Situation And Efficient Solutions For Poverty Reduction: Universal To Multi-Way Poverty Access In Laos

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ABSTRACT

Poverty is one of the major barriers that reduce the ability to develop people, communities as well as each country. The poor often do not have access to social services such as employment, education, health care, information, etc., and that makes them less likely to escape poverty. In order to improve the material and spiritual life of the poor, contributing to narrowing the gap in living standards between rural and urban areas, between regions, ethnic groups and population groups, over the years, The Lao People's Democratic Republic has actually analyzed the current situations and effective solutions to reduce poverty. This research has identified the situation and solutions to approach from single-dimensional poverty to multi-dimensional poverty in the Lao People's Democratic Republic. The author used statistics from the National Bureau of Statistics, government reports, and agencies related to the topic to evaluate and analyze the situation of single-dimensional poverty to multi-dimensional poverty; apply multidimensional poverty measurement (MPI): health, education and human living standards, thereby drawing out limitations and shortcomings in poverty reduction activities. Then propose solutions to effectively improve poverty reduction activities in the Lao People's Democratic Republic in the coming time.

Key words: Poverty reduction efficiency, One-dimensional poverty, Multidimensional poverty, Lao People's Democratic Republic.

INTRODUCTION

Poverty is a barrier to economic development - society, the countries all over the world are also interested in eradicating poverty in their own countries; Poverty is affecting people's social security like social evils, drugs, increased theft and poverty also affects to economic development and growth.

During socio-economic development, one of the most important issues of every country in the world in general and the Lao People's Democratic Republic in particular is to raise people's living standards for economic growth. Laos is an underdeveloped country with fast growth direction and has to escape from the list of poor countries. In recent years, there have been many successes in poverty reduction associated with economic growth such as: economic growth rate holds a stable position, achieved 8.1% in the period of 2011-2015 and achieved 5.8% in the period of 2016-2020; the poverty rate fell to 18.3% in 2019 from 23.2% in 2013, the poverty rate decreased from 198,678 households in 2011 to 65,127 households in 2018, accounting for 5.47% nationwide and the multidimensional poverty rate was 23, 1%, of which 30.9% in rural areas and 5.3% in urban areas; In addition, there are many limitations, the slow poverty reduction activities are not in line with the economic growth rate, not compatible with the potential such as education, health care, electricity and clean water, the government's

policy on poverty reduction for households to get out of poverty is still repeated. Furthermore, it should find out inadequacies and overcome weaknesses to improve efficiency of poverty reduction activities.

I. THEORETICAL BASIS

Poverty is an issue that people are interested in practice and theory, there has been many studies on this issue; as a result, inactive and controversial views are arisen; however, poverty is considered as the inability of a group of people in society to enjoy "something at the minimum necessary level".

In 1995, the World Summit on Socio-Economic Development in Copenhagen, Denmark introduced the concept of the poor as: The poor are those who earn less than US$1 per day for every five people, this is an amount considered to be enough to buy basic products for existence; the World Bank in 1992 also identified the poor and poor households by the income of a certain period of time compared to the poverty standard determined by governments.

Klsen, Stephan tring in 2008 studied two factors related to poverty, including: 1) defining growth for the poor in absolute poverty when analyzing growth rates 2) extending pro-poor growth tools to non-income indicators; then performing extended analysis so as to improve understanding of the distribution and variability of non-income indicators, which emphasize the relationship between income growth and non-income dimensions of poverty together with an increase in those not distributed according to the income distribution.

The article Hulya, Rolph Van Der Hoeven anh John Weeks presented an analytical framework to evaluate the effect of growth and reallocation on poverty alleviation; it says that income redistribution or income growth is more effective in reducing poverty for the majority of countries than only growth.

However, in-depth studies on people's living standards, especially in the more modern and developed world, show that income is not the only factor to consider. Therefore; Aliyu (2002) considers poverty as a serious lack of basic human needs; they do not recognize basic services, lack of non-material living activities and he analyzes quantitative poverty in terms of simple poverty with comparison among the countries.

Sen (1999) defines poverty with multidimensional approach as people who do not achieve basic abilities such as lack of education, lack of access to health care, healthy living, and skills to participate in socio-economic life.

Narayan (1999) expresses his ideas that the core of poverty concept must be determined by the poor themselves or the communities in which the poor live, as assessed by the participation work of the rural poor, and poverty has both body and mind; the poor emphasize on violence and crime, discrimination, insecurity, victims of the rule and neglect or corruption of public authorities.

The Government of the Lao People's Democratic Republic has introduced the concept of poverty according to the actual situation of Laos as follows: "Poverty is the lack of basic needs in daily life such as: Lack of foods (2,100 Calories/person/day), lack of clothes, no fixed housing, inability to pay for medical bills when sick, inability to pay expenses basic education, no access to infrastructure and social services."

However; poverty is not only measured in terms of money, but also in many dimensions. Thus, Mr. Alkire and Foster argued that the poverty assessment approach to multidimensional poverty includes 3 indicators and 10 criteria (MPI) such as: health, education and the next human standard of living; his method of measurement has been adopted by many countries to assess poverty; In 2007, Mr. Santos, Maria Emma, and Karma Ura also used the same method to measure multidimensional poverty in Bhutan in 2007, the factors are considered to estimate rural and urban areas: income, education, room availability, access to electricity and access to drinking water and two additional factors are only considered for estimates in rural areas: long distance access and land ownership.

1.1 Effectiveness of poverty reduction activities

In order to effectively tackle poverty situations, the World Bank has identified a number of key issues and associated solutions. Firstly, the increase in urban poverty requires better design of policy instruments to address urban poverty issues. Secondly, the urban poor face different risks and opportunities than the rural poor. Policymakers must understand these risks and opportunities if they are to create effective social safety nets. The urban poor are more integrated into the market economy and more sensitive to macroeconomic shocks (positive and negative), shocks that are transmitted mainly through markets. labor school. This suggests that a safety net should be focused on increasing the participation of the poor in the labor market. Further, due to urban density and diversity, family relationships are weakened, leaving many elderly without family support and problems related to children and young people. Finally, for a deeper integration of the urban poor into the market economy within urban safety net, a focus should be on facilitating their participation in labor market. By: training, job search assistance and some other related measures, such as: transportation, child care, job security and measures to encourage investment in human capital.

Another study on the health sector by the Asian Development Bank (ADB) and the World Health Organization titled "Improving health status and reducing inequality" focused on the actual assessment of people's access to health services, with an emphasis on the poor. This study concludes that the poor still face many difficulties in accessing and using health services, especially the widespread inequality. From their research, the research team has proposed a number of important recommendations for the Government such as the need to strengthen close and effective supervision from the Government to improve the accessibility and use of health services for the poor who are considered "weak" in society.

1.2 Poverty standard with one-dimensional and multidimensional approach:

One-dimensional poverty is defined as a person or household with an income below the national standard for a given period of time; Thus, one-dimensional poverty is included in income relative to the poverty standard (World Bank 1992).

Table 1.1. Laos' and World's Poverty Standards

I	Item	2003	2008	2015	2019
1.1	World's poverty standard in terms of income	US$ 1/person/day or US$ 30/month	US$ 1.25/person/day or US$ 45/month	US$ 1.9/person/day or US$ 57/month	US$ 1.9/person/day or US$ 57/month
1.2	Laos' poverty standard in terms of income				
	City	240,000 Kip/Month	240,000 Kip/Month	240,000 Kip/Month	240,000 Kip/Month
	Countryside	180,000 Kip/Month	180,000 Kip/Month	180,000 Kip/Month	180,000 Kip/Month

In the Lao People's Democratic Republic, an one-dimensional poverty standard has been established to assess national income poverty; Decree No. 309/TTg, dated November 14, 2013 but that poverty standard does not define multidimensional poverty, so the author relies on his method to measure multidimensional poverty of Alkire and Foster (2008) that countries around the world often use.

Santos, Emma and Kamma (2008); Alkire and Santos (2010); Alkire and Sumner (2015) also applied the method (MPI) to measure globally multidimensional poverty for the millennium development goals (MDGs).

In 2015, Vietnam also approached poverty measurement using the criteria of the Ministry of Labour, Invalids and Social Affairs and General Statistics Office such as: 5-Dimension recommendation: Education; medical; house; living condition; and access to information) and 10 indicators measuring the extent of deprivation in multidimensional poverty.

Table 1.2. Standards according to Alkire and Foster

Aspects of poverty	Indicators	Below poverty standard if...	Weight
Health 1/3	Nutrition	Are there any children or adults who are malnourished?	1/2
	Child mortality rate	Are there any child in the family died within 5 years	1/2
Education 1/3	School years	No household's members completed 05 years of school.	1/2
	School attendance	There are children of school age who cannot attend school until the due age	1/2
Living condition 1/3	Fuel used for cooking	Households use fuelwood, manure, coal or coal for cooking	1/6
	Toilet	Household's toilets are not improved (according to SDG guidelines) or are improved but shared with other households	1/6
	Clean water source	Households without access to clean drinking water (according to SDG guidelines)	1/6
	Electricity	Household without electricity	1/6
	Houses	At least one of the three housing materials for the roof, walls and floor is not sufficient: floors made of natural materials and/or roofs and/or walls made of natural or raw materials	1/6
	Assets	The household does not own more than one of the following assets: radio, television, telephone, computer, car, bicycle, motorcycle or refrigerator, and does not own a car or truck	1/6

In 2015, Vietnam also approached poverty measurement using the criteria of the Ministry of Labour, Invalids and Social Affairs and General Statistics Office such as: 5-Dimension recommendation: Education; medical; house; living condition; and access to information) and 10 indicators measuring the extent of deprivation in multidimensional poverty, including:

(1) Households with at least one member who is full 15 years old, born in 1986 or later, who has not graduated from lower secondary school and is not currently attending school.

(2) Household with at least one member aged 5 to under 15 years who is not currently attending school.

(3) Household with someone being sick but not seeking medical care (illness is defined as an illness/injury so severe that he has to stay in one place and must have a caregiver at his bed, or is absent from work/school and cannot attend normal activities.

(4) Households with at least one member aged 6 or older who currently do not have health insurance.

(5) Household is living in a house/apartment of a non-permanent or simple type.

(6) Household area per capita is less than 8m².

(7) Households do not have access to hygienic water sources.

(8) Households do not use hygienic latrines/toilet.

(9) No member of the household has a telephone and internet subscription.

(10) Households have none of the assets: television, radio, computer; and cannot hear the commune/village loudspeaker system.

II. RESEARCH METHODS

Statistical methods: Statistical documents of legal nature are thoroughly exploited to serve for the research work. The data is aggregated, collected and processed on the basis of data and results of population and housing censuses, socio-economic statistics of the General Statistics Office. The author also uses use data sources of organizations, departments, statistics on rural development and poverty alleviation throughout the country in different periods to analyze and compare when it is necessary to clarify the difference in whole countries or vicinity.

Methods of analysis and synthesis: During research process, the fluent application of analytical, synthesis and comparison methods will give many benefits. After collection of documents and data on poverty alleviation in the Lao People's Democratic Republic from different sources, it show certain deviations. Through these methods, the source of data has been processed to be consistent with objective reality. Next, the documents are analyzed, synthesized and compared to gradually turn them into the basis for the scientific judgments or conclusions of the research work. In addition, the comparison of research objects over time and space will point out the nature of objects. As a result, the researcher has a basis to discover the general rule of the development process.

III. RESEARCH RESULTS

3.1. Overview of economy - society

Socio-cultural features:

- About population: The Lao People's Democratic Republic consists of 17 provinces and one capital, Vientiane, with 148 districts, 8,421 villages, 1,278,774 households (source: statistics in 2019); in which, there are 23 poor districts, 1,433 poor villages and 65,127 poor households (source: national research institute); in 2019, total population of the whole country is 7, 123,000 people; 3,554,000 female (statistical source in 2019); there are 68 ethnic groups.

- About sociocultural: developed both aspects as: quantity and quality to provide for socio-economic development. In the past time, infrastructure has been developed until the end and by 2020, there are 957,198 households, accounting for 76.15% (and 321,576 not yet accepted, accounting for 23.85%) and cultural villages are 6,375, accounting for 75.52% of the whole country. (calculated according to the standards of Decree No.)

- About education: During 10 years (2010 - 2020), the whole country had 10,636 schools; 52,932 classrooms; there were 1,430,509 students; including preschool; primary schools 8,854 schools; junior high school had 961 schools and high school had 35 schools; in which there were 74,391 teachers and the percentage of 3-5 years of school was 82.7% (increased 16.7% compared to 2015); primary school reaches 83.3% (increased 5.2 %

compared to 2015); the literacy rate of people aged 15 years and over is 84.0% (increased 11% compared to 2005) and in the group of 15-24 reached 92.4% in 2015.

- About medical: People's health care and protection have made many progress. Common diseases are pushed back, and national health programs have been implemented effectively. The morbidity rate is reduced; there are 1,057 medical stations nationwide, accounting for 12.5%, and 2,523 drugstores, accounting for 29.9%; the percentage of vaccinated children reached 90% (in 2019) and the national health insurance rate accounted for 80% (in 2019). In which, under the category of natural development (SDGs), the infant mortality rate was 34/1,000 people in 2019 (reducing 38 people compared to 2012), the child mortality rate was 42/1,000 people in 2019 (reduced by 37/1,000 compared to 2012), the remaining rate of undernourished children was as follows: children with a weight below standard accounted for 20.8% in 2019 (reduced by 6.2% compared to 2012 and the proportion of children with a weight below the standard accounted for 32.7%, decreased 12.5% compared to 2012).

Economical features: Average growth rate of 2 periods: achieved 8.1% in the period of 2011-2015, and achieved 5.8% in the period of 2016-2020. The average growth rate is decreased due to external and internal influences such as: prolonged trade war between the US and China and the economic instability of developed countries; due to natural damage such as: floods, droughts, plant enemies, the outbreak of Covid 19 and Hydroelectric Dams destroyed people's productivity. However; comparing to other countries, the Lao People's Democratic Republic still has a decent growth rate; Gross domestic product per capita by 2020 was estimated to reach 2,664 USD.

Table 3.1. Growth rate of economic structure in the past 5 years.

Year	2016	2017	2018	2019	2020	Accounting for 5 years
Gross Domestic Product	7	6.9	6.3	5.5	3.3	5.8
Agriculture and Forestry	2.76	2.87	1.27	1.20	-	2.1
Industry	12.00	11.61	7.81	5.60	-	9.1
Service	4.65	4.51	6.89	6.90	-	4.8

Source: National Statistics Office

Economic structure: The Lao People's Democratic Republic is an important center in the process of socio-economic development, with the advantage of attracting investment capital in socio-economic development within the scope. The Lao People's Democratic Republic also has great potential for developing agro-forestry product processing industry, hydropower, and the richness of environmental and topographic resources of the Lao People's Democratic Republic.

The economy of the Lao People's Democratic Republic is quite diverse in fields, from resource exploitation, minerals, fisheries, agriculture, processing industry, construction, tourism and financial services. In recent years, the economic structure of the Lao People's Democratic Republic has changed in a positive direction, while the proportion of agriculture and forestry sector accounts for a small proportion, industries and services account for a high percentage. The economic structure continues to shift towards industrialization and modernization, but due to the influence of many reasons, the proportion of important industries has gradually decreased each year and the proportion of the service industry has reached 39. 50%/GDP; The industry's share accounts for 33.0%/GDP and agriculture-forestry industry's share accounts for 16.60%/GDP.

3.2. Actual situation of poverty reduction activities in the Lao People's Democratic Republic

3.2.1. Document system on poverty reduction

According to the Party's policy and the state's long-term socio-economic development plan, the settlement of poverty reduction is as follows:

From 2001 to 2010: implemented the poverty reduction and focus plan in 2001 defining the purpose for 5 years: 2001-2005 deciding on the national strategy and poverty reduction and implementation of the Millennium Development Goals (MDGs) section 1: the target of poverty reduction for 2015; during this period, the government's Decree No. 285/TTg on poverty standard and development was implemented to assess the poverty situation of the whole country, including 72 poor districts and 47 poorest districts. Performed government's policy as 3 transfers and during this period, provided capital for 47 districts with 500 million kip; established a poverty reduction fund in 2003 and the government set up a policy bank to give credit to the poor with low interest rates in 2007.

From 2011 to 2015: During this period, focused on the Millennium Development Goals (MDGs) and implemented the Government's Decree No. 309/TTg to improve the poverty standard in the country and identified areas of development advantages called as **target district** including 64 advantage areas (10 centers and 54 localities) and 167 distribution areas of residence and business (4 centers and 163 localities). The rule of this phase is divided into 3 times: 1) implemented according to the decree of the Central Committee of the Party No. 03/TW in 2012 on**Building the province into a strategic unit, building the district into a strong unit, and building the village into a development unit** 2). The Party apparatus of the National Committee for Rural Development and Poverty Alleviation has been improved for the purpose of basic construction, bomb disposal and the secretary of construction 3 has a role in that committee; 3). The provision of capital for rural development and poverty alleviation is increased: provided US$ 186 million, the Development Fund had 73.62 billion kip and a credit policy bank lent 3,120 billion kip.

From 2016 to now: In 2017, the Decree No. 348/TTg was issued on the standardization of poverty and development standards and continued implementation of the master plan on poverty reduction of the country: continued to implement the 3rd construction to deepen in a sustainable direction, provided capital associated with improvement and increased the efficiency of capital use for better and poverty reduction must be attended by people in association with improved livelihoods and generated their income by production groups**.**

3.2.2. Poverty reduction activities

In the past period, the Lao People's Democratic Republic has paid attention to poverty reduction activities to improve the people's quality of life; it had achieved much success; especially the poverty reduction rate decreased to 18.3% in 2018 (compared to 2012); the rate of poor households remained 65,127 poor households, accounting for 5.47%; There were 1,433 poor villages (16.92%) and 23 poor districts (15.54%) according to the poverty standard of the government of the Lao People's Democratic Republic, Decree No. 309/TTg in 2013.

If calculated according to the world poverty standard, the poverty rate in the Lao People's Democratic Republic is higher than that of Southeast Asian countries in the table (1, 4): standard of US$ 1.9/day is 10.61% and standard of US$ 3.2/day is 39.06%; Thailand has the least poverty rate as: standard of US$ 1.9 USD/day as non-poor and US$ 3.2/day was 0.001%; while Vietnam has a poverty rate of 0.74%, the standard was US$ 1.9/day and the standard rate of US$ 3.2/day was 4.28%; Therefore, although the Lao People's Democratic Republic has achieved many achievements with poverty reduction, compared to other Southeast Asian countries, the poverty rate in the Lao People's Democratic Republic is higher and must give much effort.

Table 3.2. Poverty rate in the country and some Southeast Asian countries

Unit:%

Country	Poverty rate of US$ 1.9/day	Poverty rate of US$ 3.2/day
	Most necessary investigation	Most necessary investigation
Laos PDR	10.61	39.06
Vietnam	0.74	4.28
Indonesia	4.37	23.67
Philippines	4.05	23.53
Thai Land	0	0.01
Cambodia	0.2	12.27
Myanmar	2.91	18.12

Source: Boao Forum for Asia Asia Poverty Reduction Report 2019

According to the 6th Consumer Survey and Criteria (2018 - 2019) nationwide, the poverty rate mostly concentrated in rural areas accounts for 23.8% of the country and 7% in urban areas; Because people only work in agriculture in rural areas, they will not have a job at the end of the harvest season and can calculate the poverty rate by occupation in Table (3.3).

Table 3.3. Poverty rate by occupation

Unit: %

Occupation	2012	2018
Worker	9.2	4.5
Non-farm work	9.2	5.5
Farm work	31.9	24.6
Unemployment	27.8	21.3

Source: The 6th Consumer Survey and Criteria

In which, Xe Kong province has the highest poverty rate at 30.6%, the second is U Dom Xay province with 29.2% and the third is Savanh Na Khet province with 27.5%, followed by Phong Saly, Luang Pha Bang, Hua Phan, Kham Muan, SA La Vanh, Xay Ya Bu Ly and Bor Keo provinces with equal poverty rates, while the smallest poverty rate is Vientiane Capital with 5.0% and the second in Vientiane with 5.3%. (Compared to the people of the provinces in the whole country in 2018).

However, poverty measured by income or expenditure cannot comprehensively reflect all aspects of people's lives. In fact, many households have income or expenditure per capita above the poverty standard but do not have access to clean water, hygienic latrines, or education and medical care. Therefore, as mentioned above, the Government of Lao PDR has adopted a multidimensional approach to poverty measurement.

Using the method of Alkire and Foster (2011), we can estimate the degree of deficiency or the average number of deprivation indicators in 10 indicators for the multidimensional poor. Households are considered as multidimensional poor if their deprivation score is higher than 0.3, or the deprivation index is greater than 3. The graph on the left of the figure below shows the shortfall of multidimensional poverty. For example, the national multidimensional poverty shortfall in 2012 was 0.371, which means that the multidimensional poor has an average of 0.317 or a 31.7% gap in poor households.
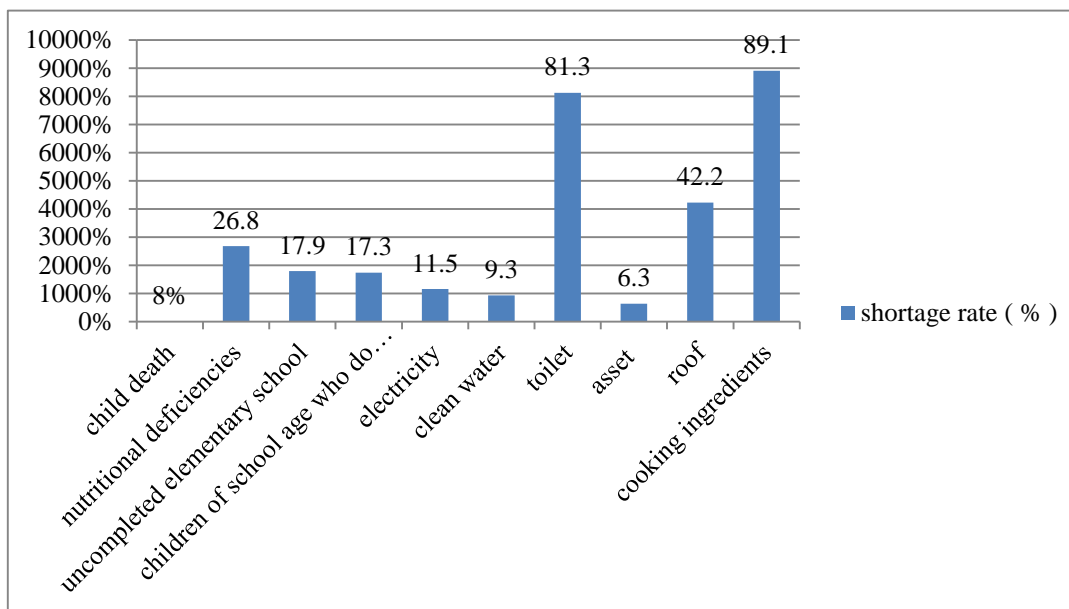
Figure 3.1. Proportion of people deprived by dimensions of international multidimensional poverty

Source: Complied by author

Based on on Figure 3.1, The Lao People's Democratic Republic has high shortfalls in the international multidimensional poverty index in terms of human resources for cooking, hygienic latrines, roofs and nutritional deficiencies. Shortages in assets, child mortality and access to electricity are low. For some dimensions, however, there are concerns about the quality of the data.

The Lao People's Democratic Republic, despite having low multidimensional poverty indicators in the international dimension, compared with other countries in the world, especially Southeast Asian countries, Laos has a higher rate of multidimensional poverty than some countries.

Table 3.4. Multidimensional poverty rate between Southeast Asian countries and Laos

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Countries	Multidimensional poverty rate (%)	City (%)	Countryside (%)	Standard poverty rate (%)	Multidimensional poverty rate of people (1000)
Thailand	0.8	0.5	1	8.6	542
Philippines	5.8	3.8	7.4	21.6	6.081
Myanmar	38.3	11.9	47	32.1	20.449
Indonesia	7	2.8	11.2	10.6	18.512
Cambodia	37.2	8.2	42.8	17.7	5.952
Vietnam	4.9	2	6.3	9.8	4.677
Laos	23.1	5.3	30.9	23.4	1.582
Timor-Leste	4.9	2	6.3	9.8	4.677

Source: Boao Forum for Asia Asia Poverty Reduction Report 2019

As shown in Table 3.4, the multidimensional poverty rate is higher in rural areas than in urban areas; Laos has a multidimensional poverty rate of 23.1%, in 1,582/1000 people; compared with other countries, the multidimensional poverty rate is even higher and severe. The country with the lowest multidimensional poverty rate is Thailand, accounting for 0.8% out of 542/1,000 people, followed by Vietnam with 4.9% out of 4,677 people; Laos has a multidimensional poverty rate of 23.1%, in 1,582/1000 people.

3.3. Analysis of effectiveness of poverty reduction activities in the Lao People's Democratic Republic

About economics

- In the past period, the Lao People's Democratic Republic has maintained significant economic growth, the economic growth rate in 2010-2020 was 6.95%; GDP per capita has increased as: US$ 1,069 in 2010; US$ 2,664 in 2020; the economic structure of the country is still moving towards industrialization and modernization, the proportion of industry and services is high, and the agro-forestry sector accounts for little compared to GDP. It still maintains a stable inflation rate of 3.3% and the exchange rate in US dollars (8,289 kip/USD).

- The attraction of investment from abroad to invest in infrastructure and capital sources helps society a lot, including support for the poor; such support has been joined by international and domestic enterprises to improve people's lives better and to train people with knowledge and skills to increase income such as: National consumption accounted for 73% due to the proportion of employed people accounting for 58% and non-agricultural work accounting for 10%.

About society

- In the past time, poverty reduction activities in the Lao People's Democratic Republic have achieved great success, with the result that the poverty rate, poor households, poor villages and poor districts have significantly decreased (calculated in terms of Laos' poverty standard) such as the single-dimensional poverty rate to 18.3% and the multi-dimensional poverty rate to 23.1%. It is possible to improve people's lives more and more because of the attention of the State and appropriate policies for people to do business.

- About medical: the state has focused on raising the level of medical professionals with knowledge, ability and ethics of doctors and nurses. Importantly, the health insurance system that is accessible to the whole country has reduced the infant mortality rate to 8% and life expectancy to 67.9.

- About education: schools nationwide accounted for 82.9%; Lao People's Democratic Republic has a schooling age of 11 years; average age of schooling of 5.3 years (source: United Nations Development Program – UNDP, 2020) and the literacy rate of the people increased to 92.4% (2015).

- About people's living standards: In terms of infrastructure development and social services, the most important achievements are the district-to-district roads which are connected in both seasons; that road is paved road accounting for 93.2% of the whole country (from 148 districts); in which each household has access to electricity accounted for 98.5%; property (car, TV, refrigerator, radio) accounted for 93.7%; and houses with water use accounted for 81.7%.

3.4. Shortcomings of poverty reduction activities

- The responsibility and understanding of the leadership of the party committees and authorities at all levels and localities is not high, inconsistent with each other and the way the organization does not respond to actual conditions and does not match the potentials of localities.

- The poor do not understand poverty reduction activities, people do not take the initiative to lift themselves out of poverty, they only rely on the state's support without business experience in their industry: farming - animal husbandry has not yet depended on nature; do not know how to use technology - modern techniques; cannot increase income, especially the poor living in remote areas.

- The poor do not have high skills, do not have stable jobs to increase household income, affecting multi-dimensional poverty such as: children do not go to school, lack if nutrition, not accessing to basic living standards (food, medicine, clothes, social networks.

- The poor, disadvantaged, deep-lying and remote areas have not yet been developed; have not had access to credit; lack of business tools and capital. Funding in poverty reduction activities is limited and only depends on the state budget allocated to localities.

IV. SOLUTIONS TO POVERTY REDUCTION ACTIVITIES

4.1. Living standard solution group

In this group, the author talks about how to support the poor to have extra income based on the saying "Do not ask others for fish, but learn how to make a fishing rod and how to get a fish":

- Preferential credit policies for the poor who have working capacity so that they can have capital and develop self-employment production, increase income and lift themselves out of poverty; especially the poor live in remote areas but must be attached to the production and livestock conditions of each household, provide advice and guide the poor to use loans for the right purposes to achieve high efficiency.

- Free agriculture-forestry extension policy for the poor who work in rural areas to be trained to improve their knowledge and apply hi-tech techniques to production and business.

- Accelerating the process of restructuring the rural-agricultural economy in the direction of formalism into a commodity agriculture in line with market demands and ecological production conditions in each region of the country, and restructure the occupations, labor structure to create jobs to attract many rural workers, ensure food security, improve food productivity and quality, and convert a part of the rice-growing area with low efficiency into other occupations such as (livestock) and create large, highly competitive goods.

- Creating favorable conditions for the poor to lift themselves out of poverty, especially building favorable infrastructure, having roads to their places, and having electricity and water used for each household,

suitable areas and potential in rice cultivation, must build irrigation and most importantly, find a market to sell at the same level with profit.

- Improving the quality and quantity to achieve efficiency and support free vocational training to help poor people have the opportunity to find jobs; focus on training the professions that are in demand in the locality, ensuring that after the training is completed, the workers must have jobs immediately, avoiding the wrong and wasteful training, prioritizing the short forms of training.

4.2. Quality solutions for people's intelligence

The State's employees must be raised qualification, developed education, and trained to provide direction and skills training for the poor with professions and especially those who must have psychological overcome, passively striving to escape poverty and improve lives, focusing on human resources with specific solutions suitable to local conditions, including solutions to create opportunities for the poor to access supportive social services including education for the poor to improve their knowledge, health care for the poor with basic knowledge to take care of their health, credit for the poor who have potential to use capital into agricultural production or doing business and must be closely linked for the right purposes of using capital, supporting land for shelter and business, providing water and electricity for households for daily living... and eliminating inequality in each locality.

- It is necessary to urgently implement education policies, expand schools for people, especially helping the poor households understand children's education and training, which leads to their living standards are improved; the most important thing is that teachers in remote and isolated areas must have special policies for them... to carry out education at the universal and lower secondary level for 100% of poor children; raising the responsibility of commune authorities for children's education and improving access to production conditions and services to support the poor born in rural areas.

- The solution on health care for the poor, so that they can access medicine by expanding health stations nationwide; giving a policy on the treatment of people, for example: once-a-year insurance, treating diseases according to Thailand's 30 baht/person, especially Thai people must have a program to go to the doctor every month, mothers and children must be vaccinated.

- Building a synchronous, adequate and quality essential infrastructure system to help the poor ensure production conditions and access to basic social services, improve production efficiency and quality of life, build traffic for the villages, ensure convenient travel and trade, expand markets to ensure procedures, build a bank of state policies for the poor, profit interest rates lower than commercial banks.

- Supporting the development of production, processing and consumption of agro-forestry products to facilitate employment opportunities for people, especially supporting production land, vocational training, job creation.... .

4.3. Credit solutions

The State together with organizations, individuals and businesses participate in providing capital support to contribute with the state's capital to operate and invest in infrastructure to help the poor and remote villages, because they only rely on the state budget to stop poverty reduction activities during the last time. Therefore, the author has a specific solution as follows:

- Commercial banks must deduct a part of their profits to contribute to the Fund for the Poor before dividing profits into its own funds; in addition, the state must have regulations and documents for commercial banks on the obligation to borrow capital for the poor and near-poor to provide capital for them to do business at

the preferential interest rate and the lowest interest rate so as to ensure the household's demand for loans for production development.

- Capital mobilization must be together with capital allocation, the local and central governments must work closely together to develop long-term and short-term plans for capital allocation to poverty alleviation for rural communities on the basis of prioritizing the most difficult areas, the households in need of capital assistance, people at risk of falling back into poverty; and prioritizing capital for the most essential production support works in the most difficult areas.

CONCLUSION

Lao People's Democratic Republic is one of the underdeveloped countries with an unstable economy, most people live in rural and remote areas. The places with different topography affects to people's business, especially agriculture (watching, raising animals), easy to cause natural damage such as floods, forest fires, landslide and people do not have access to social services including education, health care, credit, unfavorable infrastructure for doing business, buying and selling, no jobs, low skills leading to low income which makes the poverty rate, poor households and poor villages in the country still high, so in order to reduce the poor according to the purpose and gain effective results, the author has proposed some solutions to solve poverty in the country and improve people's living standards; can escape poverty, leading to economic growth and stability. With multi-dimensional poverty approach solutions applied for the period of 2016 - 2020, supporting the poor with income by creating jobs for them; raising the people's intellectual level, developing education for the poor; organizations, individuals and businesses jointly supporting capital to contribute with the state's capital to operate and invest in infrastructure for local communities to have the opportunity to gain fuller access to basic social services... However, the transformation of poverty criteria from one-dimensional to multi-dimensional has posed many challenges for localities in the sustainable implementation of poverty reduction policies. With the proposed solutions, according to the author, they are consistent with the reality in the Lao People's Democratic Republic and effective in hunger eradication and poverty reduction, as well as in reducing the rate of poor households as an important objective in the economic and social development policy of the Lao Party and State.

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