

Livelihood Strategies of Vulnerable Households under Resource Scarcity – Insights from Northern Vietnam

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(I) Introduction

Poor and vulnerable rural households in the mountainous regions of Northern Vietnam are exposed to various risks, crises and shocks. These events threaten their livelihoods and have long-term effects on their risk management strategies. Following the Sustainable Livelihood Framework (see Figure 1) of the British Department for International Development (DFID), people have access to five forms of capital assets, i.e. social, financial, human, physical and natural assets (see Figure 1).

Being one form of natural asset, grazing land is considered a common-pool natural resource in the agricultural systems of ethnic minorities in Northern Vietnam.

(II) Methodology & Data

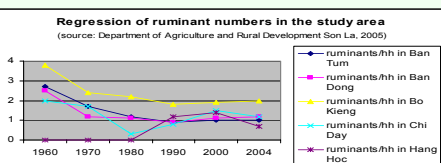
Quantitative and qualitative research, including individual as well as group interviews and participatory observation, were carried out in 14 villages with 300 respondent farm-households in Son La and Bac Kan provinces in 2004/2005. The research focused on "Risk Management of Farm Households" (SFB sub-project F2.2) as well as "Valuation and Tenure of Common-pool Resources in Mountainous Regions" (SFB sub-project F1.2) in Northern Vietnam.



(IV) Results

The political and economic innovations and renovations in Vietnam led to partly individualized resource use rights and subsequently and steadily increasing agricultural production. Since the cultivation of cash crops (particularly maize) generates more profit than livestock rearing, common-pool as well as individual grazing land is considered to be less important, and therefore given up more and more. Due to these facts, it is not reasonable for farmers to extend the number of ruminants and quite commonly, they are forced to sell them (see Figure 4). Furthermore, the current individual grazing activities are time and labour-force intensive and reduce the available labour for cash crop activities.

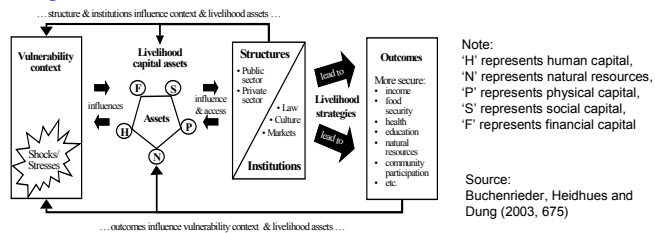
Figure 4 Decrease of Ruminants



One major consequence of this development is that vulnerable households limit their risk management portfolio when reducing the number of ruminants. Yet, selling livestock in order to get cash in case of emergencies 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 spend on school fees or to purchase consumer goods. Of course, households try to ex-ante plan for emergencies (known as adaptive risk management strategy) 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 expenses in case of an illness in the household.

Korf, B. (2002): Rural livelihoods at risk: Land use and coping strategies of war-affected communities in Sri Lanka, Paper presented at Deutscher Tropentag 2002, Oct. 9-11, 2002, Witzelhausen, D: University of Kassel-Witzelhausen.
 Buchenrieder, G., Heidhues, F. and Pham Thi My Dung (2003): Risk management in Northern Vietnam (Sub-project F2.2). In Uplands Program (Sonderforschungsbereich 564) Nachhaltige Landnutzung und ländliche Entwicklung in Bergregionen Südostasiens. Heidhues, F. (ed.), 669-715. 1. Folgeantrag, Universität Hohenheim, Germany, mimeo.

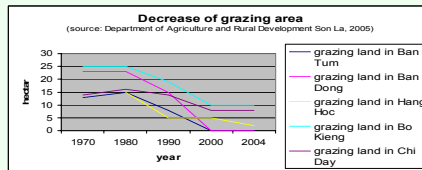
Figure 1 DFID's Sustainable Livelihood Framework



(III) Background

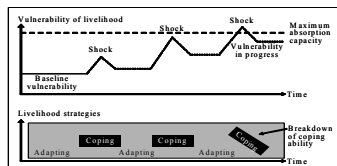
During the last 20 years, the population of Son La province has doubled. At the same time, agricultural production was significantly intensified and tenure policies with a strong focus on individualization of resource rights were gradually implemented. As a consequence, grazing areas decreased or even disappeared (see Figure 2 below), limiting the opportunity for livestock production.

Figure 2 Decrease of Grazing Area



Raising livestock and selling it in case of a livelihood emergency is one of the most popular risk management strategies for larger emergencies 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, i.e. selling livestock, often limit the poor people's long-term prospects of escaping poverty (see Figure 3).

Figure 3 Effects of Shocks on the Vulnerability of Livelihoods



Note:
 During a period of shock, households apply coping strategies as an immediate reaction. Empirical evidence suggests that coping strategies leave households with a higher level of livelihood vulnerability as compared to the time before the shock. If households reach their maximum absorption capacity of vulnerability, coping strategies may not suffice anymore to carry it over the difficult times.

Source: adapted from Korf (2002: 3)

(V) Conclusion & Recommendations

The analysis led to the conclusion that

- population growth, intensified agricultural production and individualized land use rights are the main reasons for a dramatic reduction of grazing land in Northern Vietnam.
- due to the lack of sufficient natural resources, especially common grazing land, farmers were forced to sell livestock.
- a reduced potential of raising livestock consequently reduces farmers' coping strategies to respond to larger-scale livelihood crises.
- 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.