

Unofficial translation

A regular monitoring report

**The impacts of the global financial crisis
on socio-economic groups in Viet Nam**

(The second round)

December 2009

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Summary

Since October 2009, orders of most shoe companies have recovered as compared with the same periods of the pre-crisis years, though to various extents. The visited garment enterprises have also received more orders than reported in the first round, but not yet to the pre-crisis extent. In Hà Nội, firms started having more orders, though not at the same time, some in August but most of them in September and October 2009, as evidenced by more overtime work. In Hà Nội and Hải Phòng, as the local labor force is shrinking, many companies have recruited more workers from deep and remote districts. This trend was reported in the first round in Hồ Chí Minh City where labor shortage has been more serious.

As it is very hard for enterprises to negotiate for higher outsourced rates, some private companies continue accepting losses or poor profits, even outsourced rates below an average, to gain some funds to maintain their orders and labor force. Therefore, strong recovery in orders is a necessary but not yet sufficient condition for a positive outlook of the garment and shoe industries in the post-crisis context. As labor demand rises, increased overwork has presumably led to more strikes in Hải Phòng in late 2009.

In Nghệ An and Trà Vinh, difficulties in agricultural livelihood have reinforced push factors for migrant flows. In addition, the economic recovery in Hồ Chí Minh and other cities, in the formal and informal sectors, has generated an important pull factor for domestic migration, as evidenced by a very common statement, *'jobs are no longer in shortage, the point is unsatisfactory pay and working conditions only'*. In both departure areas, the number of migrants has increased considerably since the previous round. In Trà Vinh, women have represented 60 percent of the migrants over the past three months. However, some laborers have returned to Nghệ An due to excessive overwork and unacceptably low pay in some companies. In the three research sites, renting and retailing services have showed signs of recovery, although to various extents. But socialization, collection of taxes, and poverty reduction have been facing barriers. In Trà Vinh, the two researched villages have around 10 children aged 12 -16, most of them being girls, who have left for the city since August 2009. They work for small workshops, or are hired as domestic helps or shop assistants.

The second round of assessment has not recorded more systematic coping measures taken by the people, or any external systematic assistance, especially to tackle agricultural risks. The emerging competition in group-based contributed funds has, to some extent, marketized an informal safety net in Nghệ An. A worker dormitory proves to be an effective model in the economic crisis as it mitigates financial burdens for workers who have their work re-scheduled, or have to take leave to wait for work, which results in reduced incomes. However, the model remains unattractive to workers due to some drawbacks,

In the coming time when local agricultural livelihood remains difficult and may fail to attract the local people, migrant remittances are very likely to play a more important role in many households in Nghệ An and Trà Vinh. After the Lunar New Year (February 2010), considerably more migrants are expected from these source areas, as compared with the same corresponding period in 2009. At the urban research sites, the local officials, landlords and workers in Kim Chung commune believe in a positive prospect, at least for a short term (three to six months to follow). The interviewed representatives of the garment and shoe enterprises have not shared much information on their post-crisis plans, as their industries depend on factors that they cannot control, particularly in the recently-recovering economy with uncertainties, such as orders, labour, and consumer demand in importing countries.

1. Overview

The second round of the quick assessment was undertaken by Oxfam Great Britain (OGB) and ActionAid Việt Nam (AAV), with financial support from AusAID, in cooperation with local partners, from November 9, 2009 to December 2, 2009. Members of OGB and AAV staff and their local partners were actively involved in the assessment. A research team from Trường Xuân (Ageless) Company¹ provided support in conducting the assessment and has written up the final report. The assessment took place across the country, including Kim Chung commune (Đông Anh district, Hà Nội), Lãm Hà Ward (Kiến An district, Hải Phòng), Mỹ Thành commune (Yên Thành district, Nghệ An), Ward No. 6 (Gò Vấp district, Hồ Chí Minh City), and Thuận Hòa commune (Cầu Ngang district, Trà Vinh). The five sites were researched together for the first round from July 6, 2009 to August 13, 2009. Earlier, Hải Phòng and Nghệ An were researched in early April 2009, after the apparent peak of the global economic crisis. Therefore, the report lays focus on their latest developments from the previous rounds to the second, although some findings of the previous reports may be repeated for the sake of regular monitoring.

The research team carried out focus group discussions (FGDs) and in-depth interviews with **274** representatives from various backgrounds (130 men, 144 women), including **70** officials at provincial/municipal, district, commune/ward, and village/residential quarters levels (51 men, 19 women), **21** businesspeople from garment- and shoe-making enterprises (11 men, 10 women), **two** dealers in agricultural inputs, **three** landlords, **three** members of the dormitory management boards (one man, two women), **78** workers (21 men, 57 women), **16** casual laborers (five men, 11 women), and **81** household representatives (39 men, 42 women), including 19 heads of poor/near-poor households (nine men, 10 women).

To ensure data consistency and systematism in regular monitoring, most of the officials and citizens with whom the researchers met in the second round were involved in FGDs and in-depth interviews in the previous rounds.² Especially, in the second round, the researchers had a chance to interview three managers of the worker dormitories in Hà Nội and Hải Phòng in order to explore this type of worker assistance that is prevailing in many areas.

This report synthesizes major findings, taking into account their linkages amongst the five research sites different in terms of geographical location, livelihood characteristics, popular types of enterprises, research subjects, and major labor flows. The report is divided into six parts. The first part provides an overview of the research. The second analyses the *impacts on enterprises*, chiefly in the garment- and shoe-making sectors, and *their workers*. The third discusses the *impacts on migrant flows*. The fourth examines some *impacts on local socio-economic conditions*. The fifth presents *assistance and coping measures in relation to socio-economic groups*, whilst the sixth puts forwards *major forecasts and plans* from the research sites. Appendix One presents some background information on the research sites. Appendix Two provides some information on the worker dormitories in Hà Nội and Hải Phòng.

¹ Core members of the Trường Xuân consultant team include Hoàng Xuân Thành (team leader), Nguyễn Tam Giang (senior researcher), and Đinh Thị Thu Phương (researcher).

² A few officials and citizens could not be re-interviewed as they are busy at work or have some health problems.

2. The impacts on enterprises and workers³

2.1. Orders recovered more remarkably since October 2009

In Hải Phòng, from July to September 2009, as a combined consequence of the economic crisis and the inter-season moment, shoe companies did not receive many orders. Some companies alternated leave of their workers, including senior ones, or released them early on a daily basis. But companies outsourced for producing medium-class shoes, such as canvas or semi-leather ones, still had orders.

From October 2009, when the main productive season started,⁴ orders of most shoe companies in Hải Phòng and Hồ Chí Minh City had recovered as compared with the same periods of the pre-crisis years. According to the interviewed representatives from the six visited enterprises, their orders have increased, and outsourced rates at four of them have reached the pre-crisis level of the same product type. In the last quarter of 2009, orders of most shoe companies, particularly foreign-invested ones, represented from 75 to 95 percent of the corresponding period in 2007. The recovery of orders is reported in many product categories, but less in high-class than in lower-rank categories. The current orders are valued less than those in the pre-crisis period:

In 2009, despite the crisis, our company has maintained worker employment as we have changed the type of orders. In 2008, around 60 percent of the products were high-class, and 40 percent medium-class. But in 2009, only 30 percent are high-class, with the rest being medium-class. There have not been any signs of increased orders of high-class products even now, in our productive season. In terms of outputs, it is estimated at 2.6 million pairs this year, as compared with 2.5 million pairs in 2008, and two million pairs in 2007.

(A manager of Shoe Company X, Ho Chi Minh City)

There have been positive signs since July 2009, with more orders than in the corresponding period last year. In 2009, orders have had smaller values, with more product types, than in the previous years. But a combination of them has produced a bigger quantity, so the total production value remains good. By the third quarter of 2009, the production value had stood at 112 billion VND, and the production value for the entire 2009 is estimated at 140 billion VND, as compared with 78 billion VND in 2008, and 110.15 billion VND in 2007. In terms of product quantities, our output is estimated at 1.5 million pairs in 2009, as compared with 1.1 million pairs in 2008.

(A manager of Shoe Company A, Hải Phòng)

The situation of orders has now become normal. Our company has received orders until January 2010 and will surely maintain the current situation. Two

³ In Hải Phòng, the research team re-interviewed representatives from seven out of the eight enterprises contacted in the first round. In Hồ Chí Minh City, the team re-interviewed representatives of all garment- and shoe-making enterprises contacted in the first round. Meanwhile, in Hà Nội, in both rounds, the team did not have a chance to interview any representatives of the enterprises in Bắc Thăng Long-Nội Bài Industrial Zone. Consequently, the information on many enterprises in the zone, involved in various domains, has been based on FGDs with workers and local officials and residents.

⁴ Since October 2009, shoe enterprises have increased their overtime work, according to the annual production schedule.

satellite workshops have been operating at their full capacity. We can say that it has returned to what was in the previous years. Earlier this year, customers ordered only cheap products, but now they have signed contracts for high-class goods with values and quantities approximate to those in the previous years.

(A manager of Shoe Company B, Hải Phòng)

Generally, production encountered many difficulties in late 2008 and early 2009. As compared with that of 2007, our working capacity represented only 35 percent in the first quarter of 2009, and 50 percent in the second quarter of 2009. But the capacity has been much better since this August. It had reached 70 percent by November 1, 2009, and is estimated at 75 percent by the year end. In 2008, our working capacity only accounted for 78 percent of that in 2007. The production value is estimated at 70.07 billion VND (1,010,000 pairs of shoes) in 2009, down from 78 billion VND (1,118,699 pairs) in 2008, and 110 billion VND (1,578,238 pairs) in 2007.

(A manager of Shoe Company C, Hải Phòng)

Most of the visited enterprises have had more orders by mid-November 2009 than earlier in the year, but their recovery has not been complete. The recovery process is more obvious in the downmarket categories. The positive signs in upmarket product categories can be seen in few companies. Workers have been employed for administrative hours, with no one receiving 70 percent of their salaries or having their work re-scheduled. Although major garment factories are in labor shortage, their orders have not been the same as before the crisis. Therefore, they have taken advantage of this period to improve the quality of human resources. Some companies may advertise recruitment in order to replace old personnel and to generate a sense of fiercer competition amongst workers. Some enterprises have installed a production link in a bid to reduce unnecessary parts and produce higher-quality outputs, thus their workers become involved in more production steps, including finalization of products and checking of product quality. According to the workers from a major garment company in Gò Vấp, Hồ Chí Minh City, requirements become stricter with technical errors being examined more carefully. In some companies, workers are fired after making a certain error, without one to three warnings as before.

According to workers in Bắc Thăng Long Industrial Zone (Hà Nội), their firms started having more orders in the last quarter of 2009, though not at the same time, some in August but most of them in September and October 2009, as evidenced by more overwork. Many companies overwork their employees up to the limit allowed by the Labor Code; some even go beyond that, up to four overtime hours a day. Meanwhile, most workers only want one or two overtime hours a day so that their incomes are not too low and work is not excessive. In some companies, many workers had as many as 95 to 100 overtime hours per month in September and October 2009. Some workers accept the conditions against their will as they are involved in main positions of the production chains so do not want their managers to depreciate their sense of responsibility, which may negatively affect their festive⁵ and year-end⁶ bonuses.

2.2. More orders are not a sufficient condition for long-term recovery

⁵ The festive occasions when workers may receive bonuses include April 30, May 1, September 2, and the Lunar New Year (Tết).

⁶ A bonus is usually calculated on a basis of a basic monthly salary multiplied by a certain co-efficient.

Although orders of many garment and shoe companies have increased considerably, it is still hard for them to negotiate for higher outsourced rates. Outsourced rates are one of the most important conditions to retain or attract workers, especially in the post-crisis period when prices of many commodities have soared up over the recent months:

It is impossible to raise worker salaries as our revenues are not good. It is very hard to earn a net profit worth ten percent of the contracted values.

(A manager of a garment company, Hồ Chí Minh City)

Many foreign clients still use the crisis as an excuse to keep outsourced rates low, although not all factors that they allude to can convince Vietnamese producers. Moreover, a lack of competitiveness, resulting in dependence on imported materials from China, Taiwan, Hong Kong, and South Korea, has made net profits of the garment industry excessively low:

Statistics of profits of the garment industry does not truly reflect the reality. The media say that the export turnover of the textile and garment industry reached over nine billion VND, but most of it was spent on importing Chinese materials. [Vietnam] chiefly exports cheap labor only. If China stops selling openwork lace and perforations, our garment industry will die. No domestic enterprises dared to invest in producing materials for fear of failure to compete with incredibly cheap imports from China.

(A manager of a garment company, Hồ Chí Minh City)

An owner of a garment enterprise explains the excessively low prices of the Chinese materials:

While Vietnam provides her people in deep and remote areas with rice and cows, China builds factories and equips her people with basic skills. China knows how to fully exploit her human and material resources in remote areas.

(A manager of a garment company, Hồ Chí Minh City)

As a result of the foregoing factors, in the context widely considered passing the bottom of the crisis with recovered orders,⁷ some private companies continue accepting losses or poor profits, even outsourced rates below an average, to gain some funds to maintain orders and labor force. Therefore, ***strong recovery in orders is a necessary but not yet sufficient condition for a positive outlook of the garment and shoe industries in the post-crisis context:***

This year's turnover is expected to decrease as a result of poor outcomes from the beginning of the year to September. Only by now have enterprises recovered from the crisis. Since this October, many orders have been placed, lasting until the end of this productive season. The number of orders this month may be higher than that of the corresponding period last year. Most of the customers are old, so the outsourced rates remain unchanged. We dared not to negotiate for higher outsourced rates now, in the general crisis.

(A manager of a shoe company, Hải Phòng)

⁷ Also see 'Doanh nghiệp dệt may ngập trong... đơn hàng' (Garment enterprises overwhelmed by orders) at the website of Thời báo Kinh tế Việt Nam (Vietnam Economic Times), dated October 26, 2009, at vneconomy.vn/.../doanh-nghiep-det-may-ngap-trong-don-hang.htm

Many small- and medium-sized enterprises accept no profits or losses, at any outsourced rates, to maintain employment for workers. Some accept low rates and outsource their orders to households to gain some profits, which show how 'exploitative' rates outsourced households have to accept. The current paradox is that orders are many but the more people work, the more losses they bear.

(A manager of a garment company, Hồ Chí Minh City)

Such companies are still considered being lucky as they have not fallen into bankruptcy and closure as is the case of many small and medium Vietnamese enterprises and some foreign firms (such as SM – a British company)⁸ between July and November 2009. Some small and medium domestic enterprises have poor management with many redundant steps, and fail to retain workers due to inexperience in dealing with the latter:

Some firms rented space and purchased hundreds of machines but did not grasp their work well, so collapsed in the face of the crisis. A business owner said: before the start-up of the business, I owned two plots of land, but lost them within six months!

(A manager of a garment company, Hồ Chí Minh City)

Despite difficulties since late 2008, the researched companies have paid insurances in social security, healthcare, and unemployment for their workers according to the existing laws. Pregnancy benefits are also provided for women.

In the post-crisis, not only workers,⁹ but also some business owners are no longer interested in the garment industry. In Hải Phòng and Hồ Chí Minh City, some garment enterprises plan to shift to other businesses, bringing along garment workers, such as tourism, hotels, and restaurants, which some of them have maintained for several years apart from garment making.

2.3. Labor shortage remains the main barrier

In Hà Nội and Hải Phòng, labor shortage becomes more serious and may last in the context of harder recruitment. In addition, serious labor shortage remains the biggest concern of garment enterprises in Hồ Chí Minh City. By July 2009, many enterprises had demonstrated some signs of labor shortage but not yet to a serious extent, with some enterprises only anticipating shortage. By early November 2009, serious shortage in Hà Nội and Hải Phòng had been clearly evidenced by recruitment advertisements in front of garment and shoe factories. Some advertisements highlight the only requirement for candidates being 18 years old. According to workers, some businesses even employ under-age workers (14 years old) or remove maximum age limits, thus recruiting workers aged 50 or more. The 'over-age' workers are usually assigned to lighter work in accordance with their labor capacity:

⁸ Also see 'Cty S.M... nợ hơn 600 triệu đồng bảo hiểm xã hội' (S.M in debt of 600 million VND of social insurance) in Lao động (Labour) newspaper, No. 156, July 14, 2009; 'TP HCM: Báo động nạn giám đốc DN bỏ trốn' (Ho Chi Minh City at alert: enterprise directors escape), in Diễn đàn Doanh nghiệp (Business forum), dated November 9, 2009, at <http://www.baomoi.com/Home/LaoDong/ddd.com.vn/TPHCM-Bao-dong-nan-giam-doc-DN-bo-tron/3460328.epi>.

⁹ As presented in the first-round report.

Now workers interview employers, rather than vice versa as before. Candidates are candid about pay, overtime work, and accommodation benefits. The nearby garment company had to buy land to build free accommodation for workers.

(A manager of a garment enterprise, Hồ Chí Minh City)

Over the past four months, working conditions have continued to be improved. But workers have still been leaving in what is described as a ‘natural trend of labor change,’ to a regular extent for many years as a consequence of common fluctuations amongst low-skilled and rural workers, not necessarily of the financial crisis:

Workers usually leave right after the pay-day. Sometimes, we lose thousands of them then.

(A trade union man of a shoe factory, Hải Phòng)

In the three researched cities, loss of labor often takes place amongst young workers who have been employed for less than two years. Their skills are not high, so incomes are low. They usually maintain an attitude of ‘*the grass being always greener on the other side of the fence,*’ and want to experience changes. When they change their employment, they usually do not suffer from disadvantages as they are not entitled to allowances of responsibility or seniority, or any insurance due to short-term contracts. Workers aged 25 or more are less likely to change employment as they do not want to start from scratch, with new techniques, new management and start-up salaries.

The reasons for loss of workers are similar to what was recorded in the first round: (i) employees return home to work in new industrial zones or factories;¹⁰ (ii) some married workers concentrate on housework after pregnancy leave; (iii) some quit the garment- and shoe-making industries because of failure to adapt to overwork and strict chain-based disciplines; and (iv) low-skilled workers have more employment choices as the economy is gradually recovering.

The enterprises have not conducted any surveys on reasons for loss of workers in order to develop strategies to retain and attract workers. In fact, some companies recruit reserve workers for regular losses. For instance, in a major shoe factory in Hải Phòng, orders had increased substantially from July to mid-November 2009, but its labor force remains on the decline. But its labor shortage has not been serious as the orders do not arrive at the same time, so only overtime work from the existing workers is required to meet deadlines.

The tenant factories in Bắc Thăng Long Industrial Zone recruited most workers between July and October 2009, when rooms in Kim Chung commune (Đông Anh) are rented fully. In mid-November 2009, the recruitment bulletin in front of the industrial zone showed the labor demand of many companies, but usually not with substantial numbers (around 10-60 workers). Many businesses were looking for one or two technical posts. Especially, a company wanted 200 workers for direct production, but its workers say that the advertised substantial number aimed to create more choices for the employer who actually recruited around 30-40 workers for each round of recruitment. Some companies highlighted their requirement for ‘*no education qualifications*’. The reason for no substantial recruitment in mid-November 2009 is that few workers leave as they try to work harder to spare some

¹⁰ Even rural-based businesses also lose labor, since rural workers still move around when they find benefits apparently better.

money for the Lunar New Year occasions. Also, enterprises do not want to be obliged for year-end bonuses for new workers.

2.4. Changes in labor structure

More employment opportunities in various industries and services over the past four months have made some workers more determined to leave their unsatisfactory jobs for better ones. According to workers who were temporarily staying home at the moment of this research, some workers move from factory employment to day labor, and vice versa; but it remains unclear which tendency is stronger as most of them fluctuate and may want to try their capacity and luck in new jobs which become more available but may still be characterized by long hours and unattractive salaries.

Over the recent months, the gender structure has been changed more considerably in the labor force in some companies. In Hải Phòng, some shoe companies have been employing more male workers since March 2009 as it gets harder to find female workers. In a big shoe company in Hải Phòng, half of the workers recruited in October 2009 were men. On the other hand, some companies have lost male workers as a consequence of low incomes, with some shifting to casual work, such as ship-building and welding, which is harder but better paid. Nevertheless, this trend of recruiting more male workers was reported only in a few major shoe companies in labor shortage. Others have not followed it as they fear that it is harder to manage men who are often aggressive, and like gambling and drinking.

According to the officials in Kim Chung commune (Hà Nội) and workers in Bắc Thăng Long Industrial Zone, newly recruited workers are usually fresh school graduates aged 18 who have been employed here for the first time. Some work temporarily to attempt another university entry exam. This is manifested in such job advertisements, *'priorities given to fresh school graduates'*. The interviewed workers explain this trend that some companies want to employ younger workers who have better working capacity but are not demanding like senior workers. Amongst the new workers in Bắc Thăng Long Industrial Zone, many hail from mountainous and remote provinces, such as Điện Biên, Lai Châu, Cao Bằng, Lạng Sơn, and Thái Nguyên, with a considerable number of people from ethnic minorities. This can be seen as a new trend as most of the ethnic minorities workers in the industrial zone used to be Mường from Hoà Bình province. The tenant companies in Bắc Thăng Long Industrial Zone have not loosened their age requirements as is the rather common case in Hải Phòng and Hồ Chí Minh City, although some of them have relaxed education requirements. Also, they have not shifted to employing more male workers for conventionally female positions, as in some companies in Hải Phòng and Hồ Chí Minh City.

2.5. Labor recruitment accelerated

In Hà Nội and Hải Phòng, many companies have recruited more workers from deep and remote districts with no industrial zones or factories. A few companies pay more attention to ethnic minorities in mountainous provinces, such as Tuyên Quang, Lào Cai, and Yên Bái, through their networks. According to managers of a big shoe company in Hải Phòng, seven percent of their workers come from ethnic minorities. This trend was reported in the first round in Hồ Chí Minh City where labor shortage has been more serious. But some companies have not relied on recruiting youngsters from ethnic minorities or relaxed education requirements (to the extent of basic or no literacy) as they have had negative experiences. Many ethnic minorities workers fail to observe strict working regulations at factories and may take time off work without warnings (for instance, to return home for fieldwork or attend

festive occasions), which may negatively impinge upon production chains and delivery deadlines. Illiterate or poorly-literate workers often absorb knowledge slowly and may violate safety regulations as they fail to understand basic instructions on machines or in workshops. This experience also shows that the trend of employing ethnic minorities workers or loosening recruitment requirements is only an ad-hoc corporate coping measure, which may face barriers if considered a sustainable solution.

In Hải Phòng, some companies continue building or plan to build more satellite workshops or factories in other districts or provinces, usually within a distance of 100 km from the main factory, to attract local labor with lower costs.¹¹ Moreover, some companies have used satellite workshops in rural districts to recruit workers for the main factory in the inner city, although they have to provide daily return bus trips for workers who do not need to rent accommodation. For instance, a big shoe company has seven buses, each carrying 50 workers from Vĩnh Bảo to the main factory in the inner city every day. The company plans to build satellite factories in some provinces in 2010. According to corporate managers, it is necessary to research the workshop location carefully, as it may not meet local needs or may fail to compete with the existing local industries. For instance, a shoe company based a factory in Uông Bí (Quảng Ninh) but was not successful as local youngsters prefer jobs in coal mining, which may be harder but are better paid.

In Hải Phòng and Hồ Chí Minh City, major companies have increased commissions for brokers. Since October 2009, a shoe factory in Hải Phòng has raised its commission from 150,000 VND to 300,000 VND for having introduced a person who will have worked for the former at least for over three months. Earlier, the broker was given 150,000 VND as soon as a new worker was introduced. In addition, other companies continue to improve the industrial relations and working conditions for workers, with more incentives to meet the latter's needs, such as providing four to five meals per day (including an extra meal for overtime work), sweet gruel, cakes, fruits, and sweet potatoes and cassava.

2.6. More casual workers employed; brokering services recovered

In Bắc Thăng Long Industrial Zone (Hà Nội), some companies have recruited more casual workers since mid-2009. According to a chain manager of a company that produces spare parts for telephones and motorized vehicles, amongst its 1,100 workers in direct production, 400-500 are casual, with a basic salary of 1.4 million VND per month. Casual employment is suitable for youngsters who remain unclear about their prospects or may want to take up temporary jobs to wait for another university entry exam. But disadvantages include instability (three-month contracts which may be extended if work is available) and no insurance as a result. Since June 2009, the company has shifted from a three-shift to two-shift mode in order to maximize their casual labor.¹² Very few (around a tenth of the) casual workers may become permanent after three months of employment. However, corporate demand for casual or probational workers (the latter of whom are more likely to become permanent) is stated clearly at the beginning. From June to mid-November 2009, the company recruited casual labor six times, with many women aged 30 or more employed. In the first round of recruitment, the company accepted even women aged 40 or more, whom the

¹¹ In fact, the tendency began in 2007, hence a considerable number of communes in the rural districts of Hải Phòng have had satellite workshops.

¹² Each shift lasts 12 hours, from 6AM to 6PM, with three hours of overtime, and from 7PM to 6AM, also with three hours of overtime.

management later claimed they found slow and ineffective. Therefore, only workers below 35 were selected in the later rounds.

In Hồ Chí Minh City, brokers still shift around a number of workers to cheat companies in serious labor shortage for their commissions. In Hà Nội, labor brokering had existed for a long time before and briefly declined during the peak period of the global economic crisis, but has recovered now that jobs become more available. According to local officials and workers, some brokers have capitalized on workers' demand for employment, colluding with human resource staff for shared commissions. Nevertheless, this situation is not mentioned in FGDs in Hải Phòng.¹³ Similarly, brokering has also existed in the research site in Trà Vinh but no negative phenomena have been reported.

As a consequence of the negative phenomena in brokering services, it has not been easy to obtain employment in many tenant companies in Bắc Thăng Long Industrial Zone, even in the current context of more job opportunities and relaxed recruitment requirements in some companies. Some interviewers raise loaded questions not relating to actual job requirements.¹⁴ Experienced workers who are more familiarized with recruitment tips may have better opportunities when their acquaintances or they themselves want to be employed by certain companies. Some people from remote provinces who are unfamiliar with the recruitment process usually over-worry about results. As they want definitely positive results, they are willing to pay brokering services, although some of the former are cheated, losing money but gaining no jobs.¹⁵ According to local officials and workers in Kim Chung commune, problematic brokering services have not been settled because:

- human resource staff are Vietnamese, thus very likely to implicitly collude with brokers;
- as a result of language differences between workers and foreign employers, the former fail to discuss their issues directly with the latter;
- some workers fear being bullied or fired, thus dared not to present their issues candidly;
- the trade unions have not functioned properly, which results in a lack of feedback channels from workers to foreign managers.¹⁶ Moreover, some companies have not established trade unions, hence their workers, especially female ones, still have disadvantages in claiming entitlements;¹⁷ and
- many workers have asked local officials to convey their issues at voter meetings with representatives of the people's councils in hope of some interventions, but no results have been reported.

¹³ According to local officials and many workers.

¹⁴ For instance, according to some officials who have long known workers in the industrial zone, some job interview questions may include requests for naming the President and the Prime Minister of some nations?!!

¹⁵ The interviewed workers have confirmed this information but the researchers have not had a chance to meet up with corporate representatives. This issue requires further research for definite conclusions.

¹⁶ In the two rounds of assessment, in the three urban sites, most workers' description of their trade unions is confined to occasional visits to sick people and some festive activities. No workers mention the organization's role of fighting for workers' rights and entitlements.

¹⁷ According to senior workers, many companies established trade unions after collective strikes (triggered by low pay) in the industrial zone in mid-2008.

2.7. More strikes happen

As labor demand rises, workers have more negotiation power regarding working conditions and personal welfare, which has presumably led to more strikes in Hải Phòng in late 2009. According to the official statistics of Hải Phòng's Labour Federation, the second half of 2009 saw nine out of the 12 strikes that happened in the whole 2009, with 11 in foreign-invested enterprises; four in garment enterprises and three in shoe enterprises, and five in other industries, such as electronics, construction, toys and candle-making.

According to Hai Phong's union people, in some cases, workers had excessive demand and actions, and some companies have not organized direct dialogues with workers. Information is exchanged chiefly through letters in and out.¹⁸ Union people find it hard to convince workers to accept the still difficult situation of orders, which are estimated at around 80 percent of the values in the same period of the pre-crisis years.

In the last two months of 2009, overwork took place continuously, up to 9PM, partly as a result of seasonal demand, and also possibly as a sign of economic recovery. Some cases have been described as going beyond worker stamina, thus resulting in strikes in Hải Phòng and Hồ Chí Minh City. From a different perspective of the leaders of Mỹ Thành commune (Nghệ An),¹⁹ overtime work is viewed as a positive sign that has substantially increased migrant workers' incomes after difficult months, especially when agricultural livelihood is unfavorable at their rural homes.

¹⁸ Workers who are on strike in front of a factory send their letters to the Directorate indoors, who, in turn, send their responses out to the workers outdoors.

¹⁹ This statement was made following their working tour, conducted in October 2009, of receptive areas with many migrants from Nghệ An.

3. The impacts on migrant flows

3.1. Agricultural production in departure areas faces more difficulties

From July to November 2009, agricultural production in Nghệ An and Trà Vinh had seen unfavorable developments for local livelihood and economy, in addition to the condition of insufficient or no agricultural land, which is common in many purely agricultural areas. In Mỹ Thành commune, Nghệ An, harvest loss was caused by pests.²⁰ The paddy rice output of the summer-autumn crop decreased as a consequence of droughts. Many pigs and chicken died of diseases. Prices of animal food increased while those of pigs declined. The economic performance of the winter crop (for maize and potatoes) was poor, which resulted in substantially reduced cultivative areas. The area under winter crops in Mỹ Thành commune declined to 219 ha in 2009, from 386 ha in 2008. In addition, petty trades also become difficult,²¹ as incomes of local people have declined, and more people get involved in providing local services.

In Thuận Hòa commune, Trà Vinh, the contract for providing maize seedlings, a significant income source for local farmers, was terminated in 2009 as the seed company fails to sell their products well. Furthermore, from August to November 2009, opportunities for agricultural employment in Trà Vinh had decreased considerably as a result of difficulties in contracting for planting some key crops (including maize seedlings) and of mechanization in agricultural production. According to the key informants in Sóc Chùa village (Thuận Hòa commune, Cầu Ngang district, Trà Vinh), in the autumn-winter crop of 2009, as many as 60 out of the 250 land-owning households in the village rented machines, doubling the figure in the 2008 autumn-winter crop. Many of them own much land and used to employ many farmers. Mechanization of agricultural production is unavoidable but has now caused some difficulties for locally generated employment, especially regarding married women:

We middle-aged farmers used to be hired for planting and harvesting maize seeds. But now not many jobs are available. For instance, in the past crops, we were hired for up to 28 man-days, compared with 14 man-days at present.

(A farmer group, Sóc Chùa, Trà Vinh)

As soon as technological progress applies, we farmers face hardships. Now harvesting machines are available, people are no longer hired. Harvesting rates have also been decreased.

(A key informant group, Sóc Chùa, Trà Vinh)

²⁰ The diseases often happen during seasonal transition.

²¹ The difficulties have been reported in the key livelihoods in the two researched villages in Mỹ Thành commune (village No. 11 is predominantly involved in iron-scrap dealing, while village No. 12 has restaurants or retail shops due to its road-front proximity). The researchers re-interviewed some petty businesspeople to understand the developments over the past three months. At a restaurant opened by a couple who had recently returned from Malaysia, in the previous round, the owner seemed optimistic about his long-term prospect but, in the second round, expressed some concerns as a result of fewer customers. Also, owners of some retail shops and rice-husking services reported the situation of few customers.

3.2. Migrant flows continue on the rise

The lasting and emerging difficulties in the long-term departure areas of Nghệ An and Trà Vinh have reinforced push factors for migrant flows. In addition, an important pull factor in the linkages between the departure and receptive areas of domestic migration is the economic recovery in Hồ Chí Minh and other cities, in the formal (industrial zones and factories, especially in garment- and shoe-making and electronics industries) and informal (construction, restaurant and domestic help) sectors. In the current context, migration plays an increasingly important role in purely agricultural areas where conditions for non-agricultural production and services have not developed, such as Nghệ An and Trà Vinh.

In both departure areas, the number of migrants has increased considerably since the previous round. In Mỹ Thành commune (Nghệ An), from July to early December 2009, an additional 218 people migrated, with 201 within the country, without significant gender differences.²² In Thuận Hòa commune (Trà Vinh), from August to November 2009, Sóc Chùa village saw a further 30 people migrating, with 60 percent being women (aged 25-40 working as restaurant or domestic helps) and 40 percent being men aged 18-30 working as assistants at horticulture shops, or for shoe companies. Married women often migrate in off-farm periods, with around 20-30 percent working as domestic helps, while single women usually migrate on a long-term basis. Also, Thủy Hòa village had an additional five people migrating in late November 2009. Amongst the 351 households in Sóc Chùa, nearly 200 have migrant members (the village has nearly 400 migrants, without considerable gender differences). Meanwhile, amongst the 1,186 people (in 266 households, with 210 from the Kh'mer minority) in Thủy Hòa village, 105 women (including 12 under 18 years old, the youngest aged 12) and 92 men (including 11 under 18 years old, the youngest aged 13) are working away.²³

The FGDs with the local people in Nghệ An show that most of them prefer home-based employment but the industrial zones in Bắc Cạn and Nam Cạn have not had many tenant companies, with limited employment. Home-based people often have difficult family circumstances. The migrant flows from Nghệ An correspond with the emerging trend in Gò Vấp where many day laborers, especially street vendors, have come recently from central provinces that were hard hit by the summer typhoon. Other migrants have hailed from purely agricultural areas with recently unstable livelihood, such as Mỹ Thành (Nghệ An). However, as reported in the previous round, the need to migrate for livelihood in Nghệ An, though stronger, remains less urgent than in Trà Vinh where a very high proportion of landless households reside.²⁴ Moreover, a regional cultural factor should be counted as the saving ability in Nghệ An is considerably higher than in Trà Vinh.

Being aware of the growing importance of migration in local socio-economic conditions, a working team comprising the leaders of Mỹ Thành commune (Yên Thành, Nghệ An)²⁵

²² According to the commune leaders, its statistical formats are broken down only by receptive areas, not yet by types of livelihoods. The commune authorities update statistics every six months, so do not have date for three-month periods, i.e. from August 2009 to the moment of this second-round research. But the local leaders say that amongst the 201 people who migrated in the second half of the year, a great number left after the first round of research (in early August 2009).

²³ In some cases, statistical units are inconsistent as a result of local data availability.

²⁴ See the first-round report.

²⁵ The team includes the commune's Party Secretary, the Chair and two Vice-chairs of the commune's people's committee. The tour lasted 16 days, with visits to seven cities and provinces, vis-à-vis Bình Dương, Hồ Chí Minh City, Vũng Tàu, Đồng Nai, Daklak-Daknông, Bình Phước, and Nha Trang. The tour was an initiative of Mỹ Thành commune, neither of the district nor of the province. On this occasion, the team also established a

conducted a quick assessment of the receptive areas with many migrants from Nghệ An in general and from their commune in particular in October 2009. The tour manifests the significance of migration to the unfavorably agricultural area on the one hand, and provides more accurate information for local leaders regarding the actual situation of migrants on the other hand.

3.2.1. Domestic migration

In Nghệ An and Trà Vinh, a model of livelihood commonly found suitable to family circumstances is a combination of migration and home-based agriculture, i.e. of agricultural and non-agricultural livelihoods, with at least one home-based member to attend to field-work and/or look after children. This conclusion has been made from extensive experience in migration and also partly from experience of the recent economic crisis. Households with all main laborers (they usually include the husband and the wife, with or without children) migrating often fail to survive, even before the crisis. Since early 2009, five migrant households in village 12, Mỹ Thành commune (Yên Thành, Nghệ An), have returned, with one within the last quarter of the year. In the same village, a household has worked away for five years but does not have higher savings than home-based households due to substantial costs of maintaining social relationships (visits, parties, weddings...), which are not few in the receptive area after a long period of residence. The village now has only four households that still stay in the cities. In Trà Vinh, some households in Thủy Hòa and Sóc Chùa villages (Thuận Hòa commune, Cầu Ngang district) have migrated with all members.

Nghệ An:

In Nghệ An, married people are often seasonal migrants. Men are involved in food processing, woodwork, mechanics, or construction in southern provinces for six to 11 months per year, with daily rates of 70,000-150,000 VND. Women usually combine home-based agricultural livelihood and other jobs, such as petty business, crab-catching or scrap-collecting in their commune or others in the district, earning between 10,000 and 20,000 VND per day. A few harvest cashew and coffee in the Central Highlands, or are hired for farm work (for instance, harvesting or grass-cutting) in Western Nghệ An according to the seasons. No considerable changes are reported in work availability and incomes of day laborers whose remittances, however, have decreased by 100,000-300,000 VND per month as compared with those in 2008 as a consequence of inflated living costs (for food and accommodation).

Single youngsters usually choose to work in factories or industrial zones in the South. As many workers from other provinces leave the garment- and shoe industries,²⁶ youngsters from Nghệ An, particularly girls, still stay in or continue to join the industries as they have better stamina and savings capacity than those of the former. Moreover, incomes from these industries are still better than those from agricultural livelihood at home.²⁷ But garment and shoe enterprises have not implemented any recruitment strategies in Nghệ An, nor has Nghệ An had labor brokers for domestic migration, as in other receptive areas. It is possibly because the people from Nghệ An

country-fellows association for migrants to Hồ Chí Minh City from Nghệ An so that the latter may have better conditions for reciprocal assistance in difficult periods.

²⁶ The main reasons are still low pay and excessive overtime work.

²⁷ These reasons were mentioned and cross-checked at FGDs not only with workers from Nghệ An and other provinces, who are working in Hà Nội and Hồ Chí Minh City, and at in-depth interviews with some enterprise owners in Hồ Chí Minh City, but also in FGDs with officials and people in Nghệ An.

have been conventionally active in job search and established their own informal networks (based on community, kinship, and groups) for migration.

From the perspective of migrants and commune officials from Nghệ An (after their recent working tour),²⁸ the production and business conditions in the receptive areas have reflected many signs of recovery, as evidenced by a very common statement, *'jobs are no longer in shortage, the point is unsatisfactory pay and working conditions only'*. In such a context, some laborers become able to select employment but they are usually characterized by one or some of the followings:

- a satisfactory level of education (at least graduation from a senior secondary school);
- higher skills; and
- some youngsters have learnt the native languages of their foreign companies, hence being able to communicate and understand work better.

Even since the pre-crisis, laborers who are able to be selective in employment often select it based on the following criteria (according to the order of priority):

- *acceptable incomes (over two million VND, up to 2.8 million VND);*
- *jobs suitable to health and education;*
- *receptive areas with active country-fellow associations;*
- *employers with good incentives and welfare; on-time and sufficient payment; and*
- *cheaper living costs.*

The first two criteria explain why many youths from Nghệ An still work in the garment- and shoe-making industries. Some secondary school graduates prefer working in the electronics industry due to higher incomes and lighter jobs. Recently, some young men have shifted from the garment- and shoe-making to the electronics industry.

The third criterion shows that the people from Nghệ An (like migrants from other provinces) usually migrate based on their informal social networks. After their working tour in October 2009, the leaders of Mỹ Thành (Yên Thành district) listed the receptive areas of many laborers from their commune as follows (the sequence order is made according to greater numbers of laborers):²⁹ **Bình Dương** (especially at Sóng Thần Industrial Zone; the industries that are attracting many girls include garment and shoe-making and woodwork), **Hồ Chí Minh City** (predominantly male day-laborers, particularly in construction), **Vũng Tàu** (fishing, seafood processing, and simple work without considerable training, suitable for both men and women), **Đồng Nai, Darlak-Daknông** (chiefly men, planting coffee and rubber trees), **Bình Phước** (Đồng Xoài), and **Nha Trang**. According to some returnees and the participants of the working tour, the country-fellow associations, despite being unable to offer considerable material aid, have played a significant role in introducing jobs and improving the mental life for members through meetings. Small and close groups, such as those of relatives and friends, have provided some material and mental assistance when their members are in need or sickness.

²⁸ The working tour was conducted in October 2009, in the receptive areas with many laborers from Mỹ Thành commune.

²⁹ According to a leader of Mỹ Thành commune, the receptive areas with many laborers from Mỹ Thành are usually where many people from Yên Thành district work. Therefore, the rank of importance of the receptive areas is similar at the district level.

The fourth criterion interprets why many youths prefer foreign companies, especially big ones in the electronics industry (usually in the following order of priority – Japan, South Korea, and Taiwan). Vietnamese private companies are often the last choice. Although work requirements and conditions are stricter in foreign companies, their welfare, such as food and drinks, resting, and provided accommodation, is better.

The last criterion provides a reason for many youths' preference of companies in Bình Dương and Đồng Nai to those in Hồ Chí Minh City. In those places, worker salaries are similar for the same employment, but the living costs in Bình Dương and Đồng Nai are much cheaper than those in Hồ Chí Minh City. Hồ Chí Minh City is the common choice of day laborers, especially in construction, as its service demand is higher and has recovered remarkably over the recent months.

Trà Vinh:

In Trà Vinh, the local officials and people acknowledge work-related capriciousness of the Kh'mer migrants,³⁰ partly due to low pay, overwork and unfair treatment by employers, and partly due to their lack of a sense of discipline. They also admit that it is common for the Kh'mer laborers to take many days off work or leave for home to attend festive occasions without warnings.

According to the officials and people in Thủy Hòa and Sóc Chùa villages (Thuận Hòa commune, Cầu Ngang district, Trà Vinh), the economic crisis has inconsiderably affected their migrants to the cities. Some migrants, most of them being girls who have finished junior secondary school, work for major factories in Hồ Chí Minh City, Biên Hòa, Đồng Nai, and Bình Dương as the Kh'mer people have limited schooling and prefer free-style employment. Half of the migrants, most of whom are women, work as restaurant or domestic helps. Men are usually involved in small-scale seafood processing, plastics production, mechanics, incense-stick making, and construction. A few are involved in casual employment, such as harvesting cashew and coffee in Lâm Đồng, Sông Bé, and Bình Phước.

While incomes of workers from garment and shoe factories and few shop assistants have declined as a combined result of the economic crisis and soaring prices, those of most laborers in the informal sector remain the same as in 2008, each earning around one to two million VND per month. Consequently, monthly remittances remain unchanged, averaging around 100,000 to 500,000 VND.³¹

Noteworthy, recruitment services for security guards have recently emerged in the Kh'mer-dominated community in Trà Vinh. However, local youths have not shown much interest, although the employment is for both men and women aged 18 or more, with a promised income of 2.4 million VND per month,³² as the type of employment remains unfamiliar while local people have not been given sufficient information. As communities with many outward

³⁰ This is a problem for many employers of low-skilled workers from rural areas in general, even before the global economic crisis. But the report lays focus on this issue since in the post-crisis context, many garment and shoe enterprises tend to recruit more workers from ethnic minorities.

³¹ Due to limited communication between migrants and their home-based family members (for instance, as a result of common practices or limited means of communication), most of the interviewees fail to provide accurate information on migrants' workplaces, change of employment, incomes or savings.

³² According to the recruitment banner on the way to Sóc Chùa village, Thuận Hòa commune, Trà Vinh.

migrants often have established networks, Thuận Hòa commune has not had any people who work as security guards, which has led to local speculation and skepticism,³³ especially about a complicated living environment like Hồ Chí Minh City. In some cases, speculation is inaccurate. For instance, FGD participants believe that this employment requires martial arts skills and fighting, thus women cannot take it up. They also fear that poorly-educated youngsters cannot take notes of visitors' names if the latter are employed as receptionists at an office. Consequently, many young men still accept insecure construction work with lower incomes and even harder work than security guards. Girls are not interested in the employment as they do not regard it as theirs.

Many youngsters prefer working in establishments, workshops, or factories because workers may:

- have fixed working hours, with spare time (though limited);
- enjoy more personal freedom;
- avoid some problems with girls (for instance, employers' harassment); and
- suffer from less pressure and oppression than restaurant and domestic helps because companies are more crowded environments.³⁴

3.2.2. Export labour

In late 2009, the researched communes in Nghệ An and Trà Vinh did not have any people who wanted to migrate to Malaysia³⁵ as a consequence of low pay and false promises of job prospects by recruitment companies:

A basic salary in Malaysia (around two million VND per month) is lower than what masons in Sài Gòn earn. In Sài Gòn, good masons may get 160,000-170,000 VND per day, while lower-quality ones bag 150,000 VND a day.

(The head of village 12, Mỹ Thành commune, Yên Thành district, Nghệ An)

In Nghệ An, most of the overseas migrants are men who are involved in construction and mechanics in the Middle East, including Oman, Kuwait, and Saudi Arabia. These migrant flows remain stable, even during the peak of the global economic crisis, and might have increased in late 2009. Amongst the 14 overseas migrants from Mỹ Thành in the second half of 2009, eight men went to Oman and six (3 men, 3 women) to Taiwan. In early 2010, the commune may have more than 10 migrants to Oman, and village 11 may have two more migrants to Kuwait. Despite severe working and living conditions,³⁶ the Middle East still attracts laborers from Nghệ An as its local people are more likely to accept hardships in the face of reduced waged-labour opportunities at home. In the second half of 2009, amongst the

³³ The situation is rather similar to what caused recruitment failure in Daklak in the 2009 summer, encountered by a garment company that the researchers visited in Hồ Chí Minh City.

³⁴ This is an unfavorable condition of uncontracted day laborers in a completely unfamiliar working environment in the city.

³⁵ Most women used to be involved in garment making and electronics assembly in Malaysia and domestic help in Taiwan.

³⁶ According to some returnees from Oman, in many cases, they had to work outdoors under a desert-like temperature.

43 returnees to Mỹ Thành (33 men, 10 women),³⁷ most of them having finished their contracts in Malaysia and Qatar, many sought ways to migrate to Oman and Kuwait.

Due to various risks of labour export, many households in Nghệ An dared not to borrow from banks to migrate to costly markets for fear of being unable to pay back loans. Some households have mapped out a longer-term strategy by saving remittances from construction work in Kuwait or Oman, with considerably lower initial costs, in order to afford more expensive labour markets with substantial initial costs, such as South Korea or Japan.³⁸

The cooperation between Mỹ Thành's People's Committee and labour recruitment agents, mainly based in Vinh city, used to play an important role in disseminating information and promoting local labour export. But the difficulties faced by migrants to Malaysia, especially during the recent economic crisis (late 2008-2009), with prevailing underemployment and unemployment while export costs remain unrecovered, have caused public mistrust in this type of cooperation. In early 2009, Mỹ Thành's People's Committee terminated its involvement in promoting labour export, and let related companies communicate directly with interested people. At present, local people tend to migrate overseas with the support of their own informal networks.

Informal migration overseas continues on the rise, as attracted by huge profits earned by current migrants,³⁹ although Mỹ Thành has not had many migrants of this kind (like the communes of Sơn Thành, Công Thành, and Bảo Thành in the same district). According to the commune officials, Mỹ Thành has seven migrants to the UK, with three more men reaching the destination in the second half of 2009. Two citizens of the commune were detained on the way and have been deported home. According to local estimates, the commune has more than 20 people who have been involved in the highly risky migratory network but have not arrived in the UK. Many people want to join the network but cannot afford initial costs, which may amount to over 400 million VND per migrant, according to the FGDs.

3.3. The negative impacts on children's education in Trà Vinh

In Trà Vinh, the two researched villages have around 10 children aged 12 -16, most of them being girls, who have left for the city since August 2009. They often work for small workshops, or are hired as domestic helps or shop assistants. One of them has been employed as 'bonded labour', i.e. her pay is gradually deducted from the employer's advanced money for her parents.

Some households migrating to harvest cashew and coffee in the season have brought their children, which has interrupted their schooling. More children have been hired for field-work to support their families since the crop of July 2009 as agricultural livelihood becomes more unfavourable. They still study but take paid jobs outside their school time. Their work is usually lighter than adults', such as uprooting grass and sowing seeds of maize, bean or melon, with a session rate of 10,000-20.000 VND, while that of adults hovers around 40,000 VND.

However, unlike the situation in Trà Vinh, the two researched villages in Nghệ An had not seen children's drop-outs from school for employment since the start of the economic crisis

³⁷ Amongst the 43 returnees, 29 used to work in the electronics industry and 14 in the construction sector.

³⁸ An initial cost to migrate to Japan is around 250 million VND, while that to South Korea is 120 million VND.

³⁹ Yên Thành district has a nearly-completed supermarket owned by a local person who is working in the UK.

until early December 2009. The local officials and people attribute this positive situation to their conventional respect for education and households' efforts to maintain children's schooling at least to the end of the junior secondary level.

3.4. Some returnees to Nghệ An

Unstable employment and soaring living costs, including those of accommodation, electricity, water, and food, are the concerns of migrants to big cities, like Hồ Chí Minh. In some companies where orders are recovering after the peak of the crisis, overwork as a result of labor shortage has created more pressure for young workers. Change of employment often takes place amongst migrants, particularly single ones who have not been held responsible for household survival.

A randomly-selected FGD in village 11, Mỹ Thành commune, Yên Thành district, Nghệ An, with six participants, four men and two women, who returned home during the past three months, has reflected this structure:

- *Man, 19 years old, single, a graduate from junior secondary school. He had been a mason in Hồ Chí Minh City for nearly two years, and left for home in September 2009 due to overwork, and also for attending military recruitment;*
- *Man, 33 years old, divorced for five years, a graduate from junior secondary school. He had been a mason in Hồ Chí Minh City for nearly two years, and left for home in April 2009 due to poor health. He plans to shift to the garment industry where job opportunities become more available, lighter work may suit his health, and incomes are stable;*
- *Man, 18 years old, a former farmer in Daklak. He returned home in October 2009, due to overwork (working on farm for eight hours per day, without any days off), and low pay (depending on seasons, but the highest level is 1.4 million VND per month);*
- *Man, 19 years old, a former worker at a confectionary factory in Hồ Chí Minh City. He left for home in August 2009 due to overwork (13-14 hours per day, with many night shifts), low pay (1.2-1.4 million VND a month), and poor welfare (only workers with at least five-year experience in the factory can join the social-healthcare-unemployment insurance schemes; workers of at least one-year experience in the factory have 2 days off per month; the rest work without days off; workers are paid a bonuse worth one-week salary and a half cost of home travel at the year end);*
- *Woman, 31 years old, working in the same confectionary factory. She returned home due to overwork and also for birth delivery and housework. Her husband has been a security guard in the factory for seven years. He stays as his work is not as hard as in production;*
- *Woman, 22 years old, a former textile worker in Đồng Nai. As a consequence of overwork and low pay, she left the work for home to rest for several months and will find different employment afterwards.*

However, all the returnees say that they will definitely migrate after the Lunar New Year (February 2010). They may return to their old receptive area but not to their former employer and employment. Also in the face of the prevailing difficulties in employment, some young men who took part in military recruitment in mid-November 2009, consider a chance to join the Army an option equal to migration for work. Joining the Army (for 18 months) will give them opportunities for training, subsidised accommodation and food, and a saving of seven million VND from military allowances. Therefore, many young men left their employment,

even permanent one with a company, to return home for a recruitment exam. In case of failure,⁴⁰ the returnees usually stay home for temporary work and seek employment after the end of the Lunar New Year, thus saving travel costs for a short-term job from November 2009 to February 2010. In the meanwhile, some are involved in the construction sector where demand becomes higher at the year end. Others catch eels, crabs, and fish, for family food and incomes.

4. Some other impacts on local socio-economic conditions

4.1. Urban areas

In the three research sites, renting and retailing services have showed many signs of recovery, although to various extents.

In Kim Chung commune, Đông Anh district, Hà Nội, accommodation renting services have been recovering remarkably, almost back to what was before the start of the crisis (the third quarter of 2008) regarding both the numbers of renters and renting rates. For instance, according to the officials in Nhuế village (Kim Chung commune),⁴¹ in April 2009, the village had only 1,900 renters, which rose to 2,500 in July 2009, and to over 3,500 in mid-November 2009. Especially, new rooms for rent have emerged in the commune to meet the anticipated demand in the near future. Services for worker-renters, such as food and foodstuff catering, have been back to the pre-crisis situation. However, sales revenues have not increased as more sellers are involved. The sellers are predominantly locals, some people from nearby districts (who do not stay overnight), and a few former workers. Some renters from other provinces say that they cannot sell goods in the market for fear of being in conflict with the local people as a result of competition.⁴²

In Lãm Hà ward, Kiến An district, Hải Phòng, there have also been some positive signs in renting and retailing services for daily needs. Although there are no statistics available, the number of renters has risen, with few vacant rooms left, due to increased numbers of student enrollments in the vocational school in Đồng Hòa ward (near Lãm Hà) since the start of the academic year (September 2009), and partly due to the growing worker demand. Some workers from inner districts have recently flocked here for cheaper rents. Developed retailing services are evidenced by the extended temporary market in the area.

In ward 6, Gò Vấp district, Hồ Chí Minh City, rooms have always been occupied, even at the peak period of the economic crisis,⁴³ hence renters have to accept annually increased rates. Over the past months, some workers and public servants from other districts also rented accommodation in Gò Vấp in order to save living costs. In ward 6, some landlords raised their rates three times in the year:

⁴⁰ Not many young men are selected. Amongst the 80 men who were examined for the recruitment session in Mỹ Thành commune in November 2009, only more than 10 were successful.

⁴¹ Out of the 817 household in Nhuế village, 350 are involved in renting and other related services. As estimated by the village informants, around 35-40 percent of the village's households have rooms for rent.

⁴² Some local officials also confirm this information.

⁴³ Many renters have flocked to this area. Most of them are workers, there are also students (due to its proximity to vocational schools) and public servants from inner districts such as Districts 1 and 3, who accept a long travel for cheaper rents. Most landlords want to lease their accommodation to workers, not students. Students often have bad debts, or organize parties at home, while, busy workers do not. See the first-round report.

This year, renting rats in the area increased three times, from 800,000 VND in March, to one million VND in October, and 1.2 million VND in December. The rents have increased so fast while our poor salaries have not. Also, garment work is harder than last year. But we accept increased rates as it may take months to find new accommodation. As rents become too high, we may have to squeeze in a more crowded room. It may get more complicated, but otherwise we have to quit jobs and return home.

(A migrant-worker FGD in ward 6, Gò Vấp, Hồ Chí Minh City)

Some landlords say that they have increased rents based on soaring living costs, with consideration of rates in other wards or districts (usually inner districts), and actual conditions of their accommodation.

In addition, the number of migrants to Gò Vấp, Hồ Chí Minh City, has been on the rise, especially after the central provinces were heavily stricken by the summer typhoon. Most of the new migrants are aged between 35 and 40, involved in casual labour, such as construction and vending. The increased migrant flows have made the casual labour market segment more competitive for low-skilled people.

In the three sites, from early 2009 to mid-November 2009, difficulties had been reported in engaging locally-based businesspeople and the public in social movements, and their contributions, if any, are not as considerable as in the pre-crisis. According to the leaders of Kim Chung's People's Committee (Hà Nội), tax collection⁴⁴ is still facing barriers, as renting services have recovered only recently. It is especially hard for households that encountered the economic crisis as soon as they have built rented rooms with loans. Similarly, in Hải Phòng and Hồ Chí Minh City, tax collection is slower than in the corresponding periods of the previous years.

In comparison with the first round of assessment, no considerable changes in livelihood, incomes, children's schooling, or credit status of poor households have been reported. While many garment and shoe enterprises need more low-skilled workers, the poor in Gò Vấp, who have good health but poor education, do not want to become workers, although the local authorities have run vocational courses or introduced employment for them. Most of them still present low pay (1-1.5 million VND a month) and time constraints as their main excuse for not taking up this type of employment.

Abrupt changes in the market have made some negative psychological impacts on low-and unstable-income earners. In Hà Nội and Hải Phòng, the gold and USD fevers at the moment of the research (mid-November 2009) panicked some local people, particularly day labourers and low-income earners. Although their livelihoods are not related directly to gold, they are concerned that similar price shocks may happen to daily necessities, such as petrol, rice, and foodstuffs. The recent successive shocks, such as soaring inflation in mid-2008, the long-lasting economic crisis since late 2008, and the sudden gold and USD fevers, have reinforced the public concerns:

My salary could afford a 'chi' (one tenth of a tael) of gold but now only a third of it. If I get married, I can no longer afford my wedding ring. Immediately, My biggest

⁴⁴ In the area, accommodation-renting services are subject only to business registration tax.

concern is living costs. Sellers of vegetable or foodstuff also blame their price hikes on increased prices of petrol.

(A worker FGD in Kim Chung commune, Đông Anh district, Hà Nội)

4.2. Rural areas

The districts of Yên Thành (Nghệ An) and Cầu Ngang (Trà Vinh) barely have any major establishments of production and services that can generate many local jobs. For instance, in Thuận Hòa commune, Cầu Ngang district, Trà Vinh, some groups (of five to 20 people) are usually involved in downloading construction material or construction work, but such employment is more available only in the dry season and more suitable to married people who concurrently maintain two livelihoods, one in the city and another at rural homes.

Moreover, the same work may be paid less in the local areas than in a big city:

A male mason in Trà Vinh is paid 70,000 VND a day, and a female one 45,000 VND a day. Meanwhile, in Sài Gòn, a man earns 120,000 VND a day, and a woman 80,000 VND a day for the same employment. The incomes in Sài Gòn are still higher than those in Trà Vinh, after living costs are deducted.

(An informant FGD in Sóc Chùa village, Thuận Hòa commune, Cầu Ngang, Trà Vinh)

In Trà Vinh, field-based employment becomes less while work demand is higher. Especially, the involvement of more children in farm work, whether they both study and work, has increased the local labour supply in the face of fewer job opportunities.

The women's union in Thủy Hoà commune (Trà Vinh) has encountered some funding difficulties in providing small credits⁴⁵ as its members have migrated for work, or their incomes have declined as a consequence of agricultural hardships, which leads to reduced contributions. But the women's union in Mỹ Thành commune (Nghệ An) has reported no problem in funding from members' contributions, hence continuing to provide financial aid for its members.

At the two research sites, as other livelihoods are in difficulty, the people tend to depend on natural endowments, such as catching aquatic products in Trà Vinh or cutting bamboos for sales in Nghệ An with low incomes. However, this is only an ad-hoc measure in the difficult period and can by no means be considered sustainable as more people become involved more frequently.

5. Assistance and coping measures

5.1. Assistance

5.1.1. Local assistance:

⁴⁵ Members of the women's unions contribute some funds for revolving loans which are worth 500,000 VND for those in difficulty and five million VND for those who want to be involved in production or business.

The second round of assessment has not recorded more systematic coping measures taken by the people, or any external systematic assistance, especially to tackle agricultural risks and consequences caused by migrants' hardships.

In Trà Vinh, the people describe some charitable actions from pagodas, primarily during the Vu Lan filial-duty occasion (in September). In Thuận Hòa commune, many households, including poor ones, have outstanding bank loans, hence being unable to access other trust-based credit schemes. In fact, many loans remain misused or ineffective. According to the key informants in Sóc Chùa village (Thuận Hòa commune), amongst its 35-40 poor households that have received loans for cow raising under the Social Policy Bank's project (each loan worth six million VND per household), many have sold cows for cash. A few even sold their cows as soon as they had been given.

In Nghệ An, the difficulties in accessing preferential credits, reported in the first round, have not been addressed.⁴⁶ Amongst the 40 women who have finished the rattan-making course, only 30 are still following the craft independently. Their products are sold in Vinh city, but the long-term prospect remains uncertain. The way the company purchases their products, especially in checking and amending products, is unfavourable.⁴⁷ Nevertheless, the local authorities remain determined to continue supporting this craft in order to generate non-agricultural employment locally for women who cannot migrate, either because of 'over-age' for corporate recruitment or because of unfavourable circumstances.

The economic crisis has negatively impinged upon the communal culture, though to a modest extent in a small aspect. The conventional group-based financial aid in Mỹ Thành commune (Yên Thành district, Nghệ An) has been affected considerably as all group members want to withdraw their contributed money before others, with no concessions as in the pre-crisis. Over the last year, participating members have had to draw their turns in collecting money, or those who need urgent cash have to buy their turns in an auction-like manner. In some cases, members who want to withdraw funds before others have to pay a higher fee. The emerging competition has, to some extent, marketized an informal safety net in the area traditionally known for good communal reciprocity. If the group-based contributed funds are not reinforced by the community and the local authorities, poor households may well become vulnerable in credit access as they cannot afford high interest rates.

The movement of 'women's jars of rice' was considered unique community support in Nghệ An in the early crisis but has been deteriorating. In the research round in August 2009, the jar keeper collected 10-15 kilos of voluntarily contributed rice per month, which was reduced to 4-5 kilos per month in December 2009.

In Nghệ An, the coping measures reported in the previous rounds have not reflected any signs of a replicable, sustainable model. The models of raising wild geese, earthworms, and cows have been developed well, but still at a pilot scale. Other models, such as a combination of 'garden-pond-husbandry' or bee raising, remain fragmented. Apart from some casual

⁴⁶ As of August 1, 2009, the branch of the Bank for Agriculture and Rural Development in Yên Thành district has collected old debts only, with no spare money for new loans, even commercial ones, not to mention for the demand stimulus scheme. See the first-round report.

⁴⁷ For instance, the company classifies products in Vinh city, and the production team sends workers to the city to amend unsatisfactory products and later pays the workers. Some products fail to be accepted and are returned to the team.

laboureres (both male and female, usually aged around 20) who harvest coffee in Daklak, home-based people are often involved in small-shop retailing, scraps dealing, or woodwork, chiefly outside the district (within a distance of 20-40 km). Most of them have known their jobs well, with no new participants. Some groups of local construction or woodwork still have had regular employment over the past months, despite low incomes, but there have been any indicators that the work demand may be sufficient for a larger scale of labour.

5.1.2. Worker dormitories as corporate aid

A worker dormitory has been viewed as an effective model that provides subsidies for current workers and attracts new workers, especially for companies with frequent changes of labour, such as those in the garment- and shoe-making industries. In fact, the model proves to be helpful in the economic crisis as it mitigates financial burdens for workers who have their work re-scheduled, or have to take leave to wait for work, which results in reduced incomes. However, from the worker perspective, the model remains in attractive to many due to some drawbacks, such as its regulations on entry hours and visitors. Their comments may be good reference for the existing and upcoming dormitory management boards, as the model is being considered for replication in other areas.

5.2. Coping measures

5.2.1. Some effective coping measure:

Since early 2009, some coping measures taken by enterprises in the crisis, based on their experiences,⁴⁸ have been effective to some extent. A major garment company in Hồ Chí Minh City has installed a production link in an effort to raise productivity, improve labour quality, and reduce redundant steps (such as thread-cutting and cleaning). Despite reduced staff, the company accomplishes their contracts while maintaining acceptable living costs for its workers. But this measure is rather costly, therefore only big enterprises can afford. Some enterprises minimise their labour force by improving labour capacity, so that a worker can be involved in many steps of production. In many enterprises, the measure of compensating for workers' reduced incomes to ensure their minimum living costs during the period of underemployment (to reduce massive loss of workers) has also been successful. In addition, clients' requirement for improving product quality serves as an opportunity for workers to build their capacity and take higher responsibility for their own products:

Now clients force companies which, in turn, force their workers. If a product is found unsatisfactory and returned by the QC (Quality Control), I have to amend it outside the working hours. To amend a products takes as much time as to produce several ones, so every one has become more careful. We self-check our finished products, for instance, examining its stitches and cutting all spare threads, before sending them to the QC. Before, we made stiches only, and junior workers cut threads, and only the QC checked. It takes a bit more time now but becomes considerably more effective. And repeton makes it habitual.

(A migrant worker, ward 6, Gò Vấp, Hồ Chí Minh City)

Some small garment enterprises have outsourced workers for simple work (for instance, cutting threads and cleaning), which has reduced staff, and production and worker welfare

⁴⁸ See the first-round report.

costs. Households that reside near the enterprises, shop keepers, and middle-aged women may take time to do extra work. Students from nearby dormitories also take up extra work at night.

A garment company in Hồ Chí Minh City has recruited and trained workers from the Kh'mer minority (from Sóc Trăng province) since they required a more stable labour force in late 2007. But this measure proved to be very effective in the recent economic crisis, as those workers have become committed, so the company is not subjected to sudden labour change. However, recruitment of workers from the ethnic minorities is suitable for small enterprises only, not big ones. Furthermore, the foregoing company has only one permanent foreign client, while others have to produce many types of products for various clients in a short time, therefore ethnic minorities workers cannot meet the demand.

5.2.2. Some ineffective coping measures:

Some companies have encountered unexpected results of their coping measures. For instance, a garment company in Hồ Chí Minh City planned to recruit 400 workers from Daklak, through their relationships with commune officials, but failed, despite their publicity of welfare and use of prestigious people to prove its corporate legal status. The failure is attributed to the fact that many households do not want their children to work away; some want to but worry about problems in the city, from what they have known through the media. Moreover, many parents and youngsters are concerned about low pay which may not be sufficient for urban living costs.

Generally, other measures to recruit and retain workers, such as increased brokering commissions, and recruitment in deep and remote areas, dominated by the ethnic minorities, remain ineffective as a consequence of poor adaptation to industrial disciplines amongst many rural youths. In addition, some of them still maintain an attitude of *'the grass being always greener on the other side of the fence.'*

The strategy to shift to the domestic market has not seen positive signs in many companies. A major shoe company in Hải Phòng has established the Sample Research and Design Centre for the sake of understanding the domestic market share. But the centre has produced only a few thousands of pairs in an exploratory manner, chiefly targeting at industrial and export-processing zones, and public servants, not yet embarked on mass production. The company closed a shop in Quảng Ninh as a result of no profits. Although the year-end is an annual season of sales, the sales turnovers are not substantial at its shop in Hà Nội and three others in Hải Phòng due to the fierce competition from Chinese imports in terms of prices and designs. According to a corporate leader, the Vietnamese population is huge but most of them concentrate in rural areas where the demand for leather shoes is inconsiderable:

They [rural people] only buy a pair of shoes for several festive occasions in the year, so the pair is very lasting and it is economically impractical to sell shoes in rural areas. Furthermore, our slippers and canvas shoes face established rivals in the domestic market, such as Bitis, Thượng Đình and Vina Giày. In the coming time, we will lay emphasis on strengthening our marketing system.

(A manager of a shoe company, Hải Phòng)

In this regard, another corporate manager from Hải Phòng highlights cheaper Chinese-made shoes as a major competitive factor:

It is very hard to produce slippers and shoes for the domestic market. Three years ago, we tried it but failed as a consequence of overwhelming flows of much cheaper Chinese imports. We then tried to produce sports shoes for youngsters. The materials alone cost us 85,000 VND per pair, while a Chinese-made pair of the same kind is sold for only 70,000 VND. Of course, Chinese imports have lower quality but are cheaper, so the people prefer them.

6. Forecasts and plans

The first-round report presents major recommendations from the local authorities, enterprises, and people, to address some impacts of the crisis, in both long and short run. A three-month interval is neither sufficient to make changes nor long enough to tackle the nature of some major issues, as highlighted by the local authorities, enterprises, and people. Following the interval, they have not formulated new noteworthy recommendations. Therefore, this section, in lieu of synthesizing the recommendations as in the first-round report, lays focus on some forecasts by the authorities, enterprises, and people regarding their potential challenges or plans that they want to carry out in the post-crisis.

6.1. The local authorities and people

In the source areas of Nghệ An and Trà Vinh, the local authorities have not specified any plans to address the identified difficulties in local agricultural and non-agricultural livelihood and migrant issues. In Nghệ An, both officials and people believe that the people will not migrate between early December 2009 and February 2010, but a great number of them will migrate after the Lunar New Year, to work in the industries in serious labour shortage, such as garment- and shoe-making, and woodwork, especially in Bình Dương and Đồng Nai.

Similarly, in Trà Vinh, commune officials remain uncertain about what to advise farmers on cultivation and husbandry orientation, after some failures over the past two years. In Sóc Chùa village, the winter melon crop depends very much on the weather conditions, hence the outcomes were unclear at the moment of research. Meanwhile, many households in Thủy Hòa village are waiting for the outcomes of the shrimp season in order to make a decision on their next livelihood. Most of the interviewees expect a considerable number of migrants after the Lunar New Year, chiefly to work away as day labourers, particularly shop assistants and domestic helps. In the coming time when field-work employment tends to decline in terms of quantity and incomes, migrant remittances are very likely to play a more important role in many households in Trà Vinh.⁴⁹

In such a context, the reciprocal relationship between socio-economic conditions in the receptive cities and the rural source areas will be inter-related more closely and strongly. For instance, any changes in the major cities will make stronger and clearer impacts on Thuận Hòa commune (Cầu Ngang, Trà Vinh) as agricultural livelihood can no longer generate employment with acceptable incomes for households, particularly landless ones, which only depend on field-work employment. Women aged 50 or more, who now rely on field-work

⁴⁹ Citywards migration began in Thuận Hòa commune in the early 1990s, and has become stronger since 2000. Migrant remittances are not substantial but of great significance to poor households or those in difficult circumstances. The remittances play a supplementary role (in improving meal quality, purchasing household facilities, coping with risks, and, in Thủy Hòa village, paying bank loan interests) for the remaining households, including landless ones with laborers, depending on paid work (chiefly on field land).

incomes, are very likely to migrate as they have better chance than same-aged men to find jobs (as child-minders or domestic helps) in the city.

In Hà Nội, the local officials, landlords and workers in Kim Chung commune believe in a positive prospect at least for a short term (three to six months to follow). Some have built more rooms for rent to prepare for the anticipated demand as the existing rooms have been fully occupied. Credit services have developed more strongly, facilitating the construction of rented rooms for local livelihoods. Most of the loans (each valued at a maximum 180 million VND per household) are provided by the commune's People's Credit Fund, with mortgages being debtors' land-use rights. Smaller loans (each valued at 10-15 million VND per household)⁵⁰ are provided on a trust-based manner through some mass organisations, such as the women's union, and the veterans' and farmers' associations.

The local officials and landlords are concerned about their long-term prospect of local livelihood, with the competition of expanding worker dormitories. Some solutions have been mentioned, including a desire for official markets to generate jobs for over-aged, landless farmers and, more importantly, a focussed effort to encourage children's study for better job opportunities. However, some officials worry about the negative impacts of many social factors on some local youngsters, which discourage their study efforts, in the agricultural area being converted to industrial purposes.

6.2. Corporate plans

Generally, the interviewed representatives of the garment and shoe enterprises have not shared much information on their post-crisis plans,⁵¹ even for a short-term (three to six months), as their industries depend on factors that they cannot control, particularly in the recently-recovering economy with uncertainties, such as orders, labour and consumer demand in importing countries. According to some businesses, although the negative impacts of the global economic crisis are being overcome, they may face a series of new challenges caused by the domestic situation (soaring prices, irregular salary increases as of January 1, 2010, and increases of insurance premiums), which may raise costs for enterprises while their outsourced rates cannot be increased. The EU's continued imposition of anti-dumping taxes on leather shoes made in Vietnam remains a challenge for shoe enterprises.

Despite a lesson from the crisis regarding the avoidance of over-dependence on foreign markets, Vietnamese garment and shoe enterprises have been unable to develop independent strategies as a consequence of many barriers, such as inability to export goods directly due to a lack of brand names, and a lack of domestic material producers. Most representatives of the garment enterprises do not have an optimistic outlook of their industry. In the short run, many enterprises cannot develop their plans for 2010 due to many uncertainties. Some shoe companies attempt to diversify their products and services, with more localization of material in some export products if the quality standards are met (for instance, latex glue, fabrics, artificial leather, and thread), to save costs and become more active in time arrangements. But the product quality remains a decisive factor regarding whether an enterprise can localize its material or not:

⁵⁰ This money is sufficient to build two rented rooms of an average kind in the area.

⁵¹ Plans on restructuring are included.

Looking at a product, customers care about whether the material quality is satisfactory, not about whether the product is a response to the appeal of the Politburo or a certain movement. So, though we do want and have made efforts to localize materials of export products but still have to lay focus on the quality, rather than following the appeals from certain movements, such as those for raising patriotism through using made-in-Vietnam products to promote domestic production.

(A manager of a shoe company, Hải Phòng)

Appendix 1: Some background on the research sites

The diversity of research locations has demonstrated various levels of impacts of the global economic crisis. Some findings are both inter-related and mutually reinforcing the validity and reliability of the findings in other sites, especially regarding migrant issues. Hồ Chí Minh City and Hà Nội are the major receiving communities, whilst Trà Vinh and Nghệ An are the important source areas. Meanwhile, ‘migration’ in Hải Phòng is understood as ‘*internal migration*’ where-in destinations refer to factories and industrial zones in urban and peri-urban areas, and source communities are primarily peri-urban districts.

The destinations of Hà Nội and Hồ Chí Minh City reflect a diverse regional structure of the migrant population. However, migrant workers in Đông Anh hail mainly from Nghệ An northwards, whilst those in Gò Vấp chiefly come from Thanh Hóa southwards. The diversity of migrants’ places of origin is wider in Gò Vấp than in Đông Anh. For instance, despite the foregoing trends of regional structures of migrants’ places of origin, the researchers could easily see in Gò Vấp migrants from Hòa Bình, Vĩnh Phúc, Nam Định, or Hà Nam, whilst they could barely see anyone from the Central Highlands or southern provinces in Đông Anh. In Gò Vấp and Hải Phòng, the research team focused on exploring the impacts of the global economic crisis on the garment- and shoe-making industries, whilst in Đông Anh they paid more attention to the impacts, direct and indirect alike, of the crisis on resident groups around the Bắc Thăng Long Industrial Park, including its workers. Tenants in this industrial park are chiefly Japanese businesses specialized in electric appliances, construction porcelain, office equipment, machinery, and auto and motor spare parts.

The source communities of Nghệ An and Trà Vinh also contain interesting differences in local livelihood structures. Most households in Mỹ Thành commune (Nghệ An) still possess some land, though not substantial, which at least can provide sufficient food for them. They also maintain their husbandry activities, as an important source of cash flows. Meanwhile, around half of the households in Thuận Hòa commune (Trà Vinh) do not have productive land, most of their livelihood totally depending upon non-agricultural incomes, predominantly from migrant remittances. Thuận Hòa is the only research location that has a great number of ethnic minorities residents (the Kh’mer group).

To some extent, the foregoing regional differences help interpret, link and confirm many findings relating to the impacts, positive and negative alike, of the global economic crisis on the research sites. Those sites that depend more heavily on various aspects of the global economy are subjected to the crisis more obviously. Therefore, the direct impacts of the crisis on primarily agricultural areas, like Cầu Ngang district (Trà Vinh) or Yên Thành district (Nghệ An), are not so many or tangible as those in Đông Anh (Hà Nội), Gò Vấp (Hồ Chí Minh City) and Hải Phòng, where industrialization has been booming with many export- and import-related activities.

Appendix 2: Some information on worker dormitories

The dormitories in Kim Chung commune (Hà Nội) and of Sao Vàng Shoe Company (An Lão, Hải Phòng) provide good living conditions for workers. At the dormitory in Kim Chung, many companies subsidise rents and related services (electricity, water and sanitation charges) for workers. Thus, in many cases, a worker pays a monthly rent package of 40,000-50,000 VND. Some big companies, such as Canon, Panasonic, Hoya and Nisei, rent a block(s), but a few dozens of smaller companies may share a block, rented through the management board of the industrial zone. In the Kim Chung dormitory, each room spaces range from 19 (for four renters) to 120 (for 16 renters) square meters. Meanwhile, Sao Vang Company's dormitory has 112 rooms which can accommodate 12 renters each. Rooms are equipped with fans and lighting. Workers can watch TV in a meeting hall.⁵² In Hanoi, the dormitory management board provides renters with basic necessities, such as a bed, a wardrobe, a desk, some chairs, cups, saucers, a light, and an electric kettle per room. According to a representative from the management board in Kim Chung, some tenant companies may provide more appliances, such as TVs, water heaters, or even air-conditioners. Despite cheaper rents and lower service costs at the dormitories, many workers still stay in rented accommodation in nearby residential areas chiefly because:

- their companies do not provide rooms in the dormitory;
- they do not want their freedom and social relationships to be restricted by the dormitory's regulations;
- entry hours are limited from 5.00 to 22.00;
- visitors have to go through two types of security guards, one from the management board at the first floor and another from their companies at the second floor;
- visitors face restrictions (visits are allowed at certain hours to ensure resting hours after shifts; permission are granted on a condition of presenting IDs at the first floor and then at the discretion of the company guards);
- households are not allowed to rent a room in the dormitory in Hanoi, but they are in Hai Phong, if both husband and wife work for the same company;⁵³ and
- Men and women are separated, which may limit workers' relationships.

At the moment of research (in mid-November 2009), some buildings in the Kim Chung dormitory still have many vacant rooms but it does not necessarily mean oversupply. Some companies cooperate with local institutions, such as the youths' unions, to employ batches of workers from rural provinces and bring them directly to the dormitory. Therefore, a considerable number of the vacant rooms may be filled anytime when the companies have recruitment. Sao Vàng dormitory provides accommodation for 810 workers, predominantly from ethnic minorities in the mountainous provinces of Tuyên Quang, Hà Giang, Hòa Bình, and Sơn La. A representative from the management board of Sao Vang dormitory asserts that the company would continue to provide the current rent package, even if power and water tariffs may rise, describing this as an incentive to retain and attract workers.

⁵² They can use their electric cookers in a particular area. There are also facilities to prepare food, fuelled with firewood or coal.

⁵³ Currently, 11 households stay in Sao Vang Company's dormitory in Hải Phòng.