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An Empirical Study of Commodity Market Patterns in Ethnic Minorities and Mountainous Areas: Evidence from Vietnam

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Abstract

The development of the ethnic minorities and mountainous areas (EMMA) is currently receiving the attention of countries around the world. This is demonstrated through a large number of studies, in many respects, in many different countries. The objective of the study is to find out the current situation of the commodity market in the ethnic minorities and mountainous areas (EMMA) of Vietnam. In particular, the authors will study whether there is a link between the ability to access governmental policies and the characteristics of this commodity market. To achieve the goal, the authors employed the secondary data collection method to gather the relevant information on government policies for EMMA and conducted an interview of seventy (70) enterprises in the Northern midlands and mountainous regions and the Central Coast to clarify the characteristics of commodity market. By Levene's test, the results showed that the accessibility to governmental policies has a certain influence on the development of the commodity market patterns in the EMMA in terms of diversification of distribution forms and sales method of the business. These findings brought some basic solutions to further enhance the role of the government in developing commodity markets in the EMMA of Vietnam.

Keywords: Commodity Markets, Ethnic Minorities, Mountainous Areas, Policy Accessibility, Vietnam

JEL Classification Code: Q02, E61, J15

1. Introduction

The development of ethnic minorities and mountainous areas (EMMA) is currently receiving the attention of countries around the world. This is demonstrated through a large number of studies, in many respects, in many different countries. Based on the research, the following policy groupings are of particular interest (i) national unification policy; (ii) labor and employment; (iii) economic development, livelihoods and poverty reduction; (iv) education; (v) health; (vi) building and developing the ethnic minority cadres; (vii) family and society; (viii) traditional culture; (ix) religion; (x) immigration; (xi) ethnic relations; (xii) ethnic conflict; (xiii) borders and territories. Among the above-mentioned policy groups, the group of issues of economic development, and employment for the EMMA always receives great attention from scholars/researchers around the world. There are typical studies such as Minority Rights Group International (2017); Biswas (2015), and Lahtinen (2005). The support policies are very wide and varied among countries, and the effectiveness of this policy for ethnic minority areas in other countries is also different. For example, although some policies are applied in China such as the "Program to Revitalize Border Areas and Enrich Residents' Lives" in the Guangxi Zhuang Autonomous Region, or the Tibetan and Inner Mongolia frontier have

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been successful, there are still many limitations (Can, 2009), several similar policies applied in Malaysia are considered to have positive effects.

Currently, the EMMA of Vietnam account for nearly a quarter of the country's natural area, and are the main residential areas of 53 ethnic minorities with nearly 13.4 million people, accounting for 14.6% of the country's population, and there are 6 ethnic groups with over 1 million people (Tay, Thai, Muong, Mong, Nung, Khmer); 16 ethnic groups under 10,000 people, of which 5 ethnic groups under 1,000 people are O Du, Brau, Ro Mam, Pu Peo and Si La (GSO, 2018). Ethnic minorities live in communities in 51 provinces and cities, mainly in the Northwest, Central Highlands, South-western, and Central Coast. In particular, the Northern Midlands and Mountainous and the North Central Coast and Central Coast are home to nearly 60% of the EMMA in Vietnam. People in the EMMA have low living standards, the rate of poor or near-poor households is 2-3 times higher than the national average. The Government of Vietnam has been paying great attention to providing commercial solutions so that people and businesses in the ethnic minorities and mountainous areas have the motivation to increase production and access products, goods, and services from the plains, creating more jobs, increasing income, thereby changing lives.

However, up to now, the commodity market in the EMMA of Vietnam has been a very early stage of development. Most of the production activities of people in the ethnic minorities and mountainous regions are still rudimentary activities- simple and outdated production practices, mainly extensive farming, self-sufficient and nature-based. Furthermore, each ethnic minority in Vietnam lives alternatively, resulting in a diverse demand for products, particularly in the clothing, handicraft, and jewelry categories. The specific characteristics of customs and practices also make the market demand seasonal, and the demand for goods on holidays, New Year, etc., increases dramatically, while the demand at other times of the year is very low. Many policies to support enterprises in the EMMA in Vietnam have been promulgated, but their pervasiveness is not high and has not significantly changed the thinking and production practices of these enterprises. In particular, the level of identification and accessibility of these policies is different among different ethnic minorities and mountainous regions in Vietnam.

The objective of the study is to analyze the current status of commodity market development in the ethnic minorities and mountainous areas in Vietnam. At the same time, find out whether the development characteristics of the above commodity market are partly affected by the ability of businesses to access government support policies. By a combination of the primary and secondary data collection methods, along with Levene's test, the study shows that the popularity/accessibility to government support policies is having a certain influence on the development of the commodity market patterns in the EMMA. Specifically, enterprises in the Northern Midlands and Mountainous region (hereafter referred to as the Northern) currently have a higher understanding and accessibility to support policies of government than the North Central Coast and Central Coast region (hereafter referred to as the Central) and commodity markets in the EMMA in Northern regions seem to be developing better than the central region in terms of distribution channel diversity, diversity of supply, and the development of warehouse infrastructure for distribution. Based on the results of this analysis, many policy suggestions and solutions will be given to help businesses in the EMMA develop, not being too far behind compared to other regions.

2. Literature Review

In this study, the policy of the EMMA is understood as a system of government interventions aimed at developing the politics, economy, culture, and social life of the people. So, in essence, these are EMMA public policies. Stemming from the above problem, the theoretical basis related to the government's support policies for the EMMA of the countries in the world is analyzed in the following (see Figure 1).

2.1. The Ethnic Minorities and Mountainous Areas in Vietnam

In 1992, the United Nations (UN) Council adopted the "Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities", in which the term "ethnic minorities" is defined to refer to a group of people "residing in the territory of a sovereign state of which they are citizens; maintaining a long term relationship with the country in which they live; expressing their own racial, cultural, religious and linguistic identity; be eligible to represent their ethnic group though smaller in number in the country; having an interest in preserving their common identity, including factors of their culture, customs, religion, and language". The concept of ethnic minorities of the European Union (EU) as embodied in the "Convention of the European Union on Ethnic Minorities" (1995) is a term used to refer to a group of people from another country that comes to reside in the territory of a European country and hold citizenship of a European bloc". Thus, this concept is essentially the same as that of the UN, but more specifically the type of ethnic minorities that are immigrants, consistent with the reality in these countries.

In Vietnam, up to now, there is no unified definition for ethnic minorities and mountainous areas. There is a

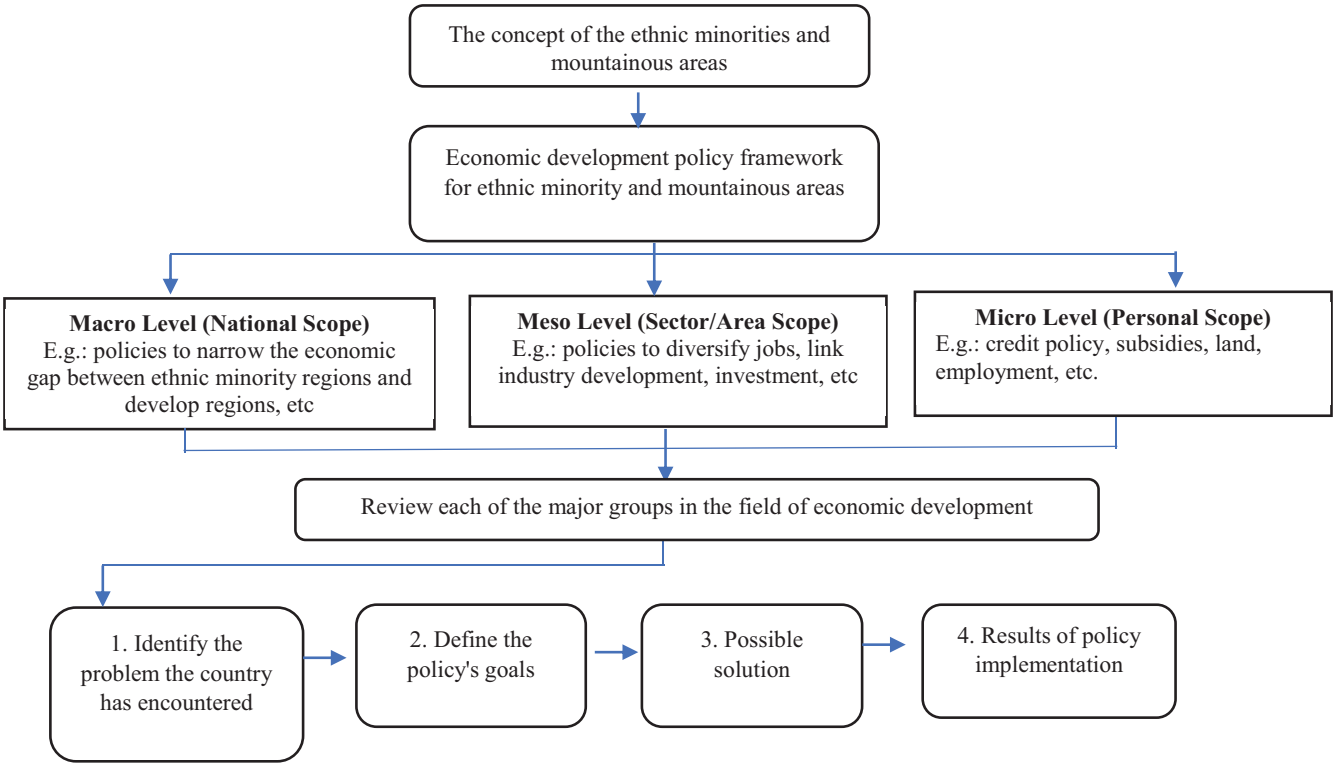


Figure 1: Analytical Framework

concept of ethnic minorities as shown in Article 4, Decree 05/2011-NĐ-CP, dated January 14th, 2011 on ethnic affairs. Accordingly, "Ethnic Minorities" are the ethnic groups with a smaller population than the majority in the territory of the Socialist Republic of Vietnam. Typically, the term EMMA is used in the regulatory agency to refer to a space inhabited by ethnic minorities in mountainous areas. In which mountainous areas are specified in the state management documents. The scope of this study, when considering the EMMA in Vietnam, will apply the Vietnamese concept. When considering international experience, the concept of ethnic minorities includes indigenous groups, immigrants, and even religious minorities (depending on the context of each country). However, it is clear that, in essence, ethnic minority concepts in Vietnam and around the world do not contradict the UN's general definition, but only more specifically the characteristics of ethnic minorities in specific contexts and with specific objects.

Nguyen and Nguyen (2019) conducted direct interviews with 300 Khmer households living in seven districts and cities in Tra Vinh province and with the use of multivariate regression. The research results showed that a number of causes that affect poverty of poor households include lack of capital for production, lack of means of production, poor health and lack of labor, large families, lack of job opportunities or unemployment, and lack of willingness to escape poverty and education.

Nguyen et al. (2020) surveyed households living in upland areas, near forests, and households of ethnic minorities to analyze the impacts of livelihood capital on poverty among mountain people who depend on forests through human capital, social capital, natural capital, physical capital, and financial capital. The results showed that, out of the poor household rate, nearly 4% are newly-poor households or those falling back into poverty. Therefore, the government needs to pay more attention to this disadvantaged group and implements policies such as education and training policies, credit support policies, policies to support forest development, and payment for forest environmental services in the context of emerging countries like Vietnam.

Do et al. (2020) used secondary data from 2014 to 2018 collected through Vietnam Household Living Standards Surveys (VHLSS) conducted by the General Statistics Office to analyze the impact of vocational training on wages of ethnic minority areas in Vietnam. The results showed that vocational training plays a crucial role in improving the wages of ethnic minorities and has a positive impact. However, apart from the achieved outcomes, vocational training and job creation for ethnic minorities are not without limitations and shortcomings.

2.2. Economic Development Policies for Ethnic Minorities and Mountainous Areas in the World

Through research on the theoretical basis, the formulation and implementation of the policies on EMMA will depend on the views on ethnic minorities of each country, at the same time suitable for the context and specific conditions in specific times of those countries. In fact, the economic development policies for EMMA are often implemented on 3 levels, namely Macro, Medium, and Micro, and 5 basic policies including Regional development policy; Policy to narrow the economic gap between regions; Policy to promote commercial infrastructure; Start-up policy for EMMA areas; and financial support policy for businesses in ethnic minorities. In the following presentation, the authors will focus on learning experiences in policies related to economic development in EMMA in countries around the world (Table 1).

Table 1: Overview of Some Economic Development Policies for Ethnic Minorities and Mountainous Areas of Some Countries in the World

Macro Level (National Scope)	**China–Regional Development Policy (Program to Revitalize Border Areas and Enrich Residents' Lives)**				
	Matters Arising	**Policy Objectives**	**Solution Applied**	**Result**	**Source**
	Ethnic minorities in the border areas, in the western provinces, are less developed than other regions.	Aim to help the ethnic minorities Improving people's lives will help them feel secure living in border areas, contributing to maintaining border security.	Investing in infrastructure construction (eg. Connected car roads Strengthening village planning and habitat treatment Production development: appropriate economic structure transformation.	The socio-economic development level of ethnic minorities in this area has been improved one step after 5 years of implementing the policy (but still very poor and underdeveloped compared to domestic ethnic minorities).	He (2005)
	Malaysia–Policy to Narrow the Economic Gap Between Regions				
	Contradictions arise from gaps in living standards between ethnic groups.	Narrow the economic gap between Malaysians and ethnic groups through economic policies that favor Malaysians.	Ownership restructuring in the business sector, increasing the ownership of Malaysians from less than 2% (1970) to 30% in 1990 Support and encourage the development of Malaysian private businesses.	Increase the number of Malaysian businesses Increase income and reduce poverty for Malaysians, without the occurrence of major ethnic conflicts.	Ali (2008); Charles (1994); David (2014); Lew (2003)
Meso Level (Sector/ Area Scope)	**China–Policy to Promote Commercial Infrastructure (Belt and Road Initiative)**				
	Guangxi and Yunnan are two provinces with many ethnic minorities, the gateway connecting China with Southeast Asian countries.	Build a well-off society by 2021 Successfully building a modern, civilized, strong, democratic, and harmonious socialist China by 2049.	Clearance policy, Interconnected infrastructure, Trade smoothly Circulating capital People's thoughts are similar.	In 2008, the GDP of ethnic minorities increased by 92.5 times compared to 1952.	Barry (2014); Michael (2004)

Table 1: (Continued)

	Australia–Startup Policy for Ethnic Minorities				
	The gap in living standards is quite large between indigenous peoples and other ethnic groups in Australia.	Help indigenous people improve their lives, narrow the gap with other ethnic groups.	Establishment of an Advisory Group on policies to support indigenous economic development Promote indigenous people to participate in business management and governance Improve the quality of data collection on the size, diversity, location, and success factors of the indigenous private sector Assist indigenous peoples to set up, buy and grow small and medium-sized businesses.	• Shorten the gap between ethnic groups • The number of jobs in ethnic minority areas has increased	Lesleyanne (2015)
Micro-Level (Personal Scope)	**India–Financial Support Policy for Businesses in Ethnic Minorities**				
	The Indian community in Malaysia has many difficulties in doing business.	Seek solutions that are effective, sustainable, transparent, and have a measurable impact on the development of the Indian community in Malaysia.	Deploying credit assistance programs, including interest-free or low-interest loans Business consulting support Support risk management.	The status of the Indian community in Malaysia has been significantly enhanced The number of Indian firms participating in Malaysian government contracts increases.	Ashutosh (2001), Kanti (1997)

Through an analysis of some ethnic minority policies that have been implemented in the world, some points can be drawn as follows:

Ethnic minority policies are often designed in association with regional development policies. Given the characteristics of ethnic minorities' concentration in certain regions, policies on ethnic minorities should be designed and implemented following the specific functions, positions, and advantages of each region.

Experience from Australia and Malaysia also shows that ethnic minority policies must be designed to suit the characteristics and advantages of each ethnic minority group to be effective.

Developing programs to help ethnic minorities start-up and business development play an important role in economic policies for ethnic minorities. Ethnic minority start-up policies aim to bring into play the advantages and role of ethnic minorities in economic development, exploit ethnic characteristics to improve the lives of ethnic minorities. This policy will simultaneously achieve the dual goal, on the one hand, improving the lives of ethnic minorities, on the other hand, creating new growth engines for the economy. These are policies that are used quite a lot by the governments of Australia, Malaysia, and India and have achieved a certain success.

3. Methodology and Data

3.1. Methodology

The methodology proposed in this paper is descriptive in nature and relies on secondary data from official documents and primary data from surveys, field observation, and interviews. As shown by the objectives of the study,

understanding the relationship between market development policies and distribution market patterns in the EMMA requires studying from multiple perspectives. More specifically, the method proposed in this paper will focus on analyzing three complementary perspectives: (i) distribution market supply; (ii) distribution market demand, (iii) market development policy accessibility of business in the EMMA of Vietnam. In addition, to clarify whether the level of access to corporate policies affects the characteristics of the commodity market or not, the authors apply the above criteria to analyze 2 groups of provinces in the Northern Midlands and Mountainous and North Central and Central Coast, Vietnam. The selected provinces ensure high ratios of ethnic minorities and mountainous people, over 50% of the total population.

3.1.1. Commodity Market Supply

The commodity market evolves as a result of commodity production, which evolves as a result of excess supply and the demand to trade things. But most of the production activities of the people of EMMA in Vietnam are rudimentary activities, simple and outdated production practices, mainly extensive farming, self-sufficient, and nature-based, and some ethnic minorities still keep the tradition of shifting cultivation. Commodity supply analysis for the market will focus pn (i) Supply of goods produced by EMMA people; (ii) Supply of goods from other localities; (iii) Supply of goods from abroad. Besides, the business model, the sales method, and the infrastructure serving the goods distribution system are also considered as supply factors of the market.

3.1.2. Commodity Market Demand

The demand characteristics of the distribution markets of ethnic minority and mountainous areas will be analyzed through the following indicators: (i) Statistics of income per capita; Expenditure per capita by expenditure; (ii) The current situation of goods distribution objects of the enterprise; (iii) Sales method and payment for goods.

3.1.3. Governmental Development Policy and Enterprises Accessibility

Governmental development policy would be investigated in such aspects as supply development policy and demand development policy. Government policy accessibility to EMMA enterprises is assessed through indicators such as (i) What policies are made to the business? (ii) Among the known policies, which policy did enterprises have access to? (iii) The level of business in the consultation process and comments on the draft policy. Especially in this section, there will be a comparative analysis of enterprises' access to the above policies in the Northern Midlands, Mountainous, and North Central - Central Coast.

3.2. Data Collection and Processing

3.2.1. Methods of Collecting Secondary Information

Examine secondary documents from a variety of sources, as well as domestic and international research on ethnic policy. The method is used to maximize a system of relevant research policies, papers, and results, as well as to analyze, explain, and provide applicable solutions.

3.2.2. Field Survey

Primary information, documents, and data were collected by field survey methods through questionnaire surveys of distributors in the EMMA commodity market in the northern midlands and mountainous regions. The content of the questionnaire focused on the status of the commodity market development as well as the situation of the implementation of policies to develop these markets in ethnic minorities and mountainous areas.

About the survey area: Market development survey for EMMA conducted in 7 selected provinces/cities, representing ethnic minorities and mountainous areas in the Northern Midlands and Mountainous areas-The Central Coast. These are the provinces with high rates of ethnic minorities and mountainous people, over 60% of the total population. Specifically:

Northern midland and mountainous region: Lang Son, Lao Cai, Quang Ninh, Lai Chau;

North Central and Central Coast: Nghe An, Quang Binh; Quang Ngai, Binh Thuan.

About the subject of the survey: Enterprises, individual business establishments producing, distributing, providing services, cooperatives. The number of enterprises surveyed is 70.

Survey time and force: The survey was officially conducted from April 2018 and until June 2019, with 01 trial investigation and 02 official investigations. The survey was conducted by the Institute of Industrial and Trade Policy and Strategy - Ministry of Industry and Trade with the participation of the Departments of Industry and Trade of the provinces/cities, the Economic Departments, the Industry and Trade Departments of the districts.

3.2.3. Data Processing

The descriptive statistical method is used to analyze the current situation of the commodity market in ethnic minority

areas based on collected data and documents. Also, in this study, the authors used Levene's test to clarify the difference in the popularity of the Government's support policies with the surveyed groups (enterprises) of the different regions (Northern and Central). To perform this analysis, the authors analyze the differences of each region with two specific factors: (i) The level to which firms perceive the Government's support policies; and (ii) The level to which firms have access to the Government's support policies.

4. Results

4.1. Characteristics of Commodity Market Supplying the Ethnic Minorities and Mountainous Areas of Vietnam

4.1.1. The Supply of Goods to the Market

The supply of goods in the ethnic minorities and mountainous areas of Vietnam markets mainly comes from three main sources: (i) supply of goods produced by ethnic minorities and mountainous people; (ii) supply of goods from other localities; and (iii) supply of goods from abroad. Specifically, the distribution of this supply is as follows (Figure 2).

Most of the commodity market supply of goods in the two regions comes from self-sufficient production, in which the main production activities are agriculture - forestry, based on the exploitation of natural resources, through farming (growing rice, corn, potatoes, tobacco, cotton, chili, onion, etc.), cattle breeding, knitting, traditional weaving, traditional medicine, craft forging, carpentry. The supply of goods from other localities is limited due to high transportation costs so the selling price of products is quite high compared to the income of the population. Import goods' supply, through official channels and small channels, is mainly from countries sharing a border with Vietnam such as China, Laos, and Cambodia.

4.1.2. Diversification of Distribution Forms

Typically, in ethnic minorities and mountainous areas, some major forms of distribution are as follows. The first one is a traditional market/fair held on a weekly or monthly basis, consisting of many small stalls selling a variety of goods but mainly daily necessities, food, fresh produce such as clothes, shoes, fruits, vegetables, fish, meat, etc. The fair market is the most concentrated place for goods and is the main place for buying, selling, and exchanging products for regular consumption of EMMA people. Second, selling goods at home/in the field, usually sold to traders under verbal contracts at the beginning of the production period or the end of the harvest. Products exchanged are usually foods and crops of common food, mainly concentrated in the mountainous districts bordering the border. Third, the grocery store (sold at home), is a store of individuals/households, often located in a densely populated area such as commune centers and districts to provide necessities to serve residents in the village. Fourth, specialized stores (sold at home) that only sell one or a few products of a certain group. Store locations are usually located in central districts and towns. The fifth is agents or large stores, in addition to the retail function, are also the focal point to supply goods for grocery stores (Figure 3).

The market for EMMA products in the North has a higher level of diversification than that of the Central region. Specifically, in the markets of EMMA in the Central region, the popular distribution of businesses is through traditional markets (accounting for over 80%). Larger scale and more professional types of businesses are quite limited, for example, groceries 10%, and agents 16.7%. Meanwhile, the market for EMMA in the Northern is more diverse in all types of distribution.

4.1.3. Sales Method of the Business

Enterprises in the ethnic minorities and mountainous areas in the two regions all use the traditional method (direct purchase) in purchasing and selling goods. A good

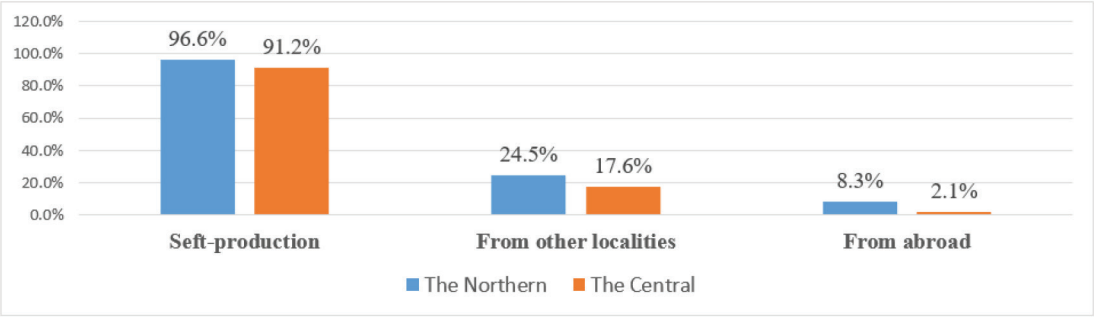


Figure 2: The Main Supply of the Commodity Market

sign is that the number of businesses using a combination method (traditional and through the internet, telephone) in purchasing and selling products is on the rise, which is a good indicator. Specifically, more than 50% of businesses say that they always try to combine both modern and traditional methods in sales (Figure 4).

Besides, the penetration of the Industrial revolution 4.0 through e-commerce also seems to have partly affected the selling method of distribution enterprises in EMMA. Specifically, the number of enterprises applying e-commerce also tends to increase, creating some signals to promote the development of the commodity market.

The proportion of enterprises owning warehouses system for goods distribution and stockpiling goods in the North is nearly 84%, much higher than the Central enterprises, especially more than 50% of those warehouses are from 500 m^2 to more than 1000 m^2. Meanwhile, the proportion of enterprises owning stock storage goods in the Central region is about 59%, mainly in the normal type of warehouse (Table 2).

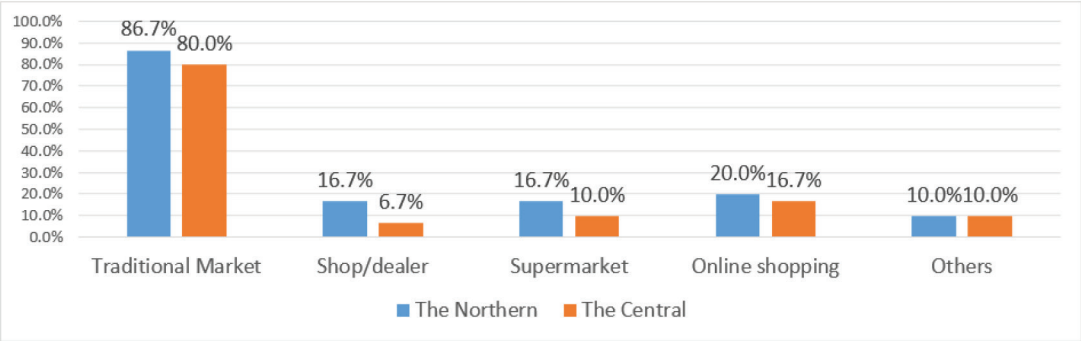


Figure 3: Forms of Market Distribution

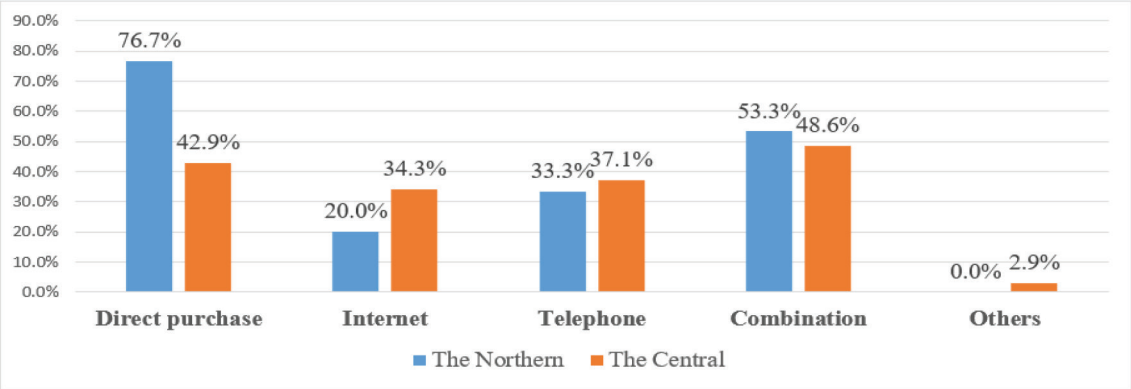


Figure 4: Sales Methods of Enterprises

Table 2: The Current Situation of the Warehouse System for Goods Distribution

	Northern	Central
The proportion of enterprises with stockpiles and storage of goods	83.9%	59.0%
In which:		
Ordinary warehouse	50.0%	77.3%
Dedicated warehouse	50.0%	22.7%

The warehousing system (logistics infrastructure) in the Central region is relatively simple and outdated, which may partly affect the supply of goods in this market.

4.2. Characteristics of Commodity Market Demand in the Ethnic Minorities and Mountainous Areas of Vietnam

4.2.1. Per Capita Income and Spending Levels

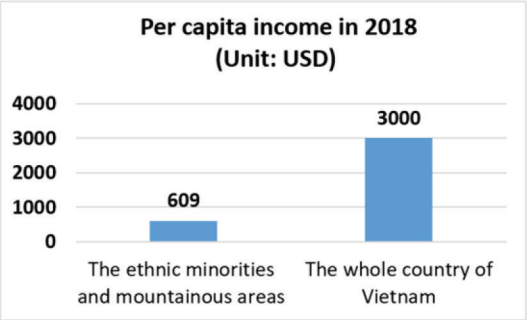
In terms of the national market situation, it can be seen that the market for EMMA of Vietnam is still a slow-growing market with low purchasing power per capita. The survey results of the General Statistics Office of Vietnam in August 2019 showed that the per capita income in Vietnam reached US$ 3,000/year (Figure 5).

According to the report of the Committee for Ethnic Minority Affairs, the average real income per person in EMMA is about US$ 48 - US$ 51/month, equivalent to US$ 550 - US$ 609/year. Thus, the income level of ethnic minorities is now only 1/5 of the national income.

The statistics show that, in rural and mountainous areas, the level of living expenses per capita/month still tends to increase, accounting for a high proportion of total spending (about 93.4%). Other spending accounts for a low proportion of about 6.6%. The small purchasing fund, which is fragmented, reflects the income and shopping level of residents that have not reached a large enough level to change the quality of the current rural and mountainous market. Self-sufficiency is not only not overcome but is strengthened, and the ideology of promoting traditional agriculture and forestry production, which has long dominated and is popular in all rural regions, will continue to be one of the key obstacles impeding trade and market development.

4.2.2. Target Customers of the Distribution Enterprises

When considering the customers of distribution businesses in these two regions, the customers of distribution businesses are quite diverse from end-users to customers who are individual business households, dealers, cooperatives, and export companies (Figure 6).



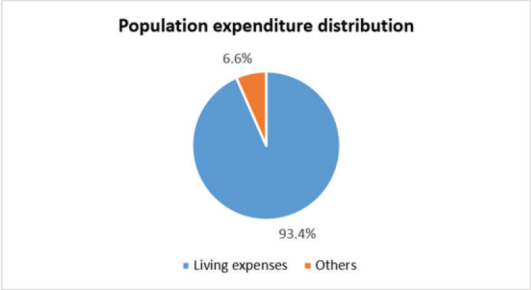


Figure 5: Per Capita Income and Population Expenditure Distribution

Source: Thuy (2020).

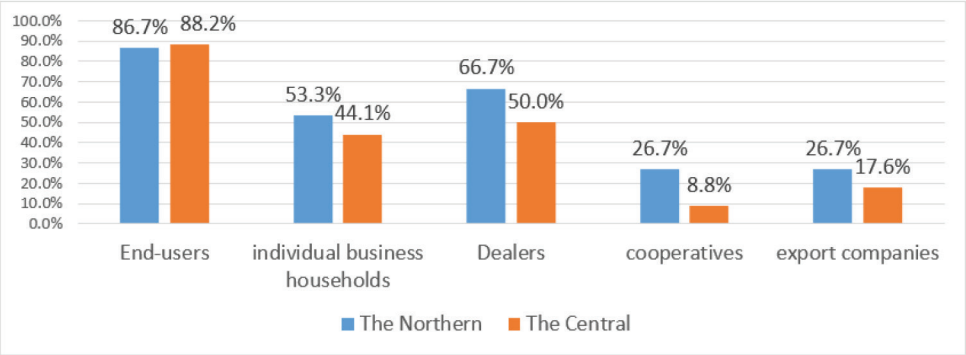


Figure 6: Target Customers of the Enterprises

However, it is worth noting that the proportion of customers who are final consumers of distribution enterprises of EMMA in the Central region accounts for a large proportion of the distribution target, which is mainly the number of retail customers. Meanwhile, the customers of the North's distribution enterprises are diverse and relatively evenly distributed among customers.

4.2.3. Payment Methods

In general, the percentage of cash payments of EMMA in Vietnam is very high, especially nearly 90% of customers in the Northern Midlands and Mountains regions still use cash payment in transactions, while in the North Central and Central Coast, the form of barter payment is still widely used (Figure 7).

Using too much cash in payment brings certain disadvantages to individuals as well as the overall economy, for example of the risk of losing tax for the state or reducing capital turnover for the business, negative impact on accuracy and safety of payment.

4.3. Current Status of Commodity Market Development Policies for Ethnic Minorities and Mountainous Areas of Vietnam

Market development policies for EMMA are an integral part of the country's commercial policy. According to the WTO, commercial policy refers to all actions, policies, and actions of the Government relating to the exchange of goods and services. With that point of view, the commodity market development policy in EMMA is understood as a system of regulations, tools, and measures applied by the Government to develop commodity markets in EMMA in a given period to achieve the common goal of developing EMMA.

Thus, market development is one of the tools and measures to achieve the development goals of EMMA. Therefore, the commodity market development policy for EMMA is often integrated into many programs, projects, and policies for EMMA from the central and local levels. The overall objectives of these programs and projects include economic growth and restructuring in EMMA; development of infrastructure in ethnic minorities and mountainous areas; sustainable poverty reduction in ethnic minorities and mountainous areas; developing education, training, healthcare, and healthcare for people in EMMA; cultural preservation and development; and protecting forests and forest resources.

To achieve the above objectives, the commodity market development policy for EMMA will focus on specific objectives to develop the elements of the commodity market, promote the synchronous formation of markets in EMMA as well as connection with commodity markets of other regions in the country, including:

Policies to develop the commodity market supply

These policies are introduced by the Vietnamese government to concentrate resources to promote commodity production in EMMA; stabilize the supply to the market, avoid unstable changes in goods that affect social order, national security, and defence in EMMA; specific regulations (if necessary) for several business items such as prices, methods of distribution, etc. Besides, supply development policies are also shown in the following aspects:

Commercial infrastructure development policy: including policies related to building, maintaining operations, and expanding service radius of commercial establishments (mainly markets, petrol stations) in EMMA.

Commercial intermediary system development policy: including policies to ensure a smooth goods circulation system between regions to bring goods from concentrated production areas (delta and midland areas) to difficult areas (mountainous and remote areas), such as the policy of expanding business rights for traders, encouraging the development of business forces, among others.

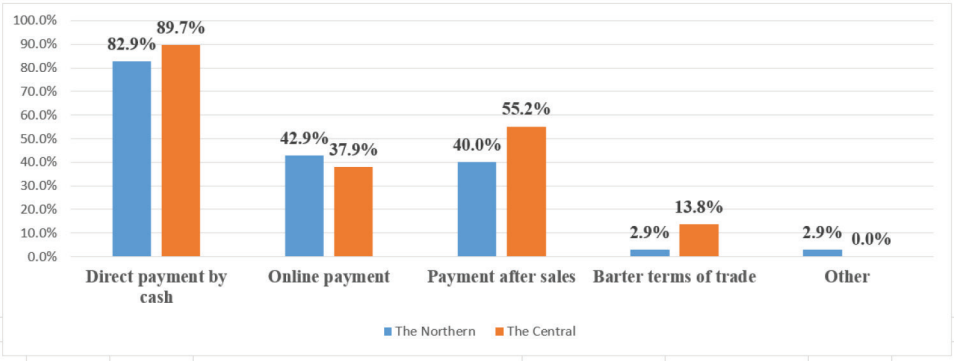


Figure 7: Consumers' Payment Method for Goods

Policies to develop commodity market demand

Includes policies to meet the current and future needs of EMMA, and promote increased purchasing power for goods serving production and consumption of ethnic minority and mountainous areas. For example, support for preferential credit loans for EMMA people. Specifically, the lending method complies with the Government's Decree No. 78/2002/ND-CP dated October 4th, 2002 on credit for the poor and other policy beneficiaries; the purpose of borrowing to create land for production, service, or other jobs to increase income, and reduce poverty sustainably. The loan limit does not exceed the maximum loan limit applicable to poor households in each period; the maximum loan term is 10 years; the lending interest rate is equal to 50% of the loan interest rate for poor households in each period.

Note that, the division of policies according to the above content groups is only relative. There are very few specific policies that deal with specific content such as the development of supply, demand, traders, or products, but there is an interference of policy content. A policy can be both a supply development policy, an infrastructure development policy, and a distribution channel development policy. Therefore, market development policies will be discussed or proposed using a multi-dimensional approach and impact analysis in a multitude of ways.

4.4. Current Status of Policy Accessibility for Ethnic Minority Enterprises in Vietnam

During the past many years, the Vietnamese government has implemented many projects, policies, and programs with the aim of hunger eradication and poverty reduction and to exploit the local potentials and strengths and develop commodity production in the EMMA. Government policies focus on the main contents of support for business capital (procedures, interest rates, limits, etc.); support for the consumer market on science and technology techniques; labor training, infrastructure, and tax (land tax, income tax, VAT, license tax, etc.). In this study, all surveyed enterprises are specifically interviewed about whether they know about the above support policies of the Government or not? If so, what policies did they have access to?

Survey results have shown that most of the government's support policies for EMMA are known by businesses but there is a difference in the level of interest and access to each policy (Table 3). Specifically, in this study, the authors used the test of variation analysis with different groups of respondents to further analyze the differences in the level of awareness of the above policies between enterprises of the two regions. After running the analysis with the *t*-test and Levene's Test, the results show that the variance in awareness level and the accessibility of supportive match between enterprises in different regions are different in a 5% statistical significance level (*p*-value of Leneve is 0.03 and 0.01 < 0.05, respectively) (Table 4).

The descriptive statistical results of each region in Table 3 and Table 4 show that firms in the North have a higher degree of policy awareness and accessibility than firms in the Central region. Also, according to the survey results, most enterprises in the two regions have access to the government's policies through the media such as mass media, local media, and magazines. In particular, the method by word of mouth is also one of the relatively popular ways for distribution enterprises in the Central region to access the governmental support policy system (Figure 8).

Table 3: Descriptive Statistics of Policy Awareness and Policy Accessibility by Region

Criteria	Region	*N*	Mean	Std. Deviation	Std. Error Mean
Level of policy awareness	Central	37	2.33	1.109	0.214
	Northern	33	4.13	2.224	0.406
Level of policy access	Central	32	3.25	1.288	0.372
	Northern	32	5.05	3.154	0.673

Table 4: The Results of Testing Differences in Policy Identity and Policy Accessibility by Region

Criteria	Levene's Test		*t*-test		Recognize the Difference
	F	*p*-value	*F*	*p*-value	
Level of policy identity	9.350	0.03	−3.923	<0.001	Yes
Level of policy accessibility	14.284	0.01	−2.336	0.026	Yes

Even though there are many propaganda channels about supporting policies, many enterprises believe that the process of accessing and implementing these policies is very difficult, especially for regional distributors in the Central regions. Also, the completeness of policies supporting businesses in EMMA is still limited. However, with already implemented policies, they are highly effective and are well-supporting business activities of enterprises (Figure 9).

Specifically, according to the survey results, when assessing the adequacy of policies, up to 46.4% of enterprises in the Northern believe that the current policies are not complete, and 25% of enterprises rated that the policies were not feasible. While the corresponding figures of enterprises in the Central region are 24.2% and 6.1%, respectively. Although the number of policies to be accessed is limited, firms in the Central region are quite optimistic about the effectiveness of the policies they have had access to.

5. Discussion

Through the analysis of commodity market characteristics of EMMA of Vietnam, it can be seen that in terms of supply, the supply of goods in the market is still quite small due to the slow development of goods production, outdated production practices, and most of the production activities of people in EMMA are rudimentary activities - simple and outdated production practices, mainly extensive farming, self-sufficient and nature-based, and some ethnic minorities still keep the tradition of shifting cultivation. New production and business models have also appeared thanks to poverty reduction programs of the Government and non-governmental organizations, but their pervasiveness is not high and has not significantly changed the thinking and production practices of the people in ethnic minority and mountainous areas. Production is heavily self-sufficient, production is fragmented, products are only enough to meet individual needs or exchange on a small scale, rudimentary mode of exchange, even in the form of barter, and only products that cannot be exchanged are marketed. This feature makes the supply of goods in EMMA difficult to develop.

In terms of market demand for goods in EMMA, the scale of demand for goods in this region is still quite low and geographically dispersed. The form of distribution

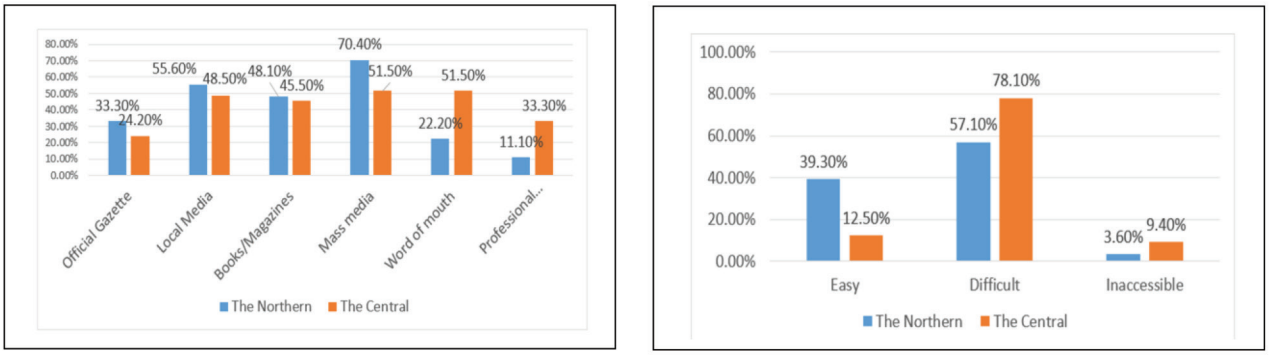


Figure 8: Policy Accessibility and Assessment by Business

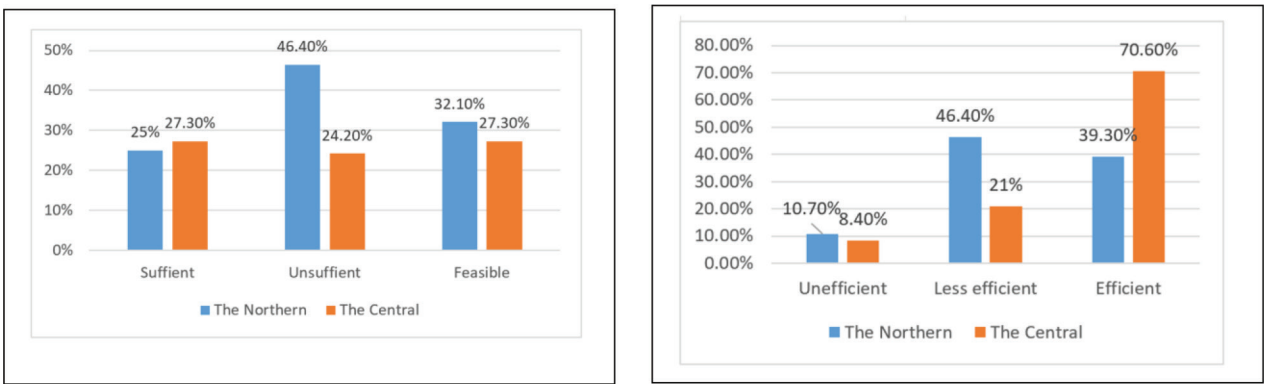


Figure 9: Evaluate the Completeness and Effectiveness of Government Policies

is mainly done through traditional markets. However, the majority of people in EMMA do not often visit the market, rather they wait for durable consumer goods such as televisions, refrigerators, and motorbikes to become available on the main market, or areas such as shopping malls, agents in towns, townships, etc. As a result, the demand for goods in ethnic minorities and mountainous areas lacks continuity.

If the development of a commodity distribution channel system facilitates transactions, is an important basis for assessing the development of the commodity market, it can be said that the commodity market of ethnic minorities and the Northern mountainous areas seems to be developing better than the Central region. The reason is that the diversity of input supplies, types of business, distribution logistics activities, and payment methods of distribution enterprises in the North are all higher than those in the Central region.

At the same time, enterprises in the ethnic minorities and northern mountainous areas are more understanding and approaching Government support policies than in the Central region. Many factors influence the growth of the commodity market in ethnic minorities and mountainous areas because of the government's policies. Some policies such as tax and subsidy policies often aim to impact income, consumption habits, and production methods, thereby creating a rapid change in the commodity market in ethnic minorities and mountainous areas. According to the survey, ethnic minorities and northern mountainous enterprises have a much higher rate of access to policies such as business capital policy (procedures, interest rates, limits, etc.); tax policy (land tax, income tax, VAT, license tax, etc.), business premises policy (land clearance, land lease procedures, land tax, etc.), and engineering, science and technology. This partly explains the higher development of the goods market in the North than in the Central region.

The analysis results also showed that the process of accessing and implementing policies to support distribution businesses in the EMMA in the northern central region still faces many difficulties, partly due to ineffective activities of organizations, Government management agencies, and market management for commodity markets in this region. Despite the fact that supporting policies for this region are difficult to access and incomplete, the policies that have been implemented are playing a key role in supporting and enabling business production (for example, infrastructure policy, credit support).

It can be said that the research results of the article show consistency with research results on economic development policies for EMMA implemented in many countries around the world such as China, Malaysia, Australia, and India. Specifically, the ability of policy accessibility for EMMA plays an important role in ensuring policy effectiveness, for example of lessons learned from China (He, 2005) or Australia (Lesleyanne, 2015). Besides, to be effective, the policies on EMMA should also be designed in association with regional development policies as well as the characteristics and advantages of each ethnic minority group, for example, from the lessons of Malaysia (Ali, 2008; Charles 1994; David, 2014) or India (Ashutosh, 2001; Kanti, 1997). When the advantages and specific policies are exploited, suitable to the development characteristics of each region or each ethnic group, there will be opportunities to promote common advantages, better aggregate resources, and organize the policy implementation more effectively.

In summary, the role of the government's policies and programs for the development of EMMA in recent years is undeniable. In the coming time, it is essential to create a push and necessary conditions for the development of commodity production in the EMMA, to ensure development in terms of supply and demand as well as the distribution system, market intermediary. Especially, the policy on developing the commodity market in ethnic minorities and mountainous areas should be associated with the characteristics of each market area to ensure the practicality, feasibility, and effectiveness of the policy.

6. Conclusion

Vietnam has long been interested in socio-economic development, markets, and commerce in rural and mountainous areas strategic directions, policies, and various programs to develop trade and market in the 30 years since the renovation. However, trade and different types of markets in ethnic minorities and mountainous areas of Vietnam have yet to achieve their desired goals and objectives, and people's lives continue to be difficult and deprived. In particular, the study's findings revealed that the commodities market in ethnic minorities and mountainous areas is still underdeveloped, with a wide discrepancy in size and development level compared to the country's average level. The distribution system, market intermediaries connecting the supply and demand of goods in ethnic minority and mountainous areas are limited and quite out of date. Also, the development of commodity markets of ethnic minority and mountainous areas is not equal among regions, as well as, among ethnic groups.

The current market development policies for ethnic minorities and mountainous areas are incomplete and unconnected. Especially when comparing the characteristics of commodity market development and the level of enterprises' access to Government support policies in the Northern Midlands and Mountainous and the Central Coast, shows that enterprises in the Northern mountainous

and ethnic minority areas currently have a higher level of understanding and accessibility to government support policies than the Central region, and at the same time, the commodity market for ethnic minorities and the Northern mountainous areas seems to be developing better than the Central region. It can be seen that the urgent problem posed for the ethnic minority and mountainous areas of Vietnam today is the need to create a push and necessary conditions to develop commodity production in these areas, ensuring the development of supply and demand side as well as distribution systems, market intermediaries. Obviously, the development of the commodity market will lead to the development of production and business decisions in the EMMA of Vietnam.

In addition to this, strong development of the commodity market is also expected as a premise and driving force for the development of other types of markets in ethnic minorities and mountainous areas such as financial market, labor market, science, and technology market. This is an important leverage for overall socio-economic development, income improvement, and improvement of the lives of ethnic minorities and mountainous areas people in Vietnam in the coming time. In this context, one of the essential requirements for success is that economic development programs for ethnic minorities and mountainous areas in Vietnam should be strongly linked to the characteristics of each market area.

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