

Social Policies for Inclusive Development in Vietnam

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Abstract: Nowadays, each country has been facing several crucial issues in development which come from both subjective and objective aspects, most prominent were (1) solutions to sustainable poverty reduction while the poverty rate remains high, (2) difficulties in applying the scientific and technical advances in production process because of low – level of literacy in rural and mountainous areas, (3) disadvantaged group meets the challenges in accessing to social resources, especially educational opportunities, (4) attracting social investment in agriculture, rural areas and farmers is very limited due to the low profit generated from this area, despite of being counted for more than 60% of population, and mostly (5) challenges in policy proposal and implementation process for sustainable regional development. In order to absolutely deal with those challenges, Vietnam has been using government policies as the main macro approach along with other micro ones. This study selected key policies for each problem, considering how the government recognized and addressed them, as well as the main findings. Although each policy tackled different major aims, they all highly focus on issues relate to innovation, sustainable poverty reduction, improve the quality of workers, mobilize social resources for program on the socio-economic development. Additionally, a case study of a program which has been launched since 1998 nationwide was presented in the second part of the study, providing an in-depth analysis on socio – economic aspects with some given recommendations for inclusive development in Vietnam.

Keywords: social policies, regional development, technology transfer

1. Introduction

With the efforts and proper development strategy, Vietnam has made great achievements, receiving internationally recognition. Besides, as a developing country, Vietnam is also facing difficulties on the path of development which

come from both subjective and objective reasons. This study selected key policies for each problem area and on how the government addressed these. The main findings will be discussed in each section and consolidated for the concluding part of the paper. In order to solve the challenges above, the Government has made policies which highly focus on issues related to innovation, sustainable poverty reduction, improvement of the quality of human

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resource, mobilize social resources for programs on the socio - economic development. This paper will focus on analyzing some policies which cover those issues worthy of special attention in recent years by the government, as following:

1. *National program 135 "Socio-economic Development of the Most Vulnerable Communes in Ethnic Minority and Mountainous Areas in Vietnam" – implementing since 1998.*

2. *Policy to encourage enterprises investing in agriculture and rural areas.*

3. *Training policy to enhance the capacity of workers and create more jobs in rural areas and contribute to the development of these areas.*

4. *The policy of transferring cutting-edge and advanced Science and Technologies into agriculture.*

5. *Regional innovation policy.*

2. Analyzing some social policies for inclusive development in Vietnam

2.1. *National Program 135 "Socio-economic Development of Extremely Difficult Communes in Ethnic, Mountainous, Boundary and Remote Areas in Vietnam"*

Case study: Decision No. 135/1998/QĐ-TTg dated July 31, 1998 of Prime Minister

The National program 135 "*Socio-economic Development of Extremely Difficult Communes in Ethnic, Mountainous, Boundary and Remote Areas in Vietnam*" was established by Decision 135/1998/QĐ-TTg issued in 1998. Initially, Program 135 aimed to reduce the proportion of poor households living in extremely difficult communes to less than 25% by 2005, to provide adequate clean water, to increase the proportion of school-age children attending school to more than 70%, further train poor people in production, control dangerous and social diseases, construct roads to inter-commune center, and develop rural markets. Beneficiaries

of this program have come from 22 ethnic minority groups (ADB, 2000).

2.1.1. Policy formulation

Program 135 was approved in 1998 by the Government for a period of seven years. A second phase was formulated in April 2005 and approved in January 2006, to continue until 2010. The third phase has started from 2012 till 2015 and oriented up to 2020. The Ministry of Investment and Planning (MPI) and the Committee for Ethnic Minority Affairs (CEMA) researched and designed base on the supports from relevant ministries and government agencies. In each phase, the process involved local need assessments and widespread consultations with stakeholders, especially local ethnic groups. To design the second phase, the Committee for Ethnic Minority Affairs (CEMA) with technical support from UNDP organized hundreds of consultations with local officials and ethnic group, consultants, specialists, relevant ministries and government agencies and donors, as shown in Figure 1. Eighteen national and international studies and in-depth technical consultancies were carried out to provide input for the design of phase II which also benefited considerably from the UNDP – Government joint evaluation of the first phase. P135 focuses on the poorest groups in the Ethnic Minority (EM) and mountainous areas facing extreme difficulties in geographically remote, isolated and harsh natural conditions, and offered few opportunities to participate in national and mainstream economic growth.

2.1.2. Policy adoption

Before the Program 135 was made, many policies have been targeted to the ethnic minority development. They address a wide range of socio-economic issues targeted in different ways via a number of national targeted programs such as the National Targeted Program for Poverty Reduction, the National Targeted Program for Rural Water Supply and Sanitation, the National Targeted Program for Vocational Training, the National Targeted

Program for Energy Conservation and Efficiency, the National Targeted Program for Employment, the National Targeted Program for Climate Change, the National Targeted Program for Prevention and Control of Social Evils and the Socio-Economic Development Program for the Most Vulnerable Communes in Ethnic Minority and Mountainous areas (Anh,

2006) etc. Program 135 is a comprehensive program that focuses on the great resources, divided into different phases with specific objectives for each stage. Simultaneously, the problems were selected in a specific period is the most critical issue in the development practice of ethnic minorities.

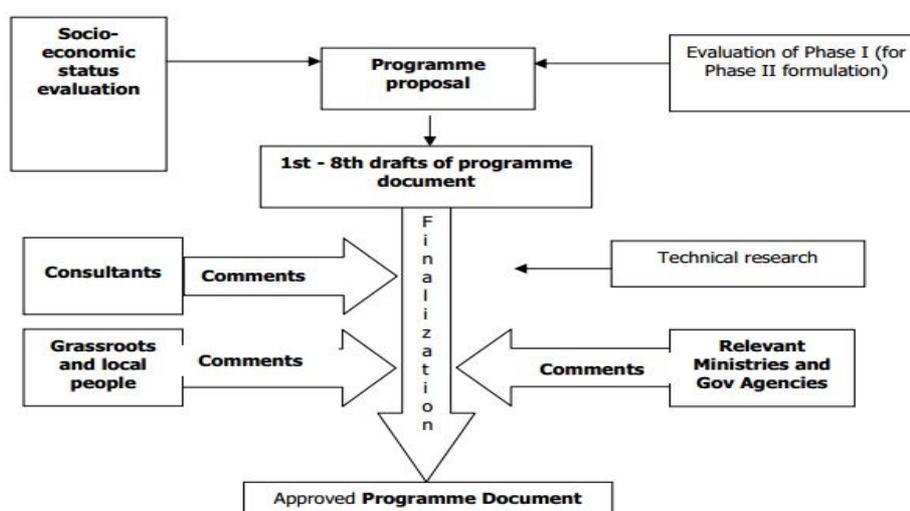


Figure 1. The context of the Paris Declaration principles of aid effectiveness [1].

Source: Tran, Van Thuat and Ha, Viet Quan. 2008. A case study of the program for Socio-economy development of communes facing extreme difficulties in Ethnic minority and Mountainous areas in Vietnam (P135),

2.1.3. Policy formalization

* Four program components: (1) - Market-oriented agricultural production, (2) - Community infrastructure, (3) - Capacity buildings, (4) - Improved social and cultural livelihoods. Summarized by components, they are: *Production development, Infrastructure development, Capacity-building, Improvement of socio-cultural living standards*

* Program Activities

Activities in support of market-oriented agricultural production and income generation include: agriculture, forestry and fishery extension; establishment of demonstration models; distribution of agricultural inputs; and

equipment and extension services for post-harvest and processing activities. Local infrastructure development includes: inter-village and village-to-commune roads; small irrigation schemes; construction or upgrading of schools and boarding facilities for students and teachers; construction or upgrading of commune health care centers; markets; community halls; and clean water supply systems.

The capacity-building component includes training activities targeting commune and village officials to strengthen the knowledge and skills they need to manage and implement P135 and other socio-economic development programs: participatory planning; monitoring

and reporting; financial management; grassroots democracy and local governance; gender; communication; other topics specifically related to P135 activities. Training is also provided to grass-root communities. Program activities under the improved livelihood component include: support for housing and clean water

and sanitation facilities; campaign on the delivery of social programs and services; school feeding; training of ethnic minority teachers; Vietnamese language for ethnic minority preschoolers; financial support for ethnic school boarders; free legal services.

2.1.4. Policy implementation

- Responsibility of management agencies of Program 135 at central level

	Agency	Responsibility
Standing Unit	National Committee for Ethnic Minority Affairs	- Preside, coordinate ministries & provinces in the Program implementation - Guide to implement, manage and monitor the Program
Implementation Unit	CEMA	- Preside, coordinate in order to implement the components of the Program
	Ministry of Agriculture and Rural Development (MARD)	- Preside, coordinate in order to implement the components of supporting the production development - Guide provinces to scheme the land, reorganize residents and improve development of agriculture and forestry commercial production
Other Units	Ministry of Planning and Investment (MPI)	- Preside, coordinate with MoF and other agencies to set up Program budget
	Ministry of Finance	- Guide and monitor the distribute and use the state budget - Report to the Central State about using local budget
	Vietnam Farmers' Association, National Congress's Ethnic Council and Ministry of Labor, Invalids and Social Affair	- Participate to monitor the Program - National Congress's Ethnic Council directly monitors yearly some local units and steers provincial People Committees to monitor

- Administrative process:

As a part of the administrative reforms, local people in mountainous communes have been encouraged to exercise their democratic rights through accessing information, discussing, and participating in local decision-making process, implementation, and management. They have also been directly employed in local projects although most jobs available have been manual and construction work. The slogan "*people know, people discuss, people do, and people supervise*" had

been applied as a principle of Program 135 implementation. [2]

- Financial allocation

All levels of government confirmed that the major component of Program 135 was infrastructure, with 80 to 90% of total program funds being devoted to infrastructure and the construction/improvement of roads and schools being the two primary activities. In addition, some market centers, cultural houses, health clinics and commune center had also been constructed with Program 135 funds.

Table 1. Financial allocation for implementation of Program 135 during 1999-2005

	Before 1999	1999	2000	2001	2002	2003	2004	2005	Total
Infrastructure at commune and village levels	0	483.2	701.2	880.0	893.2	1,116	1,120	1,417	6,611
Infrastructure at commune-cluster level	432.0	103.0	101.0	230.0	250.0	265.0	350	372.0	2,103
Settlement and sedentarisation of ethnic minorities	0	7.2	7.2	7.2	10.0	11.0	11.0	30.0	83.6
Agricultural and forestry extension	0	0	0	0	10.0	10.0	15.0	25.0	60.0
Training of commune-level cadres	0	0	0	50.0	0	100.0	64.0	70.0	284.0
Total	432.0	593.4	809.4	1,167	1,163	1,502	1,560	1,914	9,142

Source: Full source CEMA (2005), Report on capacity building for local cadres in P135, CEMA, Hanoi.
Unit: VND billions, current prices.

This chart constructed from data from Table 1 above, shows the lion share (95%) of the funds were on infrastructures. During Phase I, Program 135 communes had received a standard block grant of VND 500 million per commune per year irrespectively of their population and size. [3]

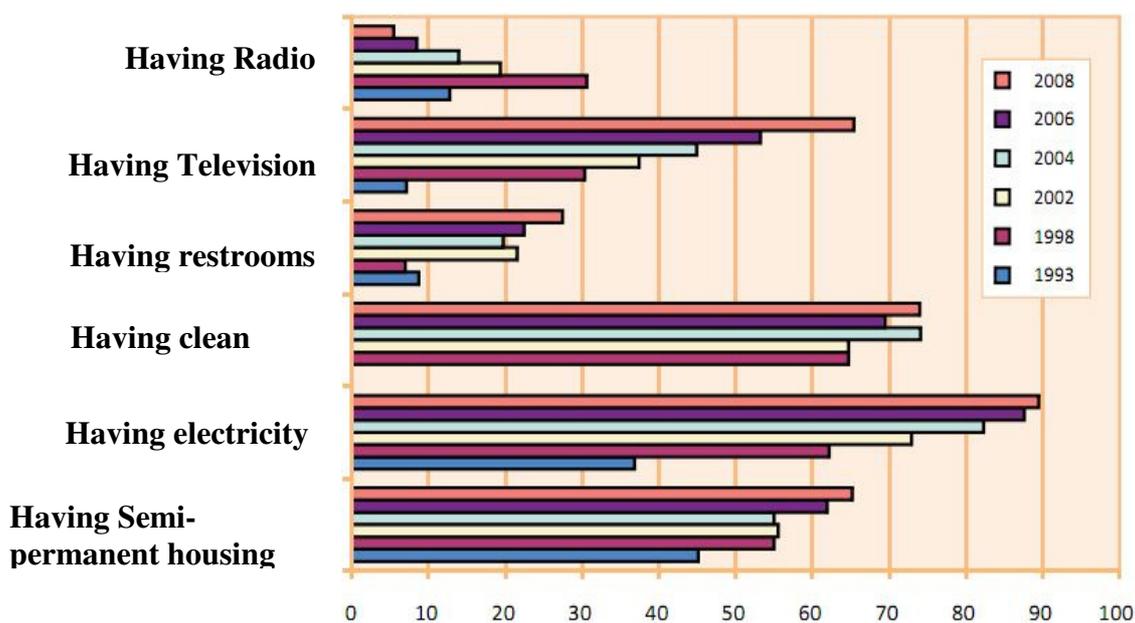


Figure 2. Non-income indicators of poverty (unit:%)

Source: Estimates based on data from the Survey of Household Living Standards (2009) [4].

- Achievements:

According to **General Statistics Office** (GSO), the poverty rate has declined continuously from 58% in 1993 to 37.4 percent in 1998, 28.9% in 2002, 16% in 2006 and 14.5% in 2008. Non-income indicators as poor people's access to basic services and infrastructure (education, health, electricity, roads, clean water, sanitation, etc.) also confirmed this positive trend (see Figure 2). Notably, if in 1993, less than 37% of the poor have access to electricity, now nearly 90% of the poor have electricity in the house. Reduction on the use of radio together with the significant increase in the use of television (TV) show that the poor abandoned recreational facilities and old information to transfer to using modern methods. The payment capability of the poor is recognized as one of the main changes in 2008, in comparison with this rate in the period of 1999 - 2003. Given that the characteristics of the poor, especially ethnic minorities, have gradually moved from missing information to lack of ability to absorb and use the information to improve their lives as well as their living conditions (VASS, 2009).

2.2. Policies for investment promotion in the agricultural sector and rural areas

Case study: Decree No. 210/2013/ND-CP dated 19 Dec 2013 on policies encouraging investment by enterprises in the agricultural and rural sector

2.2.1. Policy formulation

In Vietnam, agriculture sector accounts for more than 20% of GDP and more than 60% of population lives on it. Investment in agriculture has been used by Vietnam government as a key instrument to achieve socio-economic goals. However, like other economies on transition, the country also faces problems in resource allocation for agriculture sector, especially with the target to develop a modernized industry sector by year 2020. The government also emphasizes the importance of industry and services sectors by setting a target to have contribution of 85% from these sectors to GDP by 2020 (Party Documents, 2010). This, accompanied with government budget constraint and poor performance of many state-owned enterprises, implies that capital mobilization for agriculture could not be based solely on government budget and public sector. Therefore, non-public investment in agriculture has been received increasing concerns, especially by Ministry of Agriculture and Rural Development (MARD).

Table 2. Public investment in agriculture, Vietnam, selected years

Indicators	2000	2003	2005	2007	2010
Total public investment ('000 billions VND)	89.4	125.1	61.6	198.0	316.3
Agriculture public investment ('000 billions VND)	11.0	11.0	1.6	13.4	18.5
As % of total public Investment	12.2	8.8	7.2	6.8	5.9

Sources: GSO data (managed by MARD)

Table 3. Structure of public investment managed by MARD, 2006-2010 (%)

Sources	2006	2008	2010	Total (2006-2010)
State budget	51.2	57.7	53.4	55.4
Domestic	27.9	28.1	22.1	25.0
Foreign	23.3	29.7	31.2	30.4
Government bond	49.1	42.3	46.6	44.6

Sources: Ministry of Agriculture and Rural Development (2012), Agriculture investment trends-the role of public and private sector in Vietnam.

Public investment is made from two main sources, state budget (55.4%) and government bond (44.6%) during period 2006-2010. This shows that government has made efforts in mobilizing resources for the sector. However, heavy dependence on loans (foreign and bond) requires either sector's efficiency or economic gains somewhere else to pay back. Therefore, it really need to mobilize social resources, particularly business sector invest in agriculture. [5]

It can be seen that the government's investment in agriculture accounts for a large part, the roles of other components are very faint. The government has made policies which attract enterprise's investment through incentives such as land privileges, land support, training for human resource, find the market for goods, science and technology applied supports.

2.2.2. Policy adoption

In general, Government has made a lot of efforts to promote investment in agriculture. Aside from allocation of resources for investment, the government has introduced a course of policy to create an attractive environment for both domestic and foreign enterprises in agriculture.

* General legal framework

Important laws related to investment and operation of enterprises are introduced, such as: Law on Investment (2005), Law on Enterprises (2005), Law on Enterprise Income Tax (2003); Law on Tax Management (2006); Law on Value Added Tax (2008) amends 1992 and 2001 laws, regulating the applicability, payment and rates of the Value Added Tax (VAT). Other related policies as following:

Policies related to land use	Policy related to credit	Policy related to tax
- Land Law in 2003 - Decree 142/2008/ND-CP on land and water surface rental - Decree 20/2011/ND-CP, which guides implementation of Resolution 55/2010/QH12	- Decree 151/2006 on state investment credit and state export credit - Resolution 12/CP-CP dated April6, 2009, specified by decision 497/2009/QĐ-TTg - Decree 131/TTg –CP in 2009, - Decision 579/QĐ-TTg in 2009, Resolution 41/2010/NĐ-CP...	- Decree 108/2006/ND-CP, - Decree 124/2008/ND-CP) - Decree 87/2010/ND-CP - Law on Value added tax, 2008 - Decree 61/2010/NĐ-CP

And Decree No. 210/2013/ND-CP dated 19 Dec 2013 on policies encouraging investment by enterprises in the agricultural and rural sector is a step in order to inherit and promote more preferential policies and government incentives for businesses to invest in agriculture.

2.2.3. Policy formalization

The Government has issued Decree No. 210/2013/ND-CP dated 19 Dec 2013 on policies encouraging investment by enterprises in the agricultural and rural sector with new articles include:

Land incentives	Investment assistance
- Exemption, reduction of land use fees - Exemption, reduction of land for rent, water surfaces leased from the Government - Assistant to lease land, water surfaces from	- Assistance in training manpower, market development and application of science and technology - Investment assistance in establishments of slaughter cattle and poultry - Investment assistance in establishments of livestock facility - Assistance in cannabis, macadamia trees (Macadamia) - Investment assistance in marine aquaculture - Investment assistance in establishments for drying corn, potato, tapioca, dried

households and individuals	aquatic products, processed coffee
- Exemption or reduction of land use fees on conversion of land use purpose	- Investment assistance in plantation timber processing specific to the northwestern provinces and the provinces have poor districts under Resolution 30a/2008/NQ-CP December 27, 2008 of the Government
	- Investment assistance in establishments of fabrication facilities, storage and processing of agricultural , forestry and fishery

2.2.4. Policy implementation

Enterprises investing in cultivation will be given stronger financial support from the Government. The extent financial support of VND 20 billion will be given to those enterprises surroundings adult factories to make molecule play from planted woods. Local and unfamiliar investors in a cultivation zone will be the theme to support of 3 billion VND for any project, while those endangered in dairy tillage will get 5 billion VND that will be used to build infrastructure, provide wastes and buy equipment. Those investing in near-shore fish rearing will be given 40 million VND for any 100 cubic meters of rearing cages, and grow to VND 100 million if their farms are above 6 nautical miles from shore. Such incentives are supposed in Decree 210/2013/ND-CP effective from Feb 10 and replacing Decree 61 released in Jun 2010. In addition, devise owners will also granted land lease for 15 years, and are subsidized 70% of a cost for new record research. The stronger incentives are meant to inspire investment into agriculture, an area that has captivated few investors.

2.3. Policy on improving vocational training for Vietnamese rural workers

Case study: Decision 1956/QD-TTg 1956/QD-TTg approving the Scheme on vocational training for rural laborers up to 2020

As the focus and objectives of the study related to improvements in skills development for the informal sector, this study will pay significant attention to the Government's key policy instrument in this area - Prime Minister's Decision 1956/QD-TTg dated November 27, 2009 (herein referred to as Decision 1956)

which is currently the dominant vocational training policy for rural workers and those workers operating in the informal sector within rural Vietnam (see in the next section) and other vocational training policies at local levels. Our specific objective is to work with the central and local government to draw lessons on the initial implementation experience of 1956. The ultimate goal remains to provide opportunities to improve the rural poor's income and livelihood opportunities through better options available to them, either in terms of increased incomes from their current activities or through the access of new higher income opportunities.

2.3.1. Policy formulation

Vocational training and job creation for displaced farmers have become an urgent issue for both within rural areas and Government increasingly. The state budget for education, vocational training has increased sharply.

This had led to a number of Government driven initiatives such as the issuance of the Decision 81/2005/QD-TTg on short-term vocational training for rural laborers. According to this decision, training courses are provided by Technical and Vocational Training Centre (TVETs) based on their capacity both in terms of absorbing more trainees and the institutes particular specialization with priorities given to displaced farmers with a modest financial support (Nguyen and Pham, 2009). Concurrently to the implementation of Decision 81, another Decision 103/2008/QD-TTg dated 21/7/2008 was introduced by the Government to directly target youth in vocational training and self-employment creation for the period 2008-2015. The objectives of the decision were: (i) providing youth with labor market information; (ii) consulting with them on skills needs and trying to match those that are

demanded by the labor market; (iii) offering training programs on business start-up skills to the young; and (iv) providing credit support to the young who want to have vocational training and be self-employed or go to work overseas on finite time contract. Furthermore, this decision focuses on labor market information and credit for job creation. Vocational training is not emphasized in the decision. The decision

1956/QĐ-TTg on 27/11/2009 (from henceforth described as decision 1956) on vocational training for rural laborers until 2020 is one of the most significant policy responses in this respect. With a total budget of 25,980 billion VND (equivalent to USD 1.24 billion), this decision replaced decision 81 in its entirety and becomes the main state-funded policy response to addressing these issues [6].

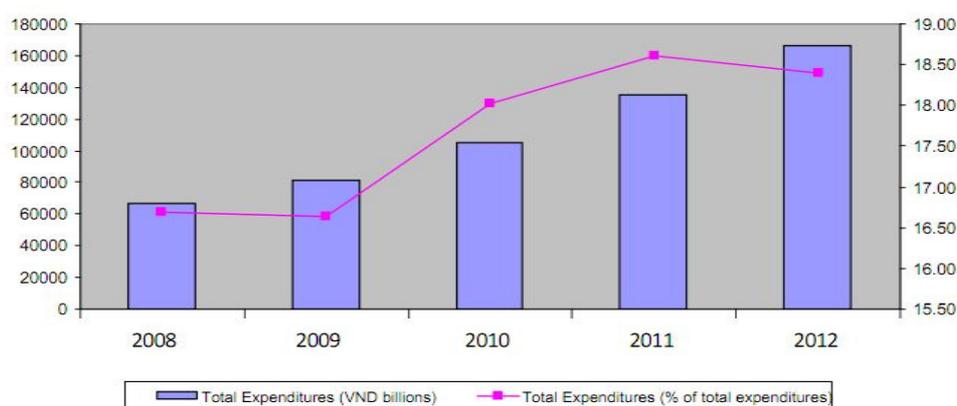


Figure 3. State budget expenditures on Education, Training and Vocational training from 2008 – 2012.

Source: Government Statistics, SABER country report, Vietnam workforce development, 2012

2.3.2. Policy adoption

* The decision 1956's target group

The policy target group of the decision 1956 is rural laborers; however policy measures are differentiated based on the target group. Specifically, war veterans, poor households, ethnic minorities, handicapped persons, and displaced farmers (those that have lost their lands) are financed to a maximum tuition fee of 3 million dong/person/course.

* The decision 1956's instruments

Decision 1956 has taken a more outcome orientated approach to delivering the training programs, which is a welcome and clear approach. Policy instruments are designed by the Decision 1956 and its guideline documents (namely: official letter 664/LĐT BXH-TCDN on 9/3/2010, notices 103/TB-VPCP on 5/5/2011 and 230/TB-VPCP on 27/9/2011, and the inter-ministerial circular) are characterized

by three features: *Multi-sectoral coordination, Local ownership and interest, Community participation and grass-roots implementation.*

2.3.4. Policy formalization

Working with Decision 1956/QĐ-TTg dated 27/11/2009 on supporting vocational training for rural laborers until 2020 and other related policies namely: (i) Decision 295/QĐ-TTg dated 26/2/2010 on vocational training and job creation for women for 2010-2015; (ii) Decision 103/2008/QĐ-TTg on 21/7/2008 on supporting youth in vocational training and self-employment creation for the period 2008-15; (iii) Decision 800/QĐ-TTg dated 4/6/2010 on new rural development and other vocational training policies at the local levels, the opportunity for significant lasting policy change was apparent. To ensure gender equality, the government ratified Decision 295/QĐ-TTg dated 26/2/2010 on vocational training and job creation for women for the period 2010-2015.

Compared to the Decision 1956, this decision places priorities for women having equal access to vocational training irrespective of whether they reside in either rural or urban areas. At the local level, depending on their own available budgets, local governments issue specific vocational training policies which meet their socio-economic plans and strategies. Nevertheless, except for a few provinces and districts that have budgets for local vocational trainings, the majority rely on the central budget of the decision 1956. Another new policy intervention that influences the implementation of the decision 1956 and may ultimately shape the outcomes of the program is

Decision 800/QĐ-TTg dated 4/6/2010 on new rural development. This decision approves the main overriding government program to support rural development. Among the program's 11 sub-programs / areas of intervention, the components of transforming economic activities, promoting economic growth and increasing rural citizens' income have a very direct influence over the manner in which Decision 1956 is likely to be implemented on the ground. Table 4 documents the existing policies which impact on informal sector skills development in Vietnam with case study in Nam Dinh and An Giang provinces:

Table 4. Policy Mapping

No	Items	Content	Legal guide-line document		
			National level		Provincial level
				Nam Dinh	An Giang
1	Policies on vocational training				
1.1	Decision 1956/QĐ-TTG on 27/11/2009 on vocational training for rural laborers	- Providing agriculture and non-agriculture skill training for rural laborers - Enhancing capacity building and improving management skills for communes' leaders and staff	- Official letter 664/LDTBXH-TCDN on 9/3/2010 on instructions for designing and implementing 1956 - Inter-ministerial circular 112/2010/TTLT-BTC-BLDDTBXH on 30/7/2010 on allocating and managing budget for 1956 - Notice 103/TB-VPCP on conclusion of the vice-prime minister on one-year implementation of 1956 - Notice 230/TB-VPCP on 27/9/2011 on the conclusion of the vice-prime minister on one-year implementation of 1956	- Decision 721/QĐ-UBND on 4/3/2010 on establishing 1956 project management unit in Nam Dinh - Official letter 48/UBND-VP7 on 30/3/2010 on instructions for districts to design the 1956 at district level - Decision number 11/2010/QĐ-UBND and 03/2011/QĐ-UBND and 03/2011/QĐ-UBND on funding level for short-term training. - Plan 18/KH-UBND on implementing 1956 in Nam Dinh - Plan 23/KH_UBND and plan 09/KH-UBND on vocational training for rural workers in 2010 and 2011 - Directive 16/CT-TU on 24/6/2010 on	- Decision 413/QĐ-UBND on 4/3/2010 on establishing 1956 project management unit in An Giang - Official letter 202/LDTBXH-DNVL on 29/4/2010 on designing and implementing 1956 in An Giang - Official letter 886/UBND-VX on 29/3/2010 on list of skills and funding levels for short-term training - Official letter 2413/UBND-VX on 9/8/2010 on list of additional skills and funding levels for short-team training - Directive 45/CT-TU on 25/8/2010 on increasing responsibility of Communist Party in managing the project in An Giang

				increasing the responsibility of communist party in managing the project in Nam Dinh
1.2.	Decision 103/2008/QĐ-TTg on 21/7/2008 on supporting youth in vocational training and self-employment creation for the period 2008-15	- Providing youth with credit support/loans for vocational training, self-employment establishment and overseas-working contract - Improving infrastructure for 10 vocational training and labour market information centers belonging Youth union - Providing youth with business start-up training program	- Official letter 02/HD/DA 103 on 5/10/2009 on instructions for implementing 103 - Circular 101/2009/TB-BTC on 20/5/2009 on managing and using budget for 103	
1.3	Decision 295/QĐ-TTg on 26/2/2010 on supporting women in vocational training and job creation	- Providing vocational training for women on both rural and urban areas	- Official letter 30/LĐTBXH on 7/01/2011 on instructions for implementing 295	
1.4	Local vocational training	-	-	- Nam Dinh city VT
2	Policies influencing vocational training			
2.1	Decision 800/QĐ-TTg on 4/6/2010 on new rural development	- Promoting rural development to remove the bottleneck of unequal rural-urban growth	Inter-ministerial circular 26/2011/TTLT-BNNPTNT-BKHDT-BTC on 13/4/2011 on instructing the implementation of Decision 800	

Source: NEU&NIVT report on improving vocational training for Vietnamese rural workers, 2012

2.3.5. Policy implementation

* Stakeholders mapping

It is crucial for the ultimate success of the study to understand the motivations and possible support that various stakeholders can

bring to aid the process of policy change. We identified the important role of “champions of change”. Stakeholders and champions of change are mapped in this short table:

Table 5. Stakeholders mapping

#	Items	Note on potential champion	Stakeholder			
			National level	Provincial level		City level
				Nam Dinh	An Giang	Nam Dinh City
1.	Policies on vocational training					
1.1	Decision 1956/QĐ-TTg on 27/11/2009 on vocational training for rural labourers	Nam Dinh: NADICOFRIC (SDC team)	MOLISA NIVT	DOLISA DPI TVET SDC	DOLISA DPI TVET	CPC DOE DOLISA SDC

* Process management – one of innovations in implementing decision 1956

In order to provide valuable policy inputs and learning data, the National Economic University (NEU) research team worked closely with National Institute for Vocational Training (NIVT) – the institute mandated by Government to implement Decision 1956. This approach is innovative as the process of bringing policy makers into the research phase has been seldom attempted in Vietnam. In terms of coordination, NEU is responsible for research content and methodology, while NIVT

will assist in cooperating with other local partners, and agencies in the provinces (case studies in Nam Dinh and An Giang provinces) to support the research team carry out studies in selected localities. Findings of the research and learning from pilot interventions will be shared with NIVT and it is hoped to be fit into their future approaches to implement this important policy.

* Main activities in implementation process

In the framework of this policy, many activities would be carried out:

- Vocational training for rural laborers

Activity 1: To disseminate information and provide counseling on vocational training and employment for rural laborers

Activity 2: To conduct surveys and forecast demands for vocational training for rural laborers

Activity 3: To pilot models of vocational training for rural laborers

Activity 4: To increase physical foundations and equipment for public vocational training establishments

Activity 5: To develop curricula, training manuals, learning materials and draw up lists of vocational training equipment

Activity 6: To develop vocational teachers and administrators

Activity 7: To support rural laborers attending vocational training

Activity 8: To monitor and evaluate the implementation of Scheme

- To train and retrain commune cadres and civil servants

Activity 1: To identify training and retraining needs

Activity 2: To develop training and retraining programs and contents

Activity 3: To develop the contingent of teachers and lecturers

Activity 4: To work out regime and policies on training and retraining

Activity 5: To train and retrain commune cadres and civil servants

So far, the implementation of this decision has been conducted across the country, but there is no report of government about the implementation result gathered in the whole country. To the extent that we can access and study in the particular case study, the decision produced a big and positive impact.

* Challenges of implementing decision 1956

The most challenging task of implementing Decision 1956 has been the lack of focus on identifying clearly articulated target groups for the program, and thus lack of the appropriate training models for each particular target group. Without a clear strategy on this, indicated through clear objectives and goals, skills identification will always remain a considerable issue, irrespective of the actual mechanics of how this is undertaken. In the absence of indicating clearly the target group and understanding of the skills mixes required, the actual implementation of Decision 1956 has been more supply driven, with greater focus placed on budget disbursement rather than outcomes.

2.4. The policy of transfer cutting-edge and advanced Science and Technology into agriculture to promote sustainable agriculture and rural development

Case study: Decision 1831/QD-TTg dated 1st October 2010 approving the support program for transfer progress of science and technology for economic and social development in rural and mountainous area 2011-2015

2.4.1. Policy formulation

Government strategies to reduce poverty aim at sustainable economic growth through reforming agricultural research and extension, increase private investment in agriculture processing, and agricultural market support. One approach to reduce poverty in rural areas is to assist the research, extension and vocational training system in Vietnam, thereby improving the mechanism for transferring new technologies and good established practices in a two-way directed linkage between agricultural scientists, extensionists and farmers. There are four channels for technology transfer as illustrated in this figure below:

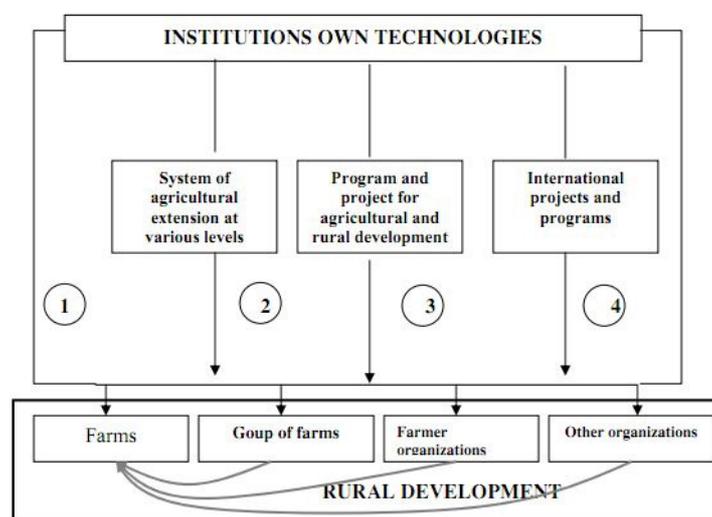


Figure 4. Main channel of technology transfer from research institutions, centers and universities to farmers.

Source: Adeoti, John and Bach Tan Sinh (2009), *technological constraint and farmers' vulnerability in selected developing countries (Nigeria and Vietnam)* [7].

The Vietnamese Party and Government have promulgated several policies, mechanism, and legislations on investment in agriculture, farmers and rural areas in all fields. Appropriate steps have been taken in each stage that has facilitated developments in agriculture, farmers and rural areas. Based on these policies, the Ministry of Finance has coordinated with ministries and branches concerned to give priority to investment in agricultural and rural development. Prominent achievements in public investment in these areas for the period of 2006-2011 include increased public investment in agriculture, farmers and rural development and expanded ODA. The objectives of policy are: strengthen the development, application and transfer of agro-based technologies for food security and sustainable agriculture.

2.4.2. Policy adoption

The program areas of this case study policy are: Transfer and apply 900 advanced technologies in the stages of production of high-tech agriculture; Organize the training course to improve management and organizational management project capacity for local managers, at least technical staff and local farmers; Support to establish small and medium enterprises which applies new and advanced technologies in rural and mountainous areas; Developing and implementing thematic introduction and dissemination of scientific knowledge, technical training on the mass media at the central and local authorities in the country.

2.4.3. Policy formalization

* Activities in the framework of policy

- The project of application and transfer of Science and Technology are formed according to the group associated with the objectives and specific content of the following:

- Improve efficiency of rice production to ensure food security and export rice quality.

- Development of production of tropical agricultural products, pharmaceutical materials have high comparative advantage in the direction of agricultural safety.

- Improving the efficiency of production of goods to be imported (import substitutes), such as cotton, vegetable oil crops, tree pulp, raw materials for animal feed, raw materials for bio fuel production biology .

- Application of equipment and advanced technology, biotechnology in the production, processing and preservation of the agricultural sector, forestry, fishery and salt production industry using local raw materials to be low price, high quality.

- The application of high technology in agriculture to produce crops quarter, the specialties, vegetables, flowers, mushroom in industrial scale.

- Development of aquaculture and processing associated with modern forms of industrial farming, ecological farming association with environmental protection, resource protection.

- Livestock development towards industrial-scale farms that are suitable and closed from production to processing and consumer market.

- Development of rural industries using advanced tools, mechanization of production, improving the quality of labor.

- Development of technologies using solar energy, wind energy, small hydropower, biogas energy (biogas) for production and rural life.

- Use the integrated water resources for water supply for agriculture, industry, water and environment improvement, prevention, disaster mitigation; the advanced technology of irrigation, water saving hilly, arid regions .

- Handling the rural environment.

- Information technology service of industrialization, modernization and their knowledge of agriculture and rural development.

* Training activities in two forms

Training management and organization capacity for projects for local staff to promote agriculture, forestry, fishery and scientific staff who are directly involved in technology transfer;

Training for local technicians, technical training for farmers to create a network of technicians and collaborators in locality for further disseminating the results of the technological transfer program when officers withdrew from the area.

* Information and propaganda activities

Information operations and propaganda of the program include the following contents:

- Develop and implement thematic introduction to the operation of the Program and dissemination of scientific knowledge, technical training on the mass media at the central and local levels; expanding coverage forms, writing on the newspapers, professional journals.

- Publishing publications in summarizing the experience, the lessons learned from the application, transfer, dissemination, implementation, and replication of results and other matters of the program.

- Develop database technology, database professionals serving popular science, transfer of technology to rural areas and mountainous.

2.4.4. Policy implementation

By 2015, there are transfers and applications of at least 900 advanced technology and new technical advances in such stages as production of high-tech agriculture, industry-oriented livestock development, application of information technology to serve agriculture, rural and mountainous areas and islands; It was one of the four specific objectives of the program to support the application and transfer of science and

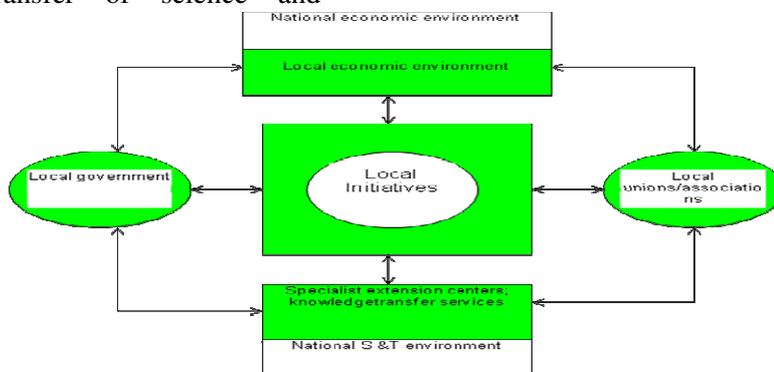
technology for socio-economic and rural mountainous areas development in period from 2011 to 2015 that has been approved by the Prime Minister in the Decision 1831/QĐ-TTg. The projects on application and transfer of science and technology are formed by groups linked to the objectives and specific contents (*Internal organization of farms, Inter-farm relationships, Role of the public sector, Institutional set-up of the financial sector, Education and training*).

2.5. Regional development policy

Case study: Decision No. 27/2008/QĐ-TTg of February 5, 2008, promulgating a number of mechanisms and policies to support socio-economic development in Northern Midland and mountainous provinces till 2010.

2.5.1. Policy formulation

Regional development system approach is a comprehensive approach, including the involvement of many stakeholders such as local government, local unions/associations; specialist extension centers/knowledge transfer services in relation to external conditions such as: National economic environment; local economic environment; National Science and Technology environment. So, the target groups in the project of regional innovation system will have the opportunity to access to great resources and learn to acquire new knowledge and practices based on the know-how that has been previously transferred. It can be illustrated as diagram below:



Decision No. 27/2008/QĐ-TTg of February 5, 2008, with objectives to promulgate a number of mechanisms and policies to support the socio-economic development in Northern Midland and mountainous provinces till 2010 and focus on the key development issues in the Northern: To achieve an economic growth (GDP) rate of over 12% in the region; To give priority to development of socio-economic infrastructure; improve the provision of social services for economic development, contributing to improving people's living standards and gradually narrowing the gap with other regions across the country; To eliminate soon the incidence of clinically or seasonally hungry households; to reduce the percentage of poor households (according to the new poverty line) by more than 3% a year on average; to bring this percentage down to 20% by 2010; To complete by 2010 the universalization of lower secondary education across the region; to raise the percentage of school-age children going to school to 85 - 90% at kindergarten level, 97 - 99% at primary level, 85 - 90% at lower secondary level, and 45 - 50% at upper secondary level; to improve the learning and accommodation conditions of boarding schools for ethnic minority pupils and semi-boarding schools for home-stay pupils; To create a positive change in the labor structure and human resources quality; to strengthen vocational training, striving for the trained labor percentage of 25 - 30% and all commune cadres to be given technical and professional training by 2010; To better tackle social problems, increase general knowledge levels of the population, markedly improve the spiritual life of the people, especially ethnic minorities; To protect forests, water resources and eco-system; to use and protect natural resources and the environment for ensuring economic growth, poverty reduction and life quality improvement.

2.5.2. Policy adoption

This policy was built based on the strengths of the region which focused on building infrastructure to overcome the limitations of the region and create conditions to attract

investment to the region. This is a step to concretize more orientations which are planned in socio-economic development strategy of the mountainous provinces in the north in 2020.

2.5.3. Policy formalization

To continue implementing and adding some mechanisms and policies to support socio-economic development of the Northern midland and mountainous provinces to 2010.

* Revision and addition of some mechanisms and policies

On state budget funding

- Apart from the mechanisms and policies to support the socio-economic development in the Northern midland and mountainous provinces through programs and projects including Program 135 - phase II, national target programs and the 5 million hectares forest project, the government will increase investments in these provinces through projects funded with government bonds and through programs and projects implemented by ministries and central agencies as assigned by the government in the Prime Minister's Decision 79/2005/QĐ-TTg of April 15, 2005, on the Government's plan of action in implementation of Politburo Resolution No. 37-NQ/TW of July 1, 2004, on orientations for socio-economic development and maintenance of defense and security in the Northern midland and mountainous area to 2010. Targeted funding supports will be allocated to provinces under the Prime Minister's Decision No. 210/2006/QĐ-TTg of September 12, 2006, which stipulates the principles, criteria and quotas of allocation of state budget funds on development investment during 2007 - 2010, with priority given to Northern mountainous provinces with particularly difficult conditions under the Prime Minister's Decision No. 186/2001/QĐ-TTg of December 7, 2001, and to provinces with districts eligible for support specified in the Prime Minister's Decision No. 174/2004/QĐ-TTg of October 01, 2004.

* A number of mechanisms and policies also applicable to the whole Northern midland and mountainous region

- To extend the application of the Prime Minister's Decision No. 304/2005/QĐ-TTg of July 23, 2005, on the pilot allocation of forest and contracting of forest protection with households and communities of ethnic minority villages to the Northern midland and mountainous region.

- To extend the application of the Prime Minister's Decision No. 231/2005/QĐ-TTg on September 22, 2005, on the provision of assistance to government-run agricultural and forestry enterprises and management boards of special-use forests and protection forests employing ethnic minority inhabitants lawfully residing in the Northern midland and mountainous region.

* Promulgation of additional mechanisms and policies for the region

- To support plant seeds and livestock breeds and fertilizers for the introduction of new crops in communes with particularly difficult conditions and by ethnic minority households.

- To pay all expenses for new plant seeds to be planted for the first time or high-value industrial trees and perennial fruit trees as replacement crops under approved projects.

- To support half of the interest on bank loans taken out by households to plant new crops or perennial industrial and fruit trees; to allow farmers to use loan-based assets (orchards) as collateral.

2.5.4. Policy implementation

Ministries and central agencies shall, depending on their functions, tasks and powers, guide and examine localities in implementing this Decision. The Ministry of Planning and Investment shall assume the prime responsibility for, together with the Ministry of Finance, calculate and make suggestions to the Government on the annual allocation of central budget funding to Northern midland and

mountainous provinces for the implementation of this Decision. The People's Committees of the provinces in the Northern midland and mountainous region shall be based on the policies mentioned in this Decision and the guidance of ministries and central agencies to concentrate on directing and administering the implementation of these policies in a way suitable to specific local conditions. Ministries, central branches and People's Committees of the provinces in the Northern midland and mountainous region shall send reports on the implementation of this Decision to the Ministry of Planning and Investment for sum-up and report to the Prime Minister.

3. Conclusions and recommendations

According to the results of policies which have chosen for Innovation for inclusive development over the past ten years, which we see on the positive sides, there are still many limitations in every process, especially as we approached these ones based on the features of the Innovation for Inclusive Development.

3.1. Policy formulation

Innovations that we can found in policy making and implementing process: using the top-down approach to bottom-up approach. Therefore, the most important change is that the government has access / selected emerged issues based on factual basis. However, there are still many objectives during the implementation of the policy that cannot be reached or only partially implemented. There are a number of policy which are intended to encourage income generation and to some extent micro-enterprises, but most are focused on agricultural diversification and animal husbandry and few are focused on industrial micro-enterprises with competent staff involved to support people in identifying industrial business opportunities, in absorbing technologies, in managing growth of the enterprises and in marketing their products

(program 135). This decision makers has to be aware of these problems to make adjustments in the next phase of poverty reduction policies in Vietnam.

3.2. Policy adoption

Through the process of policy review, both advantages and disadvantages are fully recognized, especially the role of government, in collaboration with stakeholders in the project program. In the light of the above mentioned observations and conclusions, and with a view to support the Government's strategy for "employment-generating, regionally balanced, rural industrial development", and in complementing to other ongoing and planned policies, the following main areas are proposed:

1. *To assist the Government in developing institutional capacity for the management of strategy and policy coordination for rural industry development at all levels, i.e. central, provincial, district and grassroots level.*

2. *To strengthen the capacity of training institutions and supervising authorities to improve training programs to respond to the requirements of rural industries in an increasingly competitive environment.*

3. *To establish a comprehensive information system for rural area.*

The main issues addressed are the creation of a foundation for standard business environment for rural industry development, bringing information technology opportunities to rural industry operators and human resource development. These are three areas where the national authorities, rural industry operators and the donor community can cooperate on a common ground.

In the implementing process, emphasis on the following issues is considered:

1. *Programming of specific projects to be coordinated with other donors and the Government in support of Government-led programs in order to achieve synergy and complementarity; [8]*

2. *Establish a donor-Government technical working group with focus on rural industrial development, including representatives from other relevant ministries such as MOLISA, MOSTE, MOET, MOI and MOT;*

3. *Develop larger projects with a longer duration addressing the sustaining capacity building for improved self-help efforts, thereby more realistically taking into account the absorptive capacity of science and technology beneficiaries;*

4. *Mainstream science and technology projects within the mandates and operations of counterpart agencies to avoid project activities leading a separate life in isolation and not being sustained beyond the duration of the process;*

5. *Increase the use of creative communication systems in the delivery of science and technology knowledge. [9]*

3.3. Policy formalization

Action Program

Based on the above recommendations on policies and program comprising the strategy and recommendations regarding to planning policy process, an action program has been prepared. The relationship consists of four items, namely (i) policy and program areas; (ii) specific actions to be taken; (iii) selected ongoing, recent and planned scenerios and (iv) scope for further action.

Some major conclusions to come out of these relationships are:

Many policy recommendations consist of fairly simple measures, deregulation, technically minor amendment of laws or decrees (but with major impact) and in some cases just abolishing or rescinding current policy measures (also with major impact), which the Government could implement itself with low costs and without any particular technical assistance;

The Government would highly benefit from donor technical assistance related to policy

issues; In addition to the above-mentioned complex policy areas, the policy assessment process is also made to evaluate the effectiveness of these policies and the make necessary adjustments.

Recommendations regarding selected policy concepts

In the light of the overview of ongoing ideas about suitable policies for hot emerging issues, several possible project concepts are elaborated below. It should be pointed out that the formulation of Government projects requires careful preparation involving all stakeholders from the very beginning of the formulation process. Such stakeholders include the beneficiaries of program, the suppliers of the services, counterpart agencies, co-operating partners, donor agencies, the Ministry of Planning and Investment, Provincial People's Committees etc. and can in some cases be numerous. Within the timeframe of the present project it has not been possible to go through all the requisite consultations.

The project concepts should therefore be regarded as tentative with a possibility for modification. The main purpose of the outline of the project concepts is to communicate an overall idea of the possible project which, if found interesting, would serve as a starting point for a dialogue with the stakeholders with a view to jointly formulate a more detailed project proposal.

3.4. Policy implementation

In the process of policy implementation, may include some of the most notable issues:

Designing a policy evaluation tool

In terms of research, the development of a policy analysis tool to monitor and evaluate policies in Vietnam has not done yet. There have been some studies on the evaluation of public policy. However, a complete tool for monitoring, evaluating and recording the feedback of the planning and implementation process have not been analyzed deeply and also

mentioned modestly in some aspects of researches, especially for public policy. Therefore, the design of a policy evaluation tool is very important.

Develop a strategic vision

The issues need to be examined in terms of overall economic, cultural, political, and social conditions and the need to define a unified approach to the problem to be solved.

Financial allocation

The Government has made major investments in the most disadvantaged areas through national target programs and such programs as Program 135, which provides socio-economic infrastructure to communes and villages facing especially difficult circumstances in the 62 poorest districts. However, poverty reduction programs and projects involve a high level of investment and which offer solutions appropriate to individual regions, areas, ethnic groups, villages, and even households via decentralization and empowerment at the grassroots levels. There is still limited application at the commune and village levels of decentralized investment under the "block grant" mechanism like the commune development fund (CDF) which aim to encourage community-based initiatives and pro-poor empowerment in decision-making.

Experiences from various sustainable development and poverty reduction projects indicate that investment-package policies providing decentralized financing can be more effective when integrated with strong and continuous support in participatory socio-economic planning, financial management, and monitoring and supervision at the commune and village level.

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Chính sách xã hội cho phát triển toàn diện tại Việt Nam

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Tóm tắt: Ngày nay, mỗi quốc gia phải đối mặt với một số vấn đề quan trọng trong sự phát triển mà đến từ cả hai khía cạnh chủ quan và khách quan, nổi bật nhất là (1) giải pháp để giảm nghèo đói bền vững, trong khi tỷ lệ hộ nghèo còn cao, (2) những khó khăn trong việc áp dụng các tiến bộ khoa học và kỹ thuật trong quá trình sản xuất vì mức độ biết chữ thấp ở các khu vực nông thôn và miền núi, (3) nhóm yếu thế đáp ứng những thách thức trong việc tiếp cận với các nguồn lực xã hội, đặc biệt là các cơ hội giáo dục, (4) thu hút đầu tư xã hội trong nông nghiệp, nông thôn và nông dân là rất hạn chế do khu vực này chỉ tạo ra lợi nhuận thấp, mặc dù chiếm hơn 60% dân số, và chủ yếu là (5) những thách thức trong đề xuất chính sách và quy trình thực hiện phát triển bền vững trong khu vực Để hoàn toàn đối phó với những thách thức đó, Việt Nam đã sử dụng các chính sách của chính phủ như là cách tiếp cận vĩ mô chính cùng với các cách tiếp cận vi mô khác. Nghiên cứu này lựa chọn những chính sách chủ chốt của từng vấn đề, xem xét cách thức các chính phủ công nhận và giải quyết chúng, cũng như các kết quả chính. Mặc dù mỗi chính sách giải quyết các mục tiêu lớn khác nhau, tất cả họ đều rất tập trung vào các vấn đề liên quan đến đổi mới, xóa đói giảm nghèo bền vững, nâng cao chất lượng lao động, huy động các nguồn lực xã hội cho chương trình phát triển kinh tế-xã hội. Ngoài ra, một nghiên cứu trường hợp của một chương trình mà đã và đang được phát động từ năm 1998 trên toàn quốc đã được trình bày trong phần thứ hai của nghiên cứu, cung cấp một phân tích sâu sắc về khía cạnh xã hội - kinh tế với một số khuyến nghị để phát triển toàn diện ở Việt Nam.

Từ khóa: Chính sách xã hội, phát triển vùng, chuyển giao công nghệ