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On "Did Program Support for the Poorest Areas Work? Evidence from Rural Viet Nam"

by Hai-Anh H. Dang, Klaus Deininger, and Cuong Viet Nguyen

Goal Evaluate the impact of large-scale poverty alleviation program in Vietnam (30A Program)

Data (i) Vietnam Household Living Standard Surveys
(ii) Nighttime light data (DMSP/OLS/VIIRS)
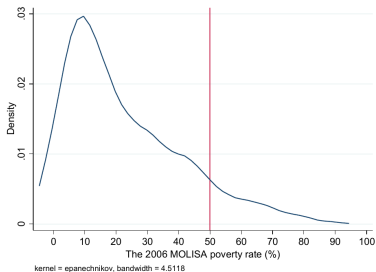(iii) Firm data at district level (Vietnam Enterprise Censuses)

Method Regression discontinuity design with district fixed effects

Results (i) no significant program effects on household welfare (by per capita income & poverty)
(ii) nor on local economic development (by nighttime light and new firms)
(iii) program facilitates farm to nonfarm emp & share of nonfarm income for rural HH ↑
(iv) increases access to electricity, transportation, education and health care utilization
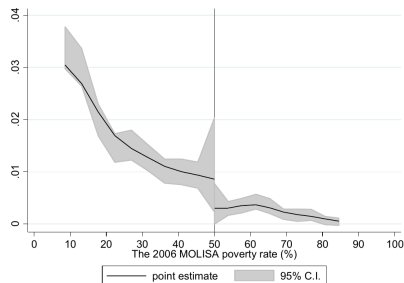
- 30A program selects districts if their poverty rate in 2006 was larger than 50%

- Program is proposed at 2008: unlikely to manipulate poverty rate (tested)

Figure 4. The density of the district poverty rate

A. The kernel density of the MOLISA poverty rate of districts

B. RDD manipulation test using local polynomial density estimation

Note: This graph shows density of districts by the 2006 poverty rate around the threshold of 50%.

> A well executed policy paper that evaluates the impact of poverty alleviation program

> My biggest concern: provided a **negative result** on program effects without explaining **why**
>> Not all poverty alleviation programs are created equally; is this result applicable to others?

> This reason is also important within the scope of this program
>> This program indeed shifts the employment and increases access to necessities

> We see positive results at individual level, but no aggregate effects on district development
>> Program starts after 2008 Great Recessions, could the deterioration of global economy cause negative result?