NEEDS ASSESSMENT

Digital literacy program for marginalized populations in rural, poor, and disadvantaged communities in Vietnam

The Asia Foundation
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TYM

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TINH THUONG ONE MEMBER LIMITED LIABILITY MICROFINANCE INSTITUTION (TYM)
&
THE ASIA FOUNDATION

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Disclaimer: The implementation of this assessment and the production of this report is commissioned by the TYM and The Asia Foundation (the Foundation). The authors received consent of the informants in using their provided information and photos. However, the comments and conclusions described in this report are the analysis results of the authors, they do not necessary reflect the official views of the TYM, nor the Foundation.

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It is for sure that shortcomings are unavoidable, and we look forwards to your interest, comments and cooperation.

The research team

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LIST OF ABREVIATIONS

ASEAN	THE ASSOCIATION OF SOUTH EAST ASIAN NATIONS
ATM	AUTOMATED TELLER MACHINE
BDS	BUSINESS DEVELOPMENT SERVICE
ECS	ELECTRONIC CLEARING SERVICE
FGD	FOCUS GROUP DISCUSSION
GDP	GROSS DOMESTIC PRODUCT
ICT	INFORMATION COMMUNICATION TECHNOLOGY
IFC	INTERNATIONAL FINANCE CORPORATION
IDI	INDIVIDUAL IN-DEPTH INTERVIEW
ILO	INTERNATIONAL LABOUR ORGANIZATION
IT	INFORMATION TECHNOLOGY
KRA	KEY RESPONSIBILITY AREA
KYC	KNOW YOUR CUSTOMER
MARD	MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT
MoIT	MINISTRY OF INDUSTRY AND TRADE
MFI	MICRO FINANCE INSTITUTION
OCD	ORGANIZATIONAL CAPACITY DEVELOPMENT CONSULTING FIRM
SME	SMALL AND MEDIUM ENTERPRISES
The Foundation	THE ASIA FOUNDATION
TYM	TINH THUONG ONE MEMBER LIMITED LIABILITY MICROFINANCE INSTITUTION
UNFPA	UNITED NATIONS POPULATION FUND

EXECUTIVE SUMMARY

Introduction and main takeaways

This Needs Assessment had been conducted from January to March 2020 under the framework of the regional Go with Digital ASEAN Project. The main objective of the Assessment is to assess the situation of the accessibility and application of digital technologies by the community people in disadvantaged areas who are mostly the clients of Tinh Thuong Microfinance Institution (TYM), thereby identifying their training needs on digital technologies. The Assessment results will inform The Asia Foundation and TYM to develop a digital literacy education program and appropriate capacity building activities, which will enable the TYM clients to improve their access to and application of digital technologies for their household economic development.

The Assessment has collected a relatively comprehensive data and information from a large sample size of 5,869 from a field survey and more than 150 from in-depth interviews and focus group discussions in 13 provinces representing 4 geographic areas (northern delta, mountainous, northern central and coastal) in the north and northern central of Vietnam. This is a valuable database which presents a full picture of how the community people, especially female clients of TYM are applying digital technology in their business and life, and what are their expectations on the digital training program.

Key takeaways from the Needs Assessment include:

- Firstly, the Assessment confirms the relevance and opportunity for implementation of Go with Digital ASEAN. Findings from the Assessment have shown clearly a great need for digital literacy training among the community people, particularly among those at the age groups 25-55. The digital literacy training provision is timely now given the context of a high percentage of community people having access to and using the Internet and smartphones, and strong visibility and large outreach of the project's implementing partner.

- The Assessment also confirms the client profiles in TYM's current client database, thus confirms that the project's target beneficiaries (64,900) are mostly running household-based businesses in agriculture/forestry, aquaculture and services sectors and low rate of underemployed groups in 13 Northern and North Central of Vietnam.

- The Assessment has provided important information and insights on bias in women's capacity in owning and using smartphones. The findings show gender-based disparities in division of households work as well as household decision-making power, particularly in making financial decisions. These encourage The Asia Foundation and TYM to focus our support to facilitate and connect more women in digital economy for project's greater impact.

- The Assessment also shows different levels of knowledge and skill as well as perception among the target groups in accessing and using digital technology. This helps The Asia Foundation and TYM to rethink the training curriculum design that is responsive to the specific needs of different target groups. The Assessment suggests that the digital training should consist of different modules, specifically designed for each group of beneficiaries. For example, modules on basic digital knowledge for those who are

beginners and not yet using digital devices while there are modules (i.e. online marketing) for those who are already familiar with using digital devices and running household-businesses. Expectations on the digital training expressed by the target beneficiaries during the Assessment have provide specific suggestions on the training content.

- Understanding the barriers and challenges for community people in accessing and using of the digital technology as well as in coming to the training presented in this Assessment has helped The Asia Foundation and TYM to come up with a strategic training approach that is doable for TYM's local field staff and appropriate for the target beneficiaries.

- Last but not least, the Assessment has provided valuable inputs and suggestions for TYM as a leading microfinance services provider to plan and program for its non-financial services/support to their clients, particularly in the context when TYM is in the process of digitizing its operations.

Profile of Target Trainees

The needs assessment data reconfirm the profiles of the project's approximately **64,900** target beneficiaries/target trainees, who are TYM's customers and their family members in 13 TYM's target provinces, specifically:

- 80% are female who are TYM's customers and the remaining 20% are their husbands and sons who participate in the households' economic activities/businesses;

- Majority of them (~90%) are 25-54 years old, in their active working age, while the remaining 10% are youth under 24 years old;

- Vast majority of them (98%) are Kinh (main ethnic group in Vietnam), while 2% are ethnic minority groups;

- 90% of them are married;

- Approximately 50% are from rural areas, 40% are from peri-urban and urban areas and 10% are from coastal and highland areas;

- 78% are household-based/micro entrepreneurs, focused on various informal sectors, including handicrafts, fishery and aquaculture, planting (tea, paddy, industrial plants), livestock, small-scale trading, and other services (i.e. tailor, nail, food processing). These are the main sectors that the community people in the project provinces are engaged in. These sectors are mainly serving for domestic market, while tea and handicrafts are also for exports. The remaining 23% are unemployed/under-employed youth, who either have no jobs or have unstable jobs or occasional work and those who are job seekers.

Methods

Both quantitative and qualitative methods were applied to conduct this Assessment.

The *quantitative* method was used to interview the TYM's clients and their family members using a pre-compiled structured questionnaire, which consists of 68 questions, dividing into 5 parts: Demographic, ICT Device, Business, Employment, and Training Needs. The online survey software named "Monkey Survey" was used to conduct the survey. The surveyors were 65

TYM's field credit officers, who were trained by the research team to collect responses from TYM's clients using their smartphones or other ICT devices. The Slovin formula with 8% acceptable error level was applied to calculate the total survey sample size of 6,547. Eventually, a total of **5,869** respondents (women = 99.7%) from 13 TYM's provinces participated in the quantitative survey.

The *qualitative* methods included desk review, individual in-depth interviews (IDIs) and focused group discussions (FGDs) with key informants. The field trip for data collection was conducted in four selected districts of four provinces representing different geographical areas of TYM, including Yen Phong district, Bac Ninh province (delta area); Quynh Luu district, Nghe An province (coastal area); Thanh Son district, Phu Tho province (mountainous area); Nam Dinh City (urban area). A total of 12 FGDs with **131** TYM's female clients and their male relatives (62 women) and 15 IDIs with TYM's branch managers and field officers in 4 selected provinces were conducted. Both FGDs and IDIs were scheduled for about one hour and a half and facilitated by the consultants using the well-prepared question guides. FGDs were conducted separately with four different types of groups, including men and women who are running household-based businesses and owning smartphones as well as men and women who are not running household-based businesses and not using smartphones as the controlling groups.

The *analysis frameworks* of this assessment included The Asia Foundation's Gender Analysis Framework with five assessment criteria (Attitudes and Believes; Time and Space; Knowledge and Skills; Access and Control; Power and Decision Making), and the Competency Based Capacity Building Needs Assessment developed by the OCD Consulting Firm with three assessment criteria (Required competency; Available competency and Competency gaps). The Monkey Survey software and Excel software were used for data processing and analysis.

Given the fact that 100% of TYM's clients are women, we originally designed the quantitative survey to have at least 6% of the total sample to be male respondents, who are male relatives (sons/husbands/fathers) of the TYM's female clients. However, due to time constraint, difficulties in traveling to the communes as the time of the Vietnamese Lunar New Year was approaching, together with the practices of TYM's services, the surveyors were able to approach the respondents on both randomly and convenient basis. Therefore, the majority of the respondents (99.7%) are women, and the male respondents had not been reached as expected. In this regard, the gender analysis of this assessment, particularly to understand the differences of digital literacy level and behavior and training needs among men and women, mostly rely on qualitative interviews with key informants.

Key Findings
Surveys

Ownership of digital devices and access to the Internet

- There are many favorable conditions for the project to provide digital literacy trainings to the TYM's clients, since the percentage of those owning an ICT device, particularly a smartphone, and the percentage of those accessing the Internet are quite high. Among surveyed clients, 66.5% currently own an ICT device; out of them, the majority (97.9%) owns a smartphone, 13.4% own a laptop/computer, and only 4.2% own a tablet. Most of the respondents (91.39%) access the Internet via WI-FI, 65.33% via 3G/4G connection, and 3.9%

through ADSL.

- The ownership of smartphones and access to the Internet are more popular among younger age groups (under 44 years old), those with higher education, and living in peri-urban and urban areas.

- The main barriers for buying/using a smartphone, among others, include: lack of knowledge and skills in operating it (45%), low affordability (34.4%), not being aware of its benefits for their daily life (14.5%), challenges in learning or not having someone to support them to operate it (14.11%). Security issues such as fraud and scams are also the major concern in making decisions to buy/use an ICT device and accessing the Internet among the surveyed people.

Knowledge, skills and attitudes related to using digital devices and the Internet

- Most of the surveyed respondents (57.4%) use the Internet every day and spend about 1-3 hours per day on the Internet. People who are from 25 to 44 years old, with higher education, live in peri-urban and urban areas and run businesses or work as salary workers spend more time on the Internet.

- Smartphones and the Internet are mainly used for the purposes of basic communication and entertainment, while the percentage of those using the ICT device and the Internet for studying, business development and management is relatively low. There are more than 60% of the respondents that go online for the basic demands of their normal life such as watching videos, listening to music, social networking, ect.; while 30% use the Internet for both basic and business demands, and 6% for business purposes only. The percentages of those who are at younger age, living in urban areas, having higher education, and working as businessmen or salary paid workers access the Internet for business purposes are higher than those of their counterparts.

- Android is the most popular operating system among the smartphones used by the respondents (61%), followed by iOS (21.7%). The TOP five applications used by them mostly relate to social media applications, including Facebook (85%), Zalo (78.7%), YouTube (71.8%), Facebook messenger (68.1%), and Google (36.5%).

- When assessing the respondents' awareness of specific benefits that using an ICT device, particularly a smartphone, would bring to them, the survey results reveal a number of useful benefits such as easy access to the Internet (64.1%); better access to information (61.9%); better access to learning and business opportunities (56.2%); help save time and money" (51.3%); feel more autonomous/confident (47.3%).

- There is a great need among the survey respondents to improve their digital knowledge and skills. Specific digital knowledge and skills that they want to improve/learn more, among others, include protection of devices with passwords and anti-viruses (45.3%), using apps on social media and communication (44.8%), techniques in using different online marketing tools in social media (44.7%), set up an account on social media (43.4%).

- When the respondents encounter difficulties in using a smartphone or the Internet, self-learning or seeking support from their children, relatives and friends are among the most reported ways of seeking assistance. Young people prefer self-learning, while older people prefer seeking support from relatives.

Dynamics of economic activities and use of digital devices in business management

- Nearly 40% of the surveyed respondents are currently running/owning a business, mostly household-based or micro businesses. Among those who currently do not own a business, the majority of them (90.2%) do not want to start a business in the future. The most popular sectors that the business owners work in include services (65.2%), agriculture, forestry and aquaculture (15.1%), industry/construction (6.4%), and others (13.3%).

- The business owners have not effectively used smartphones and other digital devices for their business. Although there is a high percentage (63.8%) of the business owners who are using smartphones for their business, only 42% think that their smartphones are useful or can help them in their business development and improvement. Online marketing and ordering supplies are the two most used applications that those people use; however, most of them reported that they do not know how to do marketing on social media channels (i.e. Facebook and Zalo) effectively.

- Digital financial services (i.e. Internet banking, mobile banking, e-wallet, etc.) have not been used by most of the interviewed TYM's clients engaged in business. Cash transaction is still the most favored method to receive payment.

- There is a need for digital knowledge and skill improvement among these surveyed household-based entrepreneurs in order to develop and manage their businesses, with 65.2% of them expressing a need to learn about how to use a smartphone for business management.

Employment and use of digital devices in seeking for jobs

- Most of the respondents in the survey are employed and are contributing to the family's income, with 40.7% being self-employed/business owners, 27.1% having full-time/part-time jobs, and 26% working as farmers/casual laborers. Only 1% are unemployed or studying. 2.6% reported that they have a disability that interferes with their ability to perform daily tasks at work.

- Most of the respondents, especially middle-aged women, face challenges in changing or finding new jobs due to their limited mobility (do not want to move far from home because of their household responsibilities) and lack of education.

- Only 11.4% of the respondents have searched online for a job, 5.5% have visited any websites/applications/platforms that advertise job vacancies. Among these people, Facebook and Zalo are mostly used for job searching, rather than other official job advertisement websites/tools.

Focus Group Discussions

FGDs mainly aimed at identifying differences between men and women related to knowledge and skills in using digital technologies, gender-related factors that affect digital accessibility, and usage and training needs of the target beneficiaries. Below are main findings from FGDs:

Low awareness about the usefulness/benefits of smartphones in daily life. Both men and women that were interviewed who do not own a smartphone believe that smartphones are expensive and luxury assets but have low utility for their life and work. They would prioritize other family expenses such as children's education and family business, rather than purchasing a smartphone.

Existing gender bias in ownership and use of a smartphone. Men who own a smartphone think that smartphones and digital technology is more suitable for men than women. Men generally do not support women, especially women at older age, to purchase/have a smartphone, because they think that women have limited competences in using a smartphone, they usually lose the phone or drop it while doing agricultural work. Women also have low self-confidence in their ability to use a smartphone and fear they will damage or lose it. Some women were presented with a smartphone by their children, they keep it at home as an asset, rather than using it often.

Decision making practices in the family might affect women's ownership of a smartphone. Although women do almost all of the reproductive work and contribute an important part of the family income, men have bigger power in making important decisions of the family such as buying land, fixing a house or other valuable assets, while women are the family's money keepers but can take the decisions in daily shopping for food and other low valuable assets. The fact that a smartphone is still considered a high valuable/luxury asset, together with gender inequalities in decision-making power and perception of women's limited capacity in using a smartphone, might affect the family's decision to purchase a smartphone for women.

Women who are more skillful in using a smartphone and the Internet tend to feel more confident/autonomous in life. It is observed that women, especially businesswomen, who are more skillful in using smartphones and accessing the Internet in their daily life and business feel more independent and confident and thus tend to have stronger decision-making power in their families. The smartphone is considered not only a device for communication and entertainment, but also for knowledge improvement and empowerment of women.

In-depth Interviews with experts and key informants

As the project will use TYM's local staff to be master trainers/mentors who will disseminate the digital literacy training program to the project target beneficiaries, branch managers and credit officers in the surveyed sites were selected for in-depth interviews. This will assist the program team to better understand their capacity in owning and using digital devices, their current work process and most importantly their attitude towards digital literacy training for their clients. In addition, experts from TYM's main office also play a role of key informants that are directly involved and provide relevant information during the process of the Needs Assessment. Below is the summary of key findings:

All the TYM credit officers own a smartphone. They mostly use the smartphones for personal use and communication. There are credit officers, however, who do not have an official email address. While some staff members pro-actively use their smartphones for work, for example, they use Skype, Zalo, Messenger to communicate with branch officers and their clients to update on loans and changes in TYM's policies. Some of them even created Zalo groups with all group leaders/center chiefs to facilitate relevant communication about transaction meetings, trainings and new TYM policies.

The TYM credit officers and managers are keen to improve digital knowledge and skills for themselves and for their clients. Currently, all of them use smartphones and access the Internet mostly for basic communication and entertainment. Only a few TYM's clients have a bank account and people are conducting loan and credit transactions in person and by cash. Their digital knowledge and skills as well as facilitation skills are still low.

The TYM credit officers and branch managers are very busy with paperwork and client management. Due heavy workload for financial services delivery, TYM's field staffs currently are not yet assigned with and pay much attention on the tasks of supporting their clients in business development. This is both a challenge and an opportunity for TYM to build capacity of its staff in this field of work as well as in implementing digital literacy program for their clients.

Recommendations for Digital Literacy Trainings

Suggested training contents for digital literacy program

✓ Promotion of the digital literacy program should be conducted prior to the deployment of the project's training, targeting community people, especially women from 35 to 64 years old in rural, coastal and mountainous area where TYM is operating.

✓ It is suggested that the project should prioritize the self-learning among youth under 25 years old, engaging family members, including elder children of TYM clients in the digital training. This will enable the project to increase the number of vulnerable people having access to digital literacy trainings and promote self-learning among family members of the clients.

✓ TYM should consider a joint marketing program with relevant businesses that want to expand their smartphone markets to areas where TYM is operating. Communication messages should be on the utilities of smartphones, its different advantages (e.g. access to knowledge and skills), information on prices, operations and maintenance of different types of smartphones; and they should target both men and women in the community, particularly those who do not own a smartphone. Below is the suggested content to be included in the training curriculum.
    – Comparative differences of Android and iOS systems
    – Introduction to the Internet and smartphones
    – ICT device and its importance in business
    – Basic requirement to access the Internet and operate a smartphone
    – Basic Phone features – Initial Setup, sign in, sign out, this the basic training for smartphone usage, switch on and off, initial settings, etc.
    – Creating an Email account and profile on various website
    – Useful Applications and functions
    – Creating personal page
    – Privacy and security
    – Marketing and doing business online
    – Benefits of online banking, bill Payment and online purchase

Training approach

✓ *The training time and venue needs to be flexible,* otherwise a number of clients will miss out on the training opportunity. If training can be conducted in small batches and community leaders can provide the training, the training can be conducted as a night school model during the weekends or weekdays, and multiple batches can be run in a day for the clients. This will reduce the travel/transportation time, which is highlighted by 4.98% as a barrier to attend the training. It is recommended that the project should take natural conditions (e.g. natural disasters, electricity availability) of the rural, costal and mountainous areas into account in designing the training curriculum and planning the time and location for the training program delivery. It is suggested to plan the training rooms with available electricity in case of natural

disasters and sudden power-cuts occur in rural, coastal and mountainous areas.

✓ *The training can be conducted at the commune level*, if possible, local group leader should be assigned to lead because they are from the same community, hence, the follow-up will be easier, training time can be flexible, and the participant will be able to connect on a personal level. This will also reduce the workload for the credit officers.

✓ *Mentor approach* should be applied for the groups with similar businesses/income generation activities or from for those from the same geographic area. This will facilitate people to learn together and help each other during and after the training sessions. In addition, training should be conducted with a small group of learners, instead of a large group of people.

✓ *Short training sessions per training day*. As TYM's clients have limited time reserved for training during daytime, short sessions for maximum of 30 minutes per training day are recommended. In this regard, ToT training for the local trainers should be included in the staff's capacity to deliver the 30-minute training sessions for TYM's clients, including the capacity on session planning and facilitation skills.

✓ *The digital training program should be custom-made to address the specific needs and level of understanding of different groups.* Training curriculum design should address different demographic characteristics and differences in level of using digital devices of the participants. Some participants may need a basic training, while some may prefer more advanced ones. If the training curriculum is the same for everyone, then people may lose interest or may not understand the training. The basic digital knowledge and skills training should be for those who have not yet used or accessed a smartphone. The online marketing should be responsive to those who are starting or/and running a business.

✓ *Hero story/Role Model.* Various stories to highlight a local hero, entrepreneur or businessman/women who has achieved success with the help of technology.

✓ *Interactive curriculum.* The curriculum design team should make the training curriculum with some practice modules, such as games or puzzle-based curriculum. Because these clients come from diverse age groups and have left school long time ago, interactive curriculum will make the sessions more interesting for the clients from all age groups. In addition, digital training with videos and music tools and with examples and applications of using the top five used applications by the target community for both business and entertainment, are also recommended. For those who are starting and/or a running business, it might be good to have more examples of the usage of the Internet for business purposes in the rural, coastal and mountainous communities in order to heighten their interest in accessing digital knowledge and skills. In addition, the consultants who work on the curriculum development should have examples related to services and agriculture businesses to be relevant to the TYM's clients.

✓ *Training materials and handouts*. It is suggested that the project stakeholders need to develop the training handouts which can be given to the learners for reading. But the training handouts will need to be designed with fewer words and more pictures and illustrations to address the needs of the low literacy communities, so that after the basic digital training, the learners are able to continue self-learning with videos, pictures and online mentoring and coaching support. The training flipchart/leaflet should be made of water-resistant materials and they can be used in case of power-cuts; and they should not be heavy, nor easily damaged under the rainwater, so that the credit officers can bring the training materials to the rural villages.