



# PARTICIPATORY MONITORING OF URBAN POVERTY IN VIETNAM

Fourth Round Synthesis Report - 2011 October 2011









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Preface

## **PREFACE**<sup>1</sup>

In January 2007, Vietnam was admitted as the 150th member country of the World Trade Organisation (WTO). It was widely recognised that this would bring many new opportunities to Vietnam, but would also pose many challenges, especially in ensuring that the full benefits of WTO membership be shared among the entire Vietnam's population, including the poor and vulnerable.

In this context, and as organisations that have a long history of working to support the poorest and most marginalised groups in Vietnam, ActionAid Vietnam and Oxfam started the Post WTO Poverty Monitoring initiative in early 2007.

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

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

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

ActionAid Vietnam

Ruongthas

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Oxfam

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This study is supported by various organisations and individuals. However, the views, conclusions and recommendations presented in this study do not necessarily reflect those of Oxfam, AAV or any other organisations or individuals referred to in the study.

### ACKNOWLEDGEMENTS

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

We would like to thank the management and staff of both ActionAid International Vietnam (AAV) and Oxfam for their valuable comments during all stages of this study including the design, field deployment, workshops, and report writing. Some ActionAid and Oxfam staff members participated in the field trips and shared their knowledge and experience in both research content and methodology.

We would like to thank the People's Committees and relevant departments at municipal and district levels for giving us the permission and creating favourable conditions to implement this fourth round of urban poverty monitoring in their localities in 2011. We would also like to thank the core monitoring group members, including staff from the departments and mass organisations at provincial and district levels, the ward and commune staff members who collaborated with us and spent time and effort completing the field work and writing poverty monitoring reports for each survey point, in Dong Anh District (Hanoi City), Kien An District (Hai Phong City), and Go Vap District (Ho Chi Minh City). We would especially like to thank the staff from each residential quarter and village for their active participation and collaboration in the field surveys. This urban poverty monitoring exercise would not have been successful without the participation and effective coordination of ActionAid's local partners, including the Centre for Workers' Rights (CWR) under the authority of Hai Phong City's Labour Union, and the AAV's Development Programme Management Unit under the authority of People's Committee of Go Vap District (HCMC).

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

We welcome your comments and feedback on this report<sup>2</sup>.

Sincere thanks, Consultants from Truong Xuan (Ageless) Company Hoang Xuan Thanh (team leader), and Dinh Thi Thu Phuong Ha My Thuan Dinh Thi Giang Luu Trong Quang Dang Thi Thanh Hoa Nguyen Thi Hoa Truong Tuan Anh nowledgements

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## **ABBREVIATIONS AND ACRONYMS**

AAV	ActionAid International Vietnam
CPI	Consumer Price Index
CWR	Centre for Workers' Rights
DOLISA	Department of Labour, Invalids and Social Affairs
GOV	Government of Vietnam
GSO	General Statistics Office
HCMC	Ho Chi Minh City
MOIT	Ministry of Industry and Trade
MOLISA	Ministry of Labour, Invalids and Social Affairs
INGO	International Non-Governmental Organisation
NTP-PR	National Target Programme - Poverty Reduction
PRA	Participatory Rural Assessment
RC	Residential Cluster ("khu pho")
RQ	Residential Quarter ("to dan pho")
C C L II/	

dard Survey

1 USD  $\approx$  20,900 VND or Vietnam's dong (as of 10/2011))

## **EXECUTIVE SUMMARY**

Following the first three rounds of urban poverty monitoring undertaken in 2008, 2009 and 2010, ActionAid and Oxfam coordinated with local partners to implement this fourth round in three wards and communes in Hanoi, Hai Phong, and HCMC in July 2011. In each locality, an urban poverty monitoring core working group was established, including representatives of local agencies and departments. Information was collated based on group discussions, in-depth interviews with 512 people (296 female), and questionnaire based interviews with 180 migrant workers (107 female).

Poverty is of a multi-dimensional nature, reflected in income (expenditure) and non-income criteria. However, previous efforts by statistics offices to measure multidimensional poverty have failed to reflect the true nature of poverty. While the income-based poverty rate remains low, it does not reflect many of the deficiencies in the quality of life of the urban poor. The poverty situation of migrants in urban areas is often more severe when viewed from a multi-dimensional perspective rather than merely an income-based perspective.

Results from the urban poverty monitoring round in 2011 continue to confirm that the main disadvantages of urban poor residents are lack of human resources, lack of capacity to find alternative livelihoods, lack of social capital, limited access to public services, and uncomfortable and unsafe living conditions. Poor migrants suffer additional disadvantages, such as high living costs and lack of social integration. Most local and migrant poor have limited access to the social protection system as they often work in the informal sector, which is flexible yet unstable and involves high risk. There are various urban poor groups, each with its own typical disadvantages and vulnerabilities.

The poverty situation of both local and migrant urban poor worsened in 2011 in the face of numerous threats, in particular, high inflation. The price hike has weakened purchasing power, deteriorated quality of life (especially health and nutrition), limited access to public services and worsened the inherent difficulties of the poor. Rising prices have also resulted in lower savings and remittances, employment instability and tensions in labour relations among migrants. The rural-urban linkage is critical to poverty reduction in rural areas; therefore, the poverty situation of migrants will adversely impact sustainable poverty alleviation at the national level.

Some recommendations for policy discussion towards sustainable urban poverty alleviation drawn from the fourth round of urban poverty monitoring in 2011 (in continuation of suggestions presented in the reports of the previous rounds) are as follows:

1. Increase investment in urban poverty alleviation programmes based on analysis of multi-dimensional factors of poverty and emphasise the importance of urban poverty alleviation to rural poverty reduction. Although income-based poverty has remained substantially low, quality of life in urban areas is still limited in many aspects, particularly in access to social protection, housing services, education, and health care. In the context of rapid urbanisation and given the importance of the rural-urban linkage, investment in urban poverty alleviation would also contribute to rural poverty reduction; therefore, stronger policies and better allocation of resources are required for urban poverty alleviation programmes. It is important that MOLISA guidelines for poverty review be strictly followed and households having resided in each locality for six months or more, regardless of residential status, should be

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included in the review, with cross-checking between place of origin and destination. A regular multi-dimensional poverty monitoring and evaluation system (to complement the uni-dimensional income-based measure) should be established in order to develop social protection policies targeting groups with specific difficulties.

2. Design suitable support policies targeting both local and migrant poor, and make basic services accessible, regardless of residential status. Migrants are an integral part of urban development in Vietnam. Support extended to migrants helps ensure their basic rights and promote their social integration. Changes are needed in the perception of policy makers, based on thorough research on the role of migrants and their difficulties, as well as careful analysis of impacts of support policies. Unwanted impacts, such as pressure on infrastructure and overloaded public services in areas with dense migrant populations, should be considered as challenges to be addressed rather than reasons for excluding migrants from support policies. Specific suggestions are as follows:

- Urban planning should be based on the total population of affected areas, including both local residents and migrants. Budget allocation for investment and expenditure for each locality must be based on population size to gradually address the issue of overloaded housing services (with special attention to water supply, drainage, environment and hygiene), education and health care services, especially in areas densely populated with migrants and poor people.
- Help migrants reduce living costs in urban areas by effectively implementing existing policies on rent and electricity regulation, whereby landlords are offered tax deductions for maintaining rent and electricity prices at affordable levels. Replace current cumbersome procedures for electricity price regulation with such initiatives as "prepaid electricity cards" or "monthly electricity deposit" and so on.
- Develop and implement synchronised projects to support poor freelance workers in urban areas by group (small traders, motorbike taxi drivers, small service providers and others) to improve or find alternative livelihoods.
- Enhance the social capital of both local and migrant poor by creating more opportunities for participation in community activities, self-help services, group activities, and cultural and communication activities addressing laws and life skills, in close collaboration with relevant stakeholders (local authorities, residential groups, associations, trade unions and employers). Promote sharing, self-help and integration among migrants, perhaps initially through informal social relations such as groups of people coming from the same home province or groups of cohabitants.
- Harmonise urban management policies to minimise their conflict with the livelihoods of the poor. Implementation of urban management policies must be based on careful research and analysis of the impacts on the livelihoods of freelancers, as well as direct consultation with those affected, so that suitable and effective support measures can be devised.
- In the long term, macro policies to support small enterprises, enhance corporate social responsibilities, and improve the formalisation of informal sector activities and so on will help the poor and migrants mitigate employment risks and gain better access to the social protection system.

**3. Develop a comprehensive social protection policy framework for urban areas.** This continues to be the major suggestion of this fourth round of urban poverty monitoring in 2011. Pursuant to the Constitution and international commitments

made by Vietnam, access to social protection is a basic right of all people. Refining the social protection system is a critical step towards the goal of sustainable poverty reduction and comprehensive enhancement of quality of life (economic, social and environmental) in urban areas of Vietnam. Some specific suggestions are as follows:

- Regular social assistance (under Decree 67/2007/ND-CP, Decree 13/2010/ND-CP and other relevant legal documents) should be expanded to cover the whole "hard core" poor group (absolute/ chronic poor) in urban areas to help maintain minimum living standards. This group can be identified based on their income (against the current poverty line) in combination with other criteria, such as human resources and employment.
- Design a supplementary policy to provide regular social assistance to poor groups, with children under fifteen attending school to contribute to the goal of universalisation of secondary education in urban areas. Assistance levels should be higher for poor groups, with two or more children attending school.
- Provide 100 percent medical insurance support for the near-poor group (those with an income less than 130 percent of the poverty line). This can be done through an increase in support proportion from the budget (increase the current assistance level from 50 percent to 70-80 percent) and mobilisation from funds for the poor, funds for protection of poor patients, from businesses and donors.
- Concrete guidelines and simple procedures should be developed and widely communicated so that migrants can access regular social assistance and medical insurance in urban areas. Research policies designed to support freelancers having difficuilties acquiring medical insurance, in order to contribute to the goal of universal medical insurance.
- Amend policies supporting vocational training to make them more effective and accessible to both local and migrant urban poor labourers. This includes policies to support vocational or on-the-job training programmes provided by private businesses in urban areas, instead of focusing only on municipal and district vocational training centres.
- Research and review models of informal community-based and "socialised" social protection in collaboration with local authorities, mass organisations, public service providers, businesses, donors and religious associations and so on, in order to develop policies promoting good practices and suitable support programmes.
- Design a set of tools for measuring the extent of difficulties and vulnerabilities of those facing multi-shocks to identify needy groups and provide timely assistance, instead of relying solely on regular year-end poverty reviews. This toolset should be integrated into the regular multi-dimensional poverty monitoring and evaluation system.
- Increase assistance levels to achieve practical results and gradually reach basic living standards; at the same time, develop a mechanism for timely adjustment of assistance levels and poverty lines to reflect price fluctuations.
- Raise awareness and promote the realisation of "people's right to social protection" through widespread communication and oriented information on social protection for disadvantaged and vulnerable groups; develop a suitable mechanism to facilitate registration for social protection in times of hardship; develop a mechanism for feedback on the implementation of social protection policies.

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## INTRODUCTION

### **Objectives of the Report**

Vietnam has changed rapidly over the last 25 years. From being one of the poorest countries in the world, Vietnam has made great achievements in economic growth and poverty reduction. In 1993, nearly 60 percent of the population was poor, but according to the General Statistics Office (GSO), this poverty incidence was reduced to 15 percent by 2008.

Between 2007 and 2011, the Government of Vietnam (GOV) introduced a number of reform policies to help the country move beyond its underdeveloped status and help poor households rise above the poverty thresholds. In late 2006, Vietnam became an official member of the World Trade Organisation (WTO), a key milestone on the way to full integration into the global economy. The rapidly developing situation that Vietnam is now in will bring both opportunities and challenges to the Vietnamese people, especially poor groups, in both rural and urban areas.

In the face of the rapid and comprehensive changes that Vietnam will experience in the coming years, several international non-governmental organisations (INGO) proposed a joint initiative to monitor these changes as well as their impacts. These INGOs, including ActionAid Vietnam (AAV) and Oxfam, have coordinated with local partners in provinces and cities, where they support programmes to build a network for participatory monitoring of poverty aiming at:

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

The objective of the annual monitoring of poverty among typical communities using participatory methods is to:

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

Annual urban poverty monitoring has been implemented in the cities of Hai Phong and Ho Chi Minh (HCMC) since 2008. In 2009, the network of urban poverty monitoring was expanded to include Hanoi. A synthesis report on the results of the first round of urban poverty monitoring in 2008, two others of the second round in 2009, and the third round in 2010 have been published<sup>3</sup>.

This report provides the results of the fourth round (2011) of urban poverty monitoring in Hanoi, Hai Phong and HCMC.

ntroduction

<sup>&</sup>lt;sup>3</sup> See "Participatory monitoring of urban poverty in Vietnam: Synthesis Report 2008", Oxfam and ActionAid Vietnam, April 2009, "Participatory monitoring of urban poverty in Vietnam: Second-Round Synthesis Report 2009", Oxfam and ActionAid Vietnam, November 2009 and "Participatory monitoring of urban poverty in Vietnam: Third-Round Synthesis Report 2010", Oxfam and ActionAid Vietnam, November 2010.

### **Annual monitoring**

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

### **Survey location**

In each city, a representative ward or commune regarding to in poverty status of local people and migrants was chosen. Based on AAV and Oxfam's working relationship with local partners, the 2011 fourth round poverty monitoring locations were chosen as follows:

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

In each ward or commune, two residential quarters or hamlets were chosen. Therefore, three wards/communes and six residential quarters/hamlets participated in the fourth-round urban poverty monitoring in 2011.

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

Ward/ Commune	District	City	Geographic location	Total land area (ha)	Total permanently register	Total permanently registered	Total temporary registered residents	Proportion of poor households in
Kim Chung	Dong Anh	Hanoi	Suburban district	395	2630	10,377	25,685	3.1
Lam Ha	Kien An	Hai Phong	Peripheral urbanised district	175	3,315	11,705	5,300	0.5
Ward 6	Go Vap	НСМС	Peripheral urbanised district	165	3,796	9,819	17,251	5.76

### TABLE 1. 2011 Urban Poverty Monitoring sites

Sources: Ward/commune level information cards as of end of 2010

Some of the main features of six residential quarters/hamlets as monitoring sites during the time of the fourth round of monitoring in 2011 are shown in Table 2.

TABLE 2. Some characteristics of six residential quarters/hamlets participating
in the urban poverty monitoring in the fourth round of 2011

City	Ha	noi	Hai P	hong	нсмс		
District	Dong	Anh	Kier	n An	Go Vap		
Ward/commune	Kim C	hung	Lam	n Ha	Wai	rd 6	
Residential quarter/village	Nhue Hamlet	Bau Hamlet	Quarter 3 (Former Quarter 2)	Quarter 14 (Former Quarter 30)	Quarter 25	Quarter 27	
Total permanently registered households	851	1015	178	107	52	69	
Total permanently registered residents (persons)	3457	4012	564	432	218	312	
Total temporary registered residents (persons)	2671	15,000	4	183	800	758	
Proportion of poor households in late 2010 (%)	3.2	3.1	0.5	0.9	N/A	30.4	
Proportion of near-poor households in late 2010 (%)	2.7	0.5	1.1	1.9	0	15.9	
Proportion of households using tap water (%)	N/A	100	100	100	100	70	
Proportion of households using electricity network (%)	100	100	100	100	100	100	
Proportion of households using septic/ semi-septic tanks (%)	100	100	100	100	100	100	
Proportion of households living in temporary house (%)	0	0.1	0	0	0	1.5	
Proportion of malnourished chidren under five (%)	12	N/A	0	N/A	0	5.5	
Total number of people receiving monthly social allowance (according to Decree 67/CP)	55	85	3	2	0	0	
Of which:							
Orphans	0	NA	0	0	0	0	
Single elderly	30	NA	0	1	0	0	
Disabled people	17	5	3	0	0	0	
HIV/AIDS infected people	0	N/A	0	0	0	0	
Single parent caring for small children	8	13	0	1	0	0	
Proportion of children of primary school age entering schools (%)	100	100	100	100	100	100	
Proportion of children of secondary school age entering schools (%)	100	98	100	N/A	100	100	
Proportion of children of high school age entering schools (%)	100	100	100	N/A	100	100	
Number of households borrowing preferential loans (households equivalent to % of total households)	60 (7%)	115 (11%)	N/A	5 (5%)	N/A	4.3	

**Source:** Information sheets at residential quarter/hamlet levels as of July 2011 (Note: N/A - Not Available)

### Poverty monitoring core group

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

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

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

### Urban poverty monitoring framework

This fourth round of urban poverty monitoring based on participatory methodology undertaken in 2011 includes three inter-linked main themes:

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

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

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

### **Field work**

The fourth round of urban poverty monitoring was implemented in July 2011. The monitoring was undertaken using participatory approaches for one week in each ward/commune. The main data and information were collected via:

**Group discussions:** were conducted with core members of wards/communes, residential quarters/hamlets and with male and female residents, poor children, and

specific social groups (migrant workers, cyclo drivers, motorbike taxi drivers, small traders, and social protection beneficiaries) using participatory rural appraisal (PRA) tools, such as classification of households (well-being ranking), time lines, listing and ranking, livelihood analysis diagrams, mobility charts, cause and effect diagrams and so on, to understand the effect of changes on people's lives, livelihoods, access to public services, people's feedback on policies, and programmes/projects. In this 2011 fourth round of monitoring, 52 group discussions were held with the participation of 351 local people, migrant workers, and local officials, of which 141 were male and 210 female, mostly Kinh people.

**In-depth interviews to record life stories:** were undertaken with a number of representative poor and near-poor households in each residential quarter/hamlet and with people who belonged to specific social groups in each ward/commune to further understand people's perceptions of poverty, and their living conditions, vulnerability, coping mechanisms and feedback on policies. 161 in-depth interviews were conducted with 75 men and 86 women in this 2011 fourth round of monitoring.

**Questionnaire-based interviews with migrant worker groups:** A specific questionnaire was developed for migrants working in enterprises with a focus on demographic characteristics, working conditions, living standards and income/ expenditure. The interview locations were randomly selected in some rental properties where migrant workers were living. As migrant workers have a tendency to frequently change their work places and accommodation, the 2011 survey sample was not the same as that of the previous years. (Thus, one needs to be cautious in comparing data of 2008, 2009 and 2010 given the three different random samples taken in the same location). One hundred and eighty questionnaire sheets for migrant workers in Hanoi, Hai Phong, and Go Vap District (HCMC) were completed in this fourth round of urban poverty monitoring 2011. Of the 180 interviewees, 73 were male and 107 were female; 175 were Kinh and 5 were ethnic minorities.

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

*Interviews with officials:* In addition to the tools mentioned above, 10 interviews were conducted with officials of district departments during the survey trip.

This report of the fourth round of urban poverty monitoring summarises results of the surveys at different monitoring sites in July 2011 and highlights the changed status of urban poverty over the last 12 months since the last survey<sup>4</sup>. In addition to a thorough analysis of the focus issues, this report provides a general overview of changes in poverty and examines specific vulnerable groups, as an independent report on urban poverty.

<sup>&</sup>lt;sup>4</sup> Separate reference is provided for secondary information. All the non-referenced information used in this report has been consolidated from three component poverty monitoring reports and the field report as part of the 2011 fourth round urban poverty monitoring undertaken in Hanoi, Hai Phong and HCMC.







Part 1 OVERVIEW OF URBAN POVERTY

### 1.1 Urban poverty trends: Various Measures

Poverty is multidimensional, and various ways

Poverty is multi-dimensional and can be measured by means of income (or expenditure) and non-income criteria. To date, the status of poverty in Vietnam can be measured in has often been measured using the income poverty line set by the Government or expenditure poverty lines defined by the World Bank (WB) and the Government Statistics Office (GSO) based on the Vietnam Household Living Standard Survey (VHLSS)<sup>5</sup>. Recently, there have been efforts by Vietnam's statistics offices to implement multi-dimensional measures that take into consideration the non-income criteria in urban poverty reduction.

### 1.1.1 The Government's national income poverty line

Urban incomebased poverty incidence has dropped to a low level, even though the poverty line has been almost doubled

Updated data of 2010 using the former income-based poverty line of GOV during the period of 2006-2010 shows that urban poverty continues to drop slowly. The main reason is that urban poverty measured in this conventional way has reached its "hard core" with a very small proportion of households being identified as poor, which is difficult to reduce further. Risks and shocks have also slowed the poverty alleviation process. In late 2010, GOV promulgated a new income poverty line for 2011-2015 which nearly doubled the line applied for 2006-2010. According to the new poverty line, the national urban poverty incidence in 2010 increased slightly by 2 percent compared to the poverty figure calculated using the former line (Table 3)<sup>6</sup>.

#### TABLE 3. Poverty incidence in Vietnam according to GOV's income poverty lines, 2004-2010 (%)

		New poverty line			
	2004	2010			
National	18.1	15.5	13.4	10.7	14.2
Urban	8.6	7.7	6.7	5.1	6.9
Rural	21.2	17.0	16.1	13.2	17.4

Source: GSO, "Results of the Household Living Standard Survey 2010", Statistics Publishing House, Hanoi, 6/2011

#### Notes:

- The former income poverty line of GOV for 2006-2010 was VND200,000/person/month in rural areas and VND260,000/person/month in urban areas. The proportion of poor households in 2004, 2006, 2008 and 2010 was calculated by GSO against this income poverty line with adjustments to account for inflation for each year.
- The new income poverty line of GOV for 2011-2015 is VND400,000/person/month in rural areas and VND500,000/person/month in urban areas (according to Decision No. 09/2011/QD-TTg dated 30/1/2011 signed by the Prime Minister).

### 1.1.2 Income poverty lines defined by localities

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

At the time of report writing (October 2011), GSO has not disclosed the updated poverty data for 2010 according to the expenditure poverty line of World Bank/GSO. Old data on income poverty during 1993-2008 was guoted in the "Participatory Monitoring of Urban Poverty: Synthesis Report of Round 3 in 2010", Oxfam and ActionAid Vietnam, 11/2010.

Source: GSO "Results of the Household Living Standard Survey 2010", Hanoi, 6/2011, available on http://www.gso. gov.vn/default.aspx?tabid=417&idmid=4&ItemID=11138.

Hanoi's new poverty line is 1.5 times and HCMC's twice as high as the national poverty line Over the past years, income poverty lines of both Hanoi and HCMC have been adjusted regularly to keep pace with rising urban living costs and local capacity to allocate funds for the implementation of policies to support the poor. In early 2011, Hanoi set its own poverty line 1.5 times higher than the GOV's. HCMC has also adopted a poverty line twice as high as the GOV's since 2009. Hai Phong set its own poverty line for 2010 but decided to reapply the GOV's line from 2011 (Table 4).

# TABLE 4. GOV's poverty line and poverty lines defined by the 3 major cities over the years (average income: VND/person/month)

	2006	2007	2008	2009	2010	2011				
GOV's poverty line	200,000 in ru <b>260,000</b> in u	400,000 in rural areas <b>500,000</b> in urban areas								
Poverty lines defined by Hanoi	270,000 in ru <b>350,000</b> in u			330,000 in ru <b>500,000</b> in u	550,000 in rural areas <b>750,000</b> in urban areas					
Poverty lines defined by Hai Phong	200,000 in ru <b>260,000</b> in u			300,000 in rural areas         400,000 in rural areas           390,000 in urban areas         500,000 in urban areas						
Poverty lines defined by HCMC	500.000			<b>1.000.000</b> (no distinction between rura and urban areas)						

**Source:** Decisions on poverty line adoption of the People's Committees of Hanoi, Hai Phong and HCMC

New poverty lines cannot keep pace with price hikes at monitoring sites. According to the poverty lines defined by each city, the proportion of poor households in the three monitoring sites in late 2010 continued to decline compared to those of the previous years (Table 5). In Kim Chung commune (Hanoi) and Lam Ha ward (Hai Phong), proportions of poor households in late 2010 fell although the poverty line was set higher. The main reason was that while income from wages/ salaries increased considerably in 2010 due to rising inflation, it could not keep pace with local price hikes.

TABLE 5. Proportion of poor households at monitoring sites during 20	005-2010
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Ward/ Communune	District	City	Geographic location	Proportion of poor households according to former poverty line (%)				Proportion of poor households according to new poverty line (%)				
				2005	2006	2007	2008	Early 2009	Late 2009	Early 2010	Late	
Kim Chung	Dong Anh	Hanoi	Suburban Industrialised	-	6.6	3.8	1.7	5.0	5.2	-	3.1	
Lam Ha	Kien An	Hai Phong	Peripheral urbanised	-	1.54	0.93	0.68	-	0.51	1.28	0.5	
Ward 6	Go Vap	HCMC	Peripheral urbanised	3.6	2.2	1.26	0	9.1	8.1	-	5.76	

Source: Data from poor household surveys 2005-2010 undertaken at monitoring sites

Poverty reviews at monitoring sites in 2010 show many improvements...

The general poverty reviews using the new poverty lines have been more carefully conducted compared to previous years at the monitoring sites. Ward 6 (Go Vap) used the questionnaire specially designed for HCMC for income survey with more details in the income section applicable for urban areas (compared to MOLISA's form

9

which is more suitable for rural survey). Lam Ha Ward (Hai Phong) added a section on expenditure for information cross-checking to address the fact that households might not be honest about their income. At all monitoring sites, ward/commune officials collaborated closely with partners in residential quarters/hamlets to conduct the survey from household to household, collecting comprehensive information on people's lives to avoid "obmission or missing" cases of poor households as found in the previous years. Poverty review exercises are often integrated into residential quarter (RQ) meetings or Women's Union meetings. As the general review was already conducted in late 2010 as a basis for planning for the new poverty reduction programme in 2011-2015, local officials were not pressured by the annual "poverty reduction target" in the review process.

... but difficulties and limitations remain There remain many difficulties and limitations in the exercise of poverty review. While most urban poor work in the informal sector, it is very difficult to account for cash income from informal employment. The thinking "each minds his/her own business" in the cities makes it hard to verify the income of households as they claim. In general, urban dwellers still pay insufficient attention to the poverty review. Attendance at RQ meetings has not been high (maximum rate recorded was 50%). In some places, plenary meetings are not organised and poverty reviews are instead conducted in meetings of core cadres.

MOLISA's manual for poverty review for 2011-2015 requires that households that

reside in a locality for 6 months or more regardless of their registration or residential

status (registered for permanent, temporary residence or not registered) be counted

in the exercise<sup>7</sup>. In fact, only some long-term temporary residents or those owning

house/land in the locality have been listed in the poverty reviews. Most renting households (of a large number) have been omitted. For example, in the RQ# 4 of Ward 6 (Go Vap), of the 76 poor households included in the list compiled from the late 2010 poverty review, only 7 were migrant households (5 of which owned a piece

One important reason leading to the omission of migrant households in the poverty

### Most renting migrant households have not been included in poverty reviews

There is not yet a mechanism in place for crosschecking between rural and urban areas to facilitate poverty reviews among migrant households

reviews is that there have been no mechanisms and procedures for cross-checking between the rural (place of origin) and the urban (migration destination). Cadres in charge of poverty reviews in urban areas are worried that some migrant households might be classified as poor in their hometown or that although they have poor housing in the cities, they may own good houses and have stable incomes from agricultural production back home. Moreover, in urban areas with a large population of migrants, it would be costly in terms of both finance and human resources to conduct income surveys with this group if they are to be taken into consideration for poverty reviews.

### 1.1.3 Measuring multi-dimensional poverty

of land and 2 permanently rent a house).

Measuring multi-dimensional poverty has attracted more and more attention internationally. A typical example is found in the 2010 UNDP Human Development Report, in which the multi-dimensional poverty index (MPI) was used to supplement the uni-dimensional income/expenditure poverty measure. MPI was calculated for 104 countries, taking into account three dimensions, which were education, health care and living standards, including 10 indicators attached to the Millenium Development Goals (MDGs)<sup>8</sup>.

PARTICIPATORY MONITORING OF URBAN POVERTY IN VIETNAM PART 1. Overview of Urban Poverty

> Measuring multidimensional poverty has attracted more attention in the world

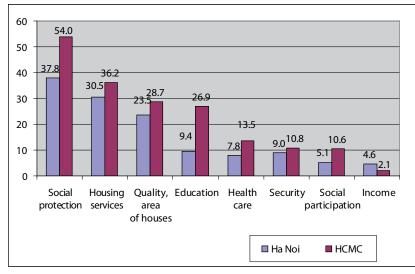
Source: MOLISA, http://giamngheo.molisa.gov.vn/index.php/chi-dao-dieu-hanh.html

<sup>&</sup>lt;sup>8</sup> Source: UNDP, Human Development Report "Real wealth of nations: parthways to human development ", 2<sup>nd</sup> edition 11/2010.

In Vietnam statistics offices have made efforts to measure multidimensional poverty In Vietnam, GSO applied MPI for the first time in 2008 to calculate multi-dimensional poverty in children based on data compiled from VHLSS<sup>9</sup>. In 2009, UNDP supported the project "Supporting in-depth evaluation of urban poverty in Hanoi and Ho Chi Minh City" (UPS-2009) implemented by the statistics offices of the two cities. The project adopted the multi-dimensional measure of poverty and explored the 8 dimensions of "deprivation" which included: income, education, health care, access to the social protection system, housing quality and space, housing services, participation in social activities and social security.

... results show deficiencies in the quality of life of urban dwellers

Lack of access to the social protection system is the most acute deprivation Results from the multi-dimensional poverty measure of UPS-2009 show that the quality of life of Hanoi and HCMC residents is still limited although income-based poverty incidence has been low. The three most problematic areas were access to the social protection system, access to suitable housing services (electricity, water, sewage and garbage) and access to suitable housing in quality and space (Figure 1.). Migrants suffer from deficiencies in more dimensions investigated compared to people with permanent registration. Lack of participation in social activities among migrants was especially high (37 percent in Hanoi and 39 percent in HCMC) compared to that of permanently registered people (only 1 percent in Hanoi and 3 percent in HCMC).



### FIGURE 1. Poverty incidence by each dimension (%) and by city

Source: Hanoi, HCMC and UNDP, "Urban poverty assessment in Hanoi and HCMC" Report, 9/2010

Research results of UPS-2009 reaffirm the advantage of the multi-dimensional poverty approach over the uni-dimensional approach in urban areas. The research highlights some aspects in urban poverty alleviation that need the attention of Hanoi and HCMC, including better access to the social protection system, improvement of services related to housing, improvement of housing quality and space, and enhancement of education and universalisation of secondary education. Migrants with no official household registration account for a large part of the poor population in the two cities. Therefore, there needs to be long-term support policies to help them improve basic living conditions<sup>10</sup>.

Multi-dimensional poverty measurement better reflects people's perceptions

I Multi-dimensional poverty measurement better reflects the perceptions of residents at the monitoring sites. While carrying out the household well-being ranking exercise, local officials and people often mention different dimensions of deprivation other than income to reflect differences between poor and richer households, especially in human resources, occupation, education, health care, access to social protection, participation in social activities and housing (quality, space and services) (Table 6).

Source: GSO, " Results of the Household Living Standard Survey 2008", Statistic Publisher, Hanoi, 2010.

<sup>&</sup>lt;sup>10</sup> Source: Hanoi, HCMC and UNDP, "Urban poverty assessment in Hanoi and HCMC" Report, 9/2010.

### TABLE 6: Criteria for household well-being ranking at monitoring sites

Kim Chung (Dong Anh, Hanoi)	Lam Ha (Kien An, Hai Phong)	Ward 6 (Go Vap, HCMC)
Income	Income	Income
Human resources	Human resources	Human resources
Occupation	Occupation	Occupation
	Education	Education
	Health care	Health care
	Access to social protection	Access to social protection
Participation in social activities	Participation in social activities	Participation in social activities
Housing (quality, space, services)	Housing (quality, space, services)	Housing (quality, space, services)

### Multi-dimensional poverty measurement of the statistics offices reflect people's perceptions of poverty criteria . Yet, there are some differences.

Some localities have shown flexibility in poverty reviews, including more references to nonincome criteria Most criteria used for the household well-being ranking mentioned above are consistent with the dimensions of deprivation mentioned in the UPS-2009 report (education, health care, social protection, participation in social activities and housing). However, there are some differences. In the UPS-2009 report, shortages in terms of "human resources" and "occupation" were not used for measuring multi-dimensional poverty. Yet, these two criteria were mentioned the most by local officials and people in monitoring sites while doing the household well-being ranking exercise. Households classified as poor often have members with chronic illnesses, elderly members, small children, and are characterised by little education, lack of skills, and unstable informal employment. Since poor people often work in the informal sector they do not have access to the social protection system (having no benefits from employers or regular social benefits). On the other hand, "social protection", included as a dimension in UPS-2009, is not mentioned by local officials and people in the ranking exercise because it is considered a common problem of the community.

Although poverty lines have been raised, they remain low in the face of rising prices in urban areas. The number of households with income below poverty lines at monitoring sites is small, resulting in superficial results in poverty reviews. The use of non-income criteria as supplementary to income criterion would help obtain a better picture of urban poverty. Results from the household well-being ranking exercises in 2011 using participatory methods in six monitoring residential quarters/hamlets show that multi-dimensional poverty (using criteria defined by the core group in each locality) is often 5 to 20 percent higher than uni-dimensional poverty (according to the income poverty line defined by each city). In fact, some localities have shown flexibility in poverty reviews, including more references to non-income criteria (Box 1).

# BOX 1. Flexible poverty reviews – or adoption of the multi-dimensional poverty approach?

In late 2010, Lam Ha ward (Kien An, Hai Phong) conducted a poverty review. In contrast to Hanoi or HCMC, which adopted their own local poverty lines higher than the national one, Hai Phong still used the GOV poverty line (of VND500,000/ person/month for urban areas), although price levels varied little among the three cities. Because the adopted poverty line was low and it was difficult to verify household income, Lam Ha decided to be flexible in their poverty review by adding other criteria, in addition to income.

According to the poverty review of Lam Ha ward in late 2010, there were 17 poor households in the ward. Local officials in charge of labour, invalids and social affairs revealed that if income was the sole criterion for the review then only two of the 17 households could be considered poor, having income lower than VND500,000/ person/month. The remaining 15 households were listed as poor since they had difficulties such as having ill, disabled, or elderly family members, being single parents caring for small children, working freelance with an unstable income and so on, although their income, if properly accounted for, could be slightly higher than the poverty line (from VND500,000 to 700,000/person/month).

One difficulty in multi-dimensional poverty measurement is lack of data, especially in qualitative criteria on quality of life

social protection

qualitative criteria<br/>on quality of lifetreated and<br/>insurance ofMulti-dimensional<br/>povertyMulti-dimer<br/>alleviation a<br/>on the defir<br/>each policy.Multi-dimensional<br/>povertyMulti-dimer<br/>alleviation a<br/>on the defir<br/>each policy.policies for poverty<br/>alleviation andMulti-dimer<br/>policies for poverty

In multi-dimensional poverty measurement, quantitative criteria related to nonincome dimensions of deprivation can be calculated using household information cards. Difficulties are often encountered when using qualitative criteria to reflect quality of life. For example, on the dimension of health care, the UPS-2009 report used the criteria "no medical insurance" or "no medical insurance granted by employers". In reality, however, local officials and people surveyed preferred the criteria "extent of care for health" and "quality of health care entitled" (the manner in which illnesses are treated and the medications used are more important than whether one has medical insurance or not).

Multi-dimensional poverty measurement is useful for designing policies for poverty alleviation and ensuring social protection for groups with specific difficulties based on the defining of beneficiaries according to dimensions of deprivation suitable for each policy. This requires commitments by policy makers and further research and pilot projects (Box 2).

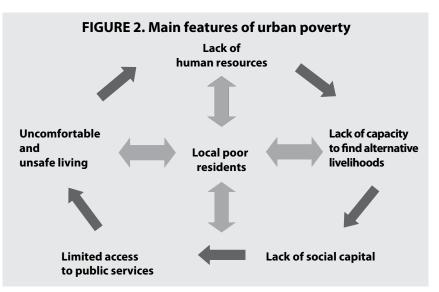
### BOX 2. Policy implications of multi-dimensional poverty measurement

Multi-dimensional poverty measurement helps better identify the poverty situation from a social perspective to supplement the uni-dimensional income/expenditure poverty measurement. The multi-dimensional approach to poverty assessment is more suitable to the situation in large urban centres of Vietnam where income/expenditure poverty is likely to be eliminated in the near future.

Adoption of the multi-dimensional poverty approach can provide evidence for policy discussions on urban poverty alleviation in three aspects:

- 1. Focusing resources for investment in dimensions with the biggest deprivation. Large cities all have support programmes by sectors related to non-income dimensions of deprivation of the poor such as infrastructure, housing services (electricity, water, sewage and garbage), housing for low income earners, education, health care and so on. For example, results from multi-dimensional poverty measurement exercises show that improvements in access to social protection (social safety nets) for both local residents and migrants should be given the first priority in the coming years in order to reduce urban poverty.
- 2. Establishing a regular assessment system for multi-dimensional poverty in the face of multi-shocks to identify social groups with specific vulnerabilities as a basis for development of timely and suitable social security policies (instead of relying on "one-off" support in time of policy changes or individual shocks, or relying on the "poor list" compiled at the end of every year). For example, results from multi-dimensional poverty measurement exercises show that urban poor are facing difficulties in meeting education costs for their children, especially during the price hike in 2011. Therefore, there is a need to design a stronger support policy for child education among urban poor households (aiming at ensuring school enrolment for children, preventing drop-outs due to poverty, and universalisation of secondary education).
- 3. Using one or more poverty dimensions to identify beneficiaries appropriate with available resources for each policy. The more dimensions investigated the narrower the scope for identification of beneficiaries and the more likely it would be that policies reach the most disadvantaged. In fact, priority should be given to an increase in support levels (more poverty dimensions to have fewer people eligible but higher benefits) rather than an expansion of beneficiary scope (and subsequently more beneficiaries and smaller benefits) in order to ensure policy effectiveness.

### **1.2.1 Local poor residents**



### Local poor residents face many difficulties and disadvantages that can be categorised into five main dimensions

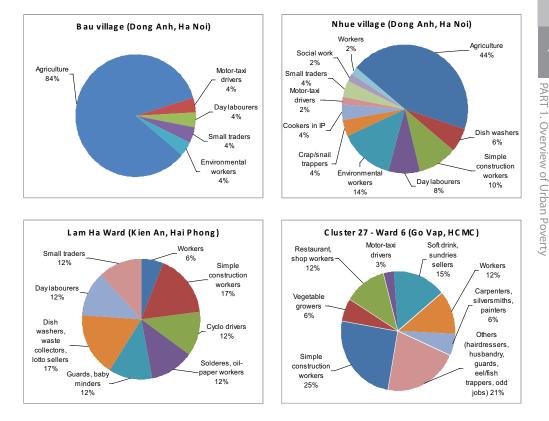
"Chronic poor" are often associated with a lack of employment According to the multi-dimensional poverty approach, this fourth round report of 2011 continues to confirm five main features representing limitations and disadvantages of local poor residents (as mentioned in the third round report of 2010). They are: lack of human resources, lack of capacity to find alternative livelihoods, lack of social capital, limited access to public services, and uncomfortable and unsafe living environment (Figure 2). Updated information for 2011 on these main features of urban poverty is briefed as follows:

**Lack of human resources** remains the most prominent feature of local poor households. Statistical exercises on human resources among local poor households at monitoring sites show that a large proportion of poor households are households with elderly people, single parents, disabled people and people with chronic illnesses. Some households with drug addicts have great difficulties (Table 7). Households experiencing lack of employment and little capacity for income generation are prone to becoming "chronic poor". Local officials at monitoring sites estimate that chronic poor households account for 20-30 percent of the total number of poor households.

### TABLE 7. Human resource features of poor households at monitoring sites, 2011

	Single	HHs with	HHs with disabled	members	Average number			breadw our age i	
	parents (%)	elderly people (%)		having committed social evils (%)	0f	No one	1 person	2 people	>2 people
Nhue hamlet - Kim Chung commune (Hanoi)	56	11	56	11	3.1	8	70	22	-
Bau hamlet –Kim Chung commune (Hanoi)	71	19	68	-	2.6	35	55	10	-
Lam Ha ward (Hai Phong)	47	24	65	12	3.1	23	65	12	-
Residential quarter 27 - ward 6 (Go Vap, HCMC)	10	29	48	5	4.5	-	14	38	48

Source: Data provided by ward officials in charge of labour, invalids and social affairs and hamlet/ quarter officials, 7/2011 "Temporary poor" are often those with lack of employment, freelance unstable jobs, and with no access to social protection Lack of capacity to find alternative livelihoods is prevalent among local poor people, being one of the main causes of the situation of the "temporary poor" (households whose income remains unstable and low). Statistical exercises on main occupations of members of poor households at monitoring sites show that in peripheral urbanised areas such as Lam Ha ward and Ward 6, young children of poor households often work as small traders, shop assistants, construction workers, day labourers, hairdressers, vegetable vendors, dish washers, guards, crab/ snail/ fish or eel trappers, motorbike taxi drivers, cyclo drivers and so on (Figure 3). Low levels of education and lack of skills make it difficult for poor people to shift to jobs in the formal sector with more stable income and access to social protection (social and medical insurances). In suburban areas such as Kim Chung commune, poor people mainly work in the agricultural sector. The local poor face immense difficulties due to arable land becoming increasingly sparse, making farming more difficult. Owning very little land and being short of capital prevent them from being able to build houses to rent or starting small businesses.



# FIGURE 3. Occupation structure of members of poor households at monitoring sites, 2011

Poor people often rely on informal relationships within their small circle **Lack of social capital** is a typical limitation of the urban local poor compared to their rural counterparts due to the closed and more individualistic urban lifestyle. Poor people mostly rely on informal relationships within a small circle of relatives and neighbours of the same standing. The poor tend to limit social exchanges in order to reduce costs involved in social events, which are quite substantial in urban areas. Most urban poor people work freelance, taking casual jobs that are exhausting with long hours and inconsistent schedules. As a result, they do not pay attention to community activities. Quarter plenary meetings – considered to be the most important social activity in the community – often attract less than 50 percent of poor people. While attending meetings, the poor often choose to listen passively and seldom share their opinions or offer feedback.

Urban poor rarely participate in mass organisations and community institutions for various reasons, such as being busy with work, seeing little benefit in joining or suffering feelings of inferiority. In RQ# 4 of Ward 6 in Go Vap district, only 10 out of 30

Poor people rarely participate in associations and urban community institutions

Community lifestyle has been changing, causing adverse impacts on poor in monitoring sites

poor women joined the Women's Union. Many groups and clubs have been organised, but with very few poor members. Although they do participate in social activities, their participation is often insubstantial. Officials of the Women's Union at monitoring sites report that poor women are often slow to pay union fees and participate in activities held by the Union.

In suburban areas such as Kim Chung district of Hanoi, lifestyle has changed considerably. Previously, most households there worked together in agriculture and shared the same interest in harvests, irrigation, pest management and so on. Thus community spirit was high, and local people showed mutual care one for another. social capital of the Nowadays, many households have become wealthier thanks to non-agricultural activities, such as house renting and trading, while the rest remain poor and continue to live on agriculture. The gap between rich and poor has become wider. The increasing number of migrants in the locality has raised concerns among local residents about security, order and an inhomogenous lifestyle, which has made locals more withdrawn and introverted(everyone minds their own business). In such a context, social relations of poor households have narrowed to include only relatives or some neighbours of the same occupation or economic situation.

*High education* costs have been a constant worry of urban poor in time of inflation

Limited access to public services among the poor compared to that of the better-off often originates from their lack of financial resources and social capital. Discrimination does not appear to have been a problem affecting access to public services at monitoring sites.

Children from poor households no longer have to pay tuition fees. GOV has also ordered a temporary halt to school construction contribution. However, all children attending school still have to pay for many other items, such as "additional contributions" or "voluntary parents' funds", besides textbooks, uniforms, personal insurance and extra curricular classes. High education costs plus the price hike have limited poor households' capacity to send their children to school or to afford education materials. Many urban poor people cannot afford higher education for their children. Most families try to support their children only until they finish high school. The possibility of dropping out of school among children from poor households is therefore much higher than that among children of better-off families.

Poor people have limited access to health care services in spite of being granted medical insurance cards

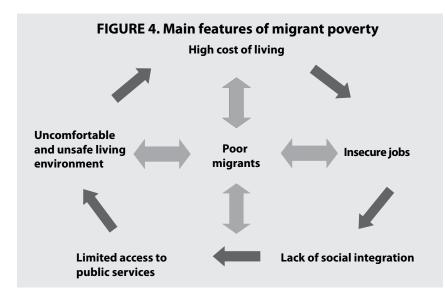
Degraded housing and poor housing services are two of the main difficulties of the urban poor

The incidence of overloaded health examinations and treatment for medical insurance card-holders in district and city medical centres was not reduced in 2011 compared to the previous year. In Ward 6 (Go Vap), people still have to queue from 4-5 AM holding their medical insurance books and patiently waiting for their turn due to the constant overcrowding at Go Vap hospital. Poor people choose to buy medication at local drugstores for minor illnesses. They go to hospital only in case of serious or chronic diseases.

**Uncomfortable and unsafe living environment** remains a common limitation of the poor. Poor households were seen little improvement in living conditions and housing services in 2011 compared to 2010. Poor households often congregate in isolated residential areas, along narrow lanes with degraded sewage systems, muddy roads in the wet season and alarming hygiene situations. Insecure land ownership with no "red books" is still common among poor households. Their homes are commonly known as deteriorated "grade 4" houses with an average area of 30-50 m2. Some abjectly poor households even live in dilapidated temporary houses. Assets found in poor households are often of little value. Many poor households have motorbikes, TVs, refrigerators and gas stoves, most of which were either bought in monthly installments or handed down by relatives.

### 1.2.2 Poor migrants

Migrants often come to big cities in search of manual labour jobs for economic reasons. Therefore, their poverty situation is more serious when viewed from a multiMigrant poverty is more serious viewed from a multi-dimensional perspective as opposed to merely income-based dimensional perspective as opposed to merely an income-based one. As discussed in the third round report of 2010, migrant poverty is characterized by five main features: high cost of living in urban areas, insecure jobs with constant risks, lack of social integration; limited access to public services, and uncomfortable and unsafe living environment (Figure 4). Updated information for 2011 on these main features of migrant poverty is briefed as follows:



### High inflation in 2011 made it even more difficult for migrants to cope with the rising cost of living

**High cost of living** is mentioned the most among migrants in the face of high inflation in 2011. Rent soared in 2011 by an average rate of VND50,000-150,000/room at all monitoring sites compared to 2010. The increase in electricity price in 2011 cost migrants an extra VND500 to 1,000, on top of the already high price of VND2,500-3,500/ KWh applied in 2010. Tenants use electricity through a shared electricity meter at a price set by their landlords. There have been no records of tenants having a separate agreement for electricity and paying the same price as permanent residents. The cost of clean water also increased by VND5,000-10,000/person/month. Education costs also rocketed in 2011. The price hike has particularly affected migrant households with small children. After deducting all necessary expenditures (house rent, electricity, education and so on) and small savings for remittance, most migrants find themselves having an extremely modest budget to spend on daily essentials. The survey shows that migrants have very simple meals (see also section 1.3.3 – Impacts of price hikes).

*Migrants'jobs are diverse and each has its own risks*  *Insecure jobs* with unstable income are a common problem for both local poor people and migrants. However, the nature of employment and the mobility of migrants add to the challenge. Migrants take a variety of jobs that most local residents would not choose to do and each job has its own risks (see also section 2).

Wages did not increase in proportion with the cost of living causing employment instability For migrant workers, the increasing cost of living without a corresponding increase in income has aggravated employment instability. Labour-intensive businesses (textile, footwear and the like) have experienced soaring production costs along with low-priced orders, and thus face difficulties in ensuring employment and satisfactory income for their workers. In Kim Chung commune (Hanoi), as a consequence of the earthquake and tsunami in Japan, workers in some automobile parts manufacturing companies and electronic assembly companies have had to take turn taking leaves (getting paid 70% of their normal wage) for several days during 3-4 months. In Ward 6 (Go Vap), the number of migrant workers plunged in 2011 compared to 2010 as some large textile companies relocated to suburban areas or to neighbouring provinces, forcing workers to move with the companies. Some either tried to get work in private workshops or had to return to their hometowns to find new employment in nearby industrial zones.

Migrant freelance workers face fewer employment opportunities Among migrants working freelance, employment opportunities and income of construction workers fell drastically in 2011. The main reason is that the GOV decided to cut down on public expenditure, resulting in many construction projects being suspended; as well, many families delayed building their houses in the face of price hikes. Price hikes also meant that small traders spent about 1.5 to 2 times more when buying from wholesalers compared to the previous year. The masseur/masseuse group in Ward 6 (Go Vap) has increasingly less work and many have decided to find alternative work for higher income.

Most migrant freelance workers do not get social insurance and do not purchase

voluntary medical insurance (because of high fees, or lack of information or inadequate

attention to the issue). As a result, they are left to cope with risks themselves. The last

resort for this group is to return to their hometown for help from relatives, especially

Lack of social integration is typical among migrants since Vietnam still keeps

the "household registration" system and many procedures and policies are made

dependant on household registration (although not as many as previously). Without

household registration or being listed as poor households, migrants find it hard to

Most migrants working freelance have no access to social protection

The "household registration" system prevents migrants from relying on formal institutions

social activities for

many reasons

relying on formal rely on formal institutions and to access social protection in urban areas. institutions At monitoring sites, migrants hardly participate in local social a Migrants hardly improvement was witnessed in 2011 compared to 2010. Reasons for participate in local participation of migrants in local social activities are cited as follows

in case of illness, accidents or giving birth.

At monitoring sites, migrants hardly participate in local social activities. No improvement was witnessed in 2011 compared to 2010. Reasons for the lack of participation of migrants in local social activities are cited as follows: coming to the cities to earn money and thus having no interest in social activities; hard, high-intensity and long working hours; always being on the move; frequent changes in accomodation; keeping a limited social circle of cohabitants and people coming from the same home province; saving and cutting down on social costs; not getting invited by local residential representatives and mass organisations, etc. Table 8 below presents the extent of participation of migrants in social activities in Ward 6 (Go Vap).

TABLE 8. Participation of migrants in activities in Residential Quarter 4, V	Nard 6,
Go Vap, HCMC, 2011	

Social and political activities in the locality	Participation by migrants	Notes
Residential quarter meetings	No	No invitation, only landlords are invited
Election	Yes (limited)	Inadequate participation (when the electoral list is compiled many migrants say they would return to their home town to vote but often end up not keeping their plans)
Women's Union meetings	Yes (limited)	Some participate but not often because they are busy, tired or do not see the benefits of participation
Poverty reviews	Yes (severely limited)	Only some migrant households with long-term temporary residence and stable housing are listed for poverty reviews
Construction of the quarter's head office	No	No request from local residential quarter for contribution
Happy family club	No	Only better-off local households participate
Grandparents – grandchildren club	Yes (active)	Many migrant children join, no discrimination found and useful recreational activities
Aerobic club, walking club	Yes (limited)	Only some migrants participate but not often

Migrants have limited access to education and health care services *Limited access to public services* is a common problem for poor people. For migrants particularly, this results from a lack of social integration. In terms of education, because public schools are already over subscribed, migrants often have to enroll their children in private schools (especially at the kindergarten level). Some migrant children have to return to their hometown for vaccinations or pay for vaccination services because their parents do not know how to register for vaccinations with the local ward or because the local medical centres lack vaccines. Migrants pay little attention to voluntary medical insurance or cannot afford medical insurance in the cities. In Ward 6 (Go Vap), migrants who wish to buy medical insurance cards have to present the temporary household registration showing more than 6 months in the locality. This imperceptibly limits participation of migrants in medical insurance. (see also section 1.3.5 – Access to public services).

Migrants often choose to rent low price rooms in areas with underdeveloped infrastructure and housing services **Uncomfortable and unsafe living conditions** is often attributed to a tendency to minimise the cost of living in urban areas among migrants. Migrants often choose to rent cheaper rooms in areas with underdeveloped infrastructure and poor housing services, and thus suffer from poor living conditions. Migrants residing in RQ# 14, Lam Ha ward (Hai Phong) and Bau hamlet, Kim Chung commune (Hanoi) complain about the quality of road and sewage systems in the locality. In Lam Ha ward (Hai Phong), many migrants rent cheap rooms of poor quality (built before 2000 with low and degraded roofs, leaking walls and unhygienic water tanks) for roughly VND250,000-300,000/room/month. Some rooms for rent in Kim Chung commune (Hanoi) built in 2011 are more spacious than the old-style rooms, including en suite toilets, but few workers rent these rooms due to the high cost of rent. In addition, some freelance jobs, such as scrap collection, potentially threaten the health and safety of migrant workers and the community.

Migrants in Kim Chung commune (Hanoi) and Ward 6 (Go Vap) mainly use well water as tap water is expensive (in Kim Chung, the cost of tap water for rental residences is VND12,000/m<sup>3</sup>). Well water looks quite clean at first glance but without being filtered it may be contaminated due to proximity to an industrial zone (in Kim Chung commune, Hanoi) or an old cemetery (Ward 6, Go Vap).

### 1.3 Challenges to urban poverty reduction

The third round report of 2010 discussed efforts to improve infrastructure in locations where urban poor people congregate, support livelihoods, improve access to public services, increase social capital, and expand social protection policies to include both poor local residents and poor migrants. This fourth round report of 2011 will provide an update on these above-mentioned challenges at the monitoring sites with a focus on those related to the price hike, gender issues and child rights.

### 1.3.1 Infrastructure

Many public infrastructure works are constructed through "socialisation" In 2011, infrastructure at monitoring sites continued to improve. Many intercommune, inter-village and inner village roads were paved. Construction of smallscale infrastructure through "socialisation" proved effective. When people and donors together contribute resources, the monitoring of construction progress and financing is made more effective, ensuring better quality for small-scale works (Box 3).

#### BOX 3. Monitoring Committee for the construction of night watch station No. 4 in Ward 6 (Go Vap)

The construction of a night watch station – to be also used as a meeting place – received great support from local people in RQ# 4, Ward 6 (Go Vap). In total VND 103 million was successfully raised, of which 60 million was contributed by local households, and the remaining 43 million was loaned interest free by donors. Poor households, although suffering great difficulties, still contributed from VND 10,000-50,000 per household.

In March 2011 construction began. The RQ, through voting, established a monitoring committee of 6 members (representatives from the local party committee, the quarter, residential groups, veteran's association, and local people) with clear division of responsibilities among members in order to ensure transparency (to compare quotes before buying materials, obtain receipts, and disclose financial reports). It was discovered during the construction process that the contractor provided wooden beams shorter than those required by the original design, so they were requested by the committee to replace the beams.

By April 2011, construction work was completed over a total area of 80 m2 and walls, doors and floor were well-upgraded. Through the process the role of local community in monitoring community works as well as people's participation in local social activities was enhanced.

Limitations in water supply were eventually addressed. In Lam Ha ward (Hai Phong), Canh Hau the sewageswhich had been broken for many years was repaired successfully in 2011, facilitating better drainage and minimising flood incidence during high tides and heavy rain. Almost 100 percent of local residents in Lam Ha ward and Ward 6 now have access to clean water. Kim Chung commune (Hanoi) has just finished the installation of its clean water supply system to cover two thirds of its hamlets (Bau and Hau Duong hamlets). The remaining clean water pipes will be completed by the end of 2011.

Garbage collection services have been improved. Kim Chung commune (Hanoi) provides an outstanding example. There was previously garbage build-up as well as uncontrolled waste dumping. Now, most households neatly store their garbage to dispose of in garbage collection carts at appointed times (or when the "garbage bell" rings). The privately owned environmental sanitation company has expanded their garbage collection service to the whole commune (they started operating in Bau hamlet in 2009-2010; in 2011, self-governed garbage teams of Nhue and Hau Duong hamlets were merged into the company). Dong Anh district helps by sending garbage carts/trucks twice per week to transport garbage from the commune garbage dump to the city dumping site.

However, many problems remain with infrastructure at the monitoring sites. Many inner and inter-village roads are still unpaved and muddy during the wet season (RQ# 14, Lam Ha ward). Some concrete roads have degraded as a result of being dug up for the installation of clean water supply pipes and not being properly patched afterwards (ward 6). Heavy floods happen in various places of the localities during heavy rain due to poor drainage (Bau hamlet – Kim Chung commune). A new clean water pipe has just been installed but water quality is inconsistent: tap water has been found to be tainted or contain dark dregs, and the price of water is quite high; therefore, many households continue to use water from drilled wells (Kim Chung commune and Ward 6).

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Water supply and drainage systems have been improved thanks to state investment

Private companies have actively provided garbage collection services

However, there remain problems with infrastructure in peripheral urbanised areas Environmental pollution caused by industrial waste water is an issue of great concern for local people Local people are greatly concerned with pollution from waste water discharged from factories. In Lam Ha ward (Hai Phong), industrial water pollution is getting worse, affecting the health of local people. According to local officials, there are two challenges in addressing the environmental problems. Firstly, the planning and issuance of permits are problematic when factories are allowed to operate adjacent to residential quarters. Secondly, officials at ward level do not have the power and capacity to investigate and deal with the dumping of waste water from businesses while environment investigation agencies at higher levels are not firm enough in imposing strong sanctions on offending companies (Box 4).

# BOX 4. Factories located near residential quarters cause environmental pollution

In Lam Ha ward (Hai Phong), over recent years environmental pollution has become more serious due to the operation of some companies near residential quarters. Local people complain about companies discharging waste water directly into ponds and canals that run through residential quarters, causing severe water and air pollution (odour). Moreover, some companies also construct their works on top of the sewer system, obstructing drainage.

Local people are frustrated and the residential quarter sent a petition to the ward reporting pollution from industrial water waste. However, according to Lam Ha officials, the ward authority has no power to address the issue; they lack human resources and equipment to examine the source and extent of the pollution.

---- "Waste water in RQ# 14 discharged from operating companies has caused pollution. The RQ has sent a petition to the ward authority. In fact, the pollution problem in Lam Ha is caused first of all by unsynchronised planning whereby factories were sandwiched among residential quarters. We have requested companies to minimise their impact on the environment but no clear sanctions are in place. Authorities of different levels need to collaborate in dealing with this problem instead of leaving it to the ward. The ward authority has limited power and resources to address the issue. We had to report this issue to the district department of natural resources and environment who then forwarded it to the city asking for examination facilities. The ward authority has no resources to solve this problem. We cannot even impose a fine. Those companies say the district and city gave them permission to operate and the ward has no rights..." – N.K.H, official of Lam Ha ward, Kien An, Hai Phong.

games which cost little; some play football on the street or on empty plots of land, but are often chased off by local guards or households in the neighbourhood.

Suspended plans and delayed projects have not been addressed	"Suspended plans" and "delayed projects" remain problematic. Little progress was witnessed in 2011 compared to previous years, most notably the plans for the green park on Nguyen Van Luong road in Ward 6 (Go Vap), the project to build a medical centre, market and head office of the People's Committee in Lam Ha ward (Hai Phong). In 2011, the People's Committee and medical centre had to relocate temporarily, creating difficulties in the provision of administrative and health care services in the locality.
Urban children do not have enough play areas	There is very little space for children to play at the monitoring sites. Children of better- off households are often taken to playgrounds at district or city centres or get money from their parents to hire a football field. Poor children and migrant children, on the other hand, cannot afford to go to playgrounds, so they choose to play traditional

## 1.3.2 Livelihood support

Policies to support vocational training for the poor in urban areas have not been effective Policies to support vocational training for the poor and near-poor are considered one of the main solutions to accommodate livelihoodstransformation. There are many vocational training programmes organised by district vocational centres and the Women's Union at monitoring sites. These centres try to connect with manufacturers and businesses to ensure employment for their trainees; however, few poor enroll for the courses. The main reasons cited include: the poor prioritise their immediate needs and do not want to spend time on vocational training; some trainees choose to study and work at the same time at privately owned businesses to earn more income (while a regular vocational training course takes about 6-12 months); some are apprehensive about the hardship of studying and being away from home; and some trainees can only get low-paying jobs upon graduation.

Many concessional loan schemes are available for the poor but credit use is of little effect

At monitoring sites various concessional loan schemes are available from the Social Policy Bank (SPB): loans for poor families, business loans, student loans, loans for clean water, environment and hygiene, loans to work abroad and so on. Other sources of capital are the Poverty Reduction Fund (established by HCMC), revolving funds of mass organisations, people's credit funds and commercial banks. The size of loans given to poor households has increased: on average VND10 million per household or more (compared to VND 5-7 million in previous years). However, knowing how best to use these credits is still a problem among poor households. Delayed interest payment, debt build-up and even payment failure still occur.

Most current lending schemes in urban areas target local residents. Migrants have

difficulties accessing these loans. Even long-term temporary residents who own

residential land but have no permanent registration find it hard to obtain loans as banks and grassroots cadres worry that these people may sell their houses, relocate

or return to their hometown, failing to make repayments.

Migrants find it more difficult to access preferential credit

Those who change their livelihoods have to rely on themselves for capital or get loans at high interest rates In Lam Ha ward (Hai Phong), as cyclo driving has become more challenging, many have had to find alternative livelihoods. Having little capital and lacking professional skills, most cyclo drivers can only shift to simple jobs like mixing mortar, shoveling sand, guarding and so on. Only a few younger drivers or those with grown-up children venture to shift to driving small trucks, in which case they are forced to resort to their own savings, borrowing from relatives and friends and loans from commercial banks at high interest rates (1.8-2.4 percent per month). In Ward 6 (Go Vap), most people who used to drive homemade 3-4 wheeled vehicles for a living have shifted to other work, such as motorbike taxi driving or small trading. These people did not enroll in vocational training because of their age. Only 2 out of 18 households lodged applications for concessional loans from the Poverty Reduction Fund under the framework of the support programme for livelihoods transformation of HCMC.

Agricultural production is getting more and more difficult in urbanised areas In Kim Chung commune (Hanoi), programmes to support agricultural production continue. Poor farming households are given 10kg of rice seeds and 5kg of nitrogenous fertilizer for each crop, and can thus reduce production costs. However, agricultural production has become increasingly difficult in the context of urbanisation. The planting technique using manually controlled machines was a success in 2009 and 2010 but encountered difficulties in the summer-autumn crop of 2011 due to water problems (floods and irrigation blockages). The "organic vegetables" model initiated in 2010 has failed due to being too labour-intensive and ineffective. Some models of combined farms (pig raising combined with orchards and fish ponds) endure; however, pig raising is no longer profitable due to high costs and the risk of environmental pollution in such a densely populated area.

Poor households cannot afford to build rooms for rent Building rental accommodation used to be an option for residents whose land was repossessed for construction of industrial parks and infrastructure in areas with a high concentration of migrant workers, such as Kim Chung commune (Hanoi). The number of rooms for rent hardly increased in 2011 as there was little vacant land and the cost of construction rocketed while rental prices rose very little. Only some better-off households can afford to build new rooms or upgrade existing rental houses to 2-3 storey blocks of units. Poor households have no resources for building rental accommodation. At the other monitoring sites of Ward 6 (Go Vap) and Lam Ha ward (Hai Phong), the number of rooms for rent increased slightly before the 2011 Lunar New Year (Tet); however, the increasing cost of construction materials after Tet discouraged further construction.

Babysitting for migrant workers is a new occupation in some localities A new occupation trend observed in Kim Chung commune (Hanoi) in 2011 was an increase in the number of family babysitters. Kim Chung commune currently hosts more than 250,000 migrant workers with an increasing number of children under 2-3 years old. Many workers who cannot rely on their parents to take care of their children choose to trust them with local middle-aged women (of 40-50 years old) for VND1.1-1.5 million per month. Those offering babysitting services for migrant workers often come from middle-income households. Poor householders can hardly take this job due to lack of human resources, poor health or housing conditions ("grade 4" houses with unclean floors) or migrant workers concerned that their children will not be fed properly.

## 1.3.3 Impacts of price hikes

Urban poor are vulnerable in the face of price hikes

In 2011, price hikes caused adverse impacts on the life of many groups of urban dwellers, especially the local and migrant poor. This poses a big challenge to urban poverty reduction, because unlike rural people, city dwellers are purely buyers of food and foodstuff, and consume a lot of gas and electricity, both of which experienced the highest price increases over the past months.

## Impacts of price hikes on local poor residents

Poor people worry the most about the cost of electricity, gas, food, health care and education services	Discussions with poor households at monitoring sites reveal that the goods and services for which price increases most affect their life include energy/fuel (electricity, gas), food and foodstuff (glutamate, cooking oil, eggs, tofu, fish, meat and so on), medication and health care services, and school fees for children. The increase in electricity prices has immediately impacted the local poor, particularly in Ward 6 (Go Vap), as poor households in the locality (according to HCMC poverty line which nearly doubles those of the other two monitoring sites) can afford more electrical appliances and thus consume more electricity. Poor households pay less attention to rising prices of goods for personal consumption or entertainment costs since they do not spend much on those items anyway.
Suburban poor mostly work in agriculture and thus do not worry about the rising price of rice	Impacts of the rising price of rice also vary among monitoring sites. In Ward 6 (Go Vap) and Lam Ha (Hai Phong) food is mainly purchased rather than home grown, so the increasing price of rice adversely affects the poor. To the contrary, in the suburban Kim Chung commune (Hanoi), since most poor households are still farming, they can ensure food supply for themselves and suffer little from rice price fluctuations.
The main coping mechanism is to reduce costs	To cope with rising prices, the poor come up with various mechanisms for cutting down on expenditure. Priorities include energy saving (reducing electricity and gas consumption), reducing food expenses (buying cheaper food, cutting down on food quantity), reducing social expenses and rationing food among family members. (Table 9).

Order of Priority	Kim Chung commune (Hanoi)	Ward 6 (Go Vap)
1	Reducing food quantity	Reducing gas and electricity consumption
2	Reducing electricity consumption	Reducing gas consumption
3	Buying cheaper and lower quality food	Buying cheaper and lower quality food
4	Reducing gas consumption	Reducing social expenses
5	Rationing food among family members	Rationing food among family members

#### TABLE 9. Prioritised coping mechanisms of the local poor

... by cutting down on electricity and gas consumption Poor households often cut down on electricity consumption by limiting the use of refrigerators and irons, changing to power saving lightbulbs, watching less TV, turning appliances off after use and so on. A common way to reduce gas consumption is to cook less stew or use coal or wood stoves.

To get cheaper food, the poor adjust their shopping habits by going to markets

...buying cheaper food, and less fish and meat

Women find it more difficult to take care of family meals within tightening budgets

Poor people have to cut down on social and education costs

Rising prices have worsened the existing difficulties of the poor but no extreme impacts have been recorded either early in the morning, at lunch time or late in the evening. Some turn to buying less preferred food, for example, avoiding expensive fish and meat and buying more peanuts, tofu and eggs instead. Reducing food quantity means poor households buy less fish and meat but more vegetables and other supplementary foods to make up for the lack of nutrition. In the face of rising prices, the poor often choose to ration their food among family members, favouring the ill, elderly or children, with larger portions. These mechanisms mean poor women have been shouldered with a heavier burden to cook for their families within a tightening budget. Some poor women are forced to take on extra work to relieve the pressure borne during price hikes.

Poor households in Ward 6 (Go Vap) also prioritise cutting social expenses by participating in fewer events/gatherings and only attending the most important ones. When invited to traditional ceremonies such as weddings or funerals some people cut expenses by sending the "lucky money" and skipping the meal (usually a 50 percent saving compared to presenting the money in person). Some poor households said they had fewer health checks and spent less on medication. Rising prices also affect the education of poor children (see also section 1.3.5 – Access to public services).

In general, the 2011 price hike continues to lower purchasing power, degrade quality of life, particularly in terms of nutrition and health, limit access to public services, and worsen existing difficulties of the poor. However, no extreme impacts from rising prices have been recorded at monitoring sites (for example, parents requesting children to drop out of school, selling assets or taking out additional loans to pay for daily expenses). Neither have structural changes in employment been reported as a direct impact of rising prices (different from impacts of the 2009 financial crisis). The main reason is that there is a slight increase in casual wages and small traders also raise their prices to partially make up for the higher cost of living in 2011.

#### Impacts of price hikes on migrants

High cost of living has always been a difficulty for poor migrants

Apart from daily expenses, migrants have to spend more on such needs as accommodation, electricity and water at higher prices and savings for remittance. In 2011, rising prices made it harder for migrants to maintain a basic standard of living. Migrants worry the most about prices of petrol, meat, rent and health care services

Increasing rent in HCMC is a big concern for migrants

Migrants adopt various mechanisms for cost saving ... Discussions with migrant groups at monitoring sites show they suffer the most from the increasing costs of petrol, gas, meat, rent, medication and health care services. It is noteworthy that the rising cost of petrol has impacted migrants the most as most are young and tend to be employed in work that requires a lot of travelling (factory workers, porters, motorbike taxi drivers and so on).

Among the monitoring sites, migrants in Lam Ha ward (Hai Phong) do not overly suffer from increasing rent prices as cost of rent in the locality is relatively low. Migrants in Ward 6 (Go Vap), on the contrary, suffer greatly from rising accommodation costs as rent is very high there (often more than VND1 million/room/month, about 2-2.5 times higher than in Kim Chung and Lam Ha).

To cope with rising prices, migrants at all monitoring sites prioritised such cost saving mechanisms as cutting personal expenses, cutting down electricity and gas consumption, leisure and entertainment expenses, and dining out less frequently (Table 10).

Order of Priority	Kim Chung commune	Lam Ha ward (Hai Phong)	Ward 6 (Go Vap, HCMC)
1	Cutting personal expenses	Increase borrowing	Cutting personal expenses
2	Cutting leisure and entertainment expenses	Cutting personal expenses	Cutting down on electricity consumption
3	Taking extra shifts, working longer hours	Cutting down electricity and gas consumption	Dining out less frequently
4	Reducing remittance	Cutting leisure and entertainment expenses	Cutting down on the use of gas
5	Reducing telephone costs Dining out less frequently	Reducing telephone costs Cutting social expenses	Cutting leisure and entertainment expenses Buying cheaper food

### TABLE 10. Coping mechanisms of migrants

... including working longer hours and borrowing In Kim Chung commune (Hanoi), most migrants work at the industrial park, and taking extra shifts and working longer hours is a common coping mechanism. Many workers are willing to work for an extra 2-3 hours per day and work weekends to earn additional income. In Lam Ha ward (Hai Phong), migrants' first resort is to borrow money from others as most come from neighbouring districts and are able to borrow money from relatives. They often borrow from VND500,000 to VND1,000,000 a month and repay debts upon receipt of wages.

*Migrants with small children encounter more difficulties in the price hike*  Migrants with small children suffer the most from rising prices since they have many other expenses, such as milk, diapers, kindergarten fees and babysitting. Having to look after children, migrant mothers cannot take much extra work and thus earn less. This group often chooses to cut down on gas and electricity consumption, and personal expenses. Some choose to borrow more from others and rely on support from relatives (Box 5).

#### BOX 5. The hardship of migrants with small children in the price hike

There are three people in Ms. L.T.N's family: husband, wife and a 3-year-old child. The couple has permanent residential registration in Vinh Bao and temporary registration in Lam Ha ward (Kien An, Hai Phong). The wife works in a candle workshop and the husband is a painter and glazier. Ms. N. earns VND2.2 million/month in busy months and VND1.8 million/month when work is quiet. Her husband earns roughly VND3.5 million per month – about VND500,000/month higher compared to 2010, thanks to a wage increase.

Since such expenses as petrol, food, and school fees for the child have all increased, the family's expenditure by May 2011 soared compared to the same period the previous year. While the family's total income has increased by VND500,000 total expenditure has risen by VND1,000,000. Therefore, they are only able to save about VND400,000 per month, roughly one third compared to the same period of the previous year.

	5/2010	5/2011
Total monthly income (VND)	5,200,000	5,700,000
Total expenditure (VND)	4,060,000	5,260,000
Accomodation, electricity and water	710,000	750,000
School fees	600,000	700,000
Milk for the child	400,000	480,000
Petrol	600,000	750,000
Food	1,000,000	1,500,000
Medication and health care	150,000	280,000
Social expenses	200,000	200,000
Pocket money	400,000	600,000
Monthly savings (VND)	1,140,000	440,000

When asked, Ms. N revealed that paying for medication and health care, other foodstuff and petrol affected the household the most in times of rising prices. The increase in prices of medication and health care services most affects her family, seeing as Ms N. and her son are both ill and often rely on medical services (she has heart problems and her son suffers malnutrition). Moreover, she does not receive any sickness benefits as she works in a private workshop.

To cope with difficulties in times of rising prices, the couple has to increasingly rely on relatives to lend them money; cut down on social expenses (sending 'lucky money' instead of attending the event); cut down on gas consumption (buying quick or ready made food) and so on.

The price hike increases employement instability and lessens migrants' remittance In general, rising prices have increased the existing difficulties faced by migrants, such as high living costs and employment instability. In times of rising prices, migrants tend to reduce home visits and cut down on remittances. However, many interviewed migrants have not considered finding cheaper accommodation (since they have become accustomed to their current neighbourhoods, and cheaper and more distant accommodation would make transportation more costly) or changing jobs. For migrant workers, the most popular coping mechanism is to find better paying jobs.

#### Support policies addressing price hikes

**Price stabilisation of some essentials.** Among the three monitoring sites, only Ward 6 (Go Vap) and Kim Chung commune (Hanoi) continues to implement the policy of price stabilisation of some essentials. However, access to this programme is limited.

In Ward 6 (Go Vap), price stabilisation is conducted in two ways: (i) budget support People in major cities have little for enterprises selling goods at stabilised prices; (ii) persuading privately owned access to price businesses not to increase selling prices. Ward 6 has managed to set up six stands selling price-stabilised goods. All privately owned businesses joining the programme stabilisation belong to officials of the Women's Union at the ward level. Retail prices for goods programmes chosen for stabilisation are often 5-10% lower than those in small grocery stores in the locality. The survey, however, shows that people rarely buy goods at pricestabilised stands for the following reasons: the number of stands is still few; people have little information about price stabilisation; the retail price is not much lower, sometimes even higher than market prices or prices offered by large agents; pricestabilised stands lack variety of goods (only 5 main items: rice, sugar, milk, cooking oil, eggs); people are hesitant to buy items with un-known trademarks (like cooking oil) available at price-stabilised stands.

Many people do not know about the price stabilisation programme

Urban poor do not benefit from concessional electricity prices In Kim Chung (Hanoi), the local Hapro Mart is one of the price-stabilised locations. Apart from essential goods, namely rice, sugar, eggs and milk, the mart is also registered to sell some seafood products at stabilised prices. According to Hapro's employees, since the mart started selling price-stabilised goods, the number of customers has increased by 20-30 percent. However, local people only know about price-stabilised goods through word of mouth from neighbours/acquaintances and the mart has not developed any marketing strategy for their price stabilisation programme.

**Electricity subsidy**. New electricity retail tariffs pursuant to Decision No. 268/QD-TTg came into effect in March 2011. Accordingly, poor/low-income households are supported in two ways: (i) poor households are subsidised for electricity at 50kWh per month at a rate of VND30,000/household/month; (ii) low-income households (households with regular electricity consumption of 50KWh or less per month over 3 months) are also eligible for concessional prices. In all monitoring communes/wards each poor household has benefited from an electricity subsidy of VND30,000 per month. The policy of offering concessional electricity prices to low-income households failed in urban areas as very few households consume less than 50KWh per month. For example, no household in Ward 6 (Go Vap) uses less than 50KWh per month.

It is difficult to implement policies regulating electricity prices to rental households The policy of ensuring a regulated price for electricity for rental households according to Circular 05/2011/TT-BCT of the Ministry of Industry and Commerce (to count four people as a unit in order to apply terraced tariffs for electricity consumption) has not been effectively implemented. The survey shows that most migrant tenants are not informed. They often lack necessary documentation, such as rent agreements, and residential registrations (many only have temporary registrations). Landlords themselves do not like the policy since they get no benefit from it. In addition, they do not want to guarantee the electricity use of migrants.

**One-off support according to Decision 471/QD-TTg**. All monitoring localities have extended the one-off support policy to people with difficulties according to Decision 471/QD-TTg<sup>11</sup>. The municipal People's Committee of HCMC has developed a policy

<sup>&</sup>lt;sup>11</sup> According to Decision No. 471/QĐ-TTg: The support level of VND250,000/person is extended to officials, civil servants, state employees, army officers having salary coefficient of 3.0 and below; to pensioners, beneficiaries of social insurance with monthly pension/allowance of VND2.2 million and below; and to people of revolutionary merit. The support level of VND100,000/person is extended to relatives of the deceased. The support level of VND250,000/ person is extended to poor households according to the new poverty line.

Only HCMC has support policies for the social protection beneficiary group

Tax reduction policies encouraging landlords to keep rental prices stable have been ineffective

Persuading landlords not to increase rental prices is a good initiative

... to ease the burden of migrants facing increasing living costs

Public spending cuts create difficulties for activities at ward/ commune levels

Social capital of the poor is often limited to their small circle

RQ officials play an important role in enhancing "social capital" of the poor

detailed in Document No. 1520/UBND-TM, according to which members of poor households receive VND100,000 per month and the social protection beneficiary group is awarded VND50,000/person/month during the 9 months from April to December, 2011. HCMC's policy has shared the burden of the social protection beneficiary group in the face of rising prices.

**Advocating for stable rental prices**. In 2011, high demand for rental accommodation coupled with limited supply, plus acute inflation exerted great pressure on rental prices. In order to encourage landlords not to increase rental prices, the Ministry of Finance issued Decision No. 1335 dated 20/4/2011 offers a 20 percent tax deduction to landlords who commit not to increase rental prices for workers and students. However, the decision has not proven effective as many landlords at monitoring sites have not registered their businesses or do not pay tax in the first place.

HCMC came up with an initiative to persuade landlords not to increase rental prices. In Go Vap the campaign was launched in March 2011. Local authorities accordingly developed concrete measures, such as: (i) assigning communication tasks to each residential cluster and quarter. Heads of residential clusters and quarters visit every landlord to urge them to sign the commitment not to increase rental prices; (ii) persuading landlords who are state employees, party members and retired cadres and have many rooms for rent; and (iii) giving timely compliments to officials for good performance, and reminding landlords who did not keep their commitments.

Most landlords already increased rental prices in late 2010 or in the New Year. Thanks to the "no-rent-increase" campaign, 100 percent of households with rental business registration in Ward 6 (Go Vap) signed the commitment for the remaining months of 2011. For migrants, higher rent since early 2011 had placed a heavy burden on their shoulders. Now that rent will not increase, they feel less burdened with the cost of living.

**Reduction of public spending**. GOV requested its ministries, agencies and local authorities to cut 10 percent of their regular spending for the remaining 9 months of 2011 (under Decree No. 11/NQ-CP dated 24/2/2011) in order to control inflation. This is a reasonable decision from a macro management perspective. However, for the monitored wards/communes, a further cut on regular spending, which is already tight, increases difficulties for activities at the grassroots level.

## 1.3.4 Social capital

**Local poor residents** are often busy making a living and pay little attention to community activities. However, they are rather closely linked within their communities where mutual help and support among neighbours is quite common. Participation of the poor in social activities depends greatly on the attention of local authorities and mass organisations, of which the role of local RQ heads is especially important.

At RQ# 27- Ward 6 (Go Vap), when a poor household experiences death, apart from visiting the family to extend condolences, giving financial support from the RQ fund, and offering support for organising the funeral, the RQ head also mobilises contributions from other households in the residential quarter to help the household. The contribution may not be large (sometimes only a few hundred thousand dongs) but it means a lot to the household at a difficult time. In 2011, Cluster 4 - Ward 6 (Go Vap) mobilised local residents to contribute to the construction of the cluster head office (also used as the night watch station) with a total budget of VND103 million. Of the 21 poor households of RQ# 27, seven households contributed from VND10,000 to VND50,000 per household. Though modest, the contributions manifest participation of the poor in community activities.

Informal networks of people coming from the same home province or co-habitants are important for migrants **Poor migrants** in big cities often rely on informal social networks (such as people of the same home province, co-habitants or co-workers) for employment opportunities and support in case of risks and difficult circumstances. For migrant children in particular, support from local governments is very important for their integration in the community.

Migrant children integrate better with support from local authorities and associations

Groups and clubs increase the social capital of migrants but are difficult to maintain Some localities organise various activities for both local and migrant children. In Ward 6 (Go Vap), all residential quarters give presents to children on the occasion of Mid-Autumn Festival, regardless of residential status. The "grandparents and grandchildren" club in RQ# 4 - Ward 6 accepts both local and migrant children (mentioned in the third round report of 2010). In summer 2011, the club collaborated with the ward Youth Union to organise weekly events with diverse activities attracting about 100 children (an increase of 40-50 compared to the previous year), of which half were migrants. Some children's groups are also active in Ward 6 (Go Vap) and Kim Chung commune (Hanoi). The group in Ward 6 (Go Vap) is organised mainly for migrant children. Group activities include teaching children self protection skills, playing games, learning to cook, providing useful knowledge of culture and history and so on.

Establishment of groups or clubs is a popular way to increase the social capital of migrants. Over the past years, many migrant clubs have been set up with support from mass organisations and development programmes. However, it is difficult to maintain club activities. Some clubs have been suspended due to lack of funding, lack of participation by migrants (since they do not have time or have little interest), or unattractive activities (Box 6).

### BOX 6. The difficulties of maintaining migrant groups or clubs

**In Kim Chung commune (Hanoi)**, 10 groups of migrant workers were established (5 each in 2008 and in 2010) under the coordination of the commune Women's Union, each consisting of about 30 workers. These groups met monthly to discuss topics of interest and enjoy recreational activities. However, by July 2011 they decided to stop operating due to lack of funding.

**In Lam Ha ward (Hai Phong)**, the Young Tenant club was set up in 2009 under the ward Youth Union. The club mainly organised communication sessions on reproductive health, traffic safety, voluntary activities on the occasion of the Youth Union birthday and so on. However, since early 2011 the club has suspended its activities. Migrant members had to work hard and often got home exhausted, so they did not participate enthusiastically. Also, Club activities were not attractive enough. Most critically, the ward Youth Union was short of funding for organising club activities (in 2011, the ward Youth Union has a budget of only VND2 million compared to VND7 million in 2010).

**In Ward 6 (Go Vap),** a group of "workers overcoming difficulties" (30 members) and three groups of migrant women (15-20 members each) were established in 2006. These groups held monthly meetings to learn life skills (reproductive health, gender equality, prevention of and fighting against domestic violence, HIV/AIDS, expenditure planning and others) and to enjoy recreational activities. Group members also extend mutual help in daily life. However, until now operation of these groups has been irregular, meetings uninteresting and participation by workers limited due to busy working schedules or relocation.

## **1.3.5 Access to public services**

The rate of children enrolling and completing primary and secondary education is very high

Parents care a lot about children's education, yet poor children have certain disadvantages

Oversubscribed kindergartens limit admissions for migrants

Migrant parents opt to send their children to private kindergartens or home-based childcare services

also overloaded Poor households

worry about the high cost of education in urban areas

**Education**. Universalisation of education continues to be implemented successfully. At all monitoring sites, the rate of children beginning school at the right age in the academic year of 2010-2011 reached 100 percent. The primary school completion rate is 100 percent while that of secondary education is 95 percent and higher. In 2011, rising prices adversely impacted people's lives; however, there are no records at all monitoring sites of drop-out cases among primary and secondary school children.

Most parents at monitoring sites care a lot about their children's education. However, poor children suffer certain disadvantages. Poor and migrant children often have to spend time helping their parents, which limits time for studying and recreation. Families under difficult circumstances cannot afford to send their children to extra classes or buy education materials. Some poor parents are busy working or have relationship issues and thus hardly attend parents' meetings or pay regular attention to their children's study progress, causing children to neglect their studies.

Over-enrollment in kindergartens has become more severe as compared to the previous year. The number of applications is so high that public kindergartens tend to give priority to children with permanent residential status. For the academic year of 2010-2011, Kim Chung commune kindergarten (Hanoi) admitted 870 children, an increase of 40 children compared to the previous year. According to the kindergarten officials, the school had already accepted 200 children above the intended capacity; therefore, in the academic year of 2010-2011 they officially refused applications of migrant children (except for children under five). Similarly, in Lam Ha ward (Hai Phong), the average number of children admitted to Huong Sen kindergarten increased by 10 children per class compared to the previous year. Kindergarten overlcrowding leads to difficulties in children's learning and social activities.

Due to the shortage of public kindergartens, many migrant parents opt to send their children to private kindergartens or home-based child-care services. Tuition fees at private kindergartens in Kim Chung commune (Hanoi) are roughly VND700,000/month, twice as high as that of public kindergartens. In Lam Ha ward (Hai Phong), the tuition fee is VND250,000/month, about 40 percent higher than public schools. Some people provide home-based child-care services. Sending children to private kindergartens or home-based child-care services is convenient as migrant parents can be more flexible about when to drop off and pick up their children (some child-care services offer to take care of the children overnight if the parents work night shifts). However, there are limitations in living conditions, entertainment and nutrition at these institutions.

Primary schools are At the primary education level, overcrowding is also common. According to standards set by the education sector, each class should only admit about 35 children<sup>12</sup>; however, the number of students in some classes in Kim Chung commune (Hanoi) exceeds 40, sometimes even nearly 50. Overcrowding will worsen in years to come, as the number of children enrolling in grade 1 is on the increase. Most schools continue to admit migrant children; however, there is a likelihood that in the coming academic years, only children with permanent registration will be admitted as school facilities cannot accommodate more.

> The increasing cost of education remains a constant concern of poor parents in urban areas. Table 11 shows substantially high education costs for children from some typical households at monitoring sites. Average expenses for a secondary and high school student are about VND300,000 per month, or VND500,000 in some localities. If the expense of extra classes is added, the average cost for a secondary school student would amount to VND800,000 -900,000 per month, and about VND1.3-1.6 million per month for a high school student.

<sup>12</sup> According to Decision No. 51/2007/QD-BGDDT dated 31/8/2007 of MOET on Regulations of primary schools.

Expense			Secondary		High s	chool
		Kim Chung - Hanoi (Grade 9)	Lam Ha - Hai Phong (Grade 7)	Ward 6 – Go Vap (Grade 9)	Kim Chung - Hanoi (Grade 10)	Ward 6 – Go Vap (Grade 10)
Total expen academic ye (one acader nine month	ear nic year lasts					
Tuition fees (e poor househe	exemption for olds)	270,000	540,000	164,000	270,000	270,000
Facilities		50,000 Exemption for poor households	No contribution required	30,000	No contribution required	30,000
Class fund		100,000	150,000	50,000	200,000	100,000
Extra period	s	1,620,000	920,000	1,485,000	2,160,000	1,440,000
Lab fees				220,000		
Computer			150,000	274,000		
Exam and lea paper	ave request			6,500		
Cleaning ser drinking wat		80,000	100,000	110,000	80,000	120,000
Bike keeping	)	45,000	90,000	Free of charge	45,000	Free of charge
Badges				10,000		
Uniforms		510,000	322,000		670,000	
Health check	<s< td=""><td></td><td>25,000</td><td></td><td></td><td></td></s<>		25,000			
Campaign su	upport fund	20,000	20,000			
Newspaper		30,000	30,000			
Green tree fu	und		20,000			
Socialisation			100,000			
Education su (Parents' fund		100,000	125,000	220,000	200,000	300,000
Education Pr	romotion fund	25,000	25,000			
Medical insu (exemption f households)	for poor	209,000			209,000	
Personal insu	urance	66,000			66,000	
Textbooks an (excluding re books)		450,000	730,000	600,000	500,000	500,000
Monthly expenses	Non poor households	397,000	342,000	352,000	489,000	306,000
	Poor households (after deducting all exemptions/ deductions)	339,000	282,000	334,000	459,000	276,000
<i>Monthly ext</i> (optional for		500,000 (2 subjects)	500,000 (2 subjects)	600,000 (2 subjects)	1,200,000 (3 subjects)	1,050,000 (3 subjects)
Monthly expenses	Non poor households	897,000	842,000	952,000	1,689,000	1,356,000
	Poor households	839,000	782,000	934,000	1,650,000	1,326,000

# TABLE 11. Education expenses for secondary and high school students in public schools at monitoring sites for the academic year of 2011-2012 (unit: VND)

Exemptions are insignificant compared to required contributions and education expenses With limited resources, poor households face many difficulties in sending their children to school. The State has introduced policies to waive tuition fees for poor children, but the exemption is insignificant compared to other required contributions and education expenses. There is funding in the localities for scholarships for poor children but the number of scholarships available is small. Officials at An Nhon secondary school (Ward 6, Go Vap) reported that in 2010-2011 many students did not pay full contributions, particularly those with parents working freelance and with unstable incomes. Some students take on heavy work during summer breaks to earn money for school fees as their parents cannot afford them (see also section 1.3.8 – Child rights). In Kim Chung commune (Hanoi), some poor households were forced to sell rice reserved for household consumption to pay for children's education (Box 7).

# BOX 7. Difficulties of a poor single mother in Bau village in affording education for her child

The household of Ms. N.T.H. (born in 1965) (mentioned in the third round report of 2010) is the poorest in Bau village, Kim Chung commune (Hanoi). Her husband died in 2005 leaving her with a daughter who is in grade 8 at Kim Chung secondary school. The household relies on agricultural activities for their living. Ms H. has 4 sao(s) of land, on one half of which she grows morning glory vegetables for sale and on the other half rice for family consumption. She sometimes takes wage labour, but due to poor health, she is paid only two thirds of what a normal labourer would get. She receives a VND250,000 allowance per month from the State (as a poor single mother caring for small children).

Family difficulties hinder her daughter's education. The two live in a hut of about 10 m2 near the rice field, and thus the child does not have her own space for study. Without electricity, the house depends on candles or highway light, for which reason her daughter cannot study after dark. As Ms H. cannot afford to send her daughter to extra classes, after regular classes at school, the girl stays at home to help her mother with housework.

Ms H/s pressing concern is tuition fees for her child. In the academic year of 2010-2011, she had to delay the payment of 1.8 million until the end of the year. Her child is eligible for tuition fee exemption (VND270,000 per year), however, due to late application she did not get the exemption (her application was made at the end of the first term while it is required to be submitted within 30 days of the commencement of the academic year). She recalled giving her daughter the application but the girl, feeling ashamed before her teachers and classmates, did not submit it. In order to pay for her child's education fees, Ms H. had to sell several hundred kilos of rice and also borrow from relatives. As a result, the household was short of rice for two months and had to rely on vegetable sales for rice, increasing the strain on everyday life.

Being poor causes her daughter's inferiority complex. Many times she has wanted to drop out for fear of being mocked by her classmates. Ms H. has to constantly encourage her daughter to continue with schooling. Although she wishes her child would continue her studies, she might be unable to afford education at higher levels for her daughter given the current high cost of education. The price hike has made it difficult to ensure adequate nutrition in meals for day-boarders Impacts of the price hike in the first months of 2011 on school meals for day-boarders are recorded at all monitoring sites. Rising food prices forced schools to increase the meal contribution of children by 30-40 percent compared to that in 2010. In Ward 6 (Go Vap), the ward authority persuaded kindergartens (including private ones and home-based child-care services) not to increase tuition fees and meal contributions for children as part of the general policy line of HCMC. Ward officials confirm the success of the campaign with kindergartens. This, on the one hand, helps ease difficulties for local people in the face of rising prices but, on the other hand, makes it harder to ensure the nutrition of school meals.

To cope with rising food prices, schools opt to substitute children's meals with cheaper food to reduce costs while ensuring sufficient daily energy. For example, at Huong Sen kindergarten (Hai Phong), mashed potato, carrot, and tofu are added to soup to keep it appealing.

Ward medical<br/>centres receive<br/>attention and<br/>investment but<br/>health care<br/>facilities are still<br/>poor in many areasHealth care<br/>Ln 2011, construction of the medical centre of Ward 6 (Go Vap) was completed<br/>with new equipment. In Lam Ha (Hai Phong), the ward medical centre is temporarily<br/>located in RQ cultural houses; therefore, its operations have been very limited. Although<br/>the centre has been equipped with many facilities,(such as computers, gynaecological<br/>examination and health check tables, steamers, dryers and so on) they are stored in the<br/>homes of the clinic staff. Some activities related to family planning and reproductive<br/>health care, namely diaphragm placement, abortion, etc. have to be conducted at the<br/>medical centre of Quan Tru ward (next door to Lam Ha ward).

The Extended The Extended Immunisation Programme for children is one of the major programmes of ward/commune medical centres. The increasing number of migrant children poses Immunisation Programme challenges to these medical centres. In Kim Chung commune (Hanoi), with more than 500 babies under one year of age, (of which more than 50 percent are migrant), encounters difficulties in commune medical centre staff have to work long hours during monthly vaccination areas with a large days. The centre also finds it difficult to manage vaccination schedules among migrant population of children since their parents are highly mobile, or are too busy working, do not pay migrant children adequate attention or lack information about registration for child vaccination. Due to the increasing number of migrant children and untimely supply of vaccines, the centre often encounters vaccine shortages during vaccination periods.

Poor people benefit Free health care services are beneficial to the poor. The annual health check programme for the elderly and gynaecological examination for women attract quite a large number of poor people. The charitable medical practice of Ky Quang pagoda (Ward 17, Go Vap) is a popular place for poor people in Go Vap district. At the clinic, the poor are given free health checks and medication, including free counselling on HIV/AIDS. Many poor households in Ward 6 admit that it is the first medical service they would utilise when falling sick and they are quite satisfied with the service quality and attitudes of the doctors at that clinic.

RQ meetings serve Access to information. Main information channels at monitoring sites in peripheral as an important urban areas include television, community meetings, loudspeakers, newspapers, communication bulletins, and direct visits by officials. TV mainly broadcasts general information on channel in news and policies. Residential quarter meetings are held once every 2-3 months peripheral urban or once per year in certain localities, or when needs arise. In meetings, RQ heads announce specific guidelines and policies (as communicated downwards from the areas ward), give reminders about due contributions, and review the security situation in the locality and so on. Attendance rates at RQ meetings are about 50 percent or 70-80 percent at some quarters where the heads actively mobilise people. In Kim Chung commune (Hanoi), village plenary meetings cannot be convened due to its large population (each village has 800-1,000 households). Instead, meetings are held among focal persons, group representatives and mass organisations.

*Migrant tenants* are often not invited to RQ meetings

Loudspeakers might not be effective as a means of communication in urban areas

People attending RQ meetings are mostly those with permanent residential registration. In some localities, well-settled migrants are sometimes invited to such meetings. Most migrant tenants are not invited to RQ meetings, resulting in their lack of basic information about the local situation. Most migrants feel that their current lifestyle is only temporary. Some RQ officials assume that landlords brief their tenants about meetings, but in fact, information sharing is quite limited between landlords and tenants.

Loudspeakers serve as a major information channel in some localities. News is often broadcast early in the morning and later in the evening, and lasts from 30 minutes to one hour. Information selected for broadcasting includes meeting invitations, local affairs, activities of mass organisations, and good works of local people, etc., or transmission of the Voice of Vietnam. In urban areas, however, it is difficult to make use of loudspeaker systems. Many local residents do not like loudspeakers. Migrants also pay little attention to information broadcast through loudspeakers. In Kim Chung commune (Hanoi), loudspeaker connection from the commune to residential clusters is often cut. Commune officials report that the vandalism is caused by some households who are angry at the loudspeakers pointing in the direction of their house.

Useful information can be effectively communicated through ward bulletins

Ward bulletins published jointly by the standing Party Committee, People's Committee, and Fatherland Front of Ward 6 (Go Vap) show a remarkable effort in communication. The bulletin is published monthly with eight colour pages, and distributed free of charge to all households in the ward. Ward bulletins provide updates on new state policies, important news in the ward and district and relevant announcements. Local households have paid more attention to the ward bulletins this year thanks to improvements in the bulletins and efforts to focus more on issues of practical importance. Since July 2011, residential quarters at Ward 6 (Go Vap) have also been given free Sai Gon Liberation newspapers daily as part of a policy by HCMC. Free daily newspapers are intended to help RQ officials better keep up to date with state guidelines and policies, and communicate these more effectively to local people.

# There are few children's grassroots levels

People rate well simple administrative services at commune/ward levels Lacking a rental contract creates difficulties for migrants

The establishment of a bookcase for children has had limited success in the localities. Of the three monitoring sites, only Ward 6 (Go Vap) has had a public bookcase at bookcases set up at each residential quarter head office, but most books and materials available are unsuitable for children. All schools have their own libraries but with limited variety and uninteresting content; besides, opening hours are inconvenient. School libraries are open during working hours and closed on Saturdays and Sundays. Children can only read books during short breaks at school. Moreover, many are not interested in school libraries and do not know how to obtain membership cards.

> Administrative procedures at ward/commune level are well rated by local people as most come for such simple services as obtaining certificates or certification, and they are generally happy with the service. The two-level management model (ward residential quarter) replacing the three-level management model (ward - residential quarter – residential cluster) in Lam Ha (Hai Phong) has proven effective.

> At the monitoring sites, most tenants do not sign contracts with landlords, except in cases where the whole house is rented or when renting for business purposes. Lacking a rental contract affects migrants in many ways: being considered temporary residents, being unable to register for long-term residence or obtain permanent residential registration, having difficulties in enrolling children in public schools, being unable to install a separate electricity meter for regulated cost, and instability and unpredictability in rental duration and price (and thus landlords can make changes as they wish).

# 1.3.6 Social protection

Freelance labourers and employees of small private companies have limited access to social protection

At all three monitoring sites, workers in the informal sector (both local and migrant) have not considered purchasing voluntary social insurance. Most workers of FDI or large state owned enterprises acquire all mandatory types of insurance. However, most workers in small private enterprises do not participate in insurance schemes<sup>13</sup>. Lack of access to the social protection system is a major disadvantage for the poor in urban areas, making it difficult for them to rely on formal institutions in risky times.

An increasing number of people chose to purchase voluntary medical insurance in 2011 compared to 2010. At monitoring sites, the number of voluntary medical insurance cards sold by July 2011 was as many as, or even slightly more than, that of the whole year of 2010 (Table 12). However, the number of people (both local and migrant) holding voluntary medical insurance cards is still low in proportion to the population size of each locality.

## TABLE 12. Numbers of voluntary medical insurance cards sold at monitoring sites

	Kim Chung (Hanoi)	Lam Ha (Hai Phong)	Ward 6 (Go Vap)
Total number of cards sold in 2010	166	500	736
Number of cards sold by July 2011	163	838	736

Few near poor households purchase medical insurance even with a 50 percent subsidy There remain difficulties in accessing voluntary medical insurance. The fact that the cost of medical insurance kept rising caused concern<sup>14</sup>. Near-poor households were eligible for a 50 percent price subsidy and yet few households purchased medical insurance cards. (Box 8).

# BOX 8. Few near-poor households buy medical insurance even with a 50 percent price subsidy

HCMC developed its own support policy offering households with an average per capita annual income of VND8-12 million or lower a 50 percent price subsidy for acquisition of medical insurance cards. However, few people took advantage of the subsidy. In 2010, among 78 households with income of 8-12 million in Ward 6, only 26 households purchased a combined 35 medical insurance cards. In total in Go Vap district roughly 2,000 out of 12,000 people from eligible households purchased medical insurance. As reported by officials in charge of labour, invalids and social affairs of Ward 6 and of Go Vap district, there was no indication that additional eligible households intended to buy medical insurance in the future.

Ward 6 addresses the above issue by persuading donors and the Centre for Protection of Poor Patients of HCMC to donate the remaining 50 percent so that free medical insurance cards can be obtained for a number of abjectly poor households. The initiative has been well received, suggesting a change in state policy to offer 100 percent subsidy to near-poor households.

<sup>&</sup>lt;sup>13</sup> Interviews with 180 migrant workers at monitoring sites in July 2011 show that more than 95 percent of workers in state-owned enterprises and FDI enterprises fully acquire social and medical insurance. Less than half of workers in private enterprises have social and medical insurance.

<sup>&</sup>lt;sup>14</sup> Medical insurance cards are priced at 45 percent of the basic wage. As GOV increased the basic wage from VND730,000 to VND830,000 from 1/5/2011, medical insurance cards have subsequently increased from VND394,800 to VND448,200.

Most migrant freelance workers have not acquired medical insurance Most migrant freelance workers have paid little attention and remained uninformed about voluntary medical insurance. Requirements such as temporary residential registration of more than six months (as set by HCMC social insurance agency to reduce overloading in hospitals) or stipulation that medical insurance holders could only get 30 percent reimbursement if they do not utilise the registered hospitals and the like hinder access to health care services through medical insurance for migrants.

Medical centres in densely populated areas are overloaded with servicing medical insurance holders

Most children under six years old get free medical insurance

... However, some migrant children have difficulties obtaining medical insurance cards in the cities

Local poor people have better access to social protection policies although there remain limitations related to paperwork and procedures In densely populated areas, the assignment of monthly quotas of patients holding medical insurance poses a problem for local medical centres. In Kim Chung (Hanoi) this practice has been adopted since June 2011. Dong Anh district assigns a quota of 200 medical checks for medical insurance holders while in fact the number of people getting medical checks under insurance is much higher (from 500-600 people/ month). Therefore, the amount of medication allocated by social insurance agencies is not enough to meet the demand of insurance holders.

The issuance of free medical insurance cards for local and migrant children under six years old has been well implemented at all monitoring sites. However, changing registered medical services from rural to urban areas is a challenge for those coming from distant provinces, with economic difficulties or with busy work schedules and little information about the procedure. Some migrant couples are slow to register for medical insurance for their children due to lack of information. Some migrant children under six years old do not have medical insurance cards due to problems with paperwork, such as having no birth certificate or temporary residential registration<sup>15</sup>. According to state regulations, children not yet issued with medical insurance cards will still be able to receive free medical checks and treatment if the parents present their birth certificates or reference letters from ward/commune birth registries. However, some migrants interviewed complain that medical institutions rarely accept these documents.

The social assistance policy under Decree 67/2007/ND-CP and Decree 13/2010/ ND-CP has been widely communicated through many channels (notice boards, loudspeakers, village/residential quarter meetings, etc.) Most local social protection beneficiaries have been given monthly allowances. However, there remain gaps in the implementation of the social assistance policy due to complex paperwork and procedures. Some eligible for social assistance lack the information necessary to enable them to complete the required paperwork<sup>16</sup> and have to ask local commune/ village/residential guarter officials to prepare the application for them. Some with severe disabilities do not have health certificates because their families have not taken them to hospitals for health checks or local officials have not given them guidance on the procedure. In Lam Ha ward (Hai Phong) 28 applications for social assistance were sent to the Department of Labour, Invalids and Social Affairs of Kien An district in early 2011. However, by July 2011, only 14 cases of elderly people (80 years old and above) had been approved while the remaining 14 cases of disabled, mentally ill and single parents caring for small children are pending due to changes in forms. There are also cases that have not been considered eligible for social assistance, such as elderly parents being ill-treated by their children or children with HIV under difficult circumstances but not listed as poor.

Migrants have limited access to social protection. If listed in the non-poor group (elderly of 80 years old or above with no pension/social insurance allowances, severe

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<sup>&</sup>lt;sup>15</sup> According to data provided by the People's Committee of Ward 6 in 7/2011, out of 17,251 migrants, only 4,363 have temporary residential registrations (accounting for about 25 percent), the rest are considered temporary.

<sup>&</sup>lt;sup>16</sup> Circular No. 09/2007/TT-BLDTBXH dated 13/7/2007 stipulates that in order to get monthly social allowances, beneficiaries or their relatives/guardians must send applications to the local commune People's Committee. Documents required include: application letter (certified by local village and commune), resume of applicant (certified by commune), certificates of competent health care institutions (for disabled people, people with mental illnesses, people infected with HIV/AIDS).

Poor people have difficulties accessing social assistance in urban areas

Informal community-based/ donor-based social protection models need to be reviewed and replicated disabled with no capacity for labour or self-help, orphans and so on), migrants can apply for social assistance providing they have documents certifying no support received in their home town. However, only a small number of migrants belong to this group. If listed in the poor group (disabled, lonely elderly, single mothers caring for small children, etc.), most migrants will not be considered eligible for social assistance as they are rarely included in poverty reviews in the localities.

The socialisation of social protection activities has been actively carried out at the monitoring sites. In Kim Chung commune (Hanoi), the commune Women's Union organises annual events to give presents to poor women and children, including children with HIV. The local Red Cross Association calls for support from donors and enterprises for poor students and disadvantaged people. In Lam Ha ward (Hai Phong), mass organisations have managed to maintain the "Home of Affection" fund, the Disability and Child Sponsorship Association, and clubs for HIV infected people. In Ward 6 (Go Vap), donors have been very active. Gifts from local enterprises and individuals presented on the occasion of the New Year or local festivals help ease the difficulties of poor households. Moreover, some practical educational support activities for poor children have been reported at An Nhon Secondary School and Ky Quang pagoda, etc. (Box 9).

## BOX 9. Universal classes at An Nhon school and community classes at Ky Quang pagoda (Go Vap, HCMC)

Some support models for poor and migrant children, such as universal classes at An Nhon Secondary School or community classes at Ky Quang pagoda, have been developed to help disadvantaged children attain education.

Universal classes at An Nhon Secondary School are conducted by teachers of the school under the universal education campaign launched by Go Vap Department of Education. In 2011, the School organised three classes for 30 students, most of whom come from poor households and could not enroll in secondary education at the right age as they had to stay home to help their parents. Two thirds of the students come from migrant households. Students do not have to pay tuition fees and are given free textbooks by the school. The classes start daily at 6PM. Attendance rates are high in these universal classes.

At Ky Quang pagoda, 125 students are taking primary classes from grades 1 to 5 organised by the pagoda and taught by the teachers from Hoang Van Thu School. Most students are in difficult circumstances: many help their parents by selling lottery tickets or assisting in their shops. The curriculum, exams and result management for the pagoda classes are kept the same as in schools. Students are given free textbooks by the pagoda and pay no tuition fees. At the end of each semester the pagoda organises a parents' meeting to inform them of the students' progress. Community classes at Ky Quang pagoda are highly appreciated by local people.

## 1.3.7 Gender issues

Urban women have advantages over their rural counterparts in terms of gender equality Gender issues in urban areas are distinctive from rural areas. Urban women often have more say in the family and concerning access to services; they are also more educated, more confident in communication, and have more access to information and opportunites for social activities. Urban girls enjoy the same education opportunities as boys. However, there remain some typical disadvantages in urban areas that adversely impact women. Poor women face many disadvantages due to polluted and uncomfortable living environments Lack of comfort and safety in living conditions in peripheral urbanised areas greatly affects women and children. Women bear the heaviest burden in ensuring family meals and taking care of the children and themselves in the midst of polluted living environments with poor water supply and drainage. An example is found in RQ# 14 Lam Ha ward (Hai Phong) where dense black industrial waste water runs through the residential quarter emitting a foul odour and creating a threat to local people's long-term health. In Kim Chung (Hanoi), two health checks for women in 2011 revealed that 60-70 percent of the 800 women checked had gynaecological problems. According to a commune Women's Union official, the main problem is that the water supply is not clean enough. Women with gynaecological problems often come from middle income and poor families with unhygienic living conditions and limited knowledge of reproductive health care. Some abjectly poor families live in isolated temporary houses with no electricity or water, presenting disadvantages to women and children.

Urban poor women mainly work in the informal sector. They face constant risks due to the

fact that they often work very early or late hours, rain or shine, in toxic environments, and

have no insurance benefits. Female street vendors, scrap collectors and cyclo drivers often

travel long distances and hours in rudimentary vehicles in all weather conditions, putting

their health at risk. Women working at construction sites face great risk of accidents, and

Poor women working in the informal sector work very long hours: most often they

work more than 8 hours per day; some jobs require 12-14 hour days, seven days per

week. According to migrants in RQ# 27 Ward 6 (Go Vap), female fruit vendors have to

get up one hour earlier and stay up 1-1.5 hours later than males doing the same job.

After finishing their work and domestic chores, women have very little time left for

In the face of rising prices, women have to try harder to ensure family meals; some

poor women are forced to take extra work for additional income. Subsequently,

women and children might suffer from poor nutrition and health (See also 1.3.3 –

Rural-urban migration reflects a strategy for labour division among household

members, which may lead to a decline of traditional gender patterns. Both migrant

husbands and wives have to work to earn a living, share chores, and take care of children. In Ward 6 (Go Vap), some male migrants shared that back in their home town

only men would work to earn money while their wives took care of the housework and children; but since migrating to HCMC, as their wives also have to work hard they would share the duty of cooking, washing and taking care of children with their wives.

most are not equipped with safety gear and choose not to buy medical insurance.

themselves or entertainment.

Impacts of the price hike).

Poor women often have health problems due to hardships in their informal jobs

... and long working hours, little time for themselves and entertainment

They encounter more difficulties in times of price hikes

Migration might bring changes to traditional gender patterns

Female migrant workers face many disadvantages and risks Migrants working at labour-intensive enterprises are mostly female. Disadvantages in living and working conditions and risks in labour relations strongly affect this female migrant group. Unmarried migrant workers face risks related to reproductive health care, sex abuse, HIV/AIDS prevention and so on. Married women encounter difficulties in earning extra incomes, taking care of the children, finding babysitters, sending children to school and so on (see also section 2.1 – Migrant worker group)

Proportions of women taking on positions in public affairs at ward/ commune levels are quite high **Women taking on positions in public affairs**. The proportion of women taking on roles in public affairs at ward/commune levels at monitoring sites is quite high (Table 13), even higher than the target set in the National Strategy for the Advancement of Women 2001-2010<sup>17</sup>. Of the three monitoring sites, Ward 6 (Go Vap) has the largest proportion of women undertaking the highest positions in the ward authority. Policies to encourage people with tertiary/university degrees of the HCMC People's

<sup>&</sup>lt;sup>17</sup> The National Strategy for the Advancement of Women 2001-2010 sets the target for proportions of women joining commune People's Councils at 20 percent and Party Committees 15 percent".

Committee also motivate local women to participate more actively in public affairs in ward/commune/district authorities<sup>18</sup>.

	Party Committee			People's Committee			People's Council <sup>19</sup>
	Kim Chung	Lam Ha	Ward 6	Kim Chung	Lam Ha	Ward 6	Kim Chung
Total number of members	15	13	12	19	21	25	28
Number of female members	3	3	4	7	7	15	7
Proportion of women (%)	20	23	33	37	33	60	25

## Table 13. Proportions of women taking on public affairs at ward/commune levels at monitoring sites, 2011

Advancement of Women at ward/ *commune level are* pro forma

Committees for the Committees for the Advancement of Women at ward/commune levels have been established at all three monitoring sites. There are normally 5-7 members in the committee, including commune/ward leaders as chairperson, a representative of the Women's Union as standing deputy and representatives from related agencies. Activities of this committee lack effective integration in terms of objectives, action plans and budget allocation from related agencies/departments. Committee meetings are rarely held, often only once per year. Some committees have never held a meeting since their establishment. Chairpersons are often busy with their responsibilities for the ward/commune, and thus have little time for Committee activities. Other members are also busy with their main jobs, so most Committee activities are handled by the representative of the Women's Union as the standing deputy.

Ward/commune authorities lack funding for communication on the Law on Gender Equality and the Law on Prevention of Domestic Violence...

... and thus campaigning activities are of limited effect

Communication campaigns for the Law on Gender Equality (LGE) and the Law on Prevention of Domestic Violence (LPDV) are conducted at all monitoring sites although with low frequencies (only 1-2 times/year) and are still limited at the ward level due to funding shortages. For instance, in 2011 Lam Ha Women's Union (Hai Phong) had a budget of only VND2 million for campaigning activities, meaning the communication could not reach all residential clusters. Since the campaigns are held at the ward level only, the number of people participating in these activities is limited. People mainly access information on these two laws through mass media.

Ward 6 (Go Vap) has made efforts to organise training and communication on LGE and LPDV through women's groups at the residential guarter level (each group consists of 15-20 members); as a result, awareness of gender issues among group members has been enhanced. However, the effect of communication activities is still limited. Male residents have not been invited to training activities. Neither have RQ officials been included in the training. Some RQ officials interviewed revealed that they never received training on LGE and LPDV. If they had had a better understanding of the Laws, they could have communicated them to local households through quarter meetings and given counselling to couples suffering domestic violence.

Psychological abuse cases are more difficult to identify in urban areas

One problem found at monitoring sites is that in domestic violence cases, psychological abuse cannot be easily identified in urban areas due to the discreet lifestyle and unwillingness to divulge issues of domestic violence.

According to Decision No. 65/2009/QD-UBND of HCMC People's Committee, officials and civil servants with a university degree working for ward authorities are given an extra VND750,000 per month. People with other degrees are given VND500,000 per month. This policy has encouraged many women to take part in public affairs at ward level. Lam Ha ward (Hai Phong) and Ward 6 (Go Vap) participate in the pilot programme to abolish People's Councils at ward levels in urban areas.







Part 2 SPECIFIC VULNERABLE SOCIAL GROUPS Vulnerability is a main characteristic of urban poverty, relating to specific social groups. The fourth round of urban poverty monitoring of 2011 continued to monitor changes in the livelihoods and lives of migrant worker groups in the formal sector and freelance labourers in the informal sector, such as small traders, motorbike taxi drivers and cyclo drivers. A new group covered in this 2011 monitoring round is social protection beneficiaries. Impacts of rising prices on these specific social groups were also one focus of this round.

## 2.1 Migrant worker group

## 2.1.1 Group features

The demographic characteristics of migrant worker groups do not differ across monitoring rounds The demographic characteristics of migrant worker groups in the survey sample of 2011 do not differ significantly from the previous years. Of the 180 workers interviewed, nearly two thirds were female. Figure 5 indicates that most migrant workers are young, aged between 18 and 30, with at least secondary education. They come from rural areas where the main source of income is agriculture. The proportion of migrant workers coming from poor households in rural areas is small (7 percent).

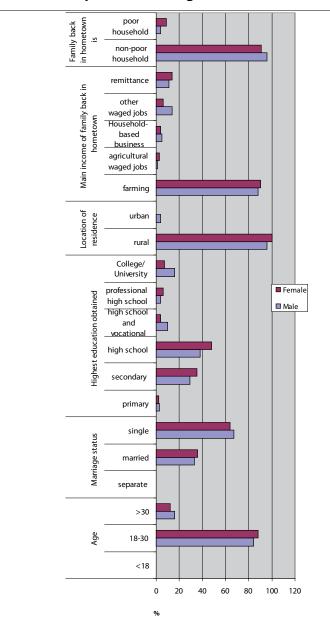


FIGURE 5. Group features of migrant workers, 2011

Source: Interviews with migrant workers, 7/2011

Migrant workers living with small children is a new trend in peripheral urbanised areas The trend of migrant workers caring for small children is on the increase, bringing potential changes to migrant poverty characteristics in peripheral urbanised areas. Table 14 shows that one third of the survey sample has small children, and most choose to take care of the children themselves rather than sending them to their home town. The proportion of migrant workers living with small children in Ward 6 (Go Vap) is higher than that of the other sites due to the fact that many workers have long migrated and become independent of their family back home.

	Kim Chung (Hanoi)	Lam Ha (Hai Phong)	Ward 6 (Go Vap)	On average
Proportion of married migrant workers (%)	32	42	32	35
Proportion of migrant workers with small children (%)	27	38	28	31
Average age of children (years old)	2.8	3.8	4.5	3.8
Proportion of workers living with their children (%)	50	63	94	70

# TABLE 14. Marital status and proportion of migrant workers having smallchildren, 2011

Source: Interviews with migrant workers, 7/2011

## 2.1.2 Living and working conditions

Rental prices have soared since early 2011 Migrant workers often rent accommodation near their work place. Each room has an average area of 10-12 square metres. Rental prices at all monitoring sites have rocketed since early 2011. In Ward 6 (Go Vap) rent has increased the most, by approximately VND200,000-300,000/room while in Kim Chung (Hanoi) and Lam Ha (Hai Phong) rental prices have gone up by only VND50-100,000/room. In Kim Chung commune (Hanoi), as there is very little vacant land to accommodate the high demand for rental accommodation, some landlords have upgraded their premises to 2-3 storeys with larger units of 12-14 square metres (about 2-4 square metres larger than the original rooms) and rent them out at higher prices (an extra VND100,000/room).

Living conditionsLiving conditions of migrant workers have gradually improved although manyof migrant workerslimitations remain. Table 15 indicates the four problems in living conditions mentionedhave improvedthe most by migrant workers, including "cramped housing", "polluted environment/although manypoor hygiene", "far from places of leisure and entertainment" and "poor water quality".Imitations remainThese are also the main problems discussed in the previous monitoring rounds.

## TABLE 15. Existing accommodation issues, 2011 (% of opinions)

	Kim Chung (Hanoi)	Lam Ha (Hai Phong)	Ward 6 (Go Vap)	Average
Cramped housing	83	43	55	61
Degraded/temporary homes	33	10	5	16
Poor water quality	63	10	17	30
Poor kitchens/cooking conditions	12	17	10	13
Poor toilets/ bathrooms	13	5	15	11
Poor security	32	13	7	17
Social evils	58	0	2	20
Poor electricity supply	32	2	0	11
Poor road access	53	23	0	26
Polluted environment/ poor hygiene	73	22	0	32
Far from markets/shops	3	23	0	9
Far from places of leiture and entertainment	45	32	17	31
Poor relations between neighbours	0	0	0	0
Lack of attention from local governments	8	2	7	6
Others	0	3	0	1

Source: Interviews with migrant workers, 7/2011

Migrant workers participate little in local community and association activities Social relations of migrant workers are restricted to people coming from the same home provinces and co-habitants, with whom they share mutual help and support. Among the monitoring sites, the relationship among people from the same home provinces is found to be most prominent in Ward 6 (Go Vap), among workers coming from Central and Northern provinces. Similar to findings from previous years, the 2011 round continues to record low participation of migrant workers in community activities and activities held by local associations (Box 10).

#### BOX 10. Migrant workers excluded from Youth Union activities

There are more than 25,000 migrants in Kim Chung commune (Dong Anh, Hanoi), most of whom are young (aged from 18 to 30). The local Youth Union, however, only targets their activities at local youth.

According to the commune Youth Union officials, due to the limited annual budget the Union has not been able to include participation of migrant youth. There have been attempts to call for participation of migrant workers in Youth Union activities (such as blood donation, youth festivals) through landlords but results have been limited. Many migrant workers pay little attention to local Youth Union activities for reasons such as exhaustion from shift work and so on.

## Migrant workers have many concerns about working conditions

Table 16 presents four problems in working conditions most expressed by migrant workers, including "effects of temperature, chemical vapours, dust, light and noise"; "tedious and high-intensity work without recreation opportunities"; "lack of information on rights and obligations of employees"; and "over-crowded work areas". Compared to their counterparts at the other monitoring sites, workers in Kim Chung (Hanoi) have greater concerns about all aspects of working conditions. These were also the main problems discussed in the previous monitoring rounds.

	Kim Chung (Hanoi)	Lam Ha (Hai Phong)	Ward 6 (Go Vap)	Average
Overcrowded work areas	48	7	30	28
Effects of temperature, chemical vapours, dust, light and noise	75	43	65	61
Unsafe equipment and workshops	13	23	12	16
Inadequate and poor quality drinking water	32	7	8	16
Limited facilities for personal hygiene and toilets	23	5	2	10
Long working hours	45	10	3	19
Tedious and high-intensity work without recreation opportunities	70	18	10	33
Lack of information on rights and obligations of employees	68	13	10	31
Others	0	0	0	0

#### TABLE 16. Existing problems in working conditions 2011 (%)

Source: Interviews with migrant workers 7/2011

more concerned about overcrowed, high-intensity working conditions and lack of information

Female workers are Compared to female workers, male workers are more concerned about "effects of temperature, chemical vapours, dust, light and noise" while their female counterparts worry more about "tedious and high-intensity work without opportunities for recreation", "lack of information on rights and obligations of employees", and "overcrowded work areas". In Lam Ha (Hai Phong), the proportion of male workers concerned about toxic working conditions is greater than that of female workers due to the fact that male workers tend to work in mechanical, ship building and transportation industries while female workers mainly work in footwear and textile industries.

## 2.1.3 Vulnerability in labour relations

The number of workers at foreignowned companies continues to increase

The situations of labour demand and supply and employment of migrant workers differ among monitoring sites. In Kim Chung (Hanoi), the number of migrant workers has greatly increased as many enterprises have invested in more workshops in sector C, recently expanded in the Northern Thang Long Industrial Park. According to the statistics provided by Kim Chung commune, the number of temporary residential registrations in the commune has increased by 2,000 people compared to the same period in 2010. Affected by the incidence of an earthquake and tsunami in Japan, workers of several automobile parts manufacturers and electronics companies had to take leave in turns and received only 70% of their salary. However, the leave was only 3-7 days per month over 3-4 months (by July 2011, workers had returned to their normal working hours). "Job jumping" from one company to another is not popular since there is little difference in salaries and benefits between companies in the Industrial Park.

Some textitle enterprises have moved out of the city Low-price labour outsourcing and high production costs create pressure on employment

Some enterprises only recruit enough new workers to replace those who have moved

*Rising prices create* tensions in labour relations in most enterprises

Many workers in small private companies and workshops do not receive social benefits

In Ward 6 (Go Vap), the number of migrants declined as some textile enterprises have relocated to the outskirts or neighboring provinces. Some workers either moved to private workshops or returned to their hometowns to work at near-by industrial zones. The issue of low-price labour outsourcing in textile and footwear industries in the face of rising production costs differently affects employment in different types of enterprises. Workers at state-owned or joint venture enterprises report decreased over-time compared to 2010 because low-price orders were rejected by their employers, whereas workers in satellite workshops shared that their employers had taken many low-price orders, giving them more over-time compared to the previous year.

In Lam Ha ward (Hai Phong), surveyed workers did not see much change in employment in 2011. In fact, most enterprises only recruited enough new workers to replace those who decided to move.

Low wages and poor benefits continued to be the main cause of labour disputes over the past years. The cost of living in urban areas rocketed in 2011, creating more tensions in labour relations in most enterprises. According to Hai Phong Trade Federation, by April 2011, 16 strikes had occurred, an increase of 10 strikes compared to the same period in 2010 (mostly in textile and footwear enterprises). The main reason reported was that low income would not guarantee workers' livings in the face of price hikes.

Contract signing and implementation of social benefits such as social insurance and medical insurance are well practiced in Kim Chung (Hanoi), where FDI enterprises congregate. In Lam Ha (Hai Phong) and Ward 6 (Go Vap), a large number of migrant workers have not received social and medical insurance or other benefits such as annual or sick leave. These workers mostly work for small private companies and workshops under short-term contracts or no contracts at all.

Workers rarely use medical insurance cards

Limited use of medical insurance is reported among migrant workers. Many workers find it difficult to request leave for medical checks or they do not want to ask for leave for fear of losing diligence allowances. Long waiting times in hospitals due to overcrowding pose another obstacle to medical insurance holders. Most workers tend to buy medication from private drugstores for minor ailments. For more serious illnesses requiring examinations, many choose direct payment services to avoid waiting.

## 2.1.4 Vulnerability in income and expenditure

Most migrant workers received wage increases in 2011 The minimum wage for factory workers was raised from 1/1/2011 according to GOV regulations (Decree 107/2010/ND-CP and Decree 108/2010/ND-CP). Due to high inflation rate in 2011 all enterprises already increased allowances for their workers (support for rent, transportation, diligence, food, and so on). These two factors drove incomes of most migrant workers higher in 2011 compared to 2010, with an average growth of VND300,000-600,000/month.

Interviews with migrant workers also confirm that more than 80 percent of workers have had their monthly income raised by nearly 20 percent compared to 2010. A number of workers (accounting for 14 percent in the survey sample) report periods with a drastic decrease in income (lasting 2-3 months) as their factories did not get enough orders, did not give them extra shifts or they were ill or changed jobs.

Migrant workers worry most about the rising cost of rent, food, gas, petrol and electricity. Married migrant workers with small children have more expenses. (Box 11).

### BOX 11. The hardships of a worker caring for small children

Ms. N.T.A. migrating from Thanh Hoa rents a room at RQ# 25, Ward 6 (Go Vap) with a husband and 2 small children (one in grade 7, the other grade 4). She works for a private tailor while her husband works as a construction labourer. The total income of the couple is roughly VND5 million. They find it hard to sustain their family with two school-age children.

Goods/services of which rising prices in 2011 greatly impacted her family's well-being include food, rent and electricity. Ms. A. shared that higher food prices made it more difficult for her to ensure family meals. As rental prices increased in 2011, the couple was forced to find a cheaper room. Her husband had to take up motorbike taxi driving during lay-offs or in the evenings to earn additional income for the family.

---- "Last year the whole family spent only VND35,000 per day on food. This year, the price has gone up so much, I spend VND50,000 per day and still can't afford the same amount. This year, we've had to rent a cheaper room: rent for the old one increased from VND1.2 million to VND1.5. Only by getting a cheaper room could we save enough money to spend on the children. I can't go shopping as much as before, so I spend less on clothes. I use one pair of shoes for both work and going out. I used to have a different pair for going out".

Income has not increased in proportion to living costs thus migrant workers are forced to reduce personal savings and remittance

Living costs have soared while income has not increased proportionately, making the lives of migrant workers increasingly difficult (see also section 1.3.3 – Impacts of the price hike). Table 17 shows that the average monthly income of migrant workers has increased by 66 percent compared to 2008; yet total personal expenditure (exluding personal savings and remittance) rose by 87 percent over the same period. Under

such circumstances, migrant workers are forced to reduce personal savings and remittance to their hometowns. Remittances sent home by this group account for only seven percent of total income compared to 14 percent in 2008 while personal savings is only 9 percent compared to 12 percent in 2008.

	2008	2009	2010	2011
Total income (=1+2+3)	1,677	1,863	2,180	2,777
1. Personal expenditure	1,247	1,435	1,679	2,328
Rent	197	259	369	438
Food	526	565	666	951
Clothes	77	113	97	154
Transportation	84	124	129	138
Recreation	51	78	80	91
Social expenses, weddings/funerals	127	132	158	223
Personal purchases	62	82	77	107
Others	123	82	103	226
2. Personal savings	196	165	209	260
3. Remittance	234	263	292	189

TABLE 17. Monthly income – expenditure of migrant workers, 2008-2011

Source: Interviews with migrant workers 6-7/2008, 7/2009, 7-8/2010 and 7/2011

Workers studying and working at the same time encounter greater difficulties when prices increase Workers who attend after-hours classes find it difficult since they do not have time to earn extra income (overtime or extra shifts) while also being burdened with education fees. In Kim Chung commune (Hanoi), rising living and education costs have caused a decrease in the number of enrolments of workers in the Northern Thang Long Technical College. The school increased tuition fees from VND300,000 in 2010 to VND330,000 in 2011. According to the statistics collated by the school, by July 2011, the total enrolment reached 845 students, about 70 percent compared to the same period in 2010. To help students cope, the school has collaborated with businesses to create on-the-job training and employment opportunities for their students. (Box 12).

# BOX 12. On-the-job training model at Northern Thang Long Technical College

During the past 4-5 years, the Northern Thang Long Technical College (Kim Chung commune, Dong Anh, Hanoi) has trained 90 percent of its students on-the-job. The school offers classes in three shifts per day so that students can choose training times suitable to their work schedules.

In the academic year of 2010-2011, the school connected about 300-400 students to work opportunities in industrial parks, local services and restaurants, among others – an increase of 25-30 percent compared to the previous year. Students who do on-the-job training can earn from 2-2.5 million per month. The school has made this model successful by bringing together students' demand for work and enterprises' demand for workers.

Over the past two years, the school has also developed a new curriculum at the request of participating enterprises. About 10 enterprises have registered for their workers to take classes at the school. On average, each company sends from 100 to 200 workers to the school for skill enhancement. 47

## 2.1.5 Coping mechanisms

Migrant workers are forced to minimise expenses to deal with rising prices...

Facing difficulties in income and expenditure in 2011, migrant workers adopt a variety of coping mechanisms. Table 18 shows the priorities of migrant workers when forced to cut down on various living expenses.

	Kim Chung (Hanoi)	Lam Ha (Hai Phong)	Ward 6 (Go Vap)	Average
Find lower rent	5	7	0	4
Cut down on personal savings	73	45	62	60
Cut down on clothing	82	65	63	70
Cut down on costs of going out and recreation	63	53	57	58
Cut down on social costs	10	18	2	10
Cut down on daily food expenses	77	55	42	58
Cut down on other expenses	72	35	33	47
Reduce remittance	83	65	82	77

Source: Interviews with migrant workers 7/2011

... by reducing remittance

Compared to the survey results of 2010 during the post-crisis recovery in employment and income, the proportion of workers having to reduce remittance has considerably increased under the pressure of rising prices. While only 21 percent of workers included in the 2010 survey sample reduced remittance (of which 20 percent temporarily suspended it), in 2011 the figures are 77 percent and 50 percent respectively (Table 19).

## TABLE 19. Savings and remittance over the past 12 months, 2010 - 2011 (%)

	Kim Chung (Hanoi)		Lam Ha (Hai Phong)		Ward 6 (Go Vap)		Average	
	2010	2011	2010	2011	2010	2011	2010	2011
Able to save monthly (after deducting all costs)	80	63	60	48	32	37	57	49
Sent remittance home	72	52	48	39	25	28	48	40
Reduced remittance	13	83	35	65	25	82	21	77
Remittance in 2011 compared to 2010								
Little decrease (< 25%)	75	40	68	48	66	10	69	31
Considerable decrease (25-50%)	12	12	9	8	7	15	9	12
Significant decrease (> 50%)	13	14	0	0	0	4	2	7
Temporarily suspended remittance	0	34	23	44	27	71	20	50

Source: Interviews with migrant workers 7-8/2010 and 7/2011

... reducing meal quality

In order to reduce costs of food and foodstuff, many workers substituted for cheaper food (tofu, peanuts and eggs), cooked more at home and limited eating out (especially female workers). Workers coming from neighboring localities brought rice and vegetables from home to reduce expenses.

... drastically

cutting down on recreational and

Cutting expenses for recreation and transportation is yet another way workers cope with difficulties. Many say they rarely go out or have meals with friends. Co-habitants transportation costs share motorbikes to reduce petrol costs.

... taking extra jobs or pawning belongings for a short peiod of time

However, workers find it hard to cut down on accommodation and social costs In Lam Ha ward (Hai Phong), some workers take extra jobs such as portering (on Sundays) at an average wage of VND80,000-120,000/shift. Some male workers admit they sometimes have to pawn their belongings for cash. Assets pawned are often motorbikes and mobile phones and the duration is usually about 7-10 days. They retrieve the assets upon receipt of their monthly wage.

It is noteworthy that although rent increased drastically in early 2011, reducing rental costs is not the first option of migrant workers as they have often become familiar with their current accommodation and do not want change. Additionally, renting further from the work place means extra costs for transportation. It is difficult to reduce social and wedding/funeral expenses since workers need to maintain relationships with colleagues and fellow countrymen or co-habitants (their main social ties in the cities).

## 2.1.6 Plans and aspirations of migrant workers

Migrant workers want support for accommodation, working conditions, and work and life skills Table 20 indicates the foremost aspirations of migrant workers are to get support to *"improve living conditions, hygiene and environment"*, to *"better professional skills"* and to *"increase understanding of laws, rights and obligations of employees and employers"*. The prioritised aspirations of migrant workers found in the survey sample of 2011 are similar to those in the previous surveys.

#### TABLE 20. Aspirations of migrant workers, 2011 (%)

	Kim Chung (Hanoi)	Lam Ha (Hai Phong)	Ward 6 (Go Vap)	On average
Easier residential registration	3	8	33	15
Improved living conditions, hygiene and environment	77	22	53	51
Improved factory working conditions	62	37	18	39
Better professional skills	70	20	42	44
Increased understanding of laws, rights and obligations of employees and employers	67	17	22	35
Better knowledge of health care	72	27	22	40
Better knowledge of HIV/AIDS prevention	65	10	18	31
Strengthened role of trade unions	62	0	33	32
Mutual help and worker group activities	15	2	7	8
Others	0	12	0	4

Sources: Interviews with migrant workers, 7/2011

Female workers wish to have better knowledge of health care and HIV/AIDS prevention Female workers want more support in all aspects compared to their male counterparts. Notably, the proportion of female workers wishing to receive more support to increase their knowledge of health care and HIV/HAIDS prevention is much larger compared to male workers. This is understandable as young and single women need to arm themselves with the necessary life skills to cope with the numerous risks associated with rural-urban migration.

Employment instability threatens workers Rising living costs coupled with lack of a corresponding increase in income have increased employment instability for migrant workers. When asked how long they intended to keep their current jobs, 55 percent of workers in the survey sample of 2011 responded that they had no concrete plan and would "wait and see", while 12 percent expressed their intention of changing occupations or employers. When talking about longer-term plans, most workers participating in the discussion revealed that if the cost of living remained high and work so difficult and wages poor, they would consider finding more stable jobs or returning to their home towns to work in near-by industrial zones.

## 2.1.7 Role of trade unions

The proportion of migrant workers joining trade unions reached 58 percent in the survey sample of 2011. This figure is high for state-owned and FDI companies but low for private enterprises (Table 21). Two main reasons of workers not joining trade unions in private enterprises are "no trade unions in place" and "not eligible to join" (being under short-term contracts or without contracts).

## TABLE 21. Trade union membership rates by types of enterprises, 2011 (%)

	Type of enterprise					
	State owned	Private	FDI	Joint venture	Others	Average
Yes	91	28	84	72	67	58
No	9	72	16	28	33	42

Source: Interviews with migrant workers 7/2011

A considerable number of workers do not think highly of the role of trade unions in representing and protecting their work place entitlements

More than half of those joining trade unions think it is "beneficial", the rest deem it "normal" or "of no clear benefit". Male and female workers differ little in their opinions (Table 22). Workers interviewed revealed that trade unions' activities in their work places mainly involved sick visits, skill competitions or football tournaments (which did not often happen due to lack of funding). No workers could give a concrete example about the role of trade unions in representing and protecting their work place entitlements. Labour disputes mostly arise spontaneously rather than through trade unions. The lack of independence of trade unions is another issue of concern as most trade union leaders are also managers of the businesses and are paid by the business owners.

## TABLE 22. Perceived benefits of joining trade unions, 2011 (%)

	Kim Chung (Hanoi)		Lam Ha (Hai Phong)		Ward 6 (Go Vap)		On average	
	Male	Female	Male	Female	Male	Female	Male	Female
Beneficial	38	43	44	80	86	75	50	56
Normal	31	20	31	20	14	25	28	21
Have not seen clear benefit	31	38	25	0	0	0	22	23

Source: Interviews with migrant workers 7/2011

# 2.2 Small trader group

## 2.2.1 Group features, living and working conditions

*Most small traders* are married women and half of them come from

Small trading, either from shops or street vending, is a common choice of employment for married women, mostly aged from 30 to 35. At the three monitoring points, roughly more than 50 percent of small traders are found to come from other localities, including both commuters and migrants. In Kim Chung (Hanoi), small other areas to work traders mostly come from neighbouring communes of Dong Anh district and from some Northern provinces. In Lam Ha ward (Hai Phong), small traders come from neighbouring districts such as Tien Lang and Vinh Bao. In Ward 6 (Go Vap), a large population of migrants from Central and Northern provinces come to live and work as small traders, including both wife and husband in most cases. Many households have been residing in the locality for a long time (more than 10 years) with their children.

There is distinction in trading goods among different regions Small traders often move around and work among groups from the same hometowns, relying on their informal social networks. At the three monitoring points small traders come from different localities selling a variety of goods. There is a clear distinction in trading goods among different regions (Table 23).

#### TABLE 23. Regional features of small trading (%)

Kim Chung	Lam Ha	Ward 6
(Hanoi)	(Hai Phong)	(Go Vap)
<ul> <li>Local people tend to sell vegetables, some sell meat and fruit.</li> <li>People from neighbouring communes (commuters) tend to sell fruit and vegetables.</li> <li>People from Ha Tay province tend to sell plastic-ware.</li> <li>People from Hung Yen and Hai Duong provinces tend to sell clothes.</li> <li>People from Bac Ninh and Bac Giang provinces tend to sell food.</li> <li>People from Vinh Phuc province tend to sell footwear.</li> </ul>	<ul> <li>Local people tend to sell groceries, meat, fish and serve breakfast.</li> <li>People from neighbouring districts such as Tien Lang, Vinh Bao (commuters) tend to sell fruit and vegetables.</li> </ul>	<ul> <li>Local people tend to sell fruit, noodles, beverages and lottery tickets.</li> <li>People from the Mekong River Delta tend to sell camp beds, thuribles, lottery tickets. Some are street vendors.</li> <li>People from the North and Central North tend collect scraps. Some are street vendors.</li> <li>People from Central South tend to be street vendors.</li> </ul>

Small traders face many disadvantages and risks

Small trading is an easy job requiring little capital but involves long working hours, yields unstable income and depends on weather conditions. People living in the near-by neighbourhoods can commute back and forth within one day, but they have to rise early, stay up late and have a very simple lunch. Small traders from other localities cannot afford renting a shop. They are left to sit on the pavement, roadside or move along streets, meaning they also have to deal with urban management regulations.

The number of small traders continues to increase as it is a way of labour division in families for extra income Local people working as small traders often come from poor and near-poor households, lacking skills and capital and cannot do other jobs. People migrating from rural areas to cities or suburban areas often take up small trading jobs as a suitable solution for labour division within the family to earn extra income in addition to cultivation (regular trading or seasonal trading during the off-season). At the three monitoring sites, it is estimated that in 2011 small traders rose in number by 10-30 percent compared to 2010. More specifically, the number of scrap collectors and street vendors using rudimentary vehicles dropped as cities tightened up environmental protection and urban management regulations (banning rudimentary 3-4 wheeled vehicles).

# 2.2.2 Vulnerability and coping mechanisms

Cost prices have risen but sales prices were not increased at the same rate The 2011 price hike brought adverse impacts on small traders. At the three monitoring sites, the small traders interviewed complained that income from selling was the same or even dropped compared to 2010. The reason is that costs have increased by 1.5-2 times but prices could not be raised proportionately due to strong competition and the fear of discouraging buyers.

Small traders have to diversify product lines, lengthen trading hours and take extra jobs. The most common coping mechanisms adopted by small traders facing dwindling incomes include diversifying product lines, choosing to import cheaper goods, and trading for longer hours. For example, in Lam Ha ward (Hai Phong), due to a decrease in the consumption of meat and pork pies, traders opt to supplement their sales with bread, steamed cakes, noodles and sticky rice. Some traders also take extra jobs, such

as house keeping, baby sitting for workers, transporting goods for agents, etc. to earn an additional income (Box 13).

#### BOX 13. Difficulties of small traders in the face of rising prices

The family of Ms. N.T.L, coming from Thanh Hoa, rent a room in Ward 6 (Go Vap). She sells groceries while her husband works as a carpenter's assistant in the workshop of a fellow countryman. She complained that income from selling groceries declined in 2011 due to increased cost prices while the number of customers dropped. The rising cost of meals, rent and education has made their life increasingly difficult.

---- "A carton of instant noodles cost less than VND70,000 last year. This year, the price has climbed to VND100,000. If I sell at a higher price no one would buy. I am mostly selling to tenants who have little money. I used to earn VND70,000-100,000 per day and now only VND50,000 while costs have increased".

---- "Lunch and tuition fees for my child which totaled VND800,000/month last year are now VND1 million. She often has breakfast at home, otherwise it would cost an extra VND250,000/month. Rent has risen by VND100,000 to VND1.9 million. Me and my husband earn a total of VND5 million and it is a struggle. The price of everything has risen, especially meat: more than VND100,000 a kilo now".

To cope with difficulties, Ms L. takes extra work as a house keeper for a nearby family. Each day she works an extra 4-5 hours, earning VND2 million to add to the family's income. Moreover, the couple has decided to cut down on other non-essential expenses, such as entertainment or home visits.

--- "Saving is the best policy. Now we don't go out and for several years we have not returned to our home town – a visit home costs a lot – transportation amounts to millions. I long to take my child to Dam Sen park but have to delay it"

Small tradersIn regards to living costs, small traders at the three monitoring sites report that the<br/>greatest impact of price hikes was felt on food and foodstuff (rice, meat and fish),<br/>electricity, gas, petrol and rent. Small traders often adopt similar coping mechanisms<br/>although the order of priority may differ among the sites (Table 24).

... such as cutting down on gas and electricity consumption A mechanism widely adopted by small traders in Kim Chung (Hanoi) and Ward 6 (Go Vap) is reducing electricity consumption. Most commonly, they refrain from using electrical appliances, use energy efficient light bulbs and so on. Reducing gas consumption is another mechanism adopted by small traders in Lam Ha (Hai Phong) and Ward 6 (Go Vap). They tend to cook less stew, cook all daily meals at once, and use coal for water boiling or for dishes that require simmering.

... and reducing food expenses, extra classes, and social costs Another mechanism favoured by small traders is reducing food quantity, buying cheaper food, and cooking at home more often rather than eating out. Although they would not resort to extreme measures, such as asking their children to quit school, some small traders opt to reduce extra curricular classes to cut costs. Social expenses are maintained at an affordable rate. However, when invited to distant or unimportant events they save costs by sending congratulatory money rather than attending.

Order of Priority	Kim Chung (Dong Anh, Hanoi)	Lam Ha ward (Kien An, Hai Phong)	Ward 6 (Go Vap, HCMC)
1	Cutting down on electricity consumption	Cutting down on food	Cutting down on electricity consumption
2	Changing transportation methods	Buying cheaper food	Cutting down on food
3	Taking extra jobs	Cooking at home more often	Reducing the number of meals
4	Cutting down on food	Cutting down on gas consumption	Cutting down on gas consumption
5	Buying cheaper food	Cutting down on electricity consumption	Cutting down on education costs (extra curricular classes)

 TABLE 24. Prioritised coping mechanisms of small traders

Source: Group discussions of small traders at the three monitoring sites, 7/2011

Most migrant smallAccess to health care services of the migrant small trader group is very limited. Most<br/>migrant small traders do not<br/>purchase medical<br/>insuranceAccess to health care services of the migrant small trader group is very limited. Most<br/>migrant small traders do not purchase medical insurance. They often buy medication<br/>from private drugstores when falling ill. They only go to hospital in cases of more<br/>severe illness, incurring large expenses. Local residents working as small traders have<br/>paid more attention to medical insurance – some consider purchasing insurance a<br/>necessary measure to cope with health risks.

## 2.3 Motorbike taxi driver group

## 2.3.1 Group features, living and working conditions

Middle aged, married men choose to become motorbike taxi drivers

The number of motorbike taxi drivers increases as most migrants take this job on a casual basis

Similar to findings from previous years, motorbike taxi drivers are mostly local men aged between 30 and 50. Migrants make up only 30 percent of the total number of motorbike taxi drivers at the monitoring sites.

In Kim Chung (Hanoi) and ward 6 (Go Vap), it is estimated that the number of motorbike taxi drivers has increased by 20-30 percent in 2011 compared to 2010. New workers mostly come from elsewhere to work on a casual basis as motorbike taxi drivers. In Kim Chung commune (Hanoi), some male workers take up motorbike taxi driving to improve their income. In some households the wives work in industrial parks while the husbands move to cities to work as beverage sellers cum motorbike taxi drivers. Others come from neighbouring communes to work as motorbike taxi drivers during agriculture off-seasons. In Ward 6 (Go Vap), casual motorbike taxi drivers also take jobs as construction workers, porters and labourers. These people often wait to be hired at an end of their lane or drive people they know on request. They often work in the evening from 6 to 11PM.

Lam Ha ward is the only locality with a decreasing number of motorbike taxi drivers - the number fell by 30-40% in 2011 compared to 2010. Fewer customers due to increasing competition from taxis and buses and lower income have forced motorbike taxi drivers to change their occupations to become labourers, drivers, construction workers, guards and so on. Some experience poor health and cannot continue their job as motorbike taxi drivers. Those who continue are mostly local men with no skills and little chance of finding a better job.

## 2.3.2 Vulnerability and coping mechanisms

Most motorbike taxi drivers interviewed at monitoring sites reported a decline in work and income in 2011 compared to 2010. Previously they were hired approximately 10-

Income from *motorbike taxi* driving has decreased due to strong competition and rising petrol prices

Motorbike taxi drivers worry about education costs further burdened married motorbike taxi drivers as education rising prices

Popular coping mechanisms of motorbike taxi drivers are reducing expenditure and working longer hours...

means of transport less popular. In 2008, motorbike taxis cost only VND2,000 - 2,500 /km. In 2011, the price doubled. During discussions about the price hike in 2011, motorbike taxi drivers at the three monitoring sites shared that they were most impacted by rising petrol prices followed by the soaring price of food and foodstuff, electricity, gas and rent. Increased

12 times per day, now they get around five or six passengers. Dwindling work can

be attributed to a rising number of motorbike taxi drivers and stronger competition

from buses and taxis, which have become cheaper and more convenient. The cost of

motorbike taxi transport has also increased due to rising petrol prices, making this

The coping mechanisms most favoured by motorbike taxi drivers included saving electricity, cutting down on food, buying less and cheaper food and having meals at home more often. Others prioritised cutting down on telephone costs, social expenses and monthly savings. Migrant motorbike taxi drivers also look for cheaper rooms to reduce renting costs while many choose to work later at night to improve their income (Table 25).

expenses account for a large part of their expenditure.

TABLE 25. Prioritised coping mechanisms of motorbike taxi drivers, 2011

Order of Priority	Kim Chung (Dong Anh, Hanoi)	Lam Ha ward (Kien An, Hai Phong)	Ward 6 (Go Vap, HCMC)
1	Cutting down on electricity consumption	Buying cheaper food	Cooking at home more often
2	Reducing savings	Cutting down on electricity consumption	Taking extra jobs
3	Working longer hours	Cutting down on social expenses	Working longer hours
4	Cutting down on telephone costs	Eating at home more often	Seeking cheaper accommodation
5	Cutting down on food	Cutting down on food	Cutting down on electricity consumption

Source: Group discussions among motorbike taxi driver groups at the three monitoring sites, 7/2011

... or taking extra jobs

... it's hard to *reduce petrol* consumption, but they still try their best to meet the education cost of their children

Most motorbike taxi drivers do not purchase medical insurance

Group activities of motorbike taxi drivers die out when income lessens

In Ward 6 (Go Vap), motorbike taxi drivers at An Nhon market try to increase their income by working as porters for fruit stalls in early mornings. However, there is little employment as too many people vie for the job.

Motorbike taxi drivers find it hard to reduce petrol costs. Most motorbike taxi drivers interviewed still try their best to meet the education costs of their children, reasoning that their difficulties are due to their own lack of education.

Like other freelancers, access to health care services of this group is limited. Most interviewed drivers do not purchase voluntary medical insurance and many do not know where to get it. In cases of serious illness they would go to hospital for treatment without medical insurance coverage.

In Lam Ha ward (Hai Phong), as income lessens and the number of motorbike taxi drivers falls, the self-governed motorbike taxi driver group (mentioned in the third round report in 2010) becomes unable to maintain its activities and mutual support. "Cash pooling" is not practiced anymore due to lack of participation.

poor

# 2.4.1 Group features, living and working conditions

The number of<br/>cyclo drivers has<br/>plungedCyclo drivers congregate at the residential quarter (RQ#) 14, Lam Ha ward (Hai<br/>Phong). Their main job is to transport construction materials and waste. The number<br/>of cyclo drivers plunged in 2011. By July 2011, only 7 people (3 female, 4 male) in<br/>RQ# 14 chose to continue as cyclo drivers (compared to 50 in 2007, 30 in 2009 and 20<br/>in 2010). Some men changed to driving small trucks. Some women shifted to assist<br/>their husbands with driving while others were unable to continue the job due to<br/>poor health.

Some householdsBy 2011, of the 30 households with members once working as cyclo drivers in RQ#have changed their14, eight were able to buy small trucks to change their livelihoods while 10 couldoccupation whileafford to build new houses. The rest, however, remain poor as their children are smallor the household has members who are drug addicts.

# 2.4.2 Vulnerability and coping mechanisms

Dwindling work for cyclo drivers in 2011 Cyclo drivers continued to find less work in 2011 due to the dwindling number of construction sites, competition from small trucks for material transportation, increased number of porters and because of relocation of dumping sites for construction waste further away, as well as other reasons. Although their average wage was higher (roughly VND100,000-150,000/day), the number of work days per month was less. During the peak season (February-April) in 2010, cyclo drivers had work for only 20-25 days/month while over the same period in 2011 they only had 10-15 days/month.

Cyclo drivers are<br/>sensitive to rising<br/>pricesThe price hike has caused immediate impacts on the lives of cyclo drivers. Rising<br/>prices of such goods/services as food and foodstuff (rice, meat, fish, etc.), gas and<br/>petrol have affected them the most. Male cyclo drivers are heavily affected by rising<br/>prices of beverages and tobacco. The job requires them to eat out often, and thus<br/>rising prices of served meals also make it difficult for them.

Favoured coping<br/>mechanismsDeclining income and soaring living costs force cyclo drivers to work harder to<br/>make ends meet. The most favoured coping mechanisms include buying cheaper<br/>food and taking extra jobs to increase income. Apart from transporting construction<br/>waste materials, some male cyclo drivers also take up the job of demolishing old<br/>buildings, often in the evenings. Reducing food consumption, relying on relatives<br/>and neighbours and buying on credit are also prioritised by this group (Table 26).

Order of Priority	Lam Ha (Kien An, Hai Phong)
1	Buying lowerer quality cheaper food
2	Taking on extra jobs to earn additional income
3	Cutting down on food consumption
4	Relying more on support from relatives and neighbours

## TABLE 26. Prioritised coping mechanisms of cyclo drivers in the face of rising prices

Source: Group discussion among cyclo drivers in Lam Ha ward (Hai Phong), 7/2011

Buying on credit

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Cyclo drivers have been banned from certain waiting points	The local government decided to prohibit cyclo drivers from congregating at the regular waiting point at RQ# 14 (also called "cyclo market", near the Medical High School of Hai Phong). Some drivers have chosen to move to other waiting points (Lan Be, Ho Sen and so on) and compete with the local cyclo drivers while others choose to stay at home to wait for calls for work from construction managers.
lack of dumping sites	Lack of dumping sites continues to be a challenge for cyclo drivers. As in 2010, they have to collaborate with small truck drivers in order to deal with this problem. Cyclo drivers transport waste from narrow lanes to trucks which take the waste to dumping sites.
Cyclo drivers in the same residential quarter sometimes organise group	"Cash pooling" among fellow cyclo drivers in the same RQ has been one way of coping with difficulties. A cycle of revolving group saving (by groups of 10-20 people) often lasts a year. Contribution rates vary depending on income levels of group members <sup>20</sup> . Cyclo drivers are forced to work within the constraints of caring for their small children.
savings Early and late working hours make it difficult for cyclo drivers to take care of small	Cyclo drivers are forced to work within the constraints of caring for their small children. Cyclo driving requires working early in the morning or late at night to work around hours in which they are prohibited from working in the cities. As both parents go out to work, they often send their children to private child minders with inadequate conditions for caretaking, improper feeding and fewer play facilities compared to public kindergartens.
children Changing to	Those who have changed to driving small trucks encounter difficulties as they often have to pay fines for traffic violations. After acquiring small trucks, most households have to spend from 5 to 10 million to increase the cargo capacity. These drivers are often fined due to breaches of legal load limits. As a result, after deducting all running costs, regular fines and bank interest associated with truck acquisition, their income is only marginally higher than the amount gained driving a cyclo. Some drivers revealed the main advantage of changing from cyclo to small truck was that
driving small trucks is no less difficult	the job was easier, more suitable for middle-age men and gave them the ability to create jobs for their children.

<sup>20</sup> See synthesis report "Participatory monitoring of urban poverty - third round - 2010), page 59.

# 2.5.1 Group features and living conditions

Most social protection beneficiaries lead a difficult life with poor health, relying on support from relatives, the State and charity organisations

Single mothers caring for small children have to work hard to earn a living while raising their children The social protection beneficiary group surveyed includes those receiving monthly social allowances under Decree 67/ND-CP, Decree 13/ND-CP and related documents. They are lone elderly, disabled, Agent Orange affected, HIV infected, poor, single mothers with small children and others. Most of these people lead a difficult life. Due to poor health, social protection beneficiaries often have little or unstable employment (some cannot work). People with physical and mental disabilities and the elderly, etc. often have to rely on their relatives and state monthly allowances. Some households belonging to the social beneficiary group in Ward 6 (Go Vap) turn to Ky Quang pagoda for free health checks and medication when falling ill.

Single mothers caring for small children often do wage jobs or small trading to earn their living, but these occupations are unstable and yield low income. They often take such jobs as rice harvesting, weeding and pesticide spraying, cleaning in factories, or carrying bricks or sand in Kim Chung commune (Hanoi); or selling vegetables, collecting scraps, dish washing, etc. in Lam Ha ward (Hai Phong) (Box 14).

#### BOX 14. The hardship of a single mother with two small children

Ms. P.T.N lives in RQ# 16, Lam Ha ward (Hai Phong) with 2 small children: the eldest is 7, in grade 2 and the younger 5, attending kindergarten. Her husband died in 2006. She collects scraps for a living with a low and unstable income. To save money, she takes the children to school and back herself so as to avoid paying for meals at school. Meals for her children at home are very simple. In 2010, her household was ranked as poor and the ward Women's Union encouraged her to take out a loan but she refused fearing she would not be able to repay it. Her children are exempted from tuition fees but she is still concerned about other expenses. She shared her story:

---- "I go out collecting scraps from 4.30 to 7 AM, come back to feed my children and take them to school, then go out from 8 to 10 AM before coming back again to bring them home. In the afternoon I work from 2 to 5 PM. I have to take my children to school and back everyday because I cannot afford to pay for their meals at school. Income from scrap collection is about VND30,000-40,000/day, so I can only buy cheap food, such as vegetables, tofu and eggs with about VND10,000-15,000. I try to save the rest for the children".

---- "The kids' education is very costly. I have just spent VND1.5 million on the young one and VND2 million on the elder for books, clothes and school construction contribution. I used up all my savings for their schooling and do not know what I would do if we got sick. I do not want to get a loan because I fear I can not repay it"

Being a single mother caring for small children, Ms. N is eligible to receive monthly social allowances under Decree 67/ND-CP but she has not received any because her application was only submitted in early 2011. Her main wish is to be healthy to work and care for her children. Disabled children have limitations in education and community integration Disabled children have limitations in accessing education and integrating into the community. Most disabled children can only complete primary or secondary education due to mobility and health issues. In Lam Ha ward (Hai Phong) there is a case of a blind child under five who was not accepted into state kindergartens due to low apprehension capacity; therefore, her parents had to send her to a private kindergarten.

## 2.5.2 Vulnerability and coping mechanisms

Social protection beneficiaries suffer the most from the rising prices of essentials

The social protection beneficiary group at monitoring sites includes those suffering the most from the price hike in 2011. Most social protection beneficiaries belong to poor households, which are mostly "chronically poor" witha lack of employment. They were therefore hit harder by rising prices than other poor groups.

The rising prices of such goods/services as food and foodstuff (meat, fish, rice and vegetable) and fuel (gas, petrol, electricity and coal) affect this group the most as they are essentials of daily life.

...they have to minimise living costs and rely more on relatives

To cope with the impacts of price hikes, most social protection beneficiaries interviewed choose to minimise living costs in various ways, such as buying cheaper, lower quality food, reducing food, electricity and gas consumption, and others. Many, instead of eating more costly foods such as meat and fish, have switched to cheaper foods like eggs, tofu and vegetables. Relying more on relatives' support is yet another coping mechanism widely adopted. People with the capacity to work take on extra jobs, becoming guards, shop assistants and so on (Table 27).

TABLE 27. Coping mechanisms of social protection beneficiaries in the face of rising prices

Order of Priority	Kim Chung commune (Dong Anh, Hanoi)	Lam Ha ward (Kien An, Hai Phong)	Ward 6 (Go Vap, HCMC)
1	Buying cheaper lower quality food	Buying cheaper lower quality food price	Cutting down on gas consumption
2	Cutting down on food amount	Buying on credit	Relying more on relatives' support
3	Taking extra work	Relying more on relatives' support	Cutting down on personal expenses
4	Cutting down on gas consumption	Cutting down on food amount	Cutting down on food amount
5	Cutting down on electricity consumption	Cutting down on electricity consumption	Cutting down on electricity consumption

Source: Social protection beneficiaries group discussions at the three monitoring sites, 7/2011

Poor single mothers find it hard to afford education for their children For single mothers caring for small children, high education costs are a real burden. Rising education costs (extra classes, school meals, contributions to parents' funds and others) bring financial difficulties to bear on many households (see also section 1.3.5 – Access to public services).

State regular allowances are crucial but remain very low

State regular allowances are crucial to this group. The basic support level for social protection beneficiaries was raised from VND120,000/month to VND180,000/month in early 2010 but this was to compensate for inflation in 2009 and previous years, whereas inflation in 2010 and 2011 was also high.

One-off support policies in 2011 do not cover all social protection beneficiaries. HCMC has devised its own support for this group to help cope with rising prices

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Direct one-off support for needy people according to Decision 471/QD-TTg has been implemented at all monitoring sites . However, Decision 471 does not include policies to support social protection beneficiaries. Most social beneficiaries are poor (and thus eligible for one-off support) but the non-poor (elderly of 80 and above, households caring for orphans, single people with serious mental disorders, households with two and more severely disabled members) also face difficulties. In HCMC, the municipal People's Committee issued document No. 1520/UBND-TM through which members of poor households are given VND100,000/person/month and social protection beneficiaries are given an additional VND50,000/person/ month for nine months from April to December. This was regarded as a timely policy by HCMC to help social protection beneficiaries cope with rising prices.

According to Decision No. 471/QD-TTg: The support level of VND250,000/person is extended to officials, civil servants, state employees, army officers having a salary coefficient of 3.0 and below; to pensioners, social insurance beneficiaries with monthly pension/allowance of VND2.2 million and below; and to people of revolutionary merit. The Support level of VND100,000/person is extended to relatives of the deceased. The support level of VND250,000/ person is extended to poor households according to the new poverty line.







Part 3 TOWARDS SUSTAINABLE URBAN POVERTY REDUCTION

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

### 3.1 Conclusion

Poverty is of a multi-dimensional nature, reflected in income (expenditure) and non-income criteria. However, previous efforts by statistics offices to measure multidimensional poverty have failed to reflect the true nature of poverty. While the income-based poverty rate remains low, it does not reflect many of the deficiencies in the quality of life of the urban poor. The poverty situation of migrants in urban areas is often more severe when viewed from a multi-dimensional perspective rather than merely an income-based perspective.

Results from the urban poverty monitoring round in 2011 continue to confirm that the main disadvantages of urban poor residents are lack of human resources, capacity to find alternative livelihoods, and social capital, limited access to public services, and uncomfortable and unsafe living conditions. Poor migrants suffer additional disadvantages, such as high living costs and lack of social integration. Most local and migrant poor have limited access to the social protection system as they often work in the informal sector, which is flexible yet unstable and involves high risks. There are various urban poor groups, each with its own typical disadvantages and vulnerabilities.

The poverty situation of both the local and migrant urban poor worsened in 2011 in the face of numerous threats, in particular, high inflation. The price hike weakened purchasing power, deteriorated quality of life, (especially health and nutrition), limited access to public services and worsened the inherent difficulties of the poor. Rising prices also resulted in lower savings and remittance, employment instability and tensions in labour relations among migrants. Rural-urban linkage is critical to poverty reduction in rural areas; therefore, the poverty situation of migrants will adversely impact sustainable poverty alleviation at the national level.

### 3.2 Suggestions for policy discussion

Some recommendations for policy discussion towards sustainable urban poverty alleviation drawn from the fourth round of urban poverty monitoring in 2011 (in continuation of suggestions presented in the reports of the previous rounds) are as follows:

1. Increase investment in urban poverty alleviation programmes based on analysis of multi-dimensional factors of poverty and emphasise the importance of urban poverty alleviation to rural poverty reduction. Although income-based poverty has remained substantially low, quality of life in urban areas is still limited in many aspects, particularly in access to the social protection system, housing services, education, and health care. In the context of rapid urbanisation and given the importance of the rural-urban linkage, investment in urban poverty alleviation would also contribute to rural poverty reduction; therefore, stronger policies and better allocation of resources are required for urban poverty alleviation programmes. It is important that MOLISA guidelines for poverty review be strictly followed, and households having resided in each locality for six months or more regardless of residential status be included in the review with cross-checking between places of origin and migration. A regular multi-dimensional poverty monitoring and evaluation system (to complement the uni-dimensional income-based measure) should be established in order to develop social protection policies targeting groups with specific difficulties.

- 2. Design suitable support policies targeting both local and migrant poor, and make basic services accessible regardless of residential status. Migrants are an integral part of urban development in Vietnam. Support extended to migrants helps ensure their basic rights and promote their social integration. Changes are needed first in the perception of policy makers based on thorough research on the role of migrants and their difficulties, and careful analysis of impacts of support policies. Unwanted impacts such as pressure on infrastructure and overloaded public services in areas with dense migrant population should be considered as challenges to be addressed rather than reasons for excluding migrants from support policies. Specific suggestions are as follows:
- Urban planning should be based on the total population of affected areas, including both local residents and migrants. Budget allocation for investment and expenditure for each locality must be based on population size to gradually address the issue of overloaded housing services (with special attention to water supply, drainage, environment and hygiene), education and health care services, especially in areas densely populated with poor and migrant people.
- Help migrants reduce living costs in urban areas by effectively implementing existing policies on rent and electricity regulation, whereby landlords are offered tax deductions for maintaining rent and electricity prices at affordable levels. Replace current cumbersome procedures for electricity price regulation with such initiatives as "prepaid electricity cards" or "monthly electricity deposit" and so on.
- Develop and implement synchronised projects to support poor freelance workers in urban areas by group (small traders, motorbike taxi drivers, small service providers and others) to improve or find alternative livelihoods.
- Enhance the social capital of both local and migrant poor by creating more opportunities for participation in community activities, self-help services, group activities, and cultural and communication activities addressing laws and life skills in close collaboration with relevant stakeholders (local authorities, residential groups, associations, trade unions and employers). Promote sharing, self-help and integration among migrants, perhaps initially through informal social relations such as groups of people coming from the same home province or groups of co-habitants.
- Harmonise urban management policies to minimise their conflict with the livelihoods of the poor. Implementation of urban management policies must be based on careful research and analysis of the impacts on the livelihoods of freelancers, as well as direct consultation with those affected so that suitable and effective support measures can be devised.
- In the long term, macro policies to support small enterprises, enhance corporate social responsibilities, and improve the formalisation of informal sector activities and so on will help the poor and migrants mitigate employment risks and gain better access to the social protection system.

- **3.** Develop a comprehensive social protection policy framework for urban areas. This continues to be the major suggestion of this fourth round of urban poverty monitoring in 2011. Pursuant to the Constitution and international commitments made by Vietnam, access to social protection is a basic right of all people. Refining the social protection system is a critical step towards the goal of sustainable poverty reduction and comprehensive enhancement of quality of life (economic, social and environmental) in urban areas of Vietnam. Some specific suggestions are as follows::
- Regular social assistance (under Decree 67/2007/ND-CP, Decree 13/2010/ND-CP and other relevant legal documents) should be expanded to cover the whole "hard core" poor group (absolute/ chronic poor) in urban areas to help maintain minimum living standards. This group can be identified based on their income (against the current poverty line) in combination with other criteria, such as human resources and employment.
- Design a supplementary policy to provide regular social assistance to the poor who have children under fifteen attending school to contribute to the goal of universalisation of secondary education in urban areas. Assistance levels should be higher for poor groups with two or more children attending school.
- Provide 100 percent medical insurance support for the near-poor group (those with an income less than 130 percent of the poverty line). This can be done through an increase in the proportion of budget support (increase the current assistance level from 50 percent to 70-80 percent) and mobilisation from funds for the poor and funds for protection of poor patients, from businesses and donors.
- Concrete guidelines and simple procedures should be developed and widely communicated so that migrants can access regular social assistance and medical insurance in urban areas. Policies to support freelancers having difficuilties acquiring medical insurance should be researched, to contribute to the goal of universal medical insurance.
- Amend policies supporting vocational training to make them more effective and accessible to both local and migrant urban poor labourers, including policies to support vocational or on-the-job training programmes provided by private businesses in urban areas, instead of focusing only on municipal and district vocational training centres.
- Research and review models of informal community-based and "socialised" social protection in collaboration with local authorities, mass organisations, public service providers, businesses, donors and religious associations and so on, in order to develop policies promoting good practices and suitable support programmes.
- Design a set of tools for measuring the extent of difficulties and vulnerabilities of those facing multi-shocks to identify needy groups and provide timely assistance, instead of relying solely on regular year-end poverty reviews. Integrate this toolset into the regular multi-dimensional poverty monitoring and evaluation system.
- Increase assistance levels to achieve practical results and gradually reach basic living standards; at the same time, develop a mechanism for timely adjustment

of assistance levels and poverty lines to reflect price fluctuations.

 Raise awareness and promote the realisation of "people's right to social protection" through widespread communication and information on social protection for disadvantaged and vulnerable groups; develop a suitable mechanism to facilitate registration for social protection in times of hardship; develop a mechanism for feedback on the implementation of social protection policies.

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