

POLICY BRIEF

**ACCESS TO SOCIAL PROTECTION
OF MIGRANT WORKERS**



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INTRODUCTION

ActionAid Vietnam (AAV) report on Access to Social Protection of Migrant Workers in Selected Urban Areas (2012) highlights the need to improve current Social Protection (SP) policies so that migrant workers in urban areas have their fundamental rights fulfilled.

Developed mainly on extensive secondary literature review and usage of survey results in Hai Phong (LRP 11- Duong Kinh District) and Ho Chi Minh City (LRP 5 - Go Vap District), the report has covered major themes of social protection services for migrant workers:

- (i) Portability of SP services from rural to urban;
- (ii) Health Insurance (HI) coverage among migrant workers;
- (iii) Challenges in providing education for migrant workers' children;
- (iv) Trends of migration;
- (v) Capacity of migrant workers.

This Policy brief presents key findings from the research on Social Protection of Migrant Workers, and makes policy recommendations to ensure the fundamental rights of migrant workers.

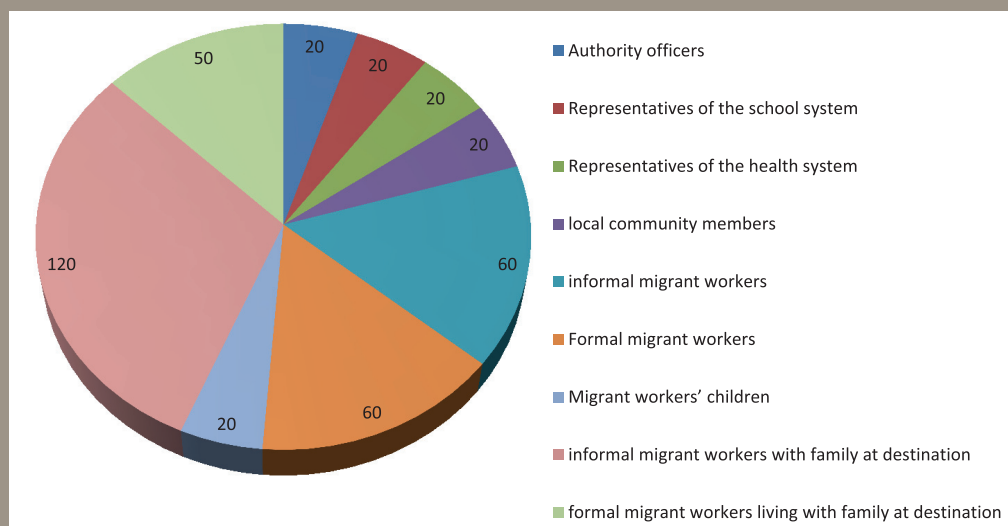
Social Protection schemes mentioned in this report only cover the services provided in governments - local or national level. Migrants are the people who moved to the cities (no matter how long ago) from rural areas and have not been granted a permanent resident registration (*Hokhau*), which allows them to be equal to other citizens of the location in terms of access to social protection services for themselves and their children.

METHODOLOGIES

The research applied a rights-based approach assuring that the legitimate rights and benefits for migrant workers are interrelated and indivisible. Participatory methods, both *quantitative* and *qualitative*, were used; qualitative information was gained during the field work to gather in-depth understanding of migrant workers' behavior and the reasons that govern such behavior. On the other hand, quantitative data was collected in order to have evidence on the prevalence of difficulties and challenges among the migrant population.

The data collection tools applied in this include: desk review, in-depth interview, household interview and focused group discussion.

Fig. 1 NO. of respondents



Source: AAV Access to Social Protection of Migrant Workers report

1. Portability of SP services

In both Hai Phong and Hoch Minh city, it is alarming that a substantive number of migrant workers do not have access to social protection services. In Duong Kinh, 75% of formal and 63.3% of informal migrant workers and in Go Vap 88% of formal and 90% of informal migrant workers claimed non-portability of SP services.

These extraordinarily high ratios are mainly amongst the groups of migrant people who are poor, generally young, unemployed or underemployed in informal agricultural employment. An exception in portability of medical services from rural to urban marks the free HI card for children under six years old. Almost all migrants who came to the cities with small children under six years old already having free HI cards from their rural hometown reported that they could still access health care services.

Why is it so? Through interviews and data collected, it is not that city authorities automatically accepted the HI cards granted by local authorities of the origins; rather it is mainly because the SP

1. In the Vietnamese context informal worker popularly means that this person could work in a household business or in so-called street business as a street vendor, motorbike taxi driver, housemaid, masseuse, street hairdresser, etc. The same understanding is applied in this research and report.

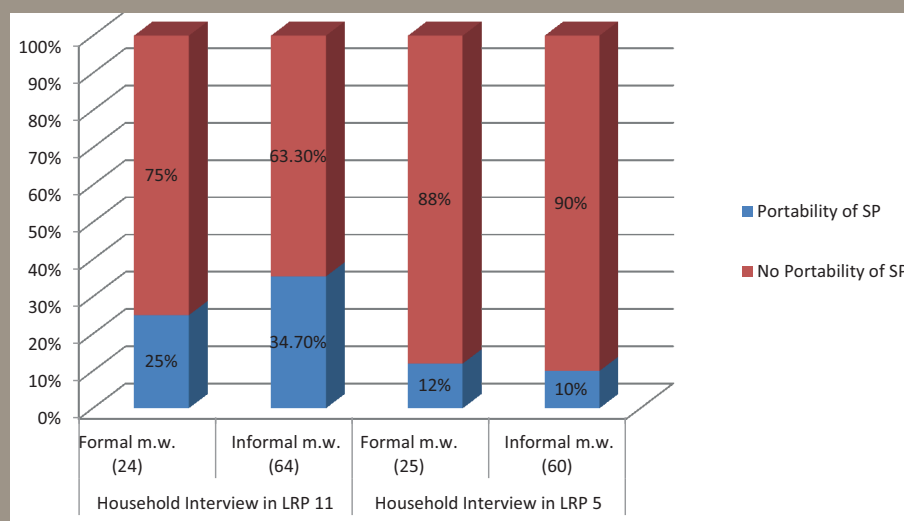
programme for children under six is universally covered. At the same time, local authorities at destination (cities) have been highly active in ensuring that all children under six get the cards, as well as parents who are already aware of their rights and usually actively ask for the cards if not being granted.

2. SP schemes regarding health care and insurance

HI coverage is much higher among formal migrant workers in comparison with informal migrant workers. This is attributed to the requirements by the Labour Law that formal employers have to follow. Usually, migrant workers in the formal sector get access to health care insurance (HI) as part of the labour contract. Though contracts have tremendous importance on insurance coverage, they are non-existent in the informal sector while prevalent in the formal sector. Migrants with contracts are covered much better by insurances. Therefore migrants employed in this sector are covered much better with HI than migrant workers employed in the informal sector. In Duong Kinh 80% and in Go Vap 84% of formal migrant workers are covered by HI, while only 46.9% and 9.4% of informal migrant workers are covered by this scheme respectively.

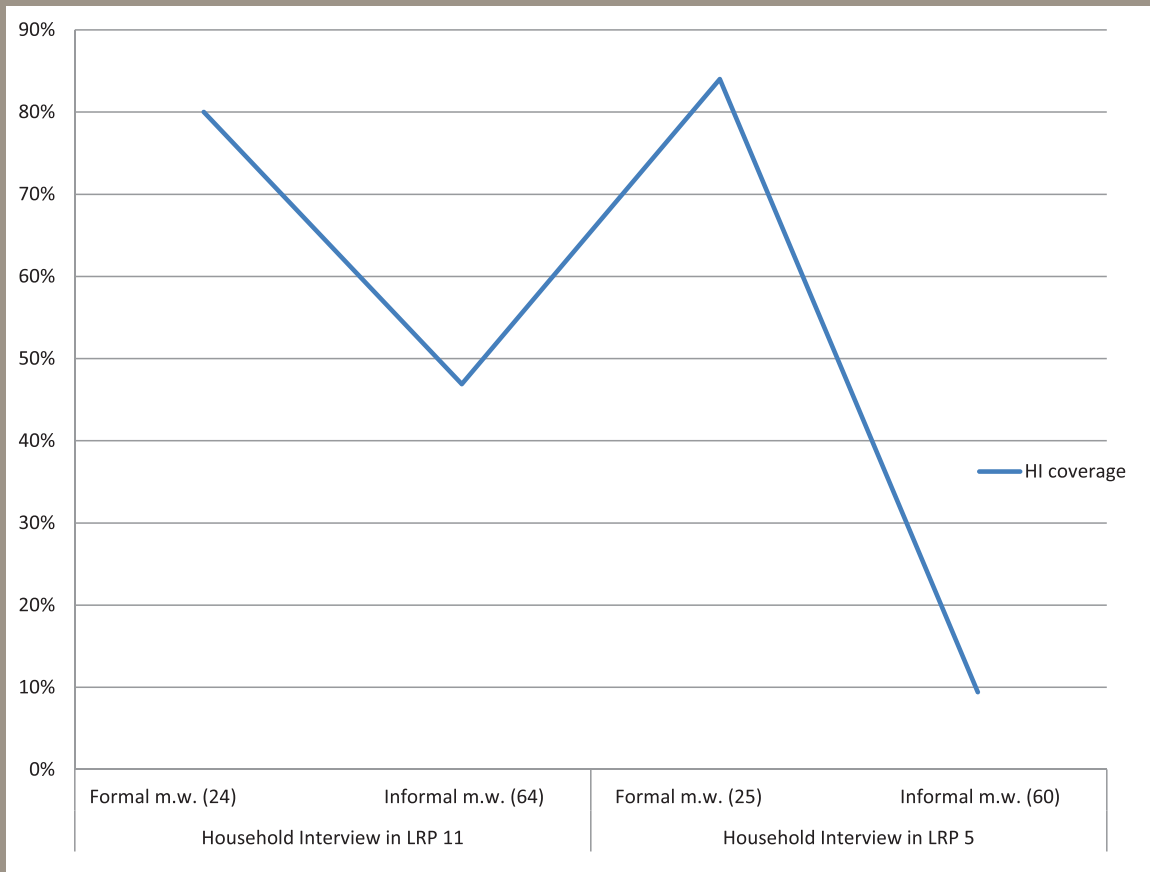
The considerably large difference in HI coverage between formal and informal migrant workers is not surprising because of the general

Fig. 2: Portability of SP services from rural to urban



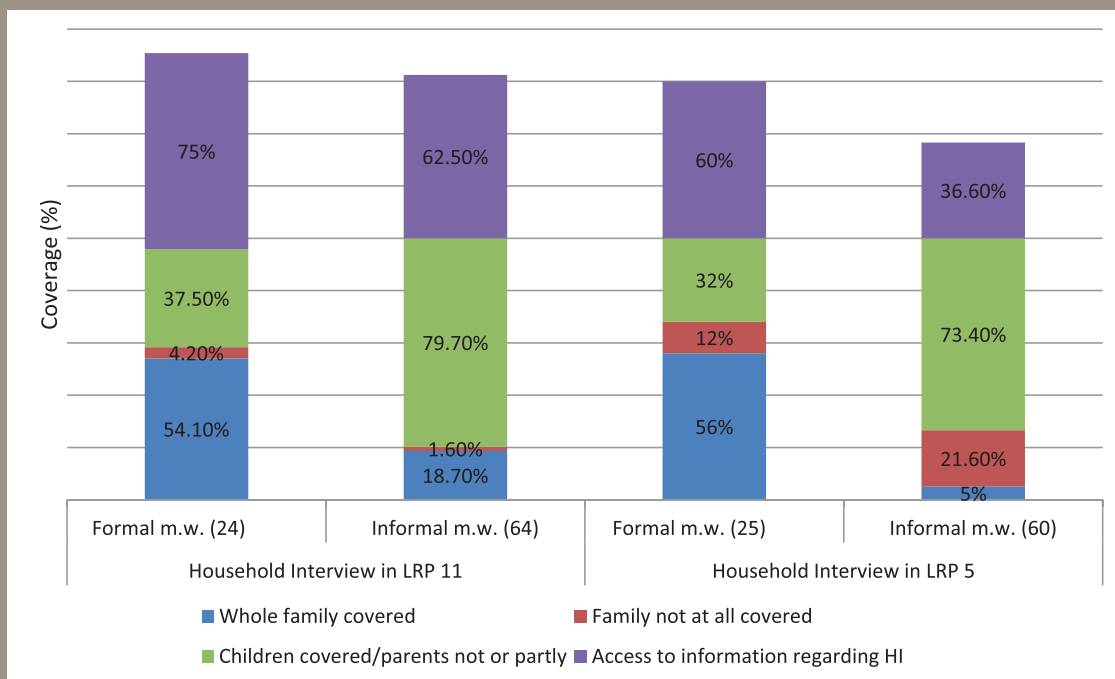
Source: AAV Access to Social Protection of Migrant Workers report

Fig. 3 HI among formal & informal migrant workers



Source: AAV Access to Social Protection of Migrant Workers report

Fig. 4: Family coverage with HI / Access to information regarding HI



Source: AAV Access to Social Protection of Migrant Workers report

provision in the SP scheme which requires signing a contract in the formal sector. Informal migrant workers are much less covered by HI because employers rarely offer those contracts and therefore have to decide whether to buy HI cards *voluntarily* or not. Most of the informal migrant workers decide against it due to non-*affordability*. Beyond that, migrants often complain about the quality of the existing scheme such as low standard of health care and poor information.

2.1 HI coverage among households

Family HI coverage in both cities is much better in formal migrant workers’ households than in informal migrant workers’ households. The higher coverage among formal migrant workers’ families can be attributed to higher education, higher awareness and stable family income in comparison with informal migrant workers’ households.

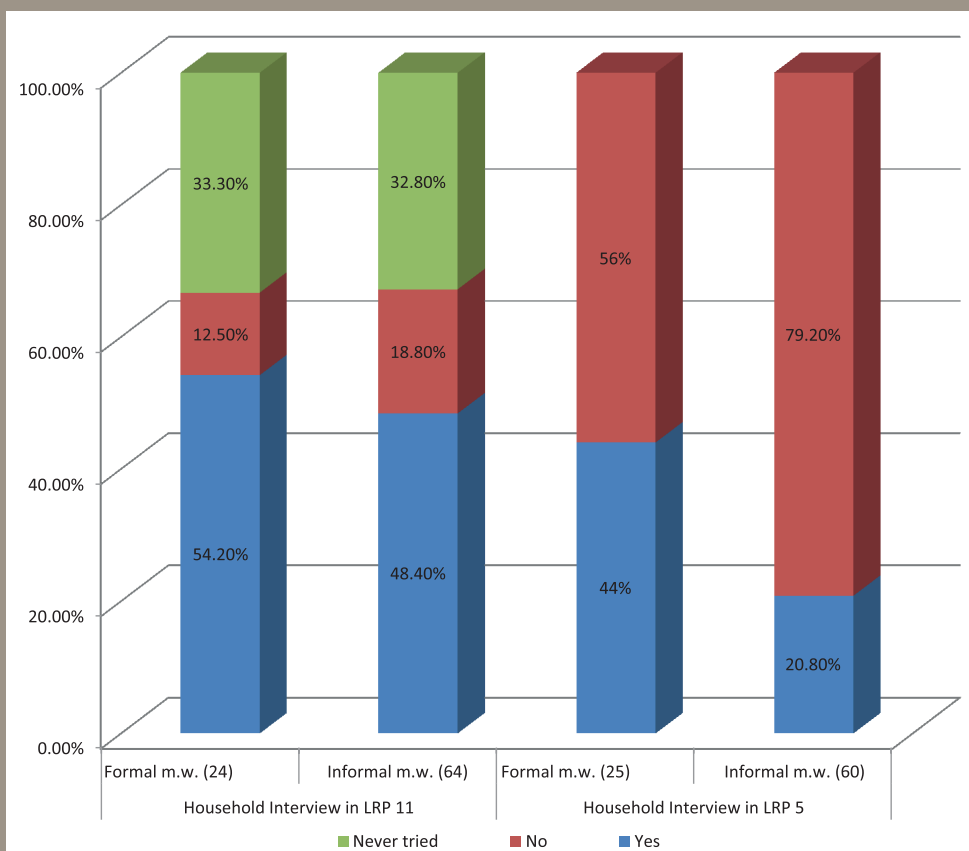
Poverty and financial shortcomings have distinctive consequences on HI coverage among

migrants and their families, clearly showing that HI coverage isn’t a priority for poor migrant workers. Though they do not face many problems related to free health care for children less than six years, they encounter difficulties in accessing hospitals. Moreover, although HI cards for such children are provided free, it does not cover all the costs. At the assigned hospitals, normally 80% of costs are covered while in a different hospital but in the same city, only 70% of the costs are covered (Hai Phong).

2.2 Access to public hospitals

There are great differences between the destinations in access to public hospitals. In Duong Kinh, 12.5% of formal migrant workers and 18.8% of informal migrant workers faced problems in getting access to public hospital, while in Go Vap the ratios were considerably higher, 56% and 79.2% respectively. The limited access to public hospitals is due to high medical fees, bribery (generally there are three kinds of informal

Fig. 5: Business to have access to public hospital



Source: AAV Access to Social Protection of Migrant Workers report

payments existing: in-kind payments, cash and “opportunities”⁽¹⁾, complex procedures including a lot of paperwork, non possession of HI cards, problems related to household registration system, overfill and long waiting time among others.

Even though general government expenditure on health as a percentage of total government expenditure has steadily increased over recent years, from 5.2% in 2005 to 9.1% in 2010⁽²⁾, in order to address the challenges above, the health sector needs higher budget allocation and more space for people monitoring of such spending, as well as action against corruption in hospitals/health sector.

2.3 Health behavior of migrant workers

Migrant workers in the formal sector care more about their health status or at least have better chances to check their health regularly through health checks. This can be attributed to the fact that majority of them have an *annual health* check at their companies while those in the informal sector have to organize their health checks privately. In

Duong Kinh and Go Vap, 95.8% and 60% of formal migrants respectively have annual health checks, while the ratio of informal migrants is extremely low.

Lack of financial resources and time are primarily responsible for the low rates of regular health check among informal migrant workers.

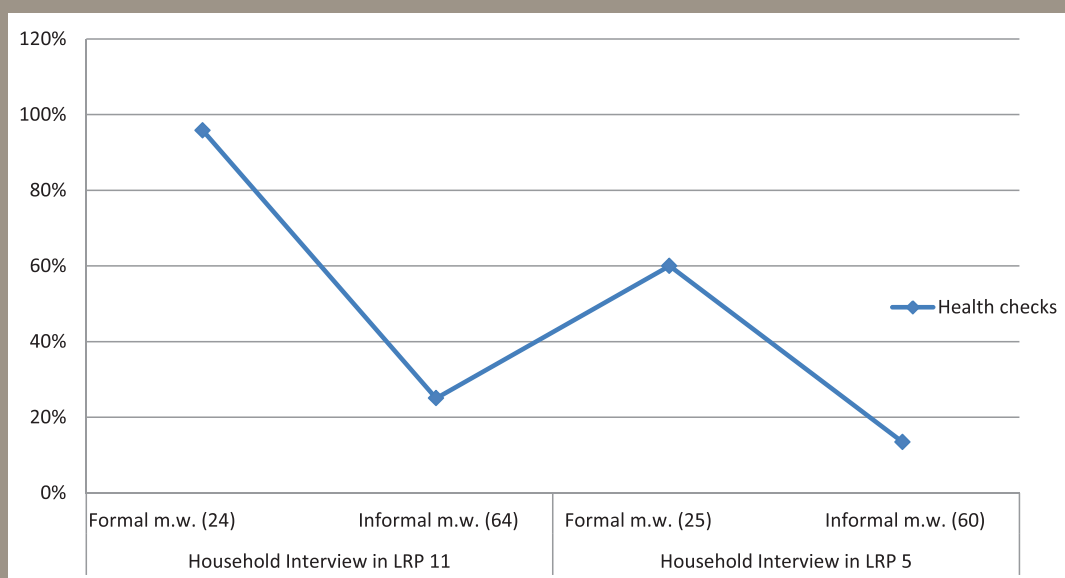
Financial shortcomings have also led to preference of self-medication. When migrant workers get sick, usually they first go to the pharmacy in order to get advice and self-medicate, instead of going to the hospital or doctor to get professional advice. This is also attributed to the fact that they assess the costs of going to hospital as too expensive and the whole procedure is too time intensive. In the long run, pharmacists become loath doctors, and antibiotic medicines have been used extensively without prescription, which is likely to lead to higher costs for the government especially when taking care of diseases later.

3. SP scheme regarding education

Education and investment in human capital is always regarded as one of the most important factors for economic development in any country, in particular in developing countries such as Vietnam. At a macro level, education allows individuals to gain

1. Cf. Transparency International: Towards a transparent and quality healthcare system, Hanoi 2011, p. 23.
2. Cf. Ministry of Health, National Health Account, 2011.

Fig. 6: Annual health checks of formal & informal migrant workers



Source: AAV Access to Social Protection of Migrant Workers report

better skills and knowledge that improve economic growth. At a micro level, for many families, investment in human capital is regarded as the principal route out of poverty. Traditionally, Vietnamese people value education as extraordinary high and thus households tend to spend a significant amount of their resources on their children's education.

However, many migrant workers face multi-faceted problems and challenges in providing education for their children, whether it is with respect to achieving access to schools (in particular public schools, high enrollment fees etc.) or to SP schemes focusing on education. Worthy to note though is that the education situation for migrant workers' children highly depends on the destination; there are almost no similarities between locations.

While providing education for migrant workers' children in Go Vap is a big challenge, it is relatively easy for migrants to provide education for their children in Duong Kinh, even on public schools because in Dương Kinh, private schools aren't existing and there is only one main public school with some sub-schools, which do not face the challenge of overcrowded classes.

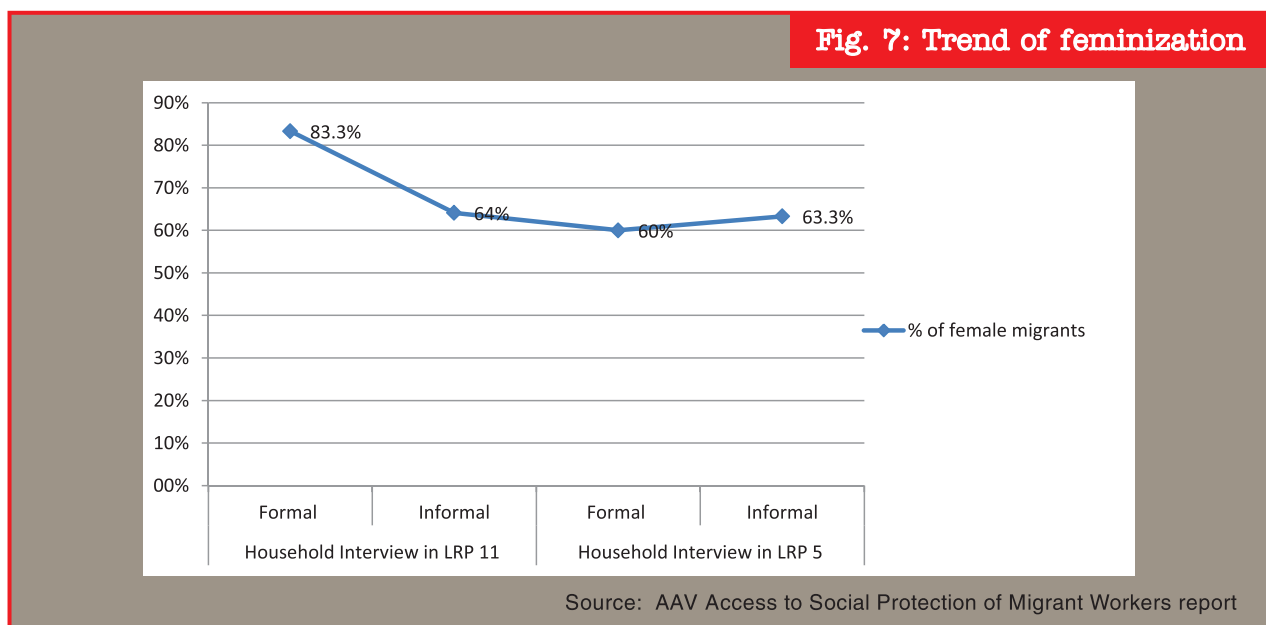
Education support in form of subsidies/exemption of school fees or subsidies for textbooks for migrant workers' children remains elusive. In Duong Kinh, not a single formal migrant worker

household got support for their children's education and only 2.2% of informal migrant workers achieved access to SP schemes, namely subsidies for textbooks. In Go Vap, 6.3% of formal and 14.3% of informal migrant workers got support for their children's education. These extraordinary low ratios reveal that at destination, migrant workers find it almost impossible to be in favor of SP policies with respect to education. Consequently migrant worker households without permanent registration status (*Ho khau*) have to encounter all the problems on their own and because they cannot rely on state support policies. In general, it is slightly easier for formal migrant workers to provide school education for their children than for migrants employed in the informal sector because of their better and more stable financial background and higher registration status (more likely KT 3).

4. Trends of migrant workers

4.1 Trend of feminization

The number of female migrant workers exceeds the number of male migrant workers whether employed in the formal or informal sector. This is mainly attributed to the great job opportunities for women in urban areas and industrial zones, where export-oriented branches such as garment, textile, footwear, food processing etc. are most



available. Since they often face underemployment or unemployment at origin, women make the decision to migrate to urban areas.

4.2. Migration vs. age

Migration generally comprehends young population groups. However, there is a big difference between the two sectors. Migrants engaged in the informal sector are on average considerably older than those in the formal sector. This can be attributed to one main observation during field work in both destinations: In Go Vap, it was discovered that migrant workers were generally much older and settled down at destination since years or even decades. While in Duong Kinh, migrant workers were younger and did not live there for such long time and often do not have the purpose to stay at destination permanent.

4.3. Trend of bringing children along to destination

There is increasing trend of bringing children along to destination. Almost all ratios vary between 80% to more than 90% in both destinations from both groups of migrant workers.

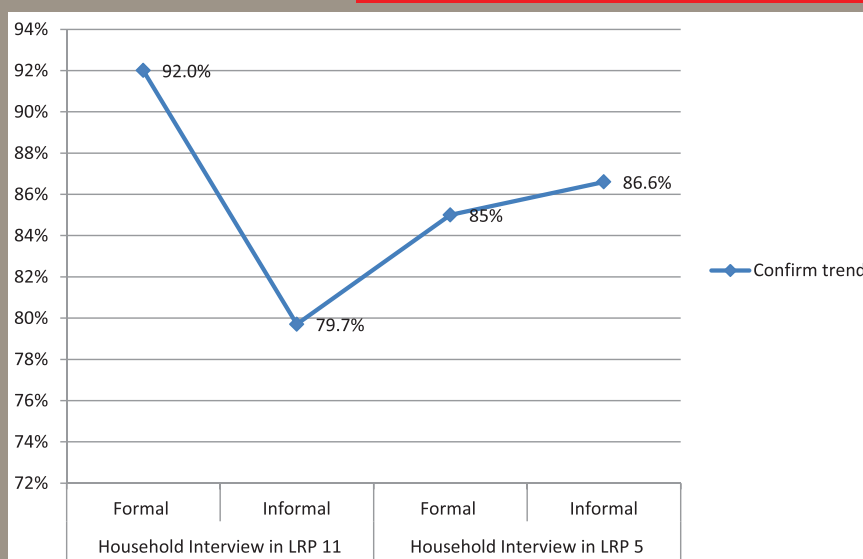
However, there is a distinction between Ho Chi Minh city and Hai Phong. The trend is more prevalent in the south's metropolis where migrant

workers bring their children along more frequently to destination because they usually settle down permanently. Migrants in Go Vap come from all parts of Vietnam including far away provinces and thus do not have those close connections to their hometowns anymore as many migrants in Hai Phong do. Many migrant workers choose to bring along children due to high hopes of accessing better education- in their eyes the precondition to escape poverty in the future. Informal migrant workers tend to take their children along to destination more frequently in comparison to formal migrant workers, because their occupation generally provides better possibilities for care unlike formal migrant workers who have to travel to their working place and face fixed working schedules.

In both localities, migrant workers' children feel comfortable and do not face real difficulties. For a great majority, migration implies more convenient life. In particular they value better school environment, more entertainment opportunities and the possibility of having more friends.

At the moment, all Vietnam policies on SP have ignored the aspect of feminization and its crucial relationship with children's education and link with poverty reduction.

Fig. 8: Children brought along to destination



Source: AAV Access to Social Protection of Migrant Workers report

5. Capacity of migrant workers

5.1. Level of education among migrant workers

Formal migrant workers in general had better and higher education than informal migrant workers.

Migrants, who hold a university degree, prefer to migrate to Ho Chi Minh city, an economic hub in the Southern region. Being an economic hub, the city offers a better job market with higher salaries as opposed to Hai Phong.

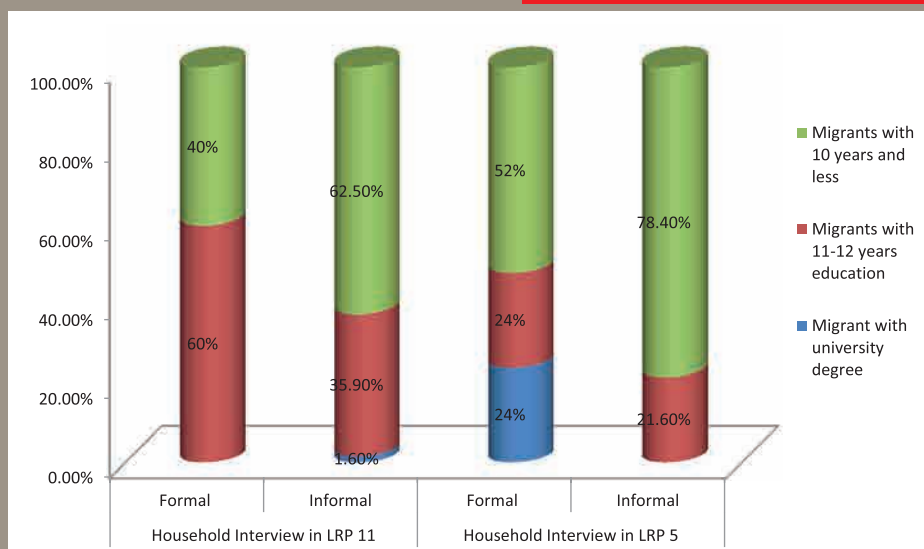
5.2. Household registration status awareness

Household registration status awareness highly differs between both destinations. Majority of informal migrant workers tend to have only KT 4⁽¹⁾ status and therefore are most vulnerable.

Some migrant workers generally do not migrate with a purpose to settle down at

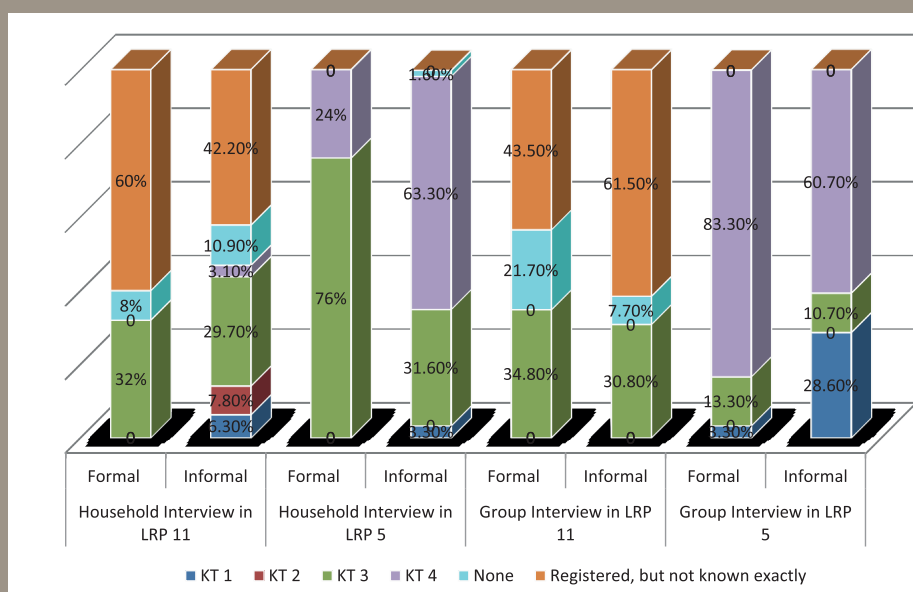
1. Differ from the persons having permanent household registration status (KT1, KT2), migrants have KT3, KT4.

Fig. 9: Education level of migrants



Source: AAV Access to Social Protection of Migrant Workers report

Fig 10: Household Registration status



Source: AAV Access to Social Protection of Migrant Wo1rkers report

destination permanently and overall maintain closer connections to their hometowns during migration. That's why they might not care too much about their status. Others are generally older and therefore probably more aware of the importance of this status and their rights.

5.3. Knowledge about SP schemes among migrants

Due to hard working schedules and challenges in daily life, knowledge about existing SP programs is limited among migrant workers. The lack of time often prevents them from increasing their knowledge about SP programs; their everyday struggle simply doesn't allow them to gather more information or increase their understanding of SP schemes yet even a little understanding of SP policies could be of great importance for them.

In many cases, there is also a lack of education and interest to deal with government policies.

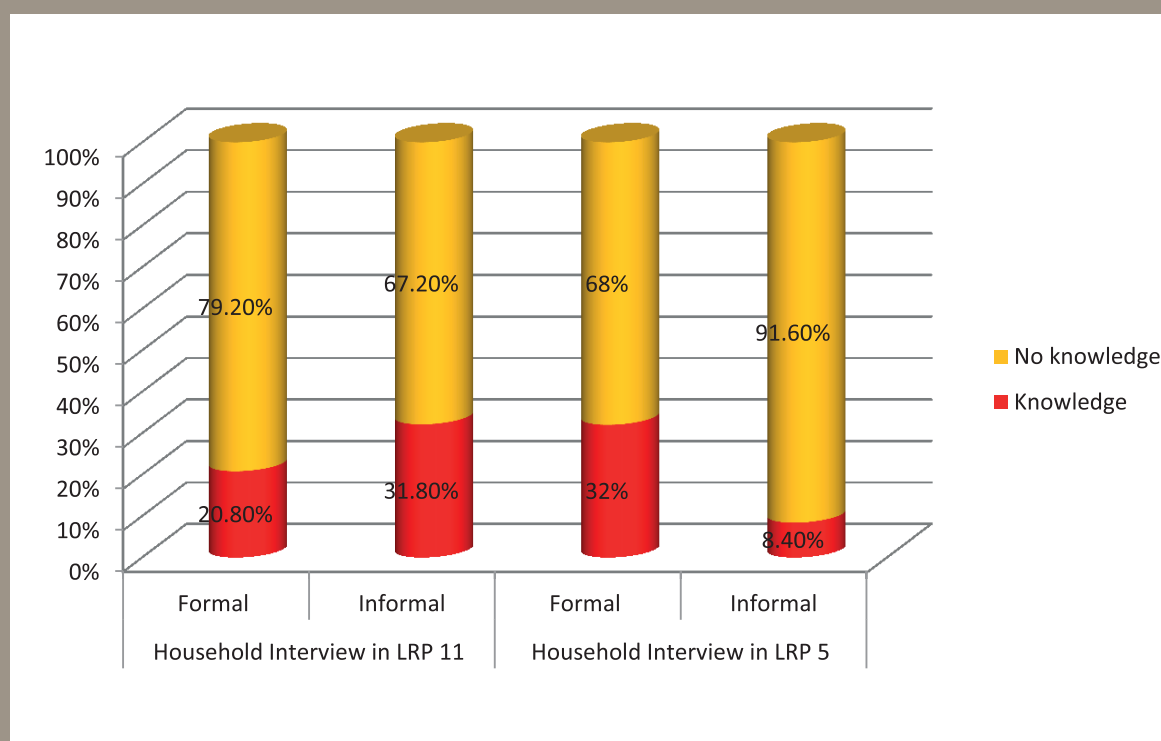
5.4. Possibilities for informal migrant workers to improve their knowledge and skills

The possibility to receive vocational training is very minimal for migrant workers employed in

the informal sector, whether in Duong Kinh (12.5%) or in Go Vap (10%). The percentages of migrant workers employed in the formal sector having these possibilities are much higher, 41.7% and 60% respectively.

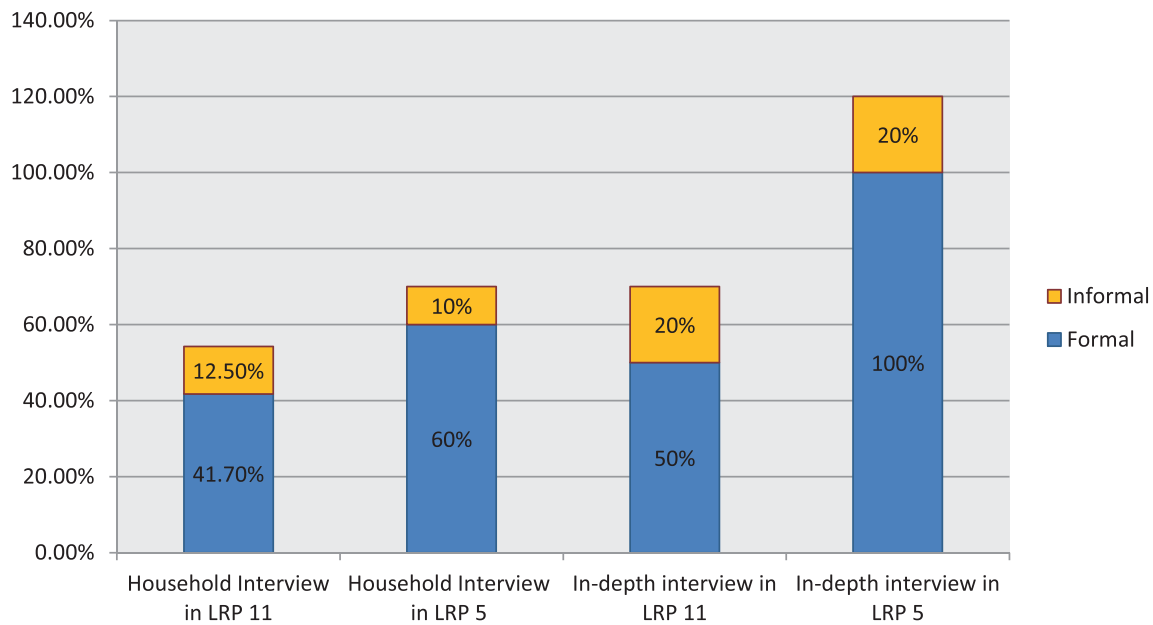
The conclusion therefore is that formal migrant workers generally have better possibilities to upgrade their skills and knowledge and higher chances in the future regarding stable jobs, higher salaries and social rise.

Fig 11: Knowledge of existing SP programs related to health



Source: AAV Access to Social Protection of Migrant Workers report

Fig. 12: Access to job training, information regarding training & possibility of receiving vocational training



Source: AAV Access to Social Protection of Migrant Workers report

CONCLUSION

An indicative review of the SP demonstrates considerable gaps with respect to migrant workers. Although various components of the social protection scheme are more poverty-targeted, evidence does not suggest a strong beneficial impact on the lives of migrant workers and their children.

Informal workers constitute a big portion of Vietnam's workforce and contribute significantly to the development of the country. However, their fundamental rights to health care and vocational training, as well as health care and education for their children have not been seriously attended to.

Policy recommendations:

(i) Rural-urban migration should be regarded as natural aspect of development process. Limiting migration via administrative measures won't reduce migration but instead increase vulnerabilities. The current way of managing access to social protection

for citizens through Ho khau is not effective. If the household registration system shall survive, authorities in cities affected by a high influx of migrants should allocate a budget which supports poor migrants for instance with subsidized HI cards or support in education.

(ii) Vietnam should start piloting and implementing the universal social protection policies not targeted at present. Small amounts of funding required for social protection policies will save higher expenditures later for the people and the governments, if people can save their expenses and time on health care and education thus putting resources in the economy.

(iii) Feminization of the workforce and of migration should be seriously considered in all policy formulation processes. Health care and (vocational) training for women migrant workers should be included in the SP schemes for all employers. If such women migrant workers have children of schooling age, they need to get help from employers

and governments in ensuring that their children get access to free, equal and quality education at the destinations.

- (iv) In order to achieve universal HI coverage by 2014, access to health insurance and education for all should be easier, faster and more flexible. Specifically, targeted investments are needed in identified localities, especially those districts of fast-growing cities with a high influx of migrants. Employers with a high proportion (more than 30%) of workers, who are migrants, should be encouraged or supported with tax incentives if they provide additional health care benefits to their employees.
- (v) There should be increased inspection and supervision of the implementation of Labor Law among employers to ensure that all workers have access to health care insurance.
- (vi) Facilities and centers where migrant workers easily get access to useful information at origin and destinations should be created. In case migrants decide to work in the informal sector, there should be policies to support and promote the formalization of access to health care and education services for them.
- (vii) It is crucial for people to know their rights, and participate in monitoring social protection policies. This requires participation of all stakeholders; including government and private sector, donors and social organizations, academia as well as media. This will ensure effective utilization of available social protection schemes.

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