

URBAN POVERTY ASSESSMENT

IN HANOI AND HOCHIMINH CITY

(A short version of the full report)

Ha Noi, September 2010

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Introduction

One of existing challenges in monitoring and evaluating the poverty reduction in Viet Nam is to collect sufficient, reliable and comprehensive data on scope and characteristics of poverty in all population groups including temporary and un-registered migrants, particularly in urban areas.

The Vietnam Household Living Standard Survey (VHLSS) is an official and most popular data source used for poverty measurements. However, until 2008, the VHLSS's sampling design is not able to capture information of all population groups, especially migrants. The VHLSS2010, which contains a number of improvements in sampling design, still could not survey all groups of people.

To implement their poverty reduction and development programmes/policies, Ha Noi and Hochiminh City have made considerable efforts and initiatives to be able to identify poor households, including migrant households. The Ha Noi Department of Labor, Invalids, and Social Affairs has conducted many “reviews” of the list of poor households among registered households¹ (KT1 and KT2) according to the Ministry of Labor, Invalids, and Social Affairs's guidelines and the city's poverty lines. Hochiminh city has started its efforts to grasp information of both registered residents and un-registered migrants (KT3). However, so far, there has been no official procedure to collect information of seasonal migrants or un-registered short-term and long-term migrants (KT4).

In order to fill the above data gap for an effective poverty monitoring and evaluation, the project “Support to in-depth assessment on urban poverty in Ha Noi and Hochiminh city” is formed, in which the Urban Poverty Survey (UPS-09) is one of the key activities. Noticeably, this survey is the unique and only data source on poverty and livelihood of migrants in the two cities.

Ha Noi People's Committee and the Hochiminh People's Committee are the project's national implementing partners. Ha Noi and Hochiminh Statistics Offices, on behalf of the cities' People Committees, are assigned to be the project's implementing agencies. General Statistics Office (GSO) is the co-implementing partner of the project in the survey phase. The Center for Analysis and Forecast (CAF) of Vietnam Academy of Social Sciences and Hochiminh Institute for Development Research are the co-implementing agencies in the research phase. The Departments of Labor, Invalids and Social Affairs of the two cities are coordinating agencies throughout the whole life of the project.

The Project is to support Ha Noi and Hochiminh city in identifying scope, intensity, characteristics and issues of urban poverty for development of the cities' specific action plans to monitor and evaluate poverty as well as of policy solutions for identified problems. In particular, the UPS-09 with the field work implemented in October – November 2009 contains the following main purposes:

¹ Prior to the Law on Residency, population were divided into 4 types of residency: people lived where

- (i) To assess the depth of urban poverty in Hanoi and HCMC, with a focus on capturing information on migrants and unregistered households in addition to the registered population;
- (ii) To analyze the characteristics of the urban poor, with special attention to their employment and earnings, as well as their ownership of durables and their ability to cope with risk; and
- (iii) To identify key issues of urban poverty, including why poor people in the cities are poor;

This “Urban Poverty Assessment in Ha Noi and Hochiminh City” report describes the UPS-09 design and implementation methodology as well as its key results and findings. The report is structured into two parts:

Part I: Survey Methodology

This part summarizes the survey’s purposes and provides detailed information on UPS-09 sampling design, questionnaire design, and implementation at the field as well as data processing and analysis procedures.

Part II: Survey Results

This part of the report provides descriptive analysis on the UPS-09’s key results and findings regarding demographic characteristics, education and health care, employment, income and expenditure, house, assets, risk coping, etc. Especially, the report spares a special part for presenting a new approach on measuring poverty which is the multi-dimensional poverty evaluation. In addition, the report compares living status of migrants and residents of the two cities in a separate part². As stated above, information on migrants from this survey is unique and especially valuable. Finally, the report also provides a number of policy suggestions for the two cities’ poverty reduction tasks.

Following this descriptive report, the project will soon disseminate results of the in-depth researches on different aspects of poverty using the UPS-09 dataset.

² Refer to this report’s definitions of migrants and residents in the later part

EXECUTIVE SUMMARY

According to the Vietnam Household Living Standards Survey of 2008 (VHLSS-08), 13.4% of the country's population was then living below the poverty line³, but the poverty rate was only 2.4% in Hanoi (old) and 0.3% in Ho Chi Minh City. A question has been raised: whether these very low poverty rates in the two main cities have accurately reflected the poverty situation, on the grounds that the VHLSS-08 surveyed very few migrants who were living in the cities without a regular residence permit.

The Urban Poverty Survey (UPS-09) was specifically designed to address this issue, in order to “assess the level of urban poverty in Hanoi and HCMC, with a focus on collecting information about immigration status and unregistered households in addition to information about the registered population,” in addition to analyzing the characteristics of urban poverty “with special attention to employment and income, as well as ownership of durable goods and the ability to solve problems and difficulties that people report,” and identifying the key issues and explanations of urban poverty.

The survey was conducted in October-November 2009 in Ho Chi Minh City and in Hanoi (as defined by the city limits prior to its enlargement in 2008). The 2009 census showed the population of (old) Hanoi to be 3.6 million, and that of HCMC to be 7.1 million. For the UPS-09, a total of 3,349 households and individuals were surveyed, roughly evenly divided between the two cities, as Table ES1 shows. Almost half of the questionnaires were administered to households; the rest were administered to individuals either living in the city alone, or as domestic workers, or on construction sites or business premises or in dormitories or group living arrangements.

The survey was done in a single direct interview. The UPS-09 questionnaire was designed in a compact but relatively comprehensive form to accurately reflect the urban living standards.

Table ES1. Number of households and individuals interviewed in UPS-09

	Total	City		Registration status	
		Hanoi	HCMC	In surveyed city	In other city or province*
Total number of questionnaires	3,349	1,637	1,712	1,610	1,739
Household questionnaires	1,748	875	873	1,479	269
Individual questionnaires	1,601	762	839	131	1,470
Memo: Total number of persons	8,208	4,197	4,011	5,859	2,349

Notes: * Includes 6 cases of individuals who were unregistered.

Sampling

The UPS-09 survey used two-stage stratified sampling. In the first stage, for each of the two cities wards/communes were separated into priority and non-priority strata. The *priority strata* consisted of wards/communes believed to have a high poverty rate, a large non-registered (KT4) population, high population growth, and many large enterprises; the *non-priority strata* included the other areas. Within each stratum the sampling frame consisted of the list of enumeration areas (EAs) from the 2009 Census of Population and Housing. Each city then selected 80 EAs,

³ 2001-2010 National poverty line: 200 thousand VND per person per month in rural area, 260 thousand VND per person per month in urban area.

equally drawn from the priority and non-priority strata; within each stratum the EAs were selected based on probability proportional to size.

In the second stage, a sampling frame consisting of the list of households and individuals in the selected EAs was compiled immediately before the survey, to avoid attrition between the creation of the sampling frame and the survey itself. The enumerators were required to make direct contact with households or individuals when compiling the list, and to include all households living in the area, whether legally or not. Individuals are defined as those who may live in the same room or house but are economically independent, meaning that they do not share an income and expenditure budget. This includes those living in hostels, dormitories, on construction sites, in owned or rented accommodation, or in temporary or illegal dwellings.

Separate household and individual samples were randomly selected from the sampling frame; a total of 11 households and 11 individuals were selected in each EA. In addition, domestic workers living in any sampled households answered the individual questionnaire.

Because of the sample design, which deliberately oversamples unregistered migrants for instance, all summary statistics based on the raw survey data have to use sampling weights. The weights are in inverse proportion to the probability of selecting a household or individual, and take into account the response rate.

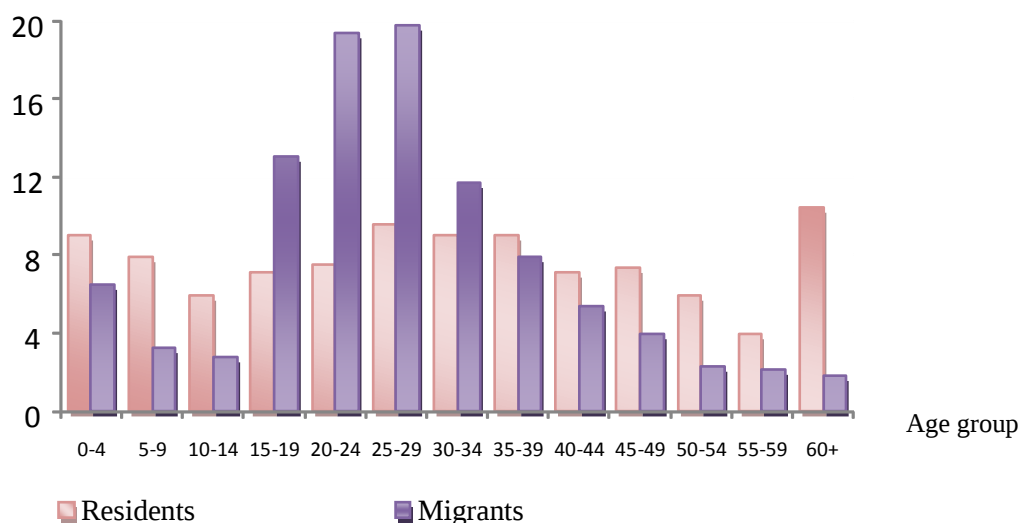
Demographic Characteristics

Within this report, households and individuals that have registration permits to live in the city (KT1 and KT2) are called “residents” and those are registered in another city or province but are nonetheless living in the city are referred to as “migrants.”

The survey found that 17.4% of those surveyed were migrants, with the proportion being almost twice as high in HCMC (20.6%) as in Hanoi (11.4%).

Demographically, migrants are somewhat different from residents. Migrants are heavily concentrated in the 15-34 age bracket, as Figure ES1 shows; they are slightly more likely to be female; they are far less likely to be married (44% vs. 61% of those aged 13 and above); and they are much more likely to have changed their dwelling in the 10 months prior to the survey (26.7% vs. 4%).

Figure ES1. Breakdown of UPS-09 sample by age and registration status



The demographic differences between Hanoi and HCMC are relatively small: households are roughly the same size (3.4 vs. 3.1 persons), both have more women than men (52% of the population is female in Hanoi, 53% in HCMC), the number of dependents per working adult is similar (1.2 in Hanoi, 1.0 in HCMC), and 10% of those living in Hanoi moved within the 10 months prior to the survey, compared to 8% in HCMC.

One difference does stand out: while 64% of adult residents of Hanoi are officially married, the figure for HCMC is just 54%. This is partly due to the higher proportion of un-married migrants is higher in Ho Chi Minh City than in Ha Noi.

Education

According to the UPS-09 survey, in general, Ha Noi gains better achievements in education than Ho Chi Minh City showing through different indicators such as literacy rate, education and professional attainment, and net enrolment rate. There is not much difference in literacy rate among men and women; however, men possess higher diploma than women.

Considering the registration status, migrants in general gain lower education attainments than residents. The proportion of migrants in public schools is lower than that of residents (64.6% compared to 82.4%); at the same time, migrants benefit less (21%) from school fee exemption, construction contribution and other contributions in comparison with residents (27%).

Noticeably, only 97.3% children 10 to 14 years old (lower-secondary education age) are literate showing that there are children within this age group being out of school or not primary education universalized.

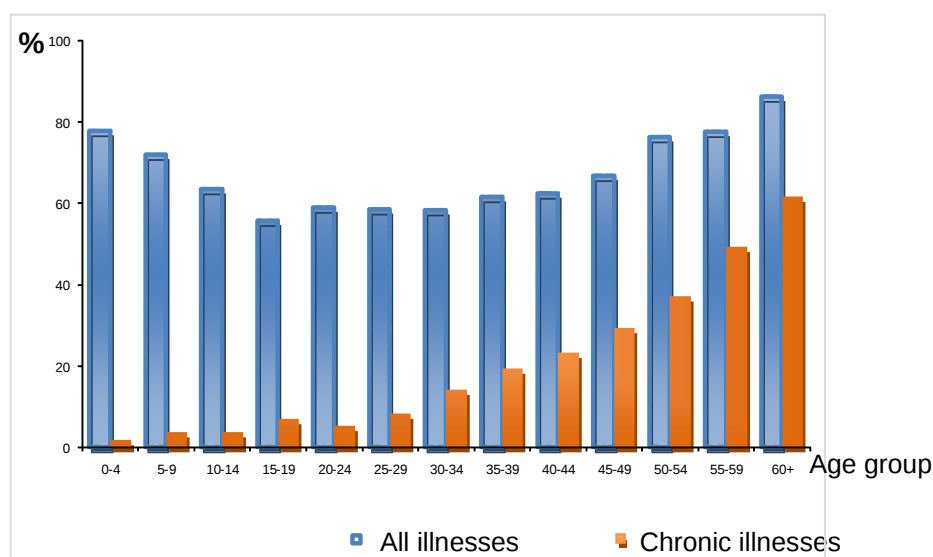
The proportion of people within the labor age without any education diploma accounts for almost 10% out of the total labor. People with low education levels (e.g. primary or lower-secondary level) still can find a job; however, they are usually stuck in manual and low-income jobs.

The UPS-09 results also show a strong positive links between education and income levels.

Health and health care

Two-thirds of those surveyed experienced some sort of illness in the year prior to the survey, with somewhat higher reported rates in Hanoi (72%) than HCMC (63%), and slightly higher rates among women (68%) than men (64%). Chronic illness is far less common, touching just 20% of the population. There are striking differences in the incidence of illness across the different age groups, as Figure ES2 shows: chronic illness is rare among young people, and steadily rises with age, affecting more than half of those aged 55 and above. On the other hand, minor illness is common among children, and falls among young adults.

Figure ES2. Incidence of illness, and chronic illness, by age



The UPS-09 survey shows that 63% of those who fall sick seek professional medical care either “always” or “sometimes;” most of the rest self-medicate. People are more likely to seek medical help for young children – about 80% of those under 10 who fall ill are likely to get professional attention – and if they older. Households and individuals in Hanoi are almost as likely to consult a health professional, when then are ill, as their counterparts in HCMC; but women are more likely than men to seek help (66% vs. 59%), and residents are more likely than migrants to look for medical attention when ill (65% vs. 53%).

There is an income effect too: 69% of those in the top quintile may seek help when ill compared to 58% of those in the bottom quintile. When asked why they did not seek professional help, the

overwhelming bulk of respondents (96%) said that the problem was not serious enough to warrant it. However, other factors play a role, because 5% said they lacked time and 3% said they lacked money; among migrants, 8% said they did not have time to seek care, and 6% said they could not afford it.

Someone who falls ill has a choice of places to go – village health centres; district, city, or central hospitals; or private hospitals and clinics. The choices that people make among these alternatives are not very different in Hanoi and HCMC (67% compared to 48%), or between men and women, but migrants are substantially less likely to get care in a public facility than are residents.

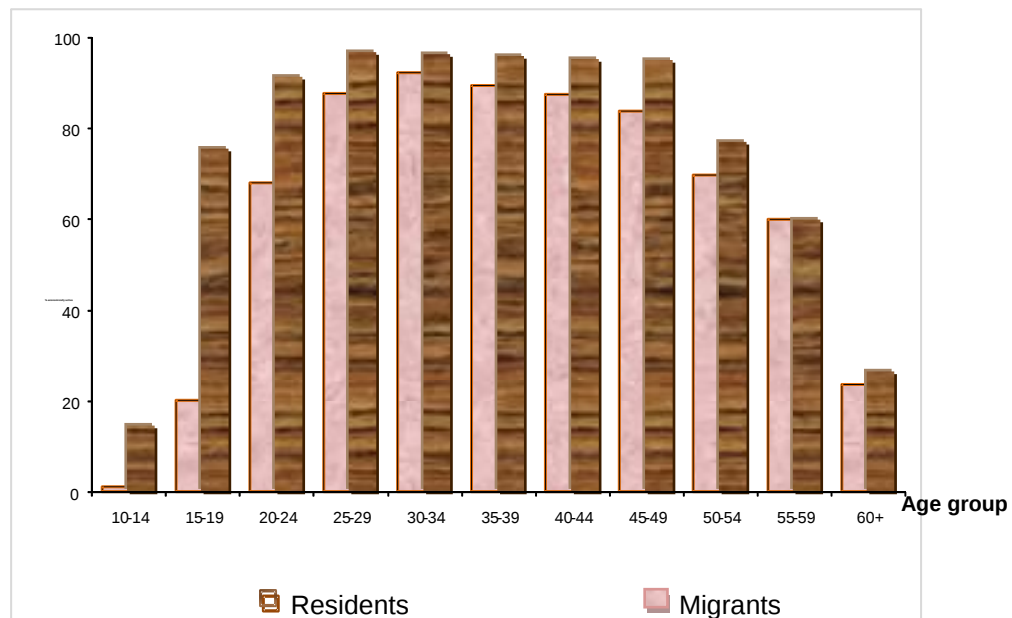
Over three-fifths (62%) of the population has some form of health insurance, with a sharp difference between coverage in Hanoi (72%) and HCMC (57%), and between residents (66%) and migrants (43%). When those without health insurance were asked why they did not have coverage, three-fifths of respondents said that they did not want or need it, about one person in six said they could not afford it, and about one in ten said they did not know where to buy it. One uninsured migrant in six said that the lack of a city residence permit prevented them from getting health insurance, in sharp contrast with residents, for whom this was not a barrier.

Employment

The UPS-09 survey gathered extensive information on employment. An estimated 64% of those aged 6 or older are economically active, meaning that they are either employed or actively seeking work. The age profile is shown in Figure ES3: very few children work – just 2.3% of those in the 10-14 age group are economically active, many of them migrants. After people complete their education they move into the labour force, and so 90% of those between the ages of 25 and 50 are in the labour force. Some people ease out of the labour force in their fifties – the official retirement age for women in the public sector is just 55 – and less than a quarter of those aged 60 or more are still working. Among those who are not working, only 1.7% said that the reason is that they “cannot find a job,” although the proportion of those with professional and vocational secondary education who say they cannot find a job is five times as high as this.

There are some interesting patterns in the data. Men are more likely to work than women (68% vs. 60%); those in the top quintile are somewhat more likely to be in the labour force than those in the bottom quintile (68% vs. 60%) – indeed the higher-income households are more affluent in part because they are more likely to be working. And migrants are far more likely to be working than residents (85% vs. 59%), in part because they are concentrated in the prime working ages, but also because they are more likely to be working at any age, as Figure ES3 shows.

Figure ES3. Labour force participation by age and registration status



A large amount of information on the characteristics of employment is summarized in Table ES2. Almost one person in five covered by the UPS-09 survey has a university degree, with similar proportions for men and women.

There are significant differences between the two cities. Workers in Hanoi are almost twice as likely to have a university diploma as their counterparts in HCMC, which likely reflects the greater importance of government and administrative jobs in Hanoi. White-collar jobs, which include clerical as well as professional positions, are substantially more common in Hanoi (34% of workers) than in HCMC (24% of workers); and employment in government, including state-owned enterprises, is more than twice as common in Hanoi (29%) as in HCMC (13%). A corollary is that, compared with HCMC, twice as high a proportion of workers in Hanoi have indefinite work contracts, and substantially more receive work-related benefits such as vacation pay and health insurance. On the other hand, HCMC is the industrial leader, and workers there are more likely to work in industry or for a foreign-invested firm.

There are clear differences between residents and migrants. Working migrants are far less likely to have a university education (7% vs. 22%) or a white-collar job (15% vs. 32%), or to work for the state (5% vs. 23%) or have an indefinite work contract (8% vs. 27%). Conversely, they are much more likely than residents to be working for a wage or salary (80% vs. 62%), in industry (50% vs. 30%), or in a foreign enterprise (15% vs. 7%). There is a strong basis in truth of the image of the relatively unskilled migrant worker labouring for a wage in a factory without much job security.

Table ES2 also highlights the stark disparities between those in the poorest quintile and those at the top of the income distribution. Almost nobody in a poor household has a university

education or a white-collar job or owns a business; few work for the state, or have the security of an indefinite work contract; and only one in five receives any work-related benefits.

Table ES2. Summary of characteristics of employment

	University education	White collar job	Is an employer /owner	Works for a wage /salary	Sector: industry	Works for State	Works for foreign- invested firm	Has a long- term contract	Receives work- related benefits
<i>Percentages of each row total</i>									
Total	18	28	5	66	35	19	9	22	41
Hanoi	26	34	5	67	28	29	7	34	45
HCMC	14	24	5	66	38	13	10	17	39
Male	19	28	6	70	39	20	6	24	42
Female	17	28	4	63	30	17	12	21	40
Residents	22	32	6	62	30	23	7	27	42
Migrants	7	15	3	80	50	5	15	8	38
Quintile 1 (poor)	1	4	1	62	39	8	8	8	21
Quintile 5 (rich)	46	60	13	67	27	29	8	39	56

The average monthly salary received by workers in their principal employment during the previous year was VNS2.2 million, with little difference between Hanoi and HCMC (VND2.3m vs. VND2.1m), but a more important gap between men (VND2.5m) and women (VND1.8m).

Perhaps more surprising is how small the gap is between the monthly wages of residents (VND2.2m) and migrants (VND2.0m), given the earlier discussion of the relatively modest educational levels of migrants. Part of the explanation is that migrants work about ten more hours per week than residents (58 hours vs. 48 hours), so there is some substance to the picture of the hard-working migrant worker.

Durable Goods

The UPS-09 presented households and individuals with a list of 19 durable goods, and asked them how many of each good they owned. Although information on the monetary value of the goods was not collected, the statistics on durable goods ownership still provide a useful indication of household (and individual) wealth.

Almost everyone (96% of households and individuals) has at least one significant durable good, although the number drops to 88% for migrants and to 89% for those in the lowest income quintile.

A summary breakdown of the pattern of durable goods ownership is given in Table ES3. The most dramatic differences are between residents and migrants. The latter are on average younger, and so have had less opportunity to accumulate assets; they are somewhat poorer (see section on income/expenditure below); they are more mobile, which makes it less convenient to acquire large fixed durables; and they have smaller families.

Table ES3. Summary of durable goods ownership (selected items)

	Motorbike	Bicycle	Colour TV	Computer	Internet connection	Air conditioner	Washing machine/dryer	Electric cooker	Mobile phone
<i>Percentages of each row total</i>									
Total	78	42	79	37	25	25	42	83	87
Hanoi	77	52	80	42	31	35	45	84	87
HCMC	78	37	79	34	22	20	41	83	88
Male	85	44	84	40	26	25	45	85	92
Female	69	40	73	33	24	25	37	80	81
Residents	91	52	96	48	33	34	57	95	90
Migrants	47	20	40	12	7	3	7	55	81
Quintile 1 (poor)	64	51	70	14	5	5	19	73	71
Quintile 5 (rich)	91	29	86	68	53	54	68	89	97

Source: UPS-09.

Housing

On average, households and individuals in Hanoi have 15.7 m² of living space per person, compared to 17.7m² in HCMC. Yet a higher proportion of people in HCMC are living in cramped quarters – defined as less than 7 m² per person – than in Hanoi (31% vs. 26%), as Table ES4 shows.

A majority of migrants (62%) are living in cramped space, in sharp contrast with the registered resident population of the two cities (17%). Most migrants rent their accommodation (64% of the total, compared with 8% of residents), and they are less likely to get their water from a private tap (40% vs. 65%). On the other hand, migrants are (slightly) less likely to say that they face problems related to noise, dust and smoke, electricity outages, flooding, or theft and robbery. It is possible that migrants are more tolerant of these inconveniences, and so complain less, because one would expect, given the relatively modest nature of their accommodation, that they would experience relatively high levels of noise, dust, and flooding.

A few other interesting features of Table ES4 are worth noting. Although most households cook with gas, one in seven households in Hanoi still cooks with kerosene, wood, or coal; these fuels are also still quite widely used by poor households.

Accommodation is more likely to be rented (rather than owned) in HCMC than in Hanoi (26% vs. 16%), and households in HCMC are substantially less likely to have a private water tap (49% vs. 30%), turning to well-water or purchased water instead. It is striking that electricity outages are seen to be a far greater problem in Hanoi (27%) than HCMC (7%).

Table ES4. Summary of housing and environmental characteristics

Table E34. Summary of housing and environmental characteristics									
	Living area under 7 m ² per person	Renting housing	Private tap water	Cook with kerosene, wood, or coal	Difficulties faced by households				
					Noise	Dust and smoke	Electricity outages	Flooding	Theft, robbery
Percentages of each row total									
Total	29	23	57	7	22	23	14	15	14
Hanoi	26	16	70	14	22	26	27	14	11
HCMC	31	26	51	4	22	21	7	16	16
Male		22	57	7	22	23	15	15	14
Female		25	60	7	21	22	11	16	15
Residents	17	8	65	8	24	25	15	16	14
Migrants	62	64	40	6	18	17	10	14	13
Quintile 1 (poor)	35	15	42	16	18	19	18	15	14
Quintile 5 (rich)	17	24	74	2	23	21	13	10	13

Income and Expenditure

Households reported an average income of VND2.40 million per person per month. The UPS-09 found very little difference in the average income levels between Hanoi and HCMC, as Table ES5 shows. This is unexpected, because it is widely believed that HCMC is the richer city; this is borne out by the higher wages paid to manual workers there (VND1.7m per month vs. VND1.38m in Hanoi). The explanation may lie in the structure of jobs in Hanoi, which require more education and are more likely to be administrative and managerial in nature and the proportion of migrants in the total population of HCMC is higher than that of Hanoi.

The income per person of migrants is about five-sixths the level of residents. This too is something of a surprise, because it is at odds with the view that unregistered migrants are a universally poor group. On the other hand, migrants are young and hard working, and have few dependents; these compensate for their relative lack of education and their relative absence among the self-employed.

Table ES5. Characteristics of income and spending

Table E55. Characteristics of income and spending									
	Income per person per month	% of income from salaries /wages	Income is less than enough	Wage, manual workers	Spending per person per month (VND)				
					Overall	Food	Housing	Schooling	Health care
					Percentages of each row total				
Total	2,404	57	23	1,606	1,853	1,010	287	118	78
Hanoi	2,321	57	22	1,381	1,841	950	268	122	85
HCMC	2,445	56	23	1,703	1,859	1,040	296	116	74
Male-headed	2,523	57	21	1,857	1,957	1,076	297	141	78
Female-headed	2,244	56	24	1,437	1,714	921	273	86	78
Residents	2,509	49	22	1,429	1,871	1,075	266	150	95
Migrants	2,162	77	23	2,367	1,812	858	334	43	38
Quintile 1 (poor)	805	62	44	1,185		520	121	41	46
Quintile 5 (rich)	5,219	51	6	2,978		1,671	554	302	138

The amount of spending reported in the UPS-09, at VND1.85m per person per month, is well below the reported level of income. It is likely that spending is under-reported, in part because the number of questions about spending was quite limited; when the questions are more detailed, respondents recall more of their spending.

More than half of all spending is on food, except among migrants. Migrants spend less on schooling and health care – they are younger and have few children – but more on housing, where they typically have to rent their accommodation. Three-fifths of migrants sent remittances home; on average, these transfers represent a sixth of their spending money, compared to half a percent spent on remittances by residents (VND296,000 per month vs. VND9,000 per month).

The UPS-09 data estimate GINI coefficient at 0.37 in both Hanoi and HCMC, which represents moderate inequality. Comparing to the VHLSS 2008's figure of 0.35 for Hanoi and 0.34 for HCMC, it is seen that the changes in the Gini coefficients are too small, and differences in the questionnaire design too great, for one to conclude that inequality increased between 2008 and 2009. But it is noteworthy that the inclusion of migrants – which were largely missing in the VHLSS sample, and included properly in the UPS-09 survey – did not cause a very substantial increase in measured inequality (which it would have done if migrants were mainly very poor).

Income Poverty

The income poverty rates in this report are based on four types of poverty lines including the 2006 national, \$1.5, \$2 and the cities' specific poverty lines.

Applying the 2006 national poverty line – as used to measure poverty with the VHLSS 2008, and adjusted for prices to give the equivalent in 2009 – to the UPS-09 data one finds that 1.27% of the population of Hanoi, and 0.31% of the population of HCMC, was living in poverty in 2009. Migrants' poverty rate is 1.16% compared to the rate of residents of 0.54%.

At the end of 2009, Ho Chi Minh City announced that it was setting a poverty line of VND12m per person per year. Using this threshold, the poverty rate in HCMC would be 13.9%. Hanoi uses a poverty line that is half as high, and by this measure the poverty rate in Hanoi was 1.56% in 2009.

Multi-Dimensional Poverty

A popular and traditional way for evaluating whether a person is living above or below the minimum level is using income/expenditure variable. However, using income/expenditure as the only tool for evaluating poverty shows its limitations. Multi-dimensional poverty evaluation has become more and more popular. Besides the economic dimension, multi-dimensional poverty consists of a series of deprivations which households and individuals may suffer, including education, health, employment, housing, physical safety, etc. This multi-dimensional approach has been used in the 2010 Human Development Report through the multi-dimensional poverty index MPI.

Application of this approach with eight deprivation dimensions which are income, education, health, social security, housing services, housing quality/area, physical safety, and social

inclusion using the UPS-09 database results in a more comprehensive picture of the two cities' poverty situation.

Although being richer in terms of income (with a lower income poverty rate), Hochiminh city has the higher poverty rates for all the social poverty dimensions.

In the both cities, four top deprivations are access to social security, access to proper housing services (including electricity, water, sewage drain, and waste disposal services), access to dwellings with proper quality and area, and access to education services. For Hochiminh City, the lack of health insurance is an issue to which the city needed to pay attention when 13.5% of the city's population do not have health insurance.

In the both cities, rural people and migrants deprivates more in all the dimensions than urban people and residents. Noticeably, migrants' deprivation in participation in social organization and activities (i.e. lack of social inclusion) is at a very high level and much higher than the deprivation among residents.

The income poor in Ha Noi mainly concentrate in the rural areas with a high level of 10%; meanwhile the income poverty rate is only 1% in the urban areas of Ha Noi.

The multi-dimensional poverty indexes are higher in Hochiminh city than in Ha Noi, in rural areas than in urban areas, and in migrants than residents. Especially, the index is very high ($Mo=0.29$) for migrants with at least one deprivation. Moreover, the proportion of migrants is higher for population groups with higher number of deprivations.

In the both cities, three top contributors to the multi-dimensional poverty index (Mo) are deprivations in social security, housing services and housing quality/area. In Hochiminh city, the education deprivation also contributes a considerable portion to the multi-dimensional poverty index.

It turns out that income is not at all an important dimension reflecting the multi-dimensional poverty situation in Hochiminh city since deprivation in income is really minor and contributes an insignificant part to the overall multi-dimensional poverty, as well as is unchanged when the number of deprivation increases.

Among migrants, social security is still a top contributor to the overall multi-dimensional poverty, followed by housing quality/area. Noticeably, migrants are really facing obstacles in participating in social organizations and activities. However, income is not an important dimension and the importance also does not change when the number of deprivation increases.

Among residents, the top four contributors to the multi-dimensional poverty is social security, housing services, housing quality/area and education. The social inclusion contributes almost nothing to the overall poverty.

Income does not correlate much with the other poverty dimensions. Instead, social security and social inclusion are the dimensions which most correlate with the other dimensions.

The above results strengthen our prejudice that for Ha Noi and Hochiminh city, poverty reduction based only economic criteria (e.g. income/expenditure) does not seem to be relevant. The multi-dimensional approach appears to be more suitable, in which people's living standards are measured based on a number of economic and social dimensions. Poverty reduction programmes/policies will be better formulated using this multi-dimensional approach. The survey results suggest a number of areas to which the city should pay more attention which are strengthening the social security system, improvement of housing services, increase of housing quality and areas, as well as improvement of education system and lower-secondary education universalization. Migrants without registration in the two cities accounts for a large proportion of the poor; long-term strategies and policies are needed to help migrants escape from deprivation in basic living conditions.

The report's results on multi-dimensional poverty can be used to select a number of prioritized deprivation dimensions which contributes mainly on the overall poverty to concentrate the cities' efforts. The selection of prioritized dimensions can be different among the cities, between urban and rural areas, or among various population groups (e.g. migrants verse residents), and used as a base for budget allocation for different sectors and locations. The report's results and methodology can be used also for identifying targeted population of poverty reduction programmes by defining the minimum number of deprivations for which a person would be considered poor. This minimum number can be selected at a low level to cover more people or can be set at a higher level to include only people who are very poor (in multi dimensions) into the policy targeted groups. The selection totally depends on localities' poverty reduction strategies and possible budget.

Risks and Coping

Everyone faces risks of some sort, such as the loss of a job, higher food prices, a sudden illness, or natural disasters. The UPS-09 asked respondents about the difficulties that they faced, and the ways in which they coped with these difficulties.

By far the commonest concern was the increase in the price of food and other essentials, as Table ES6 shows clearly. At the time of the survey in October-November 2009, food prices were close to a historic high, and people were clearly feeling the pinch. The second most serious difficulty reported in the survey was health problems, mentioned by 25% of respondents in Hanoi and 19% in HCMC (but by only 11% of migrants). Other difficulties, including delays in receiving wages (3%), natural disasters (2%), or family troubles (5%) were relatively infrequent.

When faced by a difficulty, the main response is to dip into savings or sell assets; about one household in six responded by borrowing to tide them over, and one in seven worked more hours. This pattern of response hardly varies across cities, between male- and female-headed households, and between migrants and residents. Households in the poorest quintile, who have the smallest margin of manoeuvre, are more likely to borrow, sell assets, *and* work more than those in the top quintile.

Table ES6. Summary of difficulties faced by households, and their coping responses

	Types of difficulties reported:				Ways to cope with difficulties (for those reporting difficulties)				
	Increase in prices of essentials	Job loss	Business slowdown	Health	Borrow money	Sell assets /draw down saving	Cut education spending	Work more	Other
Total	65	5	11	21	17	55	4	14	3
Hanoi	75	4	6	25	14	54	4	15	3
HCMC	60	6	14	19	18	56	3	14	3
Male-headed	65	6	11	20	18	56	5	16	3
Female-headed	64	5	11	22	16	54	2	12	3
Residents	69	5	12	25	17	55	5	15	3
Migrants	56	6	8	11	17	54	1	13	1
Quintile 1 (poor)	69	8	9	27	27	57	7	21	8
Quintile 5 (rich)	55	3	14	14	11	47	2	10	1

Source: UPS-09.

Social Inclusion

The UPS-09 included a relative unusual set of questions that asked about social inclusion. Of particular interest here is the question of whether or not migrants participate actively in civil society, and create links with their neighbours.

The activities of social inclusion have been categorized into four groups:

- (i) Participation in social-political organizations, such as a youth or trade union, or an association for women, veterans, or elders.
- (ii) Participation in neighbourhood social activities, including attending meetings related to family planning, or contributing to a social fund.
- (iii) Receipt of social services, including information about health and family planning.
- (iv) Social relations in the neighbourhood, including participation in local events such as weddings, and interaction with neighbours.

Participation in all these activities is higher in Hanoi than in HCMC, and with an especially large gap in participation in social-political organizations. Those who do not participate mainly say that the activity is not related to their work or needs, but some claim they have no time, and a modest proportion simply say that they are not interested.

The numbers in Table ES7 show clearly that migrants participate far less in social activities than do residents; only half as many participate in social-political organizations (32% vs. 69%) or receive social services (48% vs. 89%). This is not entirely surprising, given the short period that migrants have been in the city, and their propensity to move around within the city. It is worth noting that one migrant in ten said that the lack of a city residence permit was what stood in the way of participating in social-political organizations.

Table ES7. Summary measures of social inclusion

	Respondents participate in				Respondents do not participate in social-political organizations because				
	Social-political organizations	Neighbourhood activities	Are provided with social services	Social relations in the neighbourhood	Not interested	Not included	Not related	Not registered	No time
<i>Percentages of each row total</i>									
Total	58	75	77	93	6	5	39	3	14
Hanoi	73	80	84	95	3	3	24	3	5
HCMC	50	73	74	92	7	7	46	4	17
Male-headed	60	79	79	93	5	5	36	3	12
Female-headed	54	70	74	93	7	7	42	4	14
Residents	69	95	89	98	6	3	28	0	10
Migrants	32	30	48	81	5	11	63	10	21
Quintile 1 (poor)	48	71	75	90	7	9	47	5	13
Quintile 5 (rich)	57	81	76	95	5	3	40	3	16

PART I: SURVEY METHODOLOGY

1. Survey Objectives

The purpose of the UPS-09 is to help both Hanoi and Ho Chi Minh City have sufficient information to assess living standards, poverty, the difference between the wealthy and the poor, and the many aspects of urban poverty that help to serve the development of policies, plans and targeted programs in order to continue to improve the living standards in, and ensure the sustainable development of, the two cities.

The urban poverty survey complements the data generated by the Vietnam Household Living Standards Surveys (VHLSS), which are conducted nationally (including in the two main cities) every two years under the National Statistics Program.

Previous VHLSS surveys undersampled some important urban groups, most notably migrants. In 2004, Ho Chi Minh City conducted a mid-term census, which found that 71% of the population is listed as KT1 or KT2 (i.e. were registered to reside in the city); this compares with proportions of 98% found by VHLSS-2004 and 91% in VHLSS-2006. Furthermore, information about employment as collected by the VHLSS surveys is inadequate, especially in the construction sector, as many construction workers are mobile, and were not easily included in the VHLSS sampling frame. There is also great variation within the migrant population: some are skilled while others are manual labourers. There are male and female, young and old migrants. They may be poor or highly vulnerable. Since migrants constitute a significant percentage of the urban population, it is important to have more complete information about these groups.

In order to reflect more adequately the level of urban poverty in Hanoi and Ho Chi Minh City, besides households with residence registration within the city, this survey also collected information on migrants, households without residence registration, and individuals outside households such as those living in factory dormitories, construction workers living in temporary shelter, homeless people with a fixed living place, and people living in illegal constructions.

2. Sampling and Survey Organization

2.1. Scope of the survey

The survey was conducted in all districts of Hanoi⁴(old) and Hochiminh City.

2.2. Survey sample

The survey included both households, and individuals who do not form households.

⁴ Since the 1st August 2008, Hanoi Capita was expanded and consisted of: the old Ha Noi, all of Ha Tay province, Me Linh district of Vinh Phuc province and 4 communes of Luong Son district of Hoa Binh province

Households include people living together in the same house, apartment or shared living place, and who share an income and expenditure budget, which means all earnings of the members contribute to a common budget, and all expenses are taken from that budget.

A person is counted as a household member if the household considers him- or herself to be a member of the household. Thus household members include, for instance, those who are temporarily absent, or students, or temporary migrants.

An individual who lives in the same room or home, but does not share a common budget, is not considered to be a member of that household. This group includes, for instance, tenants, domestic workers, workers living in company dormitories, construction workers living in temporary shelter, and homeless people with fixed living places. However, this survey does not include individual students from other provinces or locations who are residing in the city while pursuing their studies.

The urban poverty survey was designed to cover the entire population living in Hanoi and Ho Chi Minh City at the time of the survey, including the mobile population that was not included in the VHLSS. However the survey does not include those who are in prisons, hospital patients, soldiers living in barracks, and full-time students.

The similarities and differences in the sampling used by the VHLSS in 2006, and the UPS in 2009, are summarized in this table:

VHLSS 2006	UPS 2009
Households sampled include those who:	Households sampled include those who:
(1) share the same house, apartment, or other accommodation;	(1) share the same house, apartment, or other accommodation;
(2) share a budget for income and expenditure, which means all earnings of the members are contributed to the shared budget of the household and all of their expenses are taken from that budget. These people may or may not be blood relatives.	(2) share a budget for income and expenditure, which means all earnings of the members are contributed to the shared budget of the household and all of their expenses are taken from that budget. These people may or may not be blood relatives.
(3) have lived in the enumeration area for six months or longer.	(3) live in the enumeration area, no matter how recently they moved there.
Migrants who went to the city alone or without a family were not covered.	The survey also covers individual migrants, who went to the city alone or without a family.
	- Households and individuals living at construction sites, or in temporary housing or illegal constructions. - Households and individuals sleeping on

	business premises (including shops, restaurants, hotels, and entertainment venues).
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2.3. Sampling design

To improve efficiency, the survey sample was selected using a stratified 2-stage sampling method separately for each city. The procedure used was as follows:

Stage 1: The UPS used enumeration areas (EAs) from the 2009 Census of Population and Housing as the Primary Sampling Units (PSU). Entire wards/communes in each city were first divided into two strata: the priority stratum consisted of the wards/communes believed to have a high rate of poverty, a large unregistered (KT4) population, high population growth, and many enterprises with 300 or more employees; the non-priority stratum included the other areas. The sampling frame of each stratum is the list of EAs of wards/communes in the stratum. Each city then selected 80 EAs, including 40 EAs in the priority stratum and 40 EAs in the non-priority stratum; within each stratum the EAs were selected based on Probability Proportional to Size (PPS).

Stage 2: Households and individuals as secondary sampling units were selected using a random systematic sample. The sampling frame is the list of households and individuals in the selected EAs that was compiled immediately before the survey. Household/individual samples were selected from the list using a ready-made random number table. For the survey, a total of 11 households and 11 individuals were selected in each EA.

In addition, domestic workers living in any sampled households also answered the individual questionnaire.

b. Sample size:

The sample size was based on data for the two urban areas from the VHLSS 2004, assuming a 10% non-response rate. The sample size was identified for each city, group of households, and individuals with a 95% confidence interval ($\alpha = 0.05$). The total sample surveyed in each city and each group was as follows:

Table 1.1: Actual number of interviewed households and individuals in UPS 2009

	Total	City		Registration status		
		Hanoi	HCMC	In surveyed city	Other City / Province	Not registered
Total number interviewed (questionnaires)	3,349	1,637	1,712	1,610	1,733	6
Household questionnaires	1,748	875	873	1,479	269	0
Individual questionnaires	1,601	762	839	131	1,464	6
<i>of which:</i>						
Individuals in the sample	1,515	697	818	131	1,378	6
Individuals who are domestic workers	86	65	21	0	86	0
Total number of persons	8,208	4,197	4,011	5,859	2,337	12
In households	6,607	3,435	3,172	5,728	873	6
Individuals	1,601	762	839	131	1,464	6

2.4. Listing

As described above, the sampling frame for the UPS-09 came from the 2009 Census of Population and Housing. This provided an estimate of the size and distribution of the urban population by ward, commune and EA. This is more reliable than previous surveys, which used a sampling frame from the 1999 Population Census. A number of wards and communes in the past few years had very high rates of population growth, due partly to immigration, so it is important for the survey sample to reflect these large changes in the size and distribution of the urban population.

The listing of households and individuals in each of the selected EAs was done directly. Enumerators visited each house, rented room, or living place in the chosen EAs to ask questions and develop the list.

The enumerators were not allowed to make lists of individuals indirectly. They were required to meet the people living in each house, rented room, or dwelling, and to ask questions directly and gather information fully and accurately about households and individuals. Enumerators were required to return if they did not meet resident individuals during the first visit.

Household listing

The following households were included in the list of households in the EA:

- Households living in the EA with regular residence registration within the area, and households living within the area but with a registered regular residence in another address in the city.

- Households with a long-term temporary residence registration with a house or rented house, including people with registration in another province/city but who were residing in the city.

- Households living in the area with or without temporary residence registration; these are households who own or rent a house or room, and include households who live in the following locations:

- in temporary or illegal dwelling in the locality;
- sleeping in construction sites in the locality;
- households that just moved to the EA a few days earlier and are now living with others;
- Households sleeping in premises of businesses, shops, restaurants, hotels or entertainment venues in the area.

Thus, all households living in the area, with or without regular residence registration, with or without temporary residence registration in the locality, or just moved to the area, are included in the household listing.

Individual listing

Individuals are defined as those who may live in the same room or house but are economically independent – i.e. do not share an income and expenditure budget – and who have no relation with households, or do not form households; this includes those living in rented accommodation with others, or in factory dormitories, students in hostels, construction workers living in temporary shelter, or homeless people with fixed living places.

Those on the list of individuals in EAs may have just moved to this area. These people may or may not have registered their regular residence in the city, and may or may not have temporary residence registration in the city.

The list of individuals also includes the following people:

- construction workers sleeping in construction sites;
- those who sleep in the factories where they work;
- people in temporary and illegal dwellings;
- workers sleeping in shops, restaurants, hotels or entertainment venues;
- employees working for household businesses and living with the households.

The listing of households and individuals in the survey area is complex, and is the key to the representativeness of the survey. Therefore, listers tried their best to observe the characteristics of the survey area in order to avoid missing any house, apartment, or dwelling space. Especially in the EAs with more rental rooms or houses, or construction sites, enumerators had to return several times in the evening after regular work hours to meet and list comprehensively all households and individuals living there.

In areas with complex terrain, besides the address, enumerators were required to note the necessary characteristics of the accommodation of the households.

To limit attrition, and ensure the representativeness of the survey sample, given that migrants often relocate frequently, the field investigation work was conducted immediately after the listing of the households and individuals in the EAs.

2.4. Information collection

The survey used a direct interview method. Enumerators visited households to interview the household heads and members, or relevant individuals, and record information on the questionnaire. To ensure the quality of findings, the survey did not use indirect information or copy the information from other available sources into the questionnaire.

2.5. Quality Monitoring

Due to the complex nature of the survey, some technical measures were applied to ensure the quality of survey data, including the following

- Most of the code was printed on the questionnaires, which was designed to reduce the coding time after collecting data, and to reduce errors.
- Enumerators were divided into team of four. There was a team leader for every team. Enumerators' work was strictly and regularly supervised by team leaders and independent supervisors.
- The questionnaire is quite detailed, in order to avoid missing important information. The questionnaire was designed for enumerators to have space to record information right into the questionnaire, obviating the need for any intermediate recording.

2.6. Weights

The UPS-09 uses a stratified 2-stage sample design. As noted above, in the first phase the primary sampling units (the EAs) were chosen by the probability proportional to size (PPS) method, and the samples in Phase 2 – the secondary sampling units (households/individuals) – were chosen by a random systematic sample method. It is thus necessary to use weights when estimating the survey results. The weight is the inverse of the sampling probability for each sampling phase. The sampling probability for the first stage is based on the sampling frame that is the list of EAs for the 2009 Census of Population and Housing; the sampling probability for phase 2 is based on the lists and the completed questionnaires in each EA sampled in UPS-09.

For the sample estimation based on the UPS-09 results to represent the total (urban) population, the survey results need to be multiplied by the sample weights. The basic weights for each sample of households, or individuals, are the inverse of the selection probabilities of households and individuals. Based on the design of the stratified two-stage sample, the probability of selecting a sample household is calculated as follows:

$$p_{hi} = \frac{n_h \times M_{hi}}{M_h} \times \frac{u_{hi}}{U_{hi}},$$

with:

p_{hi} = probability of household being sampled in stratum h ($h = 1, 2$) of enumeration area EA_i .

n_h = number of EA sampled in stratum h

M_h = total number of households in the EA samples in the 2009 Census in stratum h

M_{hi} = total number of households in EA_i in stratum h

$u_{hi} = 11$ = number of households sampled in EA_i in stratum h

U_{hi} = total number of households on the list in EA_i in stratum h

Since the basic weights for the household sample are given by the inverse of the sampling probability, we have:

$$W_{hi} = \frac{M_h \times U_{hi}}{n_h \times M_{hi} \times u_{hi}},$$

with:

W_{hi} = basic sample household weight in enumeration area EA_i in stratum h .

For individuals, the weight is calculated similarly. In the first phase, the probability of selecting individuals is similar to the probability of selecting households in the same EAs; but in the second stage, U_{hi} and u_{hi} in turn are the number of individuals in the list, and the number of individuals selected for the sample, in a given enumeration area. Therefore, each EA has two weights, which are the weights of individuals and households.

The weights were adjusted according to the response rates. Since the weight is calculated at the EA level, so the weight is adjusted at this level. The final weight (W'_{hi}) for households (or individuals) in the EA_i in stratum h is therefore :

$$W'_{hi} = W_{hi} \times \frac{u_{hi}}{u'_{hi}},$$

where

u_{hi} = number of households (or individuals) in the sample selected in EA_i , stratum h
(usually 11)

u'_{hi} = number of households (or individuals) who completed the interview in EA_i , stratum h .

PART II: THE RESULTS FROM THE SURVEY

3. Characteristics of population

Hanoi and Hochiminh City are the two cities with the highest rate of urban population of the country according to the 2009 Population Census, 63.1% and 83.3% respectively. In 1999-2009, the urban population increased by 759,329 people in Hanoi with an average increase of 4.1% per year. The increase rate of Ho Chi Minh is 1,763,722 with an average increase of 3.6% per year. Hanoi and Ho Chi Minh City are also a concentrated of high population density: Hanoi has 3,924 people/km² and Ho Chi Minh has 3,400 people per km² which are 15.1 times and 13.1 times higher than the national population density of 259.1 persons/ squared km².

The UPS-2009 provides detailed information on characteristics of population in the two cities.

3.1. Household Size

According to the UPS survey results, the household size is 3.4 persons per household in Hanoi and 3.1 persons per household in Ho Chi Minh City. Household size decreases with income⁵, so households in the highest income quintile (quintile 5) have the smallest household size.

Households with registration in Hanoi and Ho Chi Minh City are more than twice as large as migrant households. Migrant households average 1.7 persons (1.4 in Hanoi, 1.8 in HCMC). This is because migrants often go to the city to earn living alone or just workable members going. The remaining (children, elder parents, etc.) often stay at home.

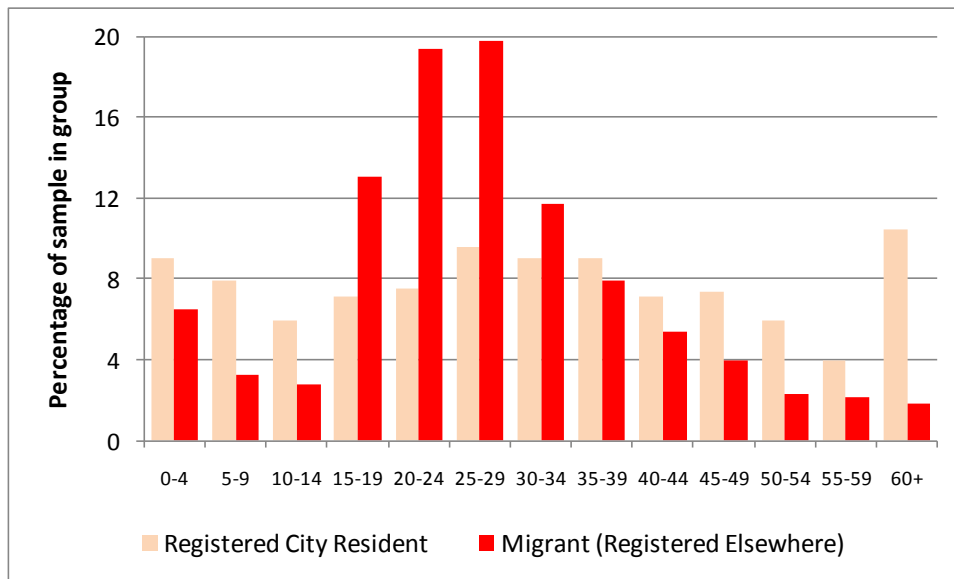
⁵ All surveyed households are put in the order of average income per person and then divided into 5 quintiles – from quintile 1 – the poorest quintile to quintile 5 – the richest quintile.

Table 3.1: Household Size in Hanoi and Ho Chi Minh City (person per household)

	Total	Registration status	
		Residents	Migrants
Total	3.2	3.9	1.7
Hanoi	3.4	4.0	1.4
Ho Chi Minh City	3.1	3.8	1.8
<i>Income quintile</i>			
Quintile 1 (poorest)	3.4	4.1	1.6
Quintile 2	3.6	4.2	2.1
Quintile 3	3.3	4.0	1.7
Quintile 4	3.0	3.8	1.5
Quintile 5 (richest)	2.9	3.3	1.6

3.2. Population by age

Figure 3.1: Population of Hanoi and HCMC by registration status and age group (%)



In terms of age group, the rates of registered population in the city from age group 0-4 to age group 45-49 are about 6.2% and 9.3%. These rate of age group from 50-54 to age group 55-59 decreases to 5.2% and 4%. The highest percentage of population is in age group 25-39.

Figure 1 shows how the age distribution of registered city residents differs substantially from that of migrants. Like other areas of the world, who migrated to the city mainly are the young population. Fully 72% of the migrants are aged 15-39, compared to 42.3% of those who are residents.

3.3. Population by Gender

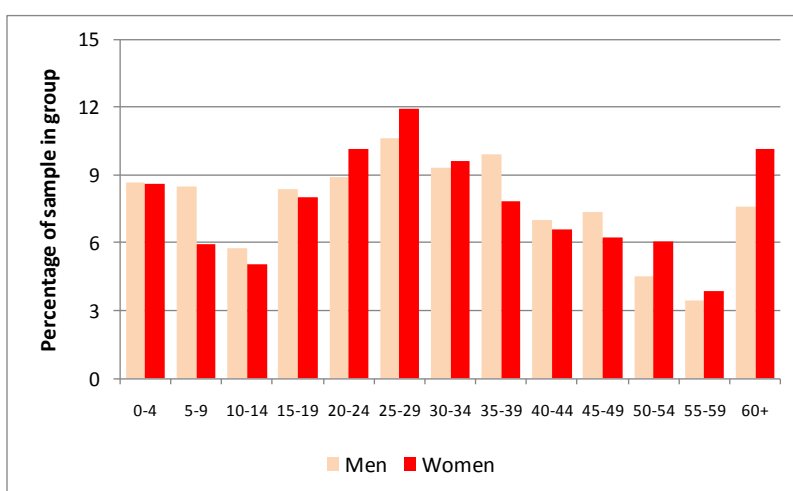
The urban poverty survey covers all persons living in enumeration areas regardless of the length of time they have lived in the enumeration areas. Due to the expansion of research subjects comparing to VHLSS and Census, the population structure by gender of UPS is difference with the results of the surveys mentioned above. According to survey results of UPS, the rate of women in the two cities is 52.8%, specifically 52.2% in Hanoi and 53.1% in Ho Chi Minh City. According to the results of the Census 2009, the percentage of female population of HCMC was 52% and of Hanoi (old) was 51%.

Similar to the distribution characteristics of the population by age of the two cities which were affected by the age of population with registration in other provinces/cities going to the cities for living, the gender ratio of the two cities also changes because the percentage of women with registration in other provinces/cities in migrant group is high. The rate of female with registration in other cities/provinces is 53.1% and of the population group with registration is 52.7%. Considering the gender structure of each age group of population with registration in other provinces/cities, the percentage of women in most age groups is higher than men (see Figure 3.2). The percentage of women aged 20 -24 is 58.7%, 56.8% for aged 40-44, and 72% of women aged 50 and above.

Table 3.2: Population by gender (%)

	General	Male	Female
Total	100,0	47,2	52,8
Hanoi	100,0	47,8	52,2
Ho Chi Minh	100,0	46,9	53,1
<i>Registration status</i>			
In the survey city	100,0	47,3	52,7
In other city/Province	100,0	46,9	53,1

Figure 3.2: Population of Hanoi and HCMC by gender and age group (%)



3.4. Population by household registration status

According to the registration status, population with registration of the two cities accounts for 82.6%; population with residence registration in other provinces/cities is 17.3% and population with no registration is 0.1 %.

Proportion of people without registration or with registration in other If compared with the results of mid-term Census in 2004 in Ho Chi Minh City⁶, the proportion of population without registration or with registration in other provinces/cities is 20.6% which is relatively consistent. The percentage of the population with KT3 or KT4 status (i.e. not registered to live in the survey city) in the mid-term Census of 2004 was 29.5%. However, the subjects of mid-term Census 2004 also included the number of students studying in the city - the urban poverty survey does not include students. Besides, the Residence Law which took effect from 1/1/2007 allows migrants with KT3 in Ho Chi Minh City to have registration, and some have undoubtedly changed their residence status since then.

In terms of income quintile, population with registration in other provinces/cities accounts for 15.2% -20.3%. Above-average quintile (quintile 4) is a group with the highest rate of population with registration in the provinces/cities (20.3%). The poorest quintile and the richest quintile have the lowest rate of population with registration in other provinces/cities. In other word, the rate of population with registration in survey city in the poorest and richest quintiles is higher than that of migrants.

Table 3.3: Structure of population by registration status (%)

	Total	Registration status	
		In the survey city	In other City/Province
Total	100.0	82.6	17.3
Hanoi	100.0	88.6	11.3
Ho Chi Minh	100.0	79.4	20.5
<i>Income quintile</i>			
Quintile 1	100.0	84.8	15.0
Quintile 2	100.0	81.7	18.3
Quintile 3	100.0	81.7	18.1
Quintile 4	100.0	80.0	19.9
Quintile 5	100.0	84.8	15.2

⁶ In 2004, HCMC conducted mid-term population survey, which is a comprehensive survey in the city area.

3.5 Population by marital status

Regarding the marital status of the population from 13 years olds and above, the population has registered their marriage constitute 57.4%, 63.7% in Hanoi and 54.1% in Ho Chi Minh City. Percentage of population registered their marriage in Hanoi is higher than in Ho Chi Minh City. However, the remaining rates such as single, married unregistered, separation, divorce, and widowed in Ho Chi Minh are all higher than in Hanoi.

Nearly half of the population from other provinces/cities is single. This rate for them is 46.5% which is higher than that of population with registration in the survey cities (28.9%).

UPS also studied living features of cohabitants without marriage registration. However, this is quite sensitive indicator and difficult to interpret. The survey results show that unregistered rate in Ho Chi Minh City is 3.4% which is higher than in Hanoi (0.5%). The unregistered marriage rate of migrants is 4.1% which is higher than the rate of residents (2%).

Table 3.4: Population by marital status (%)

	Proportion of population from 13 years old and above					
	Single	Registered marriage	Unregistered marriage	Separated	Divorced	Widowed
Total	32.2	57.4	2.4	0.8	1.7	5.4
Hanoi	28.6	63.7	0.5	0.6	1.3	5.3
Ho Chi Minh	34.2	54.1	3.4	0.9	2.0	5.5
<i>Gender of household head</i>						
Male	33.1	61.3	2.5	0.6	0.8	1.6
Female	31.5	54.1	2.3	0.9	2.5	8.7
<i>Registration status</i>						
In the survey city	28.9	60.5	2.0	0.9	1.8	5.9
In other City/Province	46.5	44.2	4.1	0.5	1.5	3.3
<i>Income quintile</i>						
Quintile 1	32.2	53.2	3.6	1.4	2.5	7.0
Quintile 2	30.2	58.4	3.1	0.7	1.7	5.9
Quintile 3	35.2	55.2	1.3	0.6	1.0	6.7
Quintile 4	33.3	56.8	2.7	0.8	2.0	4.5
Quintile 5	30.2	63.6	1.4	0.5	1.4	3.0

3.6 Dependent population

The dependency ratio in the two cities is 1.0, which means that working household member has to feed one person on average. In Hanoi, the dependency ratio is 1.2; and 1.0 for Ho Chi Minh City. In terms of income quintile, the poorer the households are, the higher the dependency rate is. Quintiles 1 and 2 have especially high dependency ratio. In all quintiles, the dependent rate in Hanoi is between 0.1 and 0.4 times higher than in HCMC.

In terms of gender of household head, the dependency ratio in households with a male heads is higher than in households with female heads. Except for quintile 4, the remaining quintiles with male heads have a higher percentage of dependency than that of women heads.

As in the above analysis, migrants often go into the city alone or as to work in families, so that the size of the households with residence registration in other provinces/cities is small and presence of dependants in the city are also very low. The survey results showed that a migrant household has 0.3 dependents on average.

Tablet 3.5: The rate of dependants by income quintile (person / labour)

	Total	Income quintile				
		Quint 1 (poorest)	Quint 2	Quint 3	Quint 4	Quint 5 (richest)
Total	1.0	1.3	1.3	1.0	0.8	0.9
Hanoi	1.2	1.3	1.4	1.2	1.0	1.0
Ho Chi Minh City	1.0	1.2	1.3	0.9	0.8	0.9
<i>Gender of household head</i>						
Male	1.1	1.4	1.4	1.0	0.8	0.9
Female	1.0	1.1	1.0	1.0	0.9	1.0
<i>Registration status</i>						
In the survey city	1.4	1.7	1.6	1.4	1.2	1.1
In other City/Province	0.3	0.4	0.5	0.3	0.1	0.2

3.7. Time living in households or dwellings

The stability of living place of city population has its own characteristics. It is not just migrants to change living place frequently but people with registration in survey city also change their living places due to renting out activity for offices or business places, etc. or moving from city centre to the marginal districts, etc. On average, living time in household/dwelling in the last 12 months of people in Hanoi and Ho Chi Minh City is 11.4 months. There is 91.7% of the population living in household/dwelling from 10-12 months; 8.3% of the population living in household/dwelling from 9 months or less; of which 3.6% of the population living in household/housing less than 3 months.

According to the survey, 95.6% of population with registration in the survey city is living in stable in their household/dwelling from 10-12 months in the last 12 months. By way of contrast, just 73.3% of migrants remained in the same household or dwelling for the past 10-12 months; 11.3% of them lived in household/dwelling from 3 months or less; 8.4% of them lived from 4-6 months; and 7% of them lived in household/dwelling from 7-9 months.

The survey shows that 15.5% migrants changed their residence at least twice in the past year; of these, 43% moved because of a change of job, and 31% moved in order to find a cheaper place to live.

Table 3.6: Living time in household/dwelling in the last 12 months (%)

	Average number of months living in household/dwelling (month)	Living time in household/dwelling in the last 12 months (%)			
		From 3 months or less	From 4-6 months	From 7-9 months	From 10 - 12 months
Total	11.4	3.6	2.5	2.2	91.7
Hanoi	11.2	4.8	3.1	1.9	90.2
Ho Chi Minh	11.4	3.0	2.2	2.3	92.5
<i>Registration status</i>					
In the survey city	11.7	2.0	1.3	1.1	95.6
In other City/Province	9.9	11.3	8.4	7.0	73.3

3.8 Moving to and presence in the city of population with no registration in survey cities

Table 3.7: Proportion of migrants, by date of first move to the city (%)

	The first time moving to the cities			
	Was born here	Before 2000	2000-2004	2005-2009
Total	7.9	19.3	25.7	47.2
Hanoi	3.6	11.4	22.1	62.9
Ho Chi Minh	9.2	21.6	26.7	42.5

The proportion of population from other provinces/cities moved to Hanoi for the first time has been increased over time. The highest rate is recent five years (2005 – 2009) with 62.9%. The proportion of population from other the provinces/cities moved to Ho Chi Minh City before the year of 2000 and period 2000-2004 are higher than in Hanoi.

For people without registration in the survey cities, there are 7.9% of them who was born in the city: 3.6% in Hanoi, and 9.2% in Ho Chi Minh City.

The population from other provinces/cities may go straight to the current living places or have moved other places in the cities before moving to the current dwelling. Hanoi has 57.6% migrants from other provinces/cities moved straight to current dwelling and 42.4% of those have moved to elsewhere in the city before moving to the current dwelling. The corresponding ratio is 42.5% and 57.5% for HCMC.

At the end of 2008 and early 2009, due to the economic recession, migrants in the city worked for less time and some of them had to return home because of not finding a job. Among migrants, most of them stayed in the cities in October and November 2009 (99%). Meanwhile, only 83% lived in the cities in January and February 2009; perhaps they come back to their homeland for Tet holiday. However, after Tet holiday, the proportion of migrants living in the cities in March and April 2009 was only 85%. The proportion increased starting in May 2009 while the economy gradually recovered. The proportion of population with registration in other provinces/cities presented in Ho Chi Minh City during the last 12 months was always higher than the rate in Hanoi.

Table 3.8: Proportion of population present in the cities by month (%)

Time (*)	Total	Hanoi	Ho Chi Minh
January	86.6	80.0	88.6
February	82.6	72.8	85.4
March	82.7	74.1	85.3
April	85.0	76.8	87.4
May	85.6	78.2	87.8
June	87.5	80.3	89.6
July	89.5	83.9	91.1
August	91.0	85.6	92.5
September	92.9	87.9	94.3
October	96.5	93.8	97.3
November	98.8	97.1	99.3
December	99.2	98.2	99.5

(*) Reference time is 12 months from 12/2008 to 11/2009

4. Access to education

This part of the report presents the UPS-09 results related to education level, access to education services, tuition fee exemption, reasons for not in school, education expenses, and other related information. The results are broken down into different population groups, especially into migrants and residents, in order to assess if any discrepancy among the groups.

4.1. Literacy status of people

According to the survey results, 96.6% of the population aged 10 years and above are literate; the figures are 97.8% for men and 95.5% for women. The literacy rate in Hanoi is 98%,

(male 99.5%, female 96.9%), which is slightly higher than the rate in HCMC, which stands at 95.8% (male 96.9%, female 94.8%).

Noticeably, among the children aged 10-14 who are in the lower secondary education age, the literacy rate is only 97.3% with a higher rate for male than for female (male 97.8%, female 96.8%).

The literacy rate aged 10 and above is not much different between residents (96.6%) and migrants (96.5%). The literacy rate of migrants in Ha Noi is higher than in Hochiminh city (98.9% compared to 95.8%).

4.2. Highest certificate/diploma of population aged 15 and above

Information on highest education diploma by city and registration status is presented in the following table:

Table 4.1 Population divided by highest education diploma, city and registration status

	Unit %			
	Hanoi	HCMC	Residents	Migrants
No diploma	4.4	12.1	9.3	9.7
Primary	7.5	21.5	15.3	22.8
Lower-secondary	27.7	28.1	26.9	32.6
Upper-secondary	36.3	25.0	29.7	25.6
Junior College	2.5	2.1	2.1	2.8
College/University	19.3	10.9	15.5	6.2
Master	1.6	0.2	0.8	0.2
PhD	0.7	0.1	0.4	-

In general, the proportions of people with no diploma, primary, lower secondary, upper secondary, junior college, and university and higher are 9.4%, 16.7%, 28%, 28.9% , 2.2%, and 13.7% respectively.

The above statistics show differences between the two cities in terms of highest degree which people gained. In general, Ha Noi people have higher education attainment than Hochiminh city people. The rate of people without any diploma or with low diploma (i.e. primary and lower secondary) is lower for Hanoi than HCMC; however, Ha Noi has higher rates of population with high diploma.

The highest education attainment also shows a gender difference. The percentage of men without any diploma is lower than that of women (6.9% compared to 12.3%). However, men have a higher proportion than women who have upper-secondary diploma or university or higher degree (30.6% compared to 27.5%, and 15.9% compared to 11.9%).

There is a clear gap in education attainment between migrants and residents. On overall, residents have higher education attainment.

Highest diploma of people in working age (male aged from 15 to 60, women aged from 15 to 55 according to the Labor Law) is as follows: The rate of people without diploma is about

10%. The young and healthy work force aged from 20-39 years old has higher education level than the older work force. For example, the proportion in the force from 25-29 has the level under secondary education is 35%; while this proportion in the group of 40 years old and over is 60%. Workers with the education level under primary, secondary training also have opportunity to become state officers, but most their jobs are not very well-paid.

The survey results show that there is a positive correlation between educational level and household living standards.

Table 4.2: Population by education level and income quintile

	Unit%				
	Quint. 1 (poorest)	Quint. 2	Quint. 3	Quint. 4	Quint. 5 (richest)
No diploma	18.5	12.4	8.9	5.1	2.7
Primary	22.6	22.7	16.5	14.6	7.6
Lower-secondary	34.9	31.0	30.4	27.9	16.2
Upper-secondary	21.7	28.4	32.1	32.0	29.8
Junior College	0.7	1.4	3.2	1.7	4.1
College/University	1.4	4.2	8.9	17.3	36.5
Master	0.13	0.1	0.3	0.6	2.3
PhD	-	-	0.1	0.6	0.8

The percentage of people with low education attainment decreases when income increases and vice versa.

4.3. Professional qualification of the population aged 15 and above

69.7% of population aged 15 and over have never graduated from professional or vocational school. These include short-term technical workers (5.3%), long-term technical workers (1.4%), vocational secondary (2.4%) and professional secondary (4%), professional and those who attended vocational college (0.5%).

Percentage of people without vocational qualifications/certificates of Hanoi is 57.5%. This rate in HCMC is higher than Hanoi with 76.1%. Remarkably, qualification level of the population aged 15 and above is higher in Hanoi than HCMC. For example, technical training (18.6% compared to 10.3%), college education (2.3% compared to 1.9%), and university qualification and higher (21.6% compared to 11.1%)

Percentage of female without qualifications/certificates is higher than men (74.8% compared to 6.1%). The rate of men with short and long term technical certificates, vocational secondary and college certificates is higher than that for female (18.6% compared to 63.8 %).

Qualifications by age group in the working age shows that the rate of people without qualified certificates remains high and distributed evenly in all age groups, in which the lowest rate is in age group from 25-29 years old (occupies 71.2%), and highest rate is in age group from

15-19 years old (97.5%) because this age group are in school age, from 40-44 years old (73.9%), from 60 years old and above (80.6%). The working group without qualification occupies 30.3% of total working force. This rate is also low compared with the national average rate (38% in 2009), therefore they cannot meet the demand of socio-economic development in two big cities.

Qualifications divided by registration status and income quintiles as follows:

Table 4.3. Population's professional degree, by city, registration status and income quintile

	Hanoi	HCMC	Residents	Migrants	Unit%	
					Quint. 1 (poor)	Quint. 5 (rich)
No technical/ vocational certificate	57.5	76.1	67.9	77.5	89.7	81.9
Short-term technical training	6.5	4.7	5.2	5.7	3.4	6.4
Long-term technical training	2.2	0.9	1.4	1.2	1.1	1.3
Vocational secondary	3.5	1.8	2.6	1.4	1.2	3.3
Professional secondary	5.9	3.0	3.9	4.6	2.0	5.8
Vocational college	0.6	0.4	0.5	0.6	0.4	1.2
College	2.3	1.9	1.9	2.6	0.6	
University	19.3	10.9	15.5	6.2	1.4	
MA	1.6	0.2	0.8	0.2	0.1	
PhD	0.7	0.1	0.4	-	-	

Table 4.3 shows the proportion of people with no certificate is lower in the residents group compared with the migrant group. The proportion of people with short-term or long-term technical training, professional secondary, vocational college of residents and migrants is the same (13.5%). However, there is considerable difference between residents and migrants in qualification from university and higher. The proportion of residents with qualification from college, university and post-graduate is 18.6% compared to 9% of migrants

The survey results also reflect that professional qualification is positively correlated with income. The percentage of people with professional degrees up to professional college is higher in the rich than in the poor (15.7% compared to 8.1%). It is noteworthy that the proportion of rich quintile with professional qualification of college and higher is 39.6%; the percentage for poor quintile is only 1.3%. The proportion of the rich without professional degree is 41.3%, much lower than the proportion among for the poor (89.7%). Lower professional qualification decreases chance for the poor to find a high-income job.

4.4. Net enrollment rate of population aged 18 and under

Net enrollment rate is the ratio between the number of children enrolling in school at the right age at a certain education level.

The net enrollment rate is 96.6% on overall, 99.1% for Hanoi, and 95.2% for HCMC, which means that Hochiminh city's ability in mobilizing children to school is somewhat less compared to Ha Noi.

The net enrollment rate of male is lower than that of female (94.7% compared to 98.7%) and varies only slightly by education level: at kindergarten level, the rate is 99.8%; 99.2% at primary school, 92.9% at lower secondary schools, and 90.9 % at upper secondary schools. In general, the net enrollment rates found by the UPS-09 are relatively high.

There is a certain gap in the net enrollment rate between migrants (92.3%) and residents (97%) as well as between income quintiles. The rate is 98% in the poorest quintile, 93.8% in the second quintile, 96.7% in of middle group, 96.2% in the fourth quintile and 98% in the richest group. Thus, the difference between different groups of population in terms of school enrollment is not much. Notably, the disparity between the poor and the rich group is not big, which could be because the poor realize benefit of education over employment and income, as results they pay more attention to education and enable their children to go to school.

4.5. Expenses for education and training

Education and training expenditure includes tuition fee, contribution for construction and facilities and other contributions. According to the survey results, the average cost for education per capita for the last 12 months was 1.413 million VND on overall, 1.462 million VND in Ha Noi and 1.388 million VND.

Male-headed households tend to have higher expenses for education than female-headed ones. The average spending on education per person in the 12 months of household heads with a PhD degree was 6.628 million VND, with a master degree was 3.332 million, with a university degree was 3.282 million, with a junior college was 1.041 million, so on, and with no degree was 0.394 million.

There significant differences between residents and migrants and between the poor and the rich in education expenditure. The average per capita expenditure for education per person in the last 12 months by residents was 1.799 million VND and by migrants was 0.516 million VND, or 3.5 times higher than that of migrants.

Educational spending increases steadily as one goes from the poorest quintile (0.47 million VND per person per year) to the fourth quintile (0.98 million VND), and then rises sharply in the fifth and richest quintile (to 3.7 million VND).

4.6. Exemption/reduction of tuition and contribution fees for students under 18 years old

Policies on exemption/reduction on tuition fee and other contributions for students in primary level, of poor households and policy beneficiaries have had positive effects on mobilizing children to go to school and to complete primary and secondary education, and reducing the number of children dropping out of school due to economic difficult circumstance of their families, or due rising school fees and other contributions.

According to results of UPS, the proportion of people under 18 are exempted from tuition fee or contributions is 27%. If divided by exempted/reduced items, the proportions are as follows: tuition fee (99.8%); contributions for construction and facilities (12.3%), and other contributions (5.9%). In Hanoi, the percentage of people exempted from tuition fees or other contributions is 36.1% which is much higher compared to HCMC (21.6%). The ratio of male students exempted from tuition fee and other contributions is higher than that of female students (29.7% compared to 24.0%). The proportion of exemption/reduction at kindergarten education is 2.2%; 59.4% for primary level; 8.5% for lower secondary level; and 7.7% for upper secondary level.

The exemption/reduction rate for resident students in the survey cities is 27.4% which is higher than that for migrant students (21.4%). The highest exemption/reduction rate is seen in the poorest quintile with 43.5%. The rates for quintile 2, 3, 4 and 5 are 23.8%, 22.2%, 23.6% and 18.6% consequently.

Exemption/reduction from tuition fee: The rate of students under 18 years old exempted from tuition and other contributions of the two cities is 26.9%. The main reasons for exemption/reduction are: primary students (86.4%), poor households (7.4%), family in difficult circumstance (1.9%), children of war invalids (1.5%), and other reasons (2.7%).

Exemption/reduction from contributions for facilities: The rate of students under 18 exempted from contributions for facilities is 3.3%. The main reasons for exemption/reduction are: poor families (48.9%), family with difficulties (24.9%), policy beneficiaries (9.8%), primary students (8.1%), and other reasons (8.3%).

Reduction/exemption for other contributions: Other contributions include the Parent Association Fund, Youth Union Fund, fees for examinations, fee for drinking water, fee for sanitation, fee for vehicle security, etc. The ratio of students who are reduced/exempted from these contributions is 1.6%. The main reasons for exemption are: poor households: 49.7%; families with disadvantages: 35.3%; primary students: 6.5%; and other reasons: 7.7%.

5. Use of health services

Economic growth and comprehensive development of human resource with health and qualification are the most important objectives in the Party and Government's policy.

The overall goal of the strategic direction for caring and protection of people's health from 2008 to 2020 is to reduce the morbidity rate, to enhance physical health and improve life-span in order to promote economic development, poverty reduction and well implement economic growth strategies and poverty elimination which has proposed by Government and Party.

Noi and Hochiminh city are the leading cities in the country in health care investment and level. However, the UPS-09 shows, there are still some drawbacks and inequality in accessing to health care services in the two cities.

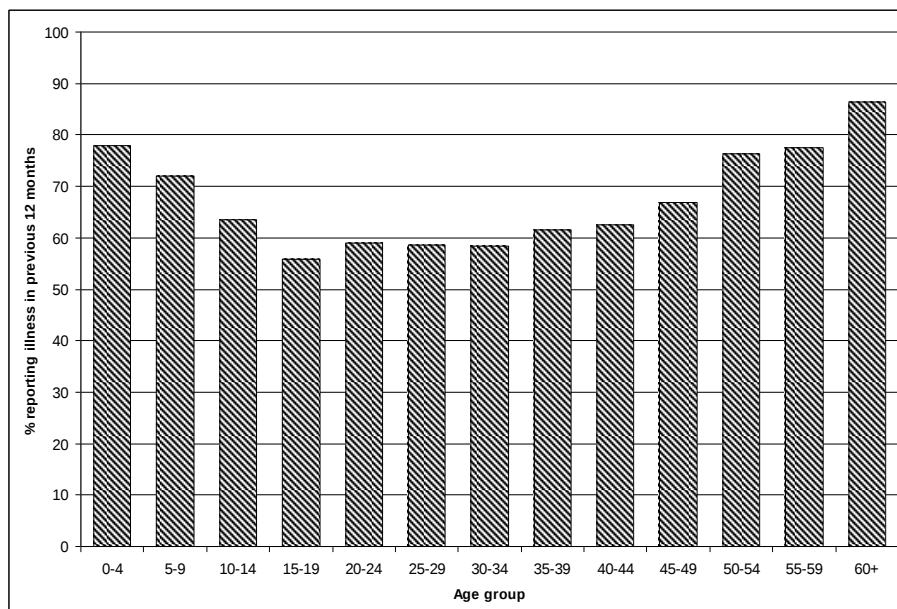
5.1. Illness/injuries of people

According to survey results of UPS 2009, there was 66.5% of people answered that in the 12 months they were suffered from illness/injuries; of which 20.3% with chronic illness and 97.7% with sick/injured. The percentage of sick/injured people in Hanoi is 72.3%, of which, the proportion of people with chronic illness diagnosed by doctors was 23.1%; sick/injury was 95.7%. In Ho Chi Minh City, the rate of illness/injury in the last 12 months was 63.4%, the proportion of people with chronic illness diagnosed by doctors was 18.5%; sick/injury was 98.9%.

Illness/injuries are different in terms of gender. The rate of illness/injury of women is 68.4% which is higher than that of men (64.3%). A possible reason is that pregnancy, giving birth, and raising children could affect women health. Women must not only work for long hours in the business or manufacturing, trading and services, administrative agencies, but also doing housework, so the time for respite or entertainment is not enough for health recovery. The rate of women suffering from chronic disease, illness usually lasts over three months which is longer comparing to male (22.1% compared to 18%)

Status of illness divided by age group shows that children are the group which have the most concern in the health care services. There are many national health programs related to health protection of children such as expanded immunization, nutrition program, etc. Currently, all children under 6 years old are granted health insurance cards for free medical care in five years to reduce morbidity and mortality of children, at the same time ensuring the future health of the nation. The results showed that the smaller the children are the higher rate of illness. Young children from 0-4 years old have a higher rate of illness compared to children from 5-9 years old (77.9% compared to 71.9%). Notably, children in the age groups from 0-4, 5-9, 10-14 years old with chronic diseases also tend to increase with age. Adult age group from 50 years old and above tends to have more illness. Age groups from 15-19 years old and 20-24 years old have the lowest illness rate than other age groups. These groups are at young period in which the development of their body is highly resistant to all diseases.

Figure 5.1: Reporting illness in previous 12 months divided in age group (%)



The illness of people in working age (men from 15 to 60 years old, women from 15 to 55 years old according to labour law) increases with their age. The rate of illness in the last 12 months of the age group from 15-19 increased up to 55.8%; of the age group from 35-39 increased up to 61.6%; and of the age group from 50-54 increased up to 76.3%. This issue is important because the illness affects labor productivity and earning capacity of workers. State and has enterprises to pay for the treatment of workers if they buy health insurance.

There is not much different in illness between migrants and residents in the last 12 months (66.6% compared to 65.4%).

5.2. Health checking and treatment of people with illness

People with illness have more than one option to use medical services such as going to government or private clinics for checking or treatment; or just stay at home and buy medicine at pharmacy, or no treatment.

In the last 12 months, there is 99.2% of the people of the two big cities having contact with health services, including going to the doctor when ill (62.7%) and self-purchased medicine at pharmacies for treatment (36.5%). There is only 0.8% of patients neither seeing a doctor nor buying drugs for the disease due to mild illness or lack of money. This rate shows the difference in the access to health services between Hanoi and Ho Chi Minh, gender, age group, registration status and income quintiles.

In Hanoi, the rate of people with illness/injury went to the public or non-public health facilities to see doctors for medical treatment with different frequency is 61.6%, of which 16.7% of people with illness visit doctors regularly; 41.9% of them visit doctors occasionally; while 37.5% of them buy drugs at pharmacies for self-treatment. When asking people who are not ill

that what would they do if they were ill, their answer adds up to 52.6% for visiting doctors which is higher than actual. There is only 10.2% of people with illness do not do anything but to let it self-recovery.

In Ho Chi Minh, the percentage of people with illness/injury went to the public or non-public health facilities for medical treatment with different frequency is 63.4% (higher than Hanoi with 61.6%), of which 24.1% of people with illness visit doctors regularly, 39.3% of them visit doctors occasionally, while 36% of them buy drugs at pharmacies for self-treatment. When asking people who are not ill what would they do if they were ill, their answer adds up to 51.5% for visiting doctors. There is only 6.1% of people with illness do not do anything but to let it self-recovery.

The rate of women seeking for medical treatment is higher than that of men (66.7% compared to 59.1%); and the frequency of examination is also higher for female than for male (22.6% compared to 19.7%).

Age groups seeking for medical care the most are children from 0-4 years old (84.4%) and people 60 years or older (81.6%). In contrast, the lowest rate is from the 15-19 age group with 39.4% of them seeking for treatment in the last 12 months.

Health checking and treatment for illness divided by registration status and income quintiles as follows:

Table 5.1: Proportion of people seeking for professional examination or treatment when sick/injured by examination frequency (%)

	Total	Residents	Migrants	Quint. 1 (poor)	Quint. 5 (rich)
1. Proportion of health checking	62.7	64.6	53.4	68.8	62.7
<i>By frequency of health checking and treatment</i>					
- Always	21.3	23.4	11.4	24.9	21.3
- Sometimes	41.4	41.2	42.0	43.8	41.4
2. Only buy medicine at pharmacies	36.5	34.7	45.4	30.1	36.5
3. Do nothing	0.8	0.7	1.3	1.2	0.8

Residents tend to seek for professional examination/treatment more than migrants with the proportion of people visiting doctors is two times higher than migrants (23.4% compared to 11.4%). There are 11.4% of migrants visiting doctor frequently and 42% only sometimes, 45.4% just buying medicine for self-treatment at home.

In the last 12 months, there was 58% of the poverty group (quintile I) to have health care when having illness, in which 16.2% of people have regular check and this rate is lower than group of rich households (24.9%). Rich households have more favorable conditions in health

care than poor households. Notably, the number of poor households buying medicine for self-treatment is higher than rich households (41.5% compared to 30.1%).

5.3. Selection of medical facilities

Health care system consists of public and non-public health facilities. Public health facilities managed by the state include central, provincial, and district hospitals; commune/ward health centers, regional general clinics, hospitals of sectors, health clinics of agencies and enterprises. The non-public health facilities include private hospitals, private clinics, and traditional practitioners. There are also international hospitals.

Survey results in two big cities showed that most people with illness go to state health facilities for medical care: 43.7% of them went to city hospitals; 33.5% of them went to district hospitals; 16.2% of them went to central hospitals; 10.2% of those who went to ward health centres.

In Hanoi, people with illness often come to central hospitals (35%); city hospital (33.8%); district hospitals (15.6%), and ward/commune health centres (13.8%).

In Ho Chi Minh, people with illness often come to central hospitals (6.4%); city hospital (48.9%); district hospitals (42.8%), and ward/commune health centres (8.2%).

Thus, the choice of treatment between the two cities has differences.

In addition to public health care services, people of the two cities also go to non-public medical facilities. There is 11.5% of people go to private hospitals; 31% of them went to private clinics; only 0.4% of them go to visit traditional practitioners without medical certificates; and 1.4% of them invited doctors for home-treatment. These rates in Hanoi are respectively: 7.1%; 19.5%; 0.8%; and 2.2% and in Ho Chi Minh: 13.8%; 37%; 0.1%; and 1%. Thus, people in Ho Chi Minh City go to private health facilities more than in Hanoi.

The choice of medical facilities for illness treatment is not much different between men and women.

Young children from 0-4 years old when sick are usually brought to city hospitals with 48.6%, private clinics with 41.6%, district hospitals with 5.7%, and central hospitals with 21.2%. Parents of children from 5-9 years old have a similar selection pattern. Those in working age also mainly go to public health facilities. Major of them choose city or district hospitals under the initial registration for health insurance. Only some wealthier people go to private doctors. Elderly people also have the same choices as above when they are ill.

For residents, the proportion of population going to city hospitals is 44.6%, district hospitals: 34.1%, private clinics: 30.8%, commune/ward health clinics: 10.5%, and central hospitals: 17%.

There is a difference between migrants with residents. Migrants use less medical services in city hospitals (37.9% compared with 44.6% of residents), district hospitals (29.2% compared to 34.1% of residents), and central hospitals (10% compared to 17% of residents). However, the proportion of migrants going to private hospitals and clinics is higher than that of residents (12.3% compared to 11.3% and 32.1% compared to 30.8%).

Survey results show that selection of medical facilities is also different between the rich and the poor as follows:

Table 5.2: Proportion of people visiting health care facility by health facility (unit: %)

Health care facility	Quintile 1 (poor)	Quintile 5 (rich)
- ward/commune health center	17.6	8.7
- district hospital	45.8	21.8
- city hospital	33.6	49.2
- central hospital	10.9	20.1
- private hospital	5.7	20.2
- private clinic	23.8	35.1

The table shows the inequality between the rich and the poor in accessing to health care facility. The poor are still more disadvantaged than the rich.

5.4. People with illness not visiting health care services

Survey results showed that 37.3% of people with illness do not go to health facilities for medical treatment; of which 36.5% of them do not visit doctors but buy drugs at pharmacies for self-treatment and the remaining 0.8% of them do not visit doctors nor buy drugs. In general, these are referred as illness without having health checking and treatment. If you ask people who were not ill in the last 12 months, if they were sick, would they visit doctors? Synthesis results of their answers show that the rate of people would not visit doctors is 59% much higher than the above actual figure (37.3%).

The reasons for not visiting doctors (for those who were sick): 95.6% of mild/not serious illness and no need for examination; 5.4% of not having time; 1.7% of not having health insurance; 2.8% of lacking of money; 0.2% of not having residence registration; 0.5% of far from the hospital; 0.8% of evaluation of inferior quality of health services and 2.3% of other reasons. The rate for ‘mild/not serious illness’ reason is quite high suggesting that people still do not pay enough attention for their illness. Perhaps, there are several illnesses are not so serious that they have to visit doctor.

Reasons for not seek medical care between Hanoi and Ho Chi Minh City are not much different. Notably, the reason for lacking of money in Hanoi is 1.5% which is lower than in Ho Chi Minh City (3.8%); reason for lacking of time is 1.8% in Hanoi which is lower in Ho Chi Minh with 7.3%; reason for mild illness is 96.6% in Hanoi which is higher than Ho Chi Minh

City with 95.1%. The reasons for not visiting doctors when having illness are not very different for males and females, and among age groups. However, children from 5-9 years old with mild illness and do not visit doctors occupy the highest proportion (98%) compared with other age groups. This phenomenon is different between urban population and migrants. The proportion for lacking money reason is 2% for residents and 15.3% for migrants. Besides, migrants live far away from hospitals and receive not good medical services because the majority of them have medical examination at district hospitals. Apart from reason of mild illness, there is other reason for not having medical examination which is lacking of money with the rate of 7.5%.

5.5. Health Insurance

Types of health insurance include: compulsory health insurance, health insurance for policy beneficiaries, health insurance for students, health insurance for the poor, health insurance for children under 6 years old, and health insurance for others.

According to survey results, the overall percentage of the population has health insurance of the two cities is 62.3% with 71.8% in Hanoi and 57.1% in Ho Chi Minh City. There is no significant differences between men and women about health insurance (63.6% compared to 61.0%). Children have high rate of having health insurance comparing to older age groups. The rate of children from 0-4 years old with health insurance is 85%; from 5-9 years old with health insurance is 95%; and from 10-14 years old with health insurance is 92%. The population in working age with the highest rate of having health insurance is the age group from 15-19 (67%). This group includes students with voluntary health insurance. The age group which have lowest rate of having health insurance is the age group from 40-45 years old (40.5%).

Health insurance is related to residence registration status. For people with registration in the surveyed cities, the percentage of people with health insurance reaches 66% which is much higher than that of migrants with registration in other provinces/cities (43.4%)

The rate of children at age groups from 0-4 years old, 5-9 years old, 25-29 years old and the group of elderly people from 60 years or older participating in health insurance is higher than other age groups with the corresponding ratio: 11.8 %, 10.9%, 10.3% and 9.8%

5.6. Reasons for not having health insurance

Generally, the proportion of people without health insurance in the two cities accounts for 37.7%, in which 28.1% in Hanoi, and 42.9% in Ho Chi Minh. Thus, the proportion of people without health insurance card in Ho Chi Minh City is higher than in Hanoi. According to people, the main reasons for not having health insurance because: unnecessary (34.6%), not interested in health insurance card (25.9%), not convenient to use health insurance card (20.2%), lack of money (17.2%), do not know where to buy (9%), no residential registration (4.4%), do not know about health insurance cards (4.2 %) and other reasons (10.7%).

In all types of insurance, compulsory insurance is limited to the beneficiaries of salary or pension. Voluntary insurance is mainly applied for students at schools. Therefore, to expand health insurance, it needs to overcome the limitations mentioned above. The question here is the

social insurance agencies should make good propaganda for people to know about health insurance and about the benefits of health insurance to all participants.

The main reasons for not having health insurance of migrants are: no residence registration (16.3%), lack of money (18.4%). They also do not know where to buy and how to buy, which are barriers for migrants to access state health services.

The rate of the poor group not having health insurance card is 46% which is higher than the rich group (46% compared to 27.8%). The main reasons are: the lack of money (37.2%), unnecessary to have medical insurance card (27.7%), and not interested (18.5%). The main reasons for not having health insurance card of the rich group are: not convenient to use (30.8%) not necessary (28.7%), not interested (29.3%). There are many people still do not realize the benefits of health insurance cards.

5. 7. Spending on health and health care

According to the survey's results, average health and health care expenditure in the last 12 months per person was 933.6 thousand dong; Hanoi was 1019 thousand dong; and Ho Chi Minh City was 890 thousand dong. The proportion of expenditure on health and health care spending in general cost for non-food was 13.9% (which was equivalent to 4.2% of total spending), in which: 13.6% in Hanoi and 14.2% in Ho Chi Minh City. Health and health care expenditure have no gender difference.

Expenses for medical and health care per person in the last 12 months of residents is 1,138 thousand dong which is two and a half times that of migrants. The expense for medical and health care per person of the rich group is 1,663 thousand dong which is three times higher than that of the poor group with 557 thousand. In short, there is much difference on health spending between urban residents and migrants, between the rich and the poor. The burden of medical costs for poor groups is also shown in percentage of total medical costs in non-food expenditures with ratio 18.8% which is higher compared to the rich group (12.3%). Similarly, that rate of migrant group accounts for 21% which is higher than the proportion of urban residents (17%).

6. Employment

6.1. Population working

According to the Urban Poverty Survey, 63.7% of the population was working in the year prior to the survey, with similar proportions in Hanoi (62.8%) and Ho Chi Minh City (64.1%). Table 1 shows that over 90% of those aged 25-39 were working; on the other hand, just 36% of those aged 15-19 were working, because many in this age bracket are still pursuing their education.

Child labour is relatively uncommon, with 2.3% of those aged 10-14 working. However, there is a sharp difference between migrant children in this age bracket, 14.7% of whom work, and permanent resident children, where only 1.1% work. Table 1 also shows that in the next group, which covers those aged 15-19, 76% of migrants are reported as working, compared to

20% of residents. However, these particular numbers need to be treated with care, because the survey explicitly did not survey students who had moved to the city for their studies.

On average, men are more likely to be working than women (64.6% versus 56.5%), and this is true in every age bracket except the 20-24 age group. Because women are expected to retire five years earlier than men, the percentage of women aged 55 and over participating in economic activities drops off sharply. Only 49.9% of women aged 55-59 are still working, compared to 72.8% of men.

Migrants are far more likely to be working than permanent city residents (84.9% versus 59.1%), which is clear evidence that migrants are attracted to the cities by the work opportunities.

Households who are in the poorest quintile – that is, who are in the poorest fifth, as measured by income per capita – were somewhat less likely to be working than those in the richest quintile (60.4% compared to 67.8%). However, the poor typically started work earlier in their lives; the proportion of those aged 15-19 who were working was far higher for those in the poorest quintile (53.1%) than for those in the richest quintile (10.5 %).

In sum, the likelihood that someone is working varies systematically; it is higher for men than women, for migrants than residents, and for the poor than the rich. It also appears that the poor must work earlier than the rich, and children in migrant groups and poor households had to start work to earn a living. This conclusion is also consistent with the results of the analysis of schooling, discussed more fully in an earlier chapter.

6.2. Qualifications

An estimated 22.1% of workers had at least some education at the college or university level; when we add the 7.8% who had a vocational or professional secondary training, and the 5.1% who had short- or long-term technical training, we see that 35% of the workforce had some professional training, while 65% did not.

Table 6.1. The proportion of the population that is working, by age, city, gender, and registration status.

	Percentage who worked in the last 12 months	By city		By gender		By registration status	
		Hanoi	HCMC	Male	Female	Permanent resident	Migrant
		<i>percentages</i>					
Total	63.7	62.8	64.1	67.9	59.9	59.1	84.9
<i>By age</i>							
6-9	-	-	-	-	-	-	-
10-14	2.3	0.9	3.1	3.4	1.2	1.1	14.7
15-19	35.5	27.2	40.0	36.7	34.3	20.0	75.7
20-24	76.4	73.7	77.7	75.7	76.9	68.1	91.5
25-29	90.5	89.8	90.9	94.0	87.8	87.8	96.8
30-34	93.3	96.9	91.9	98.7	88.6	92.4	96.5
35-39	90.5	97.0	87.5	97.0	83.2	89.5	96.0
40-44	88.6	94.6	86.3	97.1	80.5	87.5	95.3
45-49	85.2	89.3	82.4	92.1	77.8	84.0	95.0
50-54	70.4	78.7	65.3	88.3	58.3	69.8	77.2
55-59	60.0	58.5	61.1	72.8	49.9	60.0	60.1
60+	23.8	26.6	21.8	26.0	22.2	23.7	26.5

Levels of professional training were higher in Hanoi (49%) than in Ho Chi Minh City (30%), as Table 6.2 shows. All types of professional training are more prevalent in Hanoi, but the gap is particularly large in higher education: 26% of workers in Hanoi had been to college or university, compared to 14% in HCMC.

Migrant workers have had less professional training than permanent city residents. Fully 76% have no professional training, compared to 60% for residents. Just 10% of migrants have a college or university education, or well below the 25% rate for residents.

Nor is it surprising that poor households are less professionally qualified than their richer counterparts. The proportion of workers who have no professional qualification falls from 87% in the poorest quintile to 32% in the richest quintile. Conversely, just 2% of workers in poor households have been to college or university, compared to 46% of those in the top quintile.

6.3. Type of occupation, position, and economic sector

As the political, economic and culture centres of the nation, the types of occupations in both cities have their own characteristics; nearly half the labour force is in manual work, as assembly workers or operators, or in unskilled positions; a further fifth work as sales or service employees; and the remaining fifth serve as experts, or middle- and high-level professionals (with this figure reaching 29% in Hanoi, and just 17% in HCMC).

Table 6.2: Population participating in economic activities, by qualifications (%)

	Total	Untrained professional level	Short- term technical worker	Long- term technical worker	Professional secondary & vocational secondary	Colleges and vocational colleges	University or higher
	<i>percentages</i>						
Total	100.0	63.7	6.4	1.5	7.3	3.1	18.0
Hanoi	100.0	50.8	7.5	2.4	10.0	3.4	25.9
Ho Chi Minh City	100.0	70.3	5.8	1.0	5.9	3.0	13.9
<i>Gender</i>							
Male	100.0	59.4	9.3	2.2	7.3	2.4	19.3
Female	100.0	68.0	3.4	0.8	7.3	3.9	16.7
<i>Registration status</i>							
In the survey city	100.0	59.8	6.5	1.7	7.5	3.0	21.6
Migrants	100.0	76.2	6.2	1.0	6.6	3.4	6.6
<i>Income quintile</i>							
Quintile 1 (poor)	100.0	87.1	4.5	1.5	3.9	1.3	1.7
Quintile 2	100.0	79.1	6.1	1.6	6.4	1.4	5.3
Quintile 3	100.0	65.4	9.7	1.8	7.7	4.5	10.9
Quintile 4	100.0	58.4	5.5	1.6	9.7	2.4	22.5
Quintile 5 (rich)	100.0	32.4	6.0	1.0	8.6	5.7	46.3

Migrant workers are also to be found disproportionately in unskilled work (67%); beyond that, 17% are sales and service employees, while 12% hold professional positions. Residents are less likely to be unskilled jobs (43%), but are more likely than migrants to be leaders/business owners (3.1% compared to 0.6%), high-level professional specialists (17.5% compared to 6.3%), or middle-level professional specialists (6.8% compared to 5.2%). In short, migrants and poor households are heavily concentrated at the lower levels of the occupational structure.

The Urban Poverty Survey distinguished between employers/owners, own-account workers, salary/wage workers, in-job trainees, people working for a family, and members of cooperatives. Own-account workers mainly consist of owners/employers, family workers in non-farm household enterprises, and individuals with their own production or business activities (individual construction workers, vendors with fixed or not fixed location, motorbike taxi drivers, and the like).

Focusing on principal occupations, Table 6.4 shows that employees (who work for a wage or salary) account for almost two thirds of all workers, followed by those who work on their own account (23%), employers/owners (5.2%), and family workers (5.1%). Men were somewhat more likely to be working for a wage or salary than women (70.1% compared to 62.9%), whereas women were more likely to be working on their own account (26% compared to 20% for men).

More than three-quarters of the workers in households in the poorest quintile are manual, assembly, operations, and unskilled workers. The rest are mainly in sales and services. This contrasts with workers in the richest quintile, who are typically business leaders or owners (7.6%), or middle- and high-level professionals (48.7%).

Table 6.3: Workers with the most time consuming job in the last 12 months by type of occupations (%)

	Total	Permanent city residents	Migrants	Quintile 1 (poor)	Quintile 5 (rich)
Total	100.0	100.0	100.0	100.0	100.0
Leaders /Business owners	2.4	3.0	0.6	0.4	7.6
High level professional	14.8	17.5	6.3	1.2	38.1
Middle level professional	6.4	6.8	5.2	1.5	10.6
Elementary professional/white collar	4.0	4.4	2.7	1.9	4.1
Sale and service employees	21.0	22.1	17.4	16.3	19.8
Skilled workers in fishery, agriculture and forestry	1.5	1.7	0.8	2.5	0.5
Manual workers	16.8	15.1	22.5	23.0	8.2
Assembling and operation workers	13.8	11.7	20.7	14.1	4.6
Unskilled workers	18.2	16.4	23.9	38.9	5.6

Households in the poorest quintile are also disproportionately own-account workers (30% of the total in that group), and less likely to be paid a wage or salary (61%) than other groups. They are far less likely to own a business (1.3%), compared to those in the top quintile (where 13.4% are owners or employers).

Fully 80% of migrant workers are wage/salary workers, compared to 62% for permanent city residents; conversely, migrants were only half as likely as residents to work on their own account or own a business.

Table 6.4: Type of principal occupation in the last 12 months by city, gender, registration status, and income per capita quintile (%)

	Total	Type of occupation				
		Owners, employers	Own- account workers	Salary, wage workers	Trainees	Family workers
		<i>percentages</i>				
Total	100.0	5.2	22.8	66.5	0.4	5.1
Hanoi	100.0	4.9	21.1	66.9	0.1	7.1
HCMC	100.0	5.4	23.6	66.3	0.6	4.1
<i>Gender</i>						
Male	100.0	6.0	19.5	70.1	0.8	3.6
Female	100.0	4.4	26.0	62.9	0.1	6.6
<i>Registration status</i>						
In survey city	100.0	5.9	25.7	62.3	0.3	5.7
Migrants	100.0	3.0	13.4	79.8	0.8	3.1
<i>Income quintile</i>						
Quintile 1 (poor)	100.0	1.3	29.7	60.7	1.2	7.2
Quintile 2	100.0	1.8	25.4	67.2	0.8	4.8
Quintile 3	100.0	5.0	25.0	65.1	0.1	4.8
Quintile 4	100.0	3.8	19.3	72.1	0.3	4.5
Quintile 5 (rich)	100.0	13.4	15.3	66.9	0.0	4.4

Workers from households in the poorest quintile mainly work for individual employers (65.2%) or private firms (19.3%), as Table 6.5 makes clear.

Although immigrant workers are as likely to work for individual firms as residents (48% vs. 48%), more are likely to work for private firms (32% vs. 22%) or foreign firms (15% vs. 7%), but far fewer work in state-owned enterprises (5% vs. 22%); see Table 6.5.

Table 6.5: Sectoral breakdown of primary occupation*, by city, gender, registration status, and income quintile (%)

	Total	Economic sectors				
		State-owned	Collective	Private	Individual	Foreign- invested
Total	100.0	18.1	0.7	24.3	47.7	9.2
Hanoi	100.0	28.9	0.2	18.2	46.0	6.7
HCMC	100.0	12.5	1.0	27.5	48.6	10.4
<i>Gender</i>						
Male	100.0	20.0	0.5	29.2	44.1	6.3
Female	100.0	16.2	1.0	19.5	51.4	12.1
<i>Registration status</i>						
Residents	100.0	22.3	0.7	22.1	47.6	7.4
Migrants	100.0	4.7	0.7	31.6	48.1	14.8
<i>Income quintile</i>						
Quintile 1 (poor)	100.0	7.7	0.1	19.3	65.2	7.8
Quintile 2	100.0	13.1	1.5	23.0	54.2	8.2
Quintile 3	100.0	16.2	0.2	22.9	50.7	10.0
Quintile 4	100.0	24.3	0.8	24.0	39.4	11.5
Quintile 5 (rich)	100.0	27.6	1.0	31.7	31.6	8.2

Note: * “Primary occupation” refers to the job to which the individual devoted most time in the 12 months prior to being interviewed.

The principal occupation over the year prior to the survey, for nearly 60% of those working in the two cities, was in the areas of trade and services, as Table 6.6 shows; another 35% work in industry and construction, with the remaining 6% in agriculture, forestry, and fisheries.

Members of the wealthiest household quintile primarily work in commercial and service sectors, in contrast to workers from poor households, who work relatively more in industry and construction and, perhaps surprisingly, even in agriculture, forestry and fisheries.

The proportion of migrant workers in industry and construction is 50.2% (compared to 29.9% for residents), with 48.3% in the service sector. Those working in construction sites, industrial parks, and processing zones are now mostly migrant workers.

Table 6.6: Industrial breakdown of primary occupation*, by city, registration status, and income quintile (%)

	Total	Economic sector		
		Agriculture, forestry and fisheries	Industry, construction	Trade and services
		<i>percentages</i>		
Total	100.0	5.9	34.7	59.4
Hanoi	100.0	11.4	27.6	61.1
HCMC	100.0	3.1	38.3	58.6
<i>Registration status</i>				
Residents	100.0	7.3	29.9	62.9
Migrants	100.0	1.5	50.2	48.3
<i>Income quintile</i>				
Quintile 1 (poor)	100.0	17.8	37.8	44.5
Quintile 2	100.0	5.8	42.3	52.0
Quintile 3	100.0	3.2	33.1	63.7
Quintile 4	100.0	2.5	34.1	63.5
Quintile 5 (rich)	100.0	1.3	27.1	71.7

Note: * “Primary occupation” refers to the job to which the individual devoted most time in the 12 months prior to being interviewed.

6.4. Status of labour contracts

In order to protect the rights of workers, Article 27 of the Labour Law provides regulations on negotiated labour contracts for paid jobs, specifying the working conditions, rights and obligations of workers and of employers. Contracts, where they exist, must fall into one of the following categories:

- Indefinite-term contract; these indefinite-duration contracts are generally considered to be the most desirable ones, and cover, for instance, most civil servant positions.
- Specified-term contract from one year to three years; or
- Seasonal contracts of less than one year duration.

If we consider just the main (i.e. most time-consuming) job done in the year prior to the survey, and focus only on employees, we find that 22.5% had indefinite-term contracts, 15.2% had contracts lasting from 1-3 years, 5.3% had short-term contracts covering a period of 3-12 months, 1.1% had seasonal or very short (under 3 month) contracts, and the remaining 56% had no written work contract.

Poorer workers are less likely to have a contract, especially an indefinite-term contract, compared to those in higher income quintiles: while 73.2% of those in the lowest income quintile do not have a contract, just 8.7% have an indefinite-duration contract, and 12.1% have contract

of 1-3 years. This contrasts with the situation for those in the top quintile, where only 42.3% lack a contract, and 39.1% have a long-term contract.

Indefinite-term contracts are far more frequent for permanent resident workers (26.9%) than migrant workers (8.5%), although migrants are more likely to have medium-term contracts of 1-3 years (20.6% vs. 13.5% for residents) or short-term contracts of 3-12 months (8.5% versus 4.3%). Even so, migrants are less likely to have a written job contract (60%) than permanent city residents (55%).

The lack of a written contract means that the rights of workers are not guaranteed. Without a contract, they typically do not receive the benefits, such as health insurance or vacation payments, that a worker with an indefinite or medium-term contract receives. The effect is striking. Overall, 41% of workers received a benefit from their principal occupation in the last 12 months (38% for migrants, 42% for residents). But just 4% of those working without a contract got work-related benefits, compared to 96% of those with indefinite-duration contracts. Work-related benefits are also rare for those who are self-employed or work for a family business (1.6% got benefits), or are firm owners or employers (13.5%). The probability of receiving work-related benefits rises as one moves from the lowest income quintile (21%) to the highest (56%).

Table 6.7: Type of working contract of primary occupation, by city, gender, registration status, and income quintile (%)*

	Total	Type of working contract					
		Indefinite term	Medium-term (1-3 years)	Short-term (3-12 months)	Temporary (< 3 mths)	Seasonal	No contract, oral agreement
Total	100.0	22.5	15.2	5.2	0.8	0.3	56.0
Hanoi	100.0	33.5	13.1	3.8	0.4	0.2	49.0
HCMC	100.0	16.8	16.2	6.0	1.0	0.3	59.6
<i>Gender</i>							
Male	100.0	24.4	14.5	5.0	0.5	0.4	55.2
Female	100.0	20.5	15.9	5.5	1.1	0.2	56.8
<i>Registration status</i>							
Residents	100.0	26.9	13.5	4.3	0.5	0.2	54.6
Migrants	100.0	8.5	20.6	8.5	1.8	0.4	60.3
<i>Income quintile</i>							
Quintile 1 (poor)	100.0	8.7	12.1	5.4	0.6	0.0	73.2
Quintile 2	100.0	16.7	12.8	5.9	0.3	0.3	64.0
Quintile 3	100.0	18.2	16.6	6.6	1.3	0.5	56.8
Quintile 4	100.0	28.1	19.5	4.7	1.4	0.4	46.0
Quintile 5 (rich)	100.0	38.5	14.6	3.9	0.5	0.1	42.4

6.5. The level/intensity of economically active population group

On average, people spent 50.7 hours every week at their most time-consuming job, with only a minor difference between men (51.3 hours) and women (50.0 hours). The total weekly

hours worked came to 46.6 hours for those with an indefinite-term contract, and 52.5 hours for those working without a written contract.

It is striking that migrant workers spent almost ten more hours per week working (at their principal occupation) than permanent city residents: 58.2 hours compared to 48.3 hours. Although migrants are, on average, less well-educated and more poorly paid than residents, their greater propensity to work helps explain why the income gap between the two groups is relatively small.

For the sample as a whole, 87% worked at a single job at a time, and 8% worked at two jobs simultaneously. A substantially higher proportion of workers held down two jobs in Hanoi (15%) than in HCMC (5%). While men and women were equally likely to be doing two jobs at once, multiple job-holding was substantially more common among permanent city residents (9.9%) than among migrants (2.4%). While 15% of those in the lowest quintile worked two jobs, this figure fell to 6% in the top two quintiles. It is worth noting, however, that very highly-educated workers – those with a Masters or PhD degree – often worked two jobs, presumably because they had opportunities for interesting or remunerative extra work.

6.6. The stability in the work of employees

In the Urban Poverty Survey, employment is divided into: the most time-consuming job in the year (“principal occupation”); the second most time-consuming job in the year; and the current job.

Workers who are residents, better off, and male, have greater job stability. In the course of the year prior to the survey, 4.6% of workers changed their principal occupation, as Table 6.8 shows; the figures were 4% for residents, and 6.5% for migrants; 4.2% for men, and 5.0% for women; 6% for male migrants, and 6.9% for female migrants. There was little turnover among those in the richest quintile (2.6%), compared to those in the poorest quintile (8.1%); migrants in the poorest quintile were especially likely to change their main job in the course of the year (11.2%). In short,

Unsurprisingly, workers who have short-term contracts, or no job contract at all, change their principal occupations more frequently than those with indeterminate-length contracts. Among those with short-term or no contracts, it is residents, rather than migrants who are most likely to change their job, as the numbers in Table 6.8 make clear.

Table 6.8: Workers who changed their main job in the last 12 months (%)

	Workers not currently in their most time-consuming job		
	Overall	Registration status	
		In survey city	Migrants
	<i>percentage of workers</i>		
Total	4.6	4.0	6.5
Hanoi	4.3	4.1	5.6
HCMC	4.7	4.0	6.8
<i>Gender</i>			
Male	4.2	3.7	6.0
Female	5.0	4.4	6.9
<i>Type of working contract</i>			
Indefinite-term contract	2.2	2.0	3.8
Medium-term contract (1-3 years)	4.7	3.7	6.7
Short-term contract (3-12 months)	5.4	7.0	2.9
Temporary contract < 3 months	8.8	11.7	5.9
Seasonal contract	9.9	13.6	3.1
No contract/oral agreement	5.4	4.7	7.4

In order to assess job stability, we may also look at the number of jobs that someone held in the course of a year. This information is provided in Table 6.9. Overall, 86.8% of workers did just one job in the course of the year prior to the survey, but 13.2% had held two jobs, and 0.1% had worked in a third job. Workers in Hanoi change their jobs more than workers in Ho Chi Minh City; in the former, 19% of workers had a second job (compared with 10.2% in Ho Chi Minh City).

Residents were slightly more likely than residents to have a second job (13.7% versus 11.8%). And workers from households in the poorest quintile were substantially more likely to have held two jobs in the previous year (23.7%) than those in the top income quintile (7.0%).

Table 6.9: Number of jobs in the year by city, registration status and income quintile

	Workers with:		
	One job	Two jobs	Three jobs
Total	86.8	13.2	0.1
Hanoi	80.9	19.0	0.1
Ho Chi Minh City	89.8	10.2	0.0
<i>Gender</i>			
Male	87.0	13.0	0.0
Female	26.5	13.4	0.1
<i>Registration status</i>			
In the survey city	86.3	13.7	0.0
Migrants	88.1	11.8	0.1
<i>Income quintile</i>			
Quintile 1 (poor)	76.1	23.7	0.2
Quintile 2	85.5	14.5	0.1
Quintile 3	88.8	11.2	0.0
Quintile 4	89.2	10.8	0.0
Quintile 5 (rich)	93.1	7.0	0.0

Working patterns vary over the course of the year. Overall, 63.7% of the population aged 6 and over worked in the year prior to the survey, but only 56.8% worked in January 2009. In other words, 89.3% of those who worked were working in January 2009. The proportions working in December 2008 to February 2009 were relatively low, at below 90% - possibly due to the effects of the worldwide recession – while the proportions were above 90% in the other months, and rose above 95% in September and October of 2009, as Table 6.10 shows.

Table 6.10 also shows that workers with higher incomes, and those who have permanent registration status in the cities, are more likely to have high and stable work patterns during the year when compared to poorer households or migrants. The proportion of permanent resident workers in a principal occupation was over 91% in all months, with a high of 96.3% in October 2009. The percentage of migrant workers working was lower in all months, and there were eight months in the year (which ran from about December 2008 through November 2009) where the proportion working dipped below 90%.

Table 6.10: Working rate for each month of workers for the most time-consuming job in the year (%)*

	Total	Hanoi	HCMC	Registration status			
				In the city survey	Migrants	Quintile 1 (poor)	Quintile 5 (rich)
January	89.3	88.9	89.5	92.3	79.6	77.4	96.2
February	89.3	89.4	89.3	92.1	80.6	77.5	96.5
March	90.8	90.9	90.7	92.8	84.1	79.3	97.0
April	91.9	91.9	91.9	94.0	85.5	81.5	97.3
May	92.5	92.2	92.7	94.2	87.0	81.6	97.4
June	93.1	92.0	93.7	94.4	88.9	82.2	97.9
July	93.0	92.4	93.3	94.2	89.1	83.5	97.7
August	94.0	93.7	94.2	95.2	90.2	86.0	98.1
September	95.0	94.5	95.3	96.0	91.7	89.5	98.1
October	95.4	95.0	95.6	96.3	92.6	91.4	97.9
November	94.6	95.1	94.4	95.2	92.6	90.2	96.8
December	89.1	88.7	89.3	91.1	82.7	78.1	94.7

Note: “Working Rate” is defined as the proportion of those who worked at any time in the year prior to the survey who reported working in the month in question.

6.7. Wages, Salaries, and Other Compensation

Employee compensation consists of the wages and salaries that workers receive, along with bonuses, allowances, meals, and in-kind benefits. The average monthly compensation in the principal job done over the year prior to the survey was VND2.17 million per month (about US\$118), as Table 6.11 shows. The average compensation of workers in the poorest quintile was 1.1 million dong per month.

The average compensation of workers with indefinite-term working contracts was VND4.46 million per month, which is 4.7 times higher than the average compensation of workers with no contract (or only an oral agreement), which was only 944 thousand dong per month.

The average monthly compensation earned by migrants is 89.2% of that of permanent city residents. To some extent this reflects differences in job characteristics, qualifications, and contractual status between the two groups. However, it is noteworthy the compensation earned by unskilled migrants – i.e. those without technical or professional qualifications – is 1.5 times higher than that of unskilled residents. This reflects the longer working hours, and perhaps higher intensity of work, of migrants. This result is also consistent with the information on compensation by type of contract: migrant workers usually work without a formal contract, or with a seasonal or short-term contract, and in these categories they earn more than residents. On the other hand, migrant workers who have long-term contracts (1-3 years), or indefinite-term contracts, on average get just 75-80% as much compensation as residents.

Table 6.11: Average monthly compensation of workers in the most time-consuming job in the year.

	Average monthly wage (1,000 VND)	Registration status		Migrant / resident (%)
		Residents	Migrants	
	(1)	(2)	(3)	(4) [= (3)/(2)]
Total	2,169	2,225	1,987	89.3
<i>Qualifications</i>				
No qualifications	1,273	1,122	1,653	147.4
Short-term technical Worker	3,406	3,383	3,473	102.7
Long-term technical Worker	5,070	5,108	4,677	91.6
Vocational secondary and professional secondary	1,273	1,122	1,653	147.4
Vocational College and Colleges	2,102	1,977	2,744	138.8
University and above	3,406	3,383	3,473	102.7
<i>Type of working contract</i>				
Indefinite-term contract	4,460	4,561	3,433	75.3
Medium-term contract (1-3 years)	3,206	3,427	2,741	80.0
Short-term contract (3-12 months)	2,447	2,435	2,466	101.3
Temporary contract (<3 months)	2,082	1,866	2,294	122.9
Seasonal contract	1,939	1,694	2,379	140.4
No contract / oral agreement	944	770	1,447	187.9

6.8. Population not working

An estimated 36.3% of the population aged 6 and older did not participate in economic activity (37.2% in Hanoi and 35.9% in Ho Chi Minh City). The proportion was higher for women (40.1%) than for men (32.1%), and was somewhat higher for those in the poorest income quintile (39.6%) than in the richest quintile (32.2%). A far higher proportion of permanent city residents are not economically active, compared to migrants (40.9% versus 15.1%).

Of those who were not working, the main reason for not doing so was because they were at school (or too young), which accounted for 53.8% of the cases. Other important reasons for not working were old age or retirement (20.4%), and doing housework (16.1%). Only 1.7% of those who were not economically active said that it was because they “cannot find a job”; the proportions were similar for residents (1.7%) and migrants (1.6%), but were higher for those in the lowest income quintile (2.4%) than the richest quintile (0.5%).

For those aged 6-19, the major reason for not participating in economic activity was studying; in the 25-54 age bracket, the reasons are working from home, being a homemaker, or caring for children; and for those aged 55 and older, the explanations are retirement or old age. An inability to find a job is mentioned by between 3.5% and 6.7% of those who are not economically active in the age groups from 15-49.

People with vocational qualifications appear to have the greatest difficulty finding suitable work. Of those who are not working, the highest proportions saying that they could not find a job were those with a professional secondary education (12.8%), or who went to a vocational secondary school (8.6%) or vocational college (20.3%), or even to university (4.8%).

6.9. Summary and Conclusions

Nearly two thirds of the population of the two cities participated in economic activities in the year prior to the Urban Poverty Survey, but participation rates differ significantly by age, professional qualification, income level, and residential registration.

Poor households differ from wealth households in several important ways. With the exception of the 15-19 age group, they are less likely to be participating in economic activities. Poor households have fewer educational qualifications. Most have lower-status jobs: more than three-quarters of the workers of the poorest quintile of households are manual, assembly-line, operations, or unskilled workers. Most of the rest work in basic services or in sales. This contrasts with workers in the richest quintile, where almost half are business leaders or owners, or middle- or high-level professionals.

Poor households are disproportionately concentrated in construction, industry, and agriculture, while better-off workers are more likely to be found in commerce and services.

It is uncommon for workers in poor households, as well as migrants, to have a formal work contract; most just have an oral agreement. This means that their rights as workers are poorly protected. These temporary jobs typically do not include benefits (such as vacations or pensions), unlike jobs for which there is an indefinite or long-term contract.

There is also a difference in the stability of work: those in the top income quintile had jobs that were stable, and so had a higher working rate in all months of the year. Residents also had more stable work in all months than migrant workers.

The net effect of the differences in working hours, qualifications, and job categories is that the average amount earned by someone in the poorest quintile was only 28% of the average

salary of workers in wealthy quintile. The average salary of migrant workers was equal to 90.7% of the average salary of workers who are permitted to live permanently in the city.

7. Income and Expenditure

7.1 Income

Household income includes all income from wages, salaries and other amounts received from work bonuses, allowances, etc. of wage/salary workers; income from business and production activities of agricultural, forestry and fishery and non agricultural, forestry and fishery; pensions; allowances; other revenues included in income such as bank deposit interest, interest loan, capital contribution, remittance from domestic and overseas, emergency aid/relief, lottery win, etc.

All interviewed households are divided into income quintiles from quintile 1 including 20% of households with the lowest income (the poorest households) to quintile 5 including 20% of households with the highest income (the richest households.)

Table 7.1: Average income per person per month by income quintiles (1,000 VND)

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	Difference between Quintile 5 and Quintile 1 (times)
Total	2,404.2	805.0	1,342.1	1,765.0	2,355.1	5,219.0	6.5
Hanoi	2,321.1	750.3	1,327.8	1,734.3	2,317.8	5,002.7	6.7
HCMC	2,445.5	841.8	1,354.2	1,782.9	2,373.9	5,327.5	6.3
<i>Gender of household head</i>							
Male	2,522.9	787.7	1,344.4	1,754.8	2,346.1	5,430.0	6.9
Female	2,243.9	822.9	1,337.9	1,776.8	2,366.7	4,872.2	5.9
<i>Registration status</i>							
Residents	2,508.6	818.7	1,336.5	1,752.3	2,350.1	5,517.4	6.7
Migrants	2,161.7	773.8	1,357.1	1,792.0	2,363.5	4,358.0	5.6

In 2009, average income per person per month of the two cities was 2,404 million Dong at current prices. The average income of the poorest quintile of households was 805 thousand Dong per person per month and of the richest households was 5,219 million Dong per person per month. Income disparity between quintile 5 and quintile 1 is 6.5 times.

Average income of the two cities is approximately equal, but the disparity of quintile 5 and quintile 1 in Hanoi is higher than in Ho Chi Minh (6.7 times compared to 6.3 times).

Average income per person per month of households with registration (“permanent city residents”) is 16% higher than that of migrant households. The results of income quintiles show

that migrants in two cities have diverse elements with both poor and rich. In terms of average income of middle households and rich ones, there is not differential between residents and migrants

The disparity in income between quintile 1 and quintile 5 of households with registration is higher than that of migrant households (6.7 times compared to 5.6 times).

Tablet 7.2: Structure of average income per person per month by income sources (%)

	Average income per person per month	Salaries, wages	Agriculture, forestry, fishery	Non-agriculture forestry, and fishery	Other
Total	100.0	56.6	1.1	28.4	13.9
Hanoi	100.0	57.1	2.1	23.7	17.2
Ho Chi Minh	100.0	56.3	0.7	30.6	12.4
<i>Registration status</i>					
Residents	100.0	48.9	1.5	32.6	17.1
Migrants	100.0	77.4	0.3	17.1	5.2
<i>Income quintile</i>					
Quintile 1	100.0	62.4	6.0	18.5	13.1
Quintile 2	100.0	61.7	2.8	23.8	11.7
Quintile 3	100.0	59.9	1.4	25.4	13.4
Quintile 4	100.0	62.9	1.1	21.7	14.3
Quintile 5	100.0	51.0	0.1	34.4	14.5
2008 VHLSS results					
Hanoi (Old)	100.0	48.9	3.4	21.9	25.9
HCMC	100.0	43.0	1.5	30.7	24.8

Sources of income of households in the two cities are mainly from wages and salaries accounting for 57.4%, followed by 28.2% from business and production activities of non-agriculture, forestry, and fishery and 13.4% from other incomes (including remittances, and transfer payments such as pensions). Income from agriculture, forestry and fishery of the two cities constitutes a very small percentage of 1.1%. According to VHLSS 2008, main sources of income of two cities are also mostly from wages, salaries, business and production activities of non- agriculture, forestry, and fishery (Hanoi: 21.9%, HCMC: 30.7%) and other income (Hanoi: 25.9%, HCMC: 24.8%).

The income structure is also different among income quintiles. Almost 65% of the incomes of households in the poorest quintile come from wages and salaries; 17.6% from production and business activities from non-agricultural, fishery and forestry. This contrasts with

the sources of income of households in the richest quintile, where just over half of income comes from wages and salaries, and over a third from non-agricultural business activities.

For self-assessment of the household income in 2009, over 60% of households said that their income is just enough; 16.8% of them said that their income is more than enough; 17.5% of them said their income is a bit less than enough and 5% of them said their income is much less than enough. More than 1/5 of households in Hanoi think that their income is more than enough in comparison with 14.1% of the same rate for HCMC. Percentage of households with just enough income is 56.3% in Hanoi and 63% in HCM. The assessment for a bit less than enough and much less than enough levels of income in the two cities is approximately equal.

Nearly half of poor households with self-assessment of household income is sufficient; followed by 31.8% of them with “a bit less than enough” assessment and 12.5% of them with “much less than enough” assessment. The average-income and above-average income households are fairly optimistic in the assessment of their income. 74.8% of average-income households and 88.3% of above-average income households think that their income is just enough or more than enough. 31.4% of the richest quintile think that their income is more than enough and 6.2% of them is still think that their income is insufficient.

Although the income of migrant households is only 85% comparing to the income of households with registration, their evaluation on income is nearly the same with the assessment of households with registration: 76.9% of migrants think that their income is just enough or more than enough and 23.1% of them with insufficient income. Meanwhile, self-assessment of this ratio of households with registration is 77.8% and 22.2% respectively.

Table 7.3: Self-assessment for income of households (%)

	Total	Self-assessment income			
		More than enough	Just enough	A bit less than enough	Much less than enough
Total	100.0	16.8	60.8	17.5	5.0
Hanoi	100.0	22.1	56.3	16.8	4.8
Ho Chi Minh	100.0	14.1	63.0	17.8	5.1
<i>Registration status</i>					
Residents	100.0	18.1	59.7	16.7	5.5
Migrants	100.0	13.7	63.2	19.3	3.8
<i>Income quintile</i>					
Quintile 1	100.0	8.4	47.3	31.8	12.5
Quintile 2	100.0	10.2	61.2	23.8	4.9
Quintile 3	100.0	12.3	61.9	21.3	4.5
Quintile 4	100.0	18.1	70.1	9.2	2.7
Quintile 5	100.0	31.7	62.1	5.0	1.2
<i>Expenditure quintile</i>					
Quintile 1	100.0	10.2	50.8	30.0	9.1
Quintile 2	100.0	11.0	60.7	22.4	6.0
Quintile 3	100.0	15.8	62.3	16.7	5.2
Quintile 4	100.0	14.7	69.2	13.1	3.1
Quintile 5	100.0	28.9	59.8	8.7	2.6

7.2 Expenditure for some essential needs

Urban poverty survey did not collect the entire expenditure of households, only on food consumption, housing and several major expenditures on non-food consumption.

Average spending on food per month per person in Hanoi is 950 thousand Dong and 1,039.8 thousand Dong in HCMC (see Table 7.4). Average spending on food in Ho Chi Minh City is 1.1 times higher than that in Hanoi. However, in previous studies, disparity in expenditure between rich households and poor households is mainly due to consumption on non-food and the difference in food consumption is not as different as in non-food consumption. The urban poverty survey results also show that spending on food per person per month of the richest quintile is 4.6 times higher than that of the poorest households, although total spending is 3.2 times higher.

Compared with the expenditure of residents, expenditure on food of migrants is only accounted for 80%, but the expenditure on housing is 1.3 times higher as higher amount of money for rent and expenditure on food is 1.2 times higher than money sent back home.

Table 7.4: Average expenditure of one person per month (thousand Dong)

	Expenditure on food	Expenditure on housing	Expenditure on non-food
Total	1,010.0	286.9	556.4
Hanoi	950.1	267.9	623.3
HCMC	1,039.8	296.4	523.1
<i>Registration status</i>			
Residents	1,074.7	266.5	529.8
Migrants	858.3	334.5	619.1
<i>Income quintile</i>			
Quintile 1	520.1	120.9	243.9
Quintile 2	729.2	172.3	330.9
Quintile 3	897.1	238.6	419.4
Quintile 4	1,093.1	294.9	551.0
Quintile 5	1,670.5	554.3	1,127.0

Expenditure on housing, including electricity, water, sanitation, communications (telephone, internet, etc.), and rental payments, is significant for people in urban areas. Average expenditure on housing is 286,900 Dong per person per month. The level of expenditure on housing of the richest quintile is 4.4 times higher than that of the poorest quintile; in which payment for communication and phone is 5.9 times higher, for the rent is 4.6 times higher.

For both cities, payment for telephone calls constitutes the highest proportion with 39.9%. This proportion is 47.8% in Hanoi and 36.0% in HCMC. This proportion is followed by payment for electricity with 28.1% and rental payment with 22.6%.

Housing expenditure of migrant households is 1.6 times higher than households with registration, in which the rental payment is 7.6 times higher. For migrant households, rental payment constitutes the highest proportion with 57.1%, meanwhile that rate for households with registration is 12.1%.

Table 7.5: The structure of average expenditure on housing per person per month in the last 12 months (%)

	Total	By				
		Water	Electricity	Phone	Rental	Hygiene
Total	100.0	6.5	28.1	39.9	22.6	2.9
Hanoi	100.0	5.3	27.6	47.8	15.1	4.3
Ho Chi Minh	100.0	7.1	28.3	36.0	26.3	2.3
<i>Registration status</i>						
Residents	100.0	7.4	33.1	44.1	12.1	3.4
	100.0	3.9	11.4	26.2	57.1	1.4
<i>Income quintile</i>						
Quintile 1	100.0	7.0	31.5	32.6	21.5	7.4
Quintile 2	100.0	8.6	30.1	35.1	22.1	4.2
Quintile 3	100.0	6.9	27.8	37.5	24.6	3.1
Quintile 4	100.0	6.1	27.5	43.1	21.1	2.2
Quintile 5	100.0	5.9	27.1	42.4	22.9	1.8

Expenditures by the richest quintile on education and health are 7.9 times and 3 times higher than those of the poorest quintile. Expenditure by permanent resident households on education and health are 3.5 times and 2.5 times higher than that of migrant households.

Migrant households send substantial amounts of money to their families: 60.4% of migrants send money home; meanwhile this proportion for permanent resident households is 3.1%. The amount of money which is sent home by migrant households is equivalent to about a third of their expenditures on food.

7.3 Inequality

The gap in income and inequality between poverty and wealth of population is also evaluated based on the Gini coefficient. The Gini coefficient varies from 0 (perfect equality) to 1 (complete inequality).

Although the Gini coefficient in 2008 of the two cities from VLSS 2008 is lower than the country's Gini (Hanoi: 0.352 and HCMC: 0.338) coefficient with 0.43⁴ and Gini coefficient of the two cities in 2002-2008 has not changed much (see table 7.7 for more detail). However, Gini coefficient from the result of UPS 2009 shows that inequality level of income of the two cities is higher than that from survey results of previous VHLSS.

Table 7.6: Gini coefficient by income through the years

	2008 VHLSS's results				UPS 2009
	2002	2004	2006	2008	
Hanoi	0.365	0.367	0.345	0.352	0.370
Ho Chi Minh City	0.360	0.382	0.376	0.338	0.372

8. Housing

Besides the lack of the most basic needs for living such as food, clothing, health services and education, housing is also an indicator that reflects poverty, not only in Vietnam but also in other developing countries. For big cities, the poor in urban can be more easily seen by the status of shabby, cramped housing, not owning or not official owning the housing, and the low living conditions such as lacking clean water, coupled with environmental pollution and insecurity.

Vietnam is an economy with a high growth rate and almost half of this growth is concentrated in two big cities: Hanoi and HCMC⁷. Economic growth increases the disparity of housing situation among income quintiles. The strong urbanization process and migration makes housing and living environment becoming a burden for the poor. A recent study shows that if the criteria of poverty in Vietnam is added criteria about degrading housing and bad living condition next to the criteria for income and expenditure, then, the poverty rate in urban will increase several times to the present⁸.

Although Hanoi and HCMC have different characteristics of geography, population and housing caused by history, they have to face difficulties in poor and unequal urban infrastructure, higher price of land compared with people's income, and inadequate administrative procedures and policies of housing and land ownership.

UPS-09 survey provides information on housing and living condition, not all aspects of housing are observed with income, such as ownership papers, cost of ownership or renting for housing or for-business area. However, the available information is also relatively comprehensive for research on average living area and housing situation; housing ownership and characteristics of migrants/residents and income quintiles; people's living conditions including fresh water, energy and energy usage, waste treatment... and people's assessment on surrounding environment.

8.1. The housing situation

Area of the house

⁷ For every 1% of GDP growth of the whole nation, Hanoi contributes 0.15% and HCMC contributes 0.32%. Estimation is based on GDP proportion of Hanoi 15% and HCMC 32% into the national growth speed

⁸ Nguyen Thi Hien and partners in survey in 4 cities: Hanoi, HCMC and Can Tho stated that: if considering above factors, rate of urban poverty in Can Tho is about 30%, not just 2.4% as in 2002.

Cramped living conditions affects health, spiritual life, and the living environment, and also limit the incomes of the poor to be able to make use of the space for production, business to improve income (Baharoglu 2002⁹). Survey results showed that the average living area per person for the two cities is 17m2/person, in which is 15.7 m2 for Hanoi and 17.7m2 for HCMC. According to the sample-expanded survey report – Census 2009 (GSO, 2010), the average living area per capita in the country is 16.7m2¹⁰. However, the average number does not show the important characteristics of current housing situation in the two cities which is shown in the table below:

Table 8.1: Population by average living area per person

	Average living area per person		
	Under 7m2	From 7 to 15m2	16m2 and above
Total	17.0	29.1	36.3
Hanoi	15.7	25.7	40.4
HCMC	17.7	30.7	34.4
<i>Income quintiles</i>			
Quintile 1	13.3	34.5	40.7
Quintile 2	13.0	30.8	39.2
Quintile 3	12.7	34.3	39.8
Quintile 4	18.1	31.4	34.0
Quintile 5	25.5	17.1	30.1
<i>Residential registration status</i>			
Residents	20.3	16.8	39.1
Migrants	8.4	61.7	29.0

A measure of the urgency of housing need is the ratio of people with living area under 7m2. On average, the two cities have 29,1% of households in this area (25.7% in Hanoi and 30.7% in HCMC). Those households not in the most urgent situations of accommodation (from 7m2 to under 16m2 per capita) accounted for 36.3% of all surveyed households.

Basing on income quintiles, average living area of average income group or less is approximately 13m2, while the two highest income quintiles in turn are 18.1m2 and 25.5m2. This suggests that the changing of income, from “poor”, “near poor” to “average” does not have much effect on the cramped housing conditions. Only households with the wealthiest income and saving can afford to extend living area for households.

⁹ Baharoglu, D.and C. Kessides. Urban poverty chapter of the PRSP Sourcebook. Chapter 16. World Bank, Washington, D.C. March 2004

¹⁰ Census 2009 is comprehensive study while UPS-09 is study relating to sampling scope, therefore there are certain differences in the results of housing from these two studies

Up to 34.5% of the poorest households live in area smaller than 7m²/person. This rate is respectively 30.8% in near poor group and 34.3% in middle income group, but decreased to 31.4% for above average income group and 17.1% for the richest group. More than one third of populations with middle or less income live in cramped housing conditions. This shows the importance of the reorientation of the housing policies of the two cities in the future for the poor.

Other notable problem is the disparity in living area among households with registration and without registration in the city. In general, households without registration live in more cramped conditions than average (average per capita is 8.4m²) and the percentage of households living in the most cramped conditions is also higher with 61.7% of these households have average living area per person under 7m². Reason of this situation is maybe because of the new migrants often have lower income and have more difficulties in obtaining procedures for buying land or asking permission for construction

Type of housing

The type of housing reflects cultural characteristics, and the living habits of urban people, and is marked by the housing policies and urban development in the past. In general, separate houses for households predominate in the two cities (72% in Hanoi and 55.2% in HCMC). This pattern holds across different income quintiles, characteristics of education qualification/level, and gender of the household head. However, this ratio has quite large differences between households with registration in city and households with registration in other places. That is, 74.8% of registered city resident households own a single-family house, while only 22.9% of migrant households do so. This can be explained partly because of the undeveloped housing market, the financial tools to support people in buying house are not many so that households that own separate house mostly have been living in city for many generations or provided with houses by Government before 1991, rather than new migrants.

The independent houses for households, in general, are more convenient for living and living conditions for households. Less comfortable, but still relatively independent, are the independent houses shared by several households, and independent apartments, dormitories, apartments for several households, and one room in a larger building. About one in five city residents live in this type of housing, with the rate being a little higher in HCMC (21.6%). These households will have certain difficulties in renovating houses or using the houses for other purposes such as business or mortgage for loans, etc., especially those building which have been degraded and damaged. However, this survey does not provide detailed data concerning the quality of the houses; this is recommended for future surveys in this area.

According to income quintiles, the percentage of households living in a separate apartment or dormitory is highest in quintile 5 (12.2%), while only 5.6% for quintile 4 and for only 2.5% for the lowest income quintile. Perhaps the development of apartments in recent times is compatible with the needs and affordability for group of residents with high incomes in urban areas.

The most unstable housing condition is room/dormitory sharing, renting or improvised tents. Fully 18.2% of surveyed households are sharing the same room, dormitories, living in

rented house or improvised tents. This rate is particularly high in HCMC (22.5%), and remains low in Hanoi (9%). Overall, the households that belong to this type are mainly of group of people without registration in habitat. Up to half of the households without registration in their habitat share the same houses, live in rented house or improvised tents, compared to only 3.1% for registered resident households. It is possible that the fast speed of economic growth and the especially rapid flow of migrants into HCMC is the reason for this situation⁶. Households living in rented or borrowed houses, or improvised tents, face an *uncertain status of housing* – and have difficulties in accessing services and utilities at locality (education, health care, community support) due to frequent moving. This is the object of particular interest in developing and implementing policies to support housing as well as the potential need for real estate business.

Housing quality

The quality of housing is assessed through materials used for roofs, walls and floors. For the roof, the major material is used as cement/metal sheets, accounting for 56.2%, followed by concrete (34.3%) and tiles (9.3%). Other materials makes up a very small proportion (leaf/straw/oil paper is 0.3% and other materials is 0.3%) because of their unstable and unsafe structure.

Having a closer look, there is quite a large disparity between Hanoi and HCMC in materials used for roofs. Reinforced concrete roofs cover 63.7% of all houses in Hanoi, followed by tile roofs with 20.3% and roof with sheets at 15.5%, while the sheets for roofs is the most common material in HCMC (74.8%) and then reinforced concrete roof (20.7

Although there is differences in choosing roofing materials between the two cities, the common characteristics is the low durability, large cost requiring for repairing and upgrading such as tiles or sheets which still account for significant proportion. There still exist houses with straw and other material roofs – even accounting for a relatively low rate (with the rate of 0.34%, the absolute number is approximately 20,000 households for two cities). This is the weakness in the housing situation in the two biggest cities in the country.

The main materials used for walls are brick and stone (96.1%) and there is no difference between the two cities in proportion. Some more advanced materials (reinforced concrete walls), or less expensive, less sustainable and less secure (wood, metal, earth, lime, bamboo wattle/screen) account for negligible proportion. However, 93.3% of tents or huts use these kind of temporary wattle or screen walls.

8.2. Housing ownership

Housing ownership is very important in the context of urban development policies and quality improvement for the life of the urban poor. Studies by the World Bank show that the poor households that are not owners of their house/apartment will have many difficulties in repairing, renovating and upgrading the house/apartment. Loans to repair and upgrade the house are also not done as they do not have full proper documents to prove their legal ownership (Baharoglu 2002). Finally, housing also plays a role as a productive asset for many households. Separate

houses with legal ownership are often the most mortgageable assets in current condition of Vietnam to borrow capital for production, business and improve income for the households.

From 1960s to 1980s, the government held exclusive distribution of housing in cities. Houses for rent were distributed for government officers by State agencies and were considered as part of their salaries. Those who worked for the private economic sector were not in this providing system. In late 1980s, along with the “Doi moi” (renewal) of the State which is the market-oriented economic development, the government did not continue to provide houses and had many policies to encourage people to build their own houses. One of the key activities in this process was to sell State-owned and collective-owned houses to current tenants. From 1998, Government launched program for housing development for period 2000 -2010 (12- CTr/TU) and made many resolutions and decisions on supporting housing apartment building for sale market. For example in Hanoi, until 2004, projects for apartment building received some preferential policies such as tax exemption and free land. In return, projects would pay back 20% of land area or 30% of the total construction area for the city to cater for “low income” people (Decree 71/2001/NĐ-CP in 2001 and Decision No 123/2001/QĐ-UB in 2001). This led to the existence of two types of apartments, especially in Hanoi, (if they have equivalent position): renting and buying cost will be higher and bigger in size for new apartments; lower cost and smaller in size for old apartments.

Results showed that the rate of houses which owned by members of the household occupied 62.7% in the two cities, in which 74% for Hanoi and 57.4% for HCMC. The more complex form of ownership is co-ownership between the household and person who does not live in the household account for low proportion with 3.3% (2.1% for Hanoi and 3.83% for HCMC). More than one third of the surveyed people live in rented and borrowed houses or houses with other type of ownership, in which 38.8% for HCMC and 24% for Hanoi. Households which do not own houses have more difficult to access public services than local residents and also do not receive much support and interest from the community around. Households which rent houses have to pay the rent and this is also a significant burden for their expenditure, even though renting is probably the only available option to many households with average income or less. The table 8.2 shows that renting rate is 22.9%, rental cost occupies 19.8% of total expenditure of the household. Expenditure on housing includes payment for electricity, water, rental cost, telecommunication and hygiene. 14.8% of households with lowest income have to rent a house but the rental cost is 18.1% of total expenditure of this entire quintile. The other quintiles with higher income has the higher rate of renting house than the poor households and rental cost is more as higher quality of rented houses of those quintiles

Table 8.2: The situation of renting houses and rental cost of the households

	Percentage of household with renting houses (%)	Rental cost for the last 12 months (000đ), for renters	Percentage of rental cost in total expenditure of the household (%)
Total	22.9	1,967.0	19.8
Hanoi	15.6	1,303.2	13.4
HCMC	26.3	2,296.8	22.9
<i>Income quintiles</i>			
Quintile 1	14.8	900.8	18.1
Quintile 2	18.7	1,339.4	18.6
Quintile 3	27.5	1,915.2	21.2
Quintile 4	27.5	1,873.1	18.5
Quintile 5	24.1	3,514.6	20.7

A study by Nguyễn Thị Hiền and partners within the City Alliance Program in four big cities in Vietnam shows that housing ownership in Vietnam has many unique characteristics, related to the delay in provision of certificate for ownership of land and house, and in pricing state-owned houses. Sale of old state-owned houses (apartments, villas for several households, small and simple house (level 4), dormitories, etc.) faced many difficulties because the price is high compared to household income even it is very low compared to the price in the market. On the other hand, the government (and state-managed companies) has not been authorized to take back granted houses, even if households which live there as rentees do not pay the rent and that amount of rent is only symbolic (Nguyễn Thị Hiền 2002). Transferring ownership is very common with these for-rent houses without legal registration. This leads to a higher rate for owning a house compared to survey report. And this also partly explains the reason why the rate of renting house or “other” ownership is not different among quintiles.

Table 8.3: The proportion of households with houses divided by ownership forms (%)

	Household head is the owner	Co-ownership with non-member person	Renting	Borrowing	Other
Total	62.7	3.3	22.9	2.5	8.7
Hanoi	74.0	2.1	15.6	3.4	5.0
HCMC	57.4	3.8	26.3	2.1	10.4
<i>Income quintiles</i>					
Quintile 1	67.1	4.9	14.8	3.2	10.0
Quintile 2	64.9	3.9	18.7	2.9	9.6
Quintile 3	58.8	2.7	27.5	1.8	9.3
Quintile 4	57.9	3.9	27.5	2.9	7.7
Quintile 5	65.4	1.4	24.1	1.9	7.3
<i>Registration status</i>					
Residents	83.7	3.9	7.6	1.9	2.9
Migrants	6.9	1.5	63.7	4.1	23.8

According to registration status, 83.7% of households with registration in surveyed city has their members as the owners, and just 7.6% of them rent a home. This is not surprising because until 2005, the certification procedures for owning and purchasing houses was still associated with residential registration and reverse

Considering the type of the housing, 84.1% of houses owned by members of the households is independent house for a household; 50.7% are independent houses for several households and 76.9% are independent apartments in dormitories/apartment buildings. For rented houses, mainly are rooms in a large building (38.9%) and shared rooms or shared dormitories/rented houses (83.6%); and apartment (14.1%). It should be noted that average and near poor income quintiles (quintile 2 and 3) are willing to pay the highest rate for housing in their total expenditure (18.6% and 21.2% of total expenditure for house renting). Therefore, it could be predicted that when average level of income is improved, independent apartment for renting out will occupy a higher rate, not just only 14.1% as current.

8.3. Living conditions

UPS-09 provides information reflecting the conditions of urban life, divided into four groups: water supply, sanitation, waste treatment and energy.

Water supply

According to survey results, only just over half of the population in the two cities can use private tap water that is provided to their home. This rate is higher in Hanoi (70.6%) and quite low in HCMC (52.5%). The second common source of water is a tube well with 26% (26.3% in Hanoi and 25.8% in HCMC). In the past, the public tap is a common source for water in the central regions of the city but in the survey period, it has disappeared. It is a surprise that the rate of households which have to buy water is quite high, but only concentrated in HCMC with a

quarter of surveyed households. The less safe water sources such as dug wells, deep wells, and rain water, and so on account for small proportion of the used water sources.

The proportion of households using private tap water increases steadily with income, while the water sources from wells and less secure sources decrease. Just 43.3% of the poorest households have private tap water, and 43.2% use a drilled well, while the corresponding ratios in the richest quintile are 75% and 14.2%.

Table 8.4: The proportion of households with main source of drinking water (%)

	Private tap water	Public tap water	Buying water	Drilled well	Other water sources
Total	58.3	14.3	26.0	1.4	58.3
Hanoi	70.6	0.3	26.3	2.8	70.6
HCMC	52.5	20.8	25.8	0.9	52.5
<i>Income quintiles</i>					
Quintile 1	43.3	9.9	43.2	3.6	43.3
Quintile 2	54.3	14.9	28.7	2.1	54.3
Quintile 3	54.7	17.4	26.6	1.3	54.7
Quintile 4	59.3	18.5	21.7	0.5	59.3
Quintile 5	75.0	10.4	14.2	0.4	75.0

According to type of houses, the highest proportion of using private tap water source is separate apartments or separate apartments for several households (corresponding rate is 96.2% and 94.3%), followed by independent apartments for several households (74.9%) and independent apartments for one household (58.9%). The high rate of using private tap water could be due to a better investment in infrastructure and more concentrated in new and old apartment buildings or in residential areas in city centre. It is a concern that households who live in rented housing or shared housing mainly buy water from containers (39.6%) and drilled wells (30.6%). The first water source will not be stable in terms of provision and also is the most expensive sources. The latter source is not the less safe source but has potential bad effects for the health, especially when it is not checked and processed for its quality.

The use of water treatment is mainly for sources from drilled and deep wells. 42.4% of households using drilled wells, and 25% of households using deep wells, employ filters or chemical purification. This treatment is more common in Hanoi than in HCMC.

Toilets

Of all the household surveyed, 91.8% use latrines with septic tanks or semi-septic tanks, 1.3% use flushing/infiltration/suilabh latrines, 4.7% use double-vault compost latrines, and a smaller proportion of households use other forms or do not have toilets. Hanoi has a lower rate of using septic/semi-septic latrines than in HCMC but the rate of using some poorer hygiene forms such as toilet directly into the water (rivers, lakes, ponds, etc) is higher in HCMC and concentrated in poor households.

The percentage of households sharing latrines is quite high: 15.8% of surveyed households use shared latrines, in which 14% for Hanoi and 16.6% for HCMC. The rate is low in independent houses, and rises for houses shared by several households (42.3%), shared rooms (33.1%), rented houses (38.3%) and temporary houses (50.5%).

Energy

The main lighting source for households is national power grid system, accounting for 99.9%. Both Hanoi and HCMC have been covered by the national electricity network for many years. However, the percentage of using electricity for cooking is only account for 1.2%. Gas is widely used for cooking (84% of households). The lowest rate of using gas is in quintile 1 (68.3%), and increases gradually basing on income to reach the highest rate in quintile 5 (89.9%). Other sources are cheaper but less convenient and cause more pollution such as wood and coal which are used more by poorer households.

The electric use rate in the two cities is not a good indicator to reflect bad conditions. Surveys of urban poverty show that although using electricity, many households connect indirectly with national electric grid system through other families. Therefore, the cost is higher than when has direct connection. Only 81.2% of households have a direct connection with separate meter. 8.7% of households use electricity directly with shared meter with other households and up to 10.1% of households use electricity through other households. Migrant households are far more likely to have indirect connections (31.5%), as are those in rented housing (43.3%) or with rooms in large buildings (30.6%), or in temporary houses (20.2%). There are not many differences in the proportion of direct and indirect electrical connections across income quintiles so it can be concluded that the changes in residential registration regulations or housing situation will help increase the percentage of direct connection of electricity and reduce the costs for migrants and tenants.

Table 8.5: The proportion of households with forms of connection with national grid system (%)

	Direct connection with national electric grid system	Direct connection with national electric grid system but share meter	Connection through other households
Total	81.2	8.7	10.1
Hanoi	90.1	5.4	4.5
HCMC	77.0	10.3	12.7
<i>Income quintiles</i>			
Quintile 1	82.8	11.3	6.0
Quintile 2	81.9	9.9	8.2
Quintile 3	79.1	8.4	12.5
Quintile 4	76.8	7.5	15.7
Quintile 5	85.4	7.5	7.2
Registration status:			
Migrants	51.0	17.6	31.5
Type of housing:			
rooms in a large building	63.1	6.3	30.6
Type of housing:			
rented house	34.7	22.0	43.3
Type of housing:			
temporary house	72.1	7.7	20.2

Garbage

The percentage of households with solid waste collected is 91.9%, with little difference between the two cities. The proportion of waste being thrown into rivers and lakes is low (0.3%), or being thrown out near the house (2%). The percentage of households with collected garbage is higher for high income quintiles (99.1% for quintile 5 and 95.1% for quintile 4), and it is significantly lower than the average for the low income quintiles (80.7% for quintiles 1 and 86.7% for quintile 2). Poor households have little access to waste collected services even though this is probably the effect of geographic distribution rather than discrimination in service delivery. Currently, the waste collection network in suburban areas is not very strongly developed in the two cities.

In general, the garbage collection for the housing type with high density is paid attention. Percentage of garbage collection for type of housing such as independent apartment for several households, dormitories, apartment building and rented houses is above 98%. Meanwhile, the waste collection rate for independent houses for a household is 88.7%, slightly lower than average.

Wastewater treatment is a concern of urban areas. UPS-09 does not provide information on wastewater treatment on large scale, such as technology or system for wastewater treatment throughout the city or level of water pollution. However, the information on wastewater

collection for households is also valuable in reflecting the living environment of the households. The survey data shows that 85.4% of households have their waste water collected via an underground drainage system, 7.2% via drainage ditches, 4.1% via ground absorption, and 2.8% via pouring into rivers, lakes and ponds. In HCMC, the proportion of households with concentration collected waste water is lower (83.2%), meanwhile other forms of spontaneous and poor hygiene treatment such as discharge into drainage ditches or penetrate into ground, etc. are higher.

According to income quintiles, generally, lower income quintiles receive fewer benefits from wastewater collection infrastructure system than higher income quintiles. 71% of households in quintile 1 treat waste water via sewage systems, while 11.9% of households discharge wastewater into drainage ditches; 10.8% of other households let it absorb naturally. Similarly, sanitary conditions in the areas for rented houses are also worse, with 11.8% of households discharging through ditches and 2.7% for natural absorption. Thus, there is no big disparity in solid garbage treatment among households based on their income quintiles or type of housing but for wastewater treatment there is a big difference.

Table 8.6: The proportion of households with wastewater treatment mode (%)

	Wastewater treatment mode, of which			
	Discharge into centralized system/underd rain system	Discharge into drainage ditches	Penetrate into ground	Discharge into rivers, lakes, ponds
Total	85.4	7.2	4.1	2.8
Hanoi	90.0	5.5	2.3	1.4
HCMC	83.2	8.1	4.9	3.5
<i>Income quintiles</i>				
Quintile 1	71.0	11.9	10.8	4.8
Quintile 2	80.0	9.0	6.6	3.9
Quintile 3	87.3	7.5	2.1	2.7
Quintile 4	90.0	5.6	1.8	2.4
Quintile 5	94.5	3.7	0.7	1.0
Type of housing:				
rented houses	82.9	11.8	2.7	2.7
Type of housing:				
temporary houses	91.6	1.5	2.0	5.0

8.4. Assessment of the population on the living environment around

The UPS-09 collected information from households on 11 indicators of environmental difficulties that they faced. This chapter groups the 11 indicators into 4 main groups, including:

- Environmental pollution (noise, dust, pollution by uncollected garbage, and bad smell/odor)

- Assessment of infrastructure (electricity, clean water and surrounding transportation)
- Natural disasters (flooding)
- Social security (theft, robbery, and social evils)

Approximately one fifth of the households faced noise and dust in the two cities. Besides noise and dust, garbage and bad smell/odor also reflect people's assessment on environmental pollution even at less serious level in the rate. 8.7% of households have difficulties with the bad odor and 4.3% with garbage. These numbers show that environmental pollution is an issue of concern from the people's point of view. The environmental assessment of the rich and the poor do not differ significantly, except that those with higher income seem more concerned with issues of noise and poorer people are more concerned about air pollution.

The next problem is the quality of infrastructure, including 3 aspects: surrounding roads, water pollution, and electricity supply. Surprisingly, although these are the two biggest cities of the country with fast urban infrastructure development growth rate, 17.8% of households considered surrounding road conditions to be a matter of concern. This rate is higher in HCMC (19.6%), where it ranks as the third most important issue of concern, after noise and dust/smoke, but it only ranks the fourth in Hanoi with the rate of 14.2%. An estimated 13.6% of households had difficulties with electricity cuts and losses and the situation seems more serious in Hanoi (27.4%); meanwhile it is not a big problem for HCMC at the rate of 7.2%. And approximately 8.5% of households said that they have difficulty due to contaminated water. Of course, this is only the assessment of the households so it should be more subjective and reflect the priorities for their habitat, rather than showing actual contaminated water or the rate of contaminated water.

Both cities experience flooding problems according to people's assessment and this is in the line with actual observations (both cities are in quite safe regions and face relatively few natural disasters, especially floods, storms, and typhoons). However, recently, Hanoi began suffering from large-scale flooding after heavy rain; and HCMC faces high tides at areas near the mouth of the rivers and adjacent inner city. About 15% of urban people complain floods, which is a considerable issue as based on subjective assessment, floods not only cause danger and loss in properties and also damage surrounding environment.

The fourth part of the assessment covers security. Many households evaluate theft/robbery as relatively serious with the rate of 14.1%, ranking fifth out of 11 contents for interview. Hanoi seems to have higher security when thief/robbery is the concern for only 10.9% of households but it is much higher in HCMC with 15.6%. Social evils are less serious in both cities but low-income quintiles seem more concerned about the situation of social evils than the highest income quintiles.

In general, except for a few aspects with different concerns, the issues about surrounding environment seems to have fairly evenly for households, reflecting in the response rate for each issue according to income quintiles and registration status.

Finally, this part is only the subjective assessment of interviewed households and it only shows their awareness, and level of interest in the environment around them. For example, a power cut once a week can cause great discomfort with wealthy households but entirely not a matter for the poor. In the view of the poor, water well is a source of clean water, but it might be considered unhygienic by rich households.

Despite the steady progress in housing development, the differences in housing and living conditions in the two cities are still considerable. Approximately a third of the cities' populations still live in cramped conditions, and a sixth living in temporary houses. Overcrowding and uncertainty about housing in the two cities is becoming more urgent for the low-income quintiles. Even with the middle-income quintiles, cramping and temporary living condition are relatively more common than the highest income group. This reflects that improving housing conditions in the present context is beyond the capacity of most households in the two cities.

Owning houses in the two cities is rather complex in nature, while households with forms of joint-owner houses but living elsewhere or renting a house or borrowing are still common. Not having ownership of the houses leads to difficulties in improving and upgrading the houses. And this also leads to difficulty in connecting with urban infrastructure for daily life such as electricity, clean water (and Internet or fixed telephone lines, as discussed in the chapter on durable goods).

Among evaluations of living conditions, clean water is probably is the most noticeable problem because only about 50% of households have water lines to their homes. A significant portion of the population has to buy water for storing (in which 1/5 of surveyed households in HCMC has to buy clean water); a quarter of the population uses water from drilled wells but only almost half of them have some preliminary treatment for the water. Other contents such as gargabe and wastewater collection and latrines are probably less significant because the rate of households with these utilities is high. However, it would probably necessary to have a closer look, for example, at assessing the quality of the services instead of quantity (proportion) may be more necessary for later surveys.

Finally, the assessment of people about living environment is mainly about environmental pollution, which shows that authorities at all levels should have better investment in order to minimize the dust, smoke, and noise level in both cities. There are also many complaints about transportation infrastructure around their dwelling areas, along with a low rate of complaints about power cuts and water pollution. One sixth of surveyed households were also concerned about insecurity. Of course, this is only the subjective assessment of respondents and evaluation of the severity of the problems also varies according to different view from different income quintiles. However, these are some suggestions on the priorities to local authorities and officers could usefully pay attention.

9. Durable goods

Along with housing, durable goods are a vivid and visual reflection of the wealth of households. However, UPS-09 and similar surveys only provide detailed information about the

quantity, but not the value and age,(for example old or new) of durable goods, which makes it somewhat difficult to interpret the differences between income quintiles in their ownership of durable goods.

Nonetheless, the available data on the ownership of durable goods still reflects the living standard of urban residents, and we summarize this information in this chapter. Perhaps, the important assets that should be analyzed are motorized vehicles (cars, motorbikes); poor families own these assets and may use them for business purposes, whether to generate income or travel more easily to jobs that pay more. Other assets such as computers, Internet connections, and fixed or mobile phones also enable people to integrate with the information society, enabling them to access and learn necessary skills and improve the quality of life.

9.1. Ownership of durable goods

Fully 95% of households have at least one of the 20 durable assets listed in the UPS questionnaire, with a slightly higher level of ownership in HCMC (97%) than in Hanoi (94.4%). This may reflect income differences, or characteristics of the population, or geographic factors (so, for instance, a warmer climate and more cramped housing might lead to higher demand for air-conditioners or refrigerators).

The percentage of households owning at least one type of durable goods is significantly lower for households with residential registration elsewhere (“migrants”), standing at 87.6% (77.2% for Hanoi and 91.4% for HCMC); by way of contrast, almost all households registered to live in the surveyed cities (“residents”) have at least one durable good. The lower ownership rate for migrants may be due to:

- The uncertain status of their accommodation; households that are renting houses or living in cramped space are less likely to invest in purchasing durable goods;
- The insecurity of housing: Temporary houses, or improvised tents or shacks with poor security, do not allow people to purchase and use valuable assets, including durable goods;
- The low income of some migrants does not allow them to own valuable assets. (The chapter on housing discusses the link between registration status, residential space, housing ownership, and type of housing; and the relationship between registration status, income, and expenditure is presented in the chapter 8 on Income and Expenditure).

Table 9.1 The rate of households with durable assets (%)

	Rate of households with durable assets (%)	Percentage of households with durable assets in	
		Hanoi	HCMC
Total	96.1	94.4	97.0
<i>Registration status, in which:</i>			
Residents	99.8	99.9	99.8
Migrants	87.6	77.2	91.4
<i>5 income quintiles</i>			
Quintile 1	89.6	84.1	93.3
Quintile 2	94.4	93.8	94.6
Quintile 3	97.3	98.1	97.0
Quintile 4	98.6	96.9	99.4
Quintile 5	99.7	99.6	99.7

In terms of quintile, the lowest proportion of households using durable assets lies in quintile 1 (89.6% total for two cities in which 84.1% for Hanoi and 93.3% for HCMC). Apart from this quintile, the proportion of households using durable assets rises considerably and there is little differential among other quintiles. It is also noticeable that the list of durable assets is based on questionnaires including many inexpensive types (gas oven, rice cook, liquidizer and so on).

9.2. Major types of assets

It is informative to examine the types of durable goods owned by households, some of which are purely for consumption, and others that can also serve for production and business purposes.

With this in mind, durable goods can be divided into four major groups:

- Means of transport (cars, motorbikes, bicycles);
- Recreational facilities and activities (video-players, televisions, stereo systems, cameras, video cameras)
- Utilities for family use (refrigerators, air-conditioners, washing machines, water heaters, gas cookers, microwave ovens, blenders)
- Information connections (computers, fixed line telephones, Internet connections, mobile phones)

Means of transport

Three personal vehicles are widely used: motorbikes, bicycles and cars. Motorbikes are one of the most popular durable goods (only after televisions and mobile phones), and the percentage of households with motorbikes is relatively high in both cities, at 77.2% in Hanoi and 78.3% in HCMC; with high rates for residents (91.3%) and households with a male head (91%). Because motorbikes are the main means of transport in the two cities, poor households without motorbikes face difficulties in trading, doing business, or simply looking for a more-distant job with a better income.

Many households own more than one motorbike and for the full sample there were 138 motorbikes for every 100 households. Permanent resident households had an average of 1.7 motorbikes each, compared to 0.6 for migrant households. Even households in the poorest income per capita quintile owned an average of 0.9 motorbikes each, a proportion that rises to 1.35 in the second quintile (and to 1.72 for the richest quintile). We infer from this pattern that ownership for a motorbike is an essential need of the urban poor, and they quickly increase the number motorbikes they own when their income rises even modestly.

Table 9.2: The rate of ownership of means of transport (%)

	Means of transport (%)		
	Motorbikes	Bicycles	Cars
Total	77.9	42.2	3.5
Male	84.8	43.9	4.0
Female	68.6	40.0	2.8
<i>Registration status, in which:</i>			
Residents	91.3	51.8	5.0
Migrants	46.9	19.8	0.0
<i>5 income quintiles</i>			
Quintile 1	63.6	50.6	0.1
Quintile 2	79.5	47.0	1.3
Quintile 3	77.0	49.4	0.5
Quintile 4	76.7	38.1	3.6
Quintile 5	91.0	28.9	10.6

In both cities, car ownership is still unusual, even among better-off households. Just 3.5% of households have cars; they are almost all owned by residents (5.0% own a car) and by those in the highest income quintile (11% own a car). It follows that policies relating to car ownership only affect a very small fraction of urban households, in contrast with policies relating to motorbike use, which touch even households with very low incomes.

Recreational durable goods

Table 9.3: The proportion of ownership of recreational durable good (%)

	Ownership of recreational durable good			
	Video player	Color television	Multi-tier stereo	Video camera, camera
Total	59.3	79.4	27.3	16.9
Male	64.5	84	32.1	17.2
Female	52.2	73.1	20.9	16.4
<i>Registration status, in which:</i>				
Residents	74.5	96.2	35.4	22.7
Migrants	24.0	40.3	8.6	3.3
<i>5 income quintiles</i>				
Quintile 1	43.1	70.3	12.8	2.4
Quintile 2	61.1	83.6	23.8	6.1
Quintile 3	61.7	78.6	25	10.6
Quintile 4	57.3	77.5	27.1	17.3
Quintile 5	71.5	86.3	44.9	42.7

The UPS questionnaire listed four recreational durable goods, namely video players, color televisions, multi-tier stereos, and video cameras/cameras. The most popular of these are color televisions, owned by 79.4% of households, with relatively little variation across income quintiles. Indeed there are 105 color televisions per 100 households.

Video players are less common, and are owned by 59.3% of households. Other types of recreational assets are not as common, probably due to their expense and because they are used less frequently. For these goods there are significant differences across income quintiles. Only 2.4% of the poorest households have a camera or video camera, and 12.8% have a multi-tier stereo; the corresponding ratios in the richest groups are 42.7% and 44.9% respectively.

Family utilities

Most households own a gas cooker (79%) or electric cooker (83.2%). The popularity of these appliances is partly due to the high frequency of use in daily life and their low cost. Washing machines are also common, with 41.9% of households owning one (although just 7.4% of migrant households); there is also a large disparity by income, with those in the highest quintile being four times as likely to own a washing machine (67%) as a household in the poorest quintile (18.8%)

The popularity of water heaters varies a lot in between Hanoi, where 47.1% of households own one, and HCMC, where just 19.1% have one. This presumably reflects the colder winters in Hanoi. Households in Hanoi are also more likely to own an air-conditioner (35%) than in HCMC (20%); this may be because summers in Hanoi are hotter than in HCMC.

Durable goods which are not essential, or have a high value, such as air-conditioners and microwave ovens, have relatively large differences in ownership rate across income quintiles. Generally, migrant households are far less likely to own durable goods than residents; this may be because they change their living places more frequently.

Table 9.4: The proportion of ownership of household appliances (%)

	Some household appliances			
	Refrigerator	Air conditioners	Washing machine	Water heater
Total	60.3	25	41.9	28.4
Hanoi	66.1	35	44.5	47.1
HCMC	57.5	20	40.6	19.1
<i>Registration status, in which:</i>				
Residents	80.6	34.5	56.7	39.5
Migrants	13.2	3	7.4	2.6
<i>5 income quintiles</i>				
Quintile 1	41.6	5.3	18.8	9.9
Quintile 2	61.8	10.4	32.9	18
Quintile 3	62.1	21	39.4	27.6
Quintile 4	58.7	28.5	45.5	29.4
Quintile 5	75.4	53.6	67.6	52.2

Connections with the outside

Communications equipment is increasingly important in daily life. However, besides the costs for installation/purchasing equipment, and monthly costs, households face some other barriers. For instance, becoming a telephone subscriber or connecting to the internet is easier if households are registered to live locally, or have a stable living place.

The survey data show that 87.3% of households have a mobile phone. On average, each household has 1.64 mobile phones. Mobile phones so popular that they reach 70.8% of the poorest households, and there are 110 mobile phones per 100 households in this group. Mobile phone ownership rises with income, and 96.4% of households in the richest quintile own one; this group has 201 mobile phones for every 100 households. However, the gap among income quintiles is relatively small and it cannot be said that together with motorbike, mobile phone is the second typical thing of ownership and using durable assets households in Hanoi and HCMC.

Fixed phones are cheaper to use, but less convenient to use, and they require greater residential stability. Just 54% of households have a fixed line (65.8% in Hanoi, 48.1% in HCMC). A majority (73.7%) of residents has a fixed phone line, but only 8.2% of migrants have one.

Table 9.5: The proportion of ownership of connection with outside (%)

	Connection with outside			
	Computer	Fixed line phone	Mobile phone	Internet connection
Total	37.0	54.0	25.0	87.3
Hanoi	42.4	65.8	31.1	86.6
HCMC	34.3	48.1	22.02	87.6
<i>Registration status, in which:</i>				
Residents	47.7	73.7	32.9	90.2
Migrants	11.9	8.2	6.8	80.7
<i>5 income quintiles</i>				
Quintile 1	13.7	42.1	5.4	70.8
Quintile 2	20.8	52.3	11.8	86.7
Quintile 3	34.9	56.5	19.1	88.7
Quintile 4	41.1	51.8	29.5	91.7
Quintile 5	67.5	65.4	53.1	96.5

Computers are an important means of connectivity, serving for both education/entertainment, and for work. On average, 37% of households own a computer (42.4% in Hanoi and 34.3% in HCMC). There is a wide disparity in computer ownership between the poorest households (13.7%) and richest households (67.5%). There are 15.5 computers for every 100 households in the poorest quintile, compared to 92 for every 100 households in the richest quintile, reflecting a wide “digital divide”.

Internet connection is easier if households have computers and fixed phones although it is not necessary (for example, connection is possible by mobile phone or 3G technologies). Only 25% of households have an Internet connection, which suggests quite large potential demand; the proportion is much higher for residents (32.9 %) than for migrants (6.8%), and larger for households in the top quintile (54%) than in the bottom (5%).

In both cities, most households own at least one durable asset. Even without information on the quality, age, or value of the asset, this shows that most people have at least a modicum of comfort and convenience. Two of the most popular and important assets for people’s life in the two cities are motorbikes and mobile phones, and ownership levels of both are relatively high even among poor households. For assets that are expensive, or are used infrequently, there is a wide disparity in ownership between low- and high-income households.

The data also suggest that the main means of connectivity to the outside is with mobile phones, reflecting their convenience and ease of use. Meanwhile other means of connection may be cheaper, but require the right conditions; for instance, fixed phones are less popular even if they are cheaper, especially for migrant households. Computers and the Internet are good means of connection and also means for learning, working, and recreation, but they are still relatively uncommon outside the most-affluent quintile of households.

Finally, we note that for some assets there are marked differences between Hanoi and HCMC. These differences, for instance in car ownership, are not always easy to explain, and this is a topic that requires further consideration and study.

10. Poverty

One of the most important purposes of the USP-09 is to assess scope and characteristics of poverty in Ha Noi and Ho Chi Minh City, which are the two largest municipal areas in Viet Nam. This section of the report explores the USP-09's dataset to depict the actual living status of citizens on both economic (based on income) and social aspect. On the other words, the analysis uses a multi-dimensional approach in evaluating poverty. This is considered a more comprehensive approach than the one which is based only on monetary dimension (income/expenditure). Particularly in urban areas and when economic growth reaches a certain high level, monetary poverty would be no longer an urgent matter but more attention would be paid to extent and equality in accessing basic social services (education, health, housing, etc.), accessing employment opportunities, participation in social security system, participation in social organizations/activities, etc.

10.1. Income poverty

Measuring poverty based on income and expenditure is a traditional and popular method. Poverty scope and depth are measured by comparing number of people with income/expenditure equal or lower than a poverty line. There are two types of poverty line which are the absolute poverty line (income/expenditure to meet people's minimum needs) and the relative poverty line (average income/expenditure of a nation or an area). In Viet Nam, poverty assessment is officially based on absolute poverty lines identified by the cost-of-basic-needs method, which is mainly based on the cost of a food basket with a minimum acceptable calorie value (about 2100Kcal) and a composition that matches the consumption of poor families plus expenses for essential non-food items¹¹.

The USP-09 consists of information on both income and expenditure of surveyed households and individuals. Yet, this survey collects information on essential consumptions only, not the total consumption. Thus, the measurement of monetary poverty in this report will be based on income. Non-collection of all consumptions also does not allow calculating a poverty line specific for this survey based on its food basket.

Instead, the report applies the following four poverty lines:

- The national poverty lines issued in 2006 converted to 2009 values using proper consumption price indexes (CPIs)¹²:

¹¹ The General Statistics Office of Viet Nam (GSO) is the functional agency responsible for disseminating poverty statistics at national and provincial levels. Data for calculating poverty rate are based on the Viet Nam's Household Living Standards Survey organized once every two years. Official poverty rate is income-based; GSO also calculates expenditure-based poverty rate.

¹² In September 2010, the Government issued the new poverty lines for application in the national poverty census 2010, which were 500,000 VND/person/month for urban areas and 400,000 VND/person/month for rural areas.

	2006	2009
Rural	200,000VND/person/month	398,230VND/person/month
Urban	260,000VND/person/month	308,420VND/person/month

- The international poverty line (readjusted in 2008) of 1.25USD per day per capita, which was equivalent to 4,135,200 VND PPP (Purchasing Power Parity) per person a year or 344,600VND PPP per person a month in 2009.
- The higher international poverty line, used widely in many countries, of 2USD per day per capita, which was equivalent to 6,612,000 VND PPP (Purchasing Power Parity) per person a year or 551,000 VND PPP per person a month in 2009.
- The city-specific poverty lines:
 - o Ha Noi: Urban 6 million VND/perspm/year, rural 3.96 million VND/perspm/year¹³
 - o Ho Chi Minh city: 12 million VND/perspm/year¹⁴

Table 10.1. Income poverty rates by different poverty lines (%) - UPS-09

	2006 National Poverty Line	1.25USD /person/day	2USD /person/day	City- Specific
Overall	0.65	0.65	2.95	9.62
Ha Noi	1.27	1.34	4.57	1.56
TP Ho Chi Minh	0.31	0.29	2.08	13.92
Urban	0.28	0.23	1.68	8.28
Rural	1.69	1.86	6.51	13.42
Migrants	0.54	0.58	3.01*	9.60*
Residents	1.16	1.03	2.64*	9.74*
% migrants in total poor	68.69	72.64	84.41	82.37

* Not statistically significant

Table 10.1 presents very low poverty rates among all groups of population, except for the ones based on the city-specific poverty lines (which are very high in Hochiminh City). If applying the same poverty lines for the two cities, then Ha Noi has higher poverty rates compared to Hochiminh City with all poverty lines; urban poverty rates are lower than rural ones. If using the two lower poverty lines which are the national poverty line and 1.25USD poverty line, migrants suffers from higher poverty than residents. However, if the two higher poverty lines (2USD and city-specific), there is no statistical difference among migrants and residents.

¹³ Applied for the period of 2009-2013

¹⁴ Phase 3 poverty line (2009-2015) in Hochiminh City

Figure 10.1

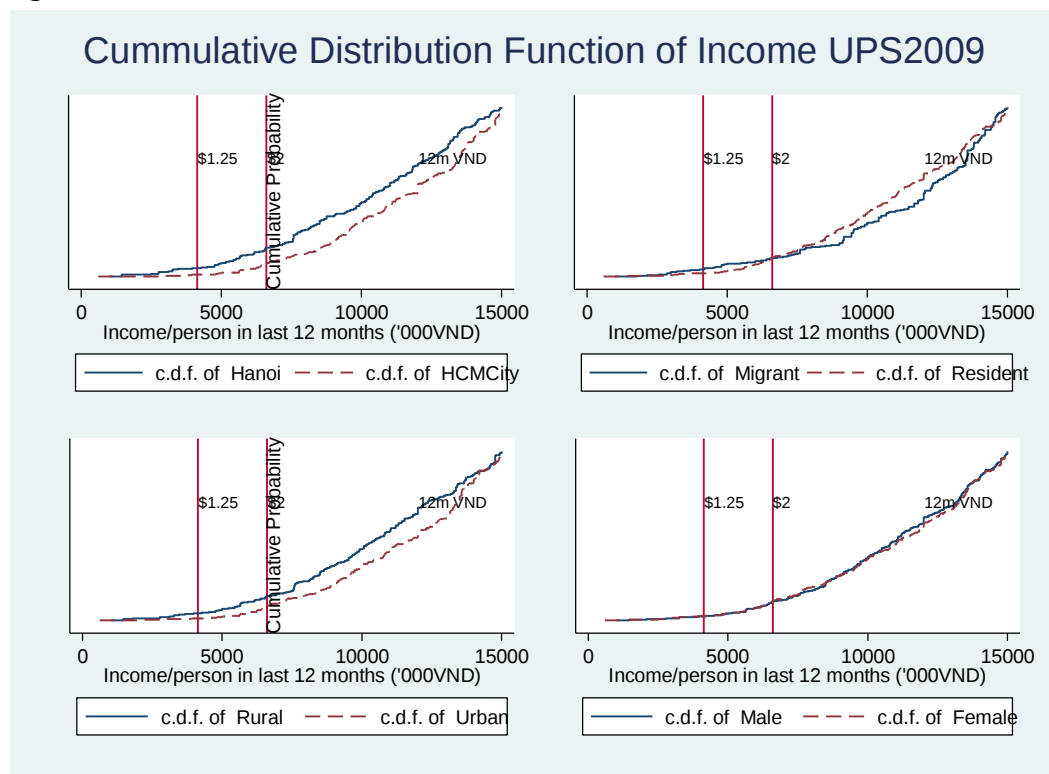


Figure 10.1 shows the left tail of the cumulative distribution functions (CDFs) of the average income per capita over the twelve months prior to the survey. The CDFs presents proportion of population under a certain level of income. This figure includes four small charts showing comparisons of CDFs of two cities, urban and rural, migrants and residents, and male and female. Clearly, Hochiminh City's CDF tail is always below the Hanoi's one, and the urban CDF tail is below the rural one; meaning regardless of poverty lines applied, the poverty rate in Hochiminh City is always lower than in Ha Noi and in the urban areas is always lower than in rural areas. There is almost no difference in poverty rate between men and women; the CDF tails of the two groups are nearly overlapped. If broken down by registration status, the application of lower poverty lines will result higher poverty rates for migrants in comparison with residents; however, if levelling up the poverty lines, the poverty rates in residents tends to be higher than those of migrants; this shows that migrants concentrated more in very low income levels.

10.2. Multi-Dimensional Poverty

According to Sen¹⁵, in order to survive, a human requires minimum spiritual and material needs. Under the minimum level, a human is considered living in poverty. A popular way for evaluating whether a person is living above or below the minimum level is using income variable. The reason why income is used as a measure is that in principle a person with income higher than the poverty line is considered to be able to purchase items which would meet her

¹⁵ Amartya Kumar Sen, an Indian economist

minimum spiritual and material needs. Expenditure is also frequently used as an alternate to income in this monetary poverty evaluation approach.

However, using income/expenditure as the only tool for evaluating poverty shows its limitations. For illustration, a number of important items cannot be bought and do not depend on the amount of money one had, such as public services on education, health, road and other types of infrastructure, social security, etc. Even if income is higher than the poverty line, there is no assurance that that income would be allocated for the minimum needs; instead of spending on education or health care, income can be spent for tobacco/alcohol; or even with sufficient money, one cannot be able to access some basic services due to various barriers. Moreover, a number of important aspects of human life such as integrating into social and community activities, physical safety, social status, etc. cannot be measured by income.

Multi-dimensional poverty evaluation has become more and more popular. Besides the economic dimension, multi-dimensional poverty consists of a series of deprivations which households and individuals may suffer, including education, health, employment, housing, physical safety, etc. Selection of dimensions and indicators measuring deprivations depends on evaluation's purposes and subjects.

In the Vietnam's context, with the high economic growth (of about 7-8% per annual), and the rapid (economic) poverty reduction over the last decade, concerns on social aspects has become more and more. Ensuring a high economic growth rate along with improving social welfare and creating equal opportunities for different groups of population has become the core task. The multi-dimensional approach in poverty assessment is a suitable one, particularly in municipal areas such as Ha Noi and Hochiminh city, where it is very likely that monetary poverty can be eliminated in near future.

There have existed many multi-dimensional poverty measurements, of which Human Poverty Index (HPI) by Annand and Send (1997) can be used as an illustration; together with the Human Development Index (HDI), HPI is presented in the United Nations' Human Development Report (HDR). The 2010 HDR uses a new replacement for HPI, which is the Multi-Dimensional Poverty Index (MPI). This index is developed jointly by the Oxford Poverty and Human Initiatives (OPHI) and the United Nations Development Programme's (UNDP) HDR office based on Alkire and Foster (2007) multi-dimensional poverty methodology. Due to a number of Alkire and Foster (2007)'s advantages such as ability to be broken down by population groups, deprived dimensions/indicators, comparability by time, etc., this report will use this method to evaluate the poverty situation in the two cities.

10.2.1. Methodology

Alkire and Foster (2007) identifies who are poor by looking at some dimensions of life which population could be unmet at their minimum needs or deprived. Then the method aggregates these kinds of information to reflect the poverty situation by different disaggregation.

Firstly, deprived dimensions and measurement indicators of each dimensions need to be selected. Then, coming to the identification of poverty threshold, under which people are

considered deprived. For example, one dimension is “access to education service”, then a possible indicator could be “highest diploma” and the threshold would be “completion of primary education”, within-age people without a primary diploma would be counted as education deprived.

Afterward, a headcount index is calculated for each dimension:

$$H=q/n$$

Of which, q is the number of people deprived from the dimension and n is the total number of people. However, if using only the headcount then one can only analyze each dimension separately and the headcount will not change when a person suffered more deprivations. Moreover, the headcount cannot be disaggregated by dimension. Therefore, a group of other measurements needs to be used to overcome the above disadvantages.

The Alkire and Foster method uses a group of indicators (M_0, M_1, M_2) as the measures. M_0 is the adjusted headcount showing both scale and intensity of poverty:

$$M_0=H*A$$

Of which, A is the average poverty gap, showing the average number of deprivations one suffered. In the calculation, different weights could be applied to different deprivations to imply different importance levels of the dimensions in people’s life.

M_1 and M_2 are extended indicators. M_1 showed scale, intensity and depth of poverty. M_2 shows scale, intensity, depth and inequality among the poor. The calculation of M_1 and M_2 needs continuous variables.

This report uses H and M_0 for the analysis (due to all selected indicators are the binary variables).

10.2.2. Selection of deprivation and indicators for multi-dimensional poverty assessment

The selection of deprivation dimensions, measurement indicators and poverty lines for poverty assessment in this report is based on the following criteria:

- Millennium Development Goals (MDGs)
- Current laws (for example: law on primary education universalization, law on health insurance, law on social insurance, etc.)
- Development policies of Ha Noi and Hochiminh City (for example: policies on housing area)
- Reality of social and economic life in Viet Nam’s urban areas
- UPS-09 available data

The multi-dimensional poverty is defined to include both social and economic dimensions. There are eight dimensions with selected indicators as followed:

Dimensions	Indicators and Poverty Lines
1. Income	- Average income per capita per year < 6,612,000VND (*)
2. Education	- Schooling age >=18 but without lower-secondary diploma - Schooling age from 6 to <18 currently not in school
3. Health	- No health insurance due to lack of money or registration or didn't know about health insurance or didn't know where to buy, and - Did not benefit health insurance from labor owners
4. Access to social security	- Did not receive any benefit from work: severance allowance, delivery/illness benefits, pension, accident insurance, death gratuity, and - Did not receive pension, regular social allowance, and - Lived in a household with all members with the two above characteristics
5. Housing quality and area	- House type: temporary, or - Roof: leave/thatch/oil-paper, or - Wall: dirt/lime/thatch, bamboo wattle/bamboo screen/plywood, or - Floor: clay/earthen, or - Toilet: toilet directly in the water or no toilet, or - Area per person less than 7m ²
6. Housing services	- Main source of drinking water: without tap water (either separate or shared) or seriously polluted water source, or - Electricity: not linked to the national gridline or serious electricity outage/cut-off or serious voltage variation, or - Garbage: not collected or serious pollution due to uncollected garbage, or - Water sewage drain: no sewage drain
7. Social inclusion	- No participation on any social, political organizations, and - No participation in any social activities in resident areas
8. Physical Safety	- Living in areas with serious or medium levels of theft/robbery or social evils

(*) Using the poverty line of 2 USD/day/person for both cities

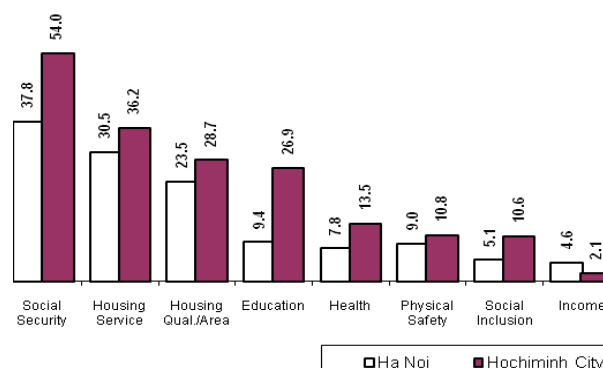
A number of other poverty dimensions are mentioned in literature such as good employment, empowerment, self confidence, comfortable spiritual life, etc. However, data sources are usually not available for these dimensions. UPS-09 neither has such kinds of data.

In this report, 8 deprivations are weighted equally.

10.2.3. Sigle Dimensional Poverty – Poverty Headcount

Figure 10.2 presents the poverty rate for each dimension in the two cities. According to the figure, the order of deprivation is the same in the two cities with the highest poverty rate for access to social security and the lowest poverty rate for income. Although only 4.6% and 2.1% in Ha Noi and Hochiminh city are living below the income poverty line, there are more than one third of population in the two cities who did not enrol in social security networks and are living in insufficient quality and area dwellings.

Figure 10.2. Poverty Headcount (H) by Deprivation Dimension (%), by city



Although the education deprivation ranks fourth in the two cities, there is a clear distinction regarding the scale: while 9.8% of Ha Noi population do not get lower-secondary universalization or are in schooling ages but not in school, in Hochiminh City there are more almost 27% of population in this category.

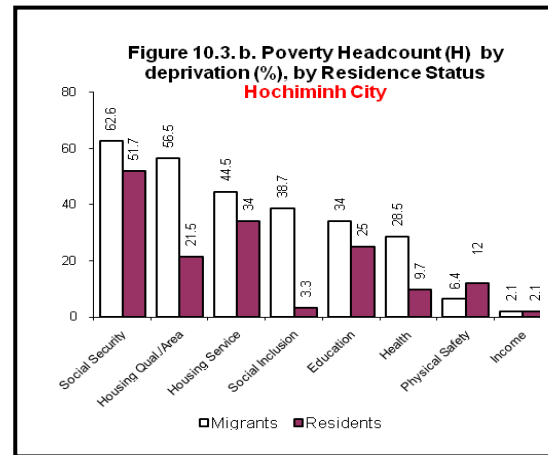
Noticably, if considering the monetary aspect (income), Ha Noi has a higher poverty rate than Hochiminh city (4.6% compared to 2.1%); but if considering the social aspect, Ha Noi has lower poverty rates in all deprivation dimensions, of which some are much lower.

It is clear that development of social security system, provision of electronic, water, sanitation, improvement of housing quality and area and improvement of access to education services are the most important focused in the two cities, especially in Hochiminh city.

Further analysis on poverty rates by residency status and urban/rural areas shows interesting results which are meaningful for policy formulation for different targeted population.

Migrants and Residents in Ha Noi

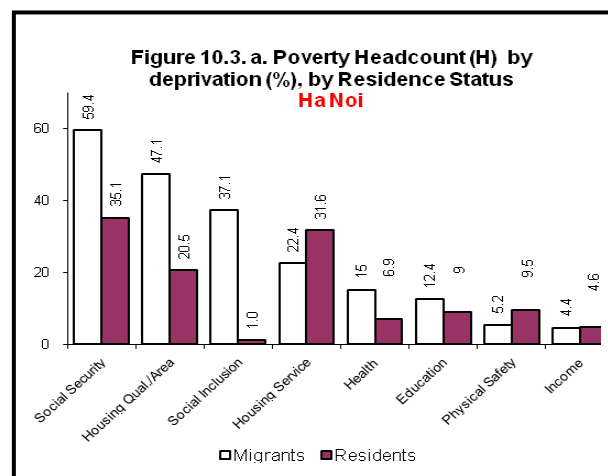
Figure 10.3.a presents the poverty headcounts (H) of Ha Noi by migrants and residents. Within the residents, the most deprived dimensions are social security, housing quality/area, social inclusion and housing services. Moreover, these deprivations are at high levels. Except for the deprivation on housing services, migrants had higher poverty headcounts than residents in three other deprivations. Particularly, there is a big difference in the social inclusion dimension among these two groups; this dimension's deprivation ranks eighth in the resident group with only 1% of the resident population deprived but ranks third in the migrant group with up to 37% of population deprived. There also a big gap in the proportion of population without health insurance between migrants and residents. There is almost no difference in the income deprivation among the two groups.



Migrants and Residents in Hochiminh City

In Hochiminh City, migrants are deprived at high levels in many dimensions (see Figure 10.3.b). The same as in Ha Noi, the most deprived dimensions are social security, housing quality/areas, housing services, and social inclusion; however, the deprivation levels are much higher than those in Ha Noi. The education and health deprivations are also at high levels. 34% of migrants over 18 years old are not graduated from lower-secondary education or in schooling age but not in school; and 28.5% of migrants do not have health insurance. Migrants are deprived more than residents in most of the dimensions.

Different from Ha Noi where residents had the education deprivation ranked fifth, in Hochiminh city, this deprivation ranked third at 25% (or one quarter of the resident population), even at a higher level than the housing quality/area deprivation.



Noticeably, in the both cities, residents have a higher level of the housing service deprivation than the housing quality/area deprivation; which means a large proportion of residents have been not provided with proper electronic, water, sewage drain services, even when their dwellings have an acceptable quality or area. In the case of migrants, the housing quality/area deprivation is higher than the housing service one; both of these deprivations

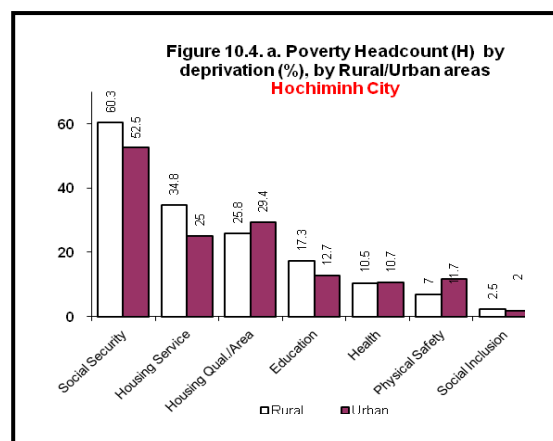
are at high levels, though.

Urban and Rural People in Ha Noi

As presented in Figure 10.4.a, in general, the rural people suffer more deprivations than the urban people in most of the dimensions, except for physical safety and social inclusion.

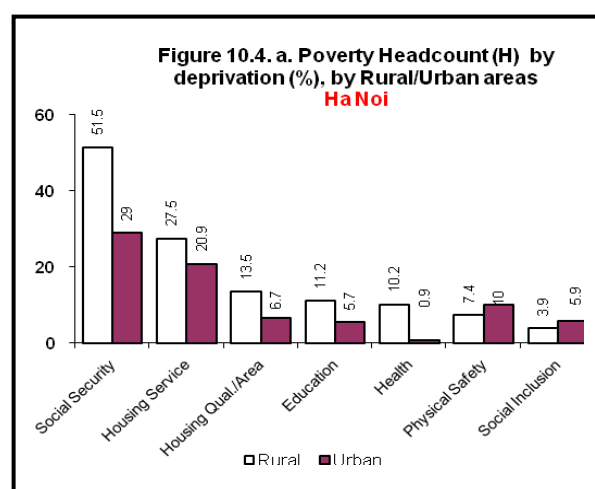
If in Ha Noi, there are more than 30% population deprived of housing services as stated in Figure 10.2, it seems that most of these deprived people are living in the rural area with more than 70% of population having lack of access to proper electricity, water, sewage drain (ranked first among deprivations); meanwhile, only 5% of the urban population are deprived (ranked seventh among deprivations). Similarly, the income poverty mostly concentrated in the rural area with more than 10% of the population deprived; while only nearly 1% of the urban population are income deprived.

In the rural Ha Noi, the social security and housing quality/area deprivations are ranked second and third following the housing service deprivation. There are also about 10% of the rural population deprived of education and health service.



Rural and Urban Population in Hochiminh City

Disaggregation of the population in Hochiminh City by rural/urban area gave a different picture than what could be seen in Ha Noi. Within the rural population group, housing service and social security are still the top deprivations, and unlike Ha Noi, the education deprivation of Hochiminh's rural people is very high, up to 34.8% and ranked third. Among the urban people, the social deprivation ranked first, followed by the housing quality/area deprivation. The education deprivation also ranks third. Unlike Ha Noi, the income deprivation is not much different among rural and urban population in Hochiminh City (2.5% and 2% respectively).



10.2.4. Combination of Poverty Dimensions – Multi-Dimensional Poverty

Table 10.2 shows the poverty headcount (H) and adjusted poverty headcount (Mo) of the two cities by different k values. Here, k is the minimum number of dimensions of which one is deprived. As stated in the previous part, this report analyzes eight deprivation dimensions; thus, the maximum value of k would be eight.

For example, in Ha Noi, the headcount $H=0.67$ with $k=1$ shows 67% of Ha Noi's population are deprived of at least one dimension.

Table 10.2. Poverty Headcount and Adjusted Poverty Headcount, by City

k	Ha Noi			Hochiminh City		
	Poverty Headcount (H)	Adjusted Poverty Headcount (Mo)	Average Number of Deprivations	Poverty Headcount (H)	Adjusted Poverty Headcount (Mo)	Average Number of Deprivations
1	0.67	0.14	1.9	0.82	0.20	2.2
2	0.36	0.11	2.7	0.54	0.17	2.9
3	0.15	0.06	3.6	0.28	0.12	3.7
4	0.06	0.03	4.4	0.12	0.06	4.5
5	0.0214	0.0123	5.2	0.0464	0.0273	5.3
6	0.0036	0.0024	6.0	0.0107	0.0072	6.1
7	0.0000	0.0000	7.0	0.0010	0.0008	7.0
8	0.0000	...	...	0.0000	...	...

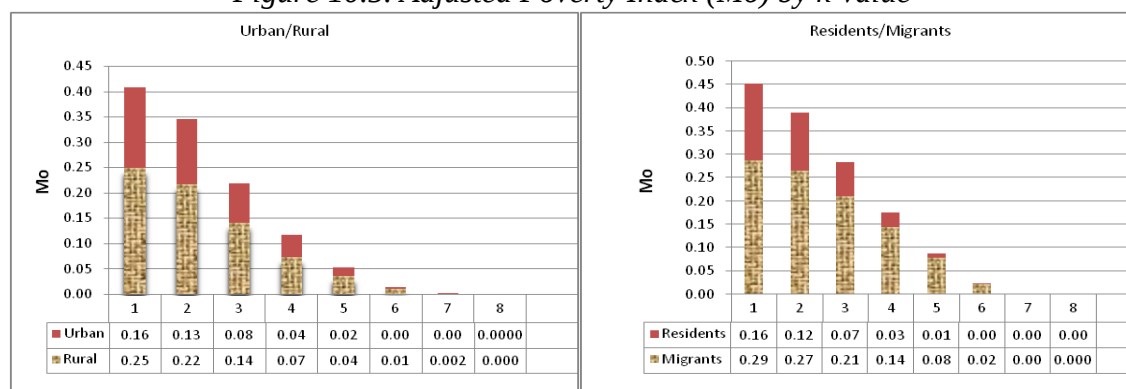
The results shows H and Mo are higher in Hochiminh City for all values of k. 67% of Hanoi population are suffering at least one deprivation with the average number of deprivations of 1.9 resulting in the Mo of 0.14; the respective figures for Hochiminh City are 82% (H), 2.2 deprivations and 0.2 (Mo). About one third of Ha Noi population suffers from at least 2 deprivations, meanwhile the number for Hochiminh City is more than one half. H and Mo declines when k increases. Few people in the two cities' samples are suffering up to seven deprivations.

The above analysis of poverty rates by number of deprivations provides useful information in the following two ways:

- First, the analysis clearly presents that, even if only assessing poverty based on a single dimension (income or one other dimension), people who are considered poor in one dimension are suffering other deprivations. In this survey, if $k=1$ then on average people are suffering about two deprivations.
- Second, analysis based on different k values helps policy makers choose a certain value of k as a multi-dimensional poverty standard for identifying targeted policy beneficiaries. For example, policy makers may want to select k-value equal to 3 as the poverty standard, meaning people with 3 or more deprivations will be considered poor and will be targeted in poverty reduction programmes; with $k=3$, in Ha Noi, the multi-dimensional poverty rate will be 15% and the multi-dimensional poverty index is 0.06; the respective figures for Hochiminh city are 28% and 0.12. The multi-dimensional poverty index (MPI) in the HDR 2010 is calculated with the k-value of 30% of total deprivations; in other words, one is considered multi-dimensional poor if deprived 30% of the total deprivations.

Mo index is also calculated separately for the rural and urban areas and for migrants and residents of the two cities at different k-values. (As the Mo patterns of the two cities are very similar, the report does not calculate Mo for urban and rural areas of each city separately). The results are presented in Figure 10.5.

Figure 10.5. Adjusted Poverty Index (Mo) by k-value



Mo in the rural area is much higher than in the urban area in the two cities (0.25 compared to 0.16 if k=1). Noticeably, the difference in Mo is increased when k increases. Migrants have Mo=0.29 when k=1, which is a very high level of multi-dimensional poverty. Meanwhile, residents have Mo of 0.16 only. Similarly, the difference in Mo of migrants and residents is increased when k increases: migrants' Mo is 1.8 times higher than residents' Mo when k=1, 2.3 times when k=2, 3 times when k=3, 4.7 times when k=4, etc. This means the proportion of migrants is higher in the population groups with more deprivations.

Contribution of Each Dimension to Multi-Dimensional Poverty Index Mo

So, how much does each dimension contribute to the overall multi-dimensional poverty? This question could be answered by disaggregating Mo index into different dimension; this is exactly one of advantages of the Alkire and Foster method. Figure 10.6 showed Mo of the two cities at different k-values and grouped into 8 deprivation dimensions. In the both cities, three dimensions which contribute most on the Mo are social security, housing services (electricity, water, sewage drain, garbage disposal, etc.) and housing quality/area. In Hochiminh city, the education dimension also contributes a significant part.

Figure 10.6. Contribution of Dimensions to Adjusted Headcount Poverty Rate Mo, by City

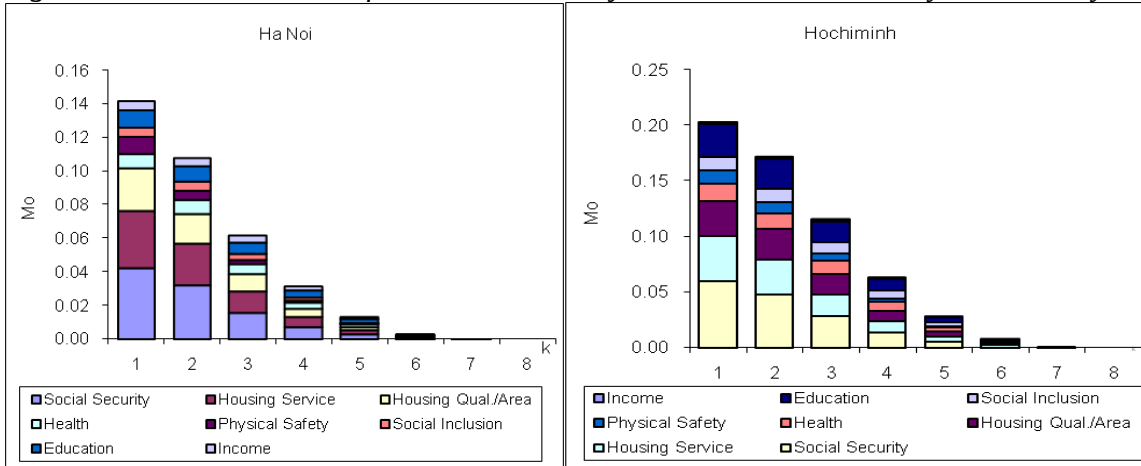
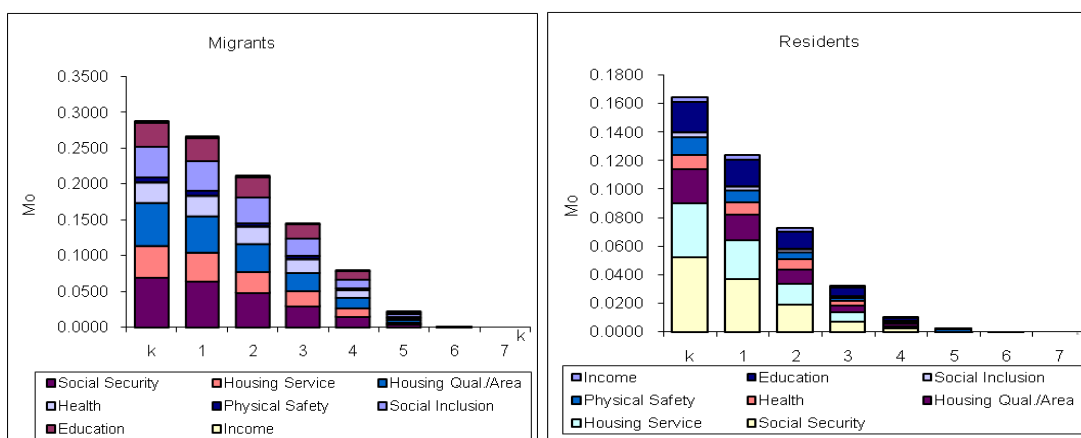


Table 10.3 provides more detailed information on percent contribution of each dimension to the overall multi-dimensional index Mo. In Ha Noi, when k=1 then the social security dimension contributes 30% to the overall deprivation, followed by the housing service dimension with 24%, then followed by the housing quality/area deprivation with 18%; the education, physical safety, and health, each contributes about 7%; and finally, the social inclusion and income contributes least. A similar contribution pattern is found in Hochiminh city. As k-values increases, in Ha Noi, contribution of the social security, housing services, housing quality/area, and physical safety dimensions decreases; however, that of the education, health and income dimensions strongly increases. Meanwhile, in Hochiminh city, contribution of housing quality/area and education is almost unchanged if k is changed. The same is found for the income dimension; this transparently reflects that the income is not an important dimension to tell about the multi-dimensional poverty situation in Hochiminh city (low poverty rate, small contribution, and unchanged when the number of deprivations increases). Study on variation of dimensions' contribution subjected to different values of k is very useful in identifying poverty standards and focus of poverty reduction programmes.

Separate analysis for migrants and residents shows two different patterns of contribution. For migrants, the social security dimension is still a top contributor (with 25% contribution when k=1, 2, or 3), followed by the housing quality/area dimensions (with about 20% when k=1 to 5). Noticeably, for migrants, the social inclusion dimension ranks fourth and contributes as much as the housing service dimension. The education and health dimensions contributes about 10% each when k=1 and the contribution increases when k increased. Income is not an important dimension and does not change much when k increases.

Figure 10.7. Contribution of Dimensions to Adjusted Headcount Poverty Rate Mo , by Migrant/Resident



For residents, four top contributors to the multi-dimensional poverty index are social security, housing services, housing quality/area and education. Participation in social organizations/activities (or social inclusion as defined in this report) does not contribute much to the MPI, which is equal to only 2% when $k=1$. This is the biggest difference between the residents and the migrants. The health deprivation contributes about 6% and significantly increases when k -values are raised.

Table 10.3. Contribution of Poverty Dimensions to Mo (%)

Ha Noi									
k	Mo	Social Security	Housing Services	Housing Quality/ Areas	Educ.	Phys. Safety	Health	Social Inclusion	Income
1	100.0	29.6	23.9	18.4	7.4	7.0	6.1	4.0	3.6
2	100.0	29.5	23.2	16.5	8.4	4.8	7.9	5.1	4.6
3	100.0	24.2	21.0	16.6	11.1	3.6	10.2	6.3	7.1
4	100.0	21.5	19.2	16.0	13.9	3.8	11.3	5.8	8.5
5	100.0	19.0	18.1	17.1	15.7	4.7	12.1	4.2	9.2
6	100.0	16.7	16.1	14.2	15.7	4.5	16.3	4.3	12.3
7	...	...	...	...	...	...	...	...	...
8	...	...	...	...	...	...	...	...	...
Hochiminh City									
k	Mo	Social Security	Housing Services	Housing Quality/ Areas	Educ.	Health	Phys. Safety	Social Inclusion	Income
1	100.0	29.5	19.8	15.7	14.7	7.4	5.9	5.8	1.1
2	100.0	27.7	18.4	15.8	15.8	8.5	5.8	6.7	1.3
3	100.0	24.7	16.9	15.4	16.7	10.7	5.4	8.7	1.5
4	100.0	21.0	16.6	15.9	16.1	12.6	5.1	11.3	1.4
5	100.0	18.5	16.3	17.0	16.1	14.5	3.8	12.7	1.2
6	100.0	16.4	15.4	16.3	16.0	16.1	3.9	13.6	2.4
7	100.0	14.3	14.3	14.3	14.3	14.1	10.9	6.7	11.3
8	...	...	...	...	...	...	...	...	...
Migrants									
k	Mo	Social Security	Housing Quality/ Areas	Housing Services	Social Inclusion	Educ.	Health	Phys. Safety	Income
1	100.0	24.0	21.1	15.3	14.9	11.3	9.9	2.4	1.0
2	100.0	24.0	19.4	14.9	15.7	11.9	10.6	2.4	1.1
3	100.0	22.8	18.0	14.0	17.1	13.1	11.5	2.3	1.2
4	100.0	20.7	17.6	14.8	16.9	13.5	12.9	2.5	1.2
5	100.0	18.5	17.8	15.9	15.3	15.1	14.1	1.9	1.2
6	100.0	16.5	16.4	15.6	16.5	16.0	16.0	1.0	2.0
7	100.0	14.3	14.3	14.3	14.3	14.3	13.8	6.9	7.9
8	...	...	...	...	...	...	...	...	...
Residents									
k	Mo	Social Security	Housing Services	Housing Quality/ Areas	Educ.	Phys. Safety	Health	Social Inclusion	Income
1	100.0	31.6	23.0	14.7	13.2	7.7	6.0	1.7	2.1
2	100.0	30.0	21.7	14.4	14.9	6.9	7.4	2.1	2.6
3	100.0	25.7	20.2	14.2	16.9	6.7	10.0	2.6	3.6
4	100.0	21.6	19.5	14.3	17.7	7.1	11.7	3.7	4.5
5	100.0	18.6	17.9	15.6	17.4	7.3	13.8	4.0	5.3
6	100.0	16.3	15.2	15.3	15.8	9.5	16.3	4.1	7.4
7	100.0	14.3	14.3	14.3	14.3	14.3	14.3	0.0	14.3
8	...	...	...	...	...	...	...	...	...

Correlation among Deprivation Dimensions

A possible analysis which is useful for policy making is to examine correlation among the dimensions. This kind of analysis provides information on the dimensions which much correlates with other dimensions so that policy targeting on one dimension can create impact on the other dimensions. Particularly, this analysis also help to test one assumption that income strongly correlates with other dimensions for which policies to improve income will have positive impacts on other dimensions.

Correlation coefficient Kendall Tau b is used in the analysis (due to the binary form of the used variables). The correlation results for the two cities are presented in Table 10.4.

Table 10.4. Kendall Tau b Correlation Coefficient

Ha Noi	Income	Social Security	Housing Service	Housing Qual/Area	Health	Phys. Safety	Social Inclusion
Social Inclusion	0.1243*						
Housing Services	0.2129*	0.1611*					
Housing Qual/Area	0.1157*	0.2093*	0.0949*				
Health	0.0852*	0.3109*	0.0874*	0.1379*			
Phys. Security	0.0433*	0.0627*	-0.0372	-0.0670*	-0.0396		
Social Inclusion Education	0.0528*	0.3018*	0.0003	0.3602*	0.2064*	0.0486*	
	0.1403*	0.1556*	0.1370*	0.0918*	0.1921*	0.0140	0.0900*
Ho Chi Minh City	Income	Social Security	Housing Service	Housing Qual/Area	Health	Phys. Safety	Social Inclusion
Social Inclusion	0.0864*						
Housing Services	0.0311	0.0853*					
Housing Qual/Area	0.0686*	0.0910*	-0.0111				
Health	0.0845*	0.2770*	0.0869*	0.1329*			
Phys. Security	-0.0148	0.0097	-0.0162	0.0387	-0.0332		
Social Inclusion Education	0.1042*	0.2732*	0.0347	0.3252*	0.2776*	0.0628*	
	0.0588*	0.2160*	0.0791*	0.1169*	0.2229*	0.0012	0.1726*

* Significant level at 95%

According to Table 10.4, most of the coefficients are significant at 95%. In general, the correlation among income and the other dimensions is stronger in Ha Noi than in Hochiminh City; the highest correlation coefficient is 0.21 between income and housing services, followed by 0.13 between income and education. However, on overall, these coefficients are small. In Hochiminh city, there are almost no correlation between income and the other dimensions.

Therefore, policies which target the income poor may not be able to target other dimensions. Social security seems to have highest correlations with a number of the other dimensions. Surprisingly, following social security, social inclusion is the second dimension in terms of correlation with the other dimensions (health, housing quality/area, social security) in the both cities. This partially means that influence on the social participation can reach different population groups who are suffering the other dimensions.

10.3. Summaries of Results

The poverty analysis in this report uses two approaches which are the traditional one using income and income poverty line and the new one using the multi-dimensional poverty method (including both economic and social aspects). The main findings are summarized below:

- The income poverty rate is very low in the two cities and Hochiminh city has the lower poverty rates than Ha Noi for all poverty lines used. Rural areas always have the lower poverty rates than urban areas of the both cities. Migrants have the higher poverty rates than residents at the low poverty lines; however if poverty lines are raised to higher levels, there is not much difference in the income poverty rate of these two groups.
- Although being richer in terms of income (with a lower income poverty rate), Hochiminh city has the higher poverty rates for all the social poverty dimensions.
- In the both cities, four top deprivations are access to social security, access to proper housing services (including electricity, water, sewage drain, and waste disposal services), access to dwellings with proper quality and area, and access to education services. For Hochiminh City, the lack of health insurance is an issue to which the city needed to pay attention when 13.5% of the city's population do not have health insurance.
- In the both cities, rural people and migrants deprivates more in all the dimensions than urban people and residents. Noticeably, migrants' deprivation in participation in social organization and activities (i.e. lack of social inclusion) is at a very high level and much higher than the deprivation among residents.
- The income poor in Ha Noi mainly concentrate in the rural areas with a high level of 10%; meanwhile the income poverty rate is only 1% in the urban areas of Ha Noi.
- The multi-dimensional poverty indexes are higher in Hochiminh city than in Ha Noi, in rural areas than in urban areas, and in migrants than residents. Especially, the index is very high ($Mo=0.29$) for migrants with at least one deprivation. Moreover, the proportion of migrants is higher for population groups with higher number of deprivations.

- In the both cities, three top contributors to the multi-dimensional poverty index (Mo) are deprivations in social security, housing services and housing quality/area. In Hochiminh city, the education deprivation also contributes a considerable portion to the multi-dimensional poverty index.
- It turns out that income is not at all an important dimension reflecting the multi-dimensional poverty situation in Hochiminh city since deprivation in income is really minor and contributes an insignificant part to the overall multi-dimensional poverty, as well as is unchanged when the number of deprivation increases.
- Among migrants, social security is still a top contributor to the overall multi-dimensional poverty, followed by housing quality/area. Noticeably, migrants are really facing obstacles in participating in social organizations and activities. However, income is not an important dimension and the importance also does not change when the number of deprivation increases.
- Among residents, the top four contributors to the multi-dimensional poverty is social security, housing services, housing quality/area and education. The social inclusion contributes almost nothing to the overall poverty.
- Income does not correlate much with the other poverty dimensions. Instead, social security and social inclusion are the dimensions which most correlate with the other dimensions.

The above results strengthen our prejudgement that for Ha Noi and Hochiminh city, poverty reduction based only economic criteria (e.g. income/expenditure) does not seem to be relevant. The multi-dimensional approach appears to be more suitable, in which people's living standards are measured based on a number of economic and social dimensions. Poverty reduction programmes/policies will be better formulated using this multi-dimensional approach. The survey results suggest a number of areas to which the city should pay more attention which are strengthening the social security system, improvement of housing services, increase of housing quality and areas, as well as improvement of education system and lower-secondary education universalization. Migrants without registration in the two cities accounts for a large proportion of the poor; long-term strategies and policies are needed to help migrants escape from deprivation in basic living conditions.

The report's results on multi-dimensional poverty can be used to select a number of prioritized deprivation dimensions which contributes mainly on the overall poverty to concentrate the cities' efforts. The selection of prioritized dimensions can be different among the cities, between urban and rural areas, or among various population groups (e.g. migrants verse residents), and used as a base for budget allocation for different sectors and locations. The report's results and methodology can be used also for identifying targeted population of poverty reduction programmes by defining the minimum number of deprivations for which a person would be considered poor. This minimum number can be selected at a low level to cover more people or can be set at a higher level to include only people who are very poor (in multi

dimensions) into the policy targeted groups. The selection totally depends on localities' poverty reduction strategies and possible budget.

This report introduces a methodology to assess poverty based on a multi-dimensional approach and selects eight deprivation dimensions with relevant indicators and poverty lines. The UPS-09 dataset is used as a baseline survey. In the future, to refine the methodology, the two cities will need to have deeper studies on possible and proper dimensions, indicators, and poverty lines, as well as a sustainable and reliable methodology for monitoring and evaluating the urban poverty.

11. Coping with Shocks and Risks

In 2009, the world economic slowdown had a direct impact on the economy of Vietnam. Many manufacturers had to reduce costs, and many workers were laid off or their contracts were ended. In 2008 and 2009, the increasing prices for raw materials for production, and consumer goods, had a special impact on the poor – the most vulnerable group in society. The poor in urban areas were affected by unstable jobs and low incomes, while prices for food and other essential needs remained high by historical standards. Many people said that they had to reduce expenditure, sell assets, or reduce spending on education, in order to solve the problem.

In order to tackle urban poverty effectively, one needs to understand thoroughly the risks and shocks that affect the poor, and the ways they cope so as to reduce the impact of these shocks. This assessment can help one develop measures that can minimize the risks for the urban poor.

11.1. The risks that people faced

The risks that households face may be divided into three broad categories: (i) those due to natural and biological disasters; (ii) those due to economic shocks; and (iii) those due to internal reasons, such as illness.

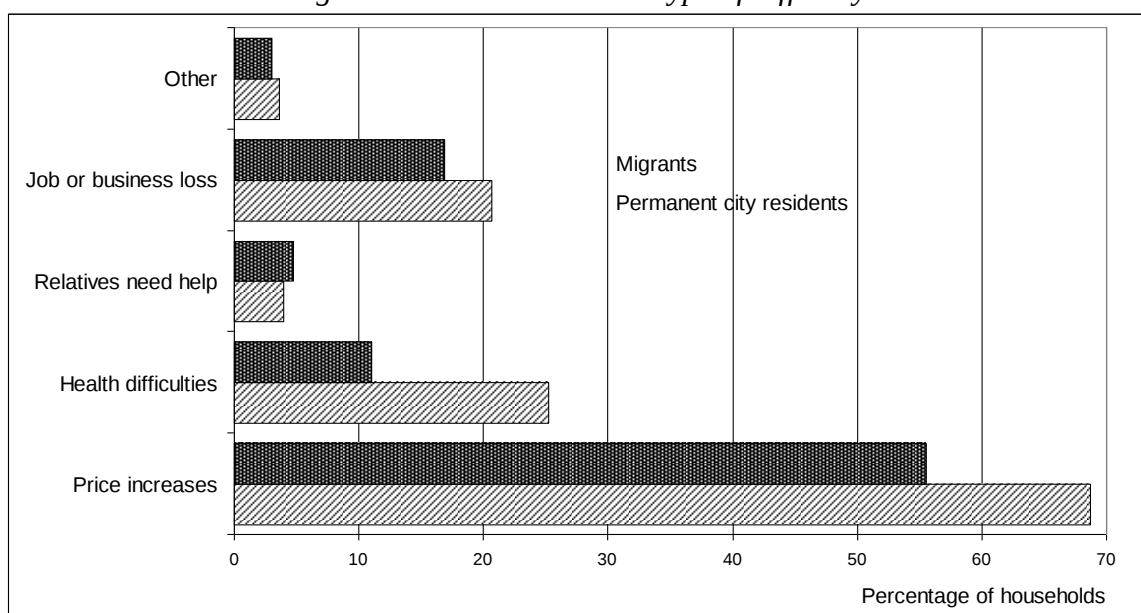
In 2009, at a time when the world economy was in recession and economic growth in Vietnam had slowed down, high prices for food and essential goods were the most common problems reported by citizens in Hanoi and HCMC, residents and migrants alike. Broadly, more households reported having difficulties of one type or another in the 12 months prior to the survey in Hanoi (74.8%) than in HCMC (59.8%).

Among those reporting difficulties, by far the most commonly-mentioned source of trouble was higher prices for food and essentials – mentioned by 64.8% of all households, and more widely reported by households with low and middle-level income (from 68% to 70%) than households with above-average and high income (from 54% to 66%). The proportion of households facing difficulty with higher consumer prices did not vary widely, although it seemed to rise somewhat with the age of the head of the household, and was apparently a bigger problem for permanent city residents than for migrants, as Figure 11.1 shows.

Health problems were the second most important issue that people reported facing. Overall, 21% of households/individuals faced health difficulties in the last 12 months. However, the prevalence of health problems rises steadily with the age of the household head, and is reported by 38% of households where the head is 60 or older. It is revealing that the reported incidence of health problems among permanent city resident households (25.2%) is more than twice as high as among migrant households (11.0%), perhaps because the latter households are on average younger, and smaller (so there are fewer members to fall ill).

Natural disasters and epidemics were not seen as major risks in either city: the proportion of households reporting such problems was 1.7% overall, which breaks down into 3.4% for Hanoi and 0.9% for HCMC. Natural disasters and diseases were also of more concern of people aged 55 or above (3.1%) compared with other groups.

Figure 11.1. Proportion of households reporting difficulties in the past 12 months, by registration status and main type of difficulty.



The third greatest source of difficulty is a business slowdown, mentioned by 11.1% of households. This is a greater problem in HCMC (13.8%) than Hanoi (5.5%), and is somewhat more serious among permanent city residents than migrants, and among high-income than low-income households. Business problems disproportionately hit those with just a primary education, and households whose heads are in their prime working years (i.e. aged 40-49).

Apart from price increases and health problems, people in Hanoi faced delays in payment of income, natural disasters and epidemics, and family members in trouble, while people living in HCMC faced more difficulties with business slowdowns and job losses, as Figure 11.2 shows.

Not surprisingly, households with fewer members have fewer overall difficulties than larger households, as Table 11.1 makes clear. The percentage of households having difficulties in

the last 12 months in households with 1 person was 62.3%, rising in households with 3 persons to 76%, in households with 4 persons to 80.8%, and in households with 5 persons to 81.1%.

The problem of rising prices was more serious for large households – it is mentioned by 81% of households with five or more members, but by just 50% of single-member households. Unexpectedly, the proportion of single-person households reporting that they have members in trouble or needing help is higher than in the other groups, even though one would expect larger families to have more members potentially needing help. Most single-person households consist of individuals and migrants; they come to city to work and have to support for their relatives in their hometowns.

Large households are the ones most likely to be affected by natural disasters. This may reflect the more crowded conditions under which they live.

Figure 11.2. Proportion of households reporting difficulties in the past 12 months, by city (HCMC or Hanoi) and main type of difficulty.

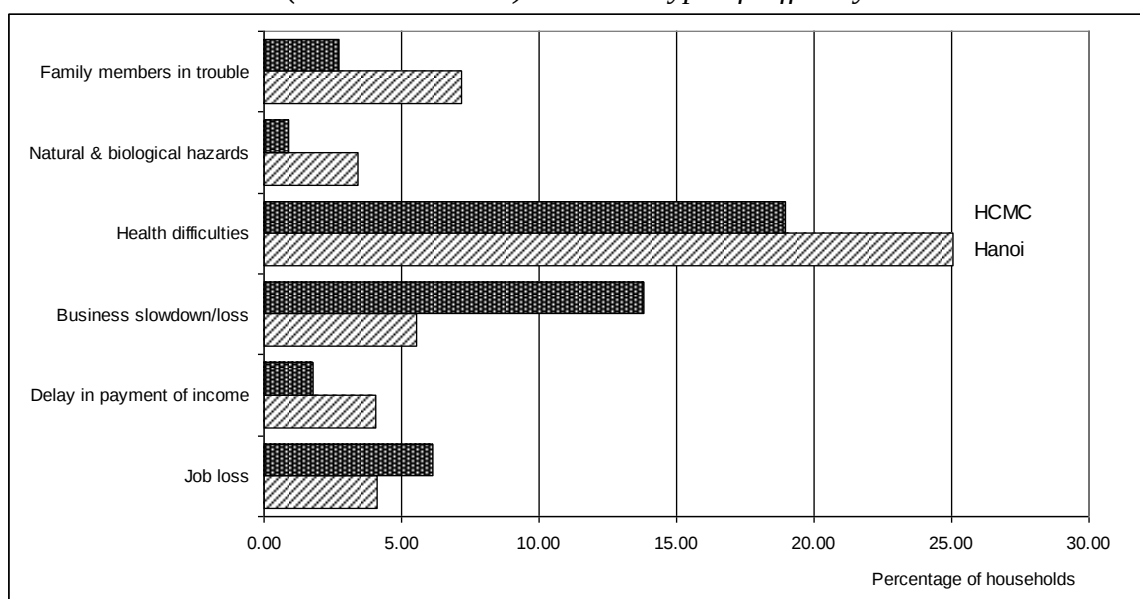


Table 11.1. Percentage of households reporting difficulties in the last 12 months, by household size and type of difficulties

	Total	Number of dependents living in household				
		1	2	3	4	5 or more
		<i>percentages</i>				
Total	75.1	62.3	78.5	76.0	80.8	81.1
<i>Types of difficulties</i>						
Increase in food and consumer prices	64.8	50.3	65.6	66.1	70.7	73.3
Job loss	5.4	6.5	1.6	5.7	4.7	6.9
Non-payment or delay in payment of income	2.6	2.5	1.2	2.9	2.4	3.2
Collapse of business/bankruptcy	0.5	-	-	0.5	1.3	0.3
Business slowdown/loss	11.1	3.3	16.3	11.4	14.0	13.7
Lost or reduction of remittances	0.5	0.2	0.2	1.6	0.3	0.1
Health difficulties	21.0	10.9	27.8	18.8	23.1	28.6
Natural and biological hazards	1.7	2.0	0.6	1.2	1.5	2.8
Members of family in troubles and need help	4.2	5.0	3.9	3.3	4.0	4.4
Other difficulties	1.2	1.3	1.6	1.5	0.7	1.1

Source: Urban Poverty Survey, 2009.

The proportion of households having difficulties is also related to the number of dependents living in households. Households with fewer dependents would be expected to have fewer difficulties, and this is confirmed by the numbers shown in Table 11.2. By far the commonest problem was rising prices, reported by 58% of single-person households, and by 79% of households with four or more dependents. Job losses were also of particular concern to households with many dependents, and health problems were twice as common for households with multiple dependents as they were for those living alone.

Table 11.2. Proportion of households reporting difficulties in the last 12 months, by number of dependents and type of difficulty

	Total	Number of dependents living in household				
		None	1	2	3	4 or more
		<i>percentages</i>				
Total	75.1	68.6	76.6	83.3	76.0	89.4
<i>Types of difficulties</i>						
Increase in food and consumer prices	64.8	57.6	66.1	73.6	68.0	79.3
Job loss	5.5	5.5	5.9	4.7	4.0	12.2
Non-payment or delay in payment of income	2.6	2.3	2.6	2.3	3.3	6.1
Collapse of business/bankruptcy	0.5	0.2	0.4	1.3	0.4	-
Business slowdown/loss	11.1	9.4	12.4	12.8	9.8	11.5
Lost or reduction of remittances	0.5	0.2	1.2	0.3	-	-
Health difficulties	21.0	14.2	23.0	26.8	28.3	35.0
Natural and biological hazards	1.7	1.5	1.9	2.0	0.9	3.9
Members of family in troubles and need help	4.2	5.2	3.7	3.1	1.5	10.2
Other difficulties	1.2	1.2	1.5	0.6	-	4.8

Note: Dependents are defined as household members who live in the household but do not have a job.

Source: Urban Poverty Survey, 2009.

Among migrant households, the frequency with which they faced difficulties was largely unrelated to the proportion of the previous year spent in the city, as Table 11.3 shows. It is noteworthy that the proportion of migrants reporting problems of job loss was markedly higher for those who had spent 4-6 months (out of the previous 12) in the city than for other groups; while the proportion reporting problems with business slowdowns/loss was highest for those who had spent 7-9 months in the city. This suggests that there may be a long period of adjustment, even after migrants have lived in the city for several months.

Table 11.3. Percentage of migrant households reporting difficulties in the last 12 months, by time spent in the city (in the last year) and type of difficulty.

	Total	In the past year, the amount of time spent living in the city was (in months):			
		0-3	4-6	7-9	10-12
		<i>percentages</i>			
Total	66.0	63.0	70.3	66.8	65.9
<i>Types of difficulties</i>					
Increase in food and consumer prices	55.5	53.1	55.7	46.1	57.1
Job loss	6.0	6.9	11.1	4.1	5.2
Non-payment or delay in payment of income	2.7	2.2	3.0	1.6	2.9
Collapse of business/bankruptcy	0.1	0.5	-	-	-
Business slowdown/loss	8.0	2.8	3.1	10.6	9.8
Lost or reduction of remittances	0.2	0.5	0.1	-	0.2
Health difficulties	11.0	6.1	13.1	17.4	11.2
Natural and biological hazards	1.6	1.6	0.8	5.8	1.3
Members of family in troubles and need help	4.8	5.3	5.0	10.2	4.1
Other difficulties	1.2	1.7	1.0	1.4	1.2

Source: Urban Poverty Survey, 2009.

11.2. Coping with Risks

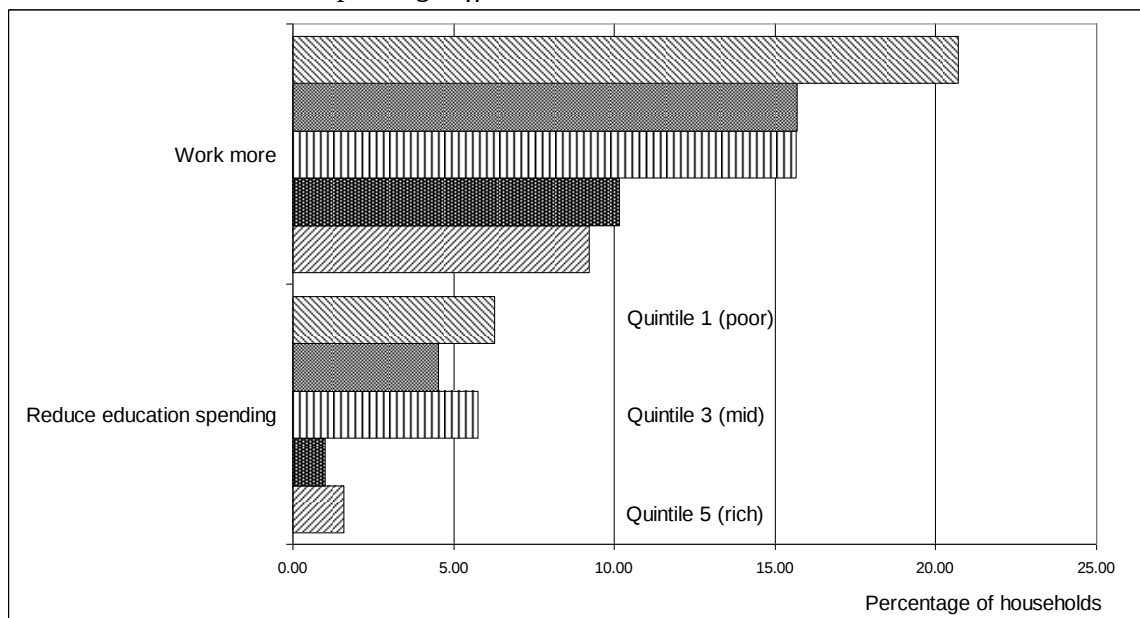
Although people have many ways to cope with economic risks and difficulties, most choose to use their savings, sell assets, or delay investments in order to get by. However, about one household in six borrowed money, and one in seven worked more hours, when faced with economic difficulty.

To cope with a shock, households in the poorest quintile are more likely than others to sell assets (57% of households reported this), borrow money (27%), work extra hours or a part-time job (21%), or reduce expenditure on education (7% of households). By way of contrast, only 1.6% of the richest households cut down on expenditure on education in case of difficulties. Figure 11.3 summarizes the effects of a shock on work effort, and educational expenditures, by income per capita quintile.

In those cases where education spending was reduced, the cuts were mainly applied to learning materials (73% of the total), but also to extra classes (17% of all cuts). Just 0.1% of respondents said that they took their children out of school in response to an economic shock or difficulty, although the figure was 0.4% for those in the poorest quintile. Households where the head was poorly educated were also more likely to take their children out of school in response to an external shock.

An estimated 14.3% of survey households worked extra hours/part-time job to cope with a shock. Households with low to average income were almost twice as likely to cope with a shock by working more, compared to those in the top income quintile, as Figure 11.3 shows.

Figure 11.3. Breakdown of selected coping mechanisms by income quintile, for households reporting difficulties in the last 12 months



Government programs to help households and individuals cope with natural disasters, epidemics, and health problems, are helpful. However, the proportion receiving support from the government or associations was relatively low in the Urban Poverty Survey sample: only 2% of households received government support in such circumstances, and a further 0.8% got help from non-governmental organizations.

Government support flowed most freely to households in the poorest income quintile, 6.2% of whom received some help; and government support went disproportionately to permanent city residents (2.4% got support) compared to migrants (0.9% received help).

Family networks constitute an important source of support in times of stress: up to 7.1% of households received support from relatives living in the same city, 5.3% got help from relatives living elsewhere in Vietnam, and 2.6% of households received support from friends and neighbours.

Credit

About one household in six borrowed money in order to cope. By far the most common source of borrowing was friends and relatives (10.9% of households). Individual money-lenders were a distant second, lending to 2.1% of households (2.9% in HCMC, 0.7% in Hanoi). Relatively few households borrowed from policy banks (1.4%), or regular banks (2.3%), as Table 11.4 shows. It thus appears that the access to formal credit remains difficult, prompting people to turn to the informal credit sector when they need money. One important reason is that this sector often does not require collateral, and the loan procedures are simple and convenient. Residents are more than twice as likely to borrow from the formal sector as migrants.

Table 11.4. Percentage of households borrowing money to solve problems, by registration status and source of borrowing

	Registration status of household heads		
	Total	Residents	Migrants
	<i>percentages</i>		
Total borrowing	16.91	16.72	17.48
<i>of which:</i>			
- Social policy bank	1.37	1.64	0.60
- Agriculture bank	1.25	1.48	0.60
- Other banks	1.02	1.32	0.18
- National fund for job creation	0.02	0.03	-
- Small credit institutions	0.14	0.17	0.03
- Social organizations	1.09	1.48	-
- Poverty elimination fund	0.56	0.70	0.18
- Individual lenders	2.10	2.09	2.14
- Relatives/friends	10.88	9.94	13.52
- Others	0.64	0.38	1.37

Source: Urban Poverty Survey, 2009.

The Poverty Elimination Fund lent to 0.56% of households, most of whom were permanent city residents. This fund mainly helps households with difficulties in the lowest two income quintiles, although some borrowers were in the next-to-highest quintile and could not be considered to be poor.

Gender equality:

As noted above, just 0.1% of households withdrew a child from school in response to economic stress. However, the rate was 0.12% for male-headed households, and 0.07% for female-headed households.

If we focus just on households that reported having to cope with difficulties, 32% reduced spending on education. Among permanent city residents, this hurt boys disproportionately more than girls (36.6% against 26.8%); by way of contrast, for migrants the proportion of girls hit was 63.2%, compared to 21.9% for boys. This means that in times of stress, girls in migrant families suffer more from than girls in permanent resident households.

One of the ways people cope with risks and difficulties is working extra hours or an extra job. Migrants were more likely than permanent city residents to respond to difficulties by working more, as Table 11.5 shows. For both groups, men were substantially more likely than women to respond to a shock by working more.

Table 11.5. Proportion of household members working extra time/job divided by gender and registration status of household heads

	Total	Registration status of household heads	
		In surveyed city	In other city/province
		<i>percentages</i>	
Total	34.5	31.2	49.2
- Male	42.5	38.3	59.5
- Female	27.2	24.7	38.8

Source: Urban Poverty Survey 2009.

12. Social Relations and Inclusion

This section presents information on the unofficial or official participation in social activities by households, based on UPS-09. In cities, a gap between migrants and local residents, and between poor and the rich, seems to exist still, especially in the degree of participation in social activities, and relationships in residential areas. Through the evaluation of social activities in which people are involved, and an understanding of the main reasons people do not participate, measures can be proposed to encourage the participation of people in social activities.

Social inclusion can take many forms; for the UPS-09, these activities have been divided into four groups:

1. **Participation in social-political organizations** includes membership or activity in a youth, trade, or farmers' union, or in a formal association of women, veterans, elders, or students.
2. **Participation in neighbourhood social activities** includes attendance at meetings related to family planning, or neighborhood organizations, or donating/contributing to a social fund.
3. **Provision of social services** includes obtaining information about family planning, disease, health care, immunization, or disease.
4. **Social relations in the neighbourhood** covers participation in local events (such as weddings and funerals), and interaction with neighbours (including visiting and chatting).

In what follows we first document the level of participation in these four broad areas, and then examine some of the components in more detail. This is followed by an exploration of why some people do not participate in social activities.

12.1. Social activities in which people participate

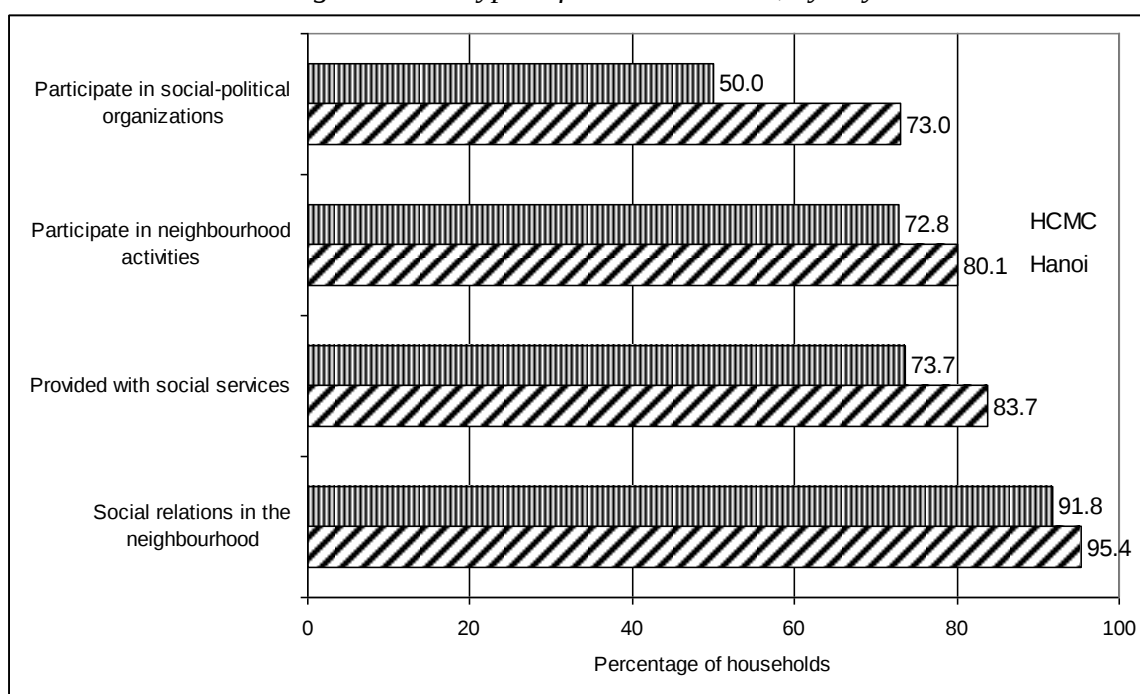
Social activities in which people in Hanoi and Ho Chi Minh City participate include: participation in social and political organizations, social activities such as local meetings, voter meetings, and charities, and social relation in immediate neighbourhood.

The survey results show that the percentage of households participating in social activities is quite high, but participation rates in different type of activities differ widely. An

estimated 57.6% of households have members participating in social/political groups or organizations, 75.3% of households participate in social activities, and 70% of households were provided with social services. The percentage of households with social relations in their residential neighbourhoods is relatively high, at 93% of interviewed households.

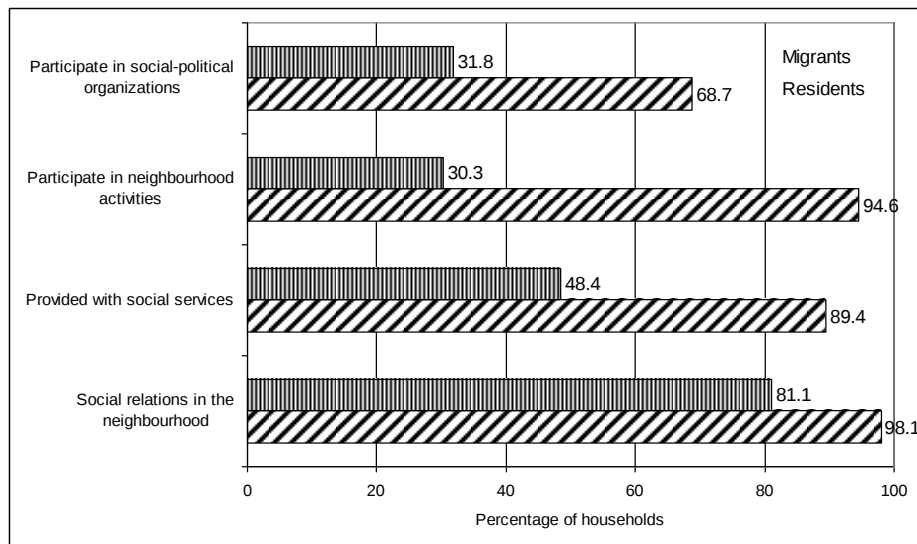
People living in Hanoi take part in social activities more than their counterparts in HCMC. The percentage of households in Hanoi taking part in social/political groups or organizations was 73%, compared to 50% in HCMC. There were also differences in participation in social activities (80.1% in Hanoi versus 72.8% in HCMC), in the provision of social services (83.7% versus 73.7%), and in having social relationships in the neighbourhood (95.4% versus 91.8%). These numbers are summarized in Figure 12.1.

Figure 12.1. Types of social inclusion, by city



The proportion of permanent city resident households taking part in all kind of social activities is higher than that of migrants. For instance, while 68.7% of permanent city resident households participate in social or political groups, the figure for migrants is just 31.8%. Only in the case of social relations in their neighbourhoods do migrants engage relatively fully, as Figure 12.2 shows.

Figure 12.2. Types of social inclusion, by residence status



Although 30.3% of migrant households participate in social activities in residential areas, this mainly consists of contributing to social funds or donations (27.2% of households); the proportions involved in population group meetings (14.7%), meetings for voter contact (6.2%), or meetings for comments on local policies/regulations (9.6%), are very low compared with permanent city residents.

Permanent city residents are provided with more social services than migrants, the relevant proportions being 89.4% and 48.4% respectively. Migrants mainly received information on disease control campaigns (42.5% of households) and health care (34.6%), but also on immunization and reproductive care – see Table 12.1 – but in all these cases the rates were less than half those applicable to residents.

Table 12.1. Percentage of households receiving different types of social service, by residence status

	Provision of information regarding policies	Provision of information regarding health care	Immuniz- ation	Disease control campaigns	Reproduc- tive care
	<i>percentages</i>				
Total	63.9	67.1	57.3	68.2	57.4
Registration status:					
Permanent city resident	79.2	81.2	70.5	79.3	70.9
Migrant	28.4	34.6	26.6	42.5	26.1

Source: Urban Poverty Survey 2009.

The lowest income groups participate somewhat less fully in social activities, as Table 12.2 shows. Just 47.8% of those in the lowest quintile (as measured by income per capita) participated in social-political organizations, compared to 57.2% for those in the top quintile; the relative proportions for social activities in residential areas are 70.9% and 80.5% respectively. In this case, poor households are mainly taking part in meetings of the population group, and in

making contributions to social funds or donations, rather than in voter contact meetings or meetings to comment on local policies and regulations.

Table 12.2. Percentage of households participating in social activities, by gender of household head and income quintile

	social/political organization/ groups	Households participating in: social activities	provided with social services	social relationships in neighbourhood
	<i>percentages</i>			
Total	57.6	75.3	70.0	93.0
<i>Registration status</i>				
Permanent city resident	68.7	94.6	89.4	98.1
Migrant	31.8	30.3	48.4	81.1
<i>Gender of household head</i>				
- Male	60.1	78.9	78.9	93.4
- Female	54.2	70.3	74.4	92.5
<i>Income quintile</i>				
Quintile 1 (poorest)	47.8	70.9	75.2	90.4
Quintile 2	57.8	76.7	80.4	92.6
Quintile 3	61.4	74.2	76.9	92.8
Quintile 4	63.2	73.5	76.9	94.0
Quintile 5 (richest)	57.2	80.5	76.2	94.8

Source: Urban Poverty Survey 2009.

Households in the poorest income quintile participate in social relations in their neighbourhoods slightly less often than other groups, but the difference is small (90.4% vs. 94.8%).

Households with male heads take part in social activities more than households with female heads: 60.1% of households with male heads participate in social-political groups/organizations compared to 54.2% for female-headed households (see Table 12.2). There are similar gaps for participation in neighbourhood social activities (78.9% vs. 70.3%), receipt of social services (78.9% vs. 74.4%), and involvement in social relations with neighbours (93.4% vs. 92.5%).

12.2. Why some people do not participate in social activities

Not every household participates in social activities, and it is interesting to inquire why not. A series of questions asked by the UPS-09 allows one to address this issue.

Fully 42.4% of households do not participate in social-political organizations, with lower rates of non-participation in social activities in residential areas (24.7%), social services (23%), and social relationships with the neighbours (7%).

Substantial numbers of households say that they do not have time to participate, or are not interested in doing so, especially for participation in social-political organizations, and to a

lesser extent in neighbourhood social activities. An estimated 13.2% of households say they do not have time, and 5.9% are not interested, in participating in social-political organizations; the proportions for neighbourhood social activities are 4.7% and 1.1% respectively. These rates differ greatly between the two cities: the proportions of households in HCMC saying they do not have time or interest are always double or even triple the rates for Hanoi.

A non-trivial percentage of households say they do not participate in neighbourhood social activities because they are not registered to live in the city (7.6%), are not included in the activity (6.9%), or do not know how to participate (1.4%). This may be because participation in social-political organizations of people may be in one's hometown, but not necessarily where one lives. It is compulsory for people to participate in social activities in one's neighbourhood, such as population group meetings, meetings for voter contact, and meetings to comment on policies. This is generally done in the place where one is registered to live.

Table 12.3. Reasons for not participating in social activities, by registration status

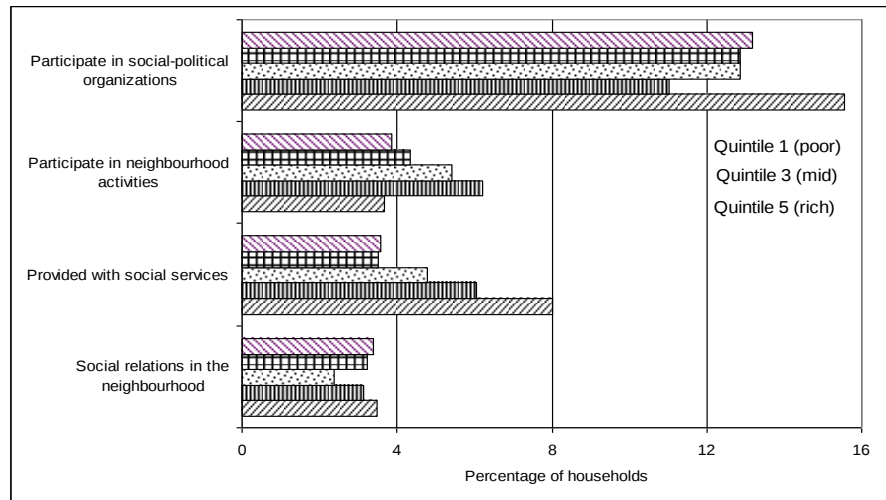
	Reasons for not participating in social activities					
	Not interes- ted	Not inclu- ded	Don't know how	Not related	Not regist- ered	No time
	<i>percentages</i>					
A. Migrant households						
Social-political organizations	5.1	11.4	3.6	62.7	10.1	21.1
Neighbourhood social activities	1.1	7.8	1.6	10.1	9.0	6.0
Social services in residential areas	0.7	11.0	2.7	26.3	10.6	12.2
Social relationships in the neighbourhood	2.1	1.6	0.2	4.9	1.0	8.6
B. Permanent resident households						
Social-political organizations	6.3	3.0	1.9	28.5	0.5	9.8
Neighbourhood social activities	0.7	1.5	0.4	0.6	0.5	2.4
Social services in residential areas	0.3	1.8	1.2	6.1	0.3	2.3
Social relationships in the neighbourhood	0.2	0.1	0.0	0.2	0.0	0.8

Source: Urban Poverty Survey 2009.

Table 12.3 breaks down the main reasons for not participating in social activities by registration status, and highlights the striking differences between residents and migrants. Although 18.9% of migrants do not have social relations in their neighbourhood, this is largely due to a lack of time (8.6%) rather than discrimination. Migrants spend much of their time working, so the level of communication with neighbours, as well as participation in neighbourhood events, is limited.

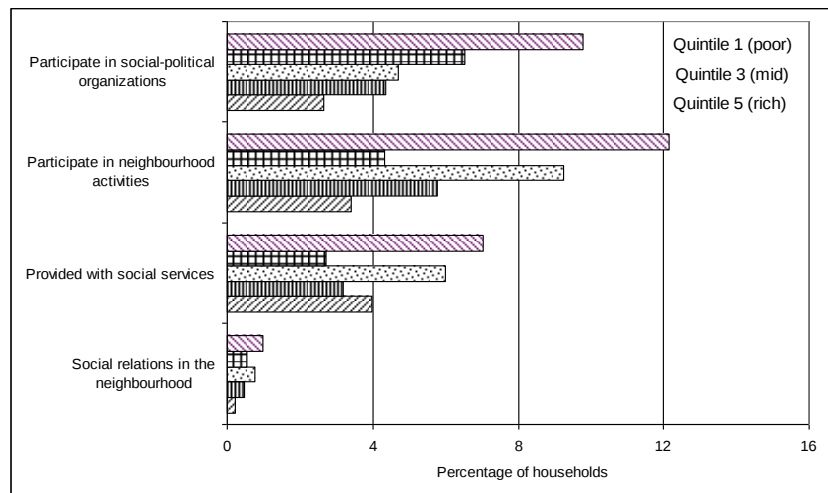
It is interesting that the proportion of households saying they do not have time to participate in social activities is higher for households with middle and high income than that for households with low and average income, as Figure 12.3 shows.

Figure 12.3. Households reporting that they have no time to participate in social activities, by income quintile



Conversely, the percentage of households who do not participate because they say they are “not included” is higher for low-income than high-income households, as Figure 12.4 shows. The disparity is relatively large for participation in social-political organization, but is also apparent for neighbourhood activities. The poor may not feel confident enough to participate, or may be left out because they are looked down upon.

Figure 12.4. Households reporting that they did not participate in social activities because they were not included, by income quintile



13. Migrants and residents

Many of the results of the survey on urban poverty are presented in accordance with the situation of residence registration; there are three groups:

- Those whose residence registration is in Hanoi or HCMC are called *residents* for short;

- Those whose residence registration is in their local province, or another city, but who are living and working in Hanoi or HCMC, are called *migrants* for short;
- A few people have no residence registration, but this group is too small to justify providing separate results for this group.

13.1. Demographic characteristics

The urban poverty survey (UPS) studies all people, including migrants and residents, who were living in the investigated areas at the moment of the survey. Of those surveyed, 82.5% were residents and 17.4% were migrants. Migrants represent 11.4% of those surveyed in Hanoi, and 20.6% of those surveyed in HCMC.

Table 13.1 shows that permanent resident households living in Hanoi and HCMC are twice as large as migrant households. Migrant households have, on average, 1.7 members (1.9 in Hanoi, 1.5 in HCMC) due to the fact that the typical migrants who come to live in the two cities to earn money usually travel alone, or are just the family bread-winners. The number of family members who depend on the migrant workers is also low. According to the survey, there are 0.3 dependents per worker in migrant households, compared to 1.4 dependents per worker among residents.

Migrants to cities are primarily young: 72% of migrants to Hanoi and HCMC are aged from 15 to 39 while the percentage for residents is 42%. Overall, the gender composition is the same for migrants and residents, at 53% in both cases. Among those aged 15-19 and 20-24, women make up 53% and 59% of the totals, well above the comparable proportions for residents (51% and 55% respectively).

Table 13.1: Summary of demographic characteristics

	Unit	Residents	Migrants
Household size	persons	3.9	1.7
Hanoi	persons	4.0	1.9
HCMC	persons	3.7	1.5
Workers per household	persons	2.5	1.4
Dependents per working household member	persons	1.4	0.3
Total population	%	100.0	100.0
of which, aged			
15-19	%	7.2	13.1
20-24	%	7.5	19.4
25-29	%	9.6	19.8
30-34	%	9.0	11.7
35-39	%	9.0	7.9
Division by the gender			
Male	% of all persons	47.3	46.9
Female	% of all persons	52.7	53.1

13.2 The level of education and specialized knowledge

There are substantial differences in the educational attainment of residents and migrants.

Table 2 shows that migrants have lower education levels than residents: the proportion of migrants with who have completed just primary or lower-secondary school is higher than that of residents (55% compared with 42%), but at higher education levels the proportion of migrants is lower than that of residents, including at the level of upper-secondary school (26% compared with 30%) and at the junior college and university level (9% compared with 19%).

Table 13.2: Division of the population aged 15 and above by highest diploma attained (%)

	Residents	Migrants
Total	100.0	100.0
No degree	9.3	9.7
Primary school	15.3	22.8
Lower secondary school	26.9	32.7
Upper secondary school	29.7	25.6
Junior college	2.1	2.8
University	15.5	6.2
Masters	0.8	0.2
PhD	0.4	0.0

The level of specialized formal training of migrants is also lower than that of residents, and the proportion of migrants aged 15 or older without specialty training is 77.5% compared with 67.9% for residents. The proportion of migrants with technical secondary school, intermediate, or technological training is as high as that of residents (12.9% compared with 13.1%) but the proportion of migrants graduating from junior college or higher education is much lower than that proportion of residents (9.6% compared with 19.1%).

*Table 13.3: Division of population aged 15 and above
by the level of specialized formal training (%)*

	Residents	Migrants
Total	100.0	100.0
Without specialty training	67.9	77.5
Short-term technology training	5.2	5.7
Long-term technology training	1.4	1.2
Intermediate training	2.6	1.4
Technical secondary school	3.9	4.6
Junior college	2.4	3.2
University and higher education	16.7	6.4

13.3. Access to education

The proportion of those surveyed who were attending school, from kindergarten to higher education, was 25.1%; for residents the proportion was 27.3%, and for migrants 14.8%. For any given age, a lower proportion of migrants attend school than do residents. To illustrate: among 5-9 year olds, 99% of residents attend school, but the figure for migrants is ten percent lower than this. Similarly, for the 10-14 age group, 97% of residents attend school, but just 71% of migrants. And in the 15-19 age bracket, the proportions of residents and migrants who attend school are 77% and 21% respectively. The net enrollment rate in kindergarten is 97% for residents and 93% for migrants; this measures the proportion of kindergarten-age children who are attending kindergarten.

Table 13.4: School attendance, overall and by group (%)

	Total	Residents	Migrants
Total	25.1	27.3	14.8
Kindergarten	16.6	16.1	21.2
Primary school	28.7	29.9	17.4
Secondary school	17.1	17.5	12.9
High school	11.2	12.0	3.8

Among permanent resident children, 82% attend public rather than semi-public or private schools; the comparable proportion is just 65% for migrant children.

Table 13.5: Types of educational establishment (%)

	Total	Residents	Migrants
Total	100.0	100.0	100.0
Public school	80.4	82.1	64.6
Semi-public school	3.6	3.4	5.5
Private school	9.1	8.5	14.5
Shareholding school	5.5	4.6	13.5
Others	1.5	1.4	2.0

13.4 Access to health services

During the twelve months prior to the survey, the proportion of migrants reporting chronic disease, illness or injury was 65.4%, while that of residents was 66.6%.

However, when they are ill, only 53.4% of migrants and 64.6% of residents seek professional medical attention. Among those migrants who do go to the doctor, only 11% see the doctor regularly, 42% visit “sometimes”, and 45% do not see the doctor and only buy medicine or do nothing (1%), as Table 13.6 shows. Compared with migrants, more residents see a doctor regularly (23%) or sometimes (41%), with the remainder either buying medicine (35%) or doing nothing (1%).

Table 13.6: Percentage migrants and residents who seek professional care when they are ill

	Total	Residents	Migrants
Total	100.0	100.0	100.0
Always	21.3	23.4	11.4
Sometimes	41.4	41.2	42.0
No, buy medicine at pharmacies	36.5	34.7	45.4
Do nothing	0.8	0.7	1.3

Table 13.7 shows where patients go for medical treatment when they are sick. Note that respondents were allowed to indicate more than one choice, so the totals exceed 100%. Residents are more likely to use public facilities, and especially national hospitals, than migrants. Conversely, the proportion of migrants seeing the doctor in private health facilities is slightly higher than that of residents.

*Table 13.7: Proportion of seeing the doctor
in types of health services among residents and migrants (%)*

	Total	Residents	Migrants
Public Facilities			
ward/commune health clinic	10.2	10.5	7.6
district hospital	33.5	34.1	29.2
city hospital	43.7	44.6	37.9
national hospital	16.3	17.2	10.9
Private Facilities			
private hospital	11.5	11.3	12.3
private clinic	31.0	30.9	32.1
Other	3.4	3.4	3.1

When being asked about the reason for not seeing the doctor, 5.9% of migrants, but just 2.2% of residents, answered that they do not have enough money; migrants were also more likely to say that they did not have time (7.8% vs. 4.7%), or did not have health insurance (2.7% vs. 1.5%).

The proportion of migrants with health insurance is 43.4% while this proportion for residents is 66.2%. This difference holds through all age groups: just 53.6% of migrants' children have health insurance compared to 85.5% for residents. Approximately the same proportions of migrants as residents get health insurance because they are poor (3.6% vs. 3.3%) or near-poor (0.5% vs. 0.2%). Substantial proportions of migrants do not have health insurance because they do not know where they can buy it (21.9%), lack residence registration (16.3%), or lack money (18.5%).

Many of the poor and near-poor households are migrants, and although they are greatly supported and facilitated to see the doctor by local authorities, the access to health services is still limited in comparison with residents; the migrants lack income, lack time, and lack information about health insurance.

13.5 Jobs

Migrants are less skilled than residents. Among migrants, 76% lacked professional training, compared to 60% for residents; and only 10% of migrants had any college education, compared to 25% for residents.

A remarkable 84.9% of migrants (aged 6 or over) were in the labor force, compared to 59% for residents, as Table 13.8 shows. While the proportions are fairly close for those aged 25 and over, the high proportion of children of migrants in the labor force is quite striking, and includes 15% of those aged 10-14 and 76% of those aged 15-19.

Table 13.8: Percentage of population in each age group that was economically active over the past 12 months

	Total	Residents	Migrants
Total	63.7	59.1	84.9
Age groups			
10-14	2.3	1.1	14.7
15-19	35.5	20.0	75.7
20-24	76.4	68.1	91.5
25-29	90.5	87.8	96.8
30-34	93.3	92.4	96.5
35-39	90.5	89.5	96.0
40-44	88.6	87.5	95.3
45-49	85.2	84.0	95.0
50-54	70.4	69.8	77.2
55-59	60.0	60.0	60.1
60+	23.8	23.7	26.5

Compared to residents, the firms in which migrants work are more likely to be private (31.6% compared with 22.1%) or foreign investment companies (14.8% compared with 7.4%), but less likely to be state agencies (4.7% compared with 22.3%). The proportions working on their own account are, however, very similar (48% of each group).

Migrant workers are roughly evenly divided between jobs in industry and construction (50.2%) and trade and services (48.2%), with a very few still in agriculture (1.5%). The split is somewhat different for residents, who are found less in industry and construction (29.9%) but more in trade and services (62.9%) and, more surprisingly, in agriculture (2.3%). The workers in constructions sites, and some industrial zones and export processing zones, are mainly migrants.

Significantly more migrants are working for a wage or salary (79.8% of the total) than is the case for residents (62.3%); however, the proportions of migrants who are owners/employers (3% compared with 5.9%) or who work alone (13.4% compared with 25.7%) are lower than for residents.

More than 65% of migrants are manual, assembly-line, or unskilled workers; a further 17.4% are working in the service and business sectors, and 11.5% are experts or middle- or high-level specialists. This contrasts with residents, who are less likely to be unskilled (43.2%) but more likely to be in basic business jobs (22.1%) or in skilled positions (24.4%).

Three fifths (60.3%) of migrants are working without a formal contract, although the figure is also high for residents (54.6%). Such jobs rarely provide benefits such as health insurance, unemployment benefits, sick leave, maternity leave, or vacation leave. Just 8.5% of migrants have permanent work contracts, and a further 20.6% have one- to three-year contracts. More residents have stable jobs: 26.9% have long-term contracts and a further 13.5% have formal short-term contracts.

Despite having lower skills and working in jobs that are less secure, the average monthly earnings of migrant wage earners is 89.3% of that of residents who work for a wage. The relatively high earnings of migrants is due in part to the fact that on average they work 10 hours more every week than residents; 58.2 hours compared with 48.3 hours. If they worked the same number of hours as residents, migrants would earn only 74% as much as those residents.

Compared with residents, migrants are more likely to be working, and to work longer hours. This counteracts to some extent their lack of specialized skills and educational achievement. They have mainly moved to the city to make a living, and are generally work hard to earn enough money for their expenses and to send back to their families in the provinces.

13.6 Income and expenditure

Income

The average monthly income per person for migrants is VND2,162,000, which is 84% of the level received by residents. When migrants in Hanoi and HCMC are classified into five income groups one notes the great diversity: there are both poor and rich households. For migrants in the poorest quintile, average monthly income per person is VND773,800; among migrants in the richest quintile the figure is VND4,358,000, which is 79% of the level of residents in the same category.

More than three quarters of the income of migrants comes from wages and salaries, with more of the rest (17%) coming from non-agricultural business activities. This is in contrast with the sources of income for residents, nearly half of which is from wages and salaries, with most of the rest coming from non-agricultural business activities. The proportion of income for this group coming from agriculture, forestry and aquaculture is only 1.5%.

Expenditure

The urban poverty survey did not collect highly detailed information on household expenditure, instead focusing just on spending on food, consumption relating to housing including expenses on electricity, water, gas, and rent, and spending on telephones and communication, and non-food expenses such as education, health, transportation, clothing, shoes, gifts, and remittances.

Table 13.9 shows that among expenses, migrant spending on food came to VND858,300 per person per month, which was 80% of the amount spent on food by residents. However, migrants spent more on housing and non-food items than residents. Specifically, migrants spent VND359,700 per person per month on housing, which was VND/person/month which is about 50% higher than the amount spent by residents. The higher non-food spending by migrants is entirely due to the very much larger amounts that they remit to their families elsewhere. More than 60% of migrants send money back home while only 3.1% of residents do so.

The comparison of the level of expenditures of migrants and residents in two cities shows that, except for the higher amount of expense on the rent, and remittances, the other expenses of migrants (food, electricity, water, gas, education, health) are lower than those of residents, which indicates that migrants' living standards are lower than those of residents in Hanoi and HCMC.

Table 13.9: Average expense of a person per month (thousand VND)

	Total	Residents	Migrants
Expenditure on food	1,010.0	1,074.7	858.3
Expenditure on housing	827.9	239.7	359.7
<i>of which</i>			
Water	47.5	15.2	12.9
Electricity	203.9	68.5	38.1
Gas	101.8	32.8	26.6
Telephone and communication	289.6	91.1	87.2
Rent	163.9	25.0	190.3
Expenditure on non-food items	556.4	529.8	619.1
<i>of which</i>			
Education	117.8	150.0	43.0
Health	77.8	94.8	38.1
Travel	103.1	102.1	105.4
Gifts	41.1	48.3	24.4
Remittances	94.8	8.7	295.9

13.7 Housing, living conditions

Housing

The average living area per person in two cities is 17 square meters/person. Residents usually have more space than migrants (20.3 square meters/person compared with 8.4 square meters/person). Nearly 57% of residents have an average living area above 12 square meters/person, while more than 61% of migrants have an average living area under 6 square meters/person. Indeed, one third of migrants are living in space that amounts to less 4 square meters/person.

Poor housing conditions, particularly sharing rooms, tenements, boarding-house accommodation, shacks, and temporary shelters, are widespread among migrants. More than half live in a share room, dormitory, or rented space (compared to 3% of residents), and 3% are in temporary tents or shacks. Meanwhile, 95% of residents have a stable and independent living area such as independent house (75.8%), a shared house (12.4%), or an apartment (7.5%).

Ownership is standard among residents, with 87.7 being owners or joint owners of their dwellings; the proportion for migrants is only 8.7%, and more than 90% of migrants are living in rented housing, temporary shelter on construction sites or in workshops or shops.

The survey also shows that nearly one migrant in six (15.5%) changes their housing at least twice a year, mainly because of job changes (43%), but also when they find a cheaper place to rent (31%).

Table 13.10: The housing situation of population divided by residence registration

	Total	Residents	Migrants
Average living area per household (including persons sharing house with) (square meters/person)	17.0	20.3	8.4
Proportion of households divided by average living area per person	100.0	100.0	100.0
Under 4 square meters	11.9	4.4	31.7
4 - 6 square meters	17.2	12.4	30.0
7 - 9 square meters	13.0	12.1	15.2
10 - 12 square meters	12.8	14.3	8.8
13 - 15 square meters	10.6	12.7	5.0
16 square meters and above	34.6	44.1	9.4
Types of housing of which::	100.0	100.0	100.0
Independent house for a household	61.6	75.8	23.8
House sharing/tenement house/boarding-house	15.7	2.8	50.0
Temporary tents/shacks	0.8	0.0	3.0

Water

The major sources of potable water for residents are private tap-water (65.3%) and deep wells with pumps (24.9%). Migrants are less likely to have private tap-water (39.6%) or water from deep wells (28.9%), and so, they are more likely to need to buy water from cans or bottled water (30.9%).

Electricity

Like residents, most migrants use electricity to light provided by national grid electricity; however only 51% of migrants have a direct connection to the grid, 17.6% share a meter with other households, and 31.5% do not connect directly and use electricity through other households (which usually costs more than having a direct connection). The proportion of residents connected directly with national grid electricity is 92.5%, with 5.4% sharing a connection with other households and just 2% using electricity through others.

Hygiene

The great majority of migrants (91.5%) and residents (91.4%) use toilets that feed into a septic tank. However, one third of migrants have to share toilets with other households, compared to 9% for residents.

13.8 Durable goods

The proportion of migrants having durable goods is 87.6%, compared with 99.8% of residents. In every category, migrants are less likely to own a durable good; this is true of motorbikes (46.9% vs. 91.3%), color television sets (40.3% vs. 96.2%), fridges (13.2% vs. 80.6%), gas cookers (53.4% vs. 90.1%), land-line phones (8.2% vs. 73.7%), and even cell phones (80.7 vs. 90.2%). For high-valuable non-essential durable goods, and goods associated with a permanent home, the gap between the migrants and that of residents is even higher; this includes washing machines (7.4% of migrants have one, vs. 56.7% of residents), computers (11.9% vs. 47.7%), air-conditioners (3.0% vs. 34.5%), water heaters (2.6% vs. 39.5%), and cameras (3.3% vs. 22.7%).

However, when asked about difficulties in living conditions, with the exception of concerns about bad odors near the living area (noted by 10.3% of migrants compared with 8.3% of residents), migrants complained less than residents about the difficulties associate with flooding, power cuts, unstable electrical current, noise, smog, bad roads, uncollected waste, and social evils. Objectively, migrants are likely to face these problems more than residents, given their tighter budgets and smaller spending on house rents. Yet migrants are either resigned to their difficulties or their expectations for better living conditions have not yet risen as high.

END