Strategies for poverty reduction to meet the requirements of sustainable development

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ABSTRACT

In recent years, Vietnam has achieved great achievements in the implementation of economic growth, which has contributed to reducing poverty and is highly appreciated by the international community. Although Vietnam has made remarkable achievements in reducing poverty and meeting the requirements of sustainable development, there are still many challenges and work to be done. Vietnam needs to continue to push ahead to improve the quality of life for the poorest, reduce the development gap between regions, and strengthen its response to climate change and the environment. This study uses a qualitative method to analyze the current situation of poverty reduction in Vietnam. The article also uses analytical, synthetic, logical, and historical methods to clarify the results and limitations of poverty reduction. The value of the research helps the Vietnamese government to be aware of the results and limitations of poverty reduction and suggests scientific and timely solutions to implement poverty reduction work in Vietnam.

KEYWORDS

poverty reduction; economic development; sustainable development; Vietnam

1. Introduction

Poverty reduction plays an essential and indispensable role in social development because it not only creates conditions for everyone to have the opportunity to access and participate in the process of social development and improves the quality of life. Quality of life: When people get out of poverty and have enough income to meet basic needs such as food, health care, education, and housing, their quality of life is improved, but also motivates economic development, inequality reduction, and social stability. Consequently, it is crucial to accurately assess the value of development and efficiently utilize resources to achieve a harmonious balance between economic growth and poverty reduction.
During the process of international integration, Vietnam has achieved impressive development achievements with outstanding results such as Vietnam’s economic scale increasing 12 times, per capita income increasing 8.3 times, Export-import turnover increased 29.5 times, foreign direct investment (FDI) increased 22 times, the national poverty rate from 58% in 1993 to only 2.23% in 2021 according to new standards. From a poor, backward, and malnourished country, Vietnam has risen to become a middle-income country with a GDP per capita reaching 2779 USD in 2020 and is one of the largest agricultural exporters. In the world. Up to now, Vietnam has had diplomatic relations with 189/193 United Nations member countries, including strategic partnerships and comprehensive partnerships with 30 countries; Our Party has established relationships with 247 political parties in 111 countries, the National Assembly of Vietnam has relationships with parliaments and parliaments of more than 140 countries; Vietnam has trade relations with over 220 partners, 71 countries have recognized market economy status for Vietnam, we have signed and participated in 15 free trade agreements, including many new-generation free trade agreements (Hao, 2022). Achieving the above results has many reasons, among which Vietnam has had appropriate policies for poverty eradication and reduction.

The report “New steps: poverty reduction and shared prosperity in Vietnam” published by the World Bank in Vietnam also shows that poverty in Vietnam continues to decrease, especially among ethnic minorities. with a sharp decrease rate of up to 13%, the most significant decrease in the past decade. The results achieved by the National Target Program for Sustainable Poverty Reduction, Program 135 are vivid and undeniable proof that Vietnam has thoughtfully implemented recommendations under the Periodic Review Mechanism-universal human rights. However, despite these accomplishments, the country still faces issues such as wealth disparity, high unemployment rates, unsustainable poverty reduction, income inequality, and growing gaps in living standards. Addressing these challenges is crucial, especially as Vietnam continues its process of international integration. The ongoing efforts to reduce poverty in Vietnam are not only important from a theoretical standpoint but also hold practical significance.

This article aims to shed light on the continued importance of poverty reduction in Vietnam, both in terms of theory and practice, particularly within the context of international integration. By focusing on this topic, we can better understand the necessary steps and actions required to sustainably alleviate poverty and foster inclusive development in Vietnam. This study aims to propose solutions to further promote hunger eradication and poverty reduction in Vietnam in the coming time, soon completing the sustainable development.

2. Methods

From the standpoint of the World Bank, poverty manifests through a range of inadequacies. This encompasses constrained income and limited opportunities to generate earnings, a lack of resources to ensure sustenance during challenging periods, susceptibility to adverse events, an inability to effectively communicate needs and challenges, a sense of indignity, and a lack of acknowledgment from others. Poverty is a complex condition with multiple dimensions, necessitating a precise comprehension to formulate effective strategies for tackling poverty-linked concerns.

During the Conference on Hunger Eradication and Poverty Reduction in the Asia-Pacific Region, organized by ESCAP in Bangkok, Thailand in September 1993, the concept of poverty
was introduced by the Asia-Pacific Economic and Social Committee. It defined poverty as the circumstance wherein a portion of the population is unable to access and fulfill fundamental human requirements. The extent of these necessities is influenced by the level of socio-economic development, local customs, and practices. The objective of poverty reduction is to enhance living standards and gradually uplift a segment of the impoverished populace from their deprived state. This entails a process aimed at elevating their quality of life.

Poverty reduction is an integral aspect of human development and a central theme within the developmental process. A prerequisite for alleviating poverty is economic growth, and the reduction of poverty itself acts as a gauge of societal advancement. Furthermore, it serves as a catalyst propelling sustained and robust economic expansion. The strategic implementation of effective measures for poverty reduction takes on paramount importance when aiming to achieve elevated and sustainable economic growth. Economic growth serves as an essential foundation for poverty reduction. Optimal economic growth, particularly when characterized by stability and long-term viability, equips nations with the necessary resources to execute comprehensive poverty alleviation initiatives. Empirical evidence indicates that many countries with higher economic growth rates have witnessed positive effects on poverty reduction. However, it’s vital to recognize that economic growth, in isolation, doesn’t comprehensively address the complexity of poverty. Paradoxically, some nations experiencing substantial economic growth rates and per capita incomes have encountered limited success in reducing poverty. Conversely, certain countries with lower per capita incomes have achieved more favorable outcomes in poverty reduction.

In pursuit of poverty reduction, it’s imperative to surpass the singular focus on economic growth and take into account other pivotal factors, particularly the role of the state. These prerequisites encompass the deliberate choice of an economic growth model. If a government prioritizes rapid economic advancement in sectors reliant on advanced technology and skilled human capital, there’s a risk of marginalizing the disadvantaged population from direct benefits. Accelerated industrialization, modernization, and urbanization, without appropriate avenues for employment for rural communities, can exacerbate issues related to land acquisition and lead to heightened unemployment, thus intensifying the challenges of poverty.

Equally vital is the equitable distribution of the outcomes of growth. If a government disproportionately allocates resources towards economic expansion at the expense of poverty reduction, the poverty situation could deteriorate. Similarly, channeling resources exclusively into pivotal sectors while neglecting marginalized and economically vulnerable regions can foster regional disparities, ultimately exacerbating the divide between affluent and underprivileged areas.

Poverty reduction can both promote and hinder economic growth. Poverty reduction promotes economic growth by implementing policies such as preferential interest rate loans for the poor, vocational training, infrastructure development in poor areas, and creating economic opportunities for the poor. These measures increase production capacity, investment capital, human resources, and infrastructure, along with employment opportunities for the poor, thereby driving economic growth. Poverty reduction also contributes to social stability, facilitating sustainable and rapid economic growth. However, poorly implemented poverty reduction measures can hinder economic growth. Overemphasizing support measures for the poor and neglecting to enhance their production capacity, self-esteem, self-reliance, and motivation to escape poverty can increase dependence on
the government and dampen the drive for the economy.

The research is carried out based on the worldview and methodology of dialectical materialism and historical materialism. In addition, the research also uses a synthesis of specific methods such as the unity of logic and history, analysis and synthesis, inference and induction, comparison and comparison to research, and present the research. Research is approached from the perspective of social philosophy.

3. Literature review

It is widely acknowledged that addressing poverty is a crucial aspect of societal development as it directly affects the well-being and aspirations of individuals. Therefore, accurate measurement of poverty is essential to understand its true nature and inform policies aimed at alleviating poverty-related issues (Alkire and Foster, 2011). This recognition of poverty as a multidimensional phenomenon can be traced back to the 1997 Human Development Report and the 2000/1 World Development Report. The Millennium Declaration and subsequent Millennium Development Goals (MDGs) also emphasized the multidimensional nature of poverty since 2000.

One prominent approach to measuring multidimensional poverty is the Alkire and Foster Method (AF Method), which considers various dimensions of poverty, defines poverty lines for each dimension, and identifies individuals who are considered multidimensionally poor. This method helps identify those in need and informs targeted poverty alleviation strategies (Alkire and Foster, 2011). Santos and Ura applied the AF Method in their study of Bhutan, examining dimensions such as income, education, available rooms, access to electricity, and drinking water. In rural areas, additional dimensions, including access to roads and land ownership, were analyzed (Santos and Ura, 2008).

Another methodology, introduced by Mussard and Alperin, aims to measure imbalances in multidimensional poverty across population groups and dimensions. Their study in Argentina focused on variables such as occupation type, household location, household size, toilet and flowing characteristics, total household income, education level, stable employment, social contributions, and income distribution ratios. Findings highlighted the significant impact of toilet characteristics, household size, stable employment, and flowing characteristics on poverty imbalances (Mussard and Alperin, 2008).

In the Republic of Congo, Notten conducted a study to identify poverty patterns and differences among women, men, and children. This research carried out in 2005, examined household expenditures, living conditions, and individual characteristics. Eight well-being indicators were studied, including income, education, nutrition, health, employment, water and sanitation, housing, and integration. The study identified housing and water and sanitation as the dimensions with the highest poverty rates, followed by income poverty (Notten, 2008). “Economic Growth with Poverty Reduction in Vietnam Today” discusses the theoretical and practical aspects of economic growth linked to poverty reduction, emphasizing the interdependence of the two and proposing solutions for their effective integration (Vinh, 2014). Domestic publications also contribute to the discourse on poverty reduction.

There are also studies related to articles such as “The COVID-19, migration, and livelihood in...
India: Challenges and policy issues”. This article further provides some immediate measures and long-term strategies to be adopted by the government such as improving the public distribution system, strengthening the public health system, integration of migrants with development, decentralisation as a strategy to provide health services, and providing support to return migrants to reintegrate them, and also strengthen the database on migration and migrant households” (Bhagat et al., 2020); This study examines a causal relationship between health environment and migration flows by exploiting a panel country-level data set on health indicators and net migration from 1940 to 1987. An increase in life expectancy at birth has led to a decrease in net migration in the whole sample countries as well as in non-poor countries. By using the global mortality rate constructed based on information on the reduction in mortality following the epidemiological transition in the 1940s as an instrumental variable, the 2SLS methodology allows controlling for the endogeneity problem. The results are robust even when applying various additional tests. Overall, the health environment has on migration flows (Nguyen, 2019).

In addition to foreign documents, related to poor fields, there are also domestic documents such as the author Luong Thi Hong presenting the Party’s new points on hunger eradication and poverty alleviation and basic concepts and formulas for the implementation of hunger eradication and poverty reduction in Vietnam. Looking back after 30 country renewals. The author said that the innovation company in Vietnam has made great achievements which means history. In particular, Vietnam and the international community are recognized as one of the 18 countries with the best achievements in hunger eradication and poverty reduction in the world and one of the few countries that achieved 5/8 millennium development goals century.

The literature and concepts discussed by various scholars emphasize the importance of multidimensional poverty reduction as a means to promote social inclusion, equity, and progress in societal development. These approaches aim to create conditions for all individuals to integrate into society and ensure sustainable economic growth.

4. Results and discussion

4.1. Results of poverty reduction in Vietnam

Over the comprehensive renewal process, particularly in the economic sector, from 1986 to the present day, Vietnam has consistently achieved positive economic growth rates. The average growth rate during the period 1991–2010 was 7.03% per year, and during the period 2011–2019, it was approximately 6.08% per year. Additionally, controlled population growth has had a positive impact, continuously increasing Vietnam’s per capita income, from 206.1 thousand VND per person in 1995 to 3876 thousand VND per person in 2018 (at current prices). Economic growth has created conditions for increasing investment in poverty reduction. With sustained economic growth at a relatively high rate, state budget revenues have also increased steadily. Consequently, investment funds for poverty reduction have increased rapidly, from 10 trillion VND during the 1998–2000 period to 16,245 trillion VND during the 2001–2005 period, and 43,488 trillion VND during the 2006–2010 period. In the 2011–2015 period, the economy faced several challenges, leading to a decrease in funds for poverty reduction compared to the previous period, but it still reached 32,982 trillion VND, and then increased to 46,161 trillion VND during the 2016–2020 period (Government, 2021).
During the 2016–2020 period, Vietnam leveraged the collective strength of its political system and actively mobilized society’s positive response. The perception of the poor began to change, with many notable examples of poverty alleviation, and a voluntary desire to exit the list of poor households. The system of mechanisms, policies, and laws for poverty reduction, issued by the government, was relatively comprehensive and synchronized to support the poor. Specific poverty reduction policies were prioritized for vulnerable groups, ethnic minority regions, and particularly disadvantaged areas. Gradually, policies with unconditional support were reduced, and conditional support policies were expanded. With the entire political system’s attention to implementing the poverty reduction program, substantial resources, approximately 120 trillion VND, were allocated and mobilized for its implementation. These resources included central government funding (approximately 35%), funds raised through socialization for social security and poverty reduction in localities (approximately 41%), and support from the “For the Poor” Fund and social welfare activities of the Vietnam Fatherland Front at all levels (approximately 24%) (Ly, 2022).

Vietnam has promulgated its national poverty standards eight times, following a multidimensional poverty approach, meeting the needs of the poor from low to high, and adapting to the country’s economic and social conditions at different times. Vietnam is one of the first 30 countries in the world and the first in Asia to apply multidimensional poverty standards, ensuring minimum living standards and addressing basic social service gaps (6 dimensions: employment; health, education; housing; water and sanitation; information) based on a human rights approach, especially the right to social security guaranteed by the 2013 Constitution and laws on employment, education, vocational training, children, health insurance, housing, information, etc. It aims to comprehensively support and cover the poor, people living in impoverished areas, and help them improve their material and spiritual quality of life, meet their basic living conditions, and efficiently access and use basic social services, as well as enhance their capacity to adapt to climate change.

In terms of income and material and spiritual life for the people, especially those living in impoverished areas and extremely difficult regions, there have been transformations. The income of the poor has increased more than twice over the past five years. Over 13,000 projects have supported the development of production diversification and effective poverty reduction models benefiting over 2.2 million households. Additionally, 5500 laborers from poor households, near-poor households, and ethnic minority households have been supported to work abroad.

To safeguard human rights, Vietnam has not only implemented new poverty standards but also approved the National Target Program for Sustainable Poverty Reduction for the 2021–2025 period. This program addresses critical and urgent poverty issues, setting clear objectives and deadlines. In parallel with regular poverty reduction policies, Vietnam has continuously approved the National Target Program for Poverty Reduction (since 1998), focusing on goal-oriented support for especially difficult areas and the poor. On July 28, 2021, the 15th National Assembly passed Resolution No. 24/2021/QH15, approving the investment strategy for the Sustainable National Target Program for Poverty Reduction for the 2021–2025 period (hereafter referred to as the Program). Its goal is multidimensional poverty reduction, ensuring sustainability, reducing the risk of falling back into poverty, and generating new poverty. It supports the poor and near-poor in achieving a minimum standard of living and accessing basic social services based on national multidimensional poverty standards, improving their quality of life. Moreover, it provides support to poor districts and particularly disadvantaged communes in coastal and island areas to escape poverty, especially
extreme poverty. The program focuses on investing in the development of economic and social infrastructure in “core poor” areas, increasing income, improving the quality of life for the poor, providing vocational training, creating good job opportunities, and supporting vulnerable groups to avoid falling into poverty (Hung, 2020).

However, the positive impact of economic growth on poverty reduction has not been evenly distributed among population and ethnic groups. The rich have benefited more from economic growth than the poor, leading to a growing income gap. The income disparity between the richest 20% and the poorest 20% has increased over time, with the income share of the poorest 40% decreasing. This indicates a higher level of inequality (Nguyen, 2019).

Access to production factors for the poor is limited, and many depend on state support, which reduces their motivation for economic growth. The proportion of poor households receiving credit support and residential and productive land has been declining in recent years. Ethnic minority households face particular challenges, with a low allocation of land and forests, a lack of productive land, and a need for capital to develop production (Nguyen, 2019).

Another obstacle to poverty reduction and economic growth is the reliance of many poor households on state support without actively striving to escape poverty. In some regions with high poverty rates, such as La Hu villages in Lai Chau province, households have depended on state assistance for food, shelter, seedlings, and livestock without achieving sustainable poverty reduction (Phon and Linh, 2019). Poverty reduction results are not sustainable, easy to fall back into poverty, and the gap between rich and poor between regions and population groups has not been narrowed. In many places, the poverty rate is still above 50%. The poverty rate of ethnic minority households is still high. The income standard in the current poverty line is only 45% of the minimum standard of living, which has not been adjusted in time. Some mechanisms and policies specific to poor areas, mountainous areas, and ethnic minority areas have not been effective. Furthermore, poverty reduction in Vietnam has not been fully sustainable, and there is a high risk of falling back into poverty. The rate of households falling back into poverty averaged 5.17% per year between 2016 and 2017, with even higher rates in the Northwest mountainous region. The proportion of newly arising poor households accounted for a significant portion of households escaping poverty, particularly in ethnic minorities and mountainous areas. Some provinces experienced a substantial increase in the rate of falling back into poverty, while natural disasters and severe floods in certain areas led to a high rate of generating new poor households each year (Cao, 2019).

Vietnam has made progress in poverty reduction through economic growth, but challenges remain in addressing inequalities among population and ethnic groups, providing equal access to production factors for the poor, encouraging self-reliance, and ensuring the sustainability of poverty reduction efforts.

Currently, poverty is a major socio-economic problem not only in Vietnam but also globally. Since the beginning of the year, with the heavy impact of the COVID-19 pandemic, international organizations have warned that progress made in the implementation of sustainability goals has been disrupted. The fight against world poverty is a decade back. Oxfam estimates that COVID-19 has put half a billion people, or over 8% of the world’s population, into poverty. This is a big challenge in the fight against global poverty (Ministry of Planning and Investment, 2019).
4.2. **Solutions for poverty alleviation in Vietnam**

To enhance poverty reduction in Vietnam, the following solutions should be prioritized:

Combine economic growth with width and depth: The government should focus on achieving sustainable economic growth while ensuring the inclusion of poor regions and communities. This can be done by promoting stable macroeconomic conditions, restructuring the economy, developing agriculture and rural areas, and encouraging the growth of private enterprises that support agricultural production and rural economies.

Improve policies for distributing the benefits of economic growth: Efforts should be made to use the outcomes of economic growth to improve human and social development indicators. The government should monitor and control economic growth based on social development criteria, with a specific focus on hunger eradication, poverty reduction, social justice, job creation, and comprehensive development in areas such as education, health, physical training, sports, culture, and art. Fairness in development opportunities for all individuals should also be ensured.

Increase production capacity in poor areas: Strengthening the production capacity of poor regions is crucial for sustainable poverty reduction. This can be achieved by developing socioeconomic infrastructure in poor areas and connecting them with more developed regions to facilitate product development. Additionally, support should be provided for education, training, and improving skills among the poor to enhance their employability and enable them to participate in economic growth. Access to productive resources, such as capital, production techniques, and market opportunities, should also be facilitated for the poor.

Foster a shift in poverty reduction methods and promote self-reliance. It is essential to encourage a change in mindset among poor households and communities, emphasizing self-reliance and proactive efforts to escape poverty. The government should reduce dependency on unconditional support and instead introduce conditional assistance policies that encourage beneficiaries to actively participate in their development. Communication campaigns should be implemented to empower the poor, instill a sense of self-reliance, and dispel the notion of solely relying on state support. By implementing these solutions, Vietnam can effectively promote economic growth while reducing poverty sustainably.

In recent years, Vietnam’s economic growth has brought about positive changes such as reduced unemployment, decreased inequality between different income groups, and improvements in the overall material and cultural standards of the country. Vietnam has also made significant progress on the international stage. However, the market economy and the process of international integration have also presented challenges, particularly for workers. Issues such as unemployment, income inequality, and the growing gap between the rich and the poor have emerged as negative consequences. Therefore, it is crucial to further emphasize poverty reduction in Vietnam. This connection holds significant theoretical and practical implications that must be properly understood and effectively implemented. By doing so, Vietnam can achieve its goals of creating prosperity for its people, building a strong nation, and establishing a just and civilized society.

It is important to recognize that economic growth alone is not sufficient to address the complex issues of poverty and inequality. A comprehensive approach that takes into account the needs and well-being of all segments of society, particularly the most vulnerable, is necessary. Policies should
be implemented to create inclusive growth, ensuring that the benefits of economic development reach all individuals and communities, including those at the bottom of the socioeconomic ladder. Efforts to reduce poverty should involve measures that focus on creating employment opportunities, improving access to education and healthcare, promoting social welfare programs, and enhancing the overall living conditions of the population. Furthermore, it is crucial to address income disparities and wealth inequality by implementing fair and equitable distribution policies, and by providing support and resources to those who are most in need.

In conclusion, while Vietnam has achieved remarkable economic growth, it is essential to recognize and address the negative impacts of the market economy and international integration. By prioritizing poverty reduction, and implementing effective and comprehensive strategies, Vietnam can create a society that is prosperous, just, and inclusive for all its citizens. In recent years, Vietnam’s economic growth has brought about positive changes such as reduced unemployment, decreased inequality between different income groups, and improvements in the overall material and cultural standards of the country. Vietnam has also made significant progress on the international stage. However, the market economy and the process of international integration have also presented challenges, particularly for workers. Issues such as unemployment, income inequality, and the growing gap between the rich and the poor have emerged as negative consequences. Therefore, it is crucial to further emphasize poverty reduction in Vietnam. This connection holds significant theoretical and practical implications that must be properly understood and effectively implemented. By doing so, Vietnam can achieve its goals of creating prosperity for its people, building a strong nation, and establishing a just and civilized society.

5. Conclusion

Over the past years, Vietnam has experienced remarkable economic growth, which has opened up opportunities for the government to address poverty and hunger effectively, leading to improved well-being for all citizens. This progress has also been reflected in Vietnam’s increased prominence on the global stage. Nevertheless, the path of international integration has not been without its challenges, particularly for the workforce. Issues such as unemployment, income disparity, and the widening gap between the affluent and the impoverished have emerged as adverse repercussions. Therefore, implementing solutions such as: Combining economic growth with width and depth; Improving policies for distributing the benefits of economic growth; Increasing production capacity in poor areas; Fostering a shift in poverty reduction methods, and promoting self-reliance. That way, Vietnam can build on its successes and effectively address pressing concerns stemming from globalization, while ensuring a brighter future for its people.

Author contributions

Conceptualization, NMT; methodology, NMT and VVT; formal analysis, NMT; resources, NMT; data management, NMT; writing—original manuscript preparation, NMT; writing—review and editing, NMT; supervisor, VVT; project management, NMT and VVT. All authors have read and approved the published version of the manuscript.
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Conflict of interest

The authors declare no conflict of interest.

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