Livelihood strategies of vulnerable households take into account limited natural resources - Insights from Northern Vietnam

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Abstract

Poor and vulnerable rural households in the mountainous regions of Northern Vietnam are exposed to various risks, crises and shocks, which threaten their livelihoods and have long-term effects on risk management strategies. Following the Sustainable Livelihood Framework of the British Department for International Development, people have access to five forms of capital, i.e. social, financial, human, physical and natural assets. Being one form of natural asset, grazing land is considered a common-pool resource in the agricultural systems of ethnic minorities in Northern Vietnam.

This paper intends to explain the interaction between grazing land and livelihood strategies, and searches for the reasons and consequences of the recent dynamics of this interaction. Quantitative and qualitative research, including individual as well as group interviews and participant observation, were carried out in 14 villages, with 300 respondent farm-households in mountainous Northern Vietnam.

During the last 20 years, the population of Son La province has doubled. At the same time, agricultural production was significantly intensified and tenure policies with a strong focus on individualization of resource rights were gradually implemented. As a consequence, grazing areas were diminished or even disappeared, limiting the opportunity for livestock production. Raising livestock and selling it in case of a livelihood emergency is one of the most popular risk management strategies of the Vietnamese rural poor. Formal insurance schemes or other organized security networks do not yet exist, and people still have to rely on traditional coping strategies. Although providing protection in the short run, these strategies often limit the poor people’s long-term prospects of escaping poverty.

Results suggest that due to insufficient land availability and tenure individualization, farmers were forced to reduce their livestock and thus limit their livelihood strategies. Suggestions are given to counteract the gradual trend of the already existing downward spiral of livestock production. To assure sustainable development for ethnic minority farmers, a bundle of alternative strategies have to be initiated. Different actors will have to focus on locally specific strategies, the basis of these being the possibility to access the different forms of capital assets outlined in the Sustainable Livelihoods Framework.
1. Introduction

In Vietnam, as well as in other developing countries, poor rural households are often vulnerable and their livelihood systems are exposed to various risks. Crises and shocks which either require immediate outlays of cash or which diminish already low and irregular income, or both, have long term effects on livelihood strategies and welfare (WORLD BANK and DFID 1999).

Following the Sustainable Livelihood Framework of the British Department for International Development (DFID), UK, people have access to five forms of capital assets, i.e. social, financial, human, physical and natural assets (see Figure 1). Grazing land is one form of natural assets and it is considered as a common-pool natural resource in the agricultural systems of ethnic minorities in Northern Vietnam.

Figure 1 Sustainable livelihood framework and vulnerability context

2. Methodology and Data Basis

Methodologically, this contribution is based on semi-structured and unstructured interviews with key persons, political cadres and farmers, who provided general information on the research region and on the current livelihood situation of rural ethnic minority farm households in mountainous Northern Vietnam. Group-discussions and participatory observation were conducted on both issues, land tenure and risk management respectively. Further qualitative research, which relied on Participatory Rural Appraisal (PRA) tools, investigated gender-specific roles and entitlements. Additionally, oral history and GPS-data were used to illustrate the development of grazing lands in the study area.

Secondary and qualitative data on risk management, vulnerability, poverty alleviation, ethnic minorities, natural resources and land tenure were analyzed from the point of view of risk management. Special focus was laid on the resource management of vulnerable households in mountainous regions of Northern Vietnam.

The research area comprised 14 villages, with 300 male and female respondents of different ethnic minorities in Yen Chau district, Son La province as well as Ba Be and Pac Nam districts in Bac Kan Province. The data collection took place in 2004 and 2005.

3. Natural Resource Management and Livelihood Strategies

After the decollectivisation process in the 1980s and the 1993 Land Law, resulting in an allocation of individual land use rights, common grazing land has been retained but limited in some villages and completely abandoned in others. During the last 20 years, the population of Son La province – the research region – has doubled. At the same time, agricultural production was significantly intensified and tenure policies with a strong focus on individualization of resource rights were gradually implemented. As a consequence, grazing areas were diminished or even disappeared (see Figure 2 below), limiting the opportunity for livestock production.

Raising livestock and selling it in case of a livelihood emergency is still one of the most popular risk management strategies of the Vietnamese rural poor. Formal insurance schemes or other
organized security networks do not yet exist, and people still have to rely on traditional (ex-post) coping strategies. Although providing protection in the short run, these strategies often limit the poor people’s long-term prospects of escaping poverty (KANBUR and SQUIRE 2001).

4. Results
The political and economic innovations and renovations in Vietnam led to partly individualized resource use rights and steadily increasing agricultural production in rural upland areas. Since the cultivation of cash crops (particularly maize) generates more profits than livestock keeping, common-pool as well as individual grazing land is very limited. Due to these facts, it is not reasonable to farmers to extend the number of ruminants and quite commonly, they are forced to sell animals (see Figure 3). Furthermore, the current individual grazing activities are time and labour-force intensive and reduce the available labour for more productive activities.

One major consequence of this development is that vulnerable households limit their risk management portfolio when reducing the number of ruminants. GUMBER and KULKARNI (2000) clearly state that human capital, particularly health and education, are essential building blocks to help the poor increase their income and thus reduce vulnerability. Building savings is a form of self-insurance that can be relied upon when credit and insurance markets are imperfect and/or non-existent (BROWN and NAGARAJAN 2000, DEATON 1991, DERCON 2002). Accumulation of savings is so far the only adaptive strategy, which is applied by some of the households. Most still have to rely on coping strategies in case of crisis.

Yet, selling livestock in order to get cash or to pay back previously taken credits is still the most common coping strategy in the research area. Revenues from selling cash crops are usually reduced by debts (e.g. for input credits) that have to be reimbursed to the trader. The remaining money is mainly spent on school fees or to purchase consumer goods. Of course, households try to plan for ex-ante emergencies (known as ex-ante risk management strategies) by accumulating savings. However, these cash savings are very small and can only be employed for small emergencies. Most often they are spend to cover the expenses in case of an illness in the household.

5. Conclusions and Recommendations
Based on the results, the analysis led to the following conclusions:

(1) population growth, intensified agricultural production and individualized land use rights are main reasons for a dramatic reduction of grazing land in Northern Vietnam;
(2) due to the lack of sufficient natural resources, especially common grazing land, farmers were forced to sell livestock.
(3) a reduced potentiality of raising livestock consequently reduces farmers’ coping strategies to response to larger livelihood crisis.
(4) coping strategies are not suitable for a long-term stabilization of a household economy. Thus, it is necessary to have the choice between different livelihood strategies and to use existing capital assets (apart from livestock) efficiently.
access to financial institutions and particularly insurance schemes as well as knowledge of sustainable land use and resource friendly rural development have to be promoted by governmental and non-governmental organizations in Vietnam.

Reference list


