RURAL - URBAN POVERTY LINKAGES AND MIGRATION IN VIET NAM

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1. Introduction

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1. Introduction

- Since *Đoàn Mới* officially introduced in Vietnam in 1986, the country has been making significant achievements in socio-economic development and poverty alleviations.

- Attention has also been paid by the Party and the State to reduce poverty.

- With 70% of the population living in rural areas, poverty and disparities remain a great challenge.

- Disparities between rural and urban areas is on the rise, making poverty gaps more critical.
Remarkable progress

- Rising incomes, growing affluence and rapid reductions in poverty
- Poverty has fallen from 58% (1993) to 14.5% (2008) to under 10% (2010)
There remain considerable debates on rural-urban poverty issues. In one side, some suggest that it is necessary to focus on rural poverty and poverty remains a predominant problem (Molisa, 2011). On the other side, some claim that rural and urban poverty cannot be addressed separately (IOS, 2011, 2012).

To some extent, both sides are right. Actually, rural-urban poverty are closely linked, requiring a greater understanding about the poor's livelihood and their spatial mobility (migration).

Although rural-urban linkages have been recognized, a realization that these linkages exist has not made its way into the redefinition of poverty – which remain unlinked and even conflicting in Vietnam’s planning and policy.
2. Study Objectives

- The main objective of this paper is to find out the knowledge gaps and emerging issues regarding rural-urban poverty and migration.

- The paper sought to identify the linkages and integration of rural-urban poverty and its implications for social protection policies in Vietnam.

- Help develop a dialogue to ensure a better integration between national sectoral policies and local initiatives provided by rural-urban linkages.
3. RESULTS AND FINDINGS
THE URBAN POOR

- Small households with one or two members.
- Lower education and low skilled jobs are more associated with poor households.
- Recent migrants (without ho khau) are more likely to be poor.
- Much lower income and consumption than the non-poor (On average, income of the non-poor is ten fold that of the poor).
THE URBAN POOR (con’t)

- Lack of access to basic social services in urban areas (housing, water supplies, sanitation, employment)

- Vulnerability to poverty remains high (health shocks, employment shocks, high inflation)

- Insufficient access to information and administration
The migration of people, and its consequences for livelihoods, constitutes one of the major linkages between the rural and urban areas.

Other linkages include: rural-to-urban flows of goods and services, and visa versa; information on employment opportunities, land, property and financial flows including remittances and investment.
Rural-Urban Migration

- Rapid urbanisation, investment and labour market development.
- Most rural households have members working and living elsewhere.
- Migrants find work in the urban informal sector where incomes are lower than the formal sector but several times greater than traditional agriculture.
- Households allocate labour over dispersed locations to pool incomes, reduce poverty as well as accumulate remittances.
Migration Patterns

- With urbanization and changing employment patterns, migration and mobility are increasingly important.

- Temporary and circular migration become an increasingly common strategy to diversify rural household incomes.

- Holding lands in home places, maintain ties & connections

- Hard work, high savings, low consumption and reducing demand to support family and relatives.
Around one-third of rural migrants are women, who tend to be younger than their male counterparts.

Women migrate to work in urban centers as domestic helpers, street vendors, small business

Aspiration of young women migrants to get married and change life.
Migration and Poverty Reduction

- Migration is an essential component of rural livelihoods
- A cash injection into local economies
- Higher income, lower poverty, non-farming diversifications
- Lift rural households out of poverty, promoting rural development
What if there were no opportunity to migrate?

- Farmers would be dependent on low productivity agriculture
- Growing impoverished population with no diversification opportunities → increasing poverty
- Laborers routinely sell (labor) cheaply and buy services expensively and remain poor
- Limited upward mobility → social unrest and turmoils
Lack of Services and Social Protection

- Overcrowded and polluted living environment, often in a dormitory or poorly-conditioned houses
- Inequity in access to tap water and sanitation: low investment, poor management, poor infrastructure, higher price of electricity.
- Women more vulnerable to exploitation and health risks, poor working and living conditions
- Potential urban poor in destinations
**Constraints and Barriers**

- Current laws and policies focus on international labour export and economic growth, but not on internal migration.

- Certain policy constrains livelihood of urban poor such as ban of street vendors.

- Lack of policy understanding on the contribution of internal migration to poverty reduction, both at macro and micro levels.

- Despite high costs increasing rural-to-urban migration.
4. SUMMARY

- RUPL is an integral part of poverty reduction strategy
- Poverty is dynamic and complex in geographic locations
- Rural poor: needs to secure land, non-farming jobs and urban/export markets
- Urban poor: needs for safe water, sanitation, jobs, income and shelter security
- Rural-urban migration seen more as a problem to be addressed rather than a contribution to development
Gaps in Rural-Urban Linkages

- Inadequate approach on policy development in rural-urban linkages
- Projects/programs either rural or urban poverty orientation, rarely combining two aspects.
- Poverty is a high priority in current policies and programs, but the poor is considered a problem not a part of solution.
- Need to look at poverty in different dimensions rather than low income or food expenditure.
Migration Gaps

- Migration as RUL is not well perceived. Strategies and policies are currently migration-blind.

- Greater efforts should be made to ensure that national strategy for poverty reduction include migration factor and address the needs of migrant poor.

- The current system of migration is not cheap and unsafe which makes it high costs and risk to migrate, especially for the poor. Lower the costs of migration by effective support, remove barriers and social protection.
The needs to move to

✓ a more comprehensive livelihoods approach, recognizing multi-locational livelihoods

✓ recognition of the rural-urban linkages in local and national development

✓ the importance of migration in poverty reduction → social support and social protection
Let’s discuss and share thoughts

THANK YOU