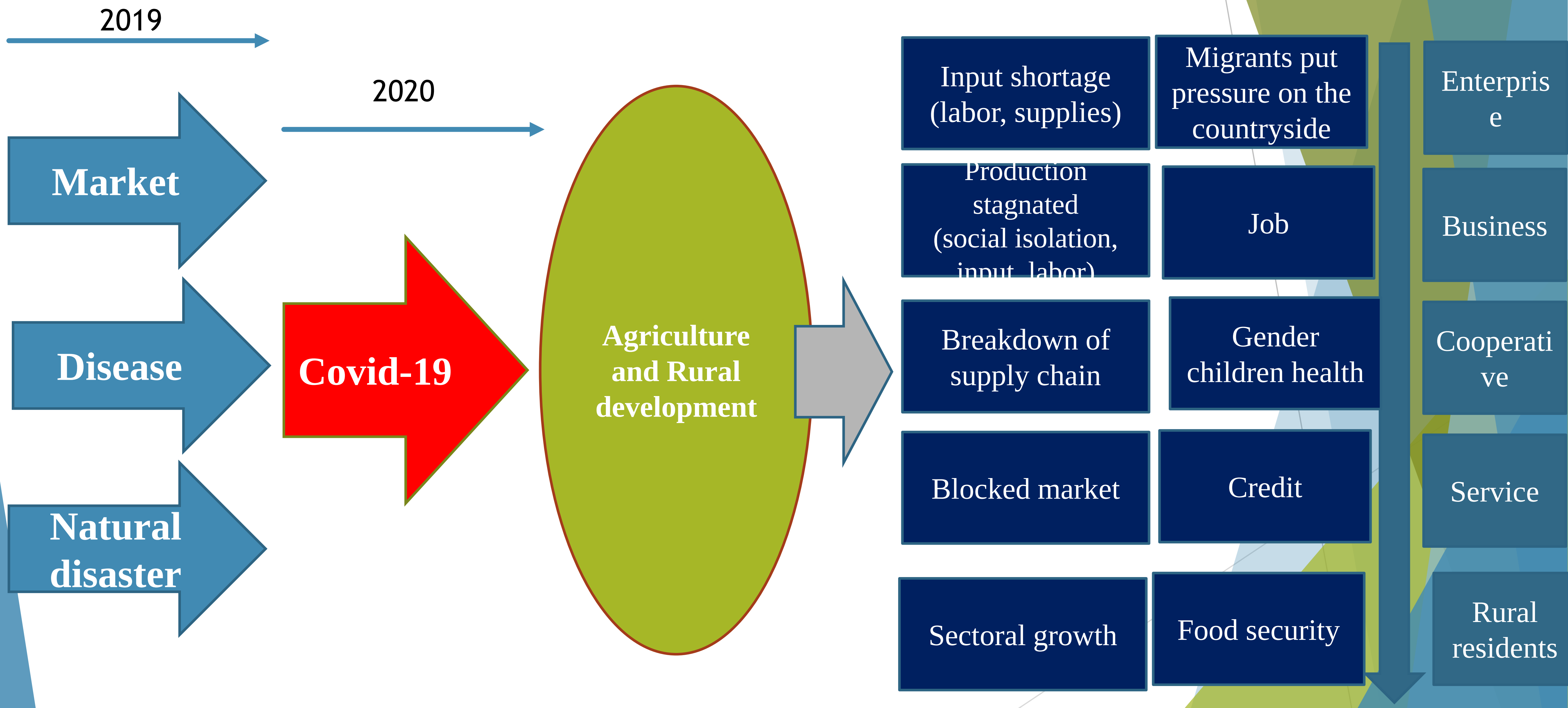
Quick assessment on the impacts of COVID-19 pandemics on rural livelihoods in Viet Nam

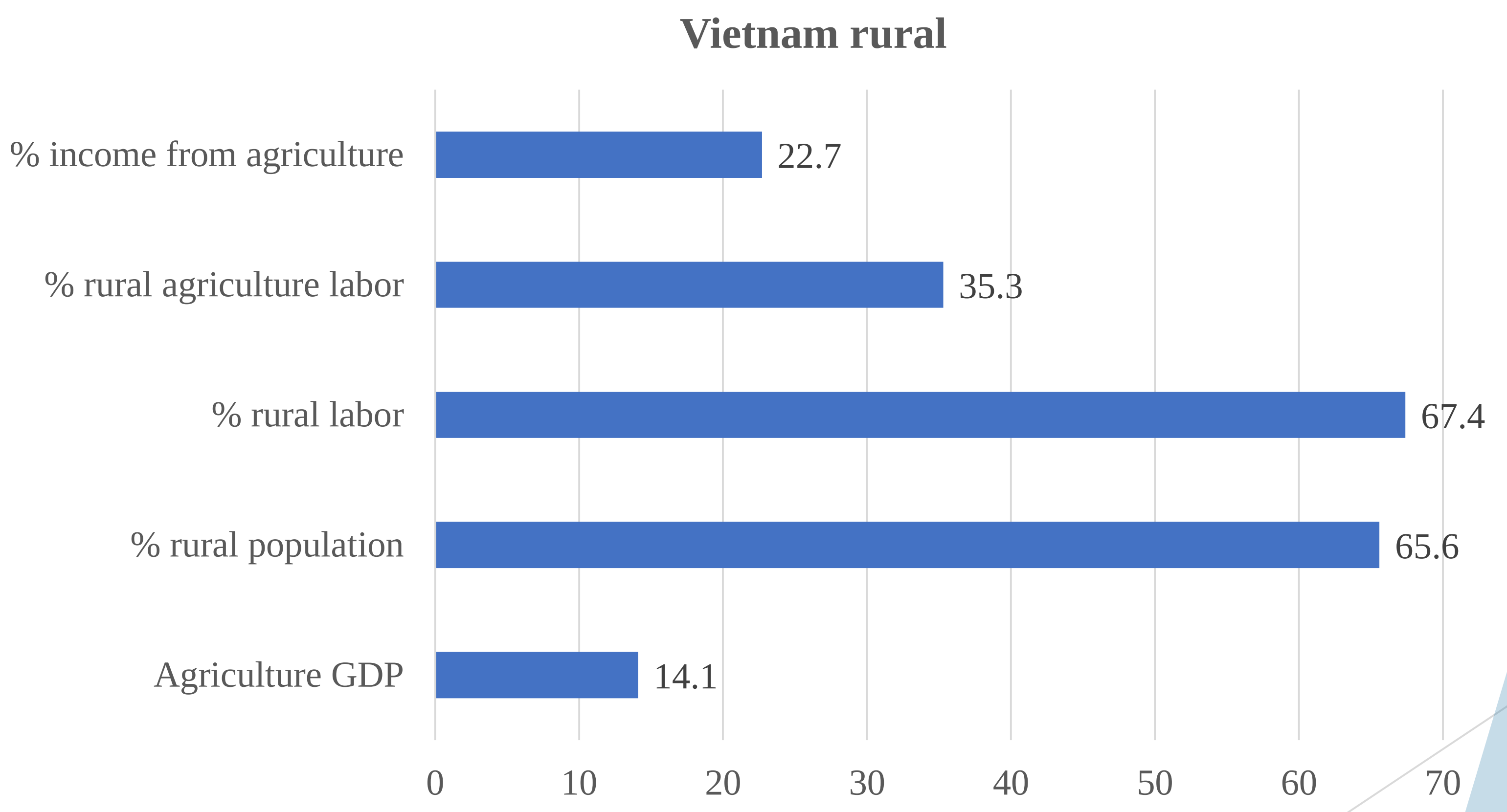
Hanoi, 2020

Contents

Agriculture and Rural development, Vietnam 2020



Vietnam’s agriculture and rural



Advantages and disadvantages of rural households during the COVID-19 pandemic outbreak

- Low density
- Dependent on agriculture
- High share of self-sufficiency

- Large share of population
- Low income, low savings
- Poor infrastructure, especially health care
- Difficulty in applying telework, less access to internet

Research questions:

- What are the channels of Covid-19 pandemic impacts on rural population?
- Are there any changes in terms of outputs and income of farmers and rural non-farm households compared to the status before COVID-19 outbreak?
- How have farmers and rural non-farm households coped with the situation?
- Rural households accessibility to government support policies?

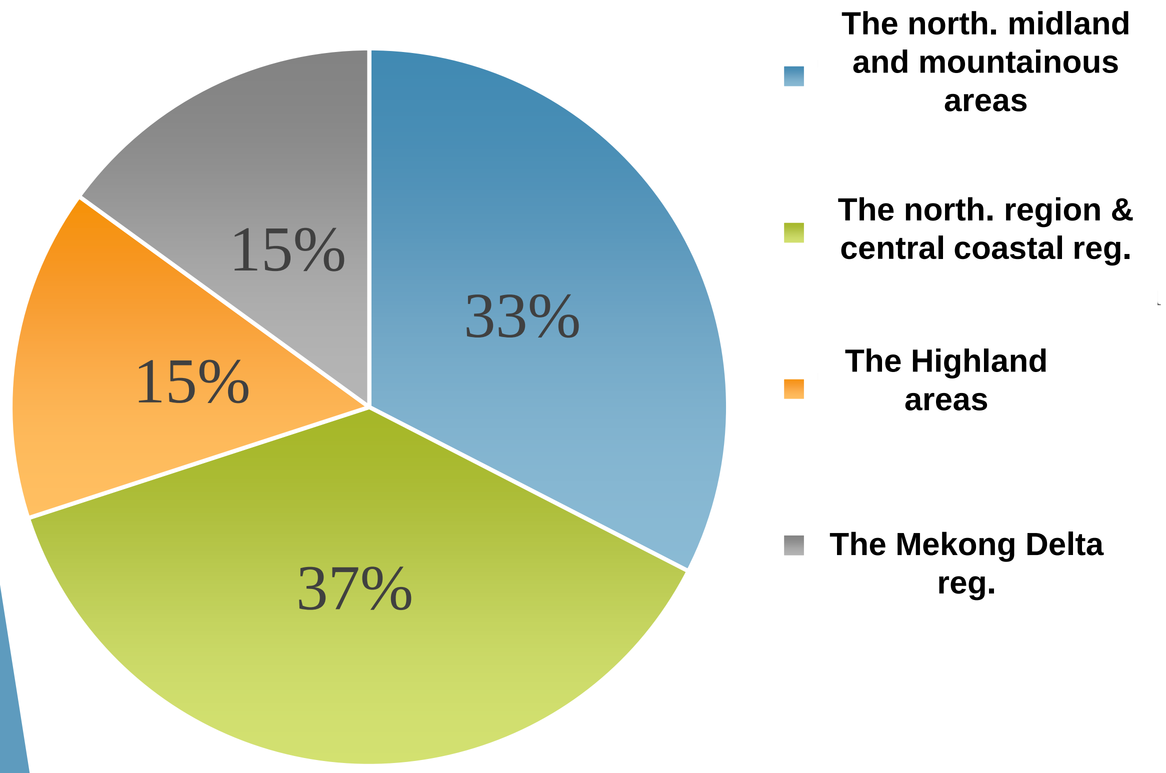
Research framework:

Quick surveys of more than **1300 households** of rural food and non-food farming, and non-farm ones in **12 provinces,** of which

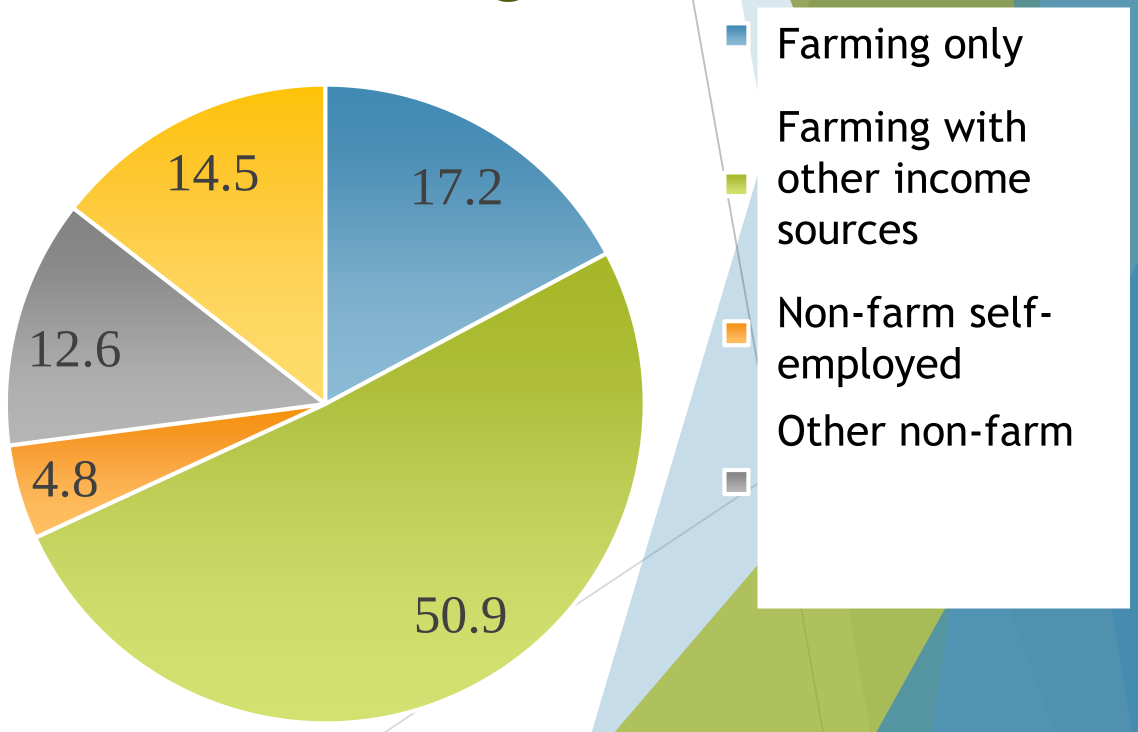
- IFAD project provinces: Cao Bằng, Bắc Kạn, Hà Giang, Quảng Trị, Quảng Bình, Bến Tre, Trà Vinh.
- ADB project provinces: Cao Bằng, Hà Tĩnh, Ninh Thuận, Khánh Hòa, Đắk Lắk, Đắk Nông.

Survey samples allocation

Sample allocation by regions

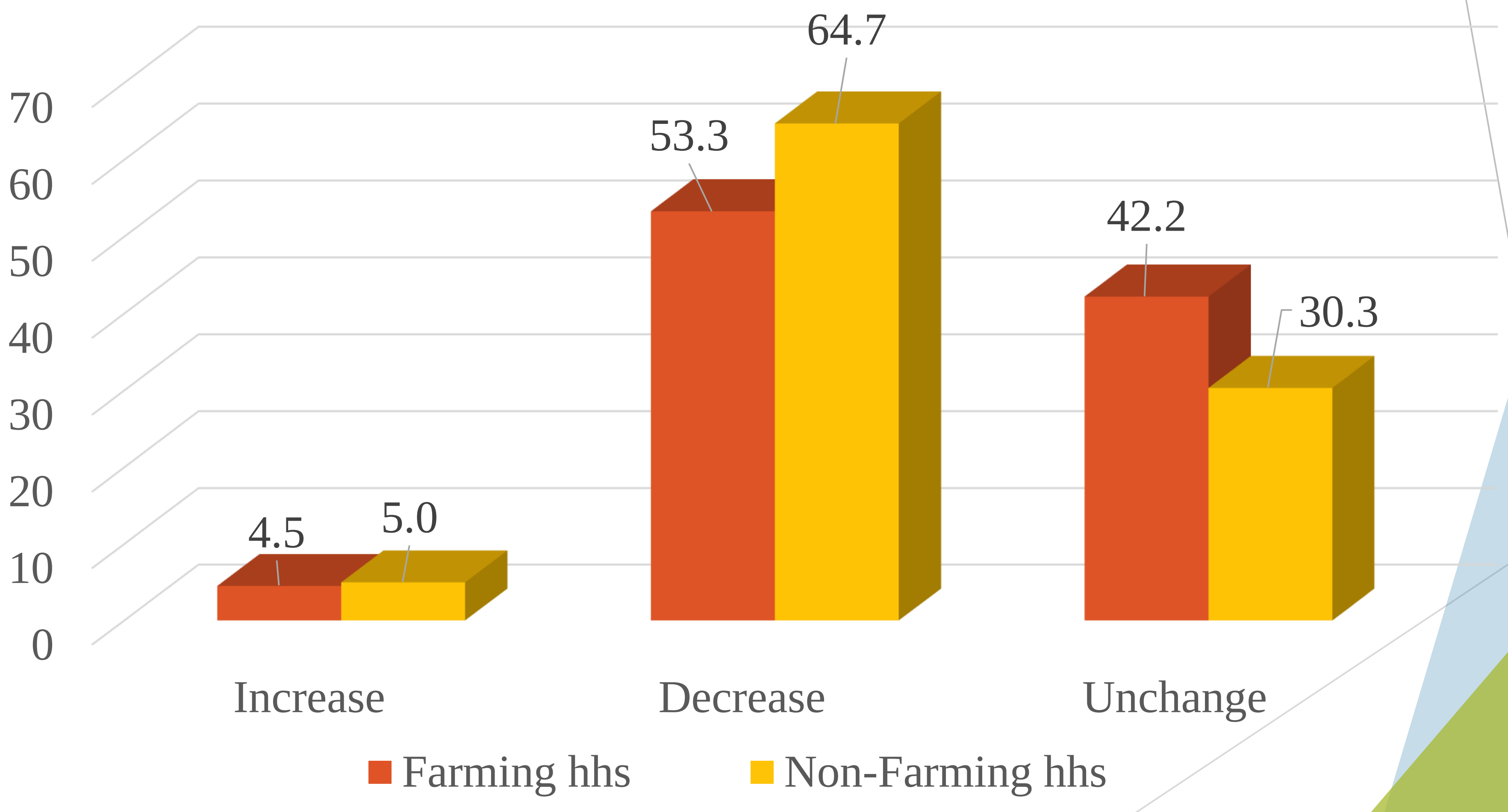


Samples allocation by household categories



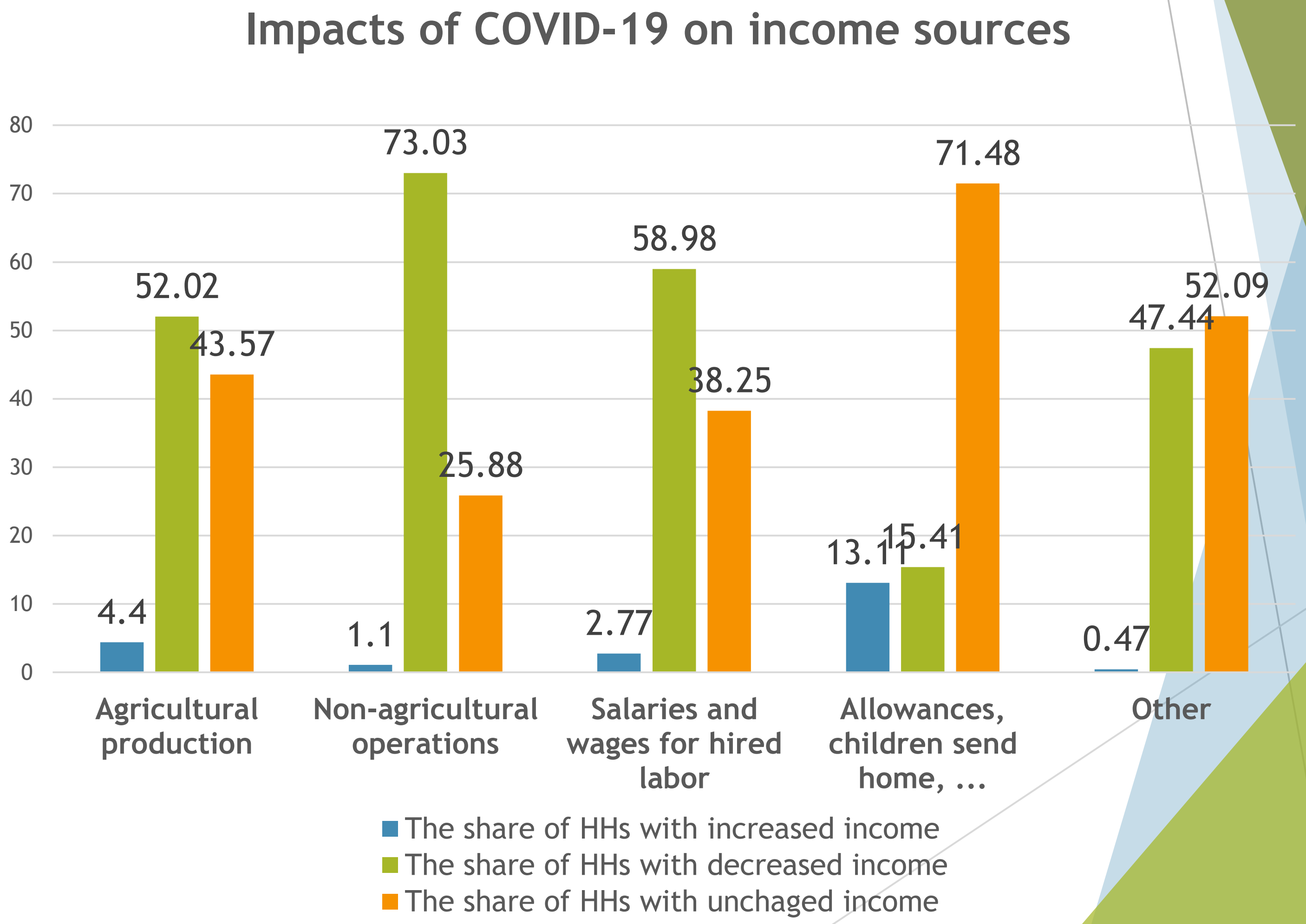
How income affected?

Share of rural HH with increased, decreased or unchanged income compares to before pandemic occurred (%)

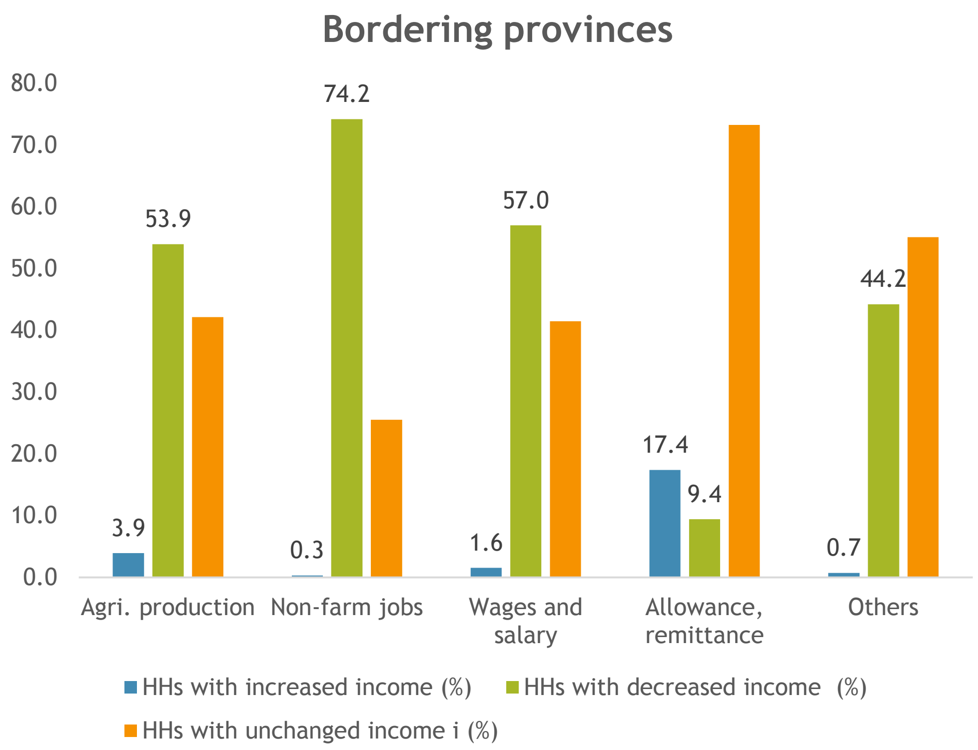


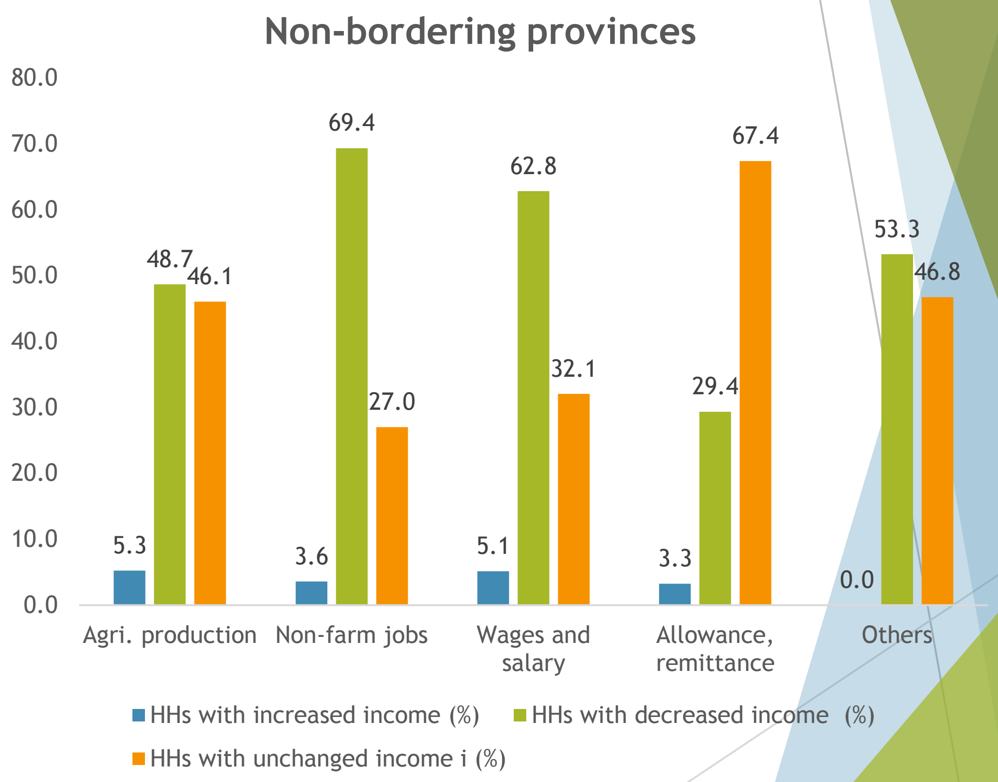
Impacts of COVID-19 pandemic to rural HH incomes (cont.)

- **Incomes from non-farm activities experienced adverse impacts:** 73.03% reported income decreases with an average level of 46.83%
- **Wages and income from agriculture are also affected:** more than 50% affected, in average decreased 38.3%
- Income from subsidies and savings decreased 35.9%
- Income from agr.production decreased 29.4%

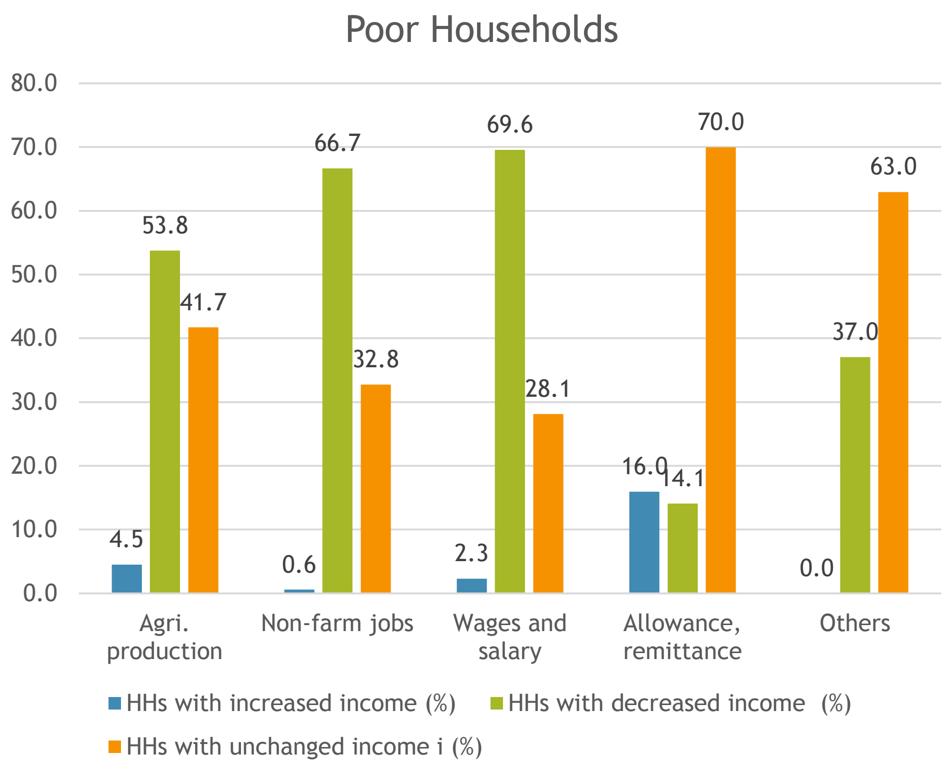


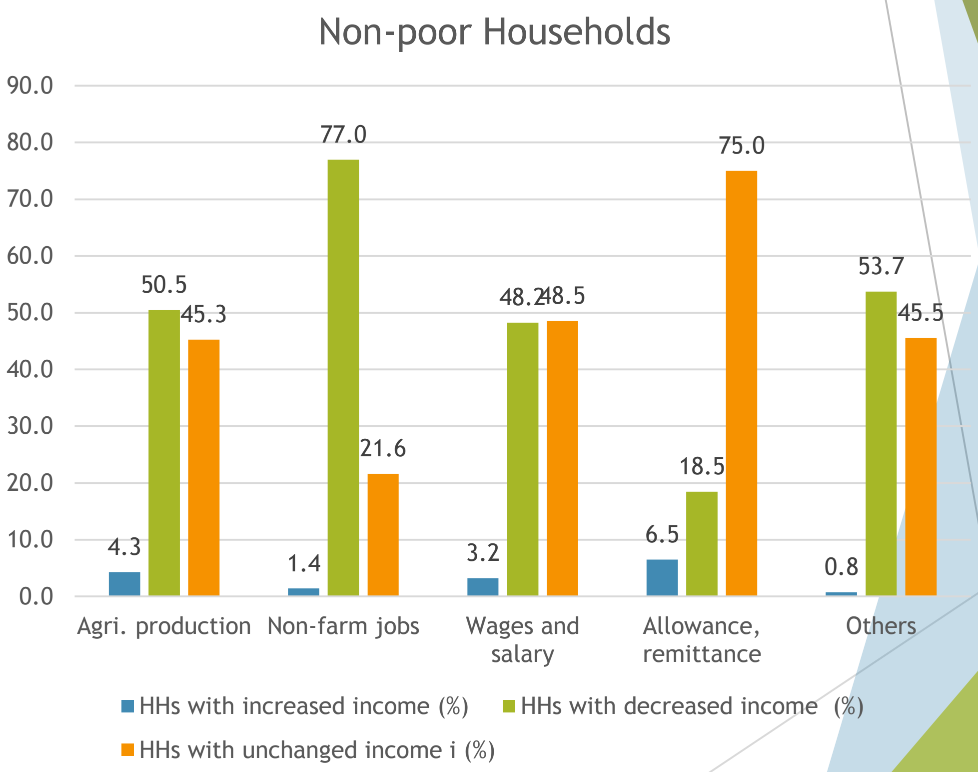
Impacts on HHs income sources by bordering and non-bordering provinces





Impacts on income sources by poor and non-poor HHs



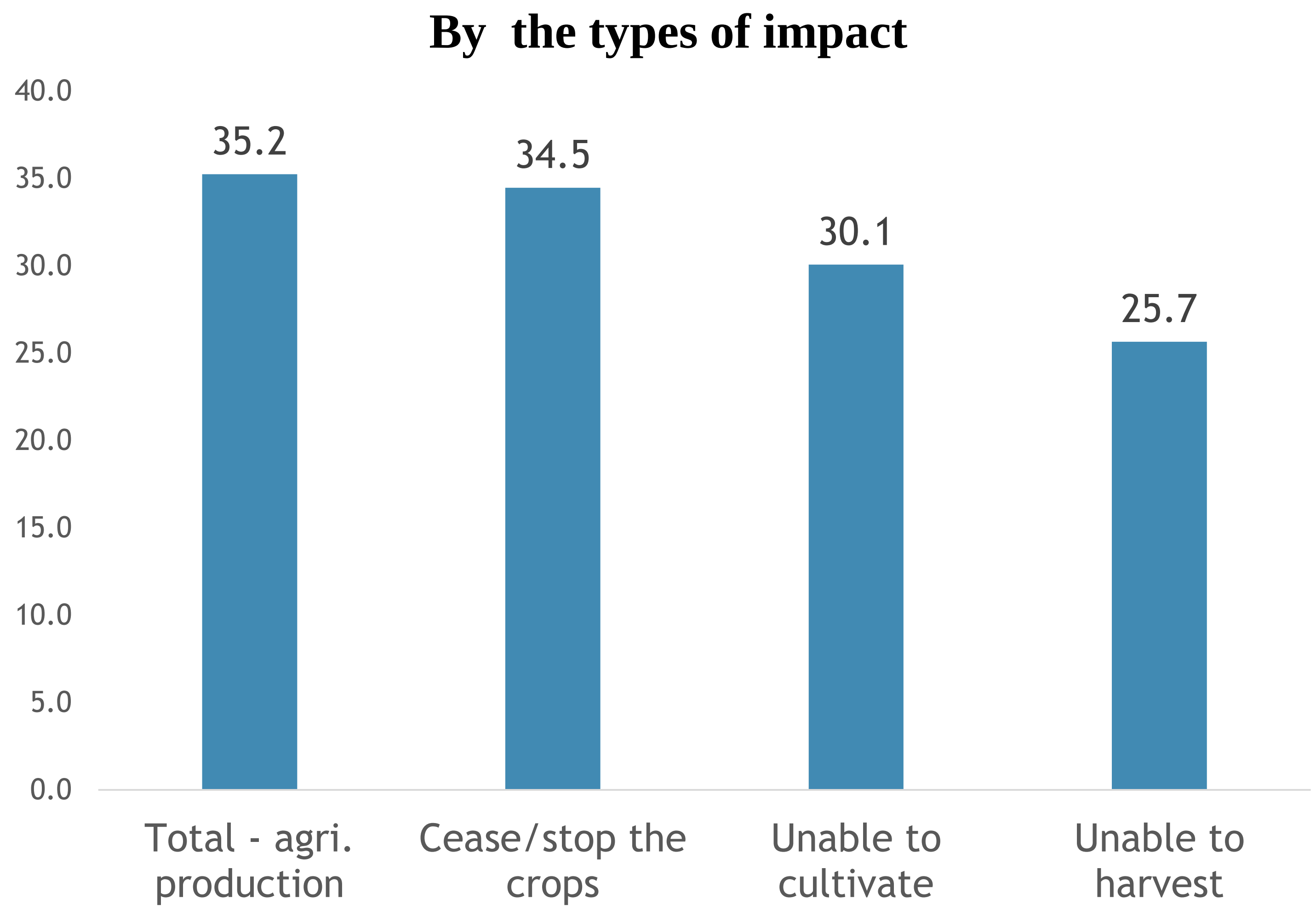


How employment affected?

Share of HHs impacts from COVID-19 pandemic by job categories (%)

	Farming job	Business contracted jobs	Self-employed	Informal jobs
Total	**35.2**	**74.5**	**63.3**	**83.0**
Bordering HHs	38.8	51.0	**71.1**	**63.2**
Non-bordering HHs	28.7	49.0	28.9	36.8
Poor HHs	36.5	**52.5**	23.2	**53.9**
Non-poor HHs	34.1	47.5	**76.9**	46.1

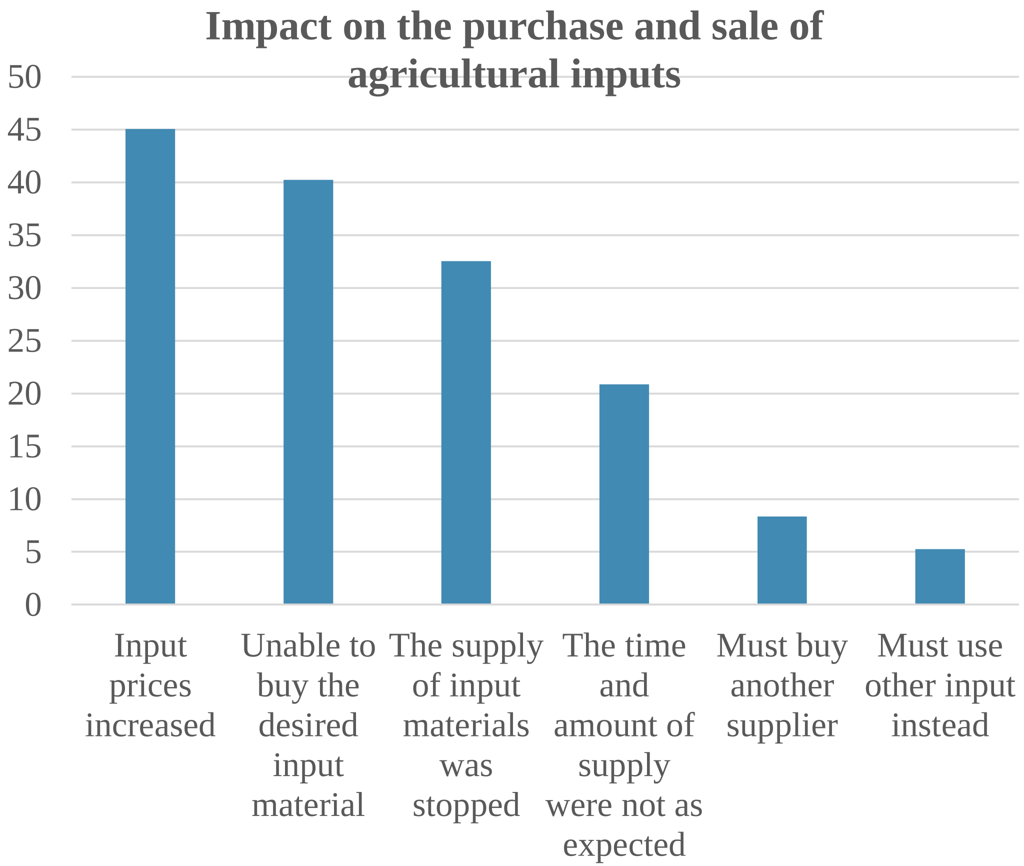
Proportion of households affected by the COVID-19 pandemic on agricultural jobs (%)

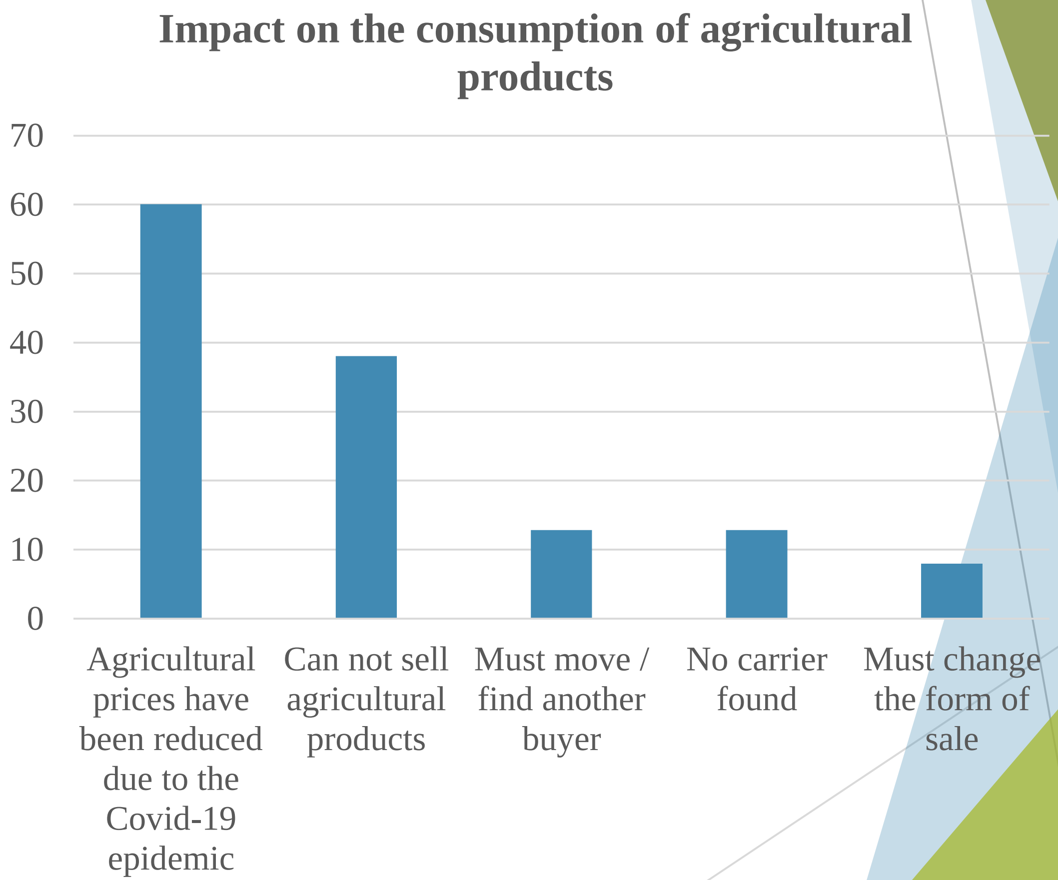


Causes:

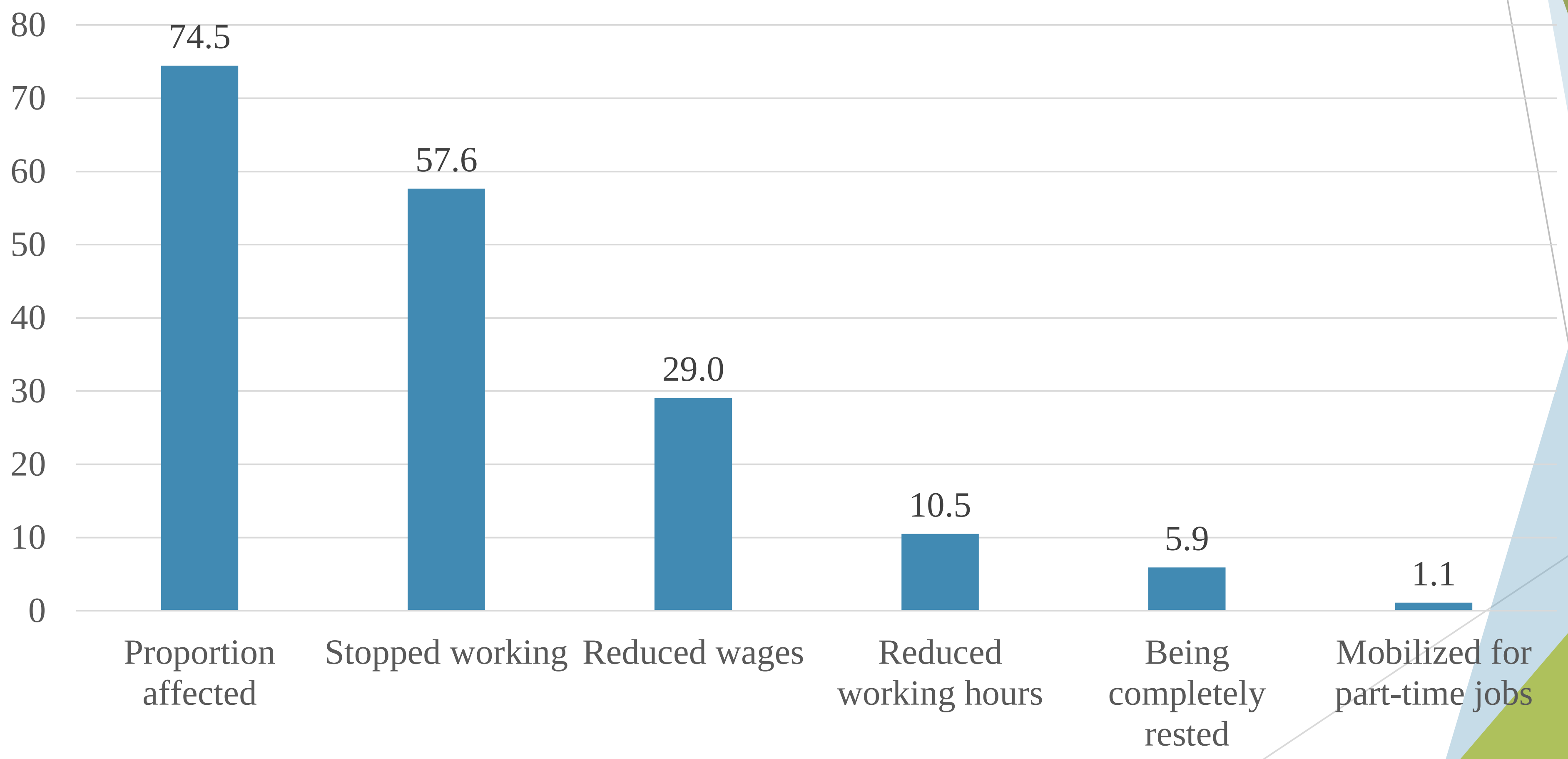
- Members working from China come back for Tet holiday (Tra Vinh, bordering provinces)
- Social distancing: communication programs

Affects of the COVID-19 to agricultural production

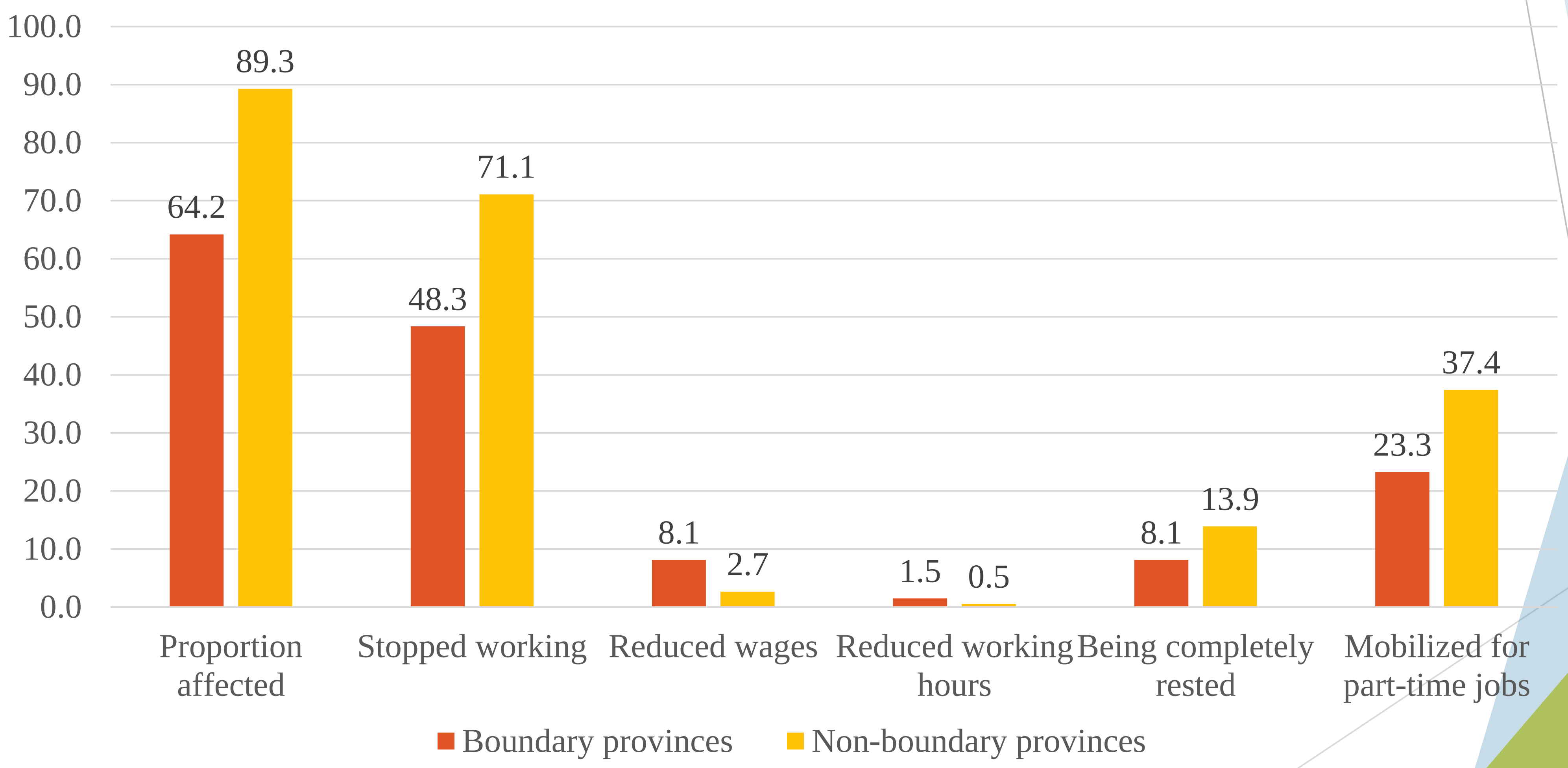




Proportion of HHs having their jobs in enterprises affected (%)

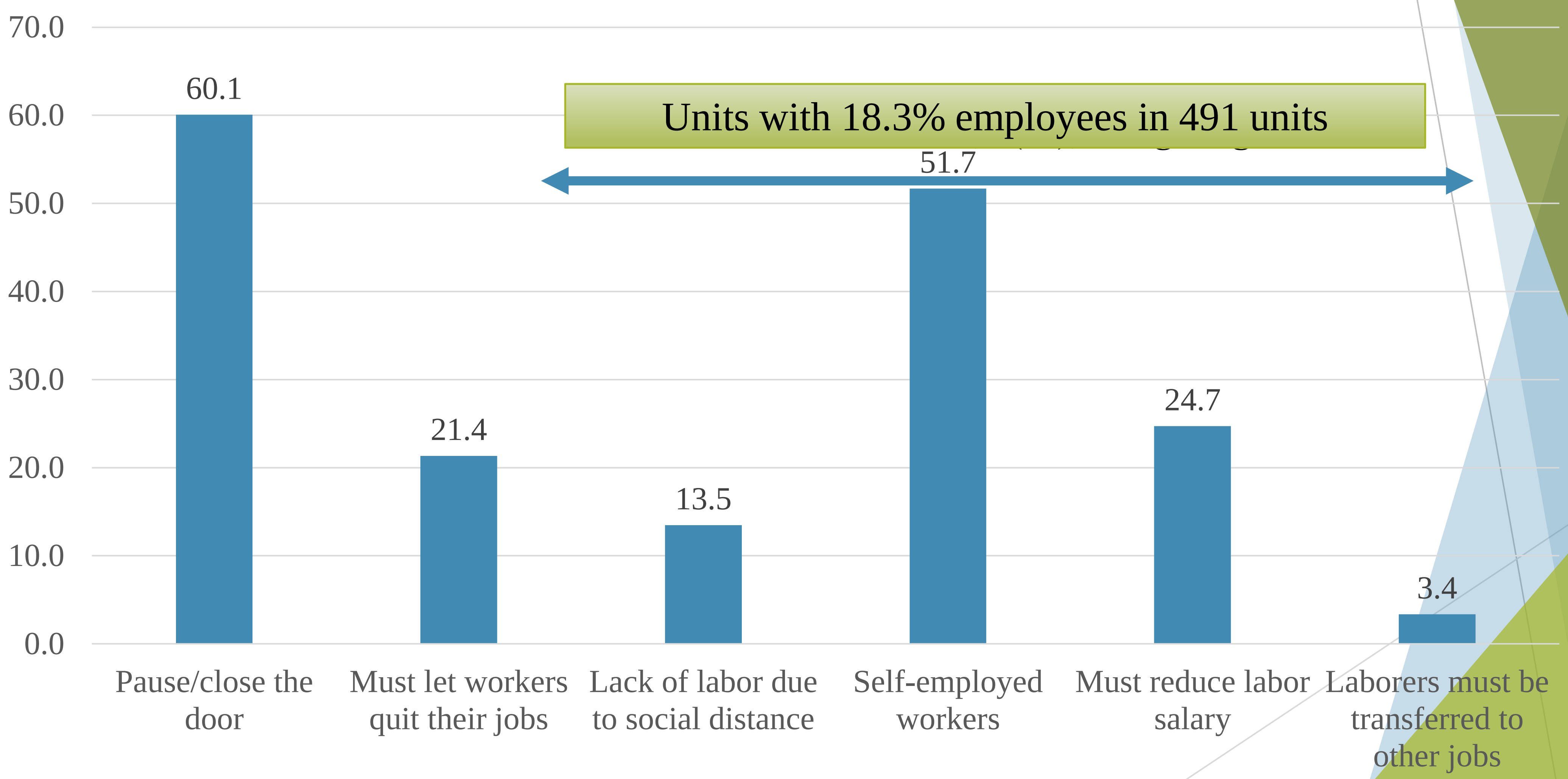


Share of HH having their jobs in enterprises affected by province with and without borders (%)



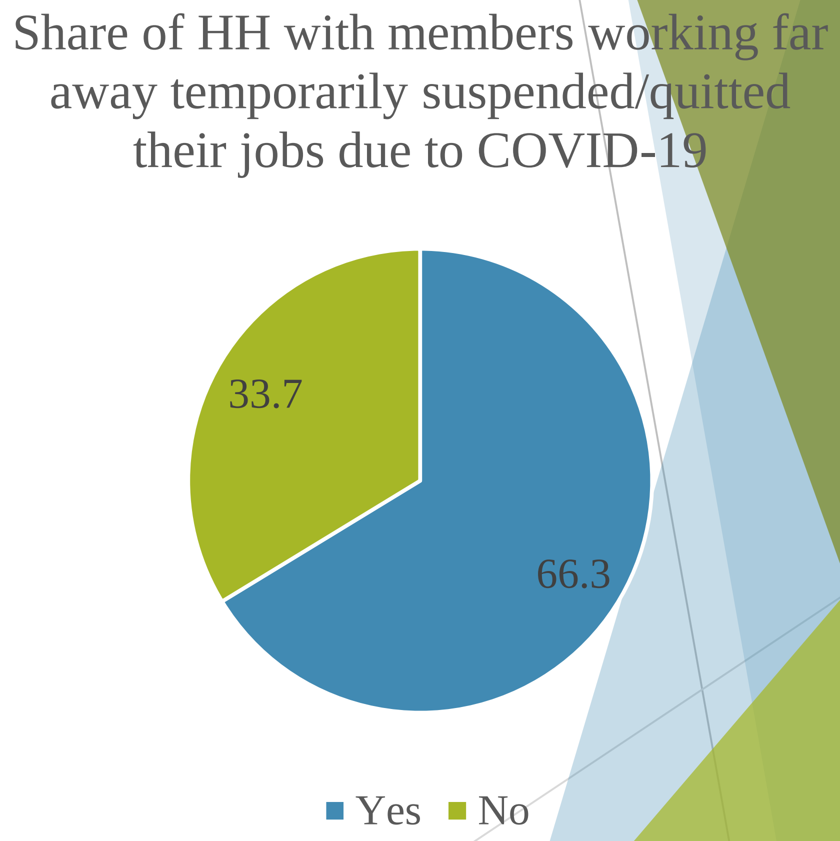
Share of HHs having their business affected (%)

(HHs own shops, cooperatives, companies)



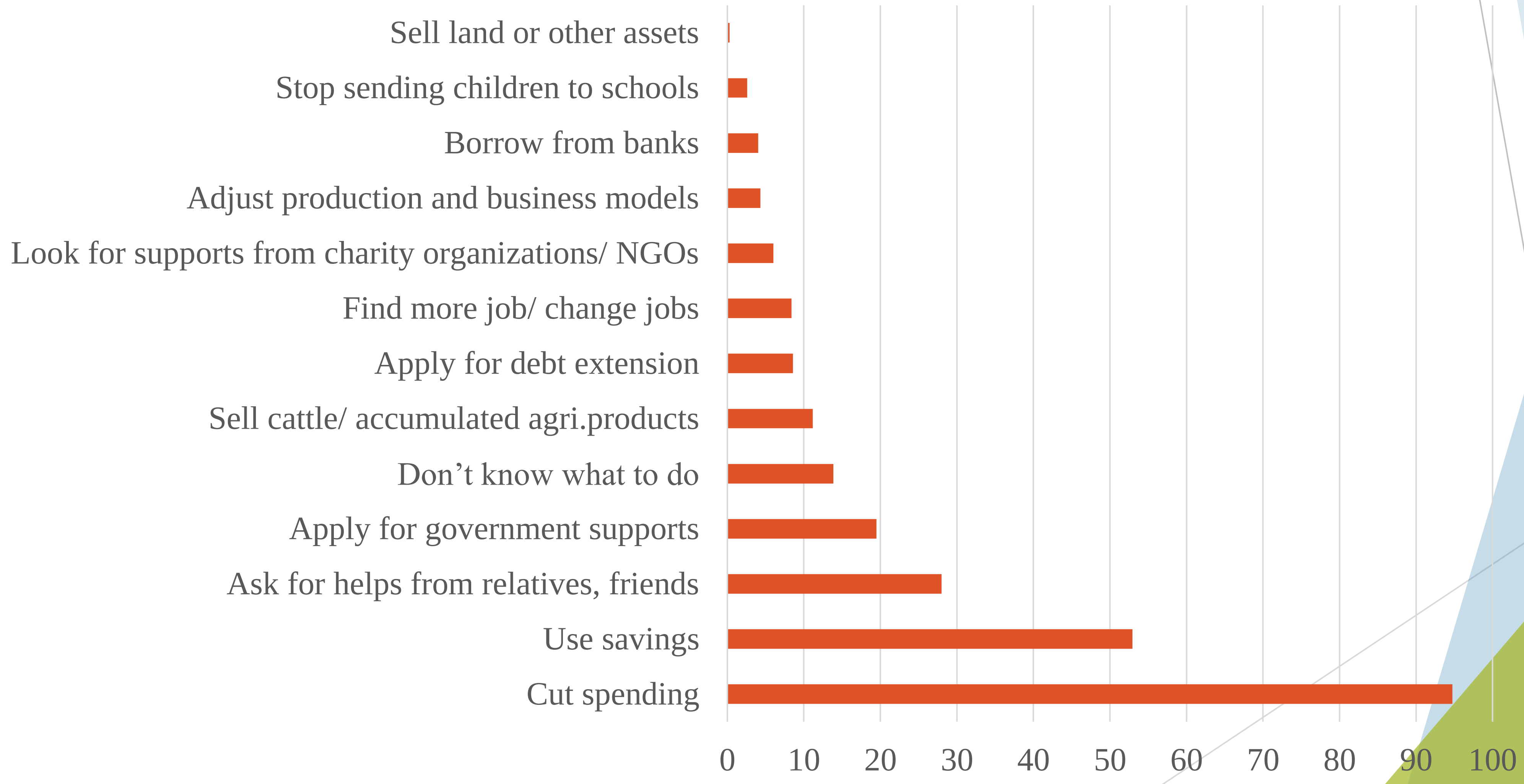
Impacts of COVID-19 on migrant labourers

- Rural migrant workers are particularly vulnerable and are less to be insured (E.g.: unemployment insurance, social insurance, health insurance ...).
- When losing a job => forced to return home => create rural jobs to absorb the repatriation workforce
- Job reduction => money transferred to countryside (main income of many rural households) decreases => significantly affected to rural livelihoods, food security and nutrition.

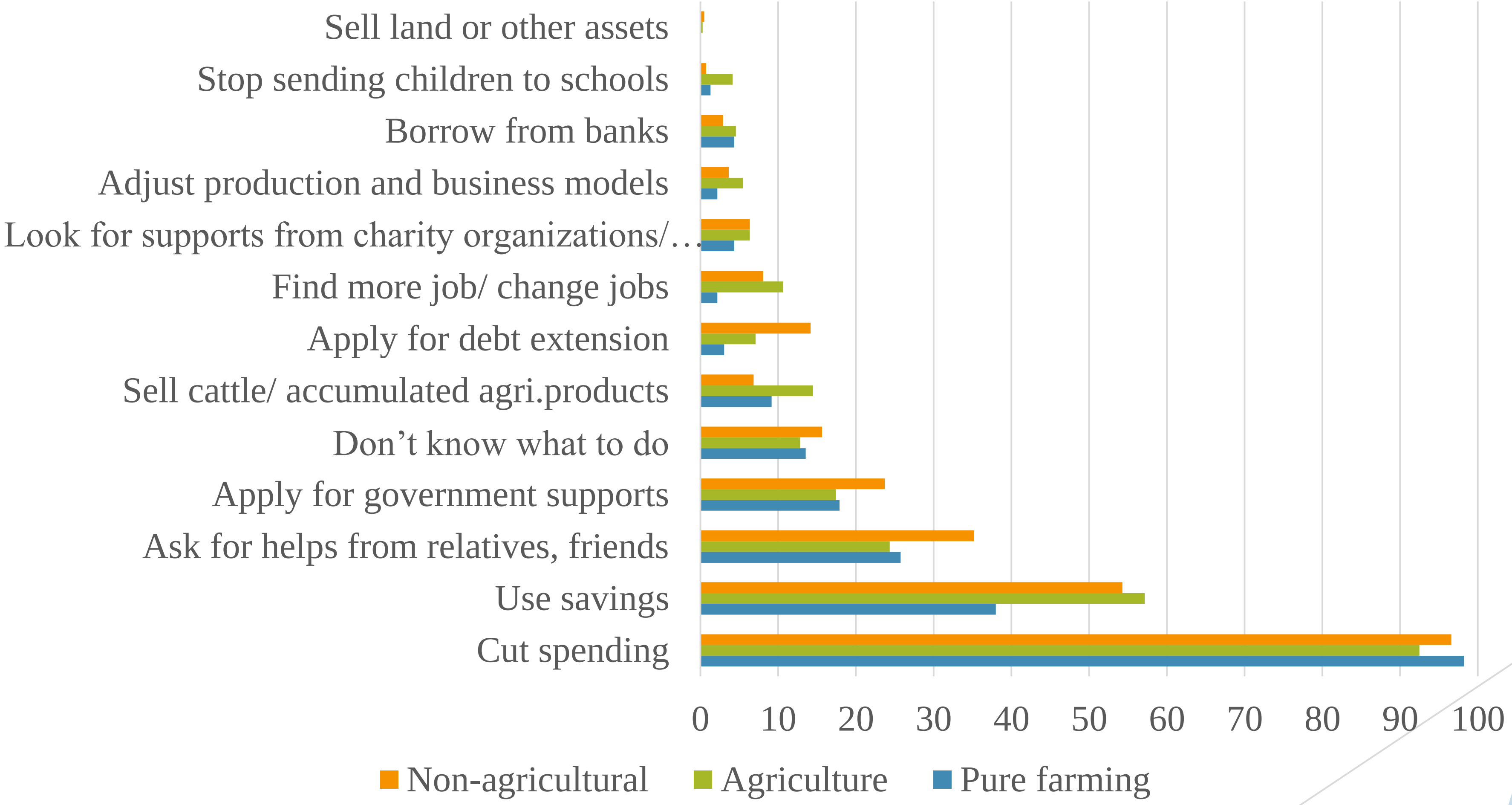


How rural households respond to the pandemic?

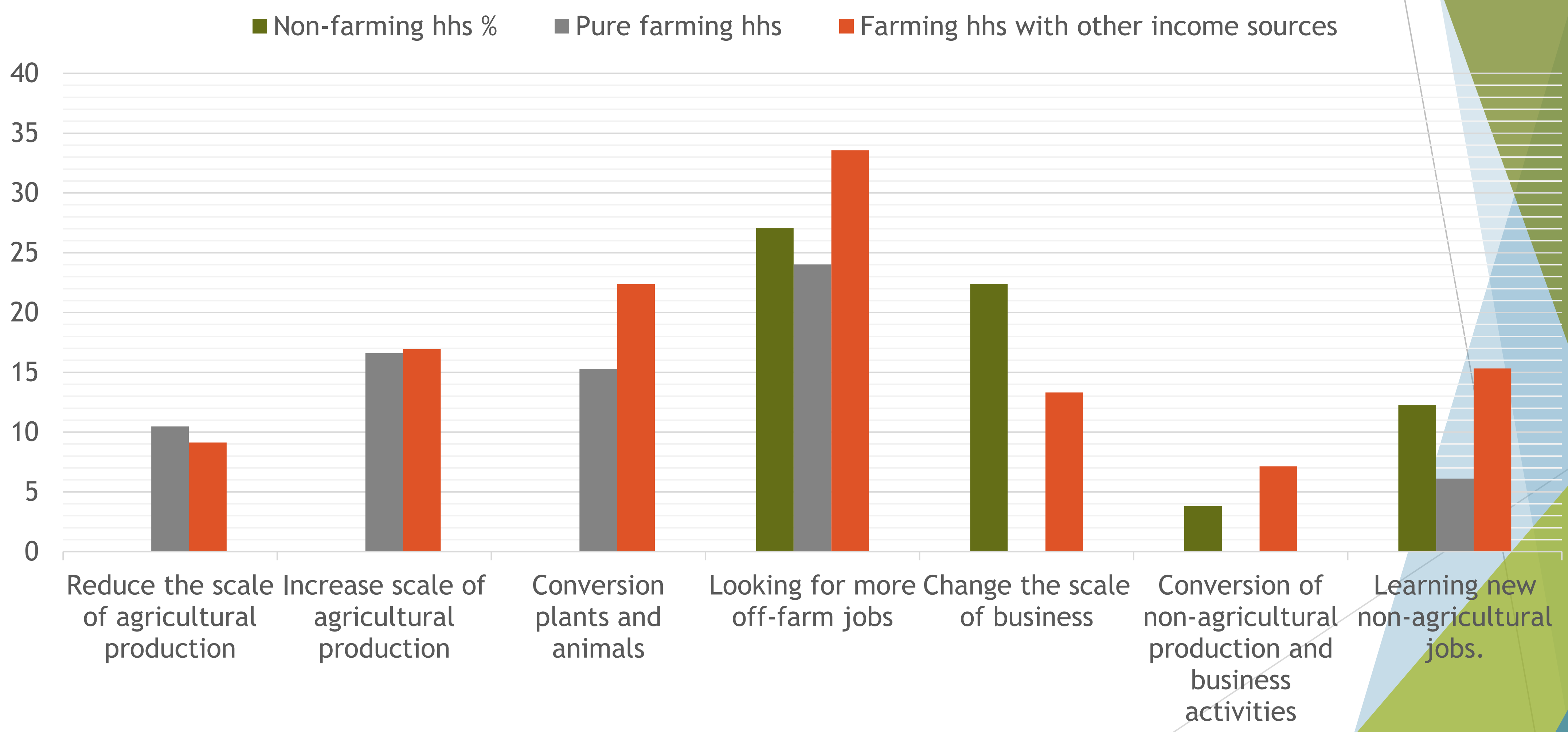
Rural HH responses to COVID-19 pandemic (% HH)



Rural HH responses to COVID-19 pandemic as per HH type (% HH)



Rural HH planning livelihoods after COVID-19 pandemic (% HH)

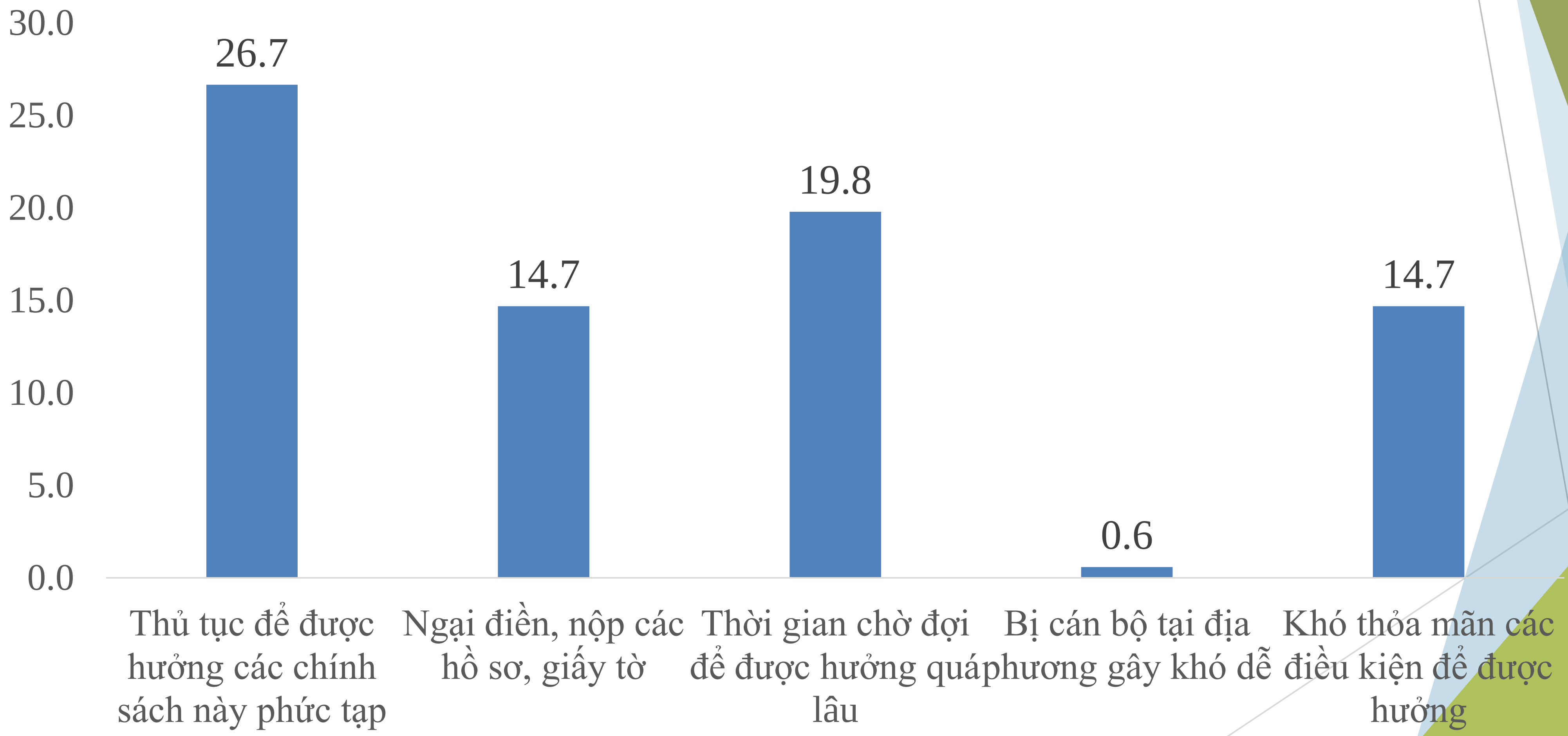


What were households supported?

Share of HH accessed support for COVID-19

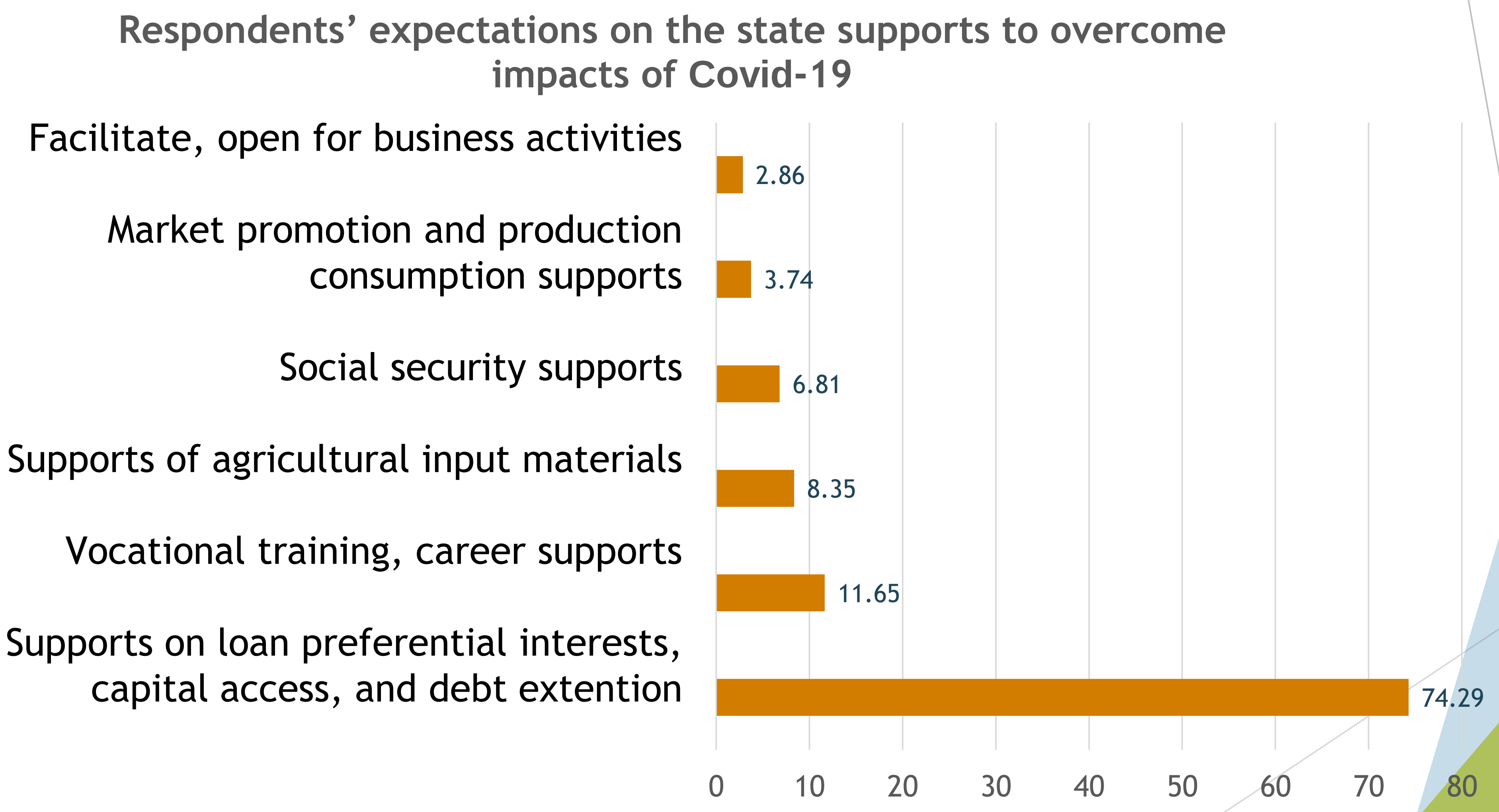
Support	Total	Pure farming HH	Agri.HH have other income sources	Non-farm HH
Additional support for priority HH	**34.7**	38.9	27.7	43.5
Support for loss of income	**12.8**	11.4	8.0	21.2
Support basic necessities for free	4.2	2.2	4.4	4.9
Support for business	1.6	---------	0.7	3.3
Extension for bank loan payment	1.2	0.9	1.5	0.9
Loan from Social Policy Bank with interest rate of 0%	1.5	0.9	1.9	1.2
New loans with preferential interest rates at Commercial Bank	0.6	0.9	0.9	0.0
Reduce interest rates on loans	0.5	--------	0.6	0.5
Tax payment extension (VAT, CIT, PIT)	0.4	--------	0.0	1.1
Unemployment insurance	0.3	---------	0.3	0.5
Extension of land rental payment	0.2	0.4	0.2	0.0
Others	0.1	0.0	0.0	0.2

Difficulties in accessing The Government supporting policies (%)



What households propose?

Proposal of HH for supporting policies (% HH)



Conclusion

- Surveyed households are diverse and in the whole country.
- Income of almost households has reduced since the pandemic occurred, in which non-agricultural households are the most severely affected.
- Non-agricultural income dropped the most, followed by salary and income from agriculture.
- Among agricultural production households, purely agricultural households have lower income (except for income from rice cultivation), but employment is less affected than households have non-agricultural income households.

Conclusion (cont.)

- Non-governmental employment is affected most negatively, followed by self-employment and enterprises'.
- Among agricultural households, about one-third suspended, ¼ cannot harvest products due to the pandemic. Households in border provinces, poor households are affected more severely.
- Regarding agricultural production, the most obvious impacts are input prices increased, input supplies interrupted, some households have to switch to other suppliers.
- Regarding agricultural product consumption, the most obvious impacts are price reduced, products can not be soled due to lacking of transportation vendors.
- Many households have their members live far away, non-agricultural income and wage reduced.

Conclusion (cont.)

- Households cope with negative effects of the pandemic based on their own sources such as reducing spending and using previous savings.
- The surveyed households are quite optimistic about the future, the number of households planning to increase their production scale is much higher than that planning to reduce their scale. Many households want to look for more off-farm jobs.
- Almost households ask the Government for financial support, 1/10 hope to be provided vocational training and employment support. Some ask for support materials, social security, market opening, providing favorable conditions for their production and business.

Policy Recommendations

- Agricultural households: affected by falling prices, unable to sell their products ➔ focusing on market opening. Credit support for buying input materials. In long term, solutions for changing commercialization types and trainings for off-farm jobs seeking should be produced.
- The COVID pandemic also has affected to many different groups, especially both production and business non-agricultural households: It is necessary to prioritize policies for these households, especially credit support. More importantly, there is a stimulus package to create jobs and increase income.
- Stimulating consumption: in both rural and urban areas. Supporting for trade fairs, sale location, E-platform. Removing barriers in domestic transportation.

THANK YOU !