

REGIONAL ECONOMIC STUDIES PROGRAMME WEBINAR

Webinar Series 2020-2021: Financial Transformation, Credit Markets and Household Debt in Southeast Asia

Filling the voids left by the Formal Sector: Informal Borrowings by Poor Households in Northern Mountainous Vietnam

Date : Thursday, 3 June 2021

Time : 4.00 pm – 5.15 pm (Singapore time)

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About the Webinar

When poor households cannot or do not fully access formal credits, informal credits become important to supplement funds for households' production and consumption. Using mainly primary data derived from a survey of 400 poor households, this study aims to examine the current accessibility, loan purposes and effects of informal credits on poor households in Thai Nguyen province, Vietnam. The results show that there is a considerably high proportion of informal borrowing from relatives, neighbouring villagers, professional moneylenders, rotating saving and credit groups, trade credits and mortgages. Labour force ratio, social capital and residential land areas are the key determinants of poor households' informal borrowings. The purposes of borrowing are diverse. The informal loans also have certain significant effects on poverty reduction and the welfare of poor households. Rural finance in Vietnam has progressed well; however, both the formal and informal financial sectors need to put in further effort in order to better serve poor clients.

About the Speaker



Pham Bao Duong is an associate professor at the Faculty of Economics and Rural Development, Vietnam National University of Agriculture. He received his Ph.D. in agricultural economics from the University of Tokyo, Japan. In 2016, he was a visiting associate professor at the University of Tokyo, Japan. His main research interest includes agriculture and rural development policy, agricultural technology and public policy. He has published academic papers in internationally referred journals including World Development, Journal of Policy Modelling, International Journal of Social Welfare, Journal of World Aquaculture Society, Savings and Development, Economic Analysis and Policy, Agricultural Finance

Review, Journal of Rural Cooperation, Japanese Journal of Farm Management, and book chapters.

About the Discussant



Koichi Fujita is serving as a Professor at the Center for Southeast Asian Studies, Kyoto University since 2006. He specializes in agricultural economics and rural socio-economic research in contemporary South and Southeast Asia, with an emphasis on the issues such as land tenure, irrigation and water management, labor and employment, rural administration and organizations, and rural finance. Since 2015, he acts as the Convener of the National Institutes for Humanities project on “South Asian Area Studies” which is a collaborative research project based on a network of six centers in Japan. His publications include *Economic Transition in Myanmar after 1988: Market versus Control* (co-edited with Fumiharu Mieno and Ikuko Okamoto, Kyoto University Press and National University of Singapore Press, 2009), and *Re-thinking Economic Development: The Green Revolutions, Agrarian Structure and Transformation in Bangladesh* (Kyoto University Press and Trans Pacific Press, 2010). He also edited a special issue with Professor Akihiko Ohno, “Savings Groups in Laos from a Comparative Perspective” in *Southeast Asian Studies*, Vol.3, Supplemental issue, March 2015.