

THE IMPACT OF ECONOMIC GROWTH IN THE BORDER AREAS ON POVERTY REDUCTION OF ETHNIC MINORITY COMMUNITIES IN THE NORTHERN MOUNTAINOUS REGION*

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The Northern mountainous region has a relatively large border area and borders China and Laos. In recent years, although this area has been specially invested and developed by the Party and State, in general, it is still poor, facilities are out of date, and people's lives are still difficult. The region's biggest challenge today is low living standards and high poverty; The disparity in income and living standards between regions and population classes tends to increase the gap; The sustainability of the trend of increasing income and improving the lives of the population is not high. This situation reflects the results of positive and limited impacts of the border area economy. Therefore, the community studies the impact of the border area economy on the poverty reduction of ethnic minorities, thereby proposing some solutions to enhance sustainable economic development in this area.

Keywords: Border economy; Northern mountainous region; Poverty reduction; Ethnic minorities.

1. Introduction

Ethnic minorities areas have been and continue to be the “core of poverty” of the country. The status of poor and near-poor households in ethnic minority and mountainous areas, especially the poverty of ethnic minorities, remains one of the biggest challenge nowadays. By the end of 2018, poor households are ethnic minorities, with 720,731 households, accounting for 55.27% of the total number of poor households in the country (meanwhile, the proportion of ethnic minorities accounts for 14.6% of the population of the whole country), there are even many ethnic minority groups with the poverty rate of over 40%. The gap between the rich and the poor has not been narrowed down, especially in the Northern mountainous region. This is a region with few favorable conditions, especially in the field of trade promotion and exchange of goods, from which problems arise the encroachment of forest land, the appropriation and ineffective use of resources. In this article, the authors present a solution to the above problem by analyzing the negative and positive impacts of marginal economic growth on poverty reduction of ethnic minority communities

in Northern mountainous region.

2. Research overview

The non-governmental organizations, through cooperating with Vietnam to implement some key projects on poverty, environment and ecology, ethnic relations, highland border areas... in mountainous region have yielded many interesting research. The most prominent research are the advisory reports of the World Bank, Asian Development Bank, and other non-governmental organizations.

There are many studies on the border-gate economy of the Vietnam-China border area, one of the important economic activities in this area, including studies by Pham Van Linh (2001): “The Vietnam-China border-gate economic zones and its impact on the development of the commodity economy in Vietnam”, Chinh tri Quoc gia Publishing House, Ho Chi Minh City (Pham Van Linh, 2001) the author has clarifying the position, role and economic potential of the Vietnam-China border gates, analyzing the interaction between the factors affecting the trade relations at the border gates for the development of commodity economy, finding appropriate solutions to expand the market,

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increase the exchange of goods through the border gates, creating momentum for accelerating the industrialization - modernization in this area.

Luong Dang Ninh with the work “Renovating the organization and management of import-export activities, purchase, sale and exchange of goods in the border areas of the northern border provinces from the practice of Lang Son”, the ministry-level project (2000); Nguyen Minh Hieu with the work “Some economic problems of Vietnam border gate in the integration process”; ministry level project (2008); Research by Trinh Quang Canh, (2012), Assessing the impact of a number of socio-economic development policies on the environment of ethnic minority and mountainous areas in recent years, proposing solutions to support improvement of environmental sanitation of the ethnic minority and mountainous areas, Ministry-Level Project, Committee for Ethnic Minority Affairs; research by Phan Van Hung, (2015), Some new issues in national relations in our country today, Reference Book, Chinh tri Quoc gia Publishing House, Hanoi, 2015.

These studies have shown that the uplands and border areas are areas that are less likely to benefit from the implementation of the renovation policy of the State of Vietnam. However, these studies have not really mentioned much about the economic situation and sovereignty security in a specific locality. In particular, the advantages, challenges and difficulties in economic development, national defense and security have not been studied in depth in border areas. At the same time, there has not been much mention about economic development solutions and models for border areas, especially ethnic minority and mountainous areas. Cross-border economic exchanges are also an integral element of external economic activities. The development of such exchanges brings significant economic benefits through promoting cross-border trade activities, and at the same time, to implement the Party’s economic reform policy is to affirm the principle of independence, sovereignty, equality and mutual benefits in foreign economic development; multilateralization and diversification of external economic activities; effectively exploiting advantages in international labor division.

The issue of economic development policies and solutions to border economic development in ethnic minority and mountainous areas in Vietnam is a wide problem, presented in many research works and topics. In which, economic development in border areas is also one of the research contents, but not typical. Although some achievements have been achieved in scientific research on border economic development in ethnic minority areas, compared to the requirements of economic development in general, research is still limited:

The system of topics is still unsystematic in some economic fields in the northern border area. The topics are scattered, not really going into the study of the economic impacts of the border areas with channels that specifically affect the ethnic minority communities in the northern mountainous region... Research methods and techniques have not focused much on quantitative research... Research topics are proposed by research units, few topics are proposed by actual situation. The research content mainly focuses on a number of aspects of border gate economy; Scientific research results have not been deployed and applied in practice due to limited budget. Studies on ethnic minorities mainly focus on contents such as research on socio-economic characteristics of ethnic minority areas, research on economic development policies in ethnic minority areas, and there are few specialized studies on the impact of economic development in border areas on ethnic minority and mountainous communities.

In general, studies, topics and articles on border economic development in ethnic minority areas are still quite scattered and unsystematic. Studies usually only focus on a few specific contents such as border economy, poverty issues, border trade... of this field. There has been almost no research giving a comprehensive and complete theoretical basis on the impact of border economic development on ethnic minority communities, analyzing the current situation, giving a complete system of solutions but also scattered in many sporadic studies.

3. Research methods

The article uses some basic research methods such as primary and secondary document collection methods; methods of analyzing and synthesizing documents; Statistical methods from which to analyze and forecast research results.

4. Research results

4.1. Growth and poverty reduction of ethnic minorities in the Northern mountainous region

Socio-economic growth in the Northern midlands and mountainous areas has achieved many remarkable achievements, the average GDP growth rate of the whole region in the period 2004 - 2018 increased by 10%, the average income per capita of the region reached about 40.43% , 68 million VND/ person/year in 2018, nearly 9.8 times as much as in 2004. The economic structure has changed positively, towards the modern direction, by 2018 the economic structure of the region has changed positively, construction industry accounts for 40.43%, services accounts for 35.8%, agriculture, forestry and fisheries accounts for 18.6%.

Compared with the whole country, the average income per capita of the Northern border provinces is still low and the growth rate is slow.

Table 1. Average income per capita / month in Northern border provinces in the period 2012-2019
(unit: 1000 VND)

Provinces	2012	2014	2016	2018	2019	Average 2012-2019
Ha Giang	850	1.121	1.324	1.725	1.832	1.370
Cao Bang	1.054	1.252	1.643	1.856	1.975	1.556
Lao Cai	1.085	1.468	1.856	2.324	2.540	1.854
Lang Son	1.212	1.437	1.684	2.047	2.250	1.726
Dien Bien	819	1.200	1.221	1.477	1.583	1.260
Lai Chau	758	987	1.312	1.492	1.594	1.228
Son La	1.020	1.178	1.288	1.483	1.605	1.314
Northern midlands and mountainous areas	1.258	1.613	1.963	2.455	2.640	1.985

Source: Authors synthesized and calculated from statistics of the General Statistics Office, 2019

In all provinces in the region, per capita income has increased over the years. Lao Cai has the highest per capita income of 1,854 thousand dong (the period 2012-2019), the second is Lang Son, the third is Cao Bang and the lowest is Lai Chau (1,228 thousand dong). Based on the differentiation of income levels between provinces, it can be classified into the following three groups:

Group 1: High income: > 1,700 thousand VND, including the provinces of Lao Cai and Lang Son

Group 2: Average income: 1,300 - 1,700 thousand VND including 3 provinces: Cao Bang, Ha Giang, Son La

Group 3: Low income: <1,300 thousand VND including the provinces of Dien Bien and Lai Chau

Table 2. Proportion of poor households according to the multidimensional poverty line in Northern border provinces during 2016-2019 (%)

Province	2016	2017	2018	2019
Ha Giang	39,8	36,9	32,6	29,1
Cao Bang	37,3	34,9	31,5	28,5
Lao Cai	26,4	23,9	20,5	17,2
Lang Son	23,5	20,6	18,4	15,9
Dien Bien	53,9	50,2	44,5	39,9
Lai Chau	44,3	41,6	37,1	33,0
Son La	42,8	41,0	36,3	33,0
Northern midlands and mountainous areas	23,0	21,0	18,4	16,4

Source: Authors synthesized from statistics of the General Statistics Office

The income per capita differentiation objectively reflects the different socio-economic development characteristics of the provinces. The provinces of Lao Cai, Lang Son, and Cao Bang converge many favorable factors for development (being a cultural, political and economic center, a traffic hub...), especially with a developed border trade system have a higher per capita income. Ha Giang, Dien Bien, Lai Chau have difficult natural conditions,

poor infrastructure, little agricultural land, and are inhabited areas of ethnic minorities, so the average income is not high.

Table 1 and Table 2 show that the two provinces with the highest per capita income per month, Lao Cai and Lang Son, are also the two provinces with the lowest poverty rates.

The root cause of poverty comes from the fact that the quantity of goods produced is too small for the value of investment in production, while the price of agricultural products is quite low and unstable. Furthermore, the majority of farmers have low educational attainment and lack of production experience. Most of the households' income is only enough to cover the essential needs of the family due to the large number of children. Many serious social problems have occurred such as human trafficking, HIV/AIDS infection and drug addiction due to cross-border drug trafficking. There is still a production of drugs, opium and stimulants at the border.

Economic development goes hand in hand with the poverty reduction of ethnic minorities related to land ownership and degradation of natural resources due to shifting cultivation. The main difficulty in poverty reduction for ethnic minorities in terms of market access is the difficulty and distance of transshipment of goods, and the time consuming transshipment of goods. Another problem is the lack of market information, such as market demand information and promotional channels. Farmers have few channels to promote their products and less opportunity to sell their products outside of the agricultural production sector.

4.2. The impact of economic growth on poverty reduction

** Positive effects of economic growth on poverty reduction*

First, economic growth promotes an increase in per capita income and investment capital for poverty reduction for ethnic minority communities in the Northern mountainous region. Economic growth

facilitates the increase in investment capital for poverty reduction: Economic growth is continuous at a relatively high rate, so state budget revenue is also increasing (Thailand Development Research Institute, 2001).

Second, continuous economic growth is accompanied by a reduction in the rate of poor households: From 1986 to 2019, Vietnam always achieved positive economic growth. Accordingly, the poverty rate decreased rapidly, from 58% in 1993 to 28.9% in 2002 and 5.8% in 2016. The rate of multi-dimensional poor households also decreased rapidly from 9.2% in 2016, to 7.8% in 2007, 8% in 2017, 6.8% in 2018 and in 2019 are estimated to be about 3.73 - 4.23%.

Third, economic growth is more favorable to the poor: Through a comparison of the growth rate of income per capita and the rate of poor households reduction in the 2003-2018 period, it can be seen that in Vietnam, the impact of economic growth is more beneficial to the poor compared to other populations.

** Negative effects of economic growth to poverty reduction*

First, economic growth to poverty reduction is not equal among population groups and ethnic groups. The rich benefit from the fruits of economic growth more than the poor. This is reflected in the increasing income gap between the richest 20% and the poorest 20% and the increasing share of the poorest 40% in total income is getting smaller. That said, the rich-poor gap increases, the poor benefit less as a result of lesser economic growth than the rich.

The impact of economic growth on poverty reduction for ethnic minorities is lower than that of Kinh people. The survey results show that there is a large difference in the poverty level between ethnic groups. There are ethnic groups with almost no poor households like the Hoa and the Ngai people. The poor and near-poor household rates of these ethnic groups are the lowest in the country, at 2.9% and 8.1% respectively. In contrast, many ethnic groups such as Co, Xinh Mun, La Hu, Chut, Mang, Pa Then have the number of poor and near poor households accounting for more than 70%. In particular, the Chut ethnic group has the poverty rate and near poor households up to 89.3%, meaning that for every 10 households of the Chut ethnic group, 9 households are classified as poor or near poor. In addition to the above ethnic groups, the country still has 21 ethnic groups with the poverty rate accounting for more than half. Among them are the Mong, one of the few ethnic minorities with the largest population (over 1 million people), but the number of poor and near-poor households accounts for two thirds (65.5%) (General Statistics Office, Committee for

Ethnic Minority Affairs, 2019).

Second, the poor's ability to access factors of production is limited, many of the poor rely on the State's support, reducing the driving force for economic growth. From 2013 up to now, the percentage of poor and near-poor households according to the national poverty line has continuously decreased, from 14.1% in 2013 to 12.0% in 2017 and reached 10.2% in 2018. In the period 2013-2018, on average, each year, the percentage of poor and near-poor households decreased by 0.7 percentage points. However, the rate of poor and near poor households is still quite high among ethnic minority households (35.5%), 3.5 times higher than the national average, 10.2%. Compared to 2015, the proportion of poor and near-poor ethnic minority households decreased by 1.2 percentage points. Over the years, the Party and State have continuously made efforts to effectively implement policies to support directly or indirectly the people. Ethnic minorities. These policies have contributed to changing the socio-economic appearance of ethnic minority areas. The survey results show that 1.2 million ethnic minority households, accounting for 36.9% of the total number of households living in ethnic minority communes, receive support in cash or in kind from their programs, policies and projects. State or non-state entities, organizations and individuals. Nearly half of the ethnic minority households residing in border communes receive the aforementioned monetary and material allowances. The proportion of ethnic minority households residing in rural areas receiving assistance was three times higher than that in urban areas, 40.6 percent compared to 13.2 percent. The provinces with the most ethnic minority households receiving support are Son La, Ha Giang, Cao Bang and Tuyen Quang. Of which, 69.2 thousand ethnic minority households in Son La province received support in 2018 (accounting for 30.3% of the total number of ethnic minority households in the province's ethnic minority areas); Ha Giang has 65.1 thousand households receiving support (accounting for 36.8%); Cao Bang has 60.7 thousand households receiving support (accounting for 48.5%) (General Statistics Office, Committee for Ethnic Minority Affairs, 2019).

Third, poverty reduction is not sustainable, the risk of falling back into poverty is high. Despite many impressive achievements, however, poverty reduction in Vietnam is not really sustainable. For example, in the two years 2016-2017, the Northwest mountainous region had the rate of falling back into poverty up to 26.86% (in the previous period, it was about 12%/year). Notably, the poverty rate arising is relatively large, equal to 22.98% compared with the total number of households escaping from poverty. In 2017, a high proportion of newly emerging poor

households (compared to households escaping from poverty) focused on ethnic minority areas such as: the Northeast mountainous region (24.67%); the Northwest mountainous region (39.21%); Some provinces have a very high rate of new poor households arising each year such as: Ha Giang (28.25%); Cao Bang (25.44%); Bac Kan (59%); Son La (52.31%); Dien Bien (41.5%); By March 2018, although 8/64 30a districts have escaped from poverty; 14/30 districts enjoy the 30a mechanism to get rid of difficult situations, but add 29 districts to the list of poor districts for the period 2018-2020. In particular, 12 provinces with a marked increase in the rate of falling back into poverty increased from 0.03% or more, the number of re-poor households was equal to about 1/20 of the households escaping from poverty; the number of poor households newly arising is about a quarter of the number of households escaping from poverty; Many provinces in areas affected by natural disasters and floods have a high annual rate of new poor households.

5. Discussion

From the analysis and evaluation of the initial results of research on the impact of the border region economy on ethnic minorities, the article proposes solutions to enhance the effectiveness of poverty reduction for ethnic minority people in Northern mountainous region.

(i) Increasing the participation of ethnic minorities in regenerating the natural environment by increasing access to resources through the allocation of land use rights to empower farmers and build responsibility for land protection.

(ii) Support for production resources for the poor and poor areas, especially capital, production techniques and product consumer, because these are weaknesses that the poor cannot overcome by themselves.

(iii) Developing tourism areas of ethnic minorities in the direction of building markets in mountainous areas in the form of experience tourism organizations such as: combining agriculture with selling clean manufactured products, selling handicrafts and products which are specific to ethnic minorities.

(iv) Maintain a stable macroeconomic environment, promote economic restructuring associated with the innovation of economic growth model focusing on depth; Promote the development of agriculture, rural, remote, poor and ethnic minority areas in the direction of diversifying agricultural production, developing the rural economy, building a new countryside, creating every opportunity for farmers, the poor, and ethnic minorities are directly involved in economic activities.

(v) Increasing production capacity for the poor and poor areas is the root to ensure sustainable

poverty reduction. To do so, the Government needs to thoroughly grasp the spirit of “giving the fishing rod more than the fish”. Construct synchronous socio-economic infrastructure for poor regions to connect with developed regions, in order to create a foundation to promote production development in poor areas; Supporting education, training, improving people’s education, professional and technical qualifications for the poor, so that they have opportunities to find jobs, participate in economic growth and benefit directly from this progress;

(vi) *Raising a sense of self-reliance and proactively rising out of poverty.* Poverty reduction cannot be achieved without the self-effort of poor households, poor people and poor regions. To do so, the Government needs to: (i) Reduce the policy of free-giving, increase the policy of conditional support associated with the beneficiary, the locality and the duration of the beneficiary in order to increase access to the policy for the poor; (ii) Promulgate breakthrough policies to encourage the proactive, proactive participation and promotion of internal strengths of the poor, (iii) Strengthen communication, change the perception of poor households, and eliminate ideology. expect and rely on the State’s support, especially to turn the poor from “passive” to “proactively escaping poverty.”

6. Conclusion

The economic growth of the northern border provinces has an impact on poverty reduction in the ethnic minority communities. On the positive side, economic growth promotes an increase in per capita income and investment capital for poverty reduction for ethnic minority communities in the Northern mountainous region; Continued economic growth has been accompanied by a reduction in the rate of poor households; economic growth in a more favorable direction for the poor. In terms of limitations, economic growth has unequal effects on poverty reduction among population groups and ethnic groups. The rich benefit more from the results of economic growth than the poor; The poor’s ability to access factors of production is limited, many of the poor rely on the State’s support, reducing the driving force for economic growth; unsustainable poverty reduction, high risk of falling back into poverty. Researching economic growth in the border areas and its impacts on the ethnic minority communities in the northern mountainous region requires a scientific and creative approach, while respecting the prevailing laws of the urban economy. national school, taking into account the particularities of the border highlands, which are very difficult in terms of development level, with difficulties in transport infrastructure, economy and society; complex in terms of national defense and social political security.

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TÁC ĐỘNG CỦA TĂNG TRƯỞNG KINH TẾ VÙNG BIÊN GIỚI ĐẾN GIẢM NGHÈO CỦA CỘNG ĐỒNG CÁC DÂN TỘC THIỂU SỐ KHU VỰC MIỀN NÚI PHÍA BẮC

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Tóm tắt

Khu vực miền núi phía Bắc có diện tích vùng biên tương đối lớn và giáp với nước Trung Quốc và nước bạn Lào. Trong những năm qua, tuy vùng này được Đảng và Nhà nước đặc biệt đầu tư phát triển, nhưng nhìn chung vẫn còn nghèo, cơ sở vật chất còn lạc hậu, đời sống nhân dân còn khó khăn. Thách thức lớn nhất của vùng hiện nay là mức sống thấp và đói nghèo cao; Chênh lệch về thu nhập và mức sống giữa các khu vực, các tầng lớp dân cư có xu hướng gia tăng khoảng cách; Tính bền vững của xu hướng tăng thu nhập, cải thiện đời sống của tầng lớp dân cư chưa cao. Thực trạng này phản ánh kết quả tác động tích cực và hạn chế của kinh tế vùng biên giới. Do vậy, bài viết nghiên cứu tác động của kinh tế vùng biên giới đến sự giảm nghèo của các dân tộc thiểu số, qua đó đề xuất một số giải pháp tăng cường phát triển kinh tế bền vững ở khu vực này là cần thiết.

Từ khóa

Kinh tế biên giới; Miền núi phía Bắc; Giảm nghèo; Dân tộc thiểu số.