



# RURAL - URBAN POVERTY LINKAGES AND MIGRATION IN VIET NAM

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# Presentation Outline

**1. Introduction**

**2. Study Objectives**

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**4. Gaps and Policy Implications**

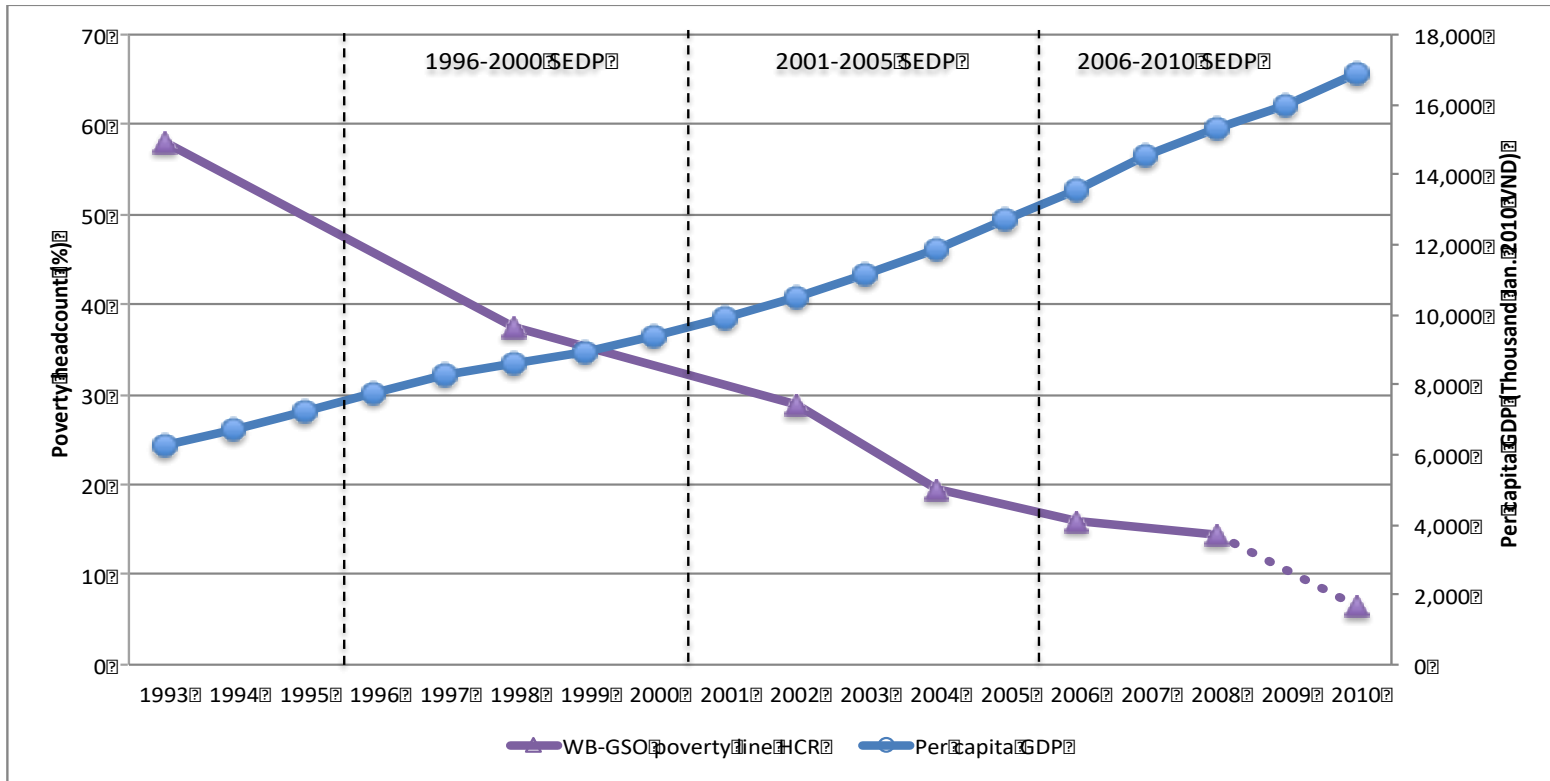


# 1. Introduction

- Since *Doi Moi* 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)





## Introduction (cont')

- There remain considerable debates on rural-urban poverty issues. In one side, some suggests that it is necessary to focus on rural poverty and poverty remains a predominant problem (Molisa, 2011). On the other side, some claims 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



# Migration and Rural-urban linkages

- 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.



# Gender, Migration and Poverty

- 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 (labour) 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



# Policy Approaches

## 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**