PARTICIPATORY MONITORING OF URBAN POVERTY IN VIETNAM

Third Round Synthesis Report - 2010
November, 2010
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PART 3. TOWARDS SUSTAINABLE URBAN POVERTY REDUCTION 77
In January 2007, Vietnam was admitted as the 150th member country of the World Trade Organisation (WTO). It was widely recognised that this would bring many new opportunities to Vietnam, but would also pose many challenges, especially in ensuring that the full benefits of WTO membership be shared among the entire Vietnam’s population, including the poor and vulnerable.

In this context, and as organisations that have a long history of working to support the poorest and most marginalised groups in Vietnam, ActionAid Vietnam (AAV), Oxfam Great Britain (OGB) and Oxfam Hong Kong (OHK) started the ‘Post WTO Poverty Monitoring’ initiative in early 2007.

The initiative is intended as a longitudinal study of poverty outcomes, linked with changes in livelihoods and market access of vulnerable groups, in selected communities in both urban and rural areas throughout Vietnam. Our intention is to provide analysis and recommendations for policy discussions as well as for the work of ActionAid, Oxfam, and their partners.

We would like to thank the UK Department for International Development (DFID) for the generous support to bring this initiative forward in 2010-2013.

We hope you find this third annual Urban Poverty Monitoring synthesis report informative and useful.

ActionAid Vietnam

Oxfam Great Britain

Hoang Phuong Thao
Country Director

Le Kim Dung
Interim Country Director
ACKNOWLEDGEMENTS

This synthesis report on urban poverty monitoring is the result of a collective effort, and could not have been achieved without the important contributions of many people.

We would like to thank the management and staff of both ActionAid Vietnam (AAV) Oxfam Great Britain (OGB) and Oxfam Hong Kong (OHK) for their valuable comments during all stages of this study including the design, field deployment, workshops, and report writing. Some ActionAid and Oxfam staff members participated in the field trips and provided critical support with their knowledge and experience of research methodology.

We would like to thank the people’s committees and the relevant departments at municipal and district levels for giving us the permission and creating favourable conditions to implement this third round of urban poverty monitoring in their localities in 2010. We would also like to thank the core monitoring group members, including staff from the departments and mass organizations at provincial and district levels, the ward and commune staff members who collaborated with us and spent time and effort completing the field work and writing poverty monitoring reports for each survey point, in Dong Anh District (Ha Noi City), Kien An District (Hai Phong City), and Go Vap District (Ho Chi Minh City). We would especially like to thank the staff from each residential quarter and village for their active participation and collaboration in the field surveys. This urban poverty monitoring exercise would not have been successful without the participation and effective coordination of ActionAid’s local partners, including the Centre for Cooperation Human Resource Development (C&D), the Centre for Workers’ Rights (CWR) under the authority of Hai Phong City’s Labour Union, and the AAV’s Development Program Management Unit under the authority of People’s Committee of Go Vap District (HCMC).

Finally, we would like to express our sincere thanks to the poor people, men and women, migrant workers, youngsters, and children living in different residential quarters and hamlets for taking the time to share with us their advantages and disadvantages, comments, plans, and desires for their future through group discussions and in-depth interviews. Without their cooperation, this urban poverty monitoring round could not have been implemented.

We welcome your comments and feedback on this report.

Sincere thanks,

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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAV</td>
<td>ActionAid Vietnam</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CWR</td>
<td>Centre for Workers’ Rights</td>
</tr>
<tr>
<td>C&amp;D</td>
<td>Centre for Cooperation Human Resource Development</td>
</tr>
<tr>
<td>DOLISA</td>
<td>Department of Labour, Invalids and Social Affairs</td>
</tr>
<tr>
<td>GOV</td>
<td>Government of Vietnam</td>
</tr>
<tr>
<td>GSO</td>
<td>General Statistics Office</td>
</tr>
<tr>
<td>HCMC</td>
<td>Ho Chi Minh City</td>
</tr>
<tr>
<td>MOIT</td>
<td>Ministry of Industry and Trade</td>
</tr>
<tr>
<td>MOLISA</td>
<td>Ministry of Labour, Invalids and Social Affairs</td>
</tr>
<tr>
<td>INGO</td>
<td>International Non-Governmental Organization</td>
</tr>
<tr>
<td>NTP-PR</td>
<td>National Target Programme - Poverty Reduction</td>
</tr>
<tr>
<td>OGB</td>
<td>Oxfam Great Britain</td>
</tr>
<tr>
<td>OHK</td>
<td>Oxfam Hong Kong</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Assessment</td>
</tr>
<tr>
<td>RC</td>
<td>Residential Cluster (“khu pho”)</td>
</tr>
<tr>
<td>RQ</td>
<td>Residential Quarter (“to dan pho”)</td>
</tr>
<tr>
<td>SCUK</td>
<td>Save the Children UK</td>
</tr>
<tr>
<td>TOT</td>
<td>Training of Trainer</td>
</tr>
<tr>
<td>VHLSS</td>
<td>Vietnamese Household Living Standard Survey</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Initiative of urban poverty monitoring

Following the first two rounds of urban poverty monitoring that were undertaken in 2008 and 2009, ActionAid and Oxfam coordinated with local partners to implement this third round in three wards and communes in Ha Noi, Hai Phong, and HCMC in July and August 2010. In each locality, an urban poverty monitoring core working group was established including representatives of local agencies and departments. Information was collated based on group discussions, in-depth interviews with 499 people (273 female), and questionnaire based/structured interviews with 180 migrant workers (112 female).

Overview of urban poverty

Poverty is of a multi-dimensional nature, reflected in income (expenditure) and non-income criteria. The urban poverty incidence derived from income or expenditure poverty lines has recently declined. This is mainly due to the fact that urban poverty measured by means of income has reached its chronic (“hard core”) level and is unlikely to fall further. However, poverty is more severe if measured using multi-dimensional criteria. The absence of multi-dimensional poverty measures has impeded the formulation of support policies appropriate to specific target groups.

The Government has doubled the existing poverty line for the period 2011 - 2015. This is expected to result in a sharp increase in the number of poor households and create a new poverty reduction cycle. The guidelines for monitoring poverty against the new poverty line now include migrant households residing for more than six months regardless of the legal status of residence. This will hopefully allow for the provision of a more accurate assessment of urban poverty.

Local poor residents in urban areas face many disadvantages. Most lack ‘human resources’, particularly the chronic poor group. Uneducated and lacking skills, the local poor residents often end up working in informal sectors that are dynamic but do not pay stable incomes. Land ownership is typically insecure. Some households are forced to move to more peripheral areas where land and living costs are lower. Residents also lack social capital, have limited access to public services and low quality living conditions.

Poor migrants who are temporary residents are often not covered in annual poverty reviews. Migrants suffer from a number of disadvantages due to the high cost of living and lack of social integration in urban areas. High living costs and the desire to remit savings home mean many migrants struggle to meet their basic personal needs. The “permanent residence registration” system and associated policies mean poor migrants find it hard to rely on formal institutions for help when they encounter difficulties.

Challenges to urban poverty reduction: In the peripheral urbanized monitoring sites where many poor people congregate infrastructure continues to improve. Many infrastructure-related complaints noted in previous rounds have been resolved. However problems remain. These include drainage systems, environmental pollution, overloaded rubbish collection services in poor “clusters” and locations where migrants concentrate. Migrants still face high electricity and water prices. “Suspended plans” (the construction/zoning plans not implemented for a long time) continue to exist, which has an adverse impact on local socio-economic development and the life and psychological wellbeing of the residents. Physical facilities in newly established locations are lacking.
Very few poor people have access to vocational training despite the fact that it is considered a key to supporting urban poor people to find new livelihoods. Access to credit remains a challenge to many, particularly migrants. Policies that aim to support agricultural production in peripheral urbanized areas are not likely to take effect due to poor irrigation facilities, environmental pollution and shrinking agricultural land. In many cases urban management policies are in conflict with livelihoods of the poor doing informal jobs.

Access to social capital depends on the commitment of local governments and mass organizations, particularly the heads of residential quarters (in the two level urban management model). Poor migrants often rely on informal social relations such as friends from their home provinces and co-inhabitants. Various forms of organisation such as groups and clubs have been established and effectively promote interactions among migrants and between migrants and local residents. They are also a useful mechanism for sharing legal information and life skills. However, it is still difficult to ensure regular membership of migrants in these groups and clubs. There are very few initiatives that take advantage of close relationships between migrants from the same home province.

Poor people have difficulties accessing education and health services, mainly due to excessive workload of the service providing facilities and high costs. Although the number of voluntary health insurance purchasers has increased, it is still low compared to the whole population. Most notably, very few poor households have taken advantage of the 50 percent subsidy for voluntary health insurance. Migrant workers are unaware of the importance of social and health insurance while many smaller enterprises fail to provide insurance for their workers. The socialization of social protection activities has been actively promoted in various localities through mobilization of support from enterprises and philanthropists.

Vulnerability of some particular social groups

In 2010, the global financial crisis has receded and export-oriented enterprises have recovered. The high demand for urban labour coupled with a number of natural disasters and epidemics in rural areas has resulted in an influx of migrants from the countryside. New trends are emerging among migrant workers, such as an increase in the number of couples who do not send their young children home to the provinces, and an increase in the number of ethnic minority migrants. These new migrant groups are likely to affect the nature of urban poverty.

Different social groups in urban areas have their own disadvantages and vulnerabilities. The financial crisis has made many migrant workers aware of the inherent insecurities of working in labour intensive sectors. Many frequently move between jobs. The incomes of those working in informal sectors such as small traders, motorbike taxi drivers and cyclo drivers are unstable due to weather conditions, price fluctuations, urban management regulations and increasing competition.

In summary, poor urban groups are diverse and vulnerable. As urbanization continues, more attention needs to be paid to urban poverty among both local residents and migrants to ensure policy formulation and implementation achieve sustainable urban poverty reduction and contribute to comprehensive national poverty reduction efforts in both rural and urban areas.

Some suggestions for policy discussions drawn from the third round monitoring exercise in 2010 are:

1. **Design multi-dimensional urban (and rural) poverty measures.** It is time to take into account non-income/non-expenditure factors in order to properly define the severity of urban poverty and specific marginalized and vulnerable groups so as to better allocate budgets and develop poverty reduction policies appropriate to each group. Multi-dimensional poverty
measures may be more complicated than existing uni-dimensional income-/expenditure-based measures. However, this technical complication is entirely manageable. Non-income criteria related to human resources, livelihoods, living conditions, social capital and access to public services (particularly education and health) as described in this report need more attention.

2. **Consider migrants as an integral part of all urban poverty reduction policies.** This is a necessary step to separate the provision of public services from the status of residence and subsequently to promote social integration of migrants. MOLISA’s survey procedures to identify poor households during the period 2011-2015 using the new poverty line need to be strictly followed to include migrant households having resided for more than six months regardless of residential status. The next step should be to review and design new policies that can be feasibly implemented in support of migrants with particular attention to the reduction of urban costs of living (housing, electricity, water and education), harmonised urban management and the minimisation of conflict with migrants’ livelihoods.

3. **Develop a comprehensive social protection policy framework for urban areas.** Such a social protection system should target specific groups having multi-dimensional poverty features (although not necessarily classified as poor according to the uni-dimensional income-/expenditure-based measure) and migrants, as presented in the above two recommendations. Regular social assistance provided under Decree 67/CP should be expanded to cover the whole “hard core” poor (absolute/chronic poor) groups in urban areas and help them maintain a basic life. The 50 percent subsidy policy for health insurance purchasers who are near-poor also needs to be revisited.

4. **Increase investments in poor “clusters” and transitional locations where migrants congregate.** Designing a comprehensive investment scheme in response to the pressing infrastructure needs of poor clusters with particular attention to drainage and environmental hygiene facilities. Allocating investment and current expenditure budgets to transitional locations (proportionate to the population of local residents and migrants in peripheral urbanised areas) in order to address overloaded services such as education, health and rubbish collection.

5. **Formulate a proposal on vocational training for urban labour.** This proposal should be of a similar scope and scale to the Proposal on Vocational Training for Rural Labour that has been approved by the Government. More importantly, prior field surveys should be undertaken to ensure proposed policies in support of vocational training are effective and provide easy access for urban labour such as support of enterprises providing vocational training to their workers and support of the various forms of on-the-job training provided by diverse privately owned businesses in urban areas (not necessarily associated with district/municipal” vocational training centres”).

6. **Pay particular attention to the enhancement of social capital of both local residents and migrants in urban poverty reduction efforts.** Initiatives by local governments, mass organisations, social institutions and donors should focus on strengthening the roles of wards and residential quarters in organising community-based activities in a “State and the people jointly do” manner and at the same time promote sharing, self-help and integration among migrants, perhaps initially through groups of people coming from the same home province and co-habitants.
INTRODUCTION

Objectives of the Report

Vietnam has changed rapidly in the last 25 years. Achievements in economic growth and poverty reduction mean Vietnam is no longer one of the poorest countries in the world. In 1993, nearly 60 percent of the population was poor, but according to the General Statistics Office (GSO), this poverty incidence reduced to 15 percent by 2008.

Between 2006 and 2010 the Government of Vietnam (GOV) has introduced a number of reform policies to help the country move beyond its underdeveloped status and help poor households rise above the poverty thresholds. In late 2006 Vietnam became an official member of the World Trade Organisation (WTO), a key milestone on the way to full integration into the global economy. The rapidly developing situation that VietNam is now in will bring both opportunities and challenges to the Vietnamese people, especially poor groups in both rural and urban areas.

Several international non-governmental organisations (INGO) proposed to monitor the impact of changes brought by WTO accession and economic reforms on poor people in Vietnam. These INGOs, including ActionAid Vietnam (AAV), Oxfam Great Britain (OGB), and Oxfam Hong Kong (OHK) coordinated with local partners to build a network to:

“Monitor the poverty status of vulnerable people in typical communities within the context of Vietnam’s integration into the WTO and the Government’s reform policies until 2012 to provide sound analysis and propose recommendations for policy dialogues and for the implementation of Oxfam, AAV and their partners’ programmes and projects.”

The objective of the exercise is to:
- Provide useful qualitative information to supplement the Government’s statistical and poverty survey data;
- Develop a network of “early warning” sites to monitor (negative) impacts on poor communities in the context of the country’s integration into the WTO;
- Enhance the competence of local partners and to promote the participation of people in the monitoring process to reduce poverty effectively and inclusively.

The annual urban poverty monitoring has been implemented in the city of Hai Phong and Ho Chi Minh (HCMC) since 2008. In 2009, the network of urban poverty monitoring was expanded to include Hanoi. A synthesis report on the results of the first round of urban poverty monitoring in 2008 and another one of the second round in 2009 have been published.

This report provides the results of the third round (2010) of urban poverty monitoring in Hanoi, Hai Phong and HCMC.

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Research Methodology

Annual Monitoring

This poverty monitoring initiative differs from other poverty assessments in that it is repeated annually in order to identify changes in poverty status at the monitoring sites. The working group returned to the same survey points as in previous rounds and interviewed the same representative households and enterprises. The continuous participation of the core group members should be maintained in each city in order to effectively monitor changes in poverty status at different times at each monitoring point.

Survey Location

In each city, a representative (in poverty status of local people and migrants) ward or commune was chosen. Based on AAV’s and Oxfam’s working relationship with local partners the 2010 third round poverty monitoring locations were chosen as follows:

- Ha Noi: Poverty monitoring was carried out in Kim Chung Commune, Dong Anh District where foreign investment companies are located in Thang Long Industrial Park.
- Hai Phong: Poverty monitoring was repeated in Lam Ha Ward, Kien An Urbanized District.
- Ho Chi Minh City: Poverty monitoring was repeated in Ward 6, Go Vap Urbanized District.

In each ward or commune, two residential quarters or hamlets were chosen. Therefore, three wards/communes and six residential quarters/hamlets participated in the third-round urban poverty monitoring in 2010.

The goal of the poverty monitoring network is not to provide representative statistics but rather to collect qualitative evidence and opinions from local people to provide a basis for policy discussions and development programmes. Therefore, the wards/communes chosen are purposefully representatives of urban poverty status and demonstrate the diversity among monitoring sites (See Table 1).

TABLE 1. 2010 Urban Poverty Monitoring sites

<table>
<thead>
<tr>
<th>Ward/ Commune</th>
<th>District</th>
<th>City</th>
<th>Geographic Location</th>
<th>Total area (ha)</th>
<th>Total permanently registered households</th>
<th>Total permanently registered people</th>
<th>Total temporarily registered people</th>
<th>Proportion of poor households in 7/2009 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kim Chung</td>
<td>Dong Anh</td>
<td>Ha Noi</td>
<td>Suburban district</td>
<td>395</td>
<td>2.521</td>
<td>10.086</td>
<td>23.840</td>
<td>2,2</td>
</tr>
<tr>
<td>Lam Ha</td>
<td>Kien An</td>
<td>Hai Phong</td>
<td>Peripheral urbanized district</td>
<td>175</td>
<td>3,487</td>
<td>12,168</td>
<td>5.276</td>
<td>1,28</td>
</tr>
<tr>
<td>Ward 6</td>
<td>Go Vap</td>
<td>HCMC</td>
<td>Peripheral urbanized district</td>
<td>165</td>
<td>2.141</td>
<td>9.437</td>
<td>17.151</td>
<td>8,1</td>
</tr>
</tbody>
</table>

Sources: Ward/commune level information cards as of July 2010
Some of the main features of six residential quarters/hamlets monitoring sites during the time of the second round of monitoring in 2009 are shown in Table 2.

**TABLE 2. Some characteristics of six residential quarters/hamlets participating in the urban poverty monitoring in the second round of 2009**

<table>
<thead>
<tr>
<th>City</th>
<th>Ha Noi</th>
<th>Hai Phong</th>
<th>HCMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
<td>Dong Anh</td>
<td>Kien An</td>
<td>Go Vap</td>
</tr>
<tr>
<td>Ward/commune</td>
<td>Kim Chung</td>
<td>Lam Ha</td>
<td>Ward 6</td>
</tr>
<tr>
<td>Residential quarters/hamlets</td>
<td>Nhue Hamlet</td>
<td>Bau Hamlet</td>
<td>Quarter 2</td>
</tr>
<tr>
<td>Total number of households</td>
<td>826</td>
<td>1.015</td>
<td>178</td>
</tr>
<tr>
<td>Total permanent residents (persons)</td>
<td>3.357</td>
<td>4.011</td>
<td>564</td>
</tr>
<tr>
<td>Total temporary residents (persons)</td>
<td>2.525</td>
<td>2.592</td>
<td>4</td>
</tr>
<tr>
<td>Proportion of population growth in 2008 (%)</td>
<td>0.018</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of poor households in late 2008 (%)</td>
<td>4.1</td>
<td>3.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Proportion of near poor households in late 2008 (%)</td>
<td>N/A</td>
<td>N/A</td>
<td>1.1</td>
</tr>
<tr>
<td>Proportion of households using tap water (%)</td>
<td>N/A</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Proportion of households using electricity network (%)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Proportion of households using septic/semi-septic tanks (%)</td>
<td>97</td>
<td>98</td>
<td>100</td>
</tr>
<tr>
<td>Proportion of households living in temporary houses (%)</td>
<td>0</td>
<td>0.1</td>
<td>0</td>
</tr>
<tr>
<td>Proportion of malnourished children under five (%)</td>
<td>13</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total people receiving monthly social allowance (according to Degree 67/CP)</td>
<td>51</td>
<td>41</td>
<td>N/A</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orphans</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Single elderly</td>
<td>0</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Disabled people</td>
<td>17</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>HIV/AIDS infected people</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Single parent caring for young children</td>
<td>34</td>
<td>13</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of children at the age of primary school entering schools(%)</td>
<td>100</td>
<td>100</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of children at the age of middle school entering schools (%)</td>
<td>100</td>
<td>100</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of children at the age of high school entering schools (%)</td>
<td>100</td>
<td>100</td>
<td>N/A</td>
</tr>
<tr>
<td>Households borrowing preferential loans (household/ equivalent to % of total households) (%)</td>
<td>50 (5%)</td>
<td>115 (11%)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Source: Information sheets at residential quarter/hamlet levels as of July 2010  
(Note: N/A - Not Available)*
Poverty Monitoring Core Group

In each district, a core monitoring group of 15-20 people was established, including:

- Representatives of AAV’s local partners in the area, such as the Centre for Cooperation Human Resource Development (C&D) in Ha Noi, the Centre for Workers’ Rights (CWR) in Hai Phong, and the Development Programme Management Unit in Go Vap District, HCMC.
- Representatives of municipal departments, such as the Department of Labour, Invalids, and Social Affairs (DOLISA), Women’s Union, Youth Union, and Trade Union.
- Representatives of district departments, such as DOLISA, Department of Agriculture and Rural Development, Department of Finance and Planning, Department of Natural Resource and Environment, Fatherland Front, Farmers’ Union, Women’s Union, Youth Union, and Trade Union.
- Representatives from wards/communes and residential clusters/quarters/hamlets were selected to carry out the survey.

The core monitoring group is responsible for monitoring the poverty status at respective monitoring sites in its area, including organisation, data collection and field reporting. The core group received training and technical support from Truong Xuan (Ageless) Consultant Company and programme officers of Oxfam and AAV.

Urban Poverty Monitoring Framework

The third round of urban poverty monitoring based on participatory methodology undertaken in 2010 includes three main themes:

**Theme 1. Overview of urban poverty. Local resident poverty:** urban poverty changes, features of the local poor residents; challenges to urban poverty reduction, and people’s feedback on policies and projects/programmes. This topic aims to update the overall situation of urban poverty at surveyed areas through the voice of local residents and officials in order to identify emerging issues related to urban poverty which should be considered and resolved in the new context.

**Theme 2. Migrant poverty:** features and diversity of poor migrants; migrants’ access to public services and ability to integrate into urban society. This topic aims to describe some features of the poor migrants and emerging issues given the increasing number of migrants in peripheral urbanized areas.

**Theme 3. Specific social and vulnerable groups in urban areas:** vulnerability is the main feature of urban poverty in relation to specific social groups including people working in informal sectors and migrants. This topic explores the features, living conditions, livelihoods, and vulnerability of specific groups in urban areas. It also aims to provide some case studies on social issues related to poverty in the current urban environment.

Field work

The third round of urban poverty monitoring was implemented in July and August 2010. The monitoring was undertaken using participatory approaches for one week in each ward/commune. The main data and information were collected via:

**Group Discussions:** were conducted with core members of wards/communes, residential quarters/hamlets and with male and female residents, poor children, and specific social groups (migrant workers, motorbike taxi drivers, small traders, and
people working in informal sectors) using participatory rural appraisal (PRA) tools, such as classification of households (well-being ranking), time lines, listing and ranking, livelihood analysis diagrams, mobility charts, cause and effect diagrams to understand the effect of changes on people’s lives, livelihoods, access to public services, people’s feedback on policies, and programmes/projects. 52 group discussions were held with the participation of 326 local people, migrant workers, and local officials, of which 150 were male and 176 female, and mostly Kinh people.

**In-depth interviews to record life stories:** in-depth interviews were undertaken with a number of representative poor and near poor households in each residential quarter/hamlet and with people who belonged to specific social groups in each ward/commune to further understand people’s perceptions of poverty, and their living conditions, vulnerability, scoping mechanisms and feedback on policies. 173 in-depth interviews were conducted with 76 men and 97 women.

**Questionnaire-based/structured interviews with migrant worker groups:** A specific questionnaire was developed for migrants working in enterprises with a focus on demographic characteristics, working conditions, and living standards. The interview locations were randomly selected in some rental properties where migrant workers were living. Due to the tendency of migrant workers to frequently change their workplaces and accommodation situation, the 2010 survey sample was not the same as that of 2008 and 2009. (Thus, one needs to be cautious in comparing data of 2008, 2009 and 2010 given the three different random samples taken in the same location). One hundred and eighty questionnaire sheets for migrant workers in Ha Noi, Hai Phong, and Go Vap District (HCMC) were completed in this third round of urban poverty monitoring 2010. Of the 180 interviewees, 68 were male and 112 were female; 175 were Kinh and five were ethnic minorities.

**Information sheets:** Information sheets were used to record basic information at the time of monitoring in respective wards/communes and residential quarters/hamlets. Direct observation and photographs were used as tools to provide additional information.

**Interviews with officials:** In addition to the tools mentioned above, 12 interviews were conducted with officials of district departments during the survey trip.

This report of the third-round urban poverty monitoring summarizes results of the surveys at different monitoring sites in July-August, 2010 and highlights the changed status of urban poverty over the last 12 months since the last survey and in the context of the on-going global financial crisis. In addition to a thorough analysis of focus issues, this report provides a general overview of changes in poverty and examines specific vulnerable groups as an independent report on urban poverty.

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4 Separate reference is provided for secondary information. All the non-referenced information used in this report has been consolidated from three component poverty monitoring reports and the field report as part of the 2010 Third round urban poverty monitoring undertaken in Ha Noi, Hai Phong and HCMC.
PART I. OVERVIEW OF URBAN POVERTY

1.1 Urban Poverty Trends: Various Measures

Poverty is multi-dimensional and can be measured by means of income, expenditure and non-income criteria. To date, the status of poverty in Vietnam has often been measured using expenditure poverty lines defined by the World Bank (WB) and the Government Statistical Office (GSO) or the income poverty line set by the Government. Efforts to measure the multi-dimensionally of urban poverty should consider the characteristics of non-income criteria.

1.1.1 Expenditure poverty lines of the WB and GSO

The expenditure poverty lines of the World Bank and GSO (henceforth WB-GSO) have primarily been used for research and policy planning purposes. These poverty lines have been set at the same level since 1993, although updated according to price fluctuations observed in the Vietnam Household Living Standard Survey (VHLSS). In recent years the national urban poverty incidence has been declining slowly (Table 3). The main reason for this is that urban poverty has reached its “hard core” level, below which is difficult to reduce further.

| TABLE 3. Poverty incidence in Vietnam according to WB-GSO’s expenditure poverty lines, 1993 - 2008 (%) |
|-----------------------------------------------|---|---|---|---|---|---|
| National                | 58,1 | 37,4 | 28,9 | 19,5 | 16,0 | 14,5 |
| Urban                   | 25,1 | 9,5  | 6,6  | 3,6  | 3,9  | 3,3  |
| Rural                   | 66,4 | 44,9 | 35,6 | 25,0 | 20,4 | 18,7 |

Notes:
- The WB-GSO poverty lines used to calculate expenditure poverty incidence in 2004, 2006 and 2008 are 173; 213 and 280 thousand dong/person/month.
- The WB-GSO’s expenditure poverty line differs from the GOV’s income poverty line in that (i) the expenditure poverty line applies to both urban and rural areas, (ii) household expenditure data instead of income data are used to calculate the poverty incidence, and (iii) the poverty incidence refers to the proportion of the poor people rather than the poor households.

The process of urbanisation in Vietnam has resulted in an increase in the urban population. Over the past ten years, the incidence of urban poverty has declined by two thirds while the number of urban poor has halved. It is estimated that Vietnam had some 1.6 million urban poor people in 1999 and 0.8 million in 2009.

1.1.2 The Government’s national income poverty line

The Government (GOV) adopts a new income poverty line every five years in order to conduct a national review of poor households which serves as a basis to develop social protection policies appropriate to the living standards and price fluctuations observed

\[ \text{By 2009, 29.6 percent of Vietnam’s population lived in urban areas compared to 23.7 percent in 1999. Between the two population censuses of 1999 and 2009, the country’s population increased by 9.47 million, of which 7.3 million (or 77 percent) lived in urban areas and 2.17 million (or 23 percent) in rural areas, indicating an average annual growth rate of 3.4 percent of the urban population and only 0.4 percent of the rural population. Source: GSO, Results of the Population Census 2009.} \]
in each period. The GOV’s poverty line for the 2006-2010 period is 260,000 VND/person/month in urban areas. According to this poverty line, the proportion of poor households estimated by GSO was 13.4 percent in 2008. Similarly to expenditure poverty, income poverty in urban areas has declined slowly in recent years. The proportion of urban poor households declined by only one percent on average between 2004 and 20086 (Table 4).

TABLE 4. Poverty incidence in Vietnam according to GOV’s income poverty lines, 2004 - 2008 (%)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2006</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>18.1</td>
<td>15.5</td>
<td>13.4</td>
</tr>
<tr>
<td>Urban</td>
<td>8.6</td>
<td>7.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Rural</td>
<td>21.2</td>
<td>17.0</td>
<td>16.1</td>
</tr>
</tbody>
</table>


Notes:

- The proportion of poor households in 2004 was based on the 2006 poverty line calculated at 2004 prices. Similarly the proportion of poor households in 2008 was based on the 2006 poverty line calculated at 2008 prices and equivalent to 290 thousand dong/person/month in rural areas and 370 thousand dong/person/month in urban areas.

As poverty reduction efforts continue, people’s lives have improved over the last two years by means of expenditure and income. According to VHLSS data, as of 2008 the average monthly income per capita at current prices was 1.605 million VND, of which 1.115 million was the cost of living, a more than 50 percent increase over the level of 2006. In nominal terms the income/expenditure of urban residents between 2006 and 2008 grew at seven percent annually. The number of households owning household durables had increased in the period 2006-2008. By 2008, 79 percent of urban households owned motorbikes (compared to 72 percent in 2006); 83 percent owned a telephone (compared to 67 percent in 2006); 63 percent owned refrigerators (compared to 53 percent in 2006); 94 percent owned coloured TVs (compared to 92 percent in 2006); and 27 percent owned computers (compared to 21 percent in 2006).

The rich-poor gap continues to expand slightly. Using indicators such as the GINI or the “40 percent standard”, Vietnam has relative equality in income distribution to many other countries but has the tendency to move towards moderate inequality. VHLSS 2008 data show the national GINI coefficient of 0.43 which tends to increase over the years (0.418 in 2002 and 0.42 in 2004 and 2006). The “40 percent standard” was 17.98 percent, 17.4 percent, 17.4 percent and 16.4 percent in 2002, 2004, 2006 and 2008 respectively7.

1.1.3 Income poverty lines defined by localities

Each city and province in Vietnam is allowed to define its own income poverty line based on the local cost of living, provided that it is not lower than the national poverty line.

The urban poverty monitoring reports of the earlier rounds recommended that the urban poverty line be increased to reflect inflations and higher costs of living in the cities. Ha Noi and Ho Chi Minh City actually decided to increase their respective poverty lines starting in 2009. Having considered its budgetary response capacities, Hai Phong also decided to increase its poverty line starting in early 2010.

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6 The national proportion of poor households in 2008 announced by GSO (13.4 percent) was slightly higher than that announced by MoLISA (12.3 percent) because GSO had factored in price fluctuations as they calculated the poverty line for 2008 based on the poverty line for 2006 while MoLISA still used the poverty line for 2006 without reflecting any price changes. Note: MoLISA poverty data often are not urban-rural disaggregated.

7 The “GINI co-efficient” is a number between zero and one, where zero corresponds with perfect equality. As it moves towards one inequality increases and one corresponds with perfect inequality. “40 percent standard” refers to the share of the total national income of the households in the bottom 40 percent of the income bracket.

As a result there was a spike in the number of poor households in early 2009 at the monitoring sites of Kim Chung (Đong Anh, Ha Noi) and Ward 6 (Go Vap, HCMC) and a slight increase in early 2010 at Lam Ha (Kien An, Hai Phong) (Table 5).

**TABLE 5. Proportion of poor households at monitoring sites, 2005-2009**

<table>
<thead>
<tr>
<th>Ward/ commune</th>
<th>District</th>
<th>City</th>
<th>Geographic location</th>
<th>Proportion of poor households according to old poverty line (%)</th>
<th>Proportion of poor households according to new poverty line (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2006</td>
<td>2007</td>
</tr>
<tr>
<td>Kim Chung</td>
<td>Dong Anh</td>
<td>Ha Noi</td>
<td>Suburban industrialized</td>
<td>6,6</td>
<td>3,8</td>
</tr>
<tr>
<td>Lam Ha</td>
<td>Kien An</td>
<td>Hai Phong</td>
<td>Peripheral urbanized</td>
<td>1,54</td>
<td>0,93</td>
</tr>
<tr>
<td>Ward 6</td>
<td>Go Vap</td>
<td>TP.HCM</td>
<td>Peripheral urbanized</td>
<td>3,6</td>
<td>2,2</td>
</tr>
</tbody>
</table>

Source: Data from poor household surveys 2005-2009 undertaken at monitoring sites

Notes:
- Ha Noi’s poverty line applied for the period of 2005-2008 states that people with a monthly average income under 350,000 dong in urban areas and under 270,000 dong in rural areas are considered poor (according to Decision No. 6673/QD-UB of Ha Noi’s People’s Committee dated 09/28/2005). Ha Noi’s new poverty line applied from the middle of 2009 states that people with a monthly average income of under 500,000 dong in urban areas and under 330,000 dong in rural areas are considered poor (according to Decision No. 1592/QD-UB of Ha Noi’s People’s Committee dated 04/07/2009).
- During the period of 2006-2009 Hai Phong applied the national poverty line of the GOV (a monthly average income under 260,000 dong in urban areas and under 200,000 dong in rural areas). In January 2010 Hai Phong decided to elevate its poverty line to 390,000 dong for urban areas and 300,000 dong for rural areas (according to Decision No. 148/QD-UBND of Hai Phong’s People’s Committee dated 26/1/2010).
- According to HCMC’s poverty line applied for the period of 2005-2008, people with a monthly average income of less than 500,000 dong are considered poor. HCMC’s new poverty line applied for the period of 2009-2015 is a monthly average income under 1,000,000 dong for both urban and rural areas.
- The new poverty line to be applied for the period of 2011-2015 has just been adopted by the GOV. It is under 500,000 dong/month for urban areas and under 400,000 dong for rural areas (according to Directive #1752/CT-TTg dated 21/9/2010 of the Prime Minister). For the final months of 2010, cities and provinces across the country have been undertaking a survey of poor households using the new poverty line to contribute to social protection policies starting in 2011.

The Government has just introduced a Directive on the implementation of the new poverty line for the period 2011-2015 which is double the former poverty line (for the period 2006-2010), which will lead to a sharp increase in the proportion of poor households and start a new poverty reduction cycle. Following this Directive, each province and city will have to consider whether to further increase their own poverty lines or not. Ha Noi and Hai Phong will definitely have to review their own current poverty lines as their existing (though recently updated) poverty lines will be lower than the new national poverty line.
1.1.4 Measuring multi-dimensional poverty

GSO has recently attempted to measure multi-dimensional poverty among children. According to GSO, poor children can be identified in two ways. First, from a purely economic perspective, poor children live in poor households (having income or expenditure below the poverty line). Second, they are identified using a multi-dimensional approach covering seven areas of children’s development needs including: education, health, housing, water and sanitation, child labour, leisure, and social inclusion and protection. Children who are considered vulnerable in at least two domains are considered poor (VHLSS data do not cover leisure needs of children). Calculations show that in 2008 the proportion of under 16 year old children considered as multi-dimensionally poor was eight percent higher than that of under 16 year old children considered as poor by means of expenditure\(^9\). Most notably, the proportion of multi-dimensionally poor children slightly declined in rural areas but slightly increased in urban areas between 2006 and 2008 (Table 6).

**TABLE 6. Proportion of poor by means of expenditure and multi-dimensional poor among children aged below 16 (%)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proportion of expenditure poor children</td>
<td>Proportion of multi-dimensionally poor children</td>
<td>Proportion of expenditure poor children</td>
<td>Proportion of multi-dimensionally poor children</td>
<td></td>
</tr>
<tr>
<td>National</td>
<td>22.6</td>
<td>30.7</td>
<td>20.7</td>
<td>28.9</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>5.4</td>
<td>11.3</td>
<td>4.9</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>27.6</td>
<td>36.3</td>
<td>25.9</td>
<td>34.3</td>
<td></td>
</tr>
</tbody>
</table>


As observed by GSO, combining the two measures of poverty will help policy makers identify and formulate more appropriate policies to reduce poverty. This is especially important as Vietnam becomes a middle-income country.

The next step is to calculate multi-dimensional poverty among households in general and not just among children. Incidence of income poverty in urban areas is currently very low. However, if other dimensions of poverty are considered, it is higher. For instance, in 2008 the incidence of multi-dimensional poverty was 2.5 times higher than uni-dimensional poverty among urban children, but only 1.5 times higher among rural children.

A similar pattern can also be observed in participatory household well-being ranking exercises at monitoring sites. Results indicate that the incidence of multi-dimensional poverty is consistently 4 to 16 percent higher than that when using more conventional measures.

1.1.5 Challenges and limitations of urban poverty measurement

It is more difficult to calculate incomes of households in urban areas than in rural areas as urban residents rely on a cash economy which is less evident than incomes from crop and animal production of rural households. The urban poor often work in informal sectors where employment is insecure and incomes unstable. The municipal poverty lines remain lower than the actual costs of living in cities such as Hai Phong, which makes it difficult to assess poverty accurately.

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Screening of poor households is still subject to personal judgments. Annual poverty reduction targets may put pressure on the cadres measuring poverty at the household level. Many cadres may not fully understand relevant regulations and templates. For example, some cadres still include social allowance provided under Decree 67/CP in the total household income despite the fact that the existing MOLISA guidelines require it to be removed. Others do not include households that have received house construction support before their incomes are improved. As a result, many households that are actually not poor end up getting listed as poor whereas those who are really poor do not (Box 1).

**BOX 1. “Errors and omissions” in poor household review in Ward 6**

In Ward 6 (Go Vap, HCMC) all 18 poor households added to the list at the end of 2009 are in difficult circumstances. These households have not fallen back into poverty, but were “omitted” in the previous review. Conversely, 8 (out of 35) households taken off the list of poor households at the end of 2009 are in fact not poor but had been mistaken to be poor at the beginning of the year.

Such errors are the result of biased judgements by cadres and the households. In some places the whole process relied solely on an assessment of the Residential Cluster (RC) management board rather than a consultation with the local community. Given the large number of people residing in the cluster (for example the Cluster 4 consists of eight Residential Quarters (RQs), while in each unit there are more than 50 households), the Cluster management board has difficulties keeping track of the circumstances and economic well-being of each individual household.

The exclusion of migrants is the biggest problem with attempts to measure urban poverty to date. Most urban poverty data does not include migrants (HCMC is an exception as a number of migrants who are long-term temporary residents and have stable housing are included in poor household reviews) while migrants account for a significant proportion of the urban population, especially the peripheral urbanized population. In Ward 6 (Go Vap, HCMC) and Kim Chung commune (Dong Anh, Ha Noi) there are two times as many migrants as local residents.

The Poor and Near-poor Household Survey Manual 2011-2015 developed by MOLISA does mention migrants. For the first time ever, the manual requires all households that have lived in a locality for at least six months regardless of the availability of a permanent residence register or temporary residence status (long-term temporary, short-term temporary or non-registered) be included in poor household surveys. In addition, the manual takes into account multi-dimensional poverty factors by giving points to non-income parameters (including productive assets, household durables, income characteristics and poverty risks) and at the same time disaggregating between urban and rural areas and geographical regions in order to quickly classify households as non-poor and poor.

These requirements are technically more progressive than previous surveys and will depict a more realistic view of urban poverty. Given the more complex procedures and templates to be used, the next step is to ensure technical training for individual wards/communes and surveyors is conducted using the TOT (training of trainer) approach.

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1.2 Two urban poor groups: poor local residents and poor migrants

1.2.1 Local poor residents

In each of the monitoring sites the poor are identified using the same criteria, although they also have distinct features. The criteria and features have been consistent over the three rounds of monitoring and can be measured using sociological survey tools (Table 7).

**TABLE 7. Criteria for identification of poor local residents observed by grassroots cadres at monitoring sites**

<table>
<thead>
<tr>
<th>Common criteria:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- single and elderly</td>
</tr>
<tr>
<td>- long standing illness, disability, inability to work</td>
</tr>
<tr>
<td>- single parents with many children</td>
</tr>
<tr>
<td>- low level of education, non-skilled labour</td>
</tr>
<tr>
<td>- informal jobs, manual labour, unstable employment/income</td>
</tr>
<tr>
<td>- isolated residence, poor infrastructure and sanitation</td>
</tr>
<tr>
<td>- lack of capital, difficult access to capital</td>
</tr>
<tr>
<td>- insecure land ownership, lack of “red book”</td>
</tr>
<tr>
<td>- degrading “grade 4” housing/temporary housing</td>
</tr>
<tr>
<td>- household durables of low value</td>
</tr>
<tr>
<td>- lack of confidence, inferiority and lack of voice</td>
</tr>
<tr>
<td>- not knowing how to do business</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distinct features:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- doing purely agricultural jobs in transitional locations (Kim Chung)</td>
</tr>
<tr>
<td>- losing rooms for rent following repossession of agricultural land (Kim Chung)</td>
</tr>
<tr>
<td>- workers getting laid off by enterprises (Lam Ha)</td>
</tr>
<tr>
<td>- drug use (Lam Ha), HIV/AIDS (Ward 6)</td>
</tr>
<tr>
<td>- having sold houses or having had land repossessed and currently renting accommodation (Ward 6)</td>
</tr>
</tbody>
</table>

The following five factors represent the limitations and disadvantages of the poor local residents relative to better-off people living in urban areas (Figure 1):

- Lack of human resources
- Lack of ability to find alternative occupations
- Lack of social capita
- Lack of access to public services
- Lack of comfort and safety in living conditions

These factors are inter-linked and together can explain most of the cases of urban poverty identified in the survey. They also represent major challenges to urban poverty reduction efforts (see also Section 1.3).
Limited human resource is the most common feature of local poor residents in urban areas, particularly the “hard core” group, and a few households that do not work hard or are involved in drug use.

In Lam Ha ward (Hai Phong), as of early 2009, 19 households fell below the old poverty line. Twelve were single mother households, nine contained disabled members and eight frail elderly members. At the beginning of 2010 when the new poverty line was introduced, 22 more households were ranked as poor. They also suffered drug use or serious illness. In Kim Chung commune (Ha Noi), out of 46 single mother households with young children, 30 were poor and in very difficult living conditions. The improved living conditions in most households over the past year was a result of incomes earned by children who have grown up and started working.

Unskilled and uneducated poor local residents mainly work in informal sectors earning flexible, yet unstable incomes and saving little.

Ward 6 is typical. Of the members of 21 poor households (Figure 2): more than 70 percent are brick layers, small traders, beverage sellers, motorbike taxi drivers restaurant workers, morning glory vegetable growers, fish netters/eel trappers, lottery ticket sellers, hair-dressers and clothing repairers. Nearly 30 percent are industrial workers (garment, pharmacy, mechanics) or skilled workers (carpenters, silversmiths and painters).
The poor appear to struggle to find new livelihoods in response to change.

Kim Chung (Ha Noi) is a typical peripheral commune and many residents have had agricultural land repossessed for conversion to industrial parks and infrastructure. Renting rooms and small businesses are the two main sources of income for better-off households in the commune. Most of the remaining 87 poor households identified at the beginning of 2010 are engaged in agriculture (rice farming, vegetable production, pig raising), crab or snail fishing and manual labour and cannot afford to build rooms to rent out. Poor people with agricultural jobs find it increasingly difficult to survive in Kim Chung as irrigation canals are blocked by construction projects, water resources are polluted (dozens of hectares of rice land that used to produce two crops per year now produce only one crop or are abandoned), night lighting attracts insects that damage crops and so on.

In Ward 6 (Go Vap), decreasing fish populations and arable land mean incomes for farmers and fishermen are falling. Households that rely on providing tricycle transport services find it more difficult to convert to other means of transport. Poor households working as scrap collectors, street vendors and sugarcane drink sellers struggle with stricter urban management regulations introduced by the local government. Of the 21 poor households in Chua village none have managed to escape from poverty in 2010. Only two have increased their incomes from below eight million dong/year to over eight million dong/year thanks to access to credit, having adult children in work or small trading activities.

Land ownership by the urban poor is often insecure. In the “Dao (Island) village”, Lam Ha Ward (Hai Phong), more than 90 percent of residents do not have red books due to a lack of original legal documentation and excessively high fees to obtain the red books. Several households own land in the safety corridor of the dyke system. Similarly, in “Chua (Pagoda) village”, Ward 6 (Go Vap), most poor households do not possess red books as they have land in the territory of Pho Chieu Pagoda or in an area set aside for green park development. Without red books residents cannot use their land as collateral for bank loans.

A number of poor households have had to move to more peripheral wards/communes. In Ward 6 (Go Vap) of the 35 households taken off the list of poor households at the beginning of 2010, ten have moved to District 12 which is further from the city centre where land and living costs are lower. Therefore the mapping of urban poverty reduction trends should take into account the movements of the poor households.

Urban poor residents often have less social capital than rural residents as the urban style of living is more closed and individualistic. Most poor residents do informal jobs that require long hours, are unstable and tiring so they do not participate in community activities. The local poor households interviewed at the monitoring sites rarely attend residential quarters/hamlet meetings because they are not invited or they are too busy or tired. When they do attend they often just listen passively and rarely speak.

Poor local residents also lack confidence and feel inferior to better off people in the same community. Some use drugs or suffer from HIV/AIDS, so try to avoid contact with other people. In peripheral urbanized areas where migrants congregate there is a mix of cultures and living styles and many local residents (particularly the older ones) rarely form relations outside of their extended family.

Most programmes and projects in urban areas are designed by high level decision makers and implemented by contractors. Hence the voice of the people is limited. The people themselves become interested in these programmes/projects as they relate to compensation issues or have a direct impact on their families.

Without financial resources and social relations, poor local residents have more limited access to public services than better-off residents. Given the high cost of education in
urban areas, many poor people cannot afford to send their children to schools beyond secondary level. Most of the poor residents at the three monitoring sites can only afford to keep their children in lower secondary or upper secondary schools. There is also a constant risk of children getting bored with schooling or performing badly and eventually drop out (Box 2).

**BOX 2. The poorest single mother in Bau Hamlet**

Ms. N.T.H. (born in 1965) is the owner of the poorest household in Bau hamlet, Kim Chung commune (Ha Noi). Her husband died in 2005 from a liver problem. She is living with her daughter who is in Grade 7. Since she had to sell all her residential land to pay for her husband’s medical treatment, funeral and burial her current shelter is a temporary 10m2 hut built on her brother in law’s agricultural land on the edge of the hamlet. She could not receive house construction support from the commune Fatherland Front because she does not own any residential land. In her temporary shelter there is nothing but a couple of pots and pans. There is no electricity and no water.

--- “This little hut is 10m2. My big brother in law built it for us. The roof is leaky and can easily collapse when there is a storm. When it rains the two of us often have to crouch together on one side to sleep.”

--- “We have to fetch water every day and do the washing in our neighbours’ places. We have no electricity. We rely on the highway lights which are not bright. I have to buy candles for my daughter to study at night”.

She now has only two sao of rice land left by her husband. She is borrowing two more sao abandoned by other households to grow rice. She uses five square meters to grow morning glory for sale all year round and earns an average of ten thousand dong per day. To pay for her daughter’s schooling she sells 200 kg of paddy from each crop for one million dong. Sometimes she also gets hired to do weeding in rice fields or household chores for others in the hamlet.

--- “I get hired to do things. Weeding at 30,000 dong per sao. I can only weed one sao per day. Sometimes I do household chores for other people in the hamlet, seven days per month on average and earn nearly 100,000 dong per day.”

--- “I produce rice and vegetables. We buy meat to eat three times per month. I spend 5,000-10,000 dong daily on food. If there is nothing else we will just rely on boiled vegetables.”

Her daughter did not perform well at school this year and will have to repeat Grade 7. The girl wants to drop out as she gets teased by her classmates because of her home situation. Her mother encourages her to continue.

--- “My daughter does not want to go to school any more. She says her classmates tease her and look down upon her. Schooling to her is like hell. She stays at home today to help me with the vegetables. I was supposed to pay 800,000 dong at the beginning of the school year. That was a 50 percent discount for poor households. I have only been able to pay 300,000 dong. It is very embarrassing when reminded by the teacher”.

She wanted to get a concessional loan from the bank to repair the hut but has not had a chance to do so. “I have also approached the Women’s Union. They said they didn’t have any money to lend”. She never attends hamlet meetings as she does ‘not get invited’.

Although they have been granted health insurance cards poor people often have difficulties getting medical examinations and treatment as health facilities at the district and municipal levels are often overloaded and staff maintain insufficiently appropriate attitudes towards health insurance card holders. They also cannot afford to pay costs beyond what is covered by health insurance. At the three monitoring sites poor people often purchase medications from drugstores to treat minor health problems and only go to the hospitals in case of serious problems or chronic disease.
Finally, the poor local residents typically live in less safe and uncomfortable environments. At the monitoring sites, poor households tend to concentrate in isolated locations and remote alleys where infrastructure and facilities are poor (but where land is affordable), for example, Chua village in Ward 6 (Go Vap) and Dao village in Lan Ha (Hai Phong).

Most local poor live in ‘grade 4’ houses and a small number live in temporary shelters. Some who have had their houses sold or land repossessed rent accommodation. Of the 21 poor households in Chua village, Ward 6 (Go Vap) four are living in rented houses and two rent houses built on their original land. A scheme to provide support to households with poorly built homes and to build ‘compassion houses’ and ‘solidarity houses’ for those in difficult circumstances has been a priority for local governments. However, neither Ward 6 nor Kim Chung commune has used up its housing support budget, mainly because those households who are living in deteriorating grade four or temporary houses do not have a legal land use title to become eligible recipients of the support.

Sanitation is a pressing concern in peripheral urbanised areas. The greatest problem at the monitoring sites is drainage and waste water which cause flooding and unpleasant odours. In residential cluster #14, Lam Ha ward (Hai Phong), black waste water discharged from factories flows into the canal running across the residential area causing serious pollution. Rubbish collection in locations where migrants congregate such as in Kim Chung commune (Ha Noi) remains a challenge. Also in Kim Chung commune, the local residents are very concerned that many young have died of cancer in recent years. From the beginning to September of 2010, in Kim Chung commune alone, there were about 17 people aged 35 to 55 died from cancer. Although the causes of cancer are unclear many people are worried that it may be related to waste water discharged by factories located in the Thang Long Industrial Park in the neighbourhood.

Another concern is that urban children have very limited leisure and recreational facilities compared to their peers in better-off households. Poor children often play games such as football and shuttlecock in the street, which gives the better-off households and local cadres a bad impression. In peripheral urbanized areas, public areas for children to play is getting lost.

--- “The better-off households complain about children playing football in the street. However they did not understand the fact that they have the money to take their children to Dam Sen park to play and go to other tourist places in the summer while parents of the poor households are always busy struggling to make their living. Children of these poor households do not have any places to play and have no choice but to play games such as football and shuttlecock in the street”.

(T.M.T. Residential Cluster #4, Ward 6, Go Vap).

1.2.2 Poor Migrants

Migrants temporarily residing in major cities are diverse and can be classified into three main groups: (i) people working in informal sectors; (ii) people working in formal sectors including industrial workers mainly having up to secondary school education (working in labour intensive businesses) and having college and higher education (working as full-time staff in agencies and enterprises); and (iii) students and pupils coming from other provinces. This report analyses the group of migrants working in informal sectors and industrial workers who have the greatest risk of falling into poverty.

Most temporary resident migrants rent lodging facilities. Those who can afford to buy land or houses tend to try to obtain permanent residence registration. However, there are also migrant households who “have land and a house but do not want to register
Some migrants do not want to register for permanent residence as they want to keep the benefits in their home village. Of the forty households without permanent residence registration in Residential Quarter #14, Lam Ha Ward (Hai Phong), 30 do not want to register. They have built houses in Residential Quarters #14 but want to remain registered in their home villages in order to keep their land and to send their children to rural schools.

The flows of migrants are diverse. In Kim Chung (Ha Noi), most migrant workers come from Ha Tinh in the centre and provinces in the North. In Lam Ha (Hai Phong), most are informal workers or industrial workers from suburban districts of Hai Phong. In Ward 6 (Go Vap), migrants also have diverse backgrounds, and there is a division in types of job by geographical origins and gender (Table 8).

<table>
<thead>
<tr>
<th>Type of job</th>
<th>Gender</th>
<th>Geographical origins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low skill worker (garment,</td>
<td>Male and female</td>
<td>Coming from the North, North-Central and South-West</td>
</tr>
<tr>
<td>footwear)</td>
<td></td>
<td>(Mekong River Delta)</td>
</tr>
<tr>
<td>Restaurant worker, hair-</td>
<td>Female</td>
<td>Coming from South-West (Mekong River Delta)</td>
</tr>
<tr>
<td>dresser</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guard, rocking chair/bronze</td>
<td>Male</td>
<td>Coming from South-West (Mekong River Delta)</td>
</tr>
<tr>
<td>censer seller</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scrap collector</td>
<td>Female</td>
<td>Coming from the North and North-Central</td>
</tr>
<tr>
<td>Street vendor</td>
<td>Female</td>
<td>Coming from all the three regions, mostly from South-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Central and South</td>
</tr>
<tr>
<td>Massage worker</td>
<td>Male</td>
<td>Coming from the North and North-Central</td>
</tr>
<tr>
<td>Motorbike taxi driver</td>
<td>Male</td>
<td>Coming from all the three regions</td>
</tr>
<tr>
<td>Brick layer</td>
<td>Male</td>
<td>Coming from all the three regions</td>
</tr>
<tr>
<td>Lottery ticket seller</td>
<td>Female, Male</td>
<td>Coming from South-West (Mekong River Delta)</td>
</tr>
<tr>
<td></td>
<td>(elderly), children</td>
<td></td>
</tr>
<tr>
<td>Household helper</td>
<td>Female</td>
<td>Coming South-West (Mekong River Delta)</td>
</tr>
</tbody>
</table>

HCMC has included long-term temporary residents in poor household reviews. Migrants who are temporary residents are often not included in annual poor household screenings. HCMC has now integrated a number of households who have resided in the city for more than a year and have stable accommodation. For example, of the 270 poor households identified at the end of 2009 in Ward 6, 17 are long-term temporary residents. However, only a few migrants are classified as poor according to the income-based poverty line. If the broader “multi-dimensional poverty” approach is used the proportion is much higher.
The high cost of living is the most commonly cited challenge for migrants living in the cities. The rental price of rooms has been consistently increasing over the past years (Table 9). A limited supply of rooms coupled with increasing demand mean room owners increase room rates. Tenants have to pay house owners very high negotiated electricity costs: up to 2,000-2,500 dong/unit in Kim Chung (Ha Noi) and 3,000-3,500 dong/unit in Ward 6 (Go Vap). On average tenants have to pay 500 more dong/unit in 2010 than in 2009.

**TABLE 9. Room rental price at monitoring sites 2009 - 2010 (dong/month)**

<table>
<thead>
<tr>
<th>Room Type</th>
<th>7/2009</th>
<th>7/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kim Chung (Ha Noi)</td>
<td>250 - 300,000</td>
<td>350 - 450,000</td>
</tr>
<tr>
<td>Lam Ha (Hai Phong)</td>
<td>350,000</td>
<td>400 - 500,000</td>
</tr>
<tr>
<td>Ward 6 (Go Vap)</td>
<td>900 - 1,000,000</td>
<td>1,200,000</td>
</tr>
</tbody>
</table>

Notes:
- [1] 8 -10m², fibro cement roof, cheap cement flooring or tiled flooring, no garret, shared bathroom
- [2] 12m², fibro cement roof, tiled flooring, no garret, built-in bathroom
- [3] 15m², fibro cement roof, cheap cement flooring or tiled flooring, built-in bathroom, garret (about 7m²), built-in bathroom

An increasing proportion of migrant couples live with their young children in the cities rather than sending them home for their grandparents to look after as previously done. As of July 2007 in Kim Chung commune (Ha Noi), the commune reports that of the more than 20,000 temporary residents, 392 were women living with their husbands and 133 were children under six years old (including 85 under-one babies, 47 under-five and one six years old). These report figures may be much less than the actual figure. Couples with young children have to pay some 150 - 200,000 dong more for separate rooms than shared rooms. Costs of day care and schools (public or private) are very high while expenditures on other essential items have already taken almost all of the household’s monthly income (Box 3). Many couples who work shifts have to hire someone else to drop and pick up their children from school every day or pay for a relative to come from their home village to help look after their young children.

---

**FIGURE 3. Main features of migrant poverty**

- **High cost of living**
- **Uncomfortable and unsafe environment**
- **Migrant poverty**
- **Unstable jobs**
- **Limited access to public services**
- **Lack of social integration**

**Migrant couples having young children have many other high costs**
BOX 3. Migrant households with young children have difficulties keeping their savings

Ms. Đ.T.C and her husband coming from Quang Ngai are living with their two small children in a rented house in Ward 6 (Go Vap). Their regular incomes and expenditures for the first six months of 2010 are estimated as follows.

Regular incomes: dong/month 4,400,000
  • from wife/street vendor 2,000,000
  • from husband/brick layer 2,400,000

Regular expenditures: dong/month 4,070,000
  • House rent 1,200,000
  • Electricity, water 170,000
  • Petroleum 300,000
  • Food 2,000,000
  • Medication 100,000
  • Social relations, weddings 300,000

Each month there is only 300,000 dong left to cover numerous contingencies and tuition fees for the two children. She says: “we have no savings as we spend every penny we earn. Fortunately, AAV provided clothing, textbooks and tuition fees... Otherwise we could not have sent our youngest child to school”.

Living in the cities is more costly for migrants than living in the home village. Costs such as telephones, clothing and social interactions (illness, weddings, and birthdays) are all more costly. To those migrants whose households are recognised as poor in their home village, having to send money home to support their parents and pay tuition fees for the children is an extra burden.

Given the high cost of living in the cities, most migrants have a limited budget for essential food and non-food needs. Surveys at the monitoring sites show that most migrants eat very simple meals.

Insecure employment results in unstable incomes. The nature of employment and the mobility of the migrants add to the challenge. Migrants take jobs that that local residents prefer not to do. Each of these jobs has its own risks (see also Section 2).

For migrant workers, the 2008-2009 financial crisis provides evidence of their insecure employment. Women workers over 30 are more at risk of losing their jobs because of poor health, and being less productive than younger workers. Pregnant women or women with small children have to work fewer shifts and so have lower incomes and fewer career development opportunities. In the worst cases they lose their jobs. Migrants working in informal sectors are at a disadvantage because of their limited education and lack of skills.

Employment and income in informal sectors varies daily and depends on the weather, seasonal conditions, the progress of local construction projects and often just luck. Those migrants who move into the cities for economic purposes are often willing to work overtime in order to earn more income. This has an adverse impact on their health status. Some jobs typically taken by migrants such as cyclo drivers and massage workers are becoming scarce. (Box 4).
BOX 4. Massage jobs are becoming increasingly scarce

Mr. T.V.T coming from Vinh Phuc province has been working as a night massage worker in HCMC for more than ten years. Until 2-3 years ago, each night he would have 8-10 clients for 30 minutes each and earn 20,000 dong from each of them. Sometimes he would also be given tips by the more generous clients. The number of clients has declined over the last 2-3 years. Mr. T, although a skilled worker, only has about five clients each night. Most are regular clients. Few are new.

According to Mr. T, there are currently only ten mobile massage workers in Residential Cluster #4 (ward 6, Go Vap), which is only a third of the total number 2-3 years ago. Those who are not highly skilled have moved to other jobs.

--- “Over the last 2-3 years, the number of clients has gone down. Most of them are my frequent clients and very few are new. Only those who trust me would come. Since there are fewer clients now, there are also fewer massage workers. Many have moved to other jobs such as scrap collectors and small traders...”

The lack of social integration among migrants is linked to the “permanent residence registration” system...

... and many other factors associated with the migrants themselves

Lack of social integration is a particular challenge for migrants, most notably because the “permanent residence register” system involves numerous (though less than in the past) procedures and policies such as social protection and poverty reduction policies. Without permanent residence registration and without being recognised as poor urban households, migrants find it difficult to rely on local formal institutions.

Given the main reason for moving to the cities is to make money for their future life in their home villages, migrants tend to maintain social relationships in their home villages rather than develop new ones in the cities. Migrants mainly rely on an informal social network to find jobs and cope with risks. Friends from their home province and co-inhabitants are the most important social relationships for migrants.

Due to their high level of mobility, the social relationships between migrants and local residents are often of a temporary and short-term nature. Migrants working in industries such as garments, footwear and electronics have to take on extra shifts or extra hours so their free time is very limited. Also, the pressure of trying to cut down on expenditure and remit savings home forces them to minimise social costs.

--- “I work from dawn to dusk. I have more business contacts than neighbours. Because of a lack of mutual understanding it’s difficult to become really acquainted “ (N.T.T., a small trader migrant Lãm Hà ward, Hai Phong)

--- “I work all day so have no time to care for what’s happening around”. (V.T.T, a migrant worker in Lãm Hà ward, Hai Phong)

--- “My present life, similar to others’, is very closed. Sometimes I feel as if I am an automatic machine. My daily cycle happens between the rented room and the company. It’s the same day in, day out...For most of the time, I work from 7:00 am to 7:00 pm. I always volunteer to take on extra work on Sunday to earn more income. This goes on for the whole month and in the end I feel really exhausted”. (N.T.H, a migrant worker in Kim Chung commune, Ha Noi)

While appreciating certain positive impacts of the influx of migrants, local residents often associate the increase of “social evils”, “traffic congestions” and “rubbish mess” to migrants. The diverse cultures and lifestyles of migrants are commonly referred to
as “foreign” and “incompatible with the local culture”. In locations where there is a high concentration of migrant workers such as Kim Chung commune (Ha Noi) there are also emerging complicated interactions between them and the local residents which have an adverse impact on family life and children.

Limited access to public services is a common problem for poor people who lack financial resources and social capital. It is also the consequence of inadequate social integration. Overloaded infrastructure facilities are also related to the increasing inflows of migrants. Services such as education, health and credit available in the cities are prioritised for those who have permanent registration. Children of migrants have difficulties enrolling in formal schools as they are already over subscribed. Without being recognised as poor households, children of poor migrant households do not receive tuition discounts/exemptions. The high cost of schooling in the cities has made a number of migrant children drop out of school or start working at early ages to support their children. Many migrants are still not interested in purchasing voluntary health insurance cards.

In many cases, migrants become the target group for urban service managers. Regulations on “urban civilization” or “food safety” are also in conflict with the livelihoods of certain migrants who are involved in informal sectors. For example, on the one hand, municipal governments may fine street vendors on the grounds of “abuse of street/sidewalk space” and “illegal parking”. On the other hand, street vendors are considered providers of cheap, convenient and indispensable services for local residents. In a way, they are also a feature of Vietnamese urban life.

Lack of comfort and safety in living conditions is often associated with the tendency to spend less. Migrants typically choose to live in peripheral areas where infrastructure remains underdeveloped and the prices of land and rooms for rent are low. Environmental pollution, poor drainage systems, flooding and the low quality of electricity and water supply and the high cost of living are common challenges to both local residents and migrants residing in these areas.

In Kim Chung commune (Ha Noi), migrant workers often complain their rented rooms are small (less than 10m2) and, because of the thin walls and fibro-cement roofs, hot in summer. Most rooms are in two long rows looking across one another. In between there is a two meter space for parking motorbikes and hanging clothes. There is no green space. The bathrooms are shared. In Lam Ha ward (Hai Phong), many migrants pay only 200 - 250,000 dong/room/month as rent. The rooms were built before 2000 and have fallen into disrepair. In Ward 6 (Go vap), the scrap collectors group together and share a simple lodging area with a piece of land in the front for scrap sorting which causes pollution and poses a high risk of fire/explosion. Ward 6 is no longer a peripheral area and has introduced stricter regulations to ban the gathering of collected scrap and waste in densely populated locations. As a result scrap collectors have started to move further out (for example, District 12) where there is more space.

Certain groups live in temporary arrangements. For example, brick layers often eat at construction sites with unsafe working conditions and the risk of involvement in gambling and prostitution. This group is particularly vulnerable and more information is required.

1.3 Challenges to urban poverty reduction

The 2009 monitoring report described efforts to improve infrastructure in locations where urban poor people congregate, support the conversion of livelihoods, strengthen
access to public services, increase social capital and expand social protection schemes for both poor local residents and poor migrants. This section will provide an update of these challenges at the monitoring sites with a focus on difficulties encountered in the implementation of urban poverty reduction policies.

1.3.1 Infrastructure

State programs and investment projects completed in 2009 have helped improve infrastructure at monitoring sites in peripheral urbanised areas.

Certain pressing concerns of the local population at the monitoring sites related to infrastructure have been resolved. In Kim Chung commune (Ha Noi) a water supply system has been installed to cover two of the three hamlets. This has been a dream of local residents for many years. Local roads have been upgraded. In Dao village, Lam Ha ward (Hai Phong), a power network with individual household meters was completed in November 2009. The quality of the electricity supply has been improved and the price of electricity has gone down by 50 percent (saving an estimated ten million dong per month). As a result, relationships between the villagers have also been strengthened as they no longer have to share one single electricity meter. In Ward 6 (Go Vap), Vam Thuat canal embankment and dredging and alley lane expansion/concretisation projects have helped reduce environmental pollution. Rubbish collection services have been considerably improved in response to comments from the local residents and thanks to the engagement of the local government.

In addition to State investments, local residents at the monitoring sites have volunteered to contribute funds and efforts to build small scale infrastructure facilities such as alley lanes (Kim Chung, Ward 6) or dyke ramps (Dao village, Lam Ha). Following negotiation it was agreed that better-off households would contribute more than the poorer households.

However, there remain outstanding infrastructure problems at monitoring sites which have an impact on the life of both local residents and migrants.

Drainage and pollution are the most pressing concerns. In Lam Ha ward, drainage is still very difficult as the Canh Hau sluice has broken down and the canals are blocked. Many in-village or inter-village dirt roads are still muddy. Pollution in Lam Ha is believed to be more serious due to an increase in waste water discharged by industries located nearby. In Kim Chung commune, drainage is also a problem. When it rains many roads become flooded and rubbish piles up faster than it can be taken away. In Ward 6, the quality of tap water is still poor as the newly installed water supply system is yet to function smoothly.

Outstanding infrastructure problems often require investments beyond the budget of the community and the administrative capabilities of residential quarter management. In some cases, the mechanism of having “the State and the people jointly implement” is not fully functional and local government ends up waiting for funds from higher up (Box 5).
BOX 5. The Canh Hau drainage in Lam Ha Ward has long been un-repaired

Canh Hau sluice is supposed to control the drainage of waste water discharged by the 2000 households and 50 industries located in Lam Ha ward (Kien An, Hai Phong). The sluice has been seriously degraded. When it rains, households located along the main road of the Residential Quarter #14 are flooded.

--- “When it rains, water goes up to the edge of the bed. The sewage water looks completely black. Other households have been able to elevate their grounds. Our house becomes the lowest and has been inundated for the whole week. Rains bring mosquitoes. I am worried about my two children getting sick. Water gets into the bathrooms as well. What a misery!..” (B.T.L, Residential Quarter #14).

The cost to repair the sluice is estimated at tens of millions of dong. However no decision has been made as to how this could be mobilised. The management of Lam Ha ward says they do not have any budget. No funds have been allocated by higher levels. According to the Residential Quarter #14 cadres the local residents would be willing to contribute funds and labour to fix the sluice but the Ward management should take the steering role as the sluice serves the interest of the whole residential quarters and many industries.

--- “The Canh Hau sluice remains unresolved because there is no budget from higher up. At the ward level we are stuck. We know it’s a pressing concern but have not been able to address it” (a leader of Lam Ha Ward)

--- “If it is an issue of the residential quarters only then we can manage to resolve it. However the sluice is one of the ward and cannot be dealt with at the residential quarters level. If the ward management can steer the mobilisation of the industries and the people then it can be easily resolved. I myself would volunteer to take charge of the opening and closing of the sluice” (N.N.C, Head of Residential Quarters #14)

The overloaded rubbish collection in Kim Chung commune (Ha Noi) which is home to more than 20,000 dong migrant workers and nearly ten thousand local residents is a challenge in locations where migrants concentrate. Since late 2009 a private enterprise has invested in the rubbish collection service in Bau hamlet (built on an originally manual rubbish collection group) helping to reduce the pile-up of rubbish. However the operations of the enterprise have not been very smooth due to low level of awareness among local residents and need more attention and support from relevant agencies (Box 6).
**BOX 6. The rubbish collection enterprise model in Bau hamlet**

The environmental sanitation company owned by Mr. N.V.T. was established in July 2009 with investment capital of 2.1 billion dong. Its main operation is to collect rubbish from Bau hamlet, Kim Chung commune (Đông Anh, Hà Nội). Mr. T has procured one modern rubbish truck and 35 trolleys for garage collection creating 29 jobs at 2.2 million dong per month. The volume of rubbish collected from Bau village is very high (7-9 tons per day) requiring the collectors to work very hard.

The main source of revenue is rubbish fees at 2,000 dong/person/month. There is a challenge related to the fact that owners of the rooms for rent do not register the full number of their tenants, causing a loss to the company’s expected income. It is currently operating without any profit. Local residents have not developed the habit of throwing rubbish in the right places making the jobs of the rubbish collectors even more difficult.

--- “The load of rubbish collected from Bau hamlet is huge. The truck has to come twice a day, morning and afternoon. If we miss one day the rubbish will be piled as high as four meters. In other places the collectors only have to do 2-3 trips per day. Over here they have to do 2-3 times more”.
--- “Certain households are not so good. They have already given free bags to keep their rubbish in but they keep throwing it out making the lives of the collectors more difficult. Collecting fees can also be very difficult. Seventy percent of the owners of rooms for rent do not fully register their tenants. While the fee is 2000 dong/person/month, in one case, we managed to collect only 4,000 dong from a house with 22 tenants which is not enough to buy a mask for the collectors. As the local residents do not behave properly it is very difficult for us to fulfil our job”.

Given the significant level of investment to date and the long-term contract that Mr. T has signed with the commune, he has been trying hard to keep up the business “I can’t afford to give up since I have invested a lot and signed a 5-year contract with the commune from 2006 to 2011”. In the future he plans to expand the service coverage to other parts of the commune and become a shareholder of the district Urban Environment Enterprise to generate more revenues.

Migrants continue to have to face high electricity costs, although in 2010 MOIT and local electricity agencies have introduced various regulations to ensure migrants pay the same prices of electricity as those set by the State. The key problems are the unwillingness of accommodation owners and cumbersome procedures that migrants find it difficult to follow.

“Suspended plans” have an impact on the life and psychological well-being of the local residents

By mid 2010 there had been no significant progress compared to 2008-2009 with certain “suspended plans” (i.e. the construction/zoning plans not implemented for a long time) at the monitoring sites having an impact on local socio-economic development and the psychological well-being of residents. Most notably the “green park” project in Ward 6 (Go Vap) has been put on hold for many years hindering property transfer and registration, house construction and repairs. Ward 6 has asked higher levels of government to abandon the plan but the request has not been approved.
“Those households that have land within the planned neighbourhood of the green park are not granted the red books. Therefore they cannot obtain any bank loans, collateralise the land, repair the house or receive support to do so. There are two households of ‘heroic Vietnamese mothers’ and mothers of war martyrs that cannot receive support from the ward management to fix their leaky houses because they are located with the planned neighbourhood of the green park.” (cadres of ward 6, Go Vap)

Inadequate infrastructure is also a difficulty faced by the newly established or divided peripheral wards. In Lam Ha (Hai Phong), the offices of the People’s Committee and the ward clinic have been temporarily located within the cultural house of the residential quarters and in the homes of the residents since late 2005. A project has been planned on a 2,000 m2 plot of land for the construction of these offices. However, it has not been implemented due to the high costs of site clearance and compensation (dozens of billions of dong).

1.3.2 Livelihood conversion support

Policies to support vocational training for the poor and near-poor are considered the main solution to accommodate livelihood conversion. At the monitoring sites, these policies have been widely introduced. However, very few poor and near-poor people are benefiting from vocational training support schemes. In 2010 in Kim Chung commune (Ha Noi) and Ward 6 (Go Vap), no poor/near-poor people have enrolled in vocational training organised by the ward or district governments. In Lam Ha (Hai Phong), only two children participated in the paper flower craft training at Kien An District vocational training centre. There are many reasons children of poor/near-poor households do not get involved. These include: the disconnect between vocational training and job creation, enterprises often train their workers and poor people are too busy working to attend.

“The garment vocational training support scheme did not succeed. The Go Vap vocational support centre provides free training for 2-3 years with the only condition that the participant submit a written commitment to pursue the complete course but no one has signed up. The poor people tend to seek a quick solution and thus are very difficult to convince.” (cadres of Ward 6, Go Vap).

The policy on concessional loans can help the poor access capital to develop new livelihoods. At the monitoring sites various sources of capital are available such as the Social Policy Bank (SPB), Poverty Reduction Fund (established by HCMC), mass organisations’ funds, commercial banks and people’s credit funds. Of these, poor households often approach the SPB, Poverty Reduction Fund and mass organisations’ funds as they offer low interest rates, do not require collateral and the service is fast. In Ward 6 (Go Vap), for example, poor people can access six different sources of capital (Table 10).
Despite the various sources of capital available access to credit remains difficult. In Lam Ha Ward (Hai phong), most poor households do not get concessional loans as they belong to the “hard core” poor group which lack human resources and do not have the capacity to improve. In Kim Chung commune (Ha Noi), some poor households would like to borrow loans to build rooms for rent but encounter difficulties as they do not own residential land or even if they do the land is too small to build these rooms. In Ward 6 (Go Vap), there are many concessional lending and credit-savings schemes targeting poor people so they have better opportunities to access capital. However, the ability of poor people to save and repay loans is still limited. Certain households have delayed their interest payments resulting in bad debts. According to cadres working in Residential Cluster #4, Ward 6, of the 77 household borrowers, 15 poor households have unpaid debts and overdue interest payments.

13 “CVN” is a fund in support of returnees financed by Consortium Việt Nam through DOLISA
Migrants have more difficult access to credit in urban areas

It is noteworthy that almost none of the existing lending schemes has successfully targeted migrants. Even AAV funds channelled through the Women’s Union aiming to support migrants who are long-term temporary residents are hardly reaching the migrants. The main problem is grassroots cadres are hesitant to lend migrants as loans are difficult to manage. The lending scheme for migrants was terminated following the departure of a migrant in 2009 who hadn’t repaid the loan.

--- “The loan is five million dong for both migrant and local women. However, as migrant women are more mobile they have less access to loans. Recently three migrant women applied but were not granted the loans as they did not have temporary residence certificates granted by the police (small traders group, Ward 6, Go Vap).

Few local residents have moved to work in enterprises

Very few local residents whose land was repossessed have moved to work in enterprises. Following the financial crisis enterprises have announced the recruitment of many workers. However, in Kim Chung commune, most candidates come from elsewhere. Few local youths are interested in working in industry (as they do not want to commit to working in strict conditions and prefer informal jobs. Some are keen on finding opportunities to pursue further study after secondary school graduation)

while certain enterprises actually do not want to recruit local residents. According to estimates of cadres in Kim Chung commune, the number of local residents working in industries in 2009 was 150 and is expected to reach 180-200 in 2010.

The conflict between industrialisation, urbanisation and agricultural production in transitional locations

Existing policies to support agriculture production in transitional peripheral communes are unlikely to take effect as desired. In Kim Chung (Ha Noi), poor farmers receive support in the form of fertilizer, seeds, extension models for improved farming of rice and vegetables... to help enhance technical application capacities. In Nhue hamlet where there is still rice land, the planting technique using manually controlled machines has increased paddy productivity by 10-20 percent and saved some 200,000 dong/sao.

However, in Bau hamlet, constraints related to the irrigation system, environmental pollution, the shrinking acreage of concentrated rice farming, the on-going process of industrialisation and urbanisation have actually made agricultural efficiency decline.

The current average rice productivity in Bau hamlet is only 70 percent of that prior to the transitional period. Many households have decided to leave rice farming, rent their land out or replace rice with beetle nut trees to wait for land clearance compensation. Animal production is now required to be relocated far from residential areas. There are only a few combined farms left (pig raising combined with fruit gardens and fish ponds) whose business is considered unstable due to price fluctuations and diseases.

Most of the poor households have shifted to building rooms to rent out

Building rooms for rent used to be an option for residents whose land was repossessed for construction of industrial parks and infrastructure and with a high concentration of migrant workers such as Kim Chung (Ha Noi). The financial crisis has led to migrant workers getting laid off and returning home and indicated that renting rooms can also be very risky. Since the crisis there is evidence of recovery. Demand by migrant workers for accommodation continues to rise in 2010. However, increasing costs of construction materials mean investing in rooms for rent is less profitable. Between 2005 and 2010 in Kim Chung commune, the cost of construction increased by 3-4 times (from 3-4 million dong/room to 10-15 million dong/room) while the rental price only doubled (from 200,000 to 400,000/ m2). At the same time, most local poor households either do not have land or access to long-term concessional loans to build rooms for rent. Some who have managed to collateralize their land to obtain high-interest loans are facing difficulties associated with the longer repayment period and trying to cut expenditures in order to pay back the loans (Box 7).
BOX 7. Getting commercial loans to build rooms for rent and escape poverty

Ms. N. T. T., 42 years old, is a single mother living in Bau hamlet. Her husband died in 2007. She had to rely on her small trading business to raise four children (three boys and one girl). Two of her oldest children dropped out of school upon completion of secondary education. The third child is in Grade 3 and the youngest one is in kindergarten. In 2009 she was recognised by the hamlet as a “single mother with young children” and listed as a poor household eligible to receive a monthly subsidy of 150,000 dong according to Decree 67/2007/ND-CP.

In 2009 she used her red book as collateral for a 100 million dong loan at two percent interest per month to build eight rooms to rent. The income from these rooms is 3.2 million/month (400,000 dong each) of which she uses one million dong/month to pay the interest and save the rest for the eventual principal payment. In addition, she earns some 100,000 dong per day from her small trading business with which she manages to feed the whole family. In the next 2-3 years, once she has paid off the loan, she hopes her household can escape poverty. “My household is poor. I got a loan from the people’s credit fund and also borrowed from other people to build some ten rooms for rent, each costing more than 1 million dong. Since last year, I have been able to pay back 50 million dong. Hopefully I will be able to pay it off in the next 2-3 years and have a better life”.

In 2010 Ward 6 (Go vap) completed procedures to provide grants to drivers of simple 3-4 wheel vehicles which are now banned from traffic circulation (according Decision 548/2009/QD-TTg dated 29/4/2009). In the ward, 18 drivers have received support. One poor driver received seven million dong/vehicle and 17 near-poor drivers received five million/vehicle. Most of them plan to use the money to shift to other jobs (for example, motorbike taxi driver or small trader). In the Island Village, Lam Ha ward (Hai Phong), five cyclo drivers have purchased small trucks using their own savings and loans from their relatives.

Those who found other jobs such as small traders and motorbike taxi drivers may find urban management policies unfavourable to them. For instance, in Kim Chung (Ha Noi), the relocation of Bau market from one side of the highway further into the hamlet has had an impact on the small traders as they have lost their frequent clients and become less competitive than those who can afford to rent a store. Some have become street vendors (see also Section 2).

1.3.3 Social capital

“Social capital” (which is understood as relationships and networks, the formal and informal groups and social organisations in which they participate) may provide poor people with opportunities and benefits to improve their life and better respond to risks and shocks.

Local poor people often tend to concentrate together in selected locations for a long period of time. As they are busy making a living, they hardly find time to participate in community activities. However, they do tend to help each other in the event of illness or lending money. The participation of poor people in community activities depends very much on the attention of local governments and mass organizations and the level of commitment and approach of the RQ head. Once mobilized poor people will be prepared to make contributions to community activities and support those at risk or in difficult circumstances. In the Island Village (RQ#14), Lam Ha Ward, thanks to State investment in road, water and electricity projects and the commitment of the RQ
head, the villagers have become more interested in community work and prepared to contribute to activities led by the RQ. Similarly in Pagoda Village (RQ#27), Ward 6, since the installation of the water supply system and thanks to the new RQ head, poor local residents have become more involved in RQ meetings and making contributions as requested by the RQ and providing mutual help to deal with difficult circumstances (Box 8).

**BOX 8. Solidarity among villagers in Pagoda Village**

There are 50 permanently registered households in RQ#27 (Pagoda Village), of which as many as 21 are poor households. It is home to the largest number of poor households in Ward 6 (Go Vap, HCMC). Although they live a rather difficult life they get along well with one another. They are always willing to lend money to those in need.

--- “Everyone here knows everyone else. It’s like one community. Everyone knows what each other does. We can easily lend one another 100-200,000 dong. It is very different from people living down the street who only care about their own business”. (Poor household group, RQ#27, Ward 6).

--- “Whenever I have a problem I get help from people around. They lend me money without charging a penny” (N.V.T. poor household in RQ#27, Ward 6).

Since Mr. N.V.N, a military veteran, became the head of Chua Village more than a year ago, community activities have taken a step forward. He regularly organises visits to households that have experienced illness or death and helps villagers with applications for official certification. He even spends his own money for activities of the RQ such as buying fruit for RQ meetings and making copies of invitations. A good example of the solidarity among local residents is their joint contribution of 1.45 million dong in July 2010 to someone in the RQ who had broken his leg. Many poor households also contributed several thousand dong.

--- “Previously we never had more than 15 people at RQ meetings, now we have 37 which is a good number. This is the first time in the last two years the RQ Management Board has decided to mobilise contributions to support a person who broke his leg and had to be hospitalised. Although we are poor we are still willing to contribute, several dozens of thousand dong per household. We got a total of 1.45 million dong in only one night (N.V.N, Head of RQ#27, ward 6).

Poor migrants living in the big cities typically rely on informal social networks to seek employment and cope with risks such as groups of friends coming from the same home province, room-mates and co-workers. In the cities, there are many informal groups from the same province. These groups are often small. Their main activity is to meet and share meals together to exchange information including job opportunities and accommodation. Ethnic minority groups from the same province have very strong links. They tend to live in the same rented house and go to work together. As yet there are no initiatives to support migrants in these groups.

**Groups and clubs can help migrants improve their social capital**

Currently forming groups and clubs seems to be the most common way to improve migrants’ social capital. At monitoring sites, many migrant groups have been formed by mass organizations and development support programs. In Kim Chung (Ha Noi), the C&D centre has collaborated with the Women’s Union to set up ten “migrant worker groups”. In Lam Ha (Hai Phong), the Youth’s Union and the district Labour Confederation have established “overcome difficulties” clubs, “workers’-rented house” clubs and “student clubs”. These groups organize monthly meetings for cultural exchange, dissemination
of legal knowledge and life skills and the enhancement of linkages between local residents and migrants. Nevertheless, they continue to encounter difficulties mobilising migrants’ regular participation. The most commonly cited reasons are migrants’ strict working hours, workload requirements, job and accommodation changes and the lack of initiatives to get them engaged.

**BOX 9. “Youth-Rented House Club” in Lam Ha**

In Lam Ha ward (Kien An, Hai Phong), the Youth-Rented House Club was established in October 2009. The club is managed by the Ward Youth Union’s staff. As it is new the club has only 50-70 members, mostly students and industrial workers. Not many informal workers have joined. Some 70 percent of the club’s members are female.

In 2009 the club organized two sessions to disseminate information on reproductive health and traffic safety. The club management also encouraged members to participate in voluntary youth activities on the anniversary of the Youth’s Union (March 26) such as environmental protection and support for students and youth in career planning. The Lam Ha Ward Youth’s Union also organised meetings between local youths and club members who are migrants.

According to the Youth’s Union officer in charge, activities of the Youth-Rented House Club have been effective. However, participations of the members who are migrant workers are often irregular as they have to work on shifts. Those who are third year and longer into the job are particularly irregular participants since they become even more tied to their work. In addition the budget for organizing other activities such as talks by invited lecturers is very limited. The cost to run the club is currently financed out of the small budget of the Youth’s Union.

In Lam Ha ward (Hai Phong) and Ward 6 (Go Vap) there is little differentiation between local residents since most of the permanently registered residents were originally migrants. Many community activities have attracted both local residents and migrants, particularly children-oriented ones such as the “grandparents-grandchildren” club in Ward 6 that helps migrant children better integrate in the city environment (Box 10).

**BOX 10. “Grandparents-grandchildren Club” in RQ #4, Ward 6 (Go vap)**

The “Grandparents-grandchildren Club” was established in RC#4 more than ten years ago. It provides local and migrant children between 5-10 years of age a useful platform to learn about life through the sharing of knowledge of the elderly. The club management has five members working on a voluntary basis with a “drink allowance” of 30,000 dong/month only supported by the RC. The RC also spends 100,000 dong to buy candies and drinks for each of the club meetings. The club meets every month during summer school breaks and every other two months for the rest of the year. At these meetings, children are told by their grandparents stories related to the history of the country, the wards and the bright examples of good people. The club also organises games for the children and give awards to the winners. Each meeting is attended by more or less 70 children, of which 69 percent are migrant children. The club has really become a place for migrant children to learn about life and integrate with their local peers.

--- “The club does not differentiate between local residents and migrants. Most migrant members of the club are children because there are few migrants who are elderly people. Currently 60 percent of the children in the club are those of the migrants” (Đ.V.T, Vice head, RC#4, Ward 6).

In Kim Chung (Ha Noi) there remain social concerns with local residents shifting to
the business of renting out rooms and thousands of migrant workers coming from
dozens of different provinces (these concerns are also mentioned in the 2009 second
Round Monitoring Report). A number of issues deserve special attention in transitional
locations such as Kim Chung commune. These include: the widening gap between the
rich and the poor, weakening community linkages, the cultural mix, gambling and drug
abuse, divorce, abortions and children dropping out of school.

--- “Since migrant workers started to move in, many internet shops have opened,
attraction lots of children. Those who missed more than 4-5 classes have been dismissed
from school. The violent electronic games also have an adverse psychological impact
on children. Certain children have developed aggressive behaviours and intentionally
initiate fights with one another, in some cases, even using knives. Ten have been
dismissed from school” (Bau hamlet pupil group - Kim Chung Lower Secondary School).

--- “In the past year three couples have divorced. The husbands, aged between 30 and
46, did not have a job to do. They became tangled in gambling and in the end forced
their wives to sell land or beat them.” (T.T.B. Chairwoman of Kim Chung Women’s
Union).

1.3.4 Access to public services

Education at the monitoring sites continues to improve. Most parents manage to
send their children to school including those of poor migrant households. The local
government and mass organisations have closely supervised universal education
work. In Ward 6 (Go vap), the completion rates of primary education, lower secondary
education and upper secondary education are 100 percent, 95 percent and 83 percent
respectively. The new Hoang Van Thu Primary School in Ward 6 was opened at the
beginning of school year 2010-2011. In Lam Ha ward (Hai Phong), in 2009-2010, the
completion rates of primary and lower secondary education were 100 percent and
99.9 percent respectively. In Kim Chung commune (Ha Noi), in school year 2009-2010
all the three schools at kindergarten, primary and lower secondary levels continued
to be recognised as advanced schools of national standards. In 2010, a new project
has been developed for the commune to build an upper-secondary school to meet
the needs of local pupils.

The school management and local government have worked hard to enrol six year old
children into Grade 1 classes with no distinction between local and migrant children.
Despite the standard requirement of having a kindergarten completion certificate, the
local government has been flexible enough to enrol migrant children. In Ward 6 (Go
vap) the District Education Service decided to remove the requirement given the large
number of migrant children in private day care and “family children groups” (which
charge less and offer more flexibility in drop and pick-up arrangements). In Lam Ha
Ward (Hai Phong), in addition to public schools, a number of qualified private day care
centres can obtain certification of kindergarten completion from the District Education
Service. In Kim Chung (Ha Noi) migrant children or children in private day care centres
are also encouraged to enrol. As a result, in school year 2010-2011, migrant children
in Grade 1 in account for 30 percent of the total number of children in a primary school
in Kim Chung commune, a 10 percent increase from the level of 2009-2010.

Although the physical infrastructure of schools has improved, they remain over
subscribed due to the excessively large number of local and migrant children. In Ward
6 (Go Vap), while the national standard limit is 45 children per class, most of classes
have more than 50 students due to a shortage of classrooms. Certain primary schools
have had to remove semi-boarding arrangements in order to make more classrooms
available. In Kim Chung commune, three kindergartens are short of classrooms.
In these cases, priority is given to local children. In 2010 Kim Chung Kindergarten
enrolled 800 children, including 730 local and 70 migrant children. In Lam Ha Ward (Hai Phong), the number of migrant children registered for Nguyen Du Primary School has increased considerably, and the school has had to convert functional rooms into classrooms. Huong Sen Kindergarten does not have a playground.

Due to the shortage of public kindergartens parents, particularly migrant parents, opt to send their children to private day care centres. The quality of the private day care is not so good. Lam Ha ward (Hai Phong), each private day care centres has an average of two to three 20-30 m2 classrooms with 20-30 children.

The high cost of education is the constant concern of poor parents in urban areas. Tuition discounts or exemptions for poor children are limited. Some poor households feel the application process is so cumbersome it is not worth applying. The existing tuition discount/exemption arrangements are only applied to permanent residents’ children and not to temporarily resident children. There is only limited support available from the Parent’s Association’s Fund and the school’s Academic Encouragement Fund. To pay the various contributions students must make such as extra class fees and life insurance many migrant children to take on work to support their families and pay for their own education. In the worst cases, they may have even had to quit school (Box 11).

**BOX 11. Challenges faced by migrant children in their study**

Mrs. T.C.T.’s family is a migrant household that has been living in RQ#27, Ward 6 (Go Vap) for ten years. She and her husband both have informal jobs. Mrs. T is a street vendor and her husband a motorbike taxi driver. One of their three children is married. The second child lives with her sister in their home village. The third, a boy, lives with them here and is in Grade 8. His annual tuition fee is 700 - 800,000 dong. The couple cannot afford to send the boy to extra classes. Like other migrant households, the boy also has to help his mother with her job to earn more money. This apparently has an impact on his study.

--- “The extra classes are very expensive. He wants to take those classes and insists on taking them but we can’t afford to do that. At one point he went to some of these classes and did not have any money to pay for them. He felt embarrassed and ended up quitting. We don’t know what to do for him now. Just let him continue as much as he can manage. Given our economic difficulty we will see...”.

--- “He helps us sell camphor whenever he does not have any classes. If he goes to school in the morning he will do this in the afternoon and vice versa. During summer school break he just follows his father day in, day out...”

Poor people’s most precious asset is their health. The Extended Immunization Program for children and pregnancy care for women have been provided for local residents and migrants. In Kim Chung commune (Ha Noi) there are some 160-200 pregnancy examinations per half day (of which migrant women account for 90 percent) and some 200 children receiving vaccinations per period (of which migrant children account for 75 percent). The challenge to medical services for migrants is keeping track of women’s pregnancy progress or the vaccination schedules of children given their high level of mobility.

--- Life insurance, by law, is optional to pupils. However, many schools encourage 100 percent of the pupils to purchase it in order to achieve their committed targets and get recognised for the achievement. Teachers often approach parents, including those of poor households to convince them to purchase the insurance.
--- “Vaccinations provided by the ward are fine. We only need to present the Vaccination Book brought from home for them to see what has been taken and what are next”. (Migrant Group, ward 6, Go Vap).

--- “Although there are five times more migrants with small children than local residents we send invitations out to all of them. As long as they are temporarily registered we know where they are”. (L.T.M, population collaborator, Bau Hamlet, Kim Chung, Ha Noi).

Health infrastructure facilities have not received sufficient investment. In Ward 6 (Go Vap) the health clinic, although now separate from the health clinic Ward 17, is still located in ward 17, making it difficult for people to access. In Lam Ha Ward (Hai Phong), the health clinic has not been used to provide health services. As the clinic does not physically exist, its operations have been very limited. In 2008 and 2009 the clinic was granted nearly 20 million dong to procure medical equipment, of which some has been kept in the homes of the clinic staff. This makes the use of equipment ineffective.

--- “Medical equipment is available but there are no places for it to be used, particularly for women patients. We have skills but do not dare to perform any technical tasks because of the lack of proper physical infrastructure. Many people consider this just a place to get vaccinated and not where they can be examined” (Đ.T.H, Head of Lam Ha ward health clinic, Hai Phong).

Simple administrative procedures are effective at the ward level. However, long-term temporary residence registration and permanent residence registration are still challenges for migrants, although current regulations have been relaxed15. Owners of rented houses/rooms tend to avoid cumbersome administrative procedures or they themselves have outstanding problems (for example, insufficient land use title records, having only non-certified hand-written documents) and are reluctant to support migrants seeking to register for long-term residence or permanent residence. Very few house owners provide guarantees to tenants who are not relatives. In some places, migrants who have brought land and lived for many years in the cities do not register permanent residence in order to keep their benefits in their home village.

Moreover, many migrants are not interested in registering for long-term residence because: (i) most of them do not fully understand the benefits of long-term residence register; (ii) migrants who are informal workers are too busy making a living and do not find time to learn about procedures to register for temporary residence; (iii) many migrants who are manual labourers and informal workers do not plan to reside permanently in the cities; and (iv) certain migrants do not have adequate required papers to register for long-term residence such as identity cards (many who have lost their ID cards find it difficult to have them re-issued as they work away from home).

Those migrants at the monitoring sites who do not have long-term temporary residence or permanent residence books can still get certification by the police in order to access public services. Although according to existing regulations the police can only certify migrants to access internet and cable TV services and purchase voluntary health insurance cards who have long-term temporary residence books in Ward 6, the police accept migrants with Temporary Resident Tenants Book (TRTB) and ID cards. In case the TRTB is not available they will need to submit certification by the head of the RQ.

--- 15 According to the Immigration Law the process of obtaining long-term residence books and permanent residence registration has become easier. Migrants only need to register for temporary residence for more than one year and be guaranteed by the house/room they rent in order to apply for a long-term temporary residence book. Migrants can register for permanent residence status once they have registered for long-term residence (for more than one year) and own a house or are guaranteed by house owner.
“Migrants who want to have internet connection or purchase voluntary health insurance need to be certified by the ward police. We are actually very flexible in certifying people who do not have green books as long as their names appear in the TRTB kept by the house owner and they can present their ID cards.” (N.D.T, Deputy Chief, Ward six Police, Go vap District).

**Two-level management model.** Since 19/8/2009 Lam Ha ward (Hai Phong) has moved from a 3-level management model (ward-residential cluster - residential quarter) to a two-level model (ward-residential quarter). The former five RCs and 46 RQs have been merged into 20 new RQs. After one year the two-level management model has proved to be effective is supported by both local cadres and residents. The head of the RQ now works harder and is in closer contact with residents allowing for more efficient two-way flows of information. It is easier for people to keep up to date with policies and regulations (Table 11). The head of the RQ is the equivalent to the head of the former RC and is paid an allowance of 438,000 dong/month instead of 50,000 dong under the former three-level management mechanism.

**TABLE 11. Comparison between three-level and two-level management models**

<table>
<thead>
<tr>
<th>Management model</th>
<th>Residential quarters</th>
<th>New residential quarters</th>
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<tr>
<td>Management model</td>
<td>three levels: ward-RC-RQ</td>
<td>two levels: ward-RQ</td>
</tr>
<tr>
<td></td>
<td>5 RCs: 46 RQs</td>
<td>total of 20 RQs</td>
</tr>
<tr>
<td></td>
<td>expansive, difficult to stay in close contact with residents</td>
<td>closer contact with residents</td>
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</tbody>
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| Allowance | 5 RC heads received a monthly allowance of 438,000 dong | RQ heads received a monthly allowance of 50,000 dong |
| | RQ heads received a monthly allowance of 50,000 dong | Income of RQ heads has increased motivation for them to work harder |

| Security and order | Ward police works through the RCs thus could not closely monitor security and order situation, nor keep track of permanent residence registers. | Ward police works directly with RQ heads, monitors security and order situation more closely and keep track of permanent residence registers more efficiently |

| Dissemination of State’s policies | Each RC head was in charge of multiple RQs and kept himself too busy to effectively lead implementation of State’s policies and regulations | RQ heads attend meetings and report to local residents, which helps to keep them up to date on State’s policies and regulations. Complaints should now go to the RQ heads as primary contact |

| Tasks | RC heads kept busy, hence ineffective implementation of tasks through RQs | Workload of RQ heads increases by 3-4 times |
| | RQ heads may lack motivation to work as their allowances were too low, and they were not directly linked with the ward agencies | RQ heads become more responsible. “We no longer blame the RC head. We become more serious about what we [as RQ heads] do now.” (N.N.C, Head of RQ #14) |

More support and clear regulations are needed to help RQ heads better fulfill their responsibilities.

In the two-level management model, the RQ head is an “extended arm” of the ward management for all social tasks. However, RQ heads are often not trained and guided fully on local regulations and new policies/decisions so as to serve the people effectively. Certain existing regulations are still hindering the roles of the RQs. For
example, the Regulations on the Organisation and Operation of RQs (under Decision # 13/2002/QĐ-BNV dated 6/12/2002 of the Ministry of Home Affairs) do not specifically describe any demographical responsibilities of the RQ. Similarly the Immigration Law and by-laws (Decree 107/2007/ND-CP dated 26/6/2007) do not mention roles of the RQ in managing migrants. However, in reality, everything from data about migrants and local residents to collection of various forms of contribution and collaboration with the police to address security and order issues is handled through the RQ. Given the understaffing and high turn-over of the local police it is still difficult to work with the RQ to keep track of demographic changes and ensure public order and security in the locality.

--- “The RQ is not mandated to manage temporary residents. That’s why we would get told off by owners of the rented houses/rooms when we come with the police to deal with cases of drug use by their tenants. They say this is none of our business. We just feel frustrated”. (L.T.L, former head of RQ#27, ward 6, Go Vap)

--- “They (the migrants) only registered for temporary residence with the police so we don’t know. We will have to go fetch them to invite them to get vaccinations or forward any announcements coming from the commune level” (L.T.M, Head of Bau hamlet Women’s Union, Kim Chung, Ha Noi)

--- “As a matter of fact we do not have any legal mandate to ask them to register for temporary residence. They may think that we are interfering into their life or feel envious of them. However, when something goes wrong they will come to us.” (N.N.C, Head of RQ#14, Lãm Hà, Hai Phong)

Dissemination of information. Currently people receive information about local policies and activities through RQ meetings, notices and announcements posted at the Ward office and the RQ office or public loudspeakers. In Ward 6 (Go Vap), the circulation of a Ward Bulletin once a month to individual households is a commendable effort made by the local government. The Ward Bulletin provides an update on new government policies, news and activities taking place within the ward or the district and other notices related to the life of the people. However, the bulletin could be improved by adding topics that are more practically related to the life of the people, removing news about conferences and meetings, increasing information about migrants living in the neighbourhood (which is almost non-existent), and disseminating bulletin in RQ and community meetings.

--- “The dissemination of the bulletin to individual households is very good. However the people are not really interested. Roughly only 30 percent of the households are keen while 70 percent of them are not”. (RQ#25 cadres group, Ward 6, Go Vap)

1.3.5 Social protection

Most informal workers such as small traders, motorbike taxi drivers and manual labourers in the three monitoring sites do not purchase voluntary social insurance for various reasons, including: long contribution periods, lack of understanding of the benefits of social insurance and low incomes.

Most migrant workers working in foreign invested or large-scale domestic enterprises participate in mandatory types of insurance including social insurance, health insurance and unemployment insurance. A number of private and micro-enterprises still find ways to avoid the responsibility of contributing to social insurance and unemployment insurance for workers. This is in part because the cost of insurance for workers is a significant portion of the enterprises’ total costs. Also certain workers either have limited

--- "The distribution of the bulletin to individual households is very good. However the people are not really interested. Roughly only 30 percent of the households are keen while 70 percent of them are not". (RQ#25 cadres group, Ward 6, Go Vap)

Disseminating practical information by means of a bulletin to attract attention of both local residents and migrants

Informal workers are not yet interested in purchasing social insurance

There are differences between enterprises of various types in their contribution to social insurance and health insurance

--- "The RQ is not mandated to manage temporary residents. That's why we would get told off by owners of the rented houses/rooms when we come with the police to deal with cases of drug use by their tenants. They say this is none of our business. We just feel frustrated". (L.T.L, former head of RQ#27, ward 6, Go Vap)

--- "They (the migrants) only registered for temporary residence with the police so we don't know. We will have to go fetch them to invite them to get vaccinations or forward any announcements coming from the commune level" (L.T.M, Head of Bau hamlet Women's Union, Kim Chung, Ha Noi)

--- "As a matter of fact we do not have any legal mandate to ask them to register for temporary residence. They may think that we are interfering into their life or feel envious of them. However, when something goes wrong they will come to us." (N.N.C, Head of RQ#14, Lam Ha, Hai Phong)
understanding about social insurance or do not commit to work on a long-term basis
and are not clear about procedures to keep track of their insurance as they move to
new jobs.

--- "Most of us do not participate in social insurance, or health insurance, as the
insurance premium is high compared to our salaries (migrant workers groups in Lam
Ha ward, Hai Phong)

--- "Few private and small enterprises purchase insurance for workers. In many cases
this is not important to us as we do not plan to work for them for a long time. (migrant
workers groups in ward 6, Go Vap).

The issuance of free health insurance cards to poor people and other target groups has
been implemented well at the monitoring sites. More people are now buying voluntary
health insurance, yet the number is still very low. In Kim Chung commune (Ha Noi), in
the first six months of 2010, there were only 187 new purchasers of voluntary health
insurance of which four were migrants out of the total population of 10,000. However
the decision to purchase health insurance is still ad-hoc. Some only purchase insurance
when they have a health problem and need to go to the hospital. Others cannot afford
it, or lack of information about where to purchase health insurance cards. The level of
voluntary health insurance premium has increased from 250,000 dong in early 2009
to 394,200 dong by early 2010 due to an adjustment of the basic salary level (= 4.5
percent x basic salary x 12 months).

The quality of health service covered under health insurance is not highly rated due
to long waiting times and a failure to meet client expectations. Health insurance cards
often are used only in cases of chronic diseases, long-term treatment or hospitalisation.
Local residents who go to health clinics are mostly the elderly, children, pregnant
women or from poor households who have been granted health insurance cards for
free. The better-off households often choose to have user-pay services from private
health clinics.

In Lam Ha (Hai Phong), since October 2009, the ward Health Clinic has no longer had
the mandate to provide services to health insurance card holders. The clients therefore
have to register with Kien An District Health Centre (located in the district centre 5-6
km away) as their primary contact. Meanwhile Lam Ha ward is right at the centre of Hai
Phong City and Kien An District where there are many hospitals and health facilities.
The local residents therefore often decide to skip the primary contact. Although the Law
on Health Insurance allows partial coverage of services obtained in health facilities at
a higher level than the required primary contact, many people believe they will not get
this benefit if they fail to get a proper referral request from the primary contact.

--- "We get no benefit in case of emergency or skipping primary contact. If the problem
is not very serious we will have to go back to the health centre. Even in an emergency
case, the patient is required to get a referral request issued by the health centre within
24 hours. Otherwise the health insurance will not cover anything. The distance between
Lam Ha and the health centre is greater than that between Lam Ha and the city centre.
It’s even in the opposite direction. This is also a disadvantage that discourages the
people from participating in health insurance. (N.V.C, head of RQ#14, Lam Ha Ward)

--- “The use of health insurance cards for children under six is also very complicated.
Before 2009 they could just go straight to the hospital. Since 2009 they have had to go
to the primary contact first. If they skip this primary contact they will not be covered by
health insurance. Even children in emergency cases who went straight to the Nhi Duc
Hospital are only entitled to a 30 percent coverage (Labour, Invalids and Social Affairs
officer, Kien An District)

The number of voluntary health insurance cards purchased in Ward 6 (Go Vap) has
increased from 50-60 per month in 2009 to 70-80 per month into 2010. According to
HCMC’s regulations, members of poor households with an income of less than eight million dong/year are entitled to a 100 percent subsidy and those with an income of between eight and twelve million dong/year receive a 50 percent subsidy, the same as near-poor households. However, most households in the 8-12 million dong/year income group are not yet interested in purchasing health insurance despite the 50 percent subsidy. Although there are a total of 12,000 residents in the whole district of Go Vap who come from such households only 2,000 health insurance cards have been purchased so far. In Ward 6 alone, only 26 out of 78 poor households in the 8-12 million dong/year income group have purchased cards. This situation needs to be further studied to identify an alternative approach to health insurance support for near-poor households.

--- “Health insurance is not attractive to poor households with an income ranging between eight and 12 million dong/year since the subsidy is only 50 percent. They may only purchase the cards when they fall sick. However, according to existing regulations, the cards are only issued one month after purchase. So in this case the cards purchased at the time of illness would become useless.” (RQ# 27 cadres group, ward 6, Go Vap)

The social assistance policy has been widely introduced. However, regulations on specific target groups are still lacking

The social assistance policy according to Decree 67/NĐ - CP has been widely introduced at the monitoring sites through various channels (notice boards, public loudspeakers, RQ/hamlet meetings). Those eligible are required to submit an application with certification provided by the hamlet/RQ and to the Labour, Invalids and Social Affairs officer of the commune/ward. Target groups associated with the poor households will be confirmed by poverty reduction officers. Those with disability or mental problems will need to submit a health certificate and be approved by council established by the ward People’s Committee (consisting of a health officer, an Invalids and Social Affairs officer, an old person, a Women’s Union officer, a poverty reduction officer and People’s Committee staff). However, there remain many gaps in the implementation of the social assistance policy at the local level. There are still people in particularly difficult circumstances who do get assistance only because there is a lack of specific regulations for them to become eligible.

--- “Certain people are not in any of the target groups, for example, children whose mothers are no longer alive and have been abandoned by the father. These are actually orphans but do not fall in any of the categories. There are also elderly people who are ill-treated by their children and not allowed to live in their homes. These are actually single elderly people but again are not eligible despite being poor” (N.T.D, social protection officer, ward 6, Go Vap, HCMC)

--- “According to the latest review, there are 61 people who are disabled, single parent/elderly or orphans. However, only seven of them are eligible to receive assistance for a poor household of 120,000 dong/month”. (K.N.T, Chairman of Disability and Children Sponsorship Association, Lãm Hà Ward, Hai Phong)

Migrants are not eligible recipients of social assistance

In Lam Ha ward (Hai Phong), there are a number of people in particularly difficult circumstances as described in Decree 67/2007/ND-CP who are long-term temporary residents and do not have permanent residence registration. Therefore they are not considered eligible. They are not included in the list of poor households either.

--- “There is the case of an old women, nearly 80 years old, disabled and living on her own in this ward. Unfortunately she is not an eligible recipient of social assistance since she does not have a permanent residence register (K.N.T, Chairman of Disability and Children Sponsorship Association, Lãm Hà Ward, Hai Phong)

Certain new regulations on social assistance do not have guiding documents to follow, thus have not been implemented. According to the Law on the Elderly effective as of July 1, 2010 the eligible age to receive social assistance has been reduced from 85 to 80. However by the end of 2010 no guiding documents have been issued. Decree
PARTICIPATORY MONITORING OF URBAN POVERTY IN VIETNAM

PART I. Overview of urban poverty

13/2010/NĐ - CP dated 13/4/2010 sets the level of monthly assistance for target groups identified under Decree 67/NĐ - CP at 180,000 dong (Category 1) and additional groups such as seriously disabled, mentally impaired and households with at least two seriously disabled members. However, Decree 13 has not been implemented due to the unavailability of guiding documents.

The socialization of social protection activities has been actively carried out at the monitoring sites. In Kim Chung (Ha Noi), every year a total amount of 50 million dong is contributed to the commune poverty reduction fund (launched in October and November). The fund is for supporting poor students, building solidarity houses, contingency assistance and Tet gifts for households in difficult circumstances. In Lam Ha Ward (Hai Phong) and Ward 6 (Go Vap) there are a variety of support activities organised by mass organisations, the Disability and Children Sponsorship Association, religious organisations and individual donors. These activities have been very helpful to households in particularly difficult circumstances. (Boxes 12 and 13).

BOX 12. Socialization of social protection activities in Lam Ha ward

The “Home of Affection Fund” initiative was launched in 2008 by the Lam Ha ward Women’s Union (Kiến An, Hai Phong). By 2010 it has been operating well. Activities organised by the Fund are supported by Women’s Union members. On March 8th every year the ward Women’s Union approaches individual RQs to encourage them to make a contribution to the fund. Each Women’s Union member will contribute at least 5,000 dong. On March 8th 2010, 2105 members made a total contribution of 10.6 million dong. In 2010, the Ward Women’s Union provided gifts worth 300-500,000 dong each to target households, those in difficult circumstances and poor children; collaborated with the local government to renovate the house of a single member household in particularly difficult circumstances and made a three million dong grant to the Home of Affection Fund.

-- “The Home of Affection campaign organised on March 8th annually by Lam Ha Ward Women’s Union has enhanced the trust of the members in the campaign itself. Currently 100 percent of the members participate in the campaign” (Đ.T.H, Chairwomen, lam Ha Ward Women’s Union)

Lam Ha ward Disability and Children Sponsorship Association was split from the Quan Tru ward Disability and Children Sponsorship Association. The association has 120 members including ward leaders and cadres and representatives of all the RQs. It manages support for 70 disabled people and orphans living in the ward, of which seven are eligible to receive assistance for poor households according to Decree 67/NĐ - CP.

The Association mobilises support from enterprises located in the ward on occasions such as Tet and the Disability Day. In 2009 the Association received six wheelchairs for disabled people and two bicycles for orphans. By October 2010 it had mobilised 16 million dong, purchased gifts on occasions such as Tet, Disability Day (April 18) and International Children’s Day (June 1). The Association also manages an 11 million dong savings fund (donated by enterprises) to lend to the three targets groups of disabled people for household business development at the interest rate of one percent/month.

The association does not have an office or a separate official stamp. All documents issued by the association have to be stamped by the Ward People’s Committee. Although the association has appointed different positions within its staff there are no allowances offered to them, nor any membership fees required of its members.
BOX 13. Rice donation for poor households in Ward 6

With an aim to join efforts to assist the poor, Ward 6 People’s Committee has mobilized support from many individual donors. In July 2010, with a donation from Mr. N.V.S, the Ward People’s Committee distributed 300 of 20 kg rice bags to poor households and those in particularly difficult circumstances.

The list of recipients, including local resident households and migrant households (with priority given to those with permanent residence registration), had been reviewed by the head of the RQs and submitted to the Ward People’s Committee. To ensure equity and accuracy, the donor also paid a visit to review the situation of the recommended recipients. The donor worked with H.H enterprise (which is a local rice supplier) to transport to the Ward People’s Committee office. When arriving at the Ward People’s Committee office, the recipients presented the gift vouchers in order to receive rice. Those who could not come would receive it from leaders of Ward 6 as authorised by the donor.
Vulnerability is a main characteristic of urban poverty. The third round of urban poverty monitoring in 2010 continued to monitor developments in the livelihoods and lives of specific social groups at the monitoring sites. Groups included migrant worker groups (formal sector) and groups of people working in informal sectors, such as small traders, motorbike taxi drivers, and cyclo drivers.

**2.1 Migrant worker group**

**2.1.1 Group features**

The demographic characteristics of migrant worker groups in the survey sample of 2010 do not differ significantly from 2008 and 2009. Of the 180 workers who were interviewed, nearly two thirds were women. Figure 4 indicates that migrant workers are mostly young, aged between 18-30 with lower secondary school education. They come from rural areas. The main source of income at home is from agriculture. The proportion of migrant workers coming from poor households in rural areas is low (16 percent).

The backgrounds of the workers vary. Workers in Kim Chung (Ha Noi) mainly come from Northern provinces and only a few from central provinces or from Ha Tinh to the north; workers in Lam Ha (Hai Phong), mainly come from suburban districts and some neighbouring provinces; and workers in Ward six (Go Vap) mainly come from provinces in the South West of HCMC and the North Central provinces from Thanh Hoa to the south.

In Kim Chung (Ha Noi), some workers originally from the North had returned from the South because of the high cost of living and a desire to find jobs closer to home.

In the survey sample of 2010, five ethnic minority workers were identified in Kim Chung (Ha Noi). The rest of the sample are Kinh. In the last two years a significant number of ethnic minority workers have started to come to Kim Chung accounting for about 10 percent of the migrant population. Most are Muong, Nung, Tay and Thai groups from the Northern midland and mountainous provinces. This is an emerging trend that contributes to the cultural and lifestyle diversity of the migrant workers in urban cities.

A third of the workers in the 2010 sample are married compared to about a quarter in the 2008 and 2009 sample. This figure implies that the number of migrant worker families (possibly with young children) in peripheral urbanised areas is on the rise and may change the features of poverty in these areas.

Nearly a third of the workers in the 2010 sample have worked in their current jobs for less than a year. More than a third have moved to their current jobs from elsewhere, which is double the level of 2008-2009. This figure indicates a rather high rate of mobility among migrant workers and a higher level of sensitivity to income and working conditions in labour-intensive industries in the wake of the financial crisis.
Most migrant workers have found their current jobs through friends and relatives. The proportion of workers having found jobs through employment service agencies is low (Table 12). These features indicate the importance of informal social networks in labour mobility in Vietnam. Only in Kim Chung (Ha Noi), have a significant proportion of workers sought vacancy information through announcements posted at the entrance of factories in the Thang Long Industrial Park.

**FIGURE 4. Features of migrant workers, 2010**

Source: Interviews with migrant workers, July-August 2010
### TABLE 12. Job seeking information channels based on current employment (%)

<table>
<thead>
<tr>
<th></th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Go Vap (HCMC)</th>
<th>Average</th>
</tr>
</thead>
</table>
| **Introduc****
| ion from relatives /friends working in the same place | - | 72 | 65 | 48 | 58 | 67 | 47 | 65 | 73 | 48 | 65 | 68 |
| **Help from relatives /friends who know the firms** | - | 2 | 2 | 8 | 17 | 0 | 7 | 25 | 8 | 8 | 14 | 3 |
| **Announcements in the mass media** | - | 17 | 17 | 12 | 13 | 13 | 2 | 8 | 13 | 7 | 13 | 14 |
| **Announcements on factory gates** | - | 48 | 45 | 10 | 10 | 18 | 47 | 20 | 3 | 28 | 26 | 22 |
| **Through agency /service, referral /job broker** | - | 2 | 2 | 3 | 2 | 0 | 0 | 0 | 2 | 2 | 1 | 1 |
| **Workers of the firms go home/previous employer re-employs** | - | 2 | 5 | 8 | 3 | 2 | 0 | 0 | 0 | 4 | 2 | 2 |
| **Do not know/ do not remember** | - | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 0 |

*Source: Migrant worker survey data, 6-7/2008, 7/2009 and 7-8/2010*
2.1.2 Living and working conditions

Most migrant workers rent rooms near their work. A typical room for 2-4 people to share is 8-12m² with fibro cement roofing and either a separate or shared bathroom depending on room rates in a particular locality. In Kim Chung (Ha Noi) and Lam Ha (Hai Phong) the room rate by August 2010 had increased by 50,000-100,000 dong/room/month since 2009. In Ward 6 (Go Vap), the rate has also increased by 50,000-100,000 dong/room/month. Inflation and increasing demand for rooms by workers are the main reasons for the price hike. In Ward 6, the supply of rooms is limited by a lack of available land and the decision by some room owners to convert rental rooms into homes.

The living conditions of migrant workers at the monitoring sites in 2010 have gradually improved thanks to dormitory and infrastructure projects. There has been better collaboration between RQs, local police and RQ guard teams in ensuring security and public order in locations with a high concentration of migrants. Table 13 indicates that the proportion of workers complaining about “poor water quality”, “poor electricity quality”, “poor security and order” and “social evils” has declined significantly compared to 2009.

However, there remain a number of issues that have not been addressed. “Cramped living area” continues to be the most pressing concern expressed by migrant workers at all three monitoring sites. “Far from places of leisure and entertainment” was also among the high priorities identified (Table 13). Comments on “Polluted environment/ poor hygiene” differ between the sites. In Kim Chung, the proportion of workers complaining about the environment and hygiene conditions remains very high although already lower than 2009. This is consistent with the poor sewage and drainage systems in the commune which impact both local residents and migrants. In Lam Ha, this proportion has also increased following the appearance of a polluting waste water flow from processing industries located near the residential areas. Conversely in ward 6, very few workers have complained about environmental hygiene thanks to on-going efforts of the local government to implement a number of embankments and dredging projects in Vam Thuat River, widen alley lanes, install water pipes and improve rubbish collection services.

<table>
<thead>
<tr>
<th>TABLE 13. Existing accommodation issues (%)</th>
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<td></td>
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<tr>
<td><strong>Kim Chung</strong> (Ha Noi)</td>
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<tr>
<td>------------------------</td>
</tr>
<tr>
<td>Cramped housing</td>
</tr>
<tr>
<td>Poor quality/ temporary homes</td>
</tr>
<tr>
<td>Poor quality water</td>
</tr>
<tr>
<td>Poor kitchens/ cooking conditions</td>
</tr>
<tr>
<td>Poor bathrooms /toilets</td>
</tr>
<tr>
<td>Concerns about living conditions are different for male and female</td>
</tr>
<tr>
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</table>

**Source:** Migrant worker survey data, 6-7/2008, 7/2009 and 7-8/2010

Men and women workers have different concerns about living conditions. In Ward 6, female workers are more concerned than male workers about most aspects of living conditions, particularly the issue of cramped living areas, social evils and places of leisure and entertainment. Conversely in Lam Ha, male workers are more concerned about most aspects, particularly temporary accommodation and poor kitchens and toilets. In Kim Chung, female workers care more about toilets, security/public order and social evils while male workers are more concerned about water quality and kitchen facilities.

In Kim Chung commune (Ha Noi) since late 2009, many 5-7 floor dormitories have been contracted to housing companies to manage and offer a rent that is 30-50 percent cheaper than elsewhere. Workers living in these dormitories are relatively satisfied with the facilities including separate kitchens and bathrooms. A number of items in the rooms such as electric fans, tables and chairs, thermos flasks and washing machines are provided by the companies. Personal security is better ensured as guards work around the clock. However, a number of workers do not like living in the dormitories because of strict visiting hours (visitors are not allowed to be brought into the rooms and the dormitory is closed at exact times), the length of time it takes to repair room items and the large number of workers per room (typically eight workers sharing four double-bunk beds). In Kim Chung, newly arrived workers, particularly female ones, often choose to live in the dormitories while those who are already 2-3 years on the job often rent rooms outside.

Migrant workers in Kim Chung had the following comments on the advantages and disadvantages of living in dormitories:
--- “We don’t have to pay any rent, we pay little for electricity and water. Security is better. The guards patrol at night. We have our own kitchen. I share the meals with one of my room-mates. If we live outside, we will have to pay the room rent. Security is not so good; your motorbikes can easily get stolen. Most of us who live in here are women. Men prefer living outside”. (N.T.N, migrant worker, Kim Chung Commune).

--- “It’s pretty spacious and comfortable here. The only problem is some of the room appliances are not so good and it takes a long time to get them fixed”.

--- “It’s always noisy in the room as some of us work on day shifts, others on night shifts. Difficult to sleep. Our visitors are only allowed to come to the first floor and not upstairs”. (Migrant worker group in Bau hamlet, Kim Chung commune”.

As in previous monitoring rounds the 2010 survey continued to note migrant workers’ limited participation in RQ activities and healthy recreational services. They also have limited knowledge of current national and local events. There are various reasons for “cultural and information poverty” among migrant workers: such as working on shifts; taking on extra shifts; fatigue from work; rented rooms far from the city centre and not possessing a TV, motorbike and money. At the monitoring sites there are few exchange activities for migrant workers in areas such as culture, sport, knowledge and life skill sharing. However, even in cases where local mass organisations such as the Women’s Union do organise such activities within groups and clubs the participation of migrant workers remains limited.

The closest social relationship of migrant workers is with friends coming from the same home province and room-mates or people living in the same RQ. Particularly in Kim Chung commune, the ethnic minority migrants (coming from Tay, Thai and Muong groups) are most closely linked. They tend to live in the same RQ and go to work together.

--- “We come to help when someone is in need. We can easily lend someone 1-2 million dong and get it paid back any time later. When someone falls sick we also lend them some money. We share a motorbike to get to work. We know very well the economic-well being of one another so we get along well... When someone returns from a home visit and says everyone back there is doing well we all feel very happy. Our friends who come from the same home village/commune and work in different companies often come to visits us at weekends”. (Mr. Đ.Q.H, Mường group, Hoa Binh province, migrant worker in Kim Chung).

Regarding working conditions, Table 14 indicates that migrant workers at all the monitoring sites are most concerned about “the negative impacts of heat, chemical vapour, dust, light and noise” and “tedious/straining jobs, lack of recreational opportunities”. These also present the disadvantages of migrant workers in labour intensive industries such as footwear, garment and electronics.

Female workers complain more than male workers about working conditions. They are particularly concerned about “long working hours”, and “limited facilities for personal hygiene” in the workplace. Female workers living in Kim Chung (Ha Noi) and Ward 6 (Go Vap) are also more concerned about their “lack of information about the obligations and rights of employers/employees”.

Migrant workers have little access to healthy recreational services, news and social knowledge.

Migrant workers mainly rely on relationships with friends coming from the same home province and room-mates.

Female workers are more concerned about work hours and sanitary conditions in the work place.
## TABLE 14. Current problems in working conditions (%)

<table>
<thead>
<tr>
<th></th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Over-crowded work areas</strong></td>
<td>-</td>
<td>48</td>
<td>24</td>
<td>0</td>
</tr>
<tr>
<td><strong>Effects from temperature, chemical vapours, dust, light, noise</strong></td>
<td>-</td>
<td>73</td>
<td>68</td>
<td>7</td>
</tr>
<tr>
<td><strong>Unsafe equipment and workshops</strong></td>
<td>-</td>
<td>17</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td><strong>Lack of potable water</strong></td>
<td>-</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td><strong>Limited facilities for personal hygiene purpose (wash stations/showers/toilets)</strong></td>
<td>-</td>
<td>15</td>
<td>29</td>
<td>5</td>
</tr>
<tr>
<td><strong>Long working hours</strong></td>
<td>-</td>
<td>50</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td><strong>Tedious, high-intensity work with limited breaks or downtime</strong></td>
<td>-</td>
<td>45</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td><strong>Lack of information about the obligations and rights of employees/employers</strong></td>
<td>-</td>
<td>35</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-</td>
<td>5</td>
<td>0</td>
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Most foreign invested enterprises and State-owned enterprises have their own health clinics. Most migrant workers, particularly female ones, say they “sometimes” use services provided at the factory clinics for regular health problems. These clinics only provide regular medication, thus are not highly appreciated by the workers. Migrant workers in Ward 6 (Go Vap) report that “the company has its own clinic but it only deals with regular problems such as colds. They often just give pain-relief no matter if it is headache or stomach ache”.

In addition to the above “traditional” challenges, enterprises and migrant workers at the monitoring sites also face the problem of “frequent power cuts”. In 2010 due to sustained droughts and short supply of power in different parts of the country. Certain enterprises have negotiated with workers on changes to working hours without paying them more even in cases of working on a Sunday or after regular hours when power is available. In addition, rented houses sometimes have power cuts at night when it may be too hot to get to sleep, which has a negative impact on the productivity of workers as they go to work the next morning.

--- “There were very few power cuts in the past, only once a month. Now they happen more frequently, two days every week, often on Wednesday and Sunday. We have to work until six on Sunday so we hate power cuts so much. We have to work on Sunday to make up for the power cuts during the week so we don’t get to meet up with friends. We work on Sundays but we do not get any extra pay. They say that is to compensate for power cuts on Wednesday” (N.T.T, migrant worker in Ward 6, Go Vap)

2.1.3 Vulnerability in labour relations

Table 15 indicates labour contracting and provision of social benefits such as social insurance, health insurance, annual leave and sick leave to migrant workers which have been well provided for in Kim Chung (Ha Noi) where foreign invested industries concentrate in Thang Long Industrial Park. In Ward 6, labour contracting in 2010 seems to have been improved, compared to 2009. However, the proportion of workers in the sample taken from the two monitoring sites of Lam Ha (Hai Phong) and Ward six (Go Vap) benefiting from social insurance and social insurance is still low. In Lam Ha (Hai Phong), the proportion of workers in the 2010 sample having purchased social insurance and health insurance is less than in 2009. Many migrant workers either do not have a full understanding of the benefits and liabilities associated with insurance or do not plan to work on a long-term basis in the industries. For example, according to Kien An Labour Confederation (Hai Phong), as of early 2010, 400 out of 2,200 workers of a joint venture located in the district had submitted applications for non-participation in social insurance.

Table 15. Labour contracts and benefit policies in enterprises (%)

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<tbody>
<tr>
<td>Unlimited term</td>
<td>-</td>
<td>7</td>
<td>20</td>
<td>33</td>
<td>40</td>
<td>55</td>
<td>20</td>
<td>23</td>
<td>25</td>
<td>27</td>
<td>23</td>
<td>33</td>
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<tr>
<td>1-3 year term</td>
<td>-</td>
<td>85</td>
<td>62</td>
<td>62</td>
<td>30</td>
<td>25</td>
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<td>8</td>
<td>40</td>
<td>48</td>
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<tr>
<td>Short-term (under a year)</td>
<td>-</td>
<td>8</td>
<td>15</td>
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<td>35</td>
<td>27</td>
<td>4</td>
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<tr>
<td>No signed labour contract</td>
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<td>3</td>
<td>0</td>
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<td>38</td>
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<tr>
<td>Other</td>
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<thead>
<tr>
<th><strong>Basic Social Policy</strong></th>
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<tbody>
<tr>
<td><strong>Social Insurance</strong></td>
</tr>
<tr>
<td>- 98 88 93 60 33 58 65 63 76 74 62</td>
</tr>
<tr>
<td><strong>Health Insurance</strong></td>
</tr>
<tr>
<td>- 85 92 90 73 40 52 45 40 71 68 57</td>
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<tr>
<td><strong>Leave</strong></td>
</tr>
<tr>
<td>- 97 90 92 42 45 55 47 67 73 62 67</td>
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<tr>
<td><strong>Sick Leave</strong></td>
</tr>
<tr>
<td>- 98 97 98 43 72 35 67 65 67 69 78</td>
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<tr>
<td><strong>Maternity Leave</strong></td>
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<tr>
<td>- 38 15 40 20 13 30 23 27 35 27 18</td>
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<tr>
<td><strong>Other</strong></td>
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<td>- 7 0 2 2 3 0 8 8 1 6 9</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Benefits, bonuses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meal allowance, in middle of shift</strong></td>
</tr>
<tr>
<td>- 67 53 88 53 45 73 53 22 81 58 40</td>
</tr>
<tr>
<td><strong>Bonus on national holidays, Tet</strong></td>
</tr>
<tr>
<td>- 92 91 88 47 68 83 68 82 86 69 80</td>
</tr>
<tr>
<td><strong>Rental allowance</strong></td>
</tr>
<tr>
<td>- 48 62 25 8 3 5 10 3 15 22 23</td>
</tr>
<tr>
<td><strong>Transport allowance</strong></td>
</tr>
<tr>
<td>- 53 81 15 10 7 0 18 0 8 27 29</td>
</tr>
<tr>
<td><strong>Clothing allowance</strong></td>
</tr>
<tr>
<td>- 30 0 63 32 7 38 10 10 51 24 6</td>
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<tr>
<td><strong>Other</strong></td>
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</table>


Lack of workers and high intensity of workload are found fairly common among enterprises

A rapid assessment within the framework of this poverty monitoring initiative of the social impacts of the global crisis was undertaken for more than a year between April 2009 and June 2010 at the monitoring sites (on a quarterly basis)\(^\text{17}\). By June 2010 productive activities of most enterprises had recovered. Many had received orders until the end of the year. Some even had to refuse orders. Lack of workers and high intensity of workload are found very common in industries such as footwear, garments and electronics. In some footwear industries in Hai Phong workers often have to work 12 hours a day in order to meet the orders.

\(^{17}\) “Rapid assessment of the global financial crisis on social groups in Vietnam - fourth round, July 2010” report by ActionAid and Oxfam in collaboration with selected localities.
The monitoring of social impacts of the global crisis has clearly indicated the vulnerability of migrant workers in low-skilled labour-intensive industries. The turn-over of labour in industries such as garments, footwear and electronics had started prior to the crisis and has become even more serious in the post-crisis period. The crisis has made many workers more aware of the instability and high risks involved of these industries. Many have developed a preference for short-term jobs with higher incomes. Survey results show that certain footwear and garment enterprises in Hai Phong and HCMC have had to make some of their production lines redundant due to a lack of workers and despite a good number of orders in place.

--- “Many companies are recruiting at the same time so there are lots of choices. Many people have decided to shift to better paid jobs. Most companies here are Japanese that have similar management approaches and requirements. So it’s easy to shift from one job to another. The availability of choices is particularly good for the newly arrived workers”.(N. T. N. B. Migrant worker in Kim Chung, Ha Noi).

--- "With the existing equipment of the factory, if 1,000 workers can be mobilised then some 1,200,000 pairs of shoes can be produced annually. This year we have only 500 workers, thus can only produce 500-600,000 pairs. We can’t afford to accept more orders due to the lack of labour. Some of our production lines have been left redundant.” (Manager of a footwear company in Hai Phong).

--- “The company has six production lines with full machinery and equipment in place. Only three of them are currently operational because we cannot recruit enough workers (Manager of a garment company in Go Vap, HCMC).

The crisis has also hindered efforts by the enterprises to comply with labour regulations. Some enterprises have responded to frequent labour changes by recruiting seasonal labour for less than three months at a time, and so avoiding the requirement to contribute to social/health/unemployment insurance. The appearance of satellite workshops or unofficial processing lines in suburban districts of Hai Phong and neighbouring provinces in order to meet increasing orders received by the major footwear and garment industries has negative implications on working conditions and social welfare for local workers.

Labour disputes reported for long are still mainly related to salaries, working hours, meals and working conditions. In the post-crisis recovery period, some of these disputes continue to unfold at a more serious level. While there are more orders coming in the unit price of processed products has decreased forcing enterprises to increase working shifts and hours without being able to compensate workers properly. Low salaries and overloaded work remain the main causes of strikes.

2.1.4 Vulnerability in incomes and expenditures

The minimum salary level for workers working in enterprises has been raised in 2010 according to GOV regulations (Decree 97/2009/NĐ-CP effective as of 1/1/2010 and Decree 28/2010/NĐ-CP effective as of 1/5/2010). In the post-crisis period migrant workers at the monitoring sites have found more stable jobs and frequently have to take on extra shifts. As a result incomes of most migrant workers have increased by an average of 150,000 - 200,000 dong/month compared to 2009.
Figure 5 shows that more than half of the interviewed migrant workers report their average monthly income in 2010 has increased by ten percent over 2009. The proportion of migrant workers reporting a decline in their average monthly income in 2010 is much lower than at the same time in 2009.

**FIGURE 5. Changes in average monthly incomes over the last 12 months (%)**

However, some migrant workers reported that in about three of the last twelve months their incomes were reduced by 15-20 percent. Notably female workers (in garment and footwear industries) in Hai Phong had their incomes reduced more than in the other two monitoring sites (Table 16).

**TABLE 16. Sudden decreases in incomes over the last 12 months, 2010 (%)**

<table>
<thead>
<tr>
<th>Percentage of workers with reduced incomes</th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>18</td>
<td>14</td>
<td>27</td>
<td>54</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of months workers endured reduced incomes (month)</th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reasons for income reductions</th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factories lack of work</td>
<td>0</td>
<td>29</td>
<td>44</td>
<td>21</td>
</tr>
<tr>
<td>Sick</td>
<td>100</td>
<td>43</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Job shifting</td>
<td>0</td>
<td>14</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Power cuts</td>
<td>0</td>
<td>14</td>
<td>57</td>
<td>92</td>
</tr>
</tbody>
</table>

Source: Migrant worker survey data, 7-8/2010
The main causes of reduced incomes include: power cuts (Hai Phong), lack of employment (Go Vap) and illness (Ha Noi). It is noteworthy that frequent power cuts in May-June 2010 actually affected the production schedule of many garment and footwear industries in Hai Phong. Power cuts forced factories to use power generators at three times the cost of network electricity. Factories also struggle to persuade workers to work extra hours in the evening or at night and many fail to fulfil their orders.

The average monthly expenditure of migrant workers in the survey sample has increased over the last three years. In 2010 it is 2,180,000 or 17 percent higher than 2009 and some 30 percent higher than 2008 at current prices. Figure 6 shows the structure of monthly expenditure of migrant workers in the three monitoring rounds. Rent is a larger proportion: 17 percent in 2010 compared to 14 percent in 2009 and 12 percent in 2008.

**FIGURE 6. Structure of monthly averaged expenditures (%)**

The expenditure patterns have remained unchanged in the last three years.

---

**Female workers spend more money on clothing and personal items than male workers**

Migrant workers in Go Vap spend more on rent; those in Hai Phong more on food and drinks and those in Ha Noi more on savings and remittance. From a gender perspective, male workers spend more on travelling, entertainment and social events while female workers spend more on clothing and other personal items. Female workers also save more than male workers. Expenditure patterns have remained unchanged in the last three years.
2.1.5 Challenges of specific worker groups

In addition to the general challenges mentioned above, specific worker groups have their own issues. These groups include: married migrant workers with young children, studying migrant workers, ethnic minority migrant workers and workers coming from poor households in rural areas.

Married migrant workers with young children spend a lot more than single migrant workers. They have difficulties managing cramped accommodation for the whole family with young children and a helper coming from the countryside to look after their children while they are at work. Incomes of female workers with young children decline. Workers also tend to miss career development opportunities for at least two years following the birth of a child as they can only afford to work regular shifts. The efficiency of female workers tends to decrease as they become busier and less healthy looking after their families. They often find it more difficult to cope with intensive and high-pressure workloads.

The lack of day care services is a challenge to couples with young children. Those with children under three have to hire a helper from their home village or send the children to “family children groups”. Day care costs are fairly high, ranging between 800 and 900 thousand dong/month. For 4-5 year old children, it is also not easy to get into public kindergartens. As the kindergartens are over subscribed priority is given to local resident children with permanent residence.

Sending children home for grand-parents to look after is also a solution for many young migrant worker couples. In Kim Chung (Ha Noi), some 50 percent of the migrant couples have sent their children home once they stopped breastfeeding. They send 700,000 - 1,000,000 dong home every month to support child care. They also have to pay for communication and travel. Being away from their young children many female workers encounter psychological challenges. Given these disadvantages many migrant worker couples choose to keep their young children with them in the cities.

--- “Initially my mother came to live with us and look after our child. Now she has gone back to our home village with our child. We send her 1-1.5 million dong monthly. Our telephone calls home cost as much as 200,000 dong per month as we want to keep up to date on our child’s health. It’s terrible living far from our child. We buy formula from here, 78,000 dong per can. When he gets sick I have to take leave and go back to look after him. I have do this 3-4 times each month as he frequently gets sick. It’s very costly”. (H. T. H. MW in Kim Chung, Ha Noi)

--- “Many migrant workers sent their babies home but ended up missing them so much that they decided to bring them back here. The fact that they had to send their babies home was just a compelled situation as the workers did not have the time nor financial capacities to take care of their babies in the cities, or their parents at home could not come and help. They could not concentrate on work the first few days following the departure of the children. Some even cried. The babies back there did not get any breast milk while the mothers here were keeping too much...” (migrant worker group in Nhuế hamlet, Kim Chung commune, Ha Noi).

Studying workers believe studying will give them an opportunity to shift to better jobs in the future. In Kim Chung (Ha Noi) many young workers have enrolled in North Thang Long Technical Middle-School and are allowed to follow a flexible class schedule and curriculum. In school-year 2010-2011 there are a total of 5325 students of which 87 percent are also industrial workers. Many workers who graduated from the school have been introduced to work in enterprises with stable incomes or found better jobs themselves.
Studying workers encounter more difficulties than others, particularly because they have to split their tight schedule between work, study and rest. In addition to following working hours in the industries they have to find spare time for studying in the classes at school as well as self-study at home. They thus have little time left for leisure. The costs of study are also fairly high.

--- “Currently I’m studying in North Thang Long Middle-School, major on tourism. I can take classes on a flexible basis, in the morning if I’m on night shifts and vice versa. I don’t want to rely on my parents. So I work and study at the same time and try to self-finance my study. Sometimes I have to work 12 hours a day but manage to find time for study, just have to try my best. Once I am done with the study I will stop working here. Don’t think I will be an industrial worker for the rest of my life”. (N. T. N, MW in Kim Chung, Ha Noi)

Ethnic minority workers living in Kim Chung (Ha Noi) came from Northern midland and mountainous provinces. Initially they had problems as they were not used to working in an industrial environment or living in rented accommodation. Many of them also take on other jobs outside of the industrial parks so they have little time left for rest, leisure and community interactions.

--- “They [ethnic minority workers] normally finish the shift around 4:00-5:00 pm but they always take on other jobs until 10:00 pm. They get back very late, eat something quickly and go to sleep. They leave for work early in the morning” (N.V.T, landlord in Kim Chung, Ha Noi)

--- “There are several ethnic minority workers in my production line. It takes them longer to get used to the new working environment so their salaries increase more slowly than others.” (D.V.H, migrant worker in Kim Chung, Ha Noi)

Migrant workers coming from poor households in rural areas often have to remit more money home than others. In the 2010 survey sample, 16 percent of migrant workers have poor families living in rural areas, of which nearly three quarters have sent money home over the last 12 months. Only half of those workers who do not have poor families living in rural areas have done this. The remittance pressure makes these workers cut on general expenditures and spend less on their personal needs.

2.1.6 Coping mechanisms

In the post-crisis period in 2010 the number of migrant workers coming into the cities continues to rise. While incomes and jobs become more stable the cost of living increases and there are occasional declines in incomes (for example, due to power cuts at the workplace or illness).

Many migrants cope by spending less on clothing (69 percent), leisure/recreation (63 percent) and personal saving (48 percent), food (41 percent), and other personal effects (27 percent).
### TABLE 17. Migrant workers’ coping strategies (%)

<table>
<thead>
<tr>
<th></th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce spending on rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce personal savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce spending on clothing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce spending on travel for pleasure and entertainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce spending on weddings and funerals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce spending on daily food and drinks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less shopping for other personal effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Send less money home</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Migrant worker survey data, 6-7/2008, 7/2009, 7-8/2010

**Items that are cut the least are weddings, funerals, remittances and rent. Male and female workers have similar priorities in terms of expenditure cuts.**

Table 18 shows more than half of the workers in the 2010 survey sample have net savings. Nearly half have sent money home in the last 12 months. One third has cut remittances over the last 12 months. The proportion of male workers reducing remittances (27 percent) is slightly higher than female workers (18 percent).

In Kim Chung (Ha Noi), the proportion of workers in the 2010 survey who have saved and sent money home in the last 12 months is considerably higher than in the 2009 survey sample and at the other two monitoring sites.
TABLE 18. Savings and money sent home over the last 12 months (%)

<table>
<thead>
<tr>
<th></th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(after subtracting</td>
<td>- 58 80 60</td>
<td>63 60 58</td>
<td>41 32 59</td>
<td>59 55 57</td>
</tr>
<tr>
<td>expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money sent home</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>during the last 12</td>
<td>- 43 72 63</td>
<td>58 48 25</td>
<td>45 48 25</td>
<td>59 45 48</td>
</tr>
<tr>
<td>months</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>decrease in money</td>
<td>- 27 13 29</td>
<td>58 65 25</td>
<td>62 21 21</td>
<td>62 21 21</td>
</tr>
<tr>
<td>sent home in 2010,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>compared to 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less reduced (&lt;= 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relatively reduced</td>
<td>- 58 75 46</td>
<td>66 68 74</td>
<td>65 62 69</td>
<td></td>
</tr>
<tr>
<td>(25-50)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significantly</td>
<td>- 0 13 15</td>
<td>14 9 4</td>
<td>8 9 9</td>
<td></td>
</tr>
<tr>
<td>reduced (&gt; 50)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporarily stop</td>
<td>- 0 13 15</td>
<td>0 0 0</td>
<td>5 2 2</td>
<td></td>
</tr>
<tr>
<td>sending money home</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly savings</td>
<td>- 42 0 23</td>
<td>20 23 22</td>
<td>27 27 20</td>
<td></td>
</tr>
<tr>
<td>(after subtracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Getting help from home and taking on extra jobs are two ways to cope with difficulties.

Moving from the South to the North is also a way to cope with difficulties.

Given the high cost of living in urban areas, some female workers have asked their families to send certain food items (for example, rice, peanuts and dried fish) in order to save money. Some others have taken on extra jobs to earn more incomes. For example, female workers working in restaurants and male workers working as brick layers.

--- “I tried my best to save. I got rice sent over at 8000 dong/kg plus 20-30,000 dong transport costs, making it a total cost of about 8500 dong. This is cheaper than buying here which is 11,000dong/kg” (N.T.M, migrant worker in ward 6, Go Vap)

A number of workers have arrived from industrial parks in the South as they want to live closer to home and reduce living expenditures. However, industrial parks in the North...
(for example, Thang Long IP) often require a graduation certificate of lower- or upper-secondary schools. Therefore the flexible working environment in the South continues to attract workers with low level of education.

--- “I did apply for a job in Ha Noi and was recruited to work on a three-month probation. This costs some money. The salary was 1.9 million dong/month while rent was fairly high. In the North you’d better have a decree or certificate but still have to pay to get the job. I’d also like to study but it’s too late now. If I don’t find a job here I will go home and grow rice.” (migrant worker group in ward 6, Go Vap).

--- “I had not graduated from primary school while it is a must in the North. I can’t afford to move up there even if I want to. You only need some skills and good health to find a job here. If you have skills you can be a senior worker. Otherwise you can be a junior one.” (migrant worker group in ward 6, Go Vap).

The worst scenario for migrant workers is to go home and back to rice farming. At the three monitoring sites very few people have had to do this. Only some people in compelled circumcises choose to go home, for example the older workers (over 40 years old), those who need to get married and have children back home and those who had illness in the family.

--- “Going back home and growing rice? There is no land left now. In addition, since we haven’t done any farming for a while we feel a little lazy. Also you don’t make much out of rice farming...” (N.T.A, migrant worker in Kim Chung, Ha Noi)

--- “Once we are here, we don’t want to return home since back there we can only do farming. My father died when I was in grade 11. My mother had to raise us up all by herself. If I go back now I will have to do farming again and have no money. While I am here, at least I can make some money to send home for my mother to pay for my siblings’ education” (N.T.V, migrant worker in ward 6, Go Vap)

2.1.7 Plans and aspirations of migrant workers

According to Table 19, the main aspirations of migrant workers working in enterprises at the three monitoring sites are to gain additional knowledge in health care (57 percent), to gain higher professional qualifications (51 percent), to improve accommodation and environmental hygiene (47 percent), to develop understanding about laws, rights and duties (46 percent). In 2010, many workers reported that they had better opportunities to obtain knowledge about HIV/AIDS and heath care through youth clubs in their neighbourhood (Lam Ha, Hai Phong), “overcome difficulties” clubs (Ward 6, Go Vap) and migrant worker groups. (Kim Chung, Ha Noi).

**TABLE 19. Aspirations in regard to support needed (%)**

<table>
<thead>
<tr>
<th></th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence registration needs to be easier</td>
<td>- 12 13</td>
<td>25 5 15</td>
<td>17 50 58</td>
<td>21 22 29</td>
</tr>
<tr>
<td>Would like improved accommodation, environment hygiene</td>
<td>- 72 65</td>
<td>33 60 57</td>
<td>55 63 20</td>
<td>44 65 47</td>
</tr>
</tbody>
</table>
Female migrant workers would like more knowledge of health care, laws, rights and duties and they would prefer an increased role for trade unions and activities of workers groups. Male migrant workers are more interested in residence registration, improvement of accommodation, environmental hygiene and professional and technical qualifications (Figure 7).
PART II. Specific vulnerable social groups

The rate of migrant workers who intend to retain their current positions is low.

When asked, “How long do you intend to do your current job?” sixty percent of the 2010 survey sample workers replied, “undecided” which is the same rate as 2009. Nine percent said they intended to try to change their jobs to other jobs in the same company or move to another company (Table 20).

TABLE 20. Workers’ future job plans, 2010 (%)

<table>
<thead>
<tr>
<th></th>
<th>Kim Chung (Ha Noi)</th>
<th>Lam Ha (Hai Phong)</th>
<th>Ward 6 (Go Vap)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue current job for less than six months</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Continue current job for 6-12 months</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Continue current job for 1-3 years</td>
<td>15</td>
<td>10</td>
<td>23</td>
<td>16</td>
</tr>
<tr>
<td>Continue current job for more than three years</td>
<td>12</td>
<td>5</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Undecided</td>
<td>52</td>
<td>67</td>
<td>62</td>
<td>60</td>
</tr>
<tr>
<td>Intend to move within the same company or move to another company</td>
<td>12</td>
<td>15</td>
<td>2</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Migrant worker survey data, 7-8/2010

As they get older, female workers have to consider changing their jobs

Female Migrant workers face the risk of losing their jobs when they turn around 40. Due to worsening health status, older female migrant workers may decide to resign (rather than get fired) as they are no longer as productive as younger co-workers. Most older female migrant workers do not plan to work on a long-term basis in industries such as garments, footwear and electronics. As they turn 30 they tend to get together and share capital to start a small business. Others may shift to other jobs such as cleaners or go home for good. Those who are younger may study further hoping to find a better job in the future with more stable incomes.
“Working in the Industrial Park is still new to most people. However, in ten years’ time when more young workers start to come, older female workers, aged between 30 and 40, will have to resign as they can’t compete with younger workers.” (cadres group, Kim Chung, Ha Noi)

“As we have been around for a while, we don’t want to leave. However we don’t want to work here for a long time either. Farming back home is also very difficult now so we may shift to work as cleaners.” (migrant worker group in Kim Chung, Ha Noi)

2.1.8 Role of trade unions

Only 49 percent of migrant workers interviewed in 2010 were members of trade unions within their respective enterprises (Table 21). The proportion of female workers participating in trade unions (54 percent) is higher than male workers (41 percent). The proportion of workers who are trade union members in 2010 (49 percent) is lower than in 2009 (60 percent), due to a decline in the trade union participation rate in joint ventures and in 100 percent foreign invested enterprise. Many workers in private enterprises reported that there were no trade union representatives in their enterprises.

| TABLE 21. Rate of trade union participation based on types of enterprises, 2010 (%) |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Type of enterprise              | Average        | State          | Private         | 100 percent foreign invested | Joint venture |
| Yes                             | 95             | 31             | 54             | 47             | 49             |
| No                              | 5              | 69             | 46             | 53             | 51             |

Source: Migrant worker survey data, 7-8/2010

The main reasons workers in the survey sample do not join trade unions are: they do not know how to participate (35 percent); they are not eligible to participate (28 percent); there is no trade union (19 percent); it is not necessary to join (19 percent). Of current trade union members, 63 percent said they had seen the benefits of participating in trade unions (up from 46 percent level in 2009); 27 percent found it “normal” and ten percent “had not yet seen any specific benefits” (Table 22).

| TABLE 22. Benefits from participating in trade union activities, 2010 (%) |
|----------------|----------------|----------------|----------------|----------------|----------------|
| Kim Chung (Ha Noi)  | Lam Ha (Hai Phong)  | Ward 6 (Go Vap)  | Average        |
| Male Female | Male Female | Male Female | Male Female | Male Female | Male Female |
| Have seen benefits | 57 61 | 50 67 | 100 59 | 68 61 |
| Normal (not so good or bad) | 29 21 | 42 33 | 0 36 | 25 28 |
| Not yet seen specific benefits | 14 18 | 8 0 | 0 5 | 7 12 |

Source: Migrant worker survey data, 7-8/2010

According to labour laws in Vietnam, all enterprises with at least five workers must form a trade union or appoint an interim trade union representative in the first six months of operation.
Some workers said they were not confident in the representative capacity of trade unions as trade union officers are part of the enterprise management or do not have a powerful voice. The main role of trade unions during the financial crisis was providing emotional support rather than managing labour relations. Almost none of the interviewees were able to give an example of the trade unions’ capacity to represent workers and help resolve emerging difficulties. Some did not even know that this was a key function of trade unions.

### 2.2 Small traders group

#### 2.2.1 Group features, living and working conditions

Small traders include people who sell goods in a shop and street vendors. Most small traders are married women aged between 30 and 55. Working as small traders is a common choice of women from poor and near-poor households as it is easy and requires little capital (just several hundred thousand dong).

The number of migrants working as small traders increased in 2010, implying a higher level of competition among them. Migrants coming from rural areas often choose to work as small traders in the cities. At the monitoring sites, a considerably high proportion of small traders are migrants. In Ward 6 (Go Vap) and Kim Chung (Ha Noi) an estimated 70 percent of small traders are migrants. In Lam Ha (Hai Phong) it is 50 percent.

The end of the global financial crisis has brought a rise in the number of migrant workers in Kim Chung (Ha Noi), and a corresponding rise in small traders. Most traders are middle-aged women.

--- “In the past the business was not as good. Now you can sell anything and make more money as there are more people coming to live in this hamlet. There are also more stores and restaurants. Last year, there were only ten vegetable sellers and each could only sell ten bundles of vegetable per day. Now it’s 30 and there number of sellers has also increased to 25-30. Before there were only three or four butchers. Now there are ten already. Many commute from other places to do business here. Most Small traders are from this village or other villages around, middle-aged and not industrial workers”. (cadre group, Nhue hamlet, Kim Chung, Ha Noi)

In Lam Ha (Hai Phong) many households from peripheral districts such as Vinh Bao and Tien Lang have moved into the city to run small businesses. They have to work harder but earn more money than from agricultural jobs. There are also a number of industrial workers who worked as small traders during the crisis and never went back to their industrial jobs.

--- “I used to be a footwear worker. Last year there was not enough work for me to do so I came here to sell vegetables. Now I don’t want to go back to that job as I am used to working here. This way I can make some many and be flexible in case my kids fall sick.” (N.T.T, vegetable seller, Lam Ha ward, Hai Phong)

Many small traders in Ward 6 (Go Vap) came from central provinces. Frequent natural disasters and unfavourable weather conditions have increased the flow of migrants. As a consequence of storms 9 and 11 at the end of 2009, more people from central provinces migrated to HCMC in 2010 to earn more incomes for their families. Most work as small traders.

--- Natural disasters in central provinces have boosted the outflow of migrants

Women coming from distant provinces to work as small traders are often accompanied by their husbands. Many new migrants leave their children behind in their home villages. Those who have been living in the cities for a three years or longer bring their children with them. The cost of rent, electricity and water has increased over the last 12 months. On average rental prices in 2010 have increased by 100 - 200,000 dong/
Small traders often live in cheap rooms where there is lack of environmental hygiene and security (Box 14).

--- “The cost of electricity and water has increased by 1.5 times since last year. Electricity and water are charged by the unit, which is very unfavourable to us.” (small trade group in Lam Ha, Hai Phong)

--- “Security and public order is not so good here. Sometimes we do not get very good sleep as our things can easily get stolen if we happen to leave them unattended”. (N.T.H, fruit seller, Lâm Hà ward, Hải Phong)

**BOX 14. Migrant fruit seller households in Ward 6**

Mrs. Đ.T.C moved to HCMC from Quang Ngai province in 1990. She is living with her husband and three sons in Ward 6, Go Vap. Mrs. C is a street vendor selling fruit. Her husband is a brick layer. Her first son is an industrial worker, the second son is training in motorbike repair and her third son is in An Nhon Lower Secondary School. She starts her day at 5:00 am by going to a wholesale market nearby to purchase fruit for her little store on wheels. She spends her whole day walking through the streets in Go Vap district.

Her family is living in a 12 m² rented room. All household durables are worn out and of low value including a TV set, a bicycle and a fruit trolley. She and her husband earn 100,000 dong/day. However, both of their jobs are unstable. When it rains she does not get to sell much and her husband does not go to work either.

The family lives a very simple life. The rent of the room is 1.2 million dong/month. The cost of electricity and water is some 170,000/month. She spends 50-60,000 dong daily buying food for the whole family of five people, not inclusive of rice, cooking oil and fish sauce. She says: “We have no savings. We spend every penny we earn at the end of the day”.

Working hours are very long. Fruit or food sellers often work from 4:00 am until noon and then from 2:00 pm until 8:00 in the evening. Therefore they have very little time for their children and for participation in social and leisure activities.

--- “I leave at 4:00 am to go to Long Bien market to buy fruit and spend the whole day trying to sell them. When I come home in the evening I get really tired and have no time for my children” (N.V.T, street seller of fruits in Kim Chung, Ha Noi)

--- “We spend the whole day in the market. We can’t go anywhere else as we are afraid of losing money and having nothing to feed ourselves” (small trader group, Bau market, Kim Chung, Ha Noi)

**2.2.2 Vulnerability and coping mechanisms**

Street traders reported that the costs of many goods have increased by 30-50 percent from the levels of 2009. Incomes of many small traders have gone down as purchase prices have increased more than selling prices. Costs of food services have also risen forcing people, particularly poor local residents and migrant workers to cut down on overall expenditures. The number of people eating out has notably decreased, hence a fall in incomes of the small restaurants along the streets (Box 15).

--- “Before we paid only 700,000 dong for the same amount of goods we now have to pay one million dong for”. (ST group in Bau market, Kim Chung, Ha Noi)
--- “Investment costs have doubled this year. We have slightly raised the selling prices of our products but this is still not enough to break even. Before I would cook ten kg of sticky rice and sell it in one morning. Now I only cook 7-8 kg and still cannot sell it out. Everything is becoming more expensive and the prices never go down again”. (P.T.T sticky rice seller, Lãm Hà ward, Hai Phong)

--- “Things are worse this year than in 2009. We can’t sell as much as last year. The prices of pancakes have gone up to respond to an increase in the costs of ingredients. In general once the costs of food ingredients increase everything else becomes more expensive. We have less income than in 2009 while we have higher expenditures. Before, out of every 300,000 dong spent on ingredients we made 100-150,000 dong. Now the profits are only 50-70,000 dong. “ (D.T.E, pancake seller, ward 6, Go Vap)

--- “The business is more difficult this year as less people eat out now. Most of the time they eat at home. Since the outbreak of the economic crisis, people make less money and our business is becoming more challenging.” (T.Q.T, noodle seller, ward 6, Go Vap)

### BOX 15. Half-hatched duck egg selling household in Lam Ha

Mrs. N.T.H, born in 1978, came from Vinh Bao district (Hai Phong). She is living with her husband and two young children. Since 2008, she has been selling half-hatched duck eggs in the morning in Lam Ha market. Her day starts at 4:00 am as she has to boil the eggs and prepare the herbs and vegetables before she leaves the house and works from 5:00 to 9:30 am.

--- “We have very little rice land back in my native village. My parents and my brothers grow rice on this land. Life back there was very difficult so my husband and I came here to make a living.”

They are renting a house in RQ#13, Lam Ha district (Hai Phong) at 450,000 dong/month and pay 150,000 dong/month for electricity. The main source of income is from her husband’s job as a mechanic (1.8 million dong/month). Income from selling half-hatched eggs is only just enough to cover daily expenditures.

In 2010 she has encountered lots of difficulties due to increased prices of half-hatched duck eggs. Since she has to sell at a higher price now, clients have decreased in number. In 2009 each morning she could sell 50-60 eggs and made 50-60,000 dong. In 2010 she can only sell 30-40 eggs and make 30-40,000 dong. Due to this decline in incomes she has had to cut down on expenditures including food and recreation for her children.

--- “It’s more difficult this year than last year. The price of everything has gone up including herbs and spices. The price of an egg has increased from 1,500 to 3,000-3,500 dong. So I now have to sell boiled eggs at 5,000 dong. There are 15 less clients this year than last year each morning now so my income is less.”

In Kim Chung (Ha Noi), the commune People’s Committee decided to relocate the temporary Bau market to further in the hamlet. Many small businesses have lost their frequent clients as a result. Some now have to spend more on hiring a store outside of the market. Others have become more mobile, instead of staying in a fixed place.

--- “Before the industrial workers would stop here and buy things on their way home from work and they were my frequent clients. For the last few months since the opening of the new market I have just been sitting idle most the time. I can only sell a quarter of what I did previously. Before there were as many as 5-6 of us selling the same things but we still did well. Now we are only three and still can’t sell much. Before I could make 100,000 dong/day”. (Small trader group, Bau Market, Kim Chung, Ha Noi)
PARTICIPATORY MONITORING OF URBAN POVERTY IN VIETNAM

PART II: Specific vulnerable social groups

--- “Before we could stay in one place to sell things. Now we have to move around the village in order to finish more quickly”. (N.V.T, street seller of fruits, Kim Chung, Ha Noi)

Major cities are tightening their urban management regulations with an aim to ensure public order and traffic safety. The regulations inconvenience small traders, who are often chased by the police. Sometimes their belongings are confiscated. However, to make a living, they ignore the regulations and accept the risks.

--- “When the police arrives, if we don’t manage to run away quickly enough we will get fined. We may be forgiven the first time we violate. The second time we will have to pay a fine of 50,000 dong. The third time, they will take away our vehicles and goods as well. If they take our things, we can buy them again. This is still cheaper than paying the fine”. (ST group in ward 6, Go Vap)

--- “I often stand in a place to sell things (near the school or sometimes I just walk around. As I move around I may get chased or fined by the police. The fine is often 50,000 dong. I know I am doing wrong and have to pay the fine. Sometimes I have to stand right in the street as this is the only way I can sell things “ (N.T.L, toy seller, Ward 6, Go Vap)

Small traders are coping with increased competition by working longer hours, diversifying their product lines and working in different places. In Kim Chung (Ha Noi), some local poor households have started to grow vegetables and sell them in the market instead of buying vegetables from wholesale markets to resell.

Small traders are coping with increased competition by working longer hours, diversifying their product lines and working in different places. In Kim Chung (Ha Noi), some local poor households have started to grow vegetables and sell them in the market instead of buying vegetables from wholesale markets to resell.

In Lam Ha (Hai Phong), small traders have come together to form “cash pool” (choi ho), a fairly effective way of saving and providing mutual help (Box 16).

--- “Cash pool” is a common way for small traders to save

BOX 16. “Cash Pool” (“Choi ho”) - a way of saving and providing mutual help among Small traders in Lam Ha

In Lam Ha Ward (Kien An, Hai Phong), 90 percent of small traders are involved in “cash pool” groups. There are up to twenty members in each group (“bat”) who know each other. Group members contribute every ten days or once a month. Poorer members may put in 10-30,000 dong/day and better off members 50-100,000 dong/day. The shortest cycle of the cash pool is three months and the longest is one year. A group leader (“cai”) will be appointed by the members, a person who is trusted by everyone. The group leader is responsible for collecting contributions and keeping the money. Whoever has the most urgent need for money can be the first to withdraw it from the pool. The first person to withdraw will have to leave ten percent of the total amount to be taken by the last one to withdraw.

--- “Ninety percent of small traders are involved in cash pools. There are dozens of these pools in this market. I am also part of one, contributing 30,000 dong/day. Cash pool is a good way of saving. It is also a form of mutual help. Thanks to these cash pools we can quickly respond to urgent needs of the members” (N.T.L, dried fish seller in Lam Ha Ward).

Small sellers also accept other jobs. Children also start working at an early age

Taking on extra jobs is also a common coping mechanism. In Ward 6 (Go Vap), a number of scrap collectors also work as cleaners for enterprises, earning 50-100,000 dong each time. Demand for cleaning services is greatest in the period prior to Tet. A number of poor children also sell lottery tickets during the school summer break to support their families. Most of these children are migrants.

--- “I am a scrap collector. Sometimes I also get hired to clean houses, often prior to Tet. If I do some house cleaning then I can make a total of 100,000 dong/day. On average I make only 40-50,000 dong” (P.T.T, scrap collector, Ward 6, Go Vap)
“I can sell 50 lottery tickets a day making some 50,000 dong for my mother to buy food. I work from 5:00 to 7:00 pm just around this area. During summer school break I go selling lottery tickets or help my mother do household chores.” (T.T.T.H 13 years old, Ward 6, Go Vap)

In Lam Ha and Ward 6 there are also credit groups such as Women’s Union credit and saving groups, AAV credit groups and CVN credit groups. Some small traders also borrow loans from these groups, typically three - five million dong each. However, the target beneficiary groups are still permanent residents. The reason for that is migrants tend to be mobile, and there is a risk they may fail to repay their loans.

Most small traders do not participate in voluntary health insurance because of their economic constraints. Whenever they fall sick they just buy medicines from private drug stores themselves.

“Since last year, there has been an increase in the number of MTDs working around this bus stop alone, from 20 to 30. Most of them commute from neighbouring communes”. (MTD group, Kim Chung, Ha Noi)

--- "Before I was a worker in a paper plant in Hong Bang district and had to work 12 hours a day, at night as well. It didn’t give me much flexibility. Our child is young and has to get dropped and picked up from school every day. My wife is busy with her small business and we don’t have help. Working as a MTD gives me more flexibility. I can drop and pick up my child from school" (N.H.T, MTD in Lam Ha, Hai Phong)
BOX 17. Poor local residents working as Motorbike Taxi Drivers

Mr. N.V.C, 67, is a permanent resident in RQ#25, Ward 6 (Go Vap, HCMC). His household has been recognised as “poor” for many years now. His wife has been very sick for the last two years and stays in bed. The costs of her medications have been a heavy burden on the whole family. His children are already working but only doing manual jobs due to lack of skills. So they do not really help much. In 2008, after 30 years working as a cyclo driver Mr. C decided to use all his savings and got a three million dong loan from the ward’s Poverty Reduction Fund to buy a motorbike and become a MTD.

--- “We have eight children. Two of them are footwear workers, two brick layers and two embroiderers working at home. The other two are still young. They are not yet able to help much. The children working in footwear make only 1.2 million dong/month. The brick-layer children work 1-2 days and have nothing to do for the next week”.

Incomes from working as MTDs have gone down as there are fewer people using motorbike taxis now. The rates remain the same while the cost of living has gone up making our life still more difficult.

--- “I make 30,000-40,000 dong/day on average, sometimes 70,000 dong. MTDs are becoming less competitive since there are lots of buses now and the bus rate is only 3,000 dong/trip. Passengers only choose to take motorbike taxis in urgent cases. The price of petroleum has increased while we can’t charge our passengers any extra. Having little money we can only buy tofu for our meals. We only have meat and fish once in a long while. Sometimes we just have two boiled eggs, mixed with fish sauce shared among the six of us”.

When asked about his plans for the future, he said he was rather old already and did not have any capital. So he had no choice but continuing to work as a MTD driver despite it being an unstable job.

--- “It is difficult to change to another job. I’m already old and don’t have any capital so I’ll have to be stick to this job. The life on the road is quite adventurous but we have no choice. I would only be able to change my life if I won the lottery!” (T.V.D, MTD in Ward 6, Go Vap)

--- “If I have the money I could open a small store or restaurant or learn to drive cars. I’d also like to work as a motorbike repairer but that would require a lot of investments”. (MTD group in Ward 6, Go Vap)

Older MTDs with difficult household circumstances tend to be stick to the job

Older MTDs with difficult household circumstances do not plan to change their jobs while young drivers only consider motor taxi driving as a temporary job. However, they have few opportunities to change due to lack of capital.

MTD incomes have fallen since 2009 making life more difficult

Most MTDs interviewed at the monitoring sites said their incomes were less than in 2009. The average income is currently 2-2.5 million/month (or a decrease of 500,000 - 1,000,000/month). The increased cost of living also makes life more difficult (Box 18).
Incomes of MTDs have gone down due to increased competition from new MTDs and alternative means of transport

2.3.2 Vulnerability and coping mechanisms

In 2010 the MTD group continues to face challenges such as: (i) increased competition from new MTDs; (ii) increased number of buses and taxis offering competitive rates; (iii) higher cost of living; (iv) irregular weather conditions; (v) higher traffic fines in major cities.

During the financial crisis incomes of MTDs working near industrial parks (for example, in Kim Chung, Ha Noi) declined as many workers went home or stopped travelling by motorbike taxi to save money. Since the crisis the number of workers has increased. However, there has not been much improvement in MTDs’ incomes, as their more people working as MTDs creating increased competition among themselves but also more choices for passengers.

The number of taxis and buses has increased in the cities posing a direct challenge to the MTD group. Given the increasing quality of life, urban residents now prefer more convenient and safer means of transport. In the rainy season, there is almost no work for the MTDs as passengers tend to use taxis or buses.

--- “Our life is becoming increasingly difficult. People travel by taxi and bus now. None of us have quit, there are new MTDs joining. Last year I could make 100-120,000 dong/day. This year, only 70-80,000 dong/day.” (MTD group in Lam Ha, Hai Phong)
“The business is not good this year as there are far too many buses. Since everything becomes more expensive, people tend to use buses. The cost of petroleum has gone up but we do not dare charge our passengers more. On certain days I can make 100-120,000 dong/day. On other days I might not make anything. Sometimes I have to drop the price in order to at least earn something. If I don’t do this others will anyway. On some days I may have to wait more than ten hours without getting any passengers”. (MTD group in Ward 6, Go Vap).

The rising cost of living in the early months of 2010 caused difficulties for urban poor people including the MDT group. Though the price of petroleum in 2010 is lower than in 2009, it remains high for MTDs. To cope, many MTDs cut other expenditures and work extra hours in the evening.

--- “In the past I could manage with an income of 40-50,000 dong/day. Now 100,000 dong isn’t enough. A bowl of noodle costs 15,000 dong. We can buy less meat than before with the same amount”. (MTD group in Ward 6, Go Vap)

Administrative fines are also a risk for MTDs. Some fines in Ha Noi and HCMC have doubled since mid 2010\(^2\). Most MTDs have tried to comply with regulations to avoid getting fined. However, in certain cases they have no choice but violate the rules in order to make a living.

--- “I no longer dare to carry three passengers at the same time. I have to keep an eye on the police. If I get stopped by the police I will try to ask for their favour. One time I had to pay a fine of 300,000 dong for carrying three passengers without helmets. It took me the whole several days after to make the same amount of money as the fine. The passengers actually wanted to save their money and asked me to carry three of them at the same time. I was greedy enough myself to agree to do that. That’s why I ended up being getting stopped by the police”. (MTD group in Ward 6, Go Vap)

Other risks mentioned by MTDs are: accidents, passengers finding ways not to pay; and their vehicles getting robbed. To avoid these risks they often are extra-careful about who they should pick up and limiting working hours or staying away from remote places.

--- “I drove him to the bus station and even lent him my cell phone. He immediately ran away with it. I couldn’t do anything. I’d rather not leave my motorbike behind. Another time, while sitting behind my back that passenger managed to steal my wallet without me noticing anything. I lost nearly one million dong”. (MTD group in Kim Chung, Ha Noi)

--- “If I happen to hit someone I may have to pay as much as 500-700,000 dong. Sometimes I also lose money as the passenger just runs away once we’ve arrived at the destination. In other cases upon arrival at the destination the passenger just says: “Sorry, I have no money”. I’d rather lose my money and not beat him up…””. (MTD group in Ward 6, Go Vap)

Working outside means MTDs are exposed to dust and other types of pollution and have problems with their health. Almost none have purchased voluntary health insurance as they “don’t have any money” and are “not confident in the quality of services covered by health insurance”.

--- “We don’t have money to buy insurance for the motorbike, not to mention health insurance. The quality of services covered by health insurance is not so good. It’s also

--- Working extra hours and cutting expenditures are two common coping mechanisms

MTDs are often concerned about traffic fines...

--- accidents and passengers finding ways not to pay...

--- and worsening health conditions. However they often do not purchase health insurance.
very difficult to change from one hospital to another using health insurance". (MTD group in Ward 6, Go Vap).

**Participating in self-managed groups is a way to provide mutual support amongst MTDs**

Most MTDs at the monitoring sites are working together to cope with difficulties. In Lam Ha (Hai Phong) and Ward 6 (Go Vap) they have formed “self-managed MTD groups” such as the one working around Nhi Duc Hospital in Lam Ha and the one working in An Nhơn Market in Ward 6. Members of these groups help one another by referring passengers to each other. They have also created a fund to support cases of accidents or illness. These activities help enhance the solidarity within the groups and make jobs and incomes of members more stable (Box 19). In Kim Chung (Ha Noi), MTDs do not form self-managed groups as such. Instead they agree on certain rules (for example, not fighting for passengers, no price cutting).

--- “All MTDs have to work very hard so we support each other. If I do not get any passengers while others get two or three they will be prepared to pass me one. I will not pick up passengers from locations where other MTDs are already present...” (N.V.C, 67, MTD, Ward 6, Go Vap)

**BOX 19. A self-managed MTD group in Hai Phong**

A self-managed MTD group was formed in 1993 by the MTDs working in the area around Nhi Duc Hospital (Hai Phong). The group consists of 12 drivers who live locally and who have worked as MTDs for many years.

The group divides the number of passengers equally among themselves to ensure everyone has the chance to earn something. Thanks to the advantageous location of the hospital they have been able to maintain fairly stable incomes, an average of 100-150,000 dong/driver/day. Group members also contribute to a fund to provide support in cases of accidents and illness. Working in such a group, members are able to secure their incomes better and provide mutual support.

--- “The group was formed in 1993 by the drivers themselves. They reached an agreement on how to coordinate trips and passengers. However, it’s a matter of luck as to how far you get to travel and how much money you can make... Members of the group are all local residents and have been on the job for many years. That’s why drivers coming from outside cannot compete. Every month they contribute 150,000 each to a fund to provide support in cases of accidents and illness....”

A number of MTDs in Lam Ha (Hai Phong) also participate in “cash pools” jointly with their relatives or people coming from the same native province. These pools are considered an informal form of micro-credit and saving that migrants can rely on.

--- “We are part of a cash pool jointly with our relatives. We are 14 in this group. We contribute 600,000 dong each month. Each cycle lasts for a year. If we need money we can withdraw before others. We often withdraw at the beginning or at the end of the school year so that we can pay tuition fees for our children. If our turn doesn’t come when the tuition payment is due we can borrow from our relatives and pay them back when we get to withdraw the money.” (N.V.Q, MTD in Lâm Hà, Hai Phong)

**2.4 Cyclo driver group**

The cyclo group is a group unique to Lam Ha Ward (Kien An, Hai Phong).
2.4.1 Group features, living and working conditions

Cyclo drivers live together in RQ# 14 (formerly RQ# 30). They have a limited education and lack other skills. Their main job is to transport construction materials and waste. They often wait in groups for jobs at a “cyclo market” (near Hai Phong Junior Medical College). Communication with construction contractors has become easier as cyclo drivers have mobile phones.

The number of cyclo vehicles in RQ#14 continues to decline (from more than 50 to 30 in 2009 and nearly 20 in 2010), as a number of male cyclo drivers now drive small trucks or work as guards or MTDs. In the past, both the husband and the wife in a household worked as MTDs. Now there are more female than male cyclo drivers (female drivers are often referred to by local residents as the “long-haired military” of the RQ).

Although most cyclo drivers live a difficult life, many are not considered “poor” as the current poverty line defined by Hai Phong City is very low. An average cyclo driver can make 70 - 100,000 dong/day. In peak months they may work 20-25 days/month while in other months they may manage only 10-15 days/month. Given their low incomes cyclo drivers find it very difficult to manage daily costs (Box 20).

--- “In the past my wife and I could support ourselves and our three children by pedalling the cyclo. Now we can make only 50-70,000 dong/day, sometimes 100,000 dong. It’s a tough job. There’s not much left once we have paid for food and drinks. In recent years, cyclos have been banned from the city. We are constantly in fear of the police stopping our cyclo. Each time we are stopped we have to pay a fine of 50-70,000 dong, sometimes even 100,000 dong to get it released. (Mr. Đ.V.C, RQ# 14, Lam Ha ward)

--- “We often pay tuition for our children when it’s already overdue. We have to ask the teacher in advance for her permission to do this”. (Cyclo driver group in RQ# 14, Lam Ha ward)

BOX 20. The harsh living of a female cyclo driver

Mrs N.T.C – 43, living in RQ#14, Lâm Hà (Kien An, Hai Phong) has been a cyclo driver for ten years. She and her husband moved from Kien Thuy district to Lam Ha and built their house there. Her husband is also a cyclo driver. They have two daughters. The first is married. The second left school upon finishing primary level.

Cyclo riding is a more challenging job in 2010 as there is less work to do and dump sites are located far away. Their income has declined and their life has become very difficult. They also have to cut down on expenditures due to the rising cost of living. They do not know what else they could do besides riding cyclos. However, Mrs N.T.C believes they will have to find new jobs in the future as their income declines.

--- “We have no places to dump the waste and now have to share half of what we earn with the small truck drivers. In the past, on average we could do five trips and make 20-30,000 dong each. This year we can only do two or three trips, sometimes even just one trip per day.”

--- “Our house was built in 1997 and is now leaking, but we haven’t been able to fix it. Our daily expenditures are on the rise: 80-100,000 dong/day plus 80,000 dong/month for water and 140,000 dong/month for electricity. So we have no savings”.

--- “We may have to find a new job, for example selling things in the market to make several dozens of thousand dong per day. In our group five people have already shifted to small trucks; which is less exhausting. When cyclos are completely banned I will shift to work as a small trader”.
2.4.2 Vulnerability and coping mechanisms

Cyclo riding is a seasonal job. Cyclo drivers often take on other regular jobs

Cyclo riding RQ#14 is seasonal as it depends on weather conditions and the progress of construction projects. The peak months are between February and April and from August to October. When there is less work cyclo drivers take on work as brick layers or painters.

--- “We have work to do between February-April and August-October and much less between May-July and November-Jan. The job is not stable, neither is the income”. (Cyclo driver group in RQ#14, Lam Ha ward)

There is less work for cyclo drivers as contractors prefer using trucks now

In 2010, the workload of the cyclo drivers has halved compared to recent years as most construction contractors use small trucks that have greater capacity and are more efficient. Cyclo drivers now tend to look for work in small lanes and alleys where trucks cannot access.

--- “Now construction waste has to be dumped in the right place, otherwise vehicles will be seized. The dump sites are very far away so we have to collaborate with the small trucks. Ten cyclos will fill up a truck. We have to start in the morning but actually can only work for 1-2 hours around noon time. Early in the afternoon we have to stop already. Otherwise the police will not let us go”. (Cyclo driver group in RQ# 14, Lam Ha ward)

Cyclo drivers have to look for dump sites far away from the city center

The lack of dump sites is a challenge to cyclo drivers. All the dump sites near the city centre have been closed. Cyclo drivers thus have to look for dump sites further out, up to five kilometres away. Often they have to share work with small truck drivers: cyclo drivers transport waste from small lanes to the main roads then load them onto small trucks. Both cyclos and trucks are banned from the city centre from 7:00 am to 7:00 pm so they often have to “break the fence” and work around the noon break.

--- “We have work to do between February-April and August-October and much less between May-July and November-Jan. The job is not stable, neither is the income”. (Cyclo driver group in RQ#14, Lam Ha ward)

Most male cyclo drivers have found other jobs

Most cyclo drivers in RQ#14 are female as many male drivers have found other jobs. Due to the heavy workloads and the noon time working hours, their health is affected.

--- “Currently there are 11-12 female cyclo drivers in the group. There used to be 30 altogether. Many male cyclo drivers have found other jobs such as guards, porters, restaurants workers.” (N.V.C, head of RQ #14 4, Lam Ha)

--- “We have to work at noon shovelling dirt and sand when the heat is worst. We are exhausted when we get home in the evening.” (Cyclo driver group in RQ# 14, Lam Ha)

Some have mobilised funds themselves to purchase small trucks

Five of the cyclo drivers in RQ#14 have become small truck drivers. Work is more regular, so incomes are higher. Small trucks can share work with cyclos. However, small trucks are more expensive and operational costs are high. Cyclo drivers who have purchased small trucks are under pressure to pay back loans as well as running costs. (Box 21).
Mr. Đ.V.C, 50, and his wife living in RQ#14, Lam Ha ward have been working as cyclo drivers for more than ten years. Since work is now scarce, in July 2009 they decided to buy a small truck and start a new business. The 9.9 ton truck cost a total of 180 million dong, of which 40 million was Mr Đ.V.C’s family’s own savings, 100 million was a bank loan borrowed on his behalf by relatives living in Vinh Bao at 1.25 percent interest per month and the rest (40 million dong ) was an informal loan with a five percent interest rate.

Mr Đ.V.C and his wife’s workload and income have improved since the purchase of the vehicle. However gas and maintenance costs are very high. The number of small trucks has also increased providing more competition. Small truck drivers like Mr. C find it very difficult to do their job given the City’s policy of banning more than one ton trucks between 7:00 am and 7:00 pm. They may also be heavily fined if found in the city centre. His Mr Đ.V.C’s net income is about 3-3.5 million dong/month which is just enough to pay the loan’s interest.

--- “Income from the truck can be more than from the cyclo. However things are getting difficult as there are also many trucks now and thus less work to do. I only have enough work to do for 17-20 days each month. The gross income I make is 500,000 dong per day which should include 100-200,000 dong for petroleum. ”

--- “This year I have been fined 30 times, both minor and major violations. At one point I got three fines within one week, each time I had to pay 300,000 dong on average. When I get fined it means I lose everything and have no income.”

The biggest concern of his family is how to pay the interest. They can currently cover interest payments, but have nothing left for savings. Mr Đ.V.C’s wish is to get a loan from a local bank so he can pay off the informal loan with the high interest rate.

--- “We rely on the truck to pay the loan interest. Don’t know when we can pay back the principle. We hope to get a loan from a State-owned bank to pay off the informal loan and reduce the interest burden”.

Cyclo driver groups are not formally organised. However, since they have known each other for many years they often collaborate when there is enough work available. Households of cyclo drivers who live close together in the same RQ also provide mutual support in everyday tasks.

Most cyclo drivers do not have red books so they have nothing to use as collateral to get a loan from the bank. Since they are not classified as poor they have no access to the Social Policy Bank loans. They often have to rely on their families for help with money and loans.

As in 2009, in 2010 most cyclo drivers did not purchase voluntary health insurance cards. When they fall sick they buy medicine from regular drug stores. In case of serious problems they will have to rely on user-pay services provided in the hospitals.
PART III. TOWARDS SUSTAINABLE URBAN POVERTY REDUCTION

This urban poverty monitoring initiative aims to provide information to complement existing data on poverty, through researching the difficulties and disadvantages of the local and migrant poor. Specific social groups such as migrant workers, street vendors, motorbike taxi drivers, and cyclo drivers were selected for this survey to reflect the diversification of urban poverty.

Poverty is of a multi-dimensional nature, reflected in income, expenditure and non-income criteria. The urban poverty incidence in Vietnam based on income poverty lines is very low as it has reached its “core” and is difficult to reduce further. However, urban poverty is more severe if non-income dimensions are factored in. Multi-dimensional poverty measures help to better identify target groups and formulate appropriate policies to ensure sustainable poverty reduction.

Currently migrants who are temporarily residing in urban areas are not included in annual poverty reviews. In the context of increasing rural-urban migration urban poverty reduction efforts should consider both poor local residents and poor migrants. These two groups face common challenges such as limited access to public services and a lack of comfort and safety in their living conditions. The local poor resident group also have their own disadvantages such as a lack of human resource and social capital and the capacity to develop new livelihoods. The poor migrant group have specific constraints related to high costs of living, unstable employment, constant risks and a lack of social integration.

The new national poverty line introduced by the GOV for the 2011-2015 period and guidelines on poor household surveys with more emphasis on migrant poverty will hopefully help depict a more reliable picture of urban poverty.

In 2010, the global financial crisis has receded and export-oriented enterprises have recovered. The high demand for urban labour doubled by persistent challenges such as natural disasters and epidemics in rural areas has continued to increase the influx of migrants from the countryside into cities. New trends are emerging among migrant workers, such as an increase in the number of couples having young children (instead of sending them home) and an increase in the number of ethnic minority migrants. These new migrant groups are likely to change the features and enhance the diverse nature of urban poverty in the coming time.

The particular social groups in urban areas have their own disadvantages and sources of vulnerability. The financial crisis has made many migrant workers aware they have an insecure future and of the high risks of working in labour intensive sectors. Consequently they have developed a mentality of frequently moving jobs. Incomes of those working informal sectors such as small traders, motorbike taxi drivers and cyclo drivers are unstable due to various factors such as weather conditions, price fluctuations, increasing competition and urban management regulations.

In summary, urban poor groups are very diverse and urban poor people very vulnerable. As the urbanisation process in Vietnam continues, more attention needs to be paid to urban poverty among both local residents and migrants to ensure policy formulation and implementation achieve sustainable urban poverty reduction and contribute to national comprehensive poverty reduction efforts in both rural and urban areas.

Some suggestions for policy discussions drawn from the third round monitoring exercise in 2010 are:

1. **Design multi-dimensional urban (and rural) poverty measures.** It is time to take into account non-income/non-expenditure factors in order to properly define the severity of urban poverty and specific marginalized and
vulnerable groups so as to better allocate budgets and develop poverty reduction policies appropriate to each group. Multi-dimensional poverty measures may be more complicated than existing uni-dimensional income-/expenditure-based measures. However, this technical complication is entirely manageable. Non-income criteria related to human resources, livelihoods, living conditions, social capital and access to public services (particularly education and health) as described in this report needs more attention.

2. **Consider migrants as an integral part of all urban poverty reduction policies.** This is a necessary step to separate the provision of public services from the status of residence and subsequently to promote social integration of migrants. MOLISA’s survey procedures to identify poor households during the period 2011-2015 using the new poverty line need to be strictly followed to include migrant households having resided for more than six months regardless of residential status. The next step should be to review and design new policies that can be feasibly implemented in support of migrants with particular attention to the reduction of urban costs of living (housing, electricity, water and education), harmonised urban management and the minimisation of conflict with migrants’ livelihoods.

3. **Develop a comprehensive social protection policy framework for urban areas.** Such a social protection system should target specific groups having multi-dimensional poverty features (although not necessarily classified as poor according to the uni-dimensional income-/expenditure-based measure) and migrants, as presented in the above two recommendations. Regular social assistance provided under Decree 67/CP should be expanded to cover the whole “hard core” poor (absolute/chronic poor) groups in urban areas and help them maintain a basic life. The 50 percent subsidy policy for health insurance purchasers who are near-poor also needs to be revisited.

4. **Increase investments in poor “clusters” and transitional locations where migrants congregate.** Designing a comprehensive investment scheme in response to the pressing infrastructure needs of poor clusters with particular attention to drainage and environmental hygiene facilities. Allocating investment and current expenditure budgets to transitional locations (proportionate to the population of local residents and migrants in peripheral urbanised areas) in order to address overloaded services such as education, health and rubbish collection.

5. **Formulate a proposal on vocational training for urban labour.** This proposal should be of a similar scope and scale to the Proposal on Vocational Training for Rural Labour that has been approved by the Government. More importantly, prior field surveys should be undertaken to ensure proposed policies in support of vocational training are effective and provide easy access for urban labour such as support of enterprises providing vocational training to their workers and support of the various forms of on-the-job training provided by the diverse privately owned businesses in urban areas (not necessarily associated with district/municipal “vocational training centres”).

6. **Pay particular attention to the enhancement of social capital of both local residents and migrants in urban poverty reduction efforts.** Initiatives by local governments, mass organizations, social institutions and donors should focus on strengthening the roles of wards and residential quarters in organising community-based activities in a “State and the people jointly do” manner and at the same time promote sharing, self-help and integration among migrants, perhaps initially through groups of people coming from the same home province and co-habitants.
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