

IMPACTS OF CHANGING POLICY IN BAMBOO PRODUCTION TO INCOME AND POVERTY ALLEVIATION ISSUES IN CAO BANG PROVINCE

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ABSTRACT

This study was a combination of group discussions with government officials at different levels and direct interviews with bamboo growers, local collectors, traders and a processor in Cao Bang Province, Vietnam. Results of this research show that the bamboo export ban policy negatively affected bamboo growers, local collectors, the bamboo processor, and bamboo production in Cao Bang. Bamboo prices during the ban were 25% - 28% lower than after the ban was lifted, in real terms. The removal of the ban has since boosted bamboo business, and increased income for bamboo growers, local collectors and the processor. Bamboo prices are now about 10% higher than the price before the ban and 25% higher than during the ban. Bamboo production is really a poverty alleviation measure for H'mong and Dzao groups in bamboo growing districts of Cao Bang such as Nguyen Binh, Bao Lac.

Key words: *Bamboo, production, poverty alleviation, Cao Bang.*

1. Background

Cao Bang is a large mountainous province in north-eastern Vietnam, adjacent to the provinces of Lang Son, Bac Kan, Ha Giang and Tuyen Quang. It also shares a 311-kilometre border with the Chinese province of Guangxi to the north.

Cao Bang has about 5,000 hectares of bamboo, including 4,000 hectares of the *truc sao* (*Phyllostachys edulis*) species accounting for about 17% of total production forest or 0.5% of the total forestland of the province [4]. Bamboo is a main income source for many people, particularly in poor and remote upland areas.

The bamboo production plays an important role in income generation in general and in poverty alleviation in particular to poor, especially, ethnic minority groups in mountainous districts of Cao Bang province [2, 8].

2. Objective

The overall objective is to identify the impacts of policy changes in bamboo

production to poverty alleviation program in Cao Bang province.

The specific objectives for this research are:

- To identify the factors affecting bamboo production in Cao Bang .
- To get feedback from bamboo growers, local collectors and bamboo traders about the role of bamboo production and impacts of policy changes in bamboo business to poverty alleviation program.
- To evaluate the immediate impact of government policy on the bamboo industry in Cao Bang province.

3. Methodology

Commune & Village Selection

Nguyen Binh district has the largest number of bamboo growing households in the province, and the highest percentage of bamboo growing areas (1.53% of the district's total natural area) [5]. Three communes in Nguyen Binh were selected for the study: Vu Nong, Ca Thanh and Lung Mon, based upon the following criteria

- Proportion of bamboo area.

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- Proportion of income from bamboo production.
- Relative poverty [8].
- Accessibility to communes/villages.
- Willingness to cooperate in providing information (openness, easy to talk with).

Primary Data Collection

A total of 20 government officials and staff were directly involved in either direct interviews or focus group discussions. The government officials were from provincial and district Department of Agriculture and Rural Development and from commune and village leaders or representatives. In-depth interviews were held in each village with local bamboo growers and key informants (e.g., the village head and village extension workers), for a total of 45 interviewees. This sample size of more than 30 was acceptable for field research [1]. Growers were randomly selected from a list provided by the village head. Out of the 45 interviewees, 23 belonged to the Dao Do ethnic group (51.1%), 18 were from the H'Mong ethnic group (40%) and 4 were Tay ethnics (8.9%). Fifteen of the interviewees were women (33.3%).

Ten bamboo traders or collectors were also selected for interview. All local collectors from the three selected villages were interviewed, for a total of six interviewees: three from the Dao Do group, two H'Mong, and one Tay.

Secondary Data Collection

Secondary data was collected for the information on bamboo production in different localities across the province, bamboo supply data, bamboo processing and trade data, and the contribution of the bamboo industry to economic development.

4. Key findings

Economic Impact of the ban

As Table 1 illustrates, none of the market actors in the bamboo supply chain benefited from the ban. Most bamboo growers (82.2%)

claimed income reduction was a result of the export ban. The given reason for income reduction was the monopsony power used by bamboo traders to depress bamboo prices when the ban was in effect (2003 – mid 2008).

Table 1 shows that 33.3% of local collectors claimed that their income had decreased as a result of the bamboo export ban, though there was no exact estimation for this reduction. A local bamboo collector in Ca Thanh commune and another in Lang Mon commune said that they would normally get VND 200-300 per bamboo culm (Type 1) but during the ban they only got around VND 100/culm.

Table 1: Impact of the bamboo export ban on income (%)

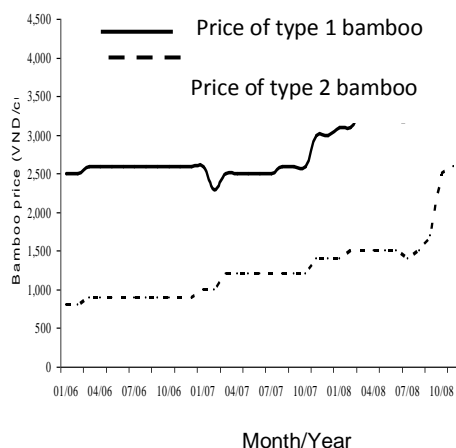
Income change	Growers	local collectors	Traders
Decreased	82.2	66.7	0.0
Unchanged	17.8	33.3	100.0
Increased	0.0	0.0	0.0

Source: Survey data (December 2008).

This low commission decreased the income of local collectors by half. Since most collectors were farmers who collected in their villages and gathered in a convenient place to resell to traders, the additional income from collecting bamboo depended on the volume of bamboo collected. Volumes shrank during the ban partly because bamboo prices were so low that farmers did not want to harvest. The other reason was that if they were not able to resell collected bamboo in a short period of time, the bamboo would dry out and remain unsold (and therefore a lost cost).

Another economic effect from the ban was a reduction of tax revenue to the government. There are two relevant types of taxes: the natural resource tax and the business income tax.

Graph 1: Bamboo prices from January 2006 – November 2008



Source: Helvetas office in Cao Bang town and data collected from the survey.[6]

Since bamboo prices remained so low during the ban (see Graph 1), its sale did not even cover the cost of harvesting and transportation. Bamboo growers stopped harvesting, resulting in reduced bamboo production. This had further negative consequences (cutting bamboo forests for food production, leaving bamboo to die unharvested, etc.) to the poor mountainous areas of Cao Bang.

Social Impact the bamboo export ban

The majority of bamboo farmers are H'mong or Dao Do (red Dao) [2], who are considered as marginalized ethnic groups and the poorest among other minority groups in northern Vietnam. Any policy impact on bamboo production would affect these poor people in the bamboo producing districts of Cao Bang. As the village head of Xa Peng, Ca Thanh commune said, "those in my village that own bamboo forests are no longer hungry or poor". However, living conditions were affected when they could not sell their bamboo, or had to sell at very low prices, as during the ban [3].

Results in Table 2 show a significant income reduction for all three bamboo grower group (88.9% for H'Mong, 69.6% for Dao and 50% for Tay). Since the H'Mong in this

sample did not have lowlands for rice and food crops production, their livings depend solely on their limited uplands and bamboo forests. Both the H'Mong and Dao people have used income from bamboo to buy supplementary food for their family. For many H'Mong and Dao families in the villages of Vu Nong, Ca Thanh and Lang Mon communes, bamboo production was a major source of income. H'Mong women appeared to suffer more than men from the ban since by H'Mong custom, women bear more responsibility in the family. In addition, when income from bamboo production was reduced, women had to find other means (firewood collection, hired labour) to find the money for family incidental expenses (as discussed with the H'Mong group in Ca Thanh commune).

Table 2: Impact of the bamboo export ban on ethnic minority groups—income and gender

Variable	Income reduction		Negative effect on women	
	Ratio	(%)	Ratio	(%)
Ethnic group				
Dao Do	16/23	69.6	11/23	47.8
H'Mong	16/18	88.9	11/18	61.1
Tay	2/4	50.0	1/4	25.0

Source: Survey data (December 2008).

The Tay group suffered the least income reduction, because the Tay usually own sufficient lowlands for rice and corn production for family food security. For them, income from bamboo is an additional source for saving or for paying other family expenditures other than food; therefore, when bamboo prices are low, it is not a necessity to sell.

In Dao and Tay cultures, men and women are pretty equal; thus, any effects of the ban would be the same on both men and women.

Economic Impact of the Ban Removal

Table 3 shows the effect on income of removing the bamboo export ban. All market actors except for traders claimed that income increased when the ban was lifted. This was due mainly to an increase in bamboo prices received by farmers (as shown in Table 6, prices increased about 25% for Type 1 bamboo and 28% for Type 2, in real terms) and a faster turnover of bamboo business. As shown in Graph 1, there was a jump in bamboo prices when the ban was lifted, at the end of 2008.

Table 3: Impact on income of removing the bamboo export ban

Income change	Growers	Local collectors	Traders
Decreased	0.0	0.0	0.0
Unchanged	35.6	33.3	100.0
Increased	64.4	66.7	0.0

Source: Survey data (December 2008).

Table 4 shows the impact of lifting the ban on the Dao Do, H'Mong and Tay ethnic groups. Incomes generally increased for all bamboo growing groups in the sample. Those claiming an increase in income were usually those that owned a large bamboo area.

Table 4: Impact on income of ethnic minority groups

Variable	Proportion with income increased [†]	
Ethnic group	Ratio	(%)
Dao Do	12/23	52.2

[†] Fraction or % of persons who answered yes for having an increase in income as a result of the ban removal.

H'Mong	13/18	72.2
Tay	4/4	100.0

Source: Survey data (December 2008).

Social impact of removing the ban

The removal of the export ban had an impact on jobs for local collectors and processors (the CBJBPC). Currently, the CBJBPC can employ its full capacity of more than 200 workers and staff year-round, whereas under the ban it had to lay-off its workers seasonally for two months a year. In 2008, the company established a new pre-processing facility in Huy Giap commune (Bao Lac district), in order to reduce transportation costs; this also created more jobs for the people in Bao Lac.

Environmental impact of removing the ban

Results from the survey show the changes in harvesting practices and in forest management after the ban was lifted. Bamboo harvests were tended less than before the ban. An explanation for this was provided by a local extension worker and bamboo grower in Lung Luong village, Vu Nong commune: "when the price for bamboo received by bamboo growers was increased, farmers highly valued their bamboo forests. When harvesting bamboo, they left at least one third of the mature bamboo uncut so that this strong bamboo could nourish other younger bamboo." This suggests that growers cared for and invested more into their bamboo forests than before [2].

5. Conclusion

- The ban affected the H'Mong and Dao groups more than the Tay, since the former owned little (or no) lowlands for rice and corn production; the income and food security of the H'Mong and Dao groups depended substantially on selling bamboo.
- H'Mong women appeared to suffer more negative effects of the ban than the men in this sample.

- The removal of the ban benefited all actors in the bamboo supply chain and fostered the bamboo industry in Cao Bang.
- Bamboo production plays a crucial role in income generation and poverty reduction of H'mong and Dzao people in bamboo growing districts of Cao Bang.

The removal of the ban has also brought positive effects on the environment and on bamboo production in the province.

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TÁC ĐỘNG CỦA THAY ĐỔI CHÍNH SÁCH TRONG SẢN XUẤT TRÚC SÀO ĐẾN THU NHẬP VÀ VẤN ĐỀ GIẢM NGHÈO TẠI TỈNH CAO BẰNG

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TÓM TẮT

Trúc sào được xem như cây trồng xóa đói giảm nghèo của tỉnh Cao Bằng. Trong những năm qua, tỉnh Cao Bằng đã thực hiện nhiều biện pháp để phát triển sản xuất trúc sào. Kết quả điều tra, nghiên cứu cho thấy Quyết định về cấm bán trúc sào chưa chế biến ra khỏi Cao Bằng đã có tác động tiêu cực đến sản xuất trúc sào tại Cao Bằng. Trong thời gian lệnh cấm có hiệu lực, giá trúc cây thấp hơn 25-28% so sau khi lệnh cấm được bãi bỏ. Sau khi bãi bỏ lệnh cấm bán trúc ra bên ngoài giá trúc tăng, sản xuất trúc sào phát triển thu nhập của cả người trồng, người buôn bán và chế biến trúc đều tăng. Cây trúc đã trở thành cây lâm nghiệp chủ đạo trong giảm nghèo cho đồng bào H'Mông, Dao tại các huyện miền núi, trồng trúc của tỉnh Cao Bằng

Từ khóa: Bamboo, production, poverty alleviation, Cao Bang

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