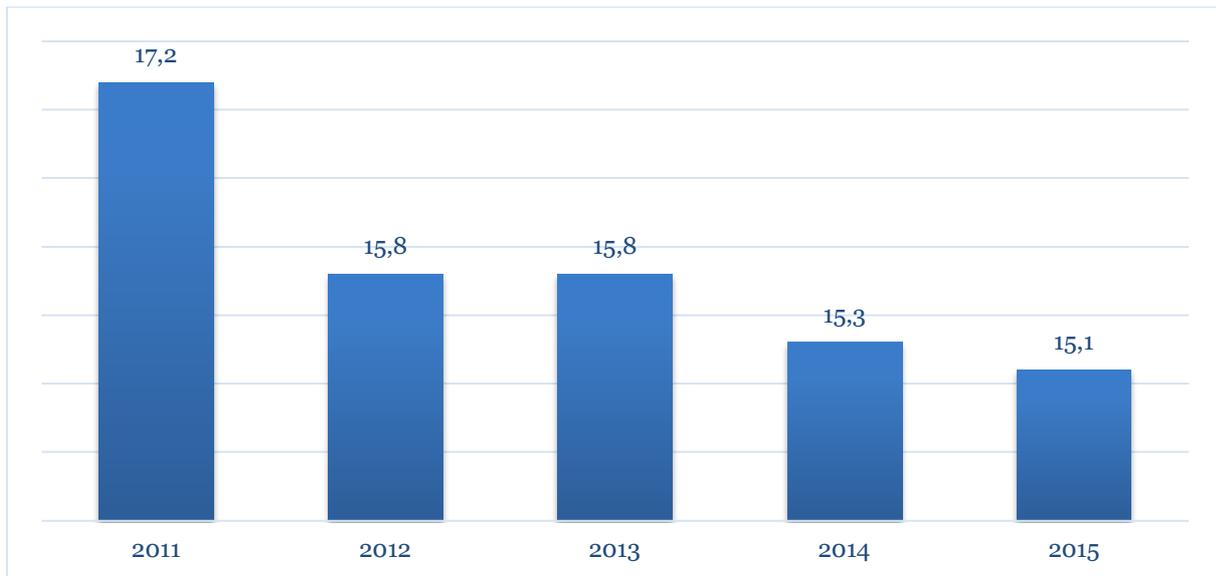
Table 4: Assessment of health in Phu Tho Province

Item	Questionnaire	% of selection					Average score
		1	2	3	4	5	

9	Number of elderly people has increased in Phu Tho Province's villages	-	-	17	77	7	3.90
10	Infant mortality rate has been decreased for the last five years in Phu Tho Province's villages	-	-	43	40	17	3.73
11	Costs of health care facilities are reasonable in Phu Tho Province	20	23	7	17	33	3.20
12	Health care centers are equipped with necessary machines in Phu Tho Province	30	17	13	23	17	2.80
13	People are aware about healthcare services in Phu Tho Province's villages	40	17	13	17	13	2.47

The first item considers about number of elderly people has been increased in Phu Tho Province. Obtained results show that none of respondents choose 'strongly disagree' and 'disagree' while the percentages of 'neutral', 'agree', and 'strongly agree' are 17%, 77%, and 7%. Average score of this questionnaire's item is 3.90 and the respondents have high agree with this questionnaire's statement. The result from the 2009 Population and Housing Census shows that total population with 60+ years old in 2009 was 134,499 and they consumed 10.22% of total provincial population. Under recent report from Statistics Office of Phu Tho Province, total population with 60+ years old in 2015 was 172,175 and they consumed 12.56% of total provincial population.

The second item evaluates infant mortality rate in Phu Tho Province and this statement refers to the reduction of infant mortality rate for the last five years. Obtained result shows that none of respondents choose 'strongly disagree' or 'disagree' with this statement and the percentages of 'neutral', 'agree', and 'strongly agree' are 43%, 40%, and 17% respectively. Average score of this item is 3.73 and it is higher than 3.50 or the respondents have high agree with this statement. It is true since the report of General Statistics Office (2017) indicates that infant mortality rate in Phu Tho Province has been dropped down from 17.2% in 2011 to 15.1% in 2015. Therefore, the respondents have high agree with this statement. However, current infant mortality rate of Phu Tho Province is lower than whole country's infant mortality rate which is 14.7% and it is only after Thai Nguyen Province with infant mortality rate of 14.7%.



*Figure 8: Infant mortality rate of Phu Tho Province from 2011 to 2015*

Source: General Statistics Office (2017)

The third item refers to costs of healthcare facilities are reasonable in Phu Tho Province or not. Obtained result shows that the percentages of respondents choose ‘strongly disagree’ or ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 20%, 23%, 7%, 17%, and 33% respectively. Average score of this questionnaire’s item is 3.20 and the respondents have neutral attitude towards healthcare facilities in the province.

The fourth item emphasizes about the level of equipping necessary machines in healthcare center in Phu Tho Province. Obtained results show that the percentages of respondents choose ‘strongly disagree’ or ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 30%, 17%, 13%, 23%, and 17% respectively. Average score of this questionnaire’s item is 2.80 and the respondents have neutral attitude towards e level of equipping necessary machines in healthcare center in the province.

The last item considers people awareness about healthcare services in Phu Tho Province. Obtained results show that the percentages of respondents choose ‘strongly disagree’ or ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 40%, 17%, 13%, 17%, and 13% respectively. Average score of this questionnaire’s item is 2.47 and the respondents have

disagreed with awareness about healthcare services in Phu Tho Province. On the other hand, the respondents have low awareness about healthcare services.

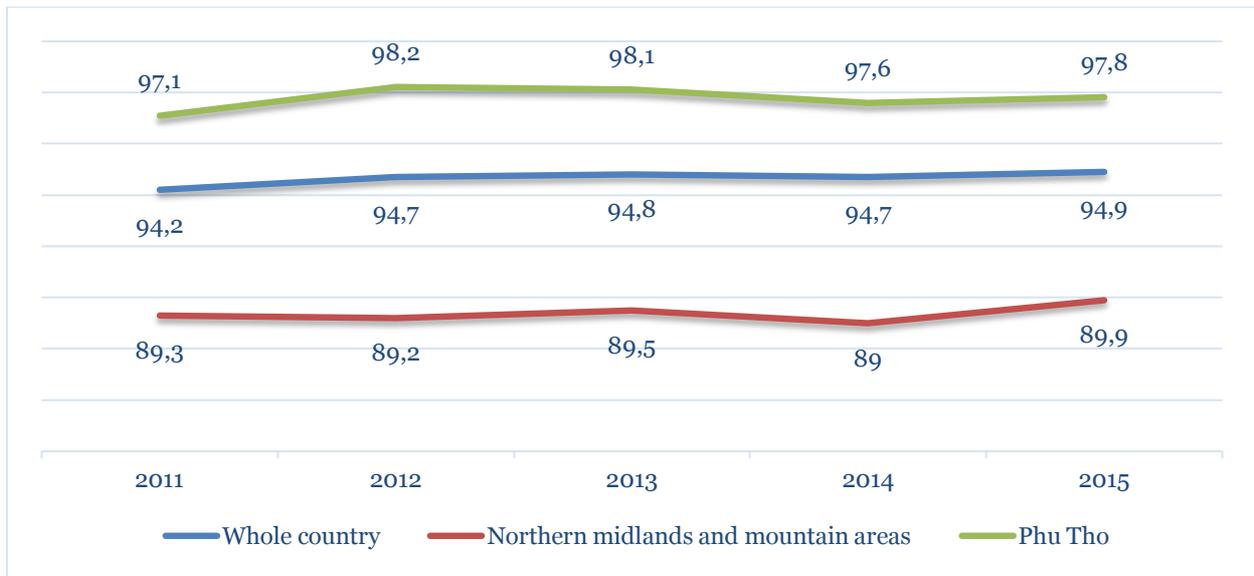
#### 4.1.3 Education

Education factor is evaluated through three questionnaire's item with average scores of each item is presented in Table 5 as below:

*Table 5: Assessment of education in Phu Tho Province*

Item	Questionnaire	% of selection					Average score
		1	2	3	4	5	
14	Many children can read and write in Phu Tho Province's villages	-	-	37	43	20	3.83
15	The number of educated people has increased in Phu Tho Province's villages	37	13	30	13	7	2.40
16	Access to school attendance of our children has increased in Phu Tho Province's villages	13	27	30	17	13	2.90

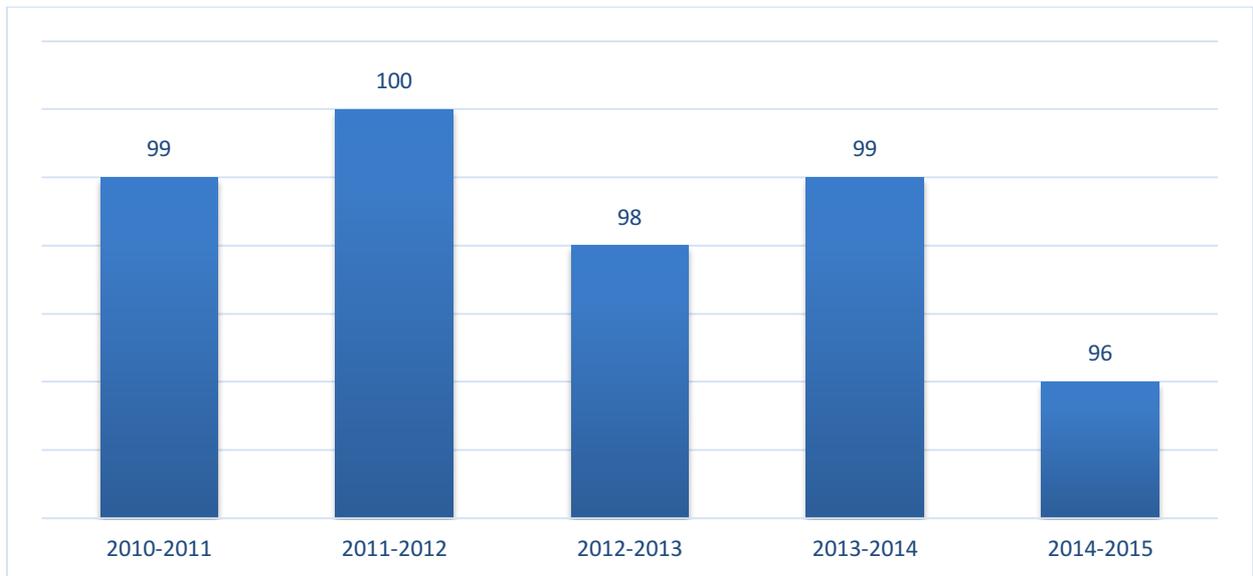
The first item refers to the statement of more of children in Phu Tho Province can read and write. On the other hand, this questionnaire's statement examines current literate level of this province. Obtained result shows that none of respondents choose 'strongly disagree' or 'disagree' with this statement while the percentages of 'neutral', 'agree', and 'strongly agree' are 37%, 43%, and 20% respectively. Average score of this questionnaire's item is 3.83 and it means the respondents have agree with this statement. It is true since the report from General Statistics Office (2017) shows that literate level of Phu Tho Province is higher than average literate level of northern midlands and mountain areas and it is higher than average literate level of whole country. Currently, literate levels of northern midlands and mountain areas and whole country are 89.9% and 94.9% while literate level in Phu Tho Province is 97.8%.



*Figure 9: Literate level of Phu Tho Province from 2011 to 2015*

Source: General Statistics Office (2017)

The second item refers to the number of educated people in Phu Tho Province. The percentages of respondents who choose ‘strongly disagree’, ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 37%, 13%, 30%, 13%, and 7% respectively. Average score of this item is 2.40 and it is less than 2.5. It means that the respondents have disagree with this item’s statement. On the other hand, it is questionable about the number of educated people has increased in Phu Tho Province and it will be clarified by the secondary data of the percentage of graduates compared with total candidates in upper secondary level from 2011 to 2015. During last five semesters from 2011 to 2015, percentage of graduates in this province are 99% < 100%, 98%, 99%, and 96%. The data highlights a big drop in percentage of graduates in semester 2014-2015.



*Figure 10: The number of educated people by upper secondary school in Phu Tho Province*

Source: General Statistics Office (2017)

The last item aims to investigate current accessibility level to school of children in Phu Tho Province. Obtained result shows that the percentages of respondents who choose ‘strongly disagree’, ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 13%, 27%, 30%, 17%, and 13% respectively. Average score of this questionnaire’s item is 2.90 and it is between 2.5 and 3.5, meaning that the respondents have neutral attitude with this questionnaire’s item. It is true since school attendance rate of people who have age more than 5 years old in Phu Tho Province has been increased from period 1989-1990 to 2003-2004 (General Statistics Office, 2017). During 1989-1990, only 31% of children in Phu Tho Province attended to primary school. During 2003-2004, primary school attendance rate is increased to 96%. However, this ratio during 2003-2004 was lower compared to 1998-2002 with 99% as primary school attendance rate.

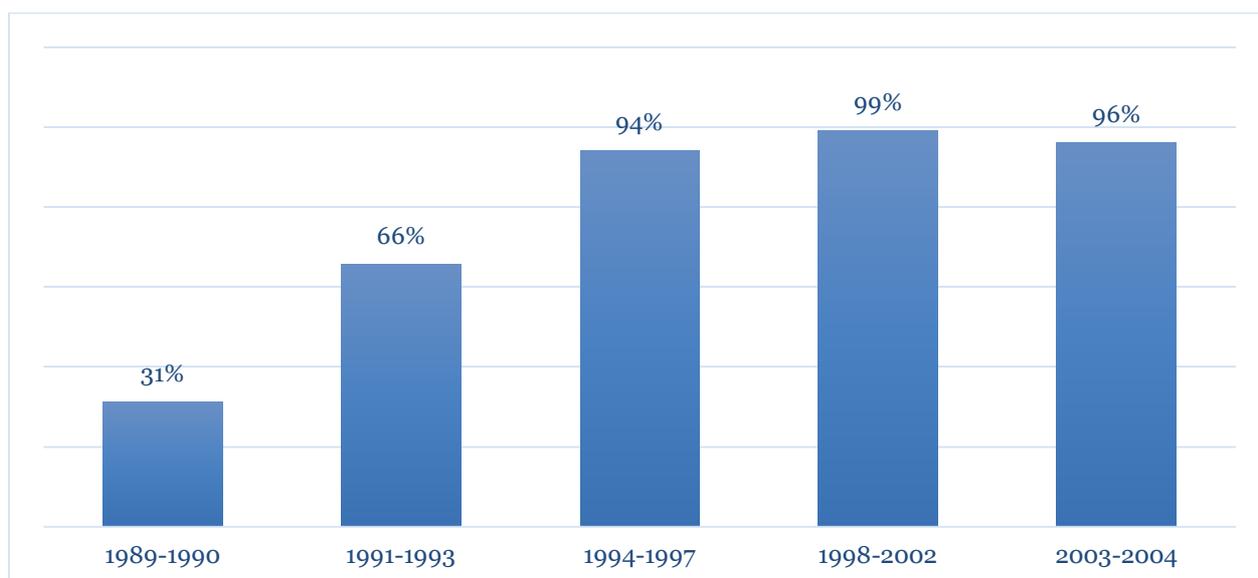


Figure 11: School attendance rate of more than 5 years old in Phu Tho Province

Source: General Statistics Office (2017)

#### 4.1.4 Training and employment

Training and employment factor is evaluated through four questionnaire's item with average scores of each item is presented in Table 6 as below:

Table 6: Assessment of training and employment in Phu Tho Province

Item	Questionnaire	% of selection					Average score
		1	2	3	4	5	
17	Training opportunities are available for agricultural farmers in Phu Tho Province's villages	17	17	20	23	23	3.20
18	Income generating training is also available in in Phu Tho Province's villages	23	23	17	20	17	2.83
19	Livelihood opportunities have been increased in in Phu Tho Province's villages	20	17	17	23	23	3.13
20	Income generating opportunities have been increased in in Phu Tho Province's villages	10	27	20	23	20	3.17

The first item refers to evaluation of training opportunities in the province and this item gains average score of 3.20 or the respondents have neutral attitude towards current availability of training opportunities in the province. The second item refers to income generating training is available or not and this item gains score of 2.83 or the respondents have neutral attitude towards

this statement. The third item mentions livelihood training opportunities and the respondents show up their neutral behavior while the last item focuses on income generating opportunities and this item also receives neutral attitude from the respondents.

#### 4.1.5 Communication

Communication factor is evaluated through three questionnaire's item with average scores of each item is presented in Table 7 as below:

*Table 7: Assessment of communication in Phu Tho Province*

Item	Questionnaire	% of selection					Average score
		1	2	3	4	5	
21	Now our travel time from Phu Tho Province's villages to town is decreased	-	-	37	43	20	3.83
22	Travel cost is reasonable in Phu Tho Province	20	-	27	37	17	3.30
23	There are available public transports in Phu Tho Province's villages	20	27	27	10	17	2.77

The first item refers to travel time from Phu Tho Province's villages to town. Obtained result shows that none of respondents choose 'strongly disagree' and 'disagree' while 37% of total respondents choose 'neutral', 43% of total respondents choose 'agree', and 20% of total respondents choose 'strongly agree'. Average score of this questionnaire's item is 3.83 and it is higher than 3.50, meaning that the respondents agree with the context of travel time from villages to town is decreased. It is notable that Viet Tri is provincial city and 11 districts, including Cam Khe, Doan Hung, Ha Hoa, Lam Thao, Phu Ninh, Tam Nong, Tan Son, Thanh Ba, Thanh Son, Thanh Thuy, and Yen Lap. The report from Investment Promotion Center (2017) explores that transport system is convenient for roads, railway and waterway. There is national road No 2, national road No 32, national road No 70, railway route Hai Phong – Hanoi – Lao Cai which is expanding to become an international route. The Noi Bai – Phu Tho – Lao Cai Highway, the Trans-Asia and Ho Chi Minh Highways have just started construction. Waterway system consists of Viet Tri port (Hong River and Lo River), Yen Mao port (Song Da River), Bai Bang port (Lo River) for ships sailing to Hanoi and Hai Phong port.

The second item mentions about travel cost in Phu Tho Province. Obtained result shows that 20% of total respondents choose 'strongly disagree' with this statement while none of them

choose ‘disagree’. Moreover, 27% of total respondents choose ‘neutral’ and 54% of total respondents choose ‘agree’ and ‘strongly agree’ with this statement, bringing average score of 3.30. It means that the respondents have neutral attitude towards travel cost in Phu Tho Province. Current observation from the researcher about average travel cost from Phu Tho Province to Hanoi City is stated as below and such travel cost is quite cheap for individual travelling.

*Table 8: Travel cost from Phu Tho Province to Hanoi City*

Type	Distance	Cost
Driving	90.0 km	US\$2.97
Fly	90.0 km	N/A
Train	90.0 km	US\$2.25
Bus	90.0 km	US\$1.80

The last item highlights the availability of public transport in Phu Tho Province. Obtained result shows that the percentages of respondents who choose ‘strongly disagree’, ‘disagree’, ‘neutral’, ‘agree’, and ‘strongly agree’ are 20%, 27%, 27%, 10%, and 17% respectively. Average score of this item is 2.77 and it reflects neutral attitude from the respondents towards current availability level of public transport in Phu Tho Province. Currently, people from Phu Tho Province can travel by many types of transportation means such as own driving through motors, auto, etc. or they can travel through train to main cities or buses route.

#### **4.2 The implementation of poverty reduction program in Phu Tho Province**

To identify the implementation process of poverty reduction program in Phu Tho Province, the author relies on the answers from President of People Committee and two Vice-Presidents of this committee.

According to the interview with President of People Committee and two Vice-Presidents, it is identified that long term objective of poverty reduction in Phu Tho Province is to reduce poverty rate to 3% in 2020 and it is vastly reduced from current rate of 8% in 2015. This long-term objective is agreed and consistent among President and two Vice-President and it is approved by People Committee of Phu Tho Province.

President of People Committee in Phu Tho Province said that *“in order to achieve the goal of sustainable poverty reduction, the province will further strengthen the leadership of the party committees, direct the administration of the government at all levels and the entry of the whole political system. At the same time, the implementation of comprehensive poverty reduction policies will continue; intensify the communication on raising awareness on poverty reduction, regularly review the situation of poor areas, the poor. On the other hand, the province also concentrates resources, diversifies its mobilized capital; to promote vocational training for rural laborers in combination with creating jobs, increasing incomes for laborers; to continue implementing the social security policies, preferential policies for people with meritorious services and other social assistance beneficiaries. Particularly, the province will assign and attach responsibilities to comrades of the localities in charge of localities and establishments; to take measures to strictly handle violations committed by cadres, party members and persons assigned with the task of investigating, scrutinizing or commenting on poor households in contravention of regulations in their respective localities. Along with that, the province strengthens the responsibility and effectiveness of state management in the direction of administration; to inspect and supervise the implementation of programs of all levels, branches and steering committees at all levels.”*

The major contents of poverty program in Phu Tho Province is provided by three respondents. To support long-term objective is poverty reduction, one of major content is to pay attention to ethnic minorities. Currently, the province has 34 ethnic groups and they have more than 200,000 people, consuming for 16% of total population of the province. Ethnic minorities are now populating in some districts, including Tan Son, Thanh Son, and Yen Lap. To reduce poverty rate in these districts, Phu Tho Province has invested into infrastructure such as road, electricity line, and clean water for people who are living there. Total investment during last 5 years is more than VND600 billion or US\$26 million for ethnic minority policies and most of this investment is spent for building infrastructure for healthcare, education, transportation, and irrigation.

In more detail, Vice President of People Committee in Phu Tho Province said that *“The poverty reduction program 2011-2015 is defined as an important task in the overall development strategy of the province. The program has been led by the Provincial Party Committee, the Provincial People's Council closely supervised, the provincial People's Committee directed*

*implementation deep. The provincial Fatherland Front Committees and their member organizations shall actively propagandize and mobilize and direct the implementation thereof to the grassroots level, participate in the implementation of programs and projects, build and multiply the hunger eradication models to effectively reduce poverty and help members and members escape from poverty, promoting the role of monitoring the implementation of programs at all levels. The staffs working on poverty reduction in the localities have been professionally trained and advised effectively for the Party committees at all levels, the local authorities have well organized the sustainable poverty reduction program.*

*Along with the program, mass media agencies have promoted information and propaganda policies and policies of the Party and the State; To exemplify good models and models of poverty alleviation, and mobilize people to actively participate in poverty reduction programs, encourage the enrichment and prosperity ... In addition, the province also spent thousands of billion investment for poverty reduction. Many programs and projects to support preferential credit, production development, education support, vocational training, housing, transfer of scientific and technical advances, health care have been implemented effectively.*

*Thanks to that, the rate of poor households will decrease from 20.34% in 2011 to 9.89% in 2014, it is expected that by 2015, the number of poor households will decrease to 8.7%; 100% of the children of poor households will be supported with tuition fee exemptions and contributions according to regulations; Most poor households have been cleared temporary houses ... Preferential credit policies for poor households are guaranteed. There were 22.9 laborers who were settled; The rate of trained and job-training has reached 52%. Particularly, the project on fast and sustainable poverty reduction in Tan Son district (Program 30a) has contributed to rapid socio-economic changes in communes and villages. , the special difficulty, improve the material and spiritual life for the ethnic minority in the district. As a result, the percentage of poor households in the province has been reduced to 9.89% in 2014, decreased by 2.63%, exceeding target, reaching the target one year earlier than the resolution of the provincial Party Congress.”*

To ensure that poverty reduction program is implemented effectively, Program 135 (P135) is established and this program has started since 1998. This program aims to implement

governmental and provincial policies to reduce poverty situation in specific groups such as ethnic minorities throughout the improvement and higher accessibility to basic infrastructure, education, training to provincial staffs, and raising the awareness of local people in term of better living standards. In more detail, P135 consists of four main contexts. The first context refers to the development of production and expected result is that 70% of households in Phu Tho Province will have monthly income more than VND3.5 million. The second context refers to the development of infrastructure and the province must have basic infrastructure setup such as road, irrigation, schools, healthcare system, and electricity. The third context refers to capacity building in the group of poverty management and executors in term of legal skills and management knowledge to ensure that poverty rate is kept at expected level. The last context refers to improvement and development of socio-cultural living standards whether the output is that local people in Phu Tho Province are guaranteed to use basic social services such as clean water, better condition in latrines, healthcare and education system, and legal support if needed. Apart of P135, poverty reduction program is also implemented through some community program. For instance, the most famous program is “Joining Hands for Community”. This program is established to bring thousands of cows to poor households in Phu Tho Province with total investment is expected at VND1 billion and this investment is mobilized from the Military Telecommunication Group. After 4 months of rolling out this program, VND4 billion is raised as total investment and it brings 120 cows to poor people in districts of Phu Tho Province.

### **4.3 Linkage between interview results and survey results**

In this section, the linkage between interview results and survey results is put into discussion. It is notable that the questionnaire is given to three interviewees since it is expected that three interviewees will provide useful information about what the information which is obtained from survey process. One of obtained information refers to the fact that P135 has contributed a lot into the living standards of people in Phu Tho Province, especially to ethnic minority group. When delivering the results of survey of questionnaire to the interviewees, they are not surprising with obtained results. In another words, obtained results gain most supportive attitude from the interviewees. However, interesting finding is revealed about the current situation of latrine setup and usage, reduction of educated people, and agricultural production. Three interviewees assert that they do not receive frequent report about latrine usage as well as number of education people

that have been decreasing. President of People Committee in Phu Tho Province highlights that latrine is not put into concentration for many years and this person highlights that most of household in Phu Tho Province have already had owned latrine but it is still lack of clean and water process for mountain areas. Vice-Presidents of People Committee agree with this point and they emphasize that latrine usage is not addressed well. Moreover, two Vice-Presidents are very worry about current reduction of educate people and they will provide immediate actions to increase education rate in Phu Tho Province. Agricultural production is available through annual report but it should be increased. In this context, it is identified that the communication between President and Vice-Presidents and their followers are not so good. On the other hand, it means that the communication must be improved as well. Lack of clear and candid communication is also highlighted in Communist Review (2017) as well as in the study of Vu (2015) and Nguyen et al. (2006) and it is again highlighted in this study. Therefore, it is well-noted that a frequent meeting between key people in People Committee and their followers must be established accordingly. The rate of escaping from poverty in this area is not really sustainable, the gap between rural and urban incomes has not been narrowed as people still rely on government support. The mobilization of resources from the community participating in implementing the program is not much, mainly based on the State budget. At the same time, some grassroots committees and local authorities have not really focused, paid attention to and directed the work of poverty reduction, implementation, propaganda, advocacy and education at grassroots level. disqualified; The leadership and direction of the Party committees and authorities, the participation of the Fatherland Front and mass organizations in many localities have not been highly promoted yet. In some places, local officials want to become poor communes to benefit from poverty reduction policies. Poor households are mainly based on income sources, while incomes are difficult to verify. The majority of the members of the meeting were poor, so they did not guarantee democracy, leading to many cases being judged correctly.

## CHAPTER 5 CONCLUSION AND RECOMMENDATION

### 5.1 Conclusions

This study aimed to provide new knowledge and understanding of poverty and poverty reduction and based on examination of current situation in Phu Tho Province, the policy maker in this province can make better decisions. It aims to contribute to enrich the understanding of what factors affect the poverty reduction. To put it more specifically, its purpose is to identify the poverty reduction through social development programs in Vietnam context. The main research questions was “What factors influencing the effectiveness of poverty reduction program?”. This question was supported by three sub- questions which are clearly stated out in Chapter 1.

Regarding sub-question 1, current situation of poverty reduction in Phu Tho Province is examined through a research framework with the involvement of five factors: (i) housing and agriculture, (ii) health, (iii) education, (iv) training and employment, and (v) communication. The reason of choosing these factors are clearly stated in section 3.2 – Data collection. Each factor will be evaluated with the application of primary and secondary data. Primary data were collected by a survey with 30 respondents who are working for People Committee in Phu Tho Province.

In term of housing and agriculture, agriculture office ensures distribution of high quality seeds in Phu Tho Province’s villages and it is guaranteed through the participation of foreign enterprises such as Kitoku Shinryo Corporation in which this enterprise helps to raise the quality of seeds in rice harvest. In addition, the province has good electricity system as national electricity network covers all districts and communes. Apart from positive information, the province is now facing up with some negative sides. It is identified that Phu Tho Province has already had fertilizer distribution but the effectiveness of distribution is not high due to fertilizer distribution is focused in some districts. In addition, Phu Tho Province has agricultural production is 2 times lower than Bac Giang Province which is same area and the province has second highest in term of population density. The province is not doing well in sanitary latrine with the percentage of household using toilet in northern midlands and mountain areas where Phu Tho Province is located is 68.8% in 2014 while this percentage in whole country is 83.6%. Phu Tho Province is ranked at fourth place in northern midlands and mountain areas in term of percentage of

collected solid waste treated in accordance with corresponding defined national criteria and this province's percentage is much lower than whole country's percentage that is 75%.

In term of healthcare system, number of elderly people has been increased in Phu Tho Province and this group is now consuming more than 12% of total provincial population. current infant mortality rate of Phu Tho Province is lower than whole country's infant mortality rate which is 14.7% and it is only after Thai Nguyen Province with infant mortality rate of 14.7%. Moreover, the respondents evaluate that the respondents have neutral attitude towards e level of equipping necessary machines in healthcare center in the province and the respondents have low awareness about healthcare services.

In terms of education, there are four items and they highlight whether training opportunities are available for agricultural farmers in Phu Tho Province's villages or not, income generating training is also available in in Phu Tho Province's villages or not, livelihood opportunities have been increased in in Phu Tho Province's villages or not, and income generating opportunities have been increased in in Phu Tho Province's villages. Obtained results show that all these items have mean value in between 2.5 and 3.5 and they indicate for neutral attitude from the respondents.

In terms of training and development, it is firstly identified that the children in the province and read and write and it is supported by the evidence of literate level of Phu Tho Province is higher than average literate level of northern midlands and mountain areas and it is higher than average literate level of whole country. However, the respondents disagree with the statement of the number of educated people has increased in Phu Tho Province's villages due to percentage of graduates in this province are 99% < 100%, 98%, 99%, and 96% from 2011 to 2015. Moreover, rent accessibility level to school of children in Phu Tho Province is rated at normal level due to primary school attendance rate is decreased from 99% in 1998-2002 to 96% in 2003-2004.

In term of communication, the respondents agree with the context of travel time from villages to town is decreased due to Phu Tho Province has developed convenient roads, railway and waterway which cover almost districts. Moreover, the respondents have neutral attitude towards travel cost in Phu Tho Province with cost is US\$2.97 by driving, US\$2.25 by train, and US\$1.80

by bus. Finally, neutral attitude from the respondents towards current availability level of public transport in Phu Tho Province.

Regarding sub-question, poverty is being implemented in Phu Tho Province under two different schemes: one is Program 135 (P135) and other is social programs which are carried out by the enterprises in the province. P135 aims to implement governmental and provincial policies to reduce poverty situation in specific groups such as ethnic minorities throughout the improvement and higher accessibility to basic infrastructure, education, training to provincial staffs, and raising the awareness of local people in term of better living standards. Social program is counted to is “Joining Hands for Community” with the objective is to bring thousands of cows to poor households in Phu Tho Province

Regarding sub-question 3, this research question will be answered in the section 5.2.

## **5.2 Recommendations to Policy Maker in Phu Tho Province**

From conclusions above, there are some recommendations to policy maker to further reduce poverty in Phu Tho Province.

First, Phu Tho Province must continue to improve housing and agriculture. The first action is to improve sanity latrine. More sanity latrine must be built up in all districts and the objective is to increase the percentage of household using toilet is above average value of the whole country which is about 83.6%. The province must review current fertilizer distribution with its expansion to all districts rather than focusing on some districts only. Moreover, Phu Tho Province must invest more into collected solid waste treatment.

Second, the province must develop training program to increase low awareness about healthcare services. The training program requires the establishment of training team which is organized by People Committee. Training content must be prepared in well-format and enriched content to ensure that all issues related to healthcare must be addressable. Moreover, the training should be delivered to different districts and it must be carried out frequently in far districts or poorest districts.

Third, the investment to education system must be improved. Currently, Vietnam education system is divided into primary, secondary, high school, community and university. The province must measure what the attendance rate in each education level and it is attention to primary and secondary school. To develop high school and higher education, it is recommended that the province must invite people who are working in community and university in Vietnam to introduce about their learning programs. Moreover, the province must develop supportive program to young people who cannot afford school fees and the province can allow them to lend money with no interest rate so that young people can participate into community and university to have better knowledge.

### **5.3 Recommendations to the Government of Vietnam**

It is asserted that poverty reduction is a national phenomenon and it requires high attention from Vietnam Government. The study is carried with case study of Phu Tho Province but it does not reflect overall picture of poverty and poverty reduction in Vietnam. By taking this study, some policy recommendations are given to the Government of Vietnam in term of straightly reducing poverty issues in other provinces. There are five elements that every provincial government in Vietnam must pay attention into, including housing and agriculture, health, education, training and employment, and communication. The governments in provinces must ensure that living standards of their people is improving continuously and sustainably through better housing condition. The provinces which have been in strong agriculture need to receive the supports from the governments in term of advancing technologies used in agricultural activities. The government must provide preferential credit policy for farmers to access higher technologies and machine to increase production capacity. Moreover, health and education are two important part of social development and the children in poor areas must be all eligible for school attendance and poor provinces must have their own hospital or healthcare center. In the long run, number of older people will be increasing and the governments must establish policies to support these people throughout better social insurance and other social aids to poor and older people who do not have supporters. Training and employment must be delivered to young people who are in the age of working but do not have proper opportunity to work. The government should open training centers in poor provinces to ensure that young people is able to join training programme so that they have sufficient working skills and earn monthly income for better living standards.

Communication is last scheme in poverty reduction plan and it is noted that poor provinces must have their representations in national event about poverty reduction or Congress Committee. By presentation in such even and committee, poor provinces can raise their voice and request more supports from the government.

#### **5.4 Limitations and future research**

This study has several limitations. The first limitation is that this study was carried with the main focus in only one province of Vietnam, Phu Tho. It means that key findings from this study may not be applicable for other provinces in Vietnam. In this context, policy recommendations to Phu Tho Province may not be carried out in other provinces. The second limitation of the study is addressed as the primary data is collected from the respondents who are working in People Committee of Phu Tho Province. It means that the assessment from these respondents may not reflect overall opinion of people in the province. From the two limitations above, future researchers should be aware of and they should widen their studies by examining current poverty reduction in other provinces and therefore their studies are more comparative or it brings the similarity and the contrasts among poverty reduction in different provinces of Vietnam. Moreover, future researchers should take into account how primary data to be collected and what the respondents are. Future researchers can collect primary data from poor people by taking interviews with these people to further evaluate the current performance of poverty reduction in their living provinces.

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