

Microfinance and Poverty Reduction in the Mekong Delta in Vietnam.
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Abstract

One common solution to resolve poverty is providing microfinance to the poor. Microfinance has been claimed to positively impact the livelihoods of the poor through accumulation of social, human, financial natural and physical assets. This paper empirically examine if microfinance contributes to the reduction of poverty in the Mekong Delta region of Vietnam. Analysing household survey data collected in 2006, from Hoa An commune in the Mekong Delta area, it investigates if microfinance leads to accumulation of assets. It further investigates how poor women are enabled to adopt livelihood strategies that lead to poverty reduction. Information is collected by implementing a household survey. This is further supplemented with qualitative information from Participatory Rural Appraisal, interviews with key informants and focus group discussions with members and non-members of the microfinance programs in the area. The main finding suggests that the process of accumulation of assets, leads to creation of livelihoods that result in increased household income and poverty reduction.